MOVE INC
Form S-8 POS
November 21, 2014

Registration Nos. 333-190329, 333-175285, 333-160632, 333-157781, 333-149533, 333-141115,

333-132398, 333-123299, 333-113662, 333-89172, 333-89170, 333-72192, 333-58510,

333-55828, 333-54886, 333-48582, 333-46252, and 333-84545

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Post-Effective Amendment No. 1 to Form S 8 Registration Statement No. 333-190329

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Post-Effective Amendment No. 1 to Form S 8 Registration Statement No. 333-89172

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Post-Effective Amendment No. 1 to Form S 8 Registration Statement No. 333-84545

UNDER

THE SECURITIES ACT OF 1933

MOVE, INC.

(Exact name of registrant as specified in its charter)

Delaware	**95-4438337**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

10 Almaden Boulevard, Suite 800

San Jose, California 95113

(Address of principal executive offices, including zip code)

homestore.com 1999 Employee Stock Purchase Plan

homestore.com 1999 Equity Incentive Plan

NetSelect 1999 Stock Incentive Plan

SpringStreet 1997 Stock Incentive Plan

NetSelect 1996 Stock Incentive Plan

homestore.com, Inc. 1999 Employee Stock Purchase Plan

homestore.com, Inc. 1999 Equity Incentive Plan

The Hessel Group, Inc. 2000 Stock Option Plan

Options Granted Under the Hessel Group, Inc. 2000 Stock Option Plan and Assumed by Homestore.com, Inc.

Move.com, Inc. 2000 Stock Incentive Plan

Assumed options under the Cendant Corporation Move.com Group 1999 Stock Option Plan as assumed by Cendant Corporation from Move.com, Inc. and amended and restated effective as of March 21, 2000

1997 Stock Incentive Plan of Cendant Corporation as amended and restated through October 14, 1998

HomeWrite Incorporated 2000 Equity Incentive Plan

iPlace, Inc. 2001 Equity Incentive Plan

iPlace 2000 Stock Option Plan

ConsumerInfo.com, Inc. 1999 Stock Option Plan

eNeighborhoods, Inc. 1998 Stock Option Plan

Qspace, Inc. 1999 Stock Option Plan

Homestore.com, Inc. 2002 Stock Incentive Plan

1999 Employee Stock Purchase Plan

1999 Stock Incentive Plan

Stock Options, Restricted Stock and Restricted Stock Units Granted as Employment Inducement Awards Outside of a Plan

Move, Inc. 2011 Incentive Plan

(Full titles of the plans)

Michael L. Bunder, Esq.

Senior Vice President, Assistant Secretary

Move, Inc.

c/o News Corporation

1211 Avenue of the Americas

New York, NY 10036

United States

212-416-3400

(Name, address, including zip code, and telephone number, including area code, of agent for service)

with copies to:

Howard L. Ellin, Esq.

Brandon Van Dyke, Esq.

Skadden, Arps, Slate, Meagher & Flom LLP

4 Times Square

New York, NY 10036

(212) 735-3000

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	¨	Accelerated filer	x
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	Smaller reporting company	¨

EXPLANATORY NOTE

DEREGISTRATION OF SECURITIES

These post-effective amendments (the Post-Effective Amendments), filed by Move, Inc., a Delaware corporation (the Company), remove from registration all shares of common stock, par value $0.001 per share, of the Company (the Shares) registered under the following Registration Statements on Form S-8 filed by the Company (the Registration Statements) with the U.S. Securities and Exchange Commission (the SEC), pertaining to the registration of the Shares offered under certain employee benefit and equity plans and agreements.

Registration No.	**Date Filed with the SEC**	**Name of Equity Plan(s) or Agreement(s)**	**Shares**
333-84545	August 5, 1999	homestore.com 1999 Employee Stock Purchase Plan, homestore.com 1999 Equity Incentive Plan, NetSelect 1999 Stock Incentive Plan, SpringStreet 1997 Stock Incentive Plan, and NetSelect 1996 Stock Incentive Plan	13,655,265
333-46252	September 20, 2000	Homestore.com, Inc. 1999 Employee Stock Purchase Plan and Homestore.com, Inc. 1999 Stock Incentive Plan	3,509,458
333-48582	October 25, 2000	The Hessel Group, Inc. 2000 Stock Option Plan and Options Granted Under the Hessel Group, Inc. 2000 Stock Option Plan and Assumed by Homestore.com, Inc.	400,000
333-54886	February 2, 2001	Homestore.com, Inc. 1999 Employee Stock Purchase Plan and Homestore.com, Inc. 1999 Stock Incentive Plan	4,138,058
333-55828	February 16, 2001	Move.com, Inc. 2000 Stock Incentive Plan, Assumed options under the Cendant Corporation Move.com Group 1999 Stock Option Plan as assumed by Cendant Corporation from Move.com, Inc. and amended and restated effective as of March 21, 2000, and the 1997 Stock Incentive Plan of Cendant Corporation as amended and restated through October 14, 1998	4,913,997
333-58510	April 6, 2001	HomeWrite Incorporated 2000 Equity Incentive Plan	500,000
333-72192	October 25, 2001	iPlace, Inc. 2001 Equity Incentive Plan, iPlace 2000 Stock Option Plan, ConsumerInfo.com, Inc. 1999 Stock Option Plan, eNeighborhoods, Inc. 1998 Stock Option Plan, and Qspace, Inc. 1999 Stock Option Plan	1,472,175
333-89172	May 24, 2002	Homestore.com, Inc. 1999 Employee Stock Purchase Plan and Homestore.com, Inc. 1999 Stock Incentive Plan	5,875,341
333-89170	May 24, 2002	Homestore.com, Inc. 2002 Stock Incentive Plan	15,000,000
333-113662	March 16, 2004	1999 Employee Stock Purchase Plan and 1999 Stock Incentive Plan	11,965,938
333-123299	March 14, 2005	1999 Stock Incentive Plan	6,608,957

333-132398	March 14, 2006	1999 Stock Incentive Plan	6,713,966
333-141115	March 7, 2007	1999 Stock Incentive Plan	6,937,250
333-149533	March 4, 2008	1999 Stock Incentive Plan	6,813,010
333-157781	March 9, 2009	1999 Stock Incentive Plan	6,888,682
333-160632	July 17, 2009	Stock Options, Restricted Stock and Restricted Stock Units Granted as Employment Inducement Awards Outside of a Plan	2,625,000
333-175285	July 1, 2011	Move, Inc. 2011 Incentive Plan	29,579,090
333-190329	August 2, 2013	Move, Inc. 2011 Incentive Plan	2,100,000

On September 30, 2014, the Company entered into an Agreement and Plan of Merger with News Corporation, a Delaware corporation (Parent), and Magpie Merger Sub, Inc., a Delaware corporation and a wholly owned indirect subsidiary of Parent (Purchaser), providing for, among other things, the merger of Purchaser with and into the Company with the Company becoming an indirect wholly owned subsidiary of Parent (the Merger) pursuant to Section 251(h) of the General Corporation Law of the State of Delaware. The Merger became effective on November 14, 2014, pursuant to the Certificate of Merger that was filed with the Secretary of State of the State of Delaware.

In connection with the Merger, the Company is terminating all offerings of its securities pursuant to its existing registration statements under the Securities Act of 1933, as amended, including the Registration Statements. In accordance with an undertaking made by the Company in the Registration Statements to remove from registration, by means of a post-effective amendment, any securities which remain unsold at the termination of the offering, the Company hereby removes from registration all securities registered under the Registration Statements that remain unsold as of the date hereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused these Post-Effective Amendments to Registration Statements on Form S-8 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Jose, State of California, on November 20, 2014.

MOVE, INC.

(REGISTRANT)

By: /s/ Steven H. Berkowitz
Steven H. Berkowitz
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, these Post-Effective Amendments have been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Steven H. Berkowitz Steven H. Berkowitz	Chief Executive Officer	November 20, 2014
/s/ Rachel Glaser Rachel Glaser	Chief Financial Officer	November 20, 2014
/s/ Patricia Wehr Patricia Wehr	Senior Vice President & Chief Accounting Officer	November 20, 2014
/s/ Robert J. Thomson Robert J. Thomson	Director	November 20, 2014
/s/ Bedi A. Singh Bedi A. Singh	Director and Executive Vice President, Finance	November 20, 2014

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Table of Contents

Group Life, which includes Accidental Death and Dismemberment, cedes the excess over $750,000 of each coverage to a pool of reinsurers. Group Long Term Disability cedes substantially all of the risk including the claims servicing, to a TPA and reinsurer. Excess Medical Stop Loss has a reinsurance program in place that limits our exposure (after an overall $5 million aggregate deductible that we must meet before reinsurance coverage begins) to any one specific claim to $1.25 million and there is an aggregate stop loss unit that limits our exposure to $2.0 million over the Policyholders Aggregate Excess Retention. See Management s Discussion and Analysis of Financial Condition and Results of

Operations Quantitative and Qualitative Disclosures About Market Risk Risk Management . We also use an annually renewable reinsurance transaction which lowers required capital of the Employee Benefits segment.

Seasonality

We typically experience seasonality in our Employee Benefits segment results.

The first quarters tend to have the highest Group Life loss ratio. There are a number of factors that might contribute to this, such as delayed claims filings during the end of calendar year holiday season. Sales for Group Life and Stop Loss also tend to be the highest in the first quarter, as most of our contracts have January start dates in alignment with the start of the fiscal year of those clients.

The third quarters tend to have the second highest Group Life and Stop Loss sales, as a large number of our contracts have July start dates in alignment with the start of the fiscal year of those clients.

Closed Blocks

We separated our CBVA and Closed Block Institutional Spread Products segments from our other operations, placing them in run-off, and made a strategic decision to stop actively writing new retail variable annuity products with substantial guarantee features and to run-off the institutional spread products portfolio over time. Accordingly, these segments have been classified as closed blocks and are managed separately from our ongoing business.

Our Closed Blocks unit also includes Closed Block Other, which comprises various other lines of business that have been exited through reinsurance agreements or which have also been placed in run-off and separated from our other operations.

We continue to focus on the controlled run-off of our Closed Block segments and look for opportunities to accelerate this run-off, where possible.

CBVA

Our CBVA segment consists of retail variable annuity insurance policies with substantial guarantee features sold primarily from 2001 to early 2010, when the block entered run-off. These policies are long-term savings vehicles in which customers (policyholders) made deposits that are primarily maintained in separate accounts established by the Company and registered with the SEC as unit investment trusts. The deposits were invested, largely at the customer s direction, in a variety of U.S. and international equity, fixed income, real estate and other investment options.

Many of these policies include living benefit riders, including GMWBL, GMIB, GMAB and GMWB. All deferred variable annuity contracts included GMDB.

The recent financial crisis resulted in substantial market volatility, low interest rates and depressed equity market levels. Our variable annuity profitability declined markedly in 2009 and 2010 under these adverse market conditions, as customer account values fell below guaranteed levels and therefore our liabilities with respect to the underlying guarantees increased. Moreover, significant reduction in earnings from reduced mutual fund fees and increased hedging costs exacerbated the decline in profitability.

-227-

Table of Contents

We have taken numerous actions since the financial crisis to strengthen our balance sheet, increase transparency and improve the risk profile of the block, including the following:

- in 2009, we decided to cease sales of retail variable annuity products with substantial guarantee features. The products were fully closed to new sales in early 2010 and the management of the block shifted to run-off;

- in 2010, we also refined our CHO program to dynamically protect regulatory and rating agency capital levels in down equity market scenarios;

- in early 2011, we began hedging the interest rate risk of our GMWBL book of business; and

- in late 2011, we refined our policyholder behavior assumptions to more closely align with experience resulting in U.S. GAAP and gross U.S. statutory reserve increases of $741 million and $2,776 million in the fourth quarter of 2011, respectively.

U.S. GAAP accounting differs from the methods used to determine regulatory and rating agency capital measures. Therefore our hedge programs may create material earnings volatility for U.S. GAAP financial statements.

Our risk management program is focused on balancing key factors including regulatory reserves, rating agency capital, RBC, liquidity, earnings, and economic value. There is significant operational scale (approximately 455,000 variable policy holders and $45.7 billion in AUM in our CBVA segment as of December 31, 2013) which ensures ongoing hedging, financial reporting and information technology maintenance expense efficiencies.

The block continues to generate revenue from asset-based fees. On a U.S. GAAP basis, we continue to amortize capitalized acquisition costs over gross revenues and we incur operating costs and benefit expenses in support of the segment.

Our focus in managing our CBVA segment is on protecting regulatory and rating agency capital from equity market movements via hedging and judiciously looking for opportunities to accelerate the run-off of the block, where possible.

Nature of Liabilities

Substantially all of our CBVA segment products were issued by one of our operating subsidiaries, ING USA.

Each of our CBVA segment deferred variable annuity products include some combination of the following features which the customer elected when purchasing the product:

Guaranteed Minimum Death Benefits (GMDB).

- *Standard.* Guarantees that, upon the death of the individual specified in the policy, the death benefit will be no less than the premiums paid by the customer, adjusted for withdrawals.

- *Ratchet*. Guarantees that, upon the death of the individual specified in the policy, the death benefit will be no less than the greater of (1) Standard or (2) the maximum policy anniversary (or quarterly) value of the variable annuity, adjusted for withdrawals.

- *Rollup*. Guarantees that, upon the death of the individual specified in the policy, the death benefit will be no less than the aggregate premiums paid by the contract owner, with interest at the contractual rate per annum, adjusted for withdrawals. The Rollup may be subject to a maximum cap on the total benefit.

Table of Contents

Combo. Guarantees that, upon the death of the individual specified in the policy, the death benefit will be no less than the greater of (1) Ratchet or (2) Rollup.

Guaranteed Minimum Living Benefits

Guaranteed Minimum Income Benefit (GMIB). Guarantees a minimum income payout, exercisable only on a contract anniversary on or after a specified date, in most cases 10 years after purchase of the GMIB rider. The income payout is determined based on contractually established annuity factors multiplied by the benefit base. The benefit base equals the premium paid at the time of product issue and may increase over time based on a number of factors, including a rollup percentage (mainly 7% or 6% depending on the version of the benefit) and ratchet frequency subject to maximum caps which vary by product version (200%, 250% or 300% of initial premium).

Guaranteed Minimum Withdrawal Benefit and Guaranteed Minimum Withdrawal Benefit for Life (GMWB/GMWBL) Guarantees an annual withdrawal amount for a specified period of time (GMWB) or life (GMWBL) that is calculated as a percentage of the benefit base that equals premium paid at the time of product issue and may increase over time based on a number of factors, including a rollup percentage (mainly 7%, 6% or 0%, depending on versions of the benefit) and ratchet frequency (primarily annually or quarterly, depending on versions). The percentage used to determine the guaranteed annual withdrawal amount may vary by age at first withdrawal and depends on versions of the benefit. A joint life-time withdrawal benefit option was available to include coverage for spouses. Most versions of the withdrawal benefit included reset and/or step-up features that may increase the guaranteed withdrawal amount in certain conditions. Earlier versions of the withdrawal benefit guarantee that annual withdrawals of up to 7.0% of eligible premiums may be made until eligible premiums previously paid by the contract owner are returned, regardless of account value performance. Asset allocation requirements apply at all times where withdrawals are guaranteed for life.

Guaranteed Minimum Accumulation Benefit (GMAB). Guarantees that the account value will be at least 100% of the eligible premiums paid by the customer after 10 years, adjusted for withdrawals. We offered an alternative design that guaranteed the account value to be at least 200% of the eligible premiums paid by contract owners after 20 years.

Reserves for Future Policy Benefits

We establish and carry actuarially-determined reserves that are calculated to meet our future obligations. The principal assumptions used to establish liabilities for future policy benefits are based on our experience and periodically reviewed against industry standards. These assumptions include mortality, policy lapse, investment returns, inflation, benefit utilization and expenses. Changes in, or deviations from, the assumptions used can significantly affect our reserve levels and related future operations.

The determination of future policy benefit reserves is dependent on actuarial assumptions set by us in determining policyholder behavior, as described above.

Reserves for variable annuity GMDB and GMIB are determined by estimating the value of expected benefits in excess of the projected account balance and recognizing the excess ratably over the accumulation period based on total expected assessments. Expected assessments are based on a range of scenarios. The reserve for the GMIB guarantee incorporates an assumption for the percentage of the contracts that will annuitize. In general, we assume that GMIB annuitization rates will be higher for policies with more valuable (more in the money) guarantees. We periodically evaluate estimates used and adjust the additional liability balance, with a related charge or credit to benefit expense, if actual experience or other evidence suggests that earlier assumptions should be revised. Changes in reserves for GMDB and GMIB are reported in Policyholder benefits in the Consolidated Statements of Operations.

-229-

Table of Contents

Variable annuity GMAB, GMWB, and GMWBL are considered embedded derivatives, which are measured at estimated fair value separately from the host annuity contract, along with attributed fees collected or payments made, reported in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

At inception of the GMAB, GMWB, and GMWBL contracts, we project fees to be attributed to the embedded derivative portion of the guarantee equal to the present value of projected future guaranteed benefits. Any excess or deficient fee is attributed to the host contract and reported in Fee income in the Consolidated Statements of Operations.

The estimated fair value of the GMAB, GMWB, and GMWBL contracts is determined based on the present value of projected future guaranteed benefits, minus the present value of projected attributed fees. A risk neutral valuation methodology is used under which the cash flows from the guarantees are projected under multiple capital market scenarios using observable risk free rates. The projection of future guaranteed benefits and future attributed fees require the use of assumptions for capital markets (e.g. implied volatilities, correlation among indices, risk-free swap curve, etc.) and policyholder behavior (e.g. lapse, benefit utilization, mortality, etc.). The projection also includes adjustments for nonperformance risk and margins for non-capital market risks, or policyholder behavior assumptions. Risk margins are established to capture uncertainties related to policyholder behavior assumptions. The margin represents additional compensation a market participant would require in order to assume these risks.

The table below presents the policy count and account value by type of deferred variable annuity benefits.

($ in millions, unless otherwise specified)	As of December 31, 2013		
	Policy Count	Account Value[1]	
		$	%
Guaranteed Minimum Death Benefits:	443,386	$ 44,740	
Standard	193,888	20,676	46%
Ratchet	100,296	8,384	19%
Rollup	30,018	2,398	5%
Combo	119,184	13,282	30%
Guaranteed Living Benefits:	443,386	44,740	
GMIB	163,343	15,909	36%
GMWBL	123,276	16,537	37%
GMAB/GMWB	10,312	943	2%
No Living Benefit	146,455	11,351	25%

(1) Account value excludes $959 million of Payout, Policy Loan and Life Insurance business which is included in consolidated account values.

Capital Management Considerations

The focus of the management of the CBVA segment is on regulatory reserve and capital requirements. As of December 31, 2013 we held regulatory reserves, net of third-party reinsurance, of $3.3 billion supporting variable annuity guarantees, of which included $2.4 billion supporting living benefit guarantees.

Both market movements and changes in actuarial assumptions (including policyholder behavior and mortality) can result in significant changes to the regulatory reserve and rating agency capital requirements of this segment. The section below on Variable Annuity Hedge Program and Reinsurance describes the Variable Annuity CHO program, which is designed to mitigate the effect of adverse equity market movements on our regulatory capital and rating agency capital positions. Additionally, the section on CBVA Risks and Risk Management discusses the risk of adverse developments in policyholder behavior and its potential impact on the regulatory reserves and rating agency capital position.

Table of Contents

We believe that our hedge program combined with our statutory reserves related to the variable annuity block, provides adequate resources to fund a wide range of, but not all, possible market scenarios as well as a margin for adverse policyholder behavior.

NAR

The NAR for the GMDB, GMAB and GMWB benefits is equal to the guaranteed value of these benefits in excess of the account values in each case as of the date indicated. The NAR assumes utilization of benefits by all customers as of the date indicated.

The NAR for the GMIB and GMWBL benefits is equal to the excess of the present value of the minimum guaranteed annuity payments available to the contract owner over the current account value. It assumes that all policyholders exercise their benefit immediately, even if they have not yet attained the first exercise date shown in their contracts, and that there are no future lapses. The NAR assumes utilization of benefits by all customers as of the date indicated. This hypothetical immediate exercise of the benefit means that the customers give up any future increase in the guaranteed benefit that might accrue if they were to delay exercise to a later date. The discount rates used in the GMIB NAR methodology grade from current U.S. Treasury rates to long-term best estimates over ten years. The GMWBL NAR methodology uses current swap rates. The discounting for GMWBL and GMIB NAR was developed to be consistent with the methodology for the establishment of U.S. GAAP reserves.

For GMIB products in general, the policyholder has the right to elect income payment, beginning (for certain products) on the tenth anniversary year of product commencement, receive lump sum payment of the then current cash value, or remain in the variable sub-account. For GMIB products, if the policyholder makes the election to annuitize, the policyholder is entitled to receive the guaranteed benefit amount over an annuitization period. A small percentage of the products were first eligible to elect annuitizations beginning in 2010 and 2011. The remainder of the products become eligible to elect annuitization from 2012 to 2020, with the majority of first eligibility dates in the period from 2014 to 2016. Many of these contracts contain significant incentives to delay annuitization past first eligibility.

Because policyholders have various contractual rights and significant incentives to defer their annuitization election, the period over which annuitization election will take place is subject to policyholder behavior and therefore indeterminate. In addition, upon annuitization the contract holder surrenders access to the account value and the account value is transferred to the Company s general account where it is invested and the additional investment proceeds are used towards payment of the guaranteed benefit payment.

Similarly, most of our GMWBL contracts are still in the first four to six policy years, so our assumptions for withdrawal from contracts with GMWBL benefits may change as experience emerges. In addition, like our GMIB contracts, many of our GMWBL contracts contain significant incentives to delay withdrawal. We expect customer decisions on annuitization and withdrawal will be influenced by customers financial plans and needs as well as by interest rate and market conditions over time and by the availability and features of competing products. If emerging experience deviates from our assumptions on either GMIB annuitization or GMWBL withdrawal, we could experience gains or losses and a significant decrease or increase to reserve and capital requirements.

Table of Contents

The account values and NAR, both gross and net of reinsurance (retained NAR), of contract owners by type of minimum guaranteed benefit for retail variable annuity contracts are summarized below as of December 31, 2013:

($ in millions)	As of December 31, 2013				
	Account Value(1)	Gross NAR	Retained NAR	% Contracts NAR In-the-Money(2)	% NAR In-the-Money(3)
GMDB	$44,740	$ 5,702	$ 5,074	40%	26%
Living Benefit					
GMIB	$15,909	$ 1,682	$ 1,682	62%	15%
GMWBL	16,537	452	452	24%	12%
GMAB/GMWB	943	20	20	12%	18%
Living Benefit Total	$33,389	$ 2,154	$ 2,154	44%(4)	14%(5)

(1) Account value excludes $959.0 million of Payout, Policy Loan and Life Insurance business which is included in consolidated account values.

(2) Percentage of contracts that have a NAR greater than zero.

(3) For contracts with a NAR greater than zero, % NAR In-the-Money is defined as NAR/(NAR + Account Value).

(4) Total Living Benefit % Contracts NAR In-the-Money as of December 31, 2012 was 72%.

(5) Total Living Benefit % NAR In-the-Money as of December 31, 2012 was 20%.

As of the date indicated above, compared to $2.2 billion of NAR, we held gross statutory reserves before reinsurance of $2.4 billion for living benefit guarantees; of this amount, $2.3 billion was ceded to SLDI, supported by assets in trust. However, NAR and statutory reserves are not directly comparable measures. Our U.S. GAAP reserves for living benefit guarantees were $2.0 billion as of December 31, 2013. For a discussion of our U.S. GAAP reserves calculation methodology, see the Note for *Business and Basis of Presentation and Significant Accounting Policies Future Policy Benefits and Contract Owner Accounts* in our Consolidated Financial Statements.

Variable Annuity Hedge Program and Reinsurance

Variable Annuity Guarantee Hedge Program. We primarily mitigate CBVA market risk exposures through hedging. Market risk arises primarily from the minimum guarantees within the CBVA products, whose economic costs are primarily dependent on future equity market returns, interest rate levels, equity volatility levels and policyholder behavior. The Variable Annuity Guarantee Hedge Program is used to mitigate our exposure to equity market and interest rate changes and seeks to ensure that the required assets are available to satisfy future death benefit and living benefit obligations. While the Variable Annuity Guarantee Hedge Program does not explicitly hedge statutory or U.S. GAAP reserves, as markets move up or down, in aggregate the returns generated by the Variable Annuity Guarantee Hedge Program will significantly offset the statutory and U.S. GAAP reserve changes due to market movements.

The objective of the Variable Annuity Guarantee Hedge Program is to offset changes in equity market returns for most minimum guaranteed death benefits and all guaranteed living benefits, while also providing interest rate protection for certain minimum guaranteed living benefits. We hedge the equity market exposure using a hedge target set using market consistent valuation techniques for all guaranteed living benefits and most death benefits. We also hedge a portion of the interest rate risk in our GMWB/GMAB/GMWBL blocks using a market consistent valuation hedge target. We do not hedge interest rate risks for our GMIB or GMDB primarily because doing so would result in volatility in our regulatory reserves and rating agency capital that exceeds our tolerances and, secondarily, because doing so would produce additional volatility in U.S. GAAP financial statements. These hedge targets may change over time with market movements, changes in regulatory and rating agency capital, available collateral and our risk tolerance. For example, during 2013, we reduced the amount of

Table of Contents

interest rate hedging for the GMWB/GMAB/GMWBL blocks to refine the impact of interest rate movements on regulatory and rating agency capital.

Equity index futures on various equity indices are used to mitigate the risk of the change in value of the policyholder-directed separate account funds underlying the variable annuity contracts with minimum guarantees. A dynamic trading program is utilized to seek replication of the performance of targeted fund groups (i.e., the fund groups that can be covered by indices where liquid futures markets exist).

Total return swaps are also used to mitigate the risk of the change in value of certain policyholder-directed separate account funds. These include fund classes such as emerging markets and real estate. They may also be used instead of futures of more liquid indices where it may be deemed advantageous. This hedging strategy is employed at our discretion based on current risk exposures and related transaction costs.

Interest rate swaps are used to match a portion of the hedge targets on GMWB/GMAB/GMWBL as described above.

Variance swaps and equity options are used to mitigate the impact of changes in equity volatility on the economic liabilities associated with certain minimum guaranteed living benefits. This program began in the second quarter of 2012.

Foreign exchange forwards are used to mitigate the impact of policyholder-directed investments in international funds with exposure to fluctuations in exchange rates of certain foreign currencies. Rebalancing is performed based on pre-determined notional exposures to the specific currencies.

Variable Annuity Capital Hedge Overlay Program. CBVA guaranteed benefits are hedged based on their economic or fair value; however, the statutory reserves and rating agency required assets are not based on a market value. When equity markets decrease, the statutory reserve and rating agency required assets for the CBVA guaranteed benefits can increase more quickly than the value of the derivatives held under the Variable Annuity Guarantee Hedge Program. This causes regulatory reserves to increase and rating agency capital to decrease. The CHO program is intended to mitigate equity risk to the regulatory and rating agency capital of the Company. The hedge is executed through the purchase and sale of equity index derivatives and is designed to limit the uncovered reserve and rating agency capital increases in an immediate down equity market scenario to an amount we believe prudent for a company of our size and scale. This amount will change over time with market movements, changes in regulatory and rating agency capital, available collateral and our risk tolerance.

The following table summarizes the estimated net impacts to funding our regulatory reserves to our CBVA segment, after giving effect to our CHO program and the Variable Annuity Guarantee Hedge Program for various shocks in equity markets and interest rates. This reflects the hedging we had in place as well as any collateral (in the form of LOC) or change in underlying asset values that would be used to achieve credit for reinsurance for the segment of liabilities reinsured to our Arizona captive at the close of business on December 31, 2013 in light of our determination of risk tolerance and available collateral at that time, which, as noted above, we assess periodically.

	As of December 31, 2013							
($ in millions)	**Equity Market (S&P 500)**						**Interest Rates**	
	-25%	**-15%**	**-5%**	**+5%**	**+15%**	**+25%**	**-1%**	**+1%**
Decrease/(increase) in regulatory reserve	$ (3,800)	$ (2,150)	$ (550)	$ 600	$ 1,300	$ 1,800	$ (800)	$ 50
Hedge gain/(loss), immediate impact	2,700	1,350	350	(400)	(1,050)	(1,500)	550	(450)
Increase/(decrease) in Market Value of Assets							300	(300)
Increase/(decrease) in LOCs	1,100	800	250					650
Net impact	$	$	$ 50	$ 200	$ 250	$ 300	$ 50	$ (50)

The foregoing sensitivities illustrate the estimated impact of the indicated shocks beginning on the first market trading day following December 31, 2013 and give effect to rebalancing over the course of the shock event. The estimates of equity market shocks reflect a shock to all equity markets, domestic and global, of the same magnitude. The estimates of interest rate shocks reflect a shock to rates at all durations (a parallel shift in the yield curve). Decrease / (increase) in regulatory reserves includes statutory reserves for policyholder account balances, AG43 reserves and additional cash flow testing reserves related to the CBVA segment. Hedge Gain / (Loss) includes both the Variable Annuity Guarantee Hedge Program and the CHO program and assumes that hedge positions can be rebalanced during the market shock and that the performance of the derivative contracts reasonably matches the performance of the contract owners variable fund returns. Increase / (decrease) in LOCs indicates the change in the amount of LOCs used to provide credit for reinsurance at those times when the assets backing the reinsurance liabilities may be less than the statutory reserve requirement. As of December 31, 2013 the amount of available LOCs was approximately $1.2 billion. Increase / (decrease) in Market Value of Assets is the estimated potential change in market value of assets supporting the segment of liabilities reinsured to our Arizona captive from 100 basis point upward and downward shifts in interest rates.

Results of an actual shock to equity markets or interest rates will differ from the above illustration for reasons such as variance in market volatility versus what is assumed, basis risk (differences in the performance of the derivative contracts versus the contract owner variable fund returns), equity shocks not occurring uniformly across all equity markets, combined effects of interest rates and equities, additional impacts from rebalancing of hedges and/or the effects of time and changes in assumptions or methodology that affect reserves or hedge targets. Additionally, estimated net impact sensitivities vary over time as the market and closed book of business evolve or if assumptions or methodologies that affect reserves or hedge targets are refined. In February 2014, we purchased equity indexed options in our CHO program and refined the impact of equity movements on regulatory and rating agency capital to up-market scenarios as a result.

As stated above, the primary focus of the hedge program is to protect regulatory and rating agency capital from equity market movements. Hedge ineffectiveness, along with other aspects not directly hedged (including unexpected policyholder behavior), may cause losses of regulatory or rating agency capital. Regulatory and rating agency capital requirements may move disproportionately (i.e., they may change by different amounts as market conditions and other factors change), and, therefore, this could also cause our hedge program to not realize its key objective of protecting both regulatory and rating agency capital from equity market movements.

For ING USA, our guarantee and overlay equity hedges resulted in a loss of approximately $2.5 billion for the year ended December 31, 2013, which was offset by the equity market decrease in AG43 reserves in excess of reserves for cash surrender value of approximately $3.4 billion for the year ended December 31, 2013. Changes in statutory reserves due to equity and equity hedges for ING USA include the effects of non-affiliated reinsurance for variable annuity policies, but exclude the effect of the affiliated reinsurance transaction associated with the GMIB and GMWBL riders. Substantially all of the CBVA business was written by ING USA. In addition to equity hedge results and change in reserves due to the impact of equity market movements, statutory income includes fee income, investment income and other income offset by benefit payments, operating expenses and other costs as well as impacts to reserves and hedges due to effects of time and other market factors.

As U.S. GAAP accounting differs from the methods used to determine regulatory reserves and rating agency capital requirements, our hedge programs may result in immediate impacts that may be lower or higher than the regulatory impacts illustrated above. The following table summarizes the estimated net impacts to U.S. GAAP earnings pre-tax in our CBVA segment, which is the sum of the increase or decrease in U.S. GAAP reserves and the hedge gain or loss from our CHO program and the Variable Annuity Guarantee Hedge Program for various shocks in both equity markets and interest rates. This reflects the hedging we had in place at the close of business on December 31, 2013 in light of our determination of risk tolerance at that time, which, as noted above, we assess periodically.

	As of December 31, 2013							
($ in millions)	Equity Market (S&P 500)						Interest Rates	
	-25%	**-15%**	**-5%**	**+5%**	**+15%**	**+25%**	**-1%**	**+1%**
Total estimated earnings sensitivity	$ 850	$ 350	$ 100	$ (150)	$ (450)	$ (650)	$ (300)	$ 150

Table of Contents

The foregoing sensitivities illustrate the impact of the indicated shocks on the first market trading day following December 31, 2013 and give effect to dynamic rebalancing over the course of the shock events. The estimates of equity market shocks reflect a shock to all equity markets, domestic and global, of the same magnitude. The estimates of interest rate shocks reflect a shock to rates at all durations (a parallel shift in the yield curve). We regularly monitor and refine our hedge program targets in line with our primary goal of protecting regulatory and rating agency capital. It is possible that further changes to our hedge program will be made and those changes may either increase or decrease earnings sensitivity. Liabilities are based on U.S. GAAP reserves and embedded derivatives, with the latter excluding the effects of nonperformance risk. DAC is amortized on gross revenues, which will not be volatile, however, volatility could be driven by loss recognition. Hedge Gain / (Loss) impacting the above estimated earnings sensitivity includes both the Variable Annuity Guarantee Hedge Program and the CHO program and assumes that hedge positions can be rebalanced during the market shock and that the performance of the derivative contracts closely matches the performance of the contract owners variable fund returns.

Actual results will differ from the estimates above for reasons such as variance in market volatility versus what is assumed, basis risk (differences in the performance of the derivative contracts versus the contract owner variable fund returns), changes in non-performance spreads, equity shocks not occurring uniformly across all equity markets, combined effects of interest rates and equities, additional impacts from rebalancing of hedges, and/or the effects of time and changes in assumptions or methodology that affect reserves or hedge targets. Additionally, estimated net impact sensitivities vary over time as the market and closed block of business evolves, or if changes in assumptions or methodologies that affect reserves or hedge targets are refined. As the closed block of business evolves, actual net impacts are realized, or if changes are made to the target of the hedge program, the sensitivities may vary over time. Additionally, actual results will differ from the above due to issues such as basis risk, market volatility, changes in implied volatility, combined effects of interest rates and equities, rebalancing of hedges in the future, or the effects of time and other variations from the assumptions in the above table. In February 2014, we purchased equity indexed options in our CHO program and refined the impact of equity movements on regulatory and rating agency capital to up-market scenarios as a result.

In addition to equity market and interest rate changes, movements in other market variables that are not explicitly hedged can also cause U.S. GAAP earnings volatility. This includes changes in implied equity market volatility (implied from the market prices of equity options) that affects the valuation of our fair value liabilities. We do not fully hedge for equity implied volatility given that such hedging introduces volatility in our regulatory reserves and rating agency capital which are not as sensitive to this market variable. As of December 31, 2013, the U.S. GAAP sensitivity (exclusive of our nonperformance spread) of the GMAB / GMWB and GMWBL liabilities to a 1 percentage point move in implied volatility was approximately $55 million.

Hedging instruments

Guarantee Hedge. In order to mitigate equity risk associated with non-reinsured GMDBs and non-reinsured guaranteed living benefits, we enter into futures positions and total return swaps on various public market equity indices chosen to closely replicate contract owner variable fund returns. We also mitigate most of the foreign currency risk arising from its international fund exposure using forward contracts. We use market consistent valuation techniques to establish our derivative positions and to rebalance the derivative positions in response to market fluctuations. We also administer a hedge program that mitigates not only equity risk, but also the interest rate risk associated with our GMWB, GMWBL and GMAB riders. This component of the hedge primarily involves entering into interest rate swaps. In the second quarter of 2012, we entered into equity variance swaps and equity options to cover the volatility risks associated with the GMWB and GMAB riders.

Capital Hedge Overlay. The Variable Annuity CHO program is an overlay to the Variable Annuity Guarantee Hedge Program that mitigates the impact of potential declines in equity markets and their impact on regulatory reserves and rating agency capital. The program s hedge strategy primarily involves using equity derivatives.

-235-

Table of Contents

The following table presents notional and fair value for hedging instruments:

($ in millions)	Notional Amount			Fair Value		
	As of December 31, 2013	As of December 31, 2012	As of December 31, 2011	As of December 31, 2013	As of December 31, 2012	As of December 31, 2011
Variable Annuity Hedge Program:						
Equity Futures[3]	$ 6,641.3	$ 9,976.0	$ 11,068.4	$ (20.9)	$ (216.0)	$ 26.8
Total Return Swaps	1,048.7	841.4	773.6	(8.5)	0.1	(16.9)
Variance Swaps	1.8	1.8		(17.0)	(8.4)	
Currency Forwards[1]	698.2	1,267.6	1,032.3	(0.5)	8.2	2.4
Interest Rate Swaps[1][2]	12,874.0	19,799.0	19,352.0	(449.1)	936.1	1,154.7
Put Options[1]	605.0	351.3	63.7	14.2	26.8	
Total	$ 21,869.1	$ 32,237.0	$ 32,290.0	$ (481.8)	$ 746.7	$ 1,167.0

(1) Offsetting contracts have not been netted, therefore total notional of all outstanding contracts is shown.
(2) Total notional shown is a combination of pay-fix and pay-float contracts.
(3) Fair Value equals last day s cash settlement.

Reinsurance. For contracts issued prior to January 1, 2000, most contracts with enhanced death benefit guarantees were reinsured to third-party reinsurers to mitigate the risk produced by such guaranteed death benefits. For contracts issued on or after January 1, 2000, the Company instituted a Variable Annuity Guarantee Hedge Program in lieu of reinsurance. We utilized indemnity reinsurance agreements prior to January 1, 2000 to reduce our exposure to large losses from GMDBs in our CBVA segment. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge our primary liability as direct insurer of the risks. We evaluate the financial strength of potential reinsurers and continually monitor the financial strength and credit ratings of our reinsurers.

CBVA and Risk Management

The amounts ultimately due to policyholders under GMDB and guaranteed minimum living benefits, and the reserves required to support these liabilities, are driven by a variety of factors, including equity market performance, interest rate conditions, policyholder behavior, including exercise of various contract options, and policyholder mortality. We actively monitor each of these factors and implement a variety of risk management and financial management techniques to optimize the value of the block. Such techniques include hedging, use of affiliate reinsurance, external reinsurance, and experience studies. See the Consolidated Financial Statements for more information on the reinsurance arrangements.

Market Risk Related to Equity Market Price and Interest Rates. Our variable annuity products are significantly influenced by the United States and other global equity markets. Increases or decreases in equity markets impact certain assets and liabilities related to our variable annuity products and our earnings derived from those products. A decrease in the equity markets may cause a decrease in the account values, thereby increasing the possibility that we may be required to pay amounts to contract owners due to guaranteed death and living benefits. An increase in the value of the equity markets may increase account values for these contracts, thereby decreasing our risk associated with guaranteed death and living benefits.

We are also subject to interest rate risk in our CBVA segment, as a sustained decline in interest rates or a prolonged period of low interest rates may subject us to higher cost of guaranteed benefits and increased hedging costs.

In addition, in scenarios of equity market declines, sustained periods of low interest rates, rapidly rising interest rates or credit spread widening, the amount of additional statutory reserves that an insurance subsidiary is required to hold for variable annuity guarantees may increase. This increase in reserves would decrease the statutory surplus available for use in calculating its RBC ratios. In addition, collateral posting requirements for the hedge program could also pressure liquidity.

-236-

Table of Contents

Periods of significant and sustained downturns in equity markets, increased equity volatility, reduced interest rates or a prolonged period of low interest rates could result in an increase in the valuation of the future policy benefit or account balance liabilities associated with such products, resulting in a reduction to net income (loss). Although a certain portion of our guaranteed benefits are reinsured or covered under our Variable Annuity Guarantee Hedge Program, for those guarantees not covered by these programs, we are exposed to the risk of increased costs and/or liabilities for benefits guaranteed in excess of account values during periods of adverse economic market conditions. Our risk management program is constantly re-evaluated to respond to changing market conditions and achieve the optimal balance and trade-offs among several important factors, including regulatory reserves, rating agency capital, RBC, earnings and other factors. A certain portion of these strategies could focus our emphasis on the protection of regulatory and rating agency capital, RBC, liquidity, earnings and other factors and less on the earnings impact of guarantees, resulting in materially lower or more volatile U.S. GAAP earnings in periods of changing equity market levels. While we believe that our risk management program is effective in balancing numerous critical metrics, we are subject to the risk that our strategies and other management procedures prove ineffective or that unexpected policyholder experience, combined with unfavorable market events, produces losses beyond the scope of the risk management strategies employed, which may have a material adverse effect on our results of operations, financial condition and cash flows. We are also subject to the risk that the cost of hedging these guaranteed minimum benefits increases as implied volatilities increase and/or interest rates decrease, resulting in adverse impact to net income (loss).

Risk Related to Hedging. Our risk management program attempts to balance a number of important factors including regulatory reserves, rating agency capital, RBC, underlying economics, earnings and other factors. As discussed above, to reduce the risk associated with guaranteed living benefits, non-reinsured GMDB and fees related to these benefits, we enter derivative contracts on various public market indices chosen to closely replicate contract owner variable fund returns.

The Company s risk management program is constantly re-evaluated to respond to changing market conditions and manage trade-offs among capital preservation, earnings and underlying economics.

Hedging instruments we use to manage risks might not perform as intended or expected, which could result in higher realized losses and unanticipated cash needs to collateralize or settle such transactions. Adverse market conditions can limit the availability and increase the costs of hedging instruments, and such costs may not be recovered in the pricing of the underlying products being hedged. In addition, hedging counterparties may fail to perform their obligations resulting in unhedged exposures and losses on positions that are not collateralized.

Risk Related to Policyholder Behavior Assumptions. Our CBVA segment is subject to risks associated with the future behavior of policyholders and future claims payment patterns, using assumptions for mortality experience, lapse rates, GMIB annuitization rates, and GMWB/GMWBL withdrawal rates. We are required to make assumptions about these behaviors and patterns, which may not reflect the actual behaviors and patterns we experience in the future.

In particular, we have only minimal experience on policyholder behavior for our GMIB and GMWBL products, and, as a result, future experience could lead to significant changes in our assumptions. Our GMIB contracts have a ten-year waiting period before annuitization is available, with most of these GMIB contracts issued during the period 2004 to 2006. Those contracts first become eligible to annuitize during the period from 2014 through 2016, but contain significant incentives to delay annuitization beyond the first eligibility date. As a result, to date we have only a statistically small sample of experience used to set annuitization rates. Therefore, we anticipate that observable experience data will become statistically credible later this decade, when a large volume of GMIB benefits begin to reach their maximum benefit over a four-year period from 2019 to 2022. It is possible, however, that more policyholders than we anticipate will choose to annuitize soon after the first eligibility date, rather than delay annuitization to receive increased guarantee benefits, in which case we may have increasingly statistically credible experience as early as the period from 2014 through 2016.

Similarly, most of our GMWBL contracts are still in the first four to six policy years, so our assumptions for withdrawal from contracts with GMWBL benefits may change as experience emerges. In addition, like our GMIB contracts, many of our GMWBL contracts contain significant incentives to delay withdrawal. We expect customer decisions on annuitization and withdrawal will be influenced by customers financial plans and needs as well as by interest rate and market conditions over time and by the availability and features of competing products. If emerging experience deviates from our assumptions on either GMIB annuitization or GMWBL withdrawal, we could experience gains or losses and a significant decrease or increase to reserve and capital requirements.

We also make estimates of expected lapse of these products, which is the probability that a policy will not remain in force from one period to the next. Lapse rates of our annuity products may be significantly impacted by the value of guaranteed minimum benefits relative to the value of the underlying separate accounts (account value or account balance). In general, policies with guarantees that are in the money (i.e., where the notional benefit amount is in excess of the account value) are assumed to be less likely to lapse. Conversely, out of the money guarantees are assumed to be more likely to lapse as the policyholder has less incentive to retain the policy. Lapse rates could also be adversely affected generally by developments that affect customer perception of us.

We make estimates of expected election rates of living benefits for these products and of the rate of election of certain optional benefits that may be exercised. The profitability of our deferred annuity products depends upon actual contract owner decisions to elect or delay the utilization of such benefits. The development of a secondary market for third-party investor strategies in the annuities business could also adversely affect the profitability of existing business by reducing lapse rates of in-the-money contracts in excess of current expectations or by causing living benefits to be elected at points in time that are more unfavorable than our current expectations. Actual lapse rates that are lower than our lapse rate assumptions could have an adverse effect on profitability in the later years of a block of business because the anticipated claims experience may be higher than expected in these later years. If actual lapse rates are significantly different from those assumed in our current reserving assumptions, our reserves for future policy benefits may prove to be inadequate.

Our variable annuity lapse rate experience has varied significantly over the period from 2006 to the present, reflecting among other factors, both pre- and post-financial crisis experience. During the early years of this period, our variable annuity policyholder lapse rate experience was higher than our current best estimate of policyholder lapse behavior would have indicated; in the later part of this period, after mid-2009, it was lower. Management s current best estimate of variable annuity policyholder lapse behavior incorporates actual experience over the entire period, as we believe that over the duration of the CBVA policies we will experience the full range of policyholder behavior and market conditions. If our future experience were to approximate our lapse experience from later in the period, we would likely need to increase reserves, by an amount that could be material.

We make estimates regarding mortality, which refers to the ceasing of life contingent benefit payments due to the death of the annuitant. Mortality is also the incidence of death amongst policyholders triggering the payment of Guaranteed Minimum Death Benefits. We use a combination of actual and industry experience when setting our mortality assumptions. If actual mortality rates differ from those assumed in our current reserving assumptions, our reserves for future policy benefits may be materially different.

We review overall policyholder experience annually (including lapse, annuitization, withdrawal and mortality), or more frequently if necessary. As customer experience continues to materialize, we may adjust our assumptions. The magnitude of any required changes could be material and adverse to the results of operations or financial condition of the Company. We increased reserves in the fourth quarter of 2011 after a comprehensive review of our assumptions relating to lapses, mortality, annuitization of income benefits and utilization of withdrawal benefits. The review in 2011 included an analysis of a larger body of actual experience than was previously available, including a longer period with low equity markets and interest rates, which we believe provided greater insight into anticipated policyholder behavior for contracts that are in the money. This resulted

Table of Contents

in an increase of U.S. GAAP reserves of $741 million and gross U.S. statutory reserves of $2,776 million in the fourth quarter of 2011. It is possible that future assumption changes could produce reserve changes of this magnitude or even greater. Any such increase to reserves could require us to make material additional capital contributions to one or more of our insurance company subsidiaries or could otherwise be material and adverse to the results of operations or financial condition of the Company.

During the third quarters of 2013 and 2012 we conducted a periodic review of actuarial assumptions, including policyholder behavior assumptions. As a result of the 2013 review we incurred a loss of $185.3 million, which included $117.9 million of unfavorable mortality assumption changes and $85.5 million of unfavorable policyholder behavior assumption changes. As a result of the 2012 review, we recorded a loss of $151.7 million, of which $114.6 million was driven primarily by an update to lapse rates on variable annuity contracts with lifetime living benefit guarantees and $37.1 million was related to changes in cash flow projections and volatility assumptions on certain products. These changes in lapse assumptions, taken together with the update to lapse assumptions we made in late 2011, moved our assumptions to be in line with lapse experience over the study period of 2006 to present. Although we believe it is appropriate to consider actual experience over that entire period in setting our assumptions, this recent change also causes our assumption to move considerably closer to our actual lapse experience for the period from mid-2009 to present. However, as described in the previous paragraph, future reserve increases in connection with experience updates could be material and adverse to the results of operations or financial condition of the Company. Any such increase to reserves could require us to make material additional capital contributions to one or more of our insurance company subsidiaries or could otherwise be material and adverse to the results of operations or financial condition of the Company. We will continue to monitor the emergence of experience. We review our assumptions at least annually, and, if necessary, update our assumptions more frequently as additional information becomes available. If adjustments to policyholder behavior assumptions (e.g., lapse, annuitization and withdrawal) are necessary, which is ordinary course for interest-sensitive long dated liabilities, we anticipate that the financial impact of such a change will likely be in a range, either up or down, that is generally consistent with the impact experienced in the past two years.

Other Risks. Despite the closure of new product sales, some new policy amounts continue to be deposited as additional premium to existing contracts. Benefit designs do limit the attractiveness of additional premium, but in some cases these additional premiums may increase the guarantee available to the policyholder. The volume of additional premiums has diminished since we ceased new product sales in 2010.

Closed Block Institutional Spread Products

Prior to 2009, we operated a spread lending business, which we call Closed Block Institutional Spread Products. However, following the financial crisis in 2008, investor appetite for uncollateralized liabilities not rated AAA and collateralized funding became constrained causing funding spreads on new liabilities to widen. We shifted the focus of the business strategy from growing assets and earnings to running off the business over time. As of December 31, 2013, remaining assets in the institutional spread products portfolio had an amortized cost of $2.5 billion, down from a peak of $14.3 billion in 2008. We continue to reduce the block by allowing the assets and liabilities to mature or by finding opportunities to sell assets at prices deemed attractive. New liability contracts may be issued from time to time or be terminated early in order to better match the run-off of the asset portfolio. In addition, our Closed Block Institutional Spread Products segment wrote super senior credit default swap (CDS) contracts of which, as of December 31, 2013, approximately $1 billion of notional amount remained outstanding. As the business is in run-off, it is actively managed to limit liquidity risk and capital requirements.

Closed Block Other

The third financial reporting segment making up our Closed Block business is Closed Block Other, which includes continuing obligations and assets connected with the group reinsurance and individual reinsurance businesses we sold between 2004 and 2009. Effective January 2009, we sold our group reinsurance business,

-239-

Table of Contents

ING Reinsurance U.S., to RGA. The transaction was accounted for as a reinsurance transaction. To effect this sale, we entered into coinsurance agreements with various subsidiaries of RGA. See the Note for *Reinsurance* in our Consolidated Financial Statements for more information on these reinsurance arrangements. Between 2004 and 2009, we entered into several reinsurance transactions with Scottish Re and Hannover Re pursuant to which we ceded all liabilities related to our individual life reinsurance block. The reinsurance arrangements with respect to both the group and life individual reinsurance businesses are described more fully in Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Reinsurance above.

Employees

As of December 31, 2013, we had approximately 7,000 employees, with most working in one of our 10 major sites in 9 states. On June 14, 2012, we announced that we entered into a seven-year agreement with Cognizant pursuant to which Cognizant will provide business processing and operations services related to our retirement, life insurance and annuities businesses (the Cognizant transaction). Under the terms of the agreement with Cognizant, on August 16, 2012, more than 1,000 of our employees became Cognizant employees and Cognizant gave such individuals comparable responsibilities to their former roles with us. Cognizant also purchased and subleased some of our existing facilities to provide business and workplace continuity for our customers and former employees.

Properties

As of December 31, 2013, we owned or leased 84 locations totaling approximately 2.3 million square feet, of which approximately 0.9 million square feet was owned properties and approximately 1.4 million square feet was leased properties throughout the United States.

Litigation and Regulatory Matters

See Note 17. Commitments and Contingencies included in this prospectus for information regarding our litigation and regulatory matters and our assessment of contingencies related to litigation and regulatory matters.

Table of Contents

REGULATION

Our operations and businesses are subject to a significant number of Federal and state laws, regulations, administrative determinations and similar legal constraints. Such laws and regulations are generally designed to protect our policyholders, contract owners and other customers and not our stockholders or holders of our other securities. Many of the laws and regulations to which we are subject are regularly re-examined and existing or future laws and regulations may become more restrictive or otherwise adversely affect our operations. The recent financial market disruptions have produced, and are likely to continue to produce, extensive changes in existing laws and regulations applicable to our businesses, including the Dodd-Frank Act discussed below.

Following is a description of certain legal and regulatory frameworks to which we or our subsidiaries are or may be subject.

Dutch State Transactions and Restructuring Plan

In November 2009, the 2009 Restructuring Plan received formal EC approval and the separation of insurance and banking operations and other components of the 2009 Restructuring Plan were approved by ING Group s shareholders. On January 28, 2010, ING announced the filing of its appeal with the General Court of the European Union against specific elements of the EC s decision regarding the 2009 Restructuring Plan.

On March 2, 2012, the General Court handed down its judgment in relation to ING Group s appeal and annulled part of the EC s state aid decision. Subsequently, the EC filed an appeal against the General Court s judgment before the Court of Justice of the European Union. In parallel, the EC adopted a decision on May 11, 2012 that re-approved the state aid granted to ING Group as compatible with the internal market on the basis of ING Group s 2009 Restructuring Plan. On the same date, the EC adopted an interim decision which opened an investigation concerning certain amendments and elements of the 2009 Restructuring Plan (the Investigation). On November 19, 2012, ING Group and the EC announced that the EC approved the 2012 Amended Restructuring Plan. On November 6, 2013, ING Group announced that the EC approved the 2013 Amended Restructuring Plan. The 2013 Amended Restructuring Plan has not amended any commitments that are applicable or relevant to ING U.S. The deadline as agreed with the EC in the 2012 Amended Restructuring Plan requires ING Group to divest at least 25% of the Company by December 31, 2013, more than 50% of the Company by December 31, 2014, and 100% of the Company by December 31, 2016. ING Group divested 25% of the Company on May 7, 2013, in our initial public offering and an additional 4% on May 31, 2013 following the exercise by the underwriters in the initial public offering of an option to purchase additional shares. ING Group divested an additional 14% of the Company on October 29, 2013, in a registered offering. The divestment of 50% of the Company is measured in terms of a divestment of over 50% of the shares of ING U.S., Inc., the loss of ING Group s majority of directors on ING U.S., Inc. s board of directors and the accounting deconsolidation of the Company (in line with IFRS accounting rules). This offering and the Direct Share Buyback, together with the governance changes described under Summary Changes to our Governance as a Result of this Offering and the Direct Share Buyback , are intended to satisfy such requirements. The Investigation has been finalized by the EC and ING Group s appeal against the EC s May 11, 2012 decision has been withdrawn. In case ING Group does not satisfy its commitment to timely divest the Company as agreed with the EC, or in case of any other material non-compliance with the 2012 Amended Restructuring Plan, the Dutch State will renotify the recapitalization measure to the EC. In such a case the EC may require additional restructuring measures or take enforcement actions against ING Group, or, at the request of ING Group and the Dutch State, could allow ING Group more time to complete the divestment. For principal legal reasons, the EC will continue with its appeal against the General Court ruling of March 2012. However, the outcome of this appeal will not affect the EC approval of the 2012 Amended Restructuring Plan. It is expected that a judgment will be rendered in April 2014.

In addition to these divestment requirements, the 2012 Amended Restructuring Plan also places certain conditions and restrictions on ING Group s business and operations, which could also apply to our business and operations. We may be subject to all or a portion of these requirements while we are controlled by ING Group and possibly as long as ING Group has a sufficient interest in our common stock.

Table of Contents

The 2012 Amended Restructuring Plan requires ING Group to refrain from acquisitions of financial institutions and, if it would delay ING Group s repayment of state aid, from acquisitions of any other businesses. As a result, we may be prevented from making any such acquisitions for so long as ING Group continues to hold a sufficient interest in our common stock. In certain cases, the EC may grant its approval for an acquisition that would otherwise be prohibited by the 2012 Amended Restructuring Plan, in particular if such acquisition is essential in order to safeguard financial stability or competition in relevant markets. This acquisition ban will apply until the earlier of November 18, 2015, and the date on which ING Group has divested more than 50% of its insurance and investment management operations in each of Asia, the United States and Europe. The divestment of 50% of ING Group s insurance and investment management operations is measured in terms of a divestment of over 50% of the shares in these operations, the loss of ING Group s majority of directors on the boards of these operations and the accounting deconsolidation of the operations in line with IFRS accounting rules.

The 2012 Amended Restructuring Plan also places limitations on ING Group s ability to call or buy back Tier 2 capital and Tier 1 hybrid debt instruments until the earlier of November 18, 2014 or the date on which ING Group has fully repaid the Core Tier 1 securities to the Dutch State (including the relevant accrued interest on Core Tier 1 coupons and exit premium fees), and contains provisions regarding its exposure to RMBS and CMBS securities. To the extent that these limitations and provisions apply to us, we may be restricted in our ability to acquire RMBS or CMBS, or to redeem any external hybrid debt instruments we may issue in the future.

For purposes of the 2012 Amended Restructuring Plan, the manner in which we conduct our CBVA and Institutional Spread Products businesses is subject to certain conditions and restrictions, which include a prohibition on underwriting new policies. Pursuant to the 2012 Amended Restructuring Plan, ING Group must also explore the possibility of terminating existing policies and adjusting the terms of policies to make them more favorable to the insurer. Moreover, ING Group must manage such run-off businesses in a manner that minimizes exposure to risk, including through a conservative hedging policy, which may limit ING Group s ability to allocate capital and may require it to further separate businesses or business units. These requirements may place limitations on our ability to operate these businesses in the manner we believe to be the most economically advantageous, and could affect our ability to pursue new business that we believe would be profitable. The aforementioned conditions and restrictions with respect to the CBVA and Institutional Spread Products Business will apply for as long ING Group has control over ING U.S., Inc. Pursuant to the 2012 Amended Restructuring Plan, this means that these conditions and restrictions cease to apply when ING Group (i) has divested more than 50% of our common stock (ii) has deconsolidated our operations (in line with IFRS accounting rules) and (iii) has lost its majority of directors on ING U.S. Inc. s board of directors.

In operating our business, we have to abide by these requirements of the EC, including any future decisions, guidance or interpretation of the EC, that may be applicable to ING U.S., Inc. possibly for as long as ING Group has a sufficient interest in our common stock. These requirements, in turn, may limit our ability to take advantage of market conditions and growth opportunities, and we may be unable to undertake certain acquisitions, engage in particular lines of business or conduct certain financing activities. We may also be required to divest certain assets and be restricted in our ability to operate run-off businesses, and may be adversely affected in our ability to maintain or grow market share.

Regulation Affecting ING U.S., Inc.

We are a holding company for all of our business operations, which we conduct through our subsidiaries. We, as an insurance holding company, are not licensed as an insurer, investment advisor, broker-dealer, or other regulated entity. However, because we own regulated insurers, we are subject to regulation as an insurance holding company.

Insurance Regulation

Our U.S. insurance subsidiaries are subject to comprehensive regulation and supervision under U.S. state and federal laws. Each U.S. state, the District of Columbia and U.S. territories and possessions have insurance laws that apply to companies licensed to carry on an insurance business in the jurisdiction. The primary regulator of an insurance company, however, is located in its state of domicile. Each of our U.S. insurance subsidiaries is licensed and regulated in each state where it conducts insurance business.

Table of Contents

State insurance regulators have broad administrative powers with respect to all aspects of the insurance business including: licensing to transact business, licensing agents, admittance of assets to statutory surplus, regulating premium rates for certain insurance products, approving policy forms, regulating unfair trade and claims practices, establishing reserve requirements and solvency standards, establishing credit for reinsurance requirements, fixing maximum interest rates on life insurance policy loans and minimum accumulation or surrender values and other matters. State insurance laws and regulations include numerous provisions governing the marketplace conduct of insurers, including provisions governing the form and content of disclosures to consumers, product illustrations, advertising, product replacement, suitability, sales and underwriting practices, complaint handling and claims handling. State regulators enforce these provisions through periodic market conduct examinations. State insurance laws and regulations regulating inter-party transactions, the payment of dividends, the types, amounts and valuations of permitted investments and change of control transactions are discussed in greater detail below.

Our Principal Insurance Subsidiaries are domiciled in Colorado, Connecticut, Iowa and Minnesota. Our other U.S. insurance subsidiaries are domiciled in Indiana and New York. Our insurance subsidiaries domiciled in Colorado, Connecticut, Indiana, Iowa, Minnesota and New York are collectively referred to as our insurance subsidiaries in this prospectus for purposes of discussions of U.S. insurance regulatory matters. In addition, we have special purpose life reinsurance captive insurance company subsidiaries domiciled in Missouri that provide reinsurance to our U.S. insurance subsidiaries in order to facilitate the financing of statutory reserve requirements associated with Regulation XXX or AG38 and to fund statutory Stable Value reserves in excess of the economic reserve level. Our special purpose life reinsurance captive insurance company subsidiaries domiciled in Missouri are collectively referred to as captive reinsurance subsidiaries in this prospectus. We also have a special purpose life reinsurance captive insurance company domiciled in South Carolina that provided reinsurance to our U.S. insurance subsidiaries in order to facilitate the financing of statutory reserve requirements associated with Regulation XXX or AG38. For more information on our use of captive reinsurance structures, see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Credit Facilities and Subsidiary Credit Support Arrangements . We also have a captive reinsurance subsidiary domiciled in Arizona that primarily provides reinsurance to our insurance subsidiaries. Our captive reinsurance subsidiary domiciled in Arizona is referred to as our Arizona captive in this prospectus.

State insurance laws and regulations require our insurance subsidiaries to file financial statements with state insurance regulators everywhere they are licensed and the operations of our insurance subsidiaries and accounts are subject to examination by those regulators at any time. Our insurance subsidiaries prepare statutory financial statements in accordance with accounting practices and procedures prescribed or permitted by these regulators. The NAIC has approved a series of uniform statutory accounting principles (SAP) that have been adopted, in some cases with minor modifications, by all state insurance regulators.

As a basis of accounting, SAP was developed to monitor and regulate the solvency of insurance companies. In developing SAP, insurance regulators were primarily concerned with assuring an insurer s ability to pay all its current and future obligations to policyholders. As a result, statutory accounting focuses on conservatively valuing the assets and liabilities of insurers, generally in accordance with standards specified by the insurer s domiciliary state. The values for assets, liabilities and equity reflected in financial statements prepared in accordance with U.S. GAAP are usually different from those reflected in financial statements prepared under SAP.

Effective with the annual reporting period ended December 31, 2010, the NAIC adopted revisions to the Annual Financial Reporting Model Regulation, or the Model Audit Rule, related to auditor independence, corporate governance and internal control over financial reporting. The adopted revisions require that we file reports with state insurance regulators regarding our assessment of internal control over financial reporting.

State insurance laws and regulations governing our captive reinsurance subsidiaries require such entities to file financial statements with the Missouri Insurance Department, including statutory financial statements. State insurance laws and regulations governing our Arizona captive require that entity to file financial statements with the ADOI and permit the filing of such financial statements on either a statutory basis or a U.S. GAAP basis. The ADOI has agreed to permit our Arizona captive to prepare its financial statements on a U.S. GAAP basis, modified for certain prescribed practices outlined in the Arizona insurance statutes. In addition, our Arizona captive obtained approval from the ADOI for certain permitted practices, including taking reinsurance credit for certain ceded reserves where the trust assets backing the liabilities are held by one of our wholly-owned insurance companies. Our Arizona captive has recorded a receivable for these assets held in trust by its affiliate.

State insurance regulators conduct periodic financial examinations of the books, records, accounts and business practices of insurers domiciled in their states, generally every three to five years. Financial examinations are generally carried out in cooperation with the insurance regulators of other states under guidelines promulgated by the NAIC. State and federal insurance and securities regulatory authorities and other state law enforcement agencies and attorneys general also from time to time make inquiries and conduct examinations or investigations regarding the compliance by our company, as well as other companies in our industry, with, among other things, insurance laws and securities laws.

Our captive reinsurance subsidiaries and our Arizona captive are subject to periodic financial examinations by their respective domiciliary state insurance regulators.

State insurance regulators, the NAIC and other regulatory agencies are also investigating the use of affiliated captive reinsurers and offshore entities to reinsure insurance risks. In October 2011, the NAIC established a subgroup to study insurers use of captives and special purpose vehicles to transfer insurance risk in relation to existing state laws and regulations, and to establish appropriate regulatory requirements to address concerns identified in the study. Additionally, in June 2013, the NYDFS released a report critical of certain captive reinsurance structures and calling, in part, for other state regulators to adopt a moratorium on approving such structures pending further review by state and federal regulators. Also, in December 2013, the FIO issued a report on how to modernize and improve the system of insurance regulation in the United States, recommending, in part, that states develop a uniform and transparent solvency oversight regime for the transfer of risk to reinsurance captives and adopt a uniform capital requirement for reinsurance captives, including a prohibition on transactions that do not constitute legitimate risk transfer. In March 2014, the Missouri Division notified us that it is performing a review of special purpose life reinsurance captive insurance company transactions that have occurred in Missouri s captive program and, as part of that review, the Missouri Division has requested information from us regarding our captive reinsurance subsidiaries. We cannot predict what actions and regulatory changes will result from the NAIC study, the NYDFS report, the FIO report or the Missouri Division review and what impact such changes will have on our financial condition and results of operation. Like many life insurance companies, we utilize captive reinsurers to satisfy certain reserve requirements related to certain of our policies. If state insurance regulators determine to restrict our use of captive reinsurers, it could require us to increase statutory reserves, incur higher operating and/or tax costs or reduce sales.

Insurance Holding Company Regulation

ING U.S., Inc. and our insurance subsidiaries are subject to the insurance holding companies laws of the states in which such insurance subsidiaries are domiciled. These laws generally require each insurance company directly or indirectly owned by the holding company to register with the insurance regulator in the insurance company s state of domicile and to furnish annually financial and other information about the operations of companies within the holding company system. Generally, all transactions affecting the insurers in the holding company system must be fair and reasonable and, if material, require prior notice and approval or non-disapproval by the state s insurance regulator. Our captive reinsurance subsidiaries and our Arizona captive are not subject to insurance holding company laws.

Change of Control. State insurance holding company regulations generally provide that no person, corporation or other entity may acquire control of an insurance company, or a controlling interest in any parent company of an insurance company, without the prior approval of such insurance company s domiciliary state insurance regulator. Under the laws of each of the domiciliary states of our insurance subsidiaries, any person acquiring, directly or indirectly, 10% or more of the voting securities of an insurance company is presumed to

Table of Contents

have acquired control of the company. This statutory presumption of control may be rebutted by a showing that control does not exist in fact. The state insurance regulators, however, may find that control exists in circumstances in which a person owns or controls less than 10% of voting securities.

To obtain approval of any change in control, the proposed acquirer must file with the applicable insurance regulator an application disclosing, among other information, its background, financial condition, the financial condition of its affiliates, the source and amount of funds by which it will effect the acquisition, the criteria used in determining the nature and amount of consideration to be paid for the acquisition, proposed changes in the management and operations of the insurance company and other related matters. In considering an application to acquire control of an insurer, the insurance commissioner generally will consider such factors as the experience, competence and financial strength of the applicant, the integrity of the applicant s Board of Directors and executive officers, the acquirer s plans for the management and operation of the insurer and any anti-competitive results that may arise from the acquisition.

In addition, many state insurance laws require prior notification of state insurance regulators of a change in control of a non-domiciliary insurance company doing business in that state. While these pre-notification statutes do not authorize the state insurance regulators to disapprove the change in control, they authorize regulatory action in the affected state if particular conditions exist such as undue market concentration. Any future transactions that would constitute a change in control of our insurance subsidiaries may require prior notification in those states that have adopted pre-acquisition notification laws.

Any purchaser of shares of common stock representing 10% or more of the voting power of our capital stock will be presumed to have acquired control of our insurance subsidiaries unless, following application by that purchaser in each insurance subsidiary s state of domicile, the relevant insurance commissioner determines otherwise.

The licensing orders governing our captive reinsurance subsidiaries provide that any change of control requires the approval of such company s domiciliary state insurance regulator. For our Arizona captive, a change of control requires the approval of the ADOI. Although our captive reinsurance subsidiaries and our Arizona captive are not subject to insurance holding company laws, their domiciliary state insurance regulators may use all or a part of the holding company law framework described above in determining whether to approve a proposed change of control.

The laws and regulations regarding change of control transactions may discourage potential acquisition proposals and may delay, deter or prevent a change of control involving us, including through unsolicited transactions that some of our stockholders might consider to be desirable.

Recent Actions by the NAIC. The NAIC recently adopted significant changes to the insurance holding company act and regulations (the NAIC Amendments). The NAIC Amendments are designed to respond to perceived gaps in the regulation of insurance holding company systems in the United States. One of the major changes is a requirement that an insurance holding company system s ultimate controlling person submit annually to its lead state insurance regulator an enterprise risk report that identifies activities, circumstances or events involving one or more affiliates of an insurer that, if not remedied properly, are likely to have a material adverse effect upon the financial condition or liquidity of the insurer or its insurance holding company system as a whole. Other changes include requiring a controlling person to submit prior notice to its domiciliary insurance regulator of a divestiture of control, detailed minimum requirements for cost sharing and management agreements between an insurer and its affiliates and expansion of the agreements between an insurer and its affiliates to be filed with its domiciliary insurance regulator. The NAIC Amendments must be adopted by the individual state legislatures and insurance regulators in order to be effective. Each of Indiana, Connecticut and New York adopted its version of the NAIC Amendments. We cannot predict whether the NAIC Amendments will be adopted in whole or in part by other states or the impact, if any, these changes will have on our business, financial condition or results of operations.

Table of Contents

In addition, the NAIC has proposed a Solvency Modernization Initiative . The Solvency Modernization Initiative focuses on the entire U.S. financial regulatory system and all aspects of financial regulation affecting insurance companies. Though broad in scope, the NAIC has stated that the Solvency Modernization Initiative will focus on: (1) capital requirements; (2) corporate governance and risk management; (3) group supervision; (4) statutory accounting and financial reporting; and (5) reinsurance. We cannot predict the effect of these initiatives on us at this time.

Dividend Payment Restrictions. As a holding company with no significant business operations of our own, we will depend on dividends and other distributions from our subsidiaries as the principal source of cash to meet our obligations, including the payment of interest on, and repayment of principal of, our outstanding debt obligations. The states in which our insurance subsidiaries are domiciled impose certain restrictions on such subsidiaries ability to pay dividends to us. These restrictions are based in part on the prior year s statutory income and surplus. In general, dividends up to specified levels are considered ordinary and may be paid without prior approval. Dividends in larger amounts, or extraordinary dividends, are subject to approval by the insurance commissioner of the state of domicile of the insurance subsidiary proposing to pay the dividend.

Under the insurance laws applicable to our insurance subsidiaries domiciled in Colorado, Connecticut, Indiana, Iowa and Minnesota, an extraordinary dividend or distribution is defined as a dividend or distribution that, together with other dividends and distributions made within the preceding twelve months, exceeds the greater of (1) 10% of the insurer s policyholder surplus as of the preceding December 31 or (2) the insurer s net gain from operations for the twelve-month period ended the preceding December 31, in each case determined in accordance with statutory accounting principles. New York has similar restrictions, except that New York s statutory definition of extraordinary dividend or distribution is an aggregate amount in any calendar year that exceeds the lesser of (1) 10% of policyholder s surplus as of the preceding December 31 or (2) the insurer s net gain from operations for the twelve-month period ended the preceding December 31, not including realized capital gains. In addition, under the insurance laws of the states of domicile of our Principal Insurance Subsidiaries, no dividend or other distribution exceeding an amount equal to an insurance company s earned surplus may be paid without the domiciliary insurance regulator s prior approval.

Indiana law also requires the Indiana Department of Insurance to review, at least one (1) time each year, the ordinary shareholder dividends paid by each domestic insurer to determine whether dividends paid by the insurer meet certain standards, including whether the dividends paid by the insurer are reasonable in relation to the adequacy of the level of policyholder surplus of the insurer remaining after the payment of dividends. The Indiana Department of Insurance is also required to issue an order to a domestic insurer to limit the payment of ordinary shareholder dividends by the insurer if the Department determines that the policyholder surplus of the insurer does not meet certain standards, including that such surplus is not reasonable in relation to the outstanding liabilities of the insurer.

Our captive reinsurance subsidiaries may not declare or pay dividends in any form to us other than in accordance with their respective insurance securitization transaction agreements and their respective governing licensing orders. Likewise, our Arizona captive may not declare or pay dividends in any form to us other than in accordance with its annual capital and dividend plan as approved by the ADOI which includes a minimum capital requirement. In addition, in no event may the dividends decrease the capital of the captive below the minimum capital requirement applicable to it, and, after giving effect to the dividends, the assets of the captive paying the dividend must be sufficient to satisfy its domiciliary insurance regulator that it can meet its obligations. Approval by a captive s domiciliary insurance regulator of an ongoing plan for the payment of dividends or other distribution is conditioned upon the retention, at the time of each payment, of capital or surplus equal to or in excess of amounts specified by, or determined in accordance with formulas approved for the captive by its domiciliary insurance regulator.

As of December 31, 2011, each of our Principal Insurance Subsidiaries domiciled in Colorado, Iowa and Minnesota had negative earned surplus and did not have capacity to make ordinary dividend payments to ING

Table of Contents

U.S., Inc. or Lion Holdings without regulatory approval. Our Connecticut-domiciled insurance company, ILIAC, had positive earned surplus as of December 31, 2011 and could have paid a maximum amount of $190.0 million of ordinary dividends to Lion Holdings without regulatory approval in 2012; however, ILIAC s 2012 distribution request of $340.0 million exceeded its year-end 2011 earned surplus and therefore required domiciliary insurance regulatory approval. In the second quarter of 2012, our Principal Insurance Subsidiaries domiciled in Colorado, Connecticut, Iowa and Minnesota received approvals or notices of non-objection, as the case may be, from their respective domiciliary insurance regulators to make extraordinary distributions to ING U.S., Inc. or Lion Holdings in the aggregate amount of $800.0 million (including the $190.0 million ordinary dividend capacity of ILIAC) in response to requests submitted earlier that year. The approved distributions of $800.0 million were made on June 26, 2012.

In addition to the extraordinary distributions paid by our Principal Insurance Subsidiaries in 2012, in March and April of 2013 our Principal Insurance Subsidiaries received approvals or notices of non-objection, as the case may be, from their respective domiciliary regulators to make extraordinary distributions in the aggregate amount of $1,434.0 million to ING U.S., Inc. or Lion Holdings and paid such approved distributions on May 8, 2013 in connection with our IPO recapitalization activities.

The following table presents the extraordinary distributions paid by our Principal Insurance Subsidiaries in 2013 and 2012:

($ in millions)

Insurance Subsidiary	**State of Domicile**	**Extraordinary Distributions Paid in 2013**	**Extraordinary Distributions Paid in 2012**
ING USA Annuity and Life Insurance Company	Iowa	$ 230.0	$ 250.0
Security Life of Denver Insurance Company	Colorado	$ 447.0	$ 80.0
ReliaStar Life Insurance Company	Minnesota	$ 583.0	$ 130.0
ING Life Insurance and Annuity Company	Connecticut	$ 174.0	$ 340.0[1]

(1) Included $190 million of ordinary dividend capacity that ILIAC could have paid without regulatory approval in 2012.

Prior to our IPO, our Principal Insurance Subsidiaries domiciled in Colorado, Iowa and Minnesota each had negative earned surplus accounts, and therefore had no ordinary dividend capacity. In order to obtain dividends or distributions from these insurance companies, we historically obtained approval from the insurance companies respective state regulators, which could be granted or withheld at the regulators discretion, for extraordinary dividends or distributions. On May 8, 2013, following the completion of our IPO and payment of $1,434.0 million of extraordinary distributions, these insurance companies each reset, on a one-time basis, their respective negative unassigned funds account as of December 31, 2012 (as reported in their respective 2012 statutory annual statements) to zero (with an offsetting reduction in gross paid-in capital and contributed surplus). These resets were made pursuant to permitted practices in accordance with statutory accounting practices granted by their respective domiciliary insurance regulators.

This reset allows our Principal Insurance Subsidiaries domiciled in Colorado, Iowa and Minnesota to more readily build up ordinary dividend capacity to the extent their operating results subsequent to December 31, 2012 generate positive earned surplus. Under applicable domiciliary insurance regulations, our Principal Insurance Subsidiaries must deduct any extraordinary distributions or dividends paid in the preceding twelve months in calculating dividend capacity. We expect that these insurance subsidiaries will have ordinary dividend capacity only after twelve months have passed since the date the extraordinary distributions described above were paid. ILIAC had ordinary dividend capacity before such date and paid an ordinary dividend of $90.0 million in December 2013.

Our Principal Insurance Subsidiaries, however, may not succeed in building up sufficient positive earned surplus within those timeframes or at all. If our Principal Insurance Subsidiaries do not succeed in building up sufficient positive earned surplus to have ordinary dividend capacity, then we may seek extraordinary dividends or distributions (for which prior approval of their respective domiciliary insurance regulators would be required,

Table of Contents

and can be granted or withheld in the discretion of the regulators). There can be no assurance that our Principal Insurance Subsidiaries will receive approval for extraordinary distribution payments in the future.

See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Restrictions on Dividends and Returns of Capital from Subsidiaries for a discussion of dividends and distributions from our insurance subsidiaries.

Financial Regulation

Policy and Contract Reserve Sufficiency Analysis. Under the laws and regulations of their states of domicile, our insurance subsidiaries are required to conduct annual analyses of the sufficiency of their life and annuity statutory reserves. Other jurisdictions in which these subsidiaries are licensed may have certain reserve requirements that differ from those of their domiciliary jurisdictions. In each case, a qualified actuary must submit an opinion that states that the aggregate statutory reserves, when considered in light of the assets held with respect to such reserves, are sufficient to meet the insurer s contractual obligations and related expenses. If such an opinion cannot be rendered, the affected insurer must set up additional statutory reserves by moving funds from available statutory surplus. Our insurance subsidiaries submit these opinions annually to applicable insurance regulatory authorities.

Recent actions by the NAIC. The NAIC has begun a process of redefining the reserve methodology for certain of our insurance liabilities under a framework known as Principles-Based Reserving (PBR). Under PBR, an insurer s reserves are still required to be conservative, since a primary focus of SAP is the protection of policyholders, however, greater credence is given to the insurer s realized past experience and anticipated future experience as well as to current economic conditions. An important part of the PBR framework was the adoption of AG43 as of December 31, 2009 for variable annuity guaranteed benefits. Another significant development was the adoption of the new VM, which defines PBR for life insurance policies. The full NAIC membership adopted the new VM in December 2012. The model law that enables the new VM will become effective on the January 1st after it has been adopted by at least 42 of the 55 jurisdictions that make up the NAIC, with the further proviso that the 42 adopting jurisdictions must also account for 75% of the premium by U.S. life insurance companies (measured as of 2008). The new VM is expected to become effective no earlier than January 1, 2015, and we anticipate that its provisions will require us to make changes to certain of our term and universal life insurance policies, in particular, those policies with guaranteed features and may result in more volatility in our financial results given the greater weight it places on current economic conditions.

The NAIC adopted revisions to AG38, specifically regarding reserving for certain universal life secondary guarantee products. Reserves on in-force business as of December 31, 2012 are now subject to a floor calculation based on assumptions consistent with a new PBR framework developed by the NAIC. Reserves on business written after December 31, 2012 will be calculated using a modified formulaic approach. After completing our analysis of these revisions on our statutory reserves, we increased reserves as of December 31, 2012 by less than $10 million. Since we are not currently selling universal life policies with secondary guarantees, we do not anticipate that this impact will be substantially higher in the future.

Surplus and Capital Requirements. Insurance regulators have the discretionary authority, in connection with the ongoing licensing of our insurance subsidiaries, to limit or prohibit the ability of an insurer to issue new policies if, in the regulators judgment, the insurer is not maintaining a minimum amount of surplus or is in hazardous financial condition. Insurance regulators may also limit the ability of an insurer to issue new life insurance policies and annuity contracts above an amount based upon the face amount and premiums of policies of a similar type issued in the prior year. We do not currently believe that the current or anticipated levels of statutory surplus of our insurance subsidiaries present a material risk that any such regulator would limit the amount of new policies that our Principal Insurance Subsidiaries may issue.

Table of Contents

Risk-Based Capital. The NAIC has adopted RBC requirements for life, health and property and casualty insurance companies. The requirements provide a method for analyzing the minimum amount of adjusted capital (statutory capital and surplus plus other adjustments) appropriate for an insurance company to support its overall business operations, taking into account the risk characteristics of the company s assets, liabilities and certain off-balance sheet items. State insurance regulators use the RBC requirements as an early warning tool to identify possibly inadequately capitalized insurers. An insurance company found to have insufficient statutory capital based on its RBC ratio may be subject to varying levels of additional regulatory oversight depending on the level of capital inadequacy. As of December 31, 2013, the RBC of each of our insurance subsidiaries exceeded statutory minimum RBC levels that would require any regulatory or corrective action.

IRIS Tests. The NAIC has developed a set of financial relationships or tests known as the Insurance Regulatory Information System (IRIS) to assist state regulators in monitoring the financial condition of U.S. insurance companies and identifying companies requiring special attention or action. For IRIS ratio purposes, our Principal Insurance Subsidiaries submit data to the NAIC on an annual basis. The NAIC analyzes this data using prescribed financial data ratios. A ratio falling outside the prescribed usual range is not considered a failing result. Rather, unusual values are viewed as part of the regulatory early monitoring system. In many cases, it is not unusual for financially sound companies to have one or more ratios that fall outside the usual range.

Regulators typically investigate or monitor an insurance company if its IRIS ratios fall outside the prescribed usual range for four or more of the ratios, but each state has the right to inquire about any ratios falling outside the usual range. The inquiries made by state insurance regulators into an insurance company s IRIS ratios can take various forms.

Management does not anticipate regulatory action as a result of the 2013 IRIS ratio results. In all instances in prior years, regulators have been satisfied upon follow-up that no regulatory action was required. It is possible that similar results may not occur in the future.

Insurance Guaranty Associations. Each state has insurance guaranty association laws that require insurance companies doing business in the state to participate in various types of guaranty associations or other similar arrangements. The laws are designed to protect policyholders from losses under insurance policies issued by insurance companies that become impaired or insolvent. Typically, these associations levy assessments, up to prescribed limits, on member insurers on the basis of the member insurer s proportionate share of the business in the relevant jurisdiction in the lines of business in which the impaired or insolvent insurer is engaged. Some jurisdictions permit member insurers to recover assessments that they paid through full or partial premium tax offsets, usually over a period of years.

Marketing and Sales

State insurance regulators are becoming more active in adopting and enforcing suitability standards with respect to sales of fixed, indexed and variable annuities. In particular, the NAIC has adopted a revised SAT, which will, if enacted by the states, place new responsibilities upon issuing insurance companies with respect to the suitability of annuity sales, including responsibilities for training agents. Several states have already enacted laws based on the SAT.

Securities Regulation Affecting Insurance Operations

Certain of our insurance subsidiaries sell variable life insurance and variable annuities that are registered with and regulated by the SEC as securities under the Securities Act. These products are issued through separate accounts that are registered as investment companies under the Investment Company Act, and are regulated by state law. Each separate account is generally divided into sub-accounts, each of which invests in an underlying mutual fund which is itself a registered investment company under the Investment Company Act. Our mutual funds, and in certain states, our variable life insurance and variable annuity products, are subject to filing and other requirements

-249-

Table of Contents

under state securities laws. Federal and state securities laws and regulations are primarily intended to protect investors and generally grant broad rulemaking and enforcement powers to regulatory agencies.

Federal Initiatives Affecting Insurance Operations

The U.S. federal government generally does not directly regulate the insurance business. However, the Dodd-Frank Act established the FSOC, which is authorized to subject non-bank financial companies deemed systemically significant to stricter prudential standards and other requirements and to subject such companies to a special orderly liquidation process outside the federal Bankruptcy Code, administered by the Federal Deposit Insurance Corporation. In April 2012, FSOC adopted final rules for evaluating whether a non-bank financial company should be designated as systemically significant. As of December 31, 2013, FSOC has designated three non-bank financial companies as systemically significant. Insurance company subsidiaries of systemically significant companies would remain subject to liquidation and rehabilitation proceedings under state law, although the FSOC is authorized to direct that such a proceeding be commenced against the insurer under state law. Systemically significant companies are also required to prepare resolution plans, so-called living wills, that set out how they could most efficiently be liquidated if they endangered the U.S. financial system or the broader economy. Insurance companies that are found to be systemically significant are permitted, in some circumstances, to submit abbreviated versions of such plans. Proposed rules regarding heightened prudential standards for systemically significant companies would impose new capital, liquidity, counterparty credit exposure and governance standards, and they would also subject such companies to restrictions on their activities and management if they appear to be at risk of liquidation. There are not exceptions for insurance companies in these proposed regulations. FSOC s potential recommendation of measures to address systemic financial risk could affect our insurance operations as could a determination that we or our counterparties are systemically significant.

The Dodd-Frank Act also established FIO within the Treasury Department. While not having a general supervisory or regulatory authority over the business of insurance, the director of this office performs various functions with respect to insurance, including serving as a non-voting member of the FSOC, making recommendations to the FSOC regarding insurers to be designated for more stringent regulation and representing the U.S. in the negotiation of international insurance agreements with foreign insurance regulators. The Dodd-Frank Act also required the director of FIO to conduct a study on how to modernize and improve the system of insurance regulation in the United States, including by increasing national uniformity through either federal involvement or effective action by the states. The director issued that report in December 2013, recommending, in part, increased federal involvement in certain areas of insurance regulation to improve uniformity, and setting out recommendations in areas of near-term reform for the states, including prudential and marketplace oversight. The report also recommended, in part, that states develop a uniform and transparent solvency oversight regime for the transfer of risk to reinsurance captives, and adopt a uniform capital requirement for reinsurance captives, including a prohibition on transactions that do not constitute legitimate risk transfer. FIO has an ongoing charge to monitor all aspects of the insurance industry and will monitor state regulatory developments, including those called for in its report and present options for federal involvement if deemed necessary.

Federal legislation and administrative policies in several areas can significantly and adversely affect insurance companies. These areas include federal health care regulation, pension regulation, financial services regulation, federal tax laws relating to life insurance companies and their products and the USA PATRIOT Act of 2001 (the Patriot Act) requiring, among other things, the establishment of anti-money laundering monitoring programs.

In this regard, from time to time, federal measures are proposed which may significantly affect the insurance business, including measures that would limit antitrust immunity, change the tax treatment of insurance products relative to other financial products, simplify tax-advantaged or tax-exempt savings and retirement vehicles, restructure the corporate income tax provisions, or modify or eliminate the estate tax as well as proposals related to an optional federal charter for insurance companies. In addition, various forms of direct federal regulation of insurance have been proposed in recent years.

Regulation of Investment and Retirement Products and Services

Our investment, asset management and retirement products and services are subject to federal and state tax, securities, fiduciary (including ERISA), insurance and other laws and regulations. The SEC, FINRA, the CFTC, state securities commissions, state banking and insurance departments and the DOL and the Treasury Department are the principal regulators that regulate these products and services. The Dodd-Frank Act may also impact our investment, asset management, retirement and securities operations. See Financial Reform Legislation and Initiatives Dodd-Frank Wall Street Reform and Consumer Protection Act below.

Federal and state securities laws and regulations are primarily intended to protect investors in the securities markets and generally grant regulatory agencies broad enforcement and rulemaking powers, including the power to limit or restrict the conduct of business in the event of non-compliance with such laws and regulations. Federal and state securities regulatory authorities and FINRA from time to time make inquiries and conduct examinations regarding compliance by us and our subsidiaries with securities and other laws and regulations.

Securities Regulation with Respect to Certain Insurance and Investment Products and Services

Our variable life insurance, variable annuity and mutual fund products are generally securities within the meaning of, and registered under, the federal securities laws, and are subject to regulation by the SEC and FINRA. Our mutual funds, and in certain states our variable life insurance and variable annuity products, are also securities within the meaning of state securities laws. As securities, these products are subject to filing and certain other requirements. Sales activities with respect to these products are generally subject to state securities regulation, which may affect investment advice, sales and related activities for these products.

Some of our subsidiaries issue certain fixed and indexed annuities supported by the company s general account and/or variable annuity contracts and variable life insurance policies through the company s separate accounts. These subsidiaries and their activities in offering and selling variable insurance and annuity products are subject to extensive regulation under the federal securities laws administered by the SEC. Some of our separate accounts, as well as mutual funds that we sponsor, are registered as investment companies under the Investment Company Act, and the units or shares, as applicable, of certain of these investment companies are qualified for sale in some or all states, the District of Columbia and Puerto Rico. Each registered separate account is generally divided into sub-accounts, each of which invests in an underlying mutual fund, which is itself a registered investment company under the Investment Company Act. In addition, the variable annuity contracts and variable life insurance policies issued by the separate accounts and certain fixed and indexed annuities supported by some of our subsidiaries general accounts, as well as mutual funds we sponsor, are registered with the SEC under the Securities Act. Certain variable contract separate accounts sponsored by our subsidiaries are exempt from registration, but may be subject to other provisions of the federal securities laws.

Broker-Dealers and Investment Advisers

Our securities operations, principally conducted by a number of SEC-registered broker-dealers, are subject to federal and state securities, commodities and related laws, and are regulated principally by the SEC, the CFTC, state securities authorities, FINRA, the Municipal Securities Rulemaking Board and similar authorities. Agents and employees registered or associated with any of our broker-dealer subsidiaries are subject to the Exchange Act and to regulation and examination by the SEC, FINRA and state securities commissioners. The SEC and other governmental agencies and self-regulatory organizations, as well as state securities commissions in the United States, have the power to conduct administrative proceedings that can result in censure, fines, cease-and-desist orders or suspension, termination or limitation of the activities of the regulated entity or its employees.

Broker-dealers are subject to regulations that cover many aspects of the securities business, including, among other things, sales methods and trading practices, the suitability of investments for individual customers, the use and safekeeping of customers funds and securities, capital adequacy, recordkeeping, financial reporting and the conduct of directors, officers and employees. The federal securities laws may also require, upon a change in control, re-approval by shareholders in registered investment companies of the investment advisory contracts governing management of those investment companies, including mutual funds included in annuity products. Investment advisory clients may also need to approve, or consent to, investment advisory agreements upon a change in control. In addition, broker-dealers are required to make certain monthly and annual filings with FINRA, including monthly FOCUS reports (which include, among other things, financial results and net capital calculations) and annual audited financial statements prepared in accordance with U.S. GAAP.

Pursuant to the Dodd-Frank Act, the SEC is authorized to establish a standard of conduct applicable to brokers and dealers whereby they would be required to act in the best interest of the customer without regard to the financial or other interest of the broker or dealer when providing personalized investment advice to retail and other customers. A January 2011 SEC study acknowledges that the offering of proprietary products would not be a per se violation of any such standard of care and that broker-dealers selling proprietary or a limited range of products could be permitted to make certain disclosures about their limited product offerings and obtain customer consents or acknowledgements. The SEC has indicated it may propose rules creating a uniform fiduciary standard of conduct applicable to broker-dealers and investment advisers which, if adopted, may affect the distribution of our products. See Financial Reform Legislation and Initiatives Dodd-Frank Wall Street Reform and Consumer Protection Act below for more information on the Dodd-Frank Act. The SEC and FINRA have also recently announced that they will be making the marketing and recommendation of IRA rollovers an examination priority in 2014; accordingly, sales of ING U.S. rollover IRA products, particularly by our affiliated broker-dealer firms, could be affected by this heightened regulatory scrutiny.

As registered broker-dealers and members of various self-regulatory organizations, our registered broker-dealer subsidiaries are subject to the SEC s Uniform Net Capital Rule, which specifies the minimum level of net capital a broker-dealer is required to maintain and requires a minimum part of its assets to be kept in relatively liquid form. These net capital requirements are designed to measure the financial soundness and liquidity of broker-dealers. The uniform net capital rule imposes certain requirements that may have the effect of preventing a broker-dealer from distributing or withdrawing capital and may require that prior notice to the regulators be provided prior to making capital withdrawals. Certain of our broker-dealers are also subject to the net capital requirements of the CFTC and the various securities and commodities exchanges of which they are members. Compliance with net capital requirements could limit operations that require the intensive use of capital, such as trading activities and underwriting, and may limit the ability of our broker-dealer subsidiaries to pay dividends to us.

Some of our subsidiaries are registered as investment advisers under the Investment Advisers Act and provide advice to registered investment companies, including mutual funds used in our annuity products, as well as an array of other institutional and retail clients. The Investment Advisers Act and Investment Company Act may require that fund shareholders be asked to approve new investment advisory contracts with respect to those registered investment companies upon a change in control of a fund s adviser. Likewise, the Investment Advisers Act may require that other clients consent to the continuance of the advisory contract upon a change in control of the adviser. Further, proposals have been made that the SEC establish a self-regulatory organization with respect to registered investment advisers, which could increase the level of regulatory oversight over such investment advisers.

The commodity futures and commodity options industry in the United States is subject to regulation under the Commodity Exchange Act of 1936, as amended (the Commodity Exchange Act). The CFTC is charged with the administration of the Commodity Exchange Act and the regulations adopted under that Act. Some of our subsidiaries are registered with the CFTC as commodity pool operators and commodity trading advisors. Our futures business is also regulated by the National Futures Association.

Employee Retirement Income Security Act Considerations

ERISA is a comprehensive federal statute that applies to U.S. employee benefit plans sponsored by private employers and labor unions. Plans subject to ERISA include pension and profit sharing plans and welfare plans,

Table of Contents

including health, life and disability plans. Among other things, ERISA imposes reporting and disclosure obligations, prescribes standards of conduct that apply to plan fiduciaries and prohibits transactions known as prohibited transactions, such as conflict-of-interest transactions, self-dealing and certain transactions between a benefit plan and a party in interest. ERISA also provides for a scheme of civil and criminal penalties and enforcement. Our insurance, investment management and retirement businesses provide services to employee benefit plans subject to ERISA, including limited services under specific contract where we may act as an ERISA fiduciary. We are also subject to ERISA s prohibited transaction rules for transactions with ERISA plans, which may affect our ability to, or the terms upon which we may, enter into transactions with those plans, even in businesses unrelated to those giving rise to party in interest status. The applicable provisions of ERISA and the Internal Revenue Code are subject to enforcement by the DOL, the IRS and the PBGC.

In the fourth quarter of 2011, the DOL withdrew proposed regulations that would more broadly define the circumstances under which a person is considered to be a fiduciary by reason of giving investment advice to an employee benefit plan or a plan s participants. In early July 2013, the DOL announced that it would re-propose these regulations, under the revised general topic of conflicts of interest under ERISA pertaining to investment advice. The new proposed regulation is estimated for release in August 2014. We cannot predict with any certainty what will be contained in the re-proposed regulations, but they could alter the way our products and services are marketed and sold to ERISA plans and their plan participants and to purchasers of individual retirement accounts and individual retirement annuities. The SEC also has indicated that it may propose rules creating a uniform standard of conduct applicable to broker-dealers and investment advisers, which, if adopted may affect the distribution of our products. Should the SEC rules, if adopted, not align with any reissued and finalized DOL regulations related to conflicts of interest in the provision of investment advice, the distribution of our products could be further complicated.

The DOL has also issued a number of regulations recently, and may issue similar additional regulations, that increase the level of disclosure that must be provided to plan sponsors and participants. These ERISA disclosure requirements will likely increase the regulatory and compliance burden on us, resulting in increased costs.

Trust Activities Regulation

ING National Trust (INT), our wholly owned subsidiary, is a national banking association chartered exclusively with trust powers by the OCC. INT is not permitted to, and does not, accept deposits (other than incidental to its trust activities). INT is subject to regulation, supervision and examination by the OCC and its exercise of fiduciary powers must comply with Part 9 of the OCC s regulations, which governs the fiduciary activities of federally-chartered banks and trust companies and, among other things, imposes certain review and recordkeeping obligations and certain restrictions on self-dealing and conflict of interest transactions. On September 16, 2013, Lion Holdings and INT entered into an agreement with an unaffiliated third party related to a block of personal trust accounts for which INT is currently the trustee. Pursuant to the Agreement, the counterparty (i) has been engaged to provide services for managing these accounts on behalf of INT as trustee; (ii) is actively seeking consent of interested parties to replace INT as the trustee on these accounts and (iii) upon the satisfaction of certain business and regulatory conditions, will purchase the INT entity itself. The transactions contemplated by the Purchase and Assumption Agreement are expected to be consummated prior to or during 2015.

ING Investment Trust Co., our wholly owned subsidiary, is a limited purpose trust company chartered with the Connecticut Department of Banking. ING Investment Trust Co. is not permitted to, and does not, accept deposits (other than incidental to its trust activities). ING Investment Trust Co. s activities are primarily to serve as trustee for and manage various collective and common trust funds. ING Investment Trust Co. is subject to regulation, supervision and examination by the Connecticut Banking Commissioner and is subject to state fiduciary duty laws. In addition, the collective trust funds managed by ING Investment Trust Co. are generally subject to ERISA.

Table of Contents

Financial Reform Legislation and Initiatives

Dodd-Frank Wall Street Reform and Consumer Protection Act

On July 21, 2010, President Obama signed into law the Dodd-Frank Act, which effects comprehensive changes to the regulation of financial services in the United States. The Dodd-Frank Act directs existing and newly-created government agencies and bodies to conduct certain studies and promulgate a multitude of regulations implementing the law, a process that is underway and is expected to continue over the next few years. While some studies have already been completed and the rule-making process is well underway, there continues to be significant uncertainty regarding the results of ongoing studies and the ultimate requirements of those regulations that have not yet been adopted. We cannot predict with certainty how the Dodd-Frank Act and such regulations will affect the financial markets generally, or impact our business, ratings, results of operations, cash flows or financial condition.

The Dodd-Frank Act created a new agency, the FSOC, which is authorized to subject nonbank financial companies to the supervision of the Federal Reserve if the FSOC determines that material financial distress at the company or the scope of the company s activities could pose risks to the financial stability of the United States. If we were designated by the FSOC as a systemically significant nonbank financial company subject to supervision by the Federal Reserve, we would become subject to a comprehensive system of prudential regulation, including, among other matters, minimum capital requirements, liquidity standards, credit exposure requirements, maintenance of resolution plans, stress testing, management interlock prohibitions, additional fees and assessments and restrictions on proprietary trading and other investments (including restrictions similar to the so-called Volcker Rule on our proprietary trading activity or our ability to sponsor or invest in certain types of investment funds). The exact scope and consequences of these standards and requirements are subject to ongoing rulemaking activity by various federal banking regulators and therefore are currently unclear. However, this comprehensive system of prudential regulation, if applied to the Company, would significantly impact the manner in which we operate and could materially and adversely impact the profitability of one or more of our business lines or the level of capital required to support our activities.

In addition, the Dodd-Frank Act contains numerous other provisions, some of which may have an impact on us. These include:

The FSOC may recommend that state insurance regulators or other regulators apply new or heightened standards and safeguards for activities or practices we and other insurers or other financial services companies engage in if the FSOC determines that those activities or practices could create or increase the risk that significant liquidity, credit or other problems spread among financial companies. We cannot predict whether any such recommendations will be made or their effect on our business, results of operations, cash flows or financial condition.

The Dodd-Frank Act creates a new framework for regulating OTC derivatives, which may increase the costs of hedging and other permitted derivatives trading activity undertaken by us. Under the new regulatory regime and subject to certain exceptions, certain standardized OTC derivatives must be cleared through a centralized clearinghouse and executed on a centralized exchange commencing in 2013. It establishes new regulatory authority for the SEC and the CFTC over derivatives and parties to derivative transactions including swap dealers, security-based swap dealers, major swap participants, major security-based swap participants a well as end users of derivatives. In addition to mandatory central clearing of certain derivatives, such market participants may be subject to significant regulatory requirements including registration, reporting and recordkeeping, capital and margin and trade execution requirements. However, the transition to central clearing and the new regulatory regime governing derivatives presents potentially significant business and operational risk for us which could materially and adversely impact both the cost and our ability to effectively hedge various risks, including equity and interest rate market risk features within many of our insurance and annuity products.

The CFTC and SEC jointly adopted final rules, which (subject to certain exceptions) became effective on October 12, 2012, to further define the terms swap and security-based swap, which clarify that certain products (i) issued by entities subject to supervision by the insurance commissioner (or similar official or agency) of any state or by the United States or an agency or instrumentality thereof (the Provider Test) and (ii) regulated as insurance or otherwise enumerated by rule are excluded from the definition of a swap and security-based swap. In addition, any insurance contracts which might otherwise be included within the definition of swap or security-based swap which were issued on or before the effective date of the rules will be grandfathered and thereby excluded from the definitions, as long as the issuer satisfies the Provider Test. However, the rulemaking does not extend the exemption to certain products issued by insurance companies including GICs, synthetic GICs, funding agreements, structured settlements and deposit administration contracts which the CFTC and SEC determined should be considered in a facts and circumstances analysis. As a result, there remains some uncertainty regarding the applicability of the definitions of swap and security-based swap to some products offered by us. We do not believe our products come within the definition of swap or security-based swap. However, if any products issued by us meet the criteria for either definition they would be subject to regulation under the Dodd-Frank Act, including clearing of certain standardized transactions through a centralized clearinghouse, execution of certain standardized trades on a centralized exchange and related reporting requirements. The legislation also requires the SEC and CFTC to conduct a study to determine whether stable value contracts fall within the definition of swap contracts, and if so, to determine whether an exemption to their regulation is appropriate. The SEC and CFTC are considering the study in light of the adoption of the rules described above. Stable value contracts are exempt from the legislation s swap provisions, pending the effective date of any such regulatory action.

The Dodd-Frank Act established FIO within the Treasury Department to be headed by a director appointed by the Secretary of the Treasury. See Insurance Regulation Federal Initiatives Affecting Insurance Operations above.

The Dodd-Frank Act established the Consumer Financial Protection Bureau (the CFPB) as an independent agency within the Federal Reserve to regulate consumer financial products and services offered primarily for personal, family or household purposes, with rule-making and enforcement authority over unfair, deceptive or abusive acts and practices. However, the legislation does not give the CFPB jurisdiction over insurance products or services, or over persons regulated by a state insurance regulator, subject to exceptions for certain non-insurance consumer financial products or services. In addition, broker-dealers and investment advisers are not subject to the CFPB s jurisdiction when acting in their registered capacity. Employee benefit plans and other retirement products are generally excluded from the CFPB s jurisdiction; however, certain types of employee benefit plans and retirement products may become subject to the CFPB s jurisdiction upon a joint written request by the DOL and the Treasury Department. We believe we offer a very limited number of products subject to regulation by the CFPB, although it is possible that the CFPB will assert jurisdiction more expansively than anticipated.

The Dodd-Frank Act includes various securities law reforms that may affect our business practices and the liabilities and/or exposures associated therewith. See Broker-Dealers and Investment Advisers above.

Until final regulations are promulgated pursuant to the Dodd-Frank Act, the full impact of the Dodd-Frank Act on our businesses, products, results of operation and financial condition will remain unclear.

International and National Regulatory Initiatives that May Affect Us as a Consequence of our Affiliation with ING Group

The causes of the recent financial crisis are being actively reviewed by lawmakers around the world, who are exploring steps to avoid similar problems in the future. In many respects, this work is being led by the Financial Stability Board (FSB), which consists of representatives of national financial authorities of the Group

Table of Contents

of Twenty (G20) nations. The FSB, along with the G20, have issued a series of papers and recommendations intended to produce significant changes in how financial companies, particularly companies that are members of large and complex financial groups, should be regulated. These proposals address such issues as financial group supervision, capital and solvency standards, systemic risk, corporate governance including executive compensation, and a host of related issues associated with responses to the financial crisis. The FSB, for example, has proposed to designate certain companies as systemically significant, similar to the approach the FSOC may take in connection with systemically significant banks and non-bank financial companies under the Dodd-Frank Act. Legislators and regulatory authorities in a number of jurisdictions in which ING Group operates have already begun introducing legislative and regulatory changes consistent with G20 and FSB recommendations as well as their own initiatives in a number of policy areas. On January 19, 2011, the EC presented a draft directive to amend the Solvency II Directive, referred to as the Omnibus II Directive . The Solvency II Directive and the Omnibus II Directive will effect a full revision of the European insurance industry s solvency framework and prudential regime (in particular, minimum capital and solvency requirements, governance requirements, risk management and public reporting standards) and will impose, among other things, group-level supervision mechanisms. It is not certain when the Solvency II Directive rules will be finalized, nor what those final rules will contain. In addition, despite the announcement that the Solvency II Directive will become effective on January 1, 2016, there remains uncertainty as to when the rules will become effective given previous changes to the proposed effectiveness date. Accordingly, the future effect of the Solvency II Directive on our business, solvency margins and capital requirements is uncertain.

Regulation by Dutch Authorities

The DNB is the supervisor of ING Group which, from the time of our IPO until the time of this offering, has been the majority shareholder of the Company. DNB supervises and assesses the financial situation of ING Group as a whole and thus includes the operations of the Company and its subsidiaries. The ongoing divestment of the Company by ING Group, including this offering, continues to be subject to the oversight of the DNB. This supervision of compliance with regulatory requirements includes the topics of capital adequacy, risk concentration and intra group contracts and positions as well as rules regarding the operations of ING Group. Furthermore DNB also plans and coordinates supervisory activities with the relevant supervisory authorities of ING Group subsidiaries. On November 4, 2013, a regulation concerning the establishment of a Single Supervisory Mechanism (SSM) became effective. As a result of the effectiveness of the SSM, the European Central Bank (ECB) will assume responsibility for part of the prudential supervision of ING Bank and ING Group as of November 4, 2014. Under the SSM regulations, the ECB has a mandate to participate in supplementary supervision of a financial conglomerate in relation to the banks included in a conglomerate such as ING Group, and to assume the tasks of a coordinator where the ECB is appointed as the coordinator for a financial conglomerate. At this point in time, it is uncertain if and how the new supervisory structure or ECB mandate may impact ING Group or the Company.

In addition to the various US and international regulatory initiatives, the Dutch authorities have launched a number of Dutch regulatory initiatives, including but not limited to the Dutch Intervention Act and legislation with regard to variable remuneration at financial institutions that have received state support.

The Intervention Act grants new powers to the DNB and the Minister of Finance to intervene in situations where an institution, including a financial group such as ING Group, faces financial difficulties or where there is a serious and immediate risk to the stability of the financial system caused by an institution in difficulty. The Act has entered into force with retroactive effect on January 20, 2012.

For information on certain requirements established by the European Union with respect to compensation disclosures and practices in financial services companies that may affect the Company, please see Compensation of Executive Officers and Directors Critical Compensation and Other Policies Capital Requirements Directive III .

Table of Contents

We are unable to predict how any regulations resulting from such initiatives and proposals could affect the way ING Group conducts its business and manages capital, or to what extent any changes in the way ING Group conducts its business as a result thereof could affect us, as an affiliate of ING Group, our relationship with ING Group or our results of operations, financial condition and liquidity. The possibility of inconsistent and conflicting regulation of ING Group and the Company also exists as lawmakers and regulators in multiple jurisdictions simultaneously pursue these initiatives.

Other Laws and Regulations

USA Patriot Act

The Patriot Act contains anti-money laundering and financial transparency laws applicable to broker-dealers and other financial services companies, including insurance companies. The Patriot Act seeks to promote cooperation among financial institutions, regulators and law enforcement entities in identifying parties that may be involved in terrorism or money laundering. Anti-money laundering laws outside of the United States contain provisions that may be different, conflicting or more rigorous. Internal practices, procedures and controls are required to meet the increased obligations of financial institutions to identify their customers, watch for and report suspicious transactions, respond to requests for information by regulatory authorities and law enforcement agencies and share information with other financial institutions.

We are also required to follow certain economic and trade sanctions programs administered by the Office of Foreign Asset Control that prohibit or restrict transactions with suspected countries, their governments and, in certain circumstances, their nationals. We are also subject to regulations governing bribery and other anti-corruption measures.

Privacy Laws and Regulation

U.S. federal and state laws and regulations require financial institutions, including insurance companies, to protect the security and confidentiality of personal information and to notify consumers about their policies and practices relating to their collection and disclosure of consumer information and the protection of the security and confidentiality of that information. The disclosure and security of protected health information is also governed by federal and state laws. In particular, regulations promulgated by the U.S. Department of Health and Human Services regulate the disclosure and use of protected health information by health insurers and others (including life insurers), the physical and procedural safeguards employed to protect the security of that information and the electronic transmission of such information. Federal and state laws require notice to affected individuals, law enforcement, regulators and others if there is a breach of the security of certain personal information, including social security numbers, and require holders of certain personal information to protect the security of the data. Federal regulations require financial institutions to implement effective programs to detect, prevent and mitigate identity theft. Federal and state laws and regulations regulate the ability of financial institutions to make telemarketing calls and to send unsolicited e-mail or fax messages to consumers and customers. Federal laws and regulations also regulate the permissible uses of certain types of personal information, including consumer report information. Federal and state governments and regulatory bodies may consider additional or more detailed regulation regarding these subjects.

Environmental Considerations

Our ownership and operation of real property and properties within our commercial mortgage loan portfolio is subject to federal, state and local environmental laws and regulations. Risks of hidden environmental liabilities and the costs of any required clean-up are inherent in owning and operating real property. Under the laws of certain states, contamination of a property may give rise to a lien on the property to secure recovery of the costs of clean-up, which could adversely affect the valuation of, and increase the liabilities associated with, the commercial mortgage loans we hold. In several states, this lien has priority over the lien of an existing mortgage against such property. In addition, we may be liable, in certain circumstances, as an owner or operator, for

Table of Contents

costs of cleaning-up releases or threatened releases of hazardous substances at a property mortgaged to us under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 and the laws of certain states. Application of various other federal and state environmental laws could also result in the imposition of liability on us for costs associated with environmental hazards.

We routinely conduct environmental assessments prior to closing any new commercial mortgage loans or to taking title to real estate. Although unexpected environmental liabilities can always arise, we seek to minimize this risk by undertaking these environmental assessments and complying with our internal environmental policies and procedures.

Health Care Reform Legislation

The Health Care Act may lead to fundamental changes in the way that employers, including us, provide health care benefits, other benefits and other forms of compensation to their employees and former employees. Among other changes, and subject to various effective dates, the Health Care Act generally restricts certain limits on benefits, mandates coverage for certain kinds of care, extends the required coverage of dependent children through age 26, eliminates pre-existing condition exclusions or limitations, requires cost reporting and, in some cases, requires premium rebates to participants under certain circumstances, limits coverage waiting periods, establishes penalties on employers who fail to offer sufficient coverage to their full-time employees and requires employers under certain circumstances to provide employees with vouchers to purchase their own health care coverage. We cannot predict the impact of the Health Care Act, and any regulations or guidance related to the Health Care Act, on us as an employer and on the benefit plans we sponsor for employees or retirees and their dependents, or whether those benefits will remain competitive or effective in meeting their business objectives. Our costs to provide such benefits and our tax liabilities in connection with benefits or compensation cannot be predicted.

The Health Care Act also significantly impacts how employers provide health care to employees and how individuals obtain health care insurance. There is significant uncertainty surrounding the impact of the Health Care Act on insurers which may create risks to products we offer, including Stop Loss Insurance sold to employers offering self-insured health plans. In addition, should the Treasury Department issue guidance concluding that insurers offering Stop Loss Insurance are considered health care providers, we may face adverse tax or other financial consequences.

U.S. Supreme Court Decision regarding Defense of Marriage Act

Before June 26, 2013, pursuant to Section 3 of the Defense of Marriage Act (DOMA), same-sex marriages were not recognized for purposes of federal law. On that date, the United States Supreme Court held in United States v. Windsor that Section 3 of DOMA is unconstitutional. The Windsor decision affects over 1,000 federal laws and regulations, many of which touch upon our services and procedures. While the IRS and DOL have issued guidance indicating that they will regard individuals to be married if they have entered into a same-sex marriage that is valid under the laws of the state where such marriage is celebrated, the appropriate legal and regulatory authorities need to provide further guidance regarding the open questions created by the Windsor decision. Although we recognize that certain changes will be required, we cannot predict with certainty how new regulations will impact our business, results of operations, cash flows or financial condition. The Windsor decision also creates potential inconsistencies in the application of federal and state tax laws, including how tax withholding is computed. Future guidance from the Internal Revenue Service and state tax authorities may resolve these inconsistencies, and it is possible that significant changes will be required to our tax reporting and withholding systems as a result.

Table of Contents

MANAGEMENT

Management of the Company is led by the Office of the CEO (the OCEO) and the Executive Committee. The OCEO, our highest management body, is composed of the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer and is responsible for setting the leadership tone and providing overall strategic and financial guidelines for the Company. The Executive Committee, composed of the members of the OCEO as well as the remainder of our executive officers, set forth below, is tasked with setting corporate strategy, managing overall operating performance, building a cohesive culture and establishing our organizational structure.

Our Executive Officers

The following table presents information regarding our executive officers.

Name	Age	Position
Rodney O. Martin, Jr*	61	Chief Executive Officer
Alain M. Karaoglan*	51	Executive Vice President and Chief Operating Officer
Ewout L. Steenbergen*	44	Executive Vice President and Chief Financial Officer
Mary E. (Maliz) Beams	57	Chief Executive Officer, Retirement Solutions
Jeffrey T. Becker	48	Chief Executive Officer, Investment Management
Bridget M. Healy	59	Executive Vice President and Chief Legal Officer
Chetlur S. Ragavan	59	Executive Vice President and Chief Risk Officer
Kevin D. Silva	60	Executive Vice President and Chief Human Resources Officer
Michael S. Smith	50	Chief Executive Officer, Insurance Solutions and Closed Block Variable Annuities

* Designates a member of the OCEO.

Set forth below is biographical information about each of the executive officers named in the table above.

Rodney O. Martin, Jr. has served as chief executive officer and a member of the Board of Directors of ING U.S., Inc. since April 2011. Mr. Martin also assumed the role of chairman of the Board of Directors upon completion of our initial public offering in May 2013, and also serves as chairman of the Board s Executive Committee (see Executive Committee). Mr. Martin is responsible for the overall strategy and performance of ING U.S., Inc. Mr. Martin began his insurance career as an agent with Connecticut Mutual Life Insurance Company, where, from February 1975 to August 1995, he served in various marketing and management positions. Mr. Martin ultimately advanced to become president of Connecticut Mutual Insurance Services. In 1995, Mr. Martin joined the American General Life Companies as president and chief executive officer where he ran the U.S. life insurance businesses until they were acquired by American International Group, Inc. (AIG), in 2001. At AIG, Mr. Martin held positions of increasing responsibility, from chief operating officer of AIG Worldwide Life Insurance, chairman and chief executive officer of American Life Insurance Company, chairman of American International Assurance, and most recently, chairman of AIG s International Life and Retirement Services businesses until November 2010. Mr. Martin received his bachelor s degree in business administration from Alfred University in Alfred, N.Y., and is also a Life Underwriter Training Council Fellow. Mr. Martin serves on the Board of Directors of ACLI and has served on the Board of Directors of LIMRA.

Alain M. Karaoglan has served as executive vice president and chief operating officer since September 2012, and from April 2011 to September 2012 served as executive vice president, finance and strategy. Mr. Karaoglan provides oversight to our Investment Management business, as well as Strategy and Corporate Development, Investor Relations, Brand Marketing, Operations, and Information Technology. Mr. Karaoglan also served as a member of the Board of Directors from April 2011 to April 2013. Prior to joining us, Mr. Karaoglan was senior vice president, Divestiture, for AIG from June of 2009 to April 2011. Prior to AIG, from September 2007 to April 2009, Mr. Karaoglan was managing director, Equity Research, for Banc of America Securities LLC. From October of 2000 to June 2007, he was managing director, North American Equity

Table of Contents

Research, at Deutsche Bank Securities Inc. Previously, from August 1997 to October 2000, he was an equity research analyst at Donaldson Lufkin & Jenrette after being in investment banking for approximately 10 years (1988-1997) at First Boston Corporation and, as a managing director at Bear Stearns, where he advised companies in corporate finance and merger and acquisitions transactions. Mr. Karaoglan received bachelor s degrees, both magna cum laude, in business administration and economics from Pepperdine University and received his M.B.A. from Dartmouth College s Tuck School of Business.

Ewout L. Steenbergen has served as executive vice president and chief financial officer of the Company since January 2010. Mr. Steenbergen also served as a member of the Board of Directors from January 2010 to April 2013. Mr. Steenbergen is responsible for strategic finance, capital management, treasury, actuarial, tax, insurance investments, controller functions, financial reporting, procurement and expense management for the Company. Mr. Steenbergen has been employed by ING Group-affiliated companies since 1993. Immediately prior to his current position, he served as chief financial officer and chief risk officer for ING Asia Pacific. Mr. Steenbergen has held a number of management roles for ING Group including serving as regional general manager in Hong Kong, China, and as chief executive officer of RVS, an ING Group company based in the Netherlands that provides a broad range of life insurance, property and casualty insurance, and pension products. He has also served as head of corporate strategy for ING Group, chief executive officer of ING Insurance Czech Republic and Slovakia, and director of Retirement and Employee Benefits at Nationale-Nederlanden, ING Group s life insurance company in the Netherlands. Prior to joining ING Group, Mr. Steenbergen was a consultant at the actuarial firm, Ten Pas (now part of Mercer) from 1990 to 1993. He holds a master s degree in actuarial science from the University of Amsterdam (Netherlands) and a master s degree in business administration from the University of Rochester.

Mary E. (Maliz) Beams has served as chief executive officer of our Retirement segment since June 2011, with responsibility broadened to cover the entire Retirement Solutions business since August 2012. Ms. Beams joined ING in 2011 with 30 years of experience in the financial services industry, spanning institutional, high net-worth and retail markets across asset management, retirement and banking sectors and has run both international and domestic businesses. Prior to joining the Company, Ms. Beams served as president and chief executive officer of TIAA-CREF s Individual and Institutional Services LLC (2004-2010). In addition to TIAA-CREF, Ms. Beams was a partner at Zurich Scudder Investments heading the offshore and U.S. mutual fund direct businesses (1997-2003). She was also a managing director of Fleet Financial (1993-1997), American Express (1988-1993) and Citibank (1984-1988). Ms. Beams received a B.A. in English from Boston College and an M.B.A. in finance and marketing from Columbia University. Ms. Beams is currently a board member of the Employee Benefits Research Institute (EBRI), The Insured Retirement Institute (IRI) and LIMRA-LOMA Secure Retirement Institute and is a member of the CEO Task Force for Retirement Services.

Jeffrey T. Becker has served as chief executive officer of our Investment Management business since October 2009. Mr. Becker has been employed by the Company and its predecessor since 1998, serving in increasingly responsible positions, including vice chairman, chief operating officer and chief financial officer of the Investment Management business. Prior to joining the Company, Mr. Becker was chief credit officer for Aetna s Real Estate Investment Group. Prior to joining Aetna in 1994, Mr. Becker was a senior manager in Arthur Andersen s financial consulting practice. Mr. Becker earned a B.A. in economics from Colgate University and an M.B.A. in finance from New York University s Stern School of Business.

Bridget M. Healy has served as executive vice president and chief legal officer of the Company since July 2007 and prior to 2012, also served in the same capacity for ING Group s non-banking operations in the Americas. In this role, Ms. Healy is responsible for the law, government affairs, compliance and corporate responsibility functions for the Company. Ms. Healy joined ING U.S., Inc. from The Travelers Companies, Inc., where she was senior vice president and group general counsel from 2005 to 2007. Prior to Travelers, from 1995 to 2003 she served in positions of increasing responsibility at Becton, Dickinson and Company, ultimately serving as its general counsel and corporate secretary from 2000-2003. In addition, she previously was a partner in the law firm of Stroock & Stroock & Lavan from 1992 to 1995 and practiced law in the United States and in Europe with Davis Polk & Wardwell LLP from 1982 to 1991. Ms. Healy received her J.D., magna cum laude,

Table of Contents

from the Georgetown University Law Center and is a graduate of Brown University, with an honors degree in International Relations and French Studies. Ms. Healy is the past Chairman of the Life Insurance Council of New York (LICONY).

Chetlur S. Ragavan has served as executive vice president and chief risk officer of the Company since January 2014. Prior to assuming this role, Mr. Ragavan served as the chief risk officer of Investment Management since April 2008. In this role, Mr. Ragavan was responsible for an integrated, company-wide platform that covers investment, operational and business risk management. Prior to joining the Company, Mr. Ragavan served as Managing Director, co-head of the Portfolio Analytics Group for Blackrock Solutions following its merger with Merrill Lynch Investment Managers in October 2006. He began his career at Merrill Lynch in 1980 and has held a number of senior investment and risk management positions within its various subsidiaries. Mr. Ragavan has a B.B.A. in management science from Madurai University and an M.B.A. in finance from the University of Madras, both in India. He also holds an M.S. in computer science from the New Jersey Institute of Technology and holds the Chartered Financial Analyst® designation.

Kevin D. Silva has served as executive vice president and chief human resources officer of the Company since February 2012. Prior to his current position, from 2009 to 2012, he served as chief human resources officer at Argo Group International, a global, publicly traded specialty insurance company. Prior to joining Argo, Mr. Silva spent more than 13 years (1996-2009) at MBIA Insurance Corporation where he served as chief administrative officer responsible for the human resources, communications, corporate administration, governmental relations, information resources, facilities, telecommunications, and records-management functions. Mr. Silva has also served in senior human resources leadership roles with Merrill Lynch (1993-1995), MasterCard International (1989-1993), and Pepsi Cola Company (1979-1989). Mr. Silva earned a bachelor s degree in Communications from St. John s University and a master s degree in Psychology from New York University.

Michael S. Smith has served as Chief Executive Officer of our Insurance Solutions and Closed Block Variable Annuity business since January 2014. Prior to assuming this role, Mr. Smith served as the executive vice president and chief risk officer of the Company since May 2012. In this role, Mr. Smith was responsible for overseeing the enterprise-wide and business-level risk monitoring and management program for the Company. In addition to his risk management role, he provided management oversight of our CBVA segment. Mr. Smith joined the Company in May 2009 first as chief financial officer and chief insurance risk officer of the annuity business and subsequently as chief executive officer of Annuity Manufacturing. Prior to joining the Company, from 1988 to 2009, Mr. Smith was employed by Lincoln Financial Group (LNC) where he held several positions, including head of Profitability and Risk Management for Retirement Solutions at LNC, chief actuarial officer for Lincoln National Life, chief administrative officer and chief financial officer for Lincoln Financial Distributors, Inc., chief financial officer and chief risk officer for LNC s Life and Annuity division and head of customer support for LNC s Employer Markets division. Mr. Smith holds bachelor s degrees in Economics and Russian Studies from the University of Michigan. He attained Fellowship in the Society of Actuaries in 1990 and is also a Member of the American Academy of Actuaries. He also attained his CFA Charter holder designation in 2003.

Table of Contents

Our Directors

The Board of Directors is responsible for the oversight of management of the Company. The following table presents information regarding the current members of our Board of Directors.

Name	Age	Position
Rodney O. Martin, Jr.	61	Chairman of the Board of Directors
Johannes (John) M.M. Boers	61	Director
Patrick G. Flynn	53	Director
J. Barry Griswell	64	Director
Dirk (Dick) H. Harryvan	60	Director
Frederick S. Hubbell	62	Director
Hendricus (Henny) A. Koemans	59	Director
Willem (Wilfred) F. Nagel	57	Director
David Zwiener	59	Director

Set forth below is biographical information about each of the directors named in the table above, to the extent not provided above under Our Executive Officers.

Johannes (John) M.M. Boers was appointed a director of ING U.S., Inc. in April 2013. Mr. Boers has been employed by ING Group for over 25 years in increasingly responsible positions. He is currently the Head of Corporate Operational Risk Management at ING/NN Group. Prior to his current position, Mr. Boers was Head of ING Insurance Investments from 2012 to 2013. Previous to that, Mr. Boers was Chief Financial Officer and Chief Risk Officer of ING Life India from 2009 to 2012 and Chief Financial Officer and Chief Risk Officer of ING Group s Dutch insurance operation, Nationale-Nederlanden, from 2004 to 2009. From 2002 to 2004, he was the Chief Financial Officer and Chief Risk Officer for ING Americas and from 1999 to 2002 he was ING Group s Chief Auditor. Prior to joining ING Group, Mr. Boers served for 10 years as an officer in the Royal Dutch Army. Mr. Boers graduated from the Dutch Royal Military Academy and is a member of the Royal Dutch Institute of Certified Accountants.

Patrick G. Flynn was appointed a director of ING U.S., Inc. in 2011. He has been a member of the Executive Board and chief financial officer of ING Group since April 2009. He also serves on the Management Boards of ING Bank, NN Group (successor to ING V and ING Insurance Topholding N.V.) and ING Insurance Eurasia N.V. Prior to joining ING Group, he was employed by HSBC from 1989 to 2009 serving as chief financial officer for HSBC s banking and insurance operations in South America from 2002 to 2006 and rising to chief financial officer of HSBC s global Insurance business based in London. From 1984 to 1989 he was employed by KPMG in Dublin, Ireland. Mr. Flynn holds a bachelor s degree in Business Studies from Trinity College Dublin. Mr. Flynn is a fellow of the Institute of Chartered Accountants, Ireland, and a member of the Association of Corporate Treasurers (UK).

J. Barry Griswell was appointed a director of ING U.S., Inc. in May 2013 and serves as Chairman of our Compensation and Benefits Committee (see Compensation and Benefits Committee). Mr. Griswell is the retired Chairman and Chief Executive Officer of Principal Financial Group, positions he held from 2002 to 2009 and 2000-2008, respectively. He remained a non-executive member of Principal Financial Group s Board of Directors until 2010. Prior to joining Principal Financial Group in 1988, Mr. Griswell served as President and Chief Executive Officer of MetLife Marketing Corporation, a subsidiary of Metropolitan Life Insurance Company. In 2011, Mr. Griswell joined the board of directors of Och-Ziff Capital Management Group, where he serves as Chair of the Compensation Committee, and since 2004 he has been a member of the board of directors of Herman Miller, Inc., where he currently is Chair of the Compensation Committee and a member of the Executive Committee. From 2010 to 2013, Mr. Griswell served as a director of National Financial Partners Corp. From his retirement in 2008 from Principal Financial Group until July 1, 2013, Mr. Griswell has served as the head of the Community Foundation of Greater Des Moines, first as President and, from July 2011 until July 2013, as Chief Executive Officer. Mr. Griswell has held leadership positions with several industry trade

Table of Contents

associations, including ACLI, LIMRA, the Life Underwriting Training Council and LL Global. Mr. Griswell is the co-author of *The Adversity Paradox: An Unconventional Guide to Achieving Uncommon Business Success* (2009). Mr. Griswell received a B.A. from Berry College and an M.B.A. from Stetson University.

Dirk (Dick) H. Harryvan (alternate spelling, Harrijvan) was appointed a director of ING U.S., Inc. in April 2013. Mr. Harryvan serves as chairman of our Finance Committee (see Finance Committee). Mr. Harryvan retired from ING Group in 2009 after 30 years of service in increasingly responsible positions. From 1993 to 2009, he was with ING Bank, and, from 2006 to 2009, was Chief Executive Officer of ING Direct and a member of ING Group s Executive Board. Prior to ING Bank, Mr. Harryvan held several positions with ING-affiliated insurance companies in Canada and the U.S. Mr. Harryvan is currently a member of the Supervisory Board of ING Direct Germany as well as the Dutch Automobile Association. He also serves as Co-Chairman of the International Academy of Retail Banking and is a member of the Advisory Board of the Official Monetary Financial Institutions Forum. He was previously a director of ING Direct USA and ING Direct Canada. Mr. Harryvan holds a master s degree in Business Economics from Erasmus University (The Netherlands) and also completed the Insurance Executive Management program at Columbia University. He is a Fellow of the Life Management Institute and a Chartered Property and Casualty Underwriter.

Frederick S. Hubbell was appointed a director of ING U.S., Inc. in 2012. Mr. Hubbell serves as our Lead Director (see below Lead Director) and Chairman of our Nominating and Governance Committee (see Nominating and Governance Committee). During 2012 prior to his appointment to the ING U.S. Board of Directors, Mr. Hubbell was an independent advisor to ING Group for approximately nine months in its consideration of potential Divestment Transactions. He served as a member of the Executive Board of ING Group from 2000 to 2006 and was Chairman of Insurance and Asset Management Americas for ING Group from 2004 to 2006. Mr. Hubbell was a member of the Executive Committee of Financial Services International for ING Group from 1999 to 2000 and served as President and Chief Executive Officer of the United States Life and Annuities Operations for ING Group from 1997 to 1999. He became President and Chief Executive Officer of Equitable Life Insurance Company of Iowa in 1989 and Chairman in 1993, and served in both roles until ING Group s acquisition of Equitable in 1997. Mr. Hubbell was Chairman of Younkers, a retail department store business from 1985 to 1992. He was head of strategic planning of Equitable Life Insurance Company of Iowa from 1983 to 1985. Mr. Hubbell began his career as a lawyer in the United States at Dewey, Ballantine, Bushby, Palmer & Wood LLP from 1976 to 1978 and also practiced at Hughes Hubbard and Reed LLP from 1978 to 1981, and was a partner at Mumford, Schrage, Merriman and Zurek from 1981 to 1983. Mr. Hubbell received his B.A. from University of North Carolina, Chapel Hill in 1973 and his J.D. from University of Iowa in 1976. He serves on the Board of Directors of The Macerich Company, the Board of Directors of the Community Foundation of Greater Des Moines, and the Board of Trustees of Simpson College.

Hendricus (Henny) A. Koemans was appointed a director of ING U.S., Inc. in October 2013. He has been employed by ING Group since 1996 in various positions, most recently as Director of Public & Government Affairs since 2010. He served as Head of Tax ING Group from 2002 to 2011. Prior to joining ING Group, Mr. Koemans was employed by the Ministry of Finance in the Netherlands from 1987 to 1996. Mr. Koemans holds a tax law degree from the University of Leiden.

Willem F. Nagel was appointed a director of ING U.S., Inc. in 2011. He has been a member of the Executive Board and chief risk officer of ING Group since May 2012. He also serves as chief risk officer on the Management Boards of ING Bank and ING Insurance Eurasia N.V. and is a member of the management board of NN Group. He has been employed by ING Group since 1991 in various positions, most recently as chief executive officer of ING Bank Turkey since January 2010 and CEO of ING Wholesale Bank Asia from 2005 to January 2010. From 1981 to 1991, he was employed by ABN Amro Bank, most recently as head of Aerospace and Structured Finance. Mr. Nagel holds a master s degree in Economics from VU University Amsterdam.

David Zwiener was appointed a director of ING U.S., Inc. in May 2013 and serves as chairman of our Audit Committee (see Audit Committee). Since 2010, Mr. Zwiener has been a Principal in Dowling Capital

-263-

Partners. Prior to joining Dowling Capital Partners, Mr. Zwiener was Chief Financial Officer of Wachovia Corporation. From 2007 to 2008, he was Managing Director and Co-Head of the Financial Institutions Group at The Carlyle Group. From 1995 to 2007, Mr. Zwiener served in increasingly responsible positions at The Hartford, rising to President and Chief Operating Officer Property & Casualty. Mr. Zwiener is currently a director of Partner Re, Ltd. where he serves as chairman of that company s audit committee, and he is a trustee of the New Britain Museum of American Art. He previously served as a director of CNO Financial Group (2010-2011), The Hartford (1997-2007) and Sheridan Healthcare, Inc. (1998-2004). Mr. Zwiener received an A.B. degree from Duke University and an M.B.A. from the Kellogg School of Management at Northwestern University.

Board of Directors

Our Board of Directors consists of nine members and has the following standing committees: Audit, Compensation and Benefits, Nominating and Governance, Finance, and Executive Committees. As discussed under Certain Relationships and Related Party Transactions Continuing Relationship with ING Group Shareholder Agreement Board of Directors and ING Group Rights with Respect to Director Nomination. ING Group has the right to nominate certain of our directors (ING Group Directors).

Our Board of Directors has determined that Messrs. Griswell, Hubbell and Zwiener are independent under the NYSE listing rules (an independent director). In considering their independence, the board of directors considered the relationships between each of Messrs. Griswell, Hubbell and Zwiener, on the one hand, and the Company and ING Group, on the other hand, described in their respective biographical information, above. The ING Group Directors are Messrs. Boers, Flynn, Harryvan, Koemans, and Nagel.

Following the completion of this offering, when ING Group will cease to own more than 50% of our shares, the number of ING Group Directors that we will be required to include in any slate of director candidates recommended to our stockholders in connection with a meeting of stockholders will be reduced from five to three. In addition, as described below, it is a condition to the closing of the Direct Share Buyback that two ING Group Directors will tender their resignations, effective immediately upon the closing of the Direct Share Buyback. As of the date of this prospectus, we have received the written resignations of each of Messrs. Boers and Harryvan, to be effective no later than the closing of the Direct Share Buyback.

Resignation of Certain ING Group Directors and Postponement of Annual Meeting of Shareholders

As a closing condition to the Direct Share Buyback, two directors who are designated as ING Group Directors must tender their resignation, effective immediately upon the closing of the Direct Share Buyback. Following these resignations, seven members of our current Board of Directors will remain in office, including our Chairman and Chief Executive Officer, our three independent directors, and three ING Group Directors.

The Nominating and Governance Committee of our Board of Directors is currently working with an executive search firm to identify and recruit potential director candidates to replace the two ING Group Directors who are expected to resign. It is expected that the candidates ultimately selected will each qualify as independent for purposes of the NYSE listed company rules and the rules of the SEC relating to the independence of audit committee members and will be nominated by our Board of Directors for election at our 2014 annual meeting of stockholders. In order to permit sufficient time for a thorough review and nomination process, our Board of Directors has decided to postpone the previously scheduled annual meeting of stockholders, and has withdrawn the previously announced record date set for such meeting. Additional information about the 2014 annual meeting of stockholders and our director nominees will be included in the proxy statement that we will file with the SEC in advance of the annual meeting.

Audit Committee

The Audit Committee s primary function is to assist the Board of Directors in fulfilling its oversight responsibilities of the financial reports and other financial information filed with the SEC or provided by us to regulators; our risk and capital profile and policies; our independent auditors qualifications and independence; and the performance of our independent auditors and our internal audit function.

Table of Contents

Pursuant to the phase-in provisions of the NYSE listing requirements and Rule 10A-3 promulgated by the SEC under the Exchange Act, our Audit Committee is composed of a majority of directors who are independent under the NYSE listing rules and Rule 10A-3. We are required to have an audit committee composed solely of such independent directors no later than May 1, 2014.

The Audit Committee currently consists of Mr. Zwiener, who serves as chairman, and Messrs. Boers, Griswell, Harryvan and Hubbell, all of whom are financially literate as such term is defined in the NYSE listing rules.

Compensation and Benefits Committee

The Compensation and Benefits Committee is responsible for annually reviewing and approving the corporate goals and objectives relevant to the compensation of the Chief Executive Officer and evaluating his or her performance in light of these goals; determining the compensation of our executive officers and other appropriate officers, and administering our incentive and equity-based compensation plans.

The Compensation and Benefits Committee consists of Mr. Griswell, who serves as chairman, and Messrs. Hubbell and Nagel. Mr. Nagel serves as an ING Group Director. Following the completion of this offering and the Direct Share Buyback, when ING Group ceases to own more than 50% of our shares, the Compensation and Benefits Committee will transition to consist solely of independent directors in accordance with the phase-in provisions of the NYSE listing rules.

Nominating and Governance Committee

The Nominating and Governance Committee is responsible for identifying and recommending candidates for election to our Board of Directors and each committee of our Board of Directors, reviewing and reporting to the Board of Directors on compensation of directors and Board committee members, developing, recommending and monitoring corporate governance principles applicable to the Board of Directors and the Company as a whole.

The Nominating and Governance Committee consists of Mr. Hubbell, who serves as chairman, and Messrs. Boers and Griswell. Mr. Boers serves as an ING Group Director. Following the completion of this offering and the Direct Share Buyback, when ING Group ceases to own more than 50% of our shares, the Nominating and Governance Committee will transition to consist solely of independent directors in accordance with the phase-in provisions of the NYSE listing rules.

Finance Committee

The Finance Committee is responsible for reviewing our financial affairs based upon periodic reports and recommendations of our management; monitoring our financial structure and long-term financial plan and recommending appropriate action to our board of directors with respect to financial policies, allocation of capital to our businesses and methods of financing our businesses; monitoring our capital needs and financing arrangements, our ability to access capital markets and management s financing plans; and reviewing and approving or recommending for approval certain issuances of securities, investments, dispositions and other transactions above certain amounts.

The Finance Committee consists of Mr. Harryvan, who serves as chairman, and Messrs. Flynn, Nagel and Zwiener.

Executive Committee of the Board

The Executive Committee of the Board is responsible for taking action where required in exigent circumstances where it is impracticable to convene, or obtain the unanimous written consent of, the full Board of Directors.

The Executive Committee of the Board consists of Mr. Martin, who serves as chairman, Mr. Zwiener and Mr. Boers, as alternate for a former director (as provided for in our Shareholder Agreement).

Table of Contents

Lead Director

The Shareholder Agreement provides that until the date ING Group first ceases to beneficially own more than 20% of our outstanding common stock, if at any time the chairman of the board of directors is not an independent director, our board will designate a lead director who is an independent director. Our Board of Directors has appointed Mr. Hubbell as the lead director. Mr. Hubbell presides over meetings of the directors when the Chairman of our Board is absent, that are held by non-management directors without any management directors present and that are held by independent directors.

The lead director has, among other things, the authority to:

- call meetings of the independent directors;
- consult on and approve meeting agendas and schedules of our Board of Directors;
- together with the chair of the Compensation and Benefits Committee, coordinate the evaluation of the performance of the CEO by our non-management directors;
- serve as a liaison between the non-management members of our Board of Directors and the Chairman or the board, as a contact person to facilitate communications by our employees, shareholders (including ING Group) and others with the non-management directors; and
- review the quality, quantity, appropriateness and timeliness of information provided to our Board of Directors.

In addition, the lead director is a member and the chairperson of any independent committee designated to review and approve related party transactions. See Certain Relationships and Related Party Transactions Related Party Transaction Approval Policy.

Codes of Ethics and Conduct

Our Board of Directors adopted a code of ethics and a code of conduct as such terms are used in Item 406 of Regulation S-K and the NYSE listing rules.

Controlled Company Exemption

Until the time of this offering, ING Group has owned a majority of our stock, and we have elected to be a controlled company for purposes of the NYSE listing rules. Pursuant to the controlled company exemption, we have not been required to satisfy certain of the corporate governance rules of the NYSE, including the requirement that we maintain a Board of Directors containing a majority of directors who are independent for purposes of the NYSE listed company rules or that our Nominating and Governance and Compensation and Benefits committees each consist solely of independent directors. Following the completion of this offering and the Direct Share Buyback, we will cease to be a controlled company, and will no longer have the benefit of the controlled company exemption. Accordingly, we will become subject to all of the applicable NYSE corporate governance rules over a one-year phase-in period, following which time our Board of Directors must consist of a majority of independent directors, and our Nominating and Governance and Compensation and Benefits committees must each consist solely of independent directors. We currently expect that we will meet such requirements well before the conclusion of the phase-in period.

Compensation Committee Interlocks and Insider Participation

There are no interlocking relationships between any member of our Compensation Committee and any of our executive officers that require disclosure under the applicable rules promulgated under the federal securities laws.

-266-

Table of Contents

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Compensation Discussion and Analysis

Introduction

This Compensation Discussion and Analysis (CD&A) provides a review of the compensation arrangements of our named executive officers. The following individuals were our named executive officers as of December 31, 2013:

Name	Position
Rodney O. Martin, Jr.	Chairman and Chief Executive Officer
Alain M. Karaoglan	Executive Vice President and Chief Operating Officer
Ewout L. Steenbergen	Executive Vice President and Chief Financial Officer
Maliz E. Beams	Chief Executive Officer, Retirement Solutions
Jeffrey T. Becker	Chief Executive Officer, Investment Management

Throughout this CD&A, we refer to the five executives above as our named executive officers or NEOs, and to Mr. Martin as our Chief Executive Officer or CEO .

Compensation Philosophy and Objectives

Before our IPO in May 2013, we were a wholly owned subsidiary of ING Group, and as a result the compensation packages of our named executive officers, while guided by U.S. compensation surveys and practices, were governed primarily by the compensation philosophy and objectives of ING Group, including the requirements imposed by the European Commission and the Kingdom of the Netherlands on the compensation practices of financial institutions. See Critical Compensation and Other Policies Capital Requirements Directive .

Since the IPO, we have been developing the compensation philosophy and objectives we intend to pursue as a standalone public company. Because, until the time of this offering, ING Group has continued to hold a majority of our common stock, our initial approach has been similar in several respects to the principles historically followed by ING Group with respect to our management team, although we have begun to implement changes that we believe are more consistent with the compensation practices of the U.S. companies that we consider to be our peers. This includes an increasing emphasis on variable compensation elements, an effort to gradually move the level of our NEOs total compensation opportunities to approximate median levels when compared with our peers, and performance-based compensation more directly tied to business and individual performance results. We anticipate that it will take several years before we have fully implemented our intended approach to executive compensation, and in the meantime our practices are likely to retain a number of elements in common with the practices of ING Group, including, during periods in which we have been subject to such requirements, our required adherence to certain limitations on compensation ratios, limitations on performance-based equity compensation, and mandatory deferrals (in the form of time-vested equity awards) of a portion of annual incentive compensation amounts, in each case as mandated by regulations implemented by the European Commission and national banking regulators in the Netherlands. See Critical Compensation and Other Policies Capital Requirements Directive . In this CD&A, we refer to these limitations as the CRD Limitations .

Together with the Board of Directors, the Compensation and Benefits Committee (which we sometime refer to in this CD&A as the Committee) is responsible for determining our compensation philosophy in a manner consistent with applicable laws and regulations, and which we believe is appropriately reflective of best practices in the area of executive compensation.

Our executive compensation philosophy reflects the following principles:

- Compensation programs should attract, retain and motivate executive talent in a manner that ensures that our investors receive an appropriate return on their investment in the Company.

Table of Contents

NEO target levels for each element of compensation and for overall total direct compensation (base salary, annual cash and deferred equity-based incentives and long-term equity-based incentives) should be competitive with the compensation packages provided to similarly situated executives with comparable responsibilities at companies that compete with the Company for executive talent.

Compensation packages should facilitate long-term equity growth by aligning the interests of executives with the interests of our investors through emphasizing long-term equity-based compensation and by encouraging executive stock ownership.

Performance-based compensation should be a meaningful portion of total compensation and actual amounts earned should reward corporate, business unit and individual performance, within the boundaries of prudent risk management and all applicable regulatory considerations.

Our executive compensation plans and policies are designed to:

Ensure that competitive levels of compensation are paid when business targets are met.

Establish focused performance metrics that will reward executives for the most critical business objectives that drive long-term sustainable growth.

Encourage long-term share ownership.

Establish an appropriate approach to governance that reflects the needs of all stakeholders and include the Company s right to claw back compensation in certain circumstances.

Elements of Compensation

The following table presents the principal elements of the compensation programs that applied to our named executive officers for 2013 and the objective each element was designed to achieve. The elements of compensation (described below) were designed to provide a variety of fixed and at-risk compensation related to the achievement of the Company s short-term and long-term objectives.

Compensation Elements

Compensation Element	Objective/Purpose
Base salary	Compensates NEOs for the day-to-day services performed for the Company. Attracts and retains talented executives with competitive compensation levels.
Annual cash and deferred equity-based incentive compensation	Motivates executives to achieve performance goals selected for their potential to increase long-term stockholder value.
	Promotes differentiation of pay based on business and individual performance and rewards executives for attaining annual objectives.
Long-term equity-based incentive compensation	Emphasizes equity-based compensation and creates a culture focused on long-term value creation.
Retirement, deferral and health and welfare programs	Addresses retirement needs of executives with competitive retirement programs. Aligns with philosophy of attracting and retaining talented individuals.

Perquisites and other benefits	We provide perquisites and other benefits similar to those provided by peer companies. Also aligns with philosophy of attracting and retaining talented individuals.

-268-

Table of Contents

Review and Assessment of Compensation Policies

In 2013, following our IPO, the Company reviewed its executive compensation policies and practices in light of our emergence as a newly public U.S. company. The Compensation and Benefits Committee helped lead this assessment.

During 2013, the Committee retained Pay Governance LLC, to serve as its executive compensation consultant. Among other services, Pay Governance assisted and advised the Committee in connection with its review of executive compensation policies and practices.

Comparison Group

As part of its review, in 2013 the Committee established a comparison group of peer companies, with the assistance and advice of the Company s management and Pay Governance. The Committee used this comparison group, in part, to evaluate the Company s compensation policies and practices, and as a means by which to measure the compensation packages of its executives. In establishing the comparison group, the Committee considered numerous factors, including whether potential member companies competed with us in the same competitive labor market or in similar lines of business, the potential member company s market capitalization (with a view to having the market capitalization of most comparison group companies be within 50% and 300% of the market capitalization of the Company), and various other factors, including the revenues, workforce size and assets under management or assets under administration of potential member companies.

For 2013, the comparison group of companies considered by the Committee (which we refer to in this CD&A as the Comparison Group) included the following companies:

Ameriprise Financial Inc	Metlife Inc
Eaton Vance Corp	T Rowe Price Group Inc
Genworth Financial Inc	Principal Financial Group Inc
Hartford Financial Services Group	Prudential Financial Inc
Invesco Ltd.	Sun Life Financial Inc
Legg Mason, Inc.	Torchmark Corp
Lincoln National Corp	Unum Group
Manulife Financial Corp	

Table of Contents

Surveys and Competitive Data

As part of its 2013 compensation review, the Committee also considered compensation data provided by a number of surveys and sources to determine the relative competitiveness of compensation programs as well as competitive levels of pay. These surveys included a diversified study of executive compensation in the insurance industry prepared by Towers Watson (which we refer to as the Towers Watson Survey) and a survey of investment management companies prepared by McLagan. For purposes of the McLagan survey, we used the following group of investment and asset management companies (which we refer to in this CD&A as the IM Comparison Group):

AEGON USA, LLC	Loomis, Sayles & Company, L.P.
American Century Investments	MFS Investment Management
Babson Capital Management LLC	Morgan Stanley Investment Management
Columbia Management Investment Advisers, LLC	New York Life Investment Management LLC
Conning Holdings Corp.	Nuveen Investments
Delaware Investments	Old Mutual Asset Management
Eaton Vance Investment Managers	Oppenheimer Funds, Inc.
Janus Capital Group	Principal Global Investors
Jennison Associates, LLC	Putnam Investments
	Trust Company of the West

2013 Compensation

Base Salary

Base salary is an essential element of each NEO s compensation package. With the exception of Mr. Becker, our NEOs base salaries for 2013 were established prior to our IPO, having been recommended by our Board of Directors and then approved by the ING Group Supervisory Board. Although Mr. Becker s base salary for 2013 was initially determined in the same manner, as described below, this amount was reviewed and increased following our IPO.

In the case of Mr. Martin, base salary for 2013 was set forth in his employment agreement. The base salary for our other NEOs was established after considering several factors, including the NEO s experience, the NEO s 2012 performance, the NEO s 2012 base salary and the competitiveness of that base salary as compared to internal peers and similarly situated executives at companies that compete with us for executive talent. In the case of Mr. Karaoglan, Mr. Steenbergen, and Ms. Beams, this included consideration of executive compensation paid by certain companies included in the Comparison Group, and a review of the Towers Watson Survey. Following our IPO, our Compensation and Benefits Committee reviewed each NEO s base salary and, in the case of Mr. Becker, increased base salary for 2013. This increase was made after review of Mr. Becker s total incentive opportunity as compared to similarly situated executives in the IM Comparison Group, with a view to increasing Mr. Becker s total target compensation to be closer to the median for such group.

Further information regarding the salary of Mr. Steenbergen, a citizen of the Netherlands, who was on a long-term international assignment with the Company in the U.S. from January 1, 2010 until his transition to local employee status (his localization) on April 1, 2013, is provided below under Expatriate Arrangements and Localization of Mr. Steenbergen .

Table of Contents

The annual base salaries earned by the NEOs in 2013 were as follows: Mr. Martin $1,000,000; Mr. Karaoglan $700,000; Mr. Steenbergen $605,768 (which amount includes $54,739 in tax equalization and also includes other amounts paid in respect of Mr. Steenbergen s expatriate status prior to April 1, 2013); Ms. Beams $679,167 (increased to $700,000 annually on March 16, 2013); and Mr. Becker $422,538 (increased to $575,000 annually on November 15, 2013). Mr. Martin s base salary was unchanged from his 2012 base salary. Mr. Karaoglan s base salary for 2013 increased from $650,000 in 2012; Ms. Beams base salary increased from $600,000 in 2012; and Mr. Becker s base salary increased from $400,000 in 2012. On April 1, 2013, in connection with his localization, Mr. Steenbergen s base salary was established at $550,000 annually on April 1, 2013. This amount was an increase over Mr. Steenbergen s base salary prior to April 1, 2013, excluding the effect of amounts Mr. Steenbergen was paid prior to April 1, 2013 in respect of his expatriate status.

Annual Cash and Deferred Equity-Based Incentive Compensation

Our annual incentive plan is designed to reward participants based on critical financial results and for their annual contributions to those results. Individual incentive awards are based on an annual evaluation of business performance and each NEO s individual performance.

The annual incentive compensation payment with respect to 2013 was paid in March 2014. In this CD&A, references to 2013 annual incentive compensation awards are to the annual incentive compensation amounts that were paid to NEOs in March 2014, which were designed to recognize individual, Company and business unit performance during 2013. As described in more detail below, an NEO s annual incentive award is determined after taking into account the performance of the Company under several financial measures and based on a qualitative assessment of individual performance and other factors considered relevant by the Compensation and Benefits Committee.

Mandatory Deferral of 2013 Annual Incentive Compensation. Because we have continued to be majority-owned by ING Group, our NEOs have been subject to an ING Group mandatory annual incentive award deferral plan under which portions of 2013 annual incentive amounts in excess of $132,651 were automatically deferred, with deferral amounts calculated based on a sliding scale ranging from 10% of the first $265,302 of annual incentive amounts to a maximum marginal deferral of 50% for annual incentive amounts in excess of $633,255. Amounts that were deferred were converted into restricted stock units (RSUs) granted under, and subject to the payment and other terms and conditions of, the ING U.S., Inc. 2013 Omnibus Employee Incentive Plan (the Omnibus Plan). The RSUs generally vest over four years from the date of grant, with 50% vesting on the second anniversary, 25% vesting on the third anniversary and 25% vesting on the fourth anniversary of the date of grant. Because of the rules of the Securities and Exchange Commission governing the presentation of executive compensation in registration statements, the amounts listed in the tables below under Compensation of Named Executive Officers do not include deferred amounts of 2013 annual incentive compensation, because such amounts were paid through equity grants made after the end of the 2013 calendar year. Such tables do, however, reflect the portion of 2013 annual incentive compensation paid in cash (even though such amounts were also paid after the end of the 2013 calendar year), along with the deferred portion of 2012 annual incentive compensation, which was paid in the form of ING Group equity grants in March 2013 (and subsequently converted to ING U.S. equity grants at the time of our IPO in May 2013). In order to more clearly present the annual incentive compensation paid to our NEOs for 2013, a supplemental table is presented below under Annual Incentive Compensation Outcomes which includes all annual incentive compensation paid to our NEOs for 2013, including cash and equity amounts, and which excludes amounts paid in the form of equity awards in respect of 2012 performance.

Determination of 2013 Annual Incentive Compensation. The Compensation and Benefits Committee determined 2013 annual incentive compensation for our NEOs by applying a multi-step process. First, the target annual incentive opportunity and maximum award was determined for each NEO, expressed as a percentage of their base salaries. Second, a preliminary payout amount for each NEO was established, based on the target opportunity amount and on company financial performance under three financial measures: ongoing business adjusted operating income before tax, ongoing business adjusted return on capital, and distributable earnings

Table of Contents

before holding company expense. Third, based on a qualitative assessment of each NEO s performance on an individualized basis, the individual payout was determined. Each of these steps is described in more detail below:

Step 1: Establishment of Annual Incentive Compensation Target Opportunity and Maximum Award. Mr. Martin s, Mr. Karaoglan s and Mr. Steenbergen s 2013 target and maximum annual incentive opportunities were determined under the terms of their respective employment agreements and offer letters. The 2013 target and maximum award opportunity for Ms. Beams was, in terms of percentage amounts of base salary, adjusted downwards from the amount provided in Ms. Beams offer letter. This adjustment was made as part of an increase to Ms. Beams base salary and total target compensation opportunity implemented for 2013, and established Ms. Beams target annual incentive amount at 100% of base salary, which is the same percentage amount as applies to Messrs. Martin, Karaoglan and Steenbergen. In each of the foregoing cases, the target and maximum annual incentive opportunities were determined prior to our IPO, however, following our IPO, the Compensation and Benefits Committee has become responsible for reviewing and approving the annual target and maximum incentive opportunity for each of our NEOs. The target and maximum annual incentive opportunities for Mr. Becker were determined by our Compensation and Benefits Committee in November 2013, in connection with a review of Mr. Becker s overall compensation package.

The NEOs 2013 target and maximum annual incentive opportunities were reviewed by the Compensation and Benefits Committee with reference to the Towers Watson Survey and to the compensation amounts publicly disclosed by the Comparison Group (with respect to Messrs. Martin, Karaoglan, and Steenbergen, and Ms. Beams) and the IM Comparison Group (with respect to Mr. Becker). The target and maximum annual incentive amounts were considered as one element of our NEOs overall total direct compensation opportunity, and, based in part on this review, total direct compensation opportunities were set at or below median total target compensation as reflected in the comparative data.

Target incentive award opportunities for the NEOs in 2013, as a percentage of base salary, were as follows: Mr. Martin 100%; Mr. Karaoglan 100%; Mr. Steenbergen 100%; Ms. Beams 100%; and Mr. Becker 250%. Mr. Becker s target incentive award was based on a percentage of his new base salary, as it was adjusted on November 15, 2013, rather than the base salary actually paid for 2013. The maximum 2013 incentive opportunity was capped at two times the target award opportunity for all NEOs except for Mr. Becker, whose maximum incentive opportunity was capped at three times the target award opportunity, reflecting market practice among the IM Comparison Group, as reflected in the survey of such companies conducted by McLagan.

The target incentive award opportunities of each of Messrs. Martin and Karaoglan were unchanged from their 2012 target annual incentive award opportunities. Ms. Beams target incentive award opportunity was decreased from 125% to 100%, in connection with an increase to Ms. Beams base salary in 2013, as described above. Mr. Steenbergen s target incentive award opportunity was increased from 40% to 100% in connection with Mr. Steenbergen s localization and Mr. Becker s target incentive award opportunity was increased from 200% to 250% in November 2013, in connection with the increases to Mr. Becker s overall compensation package.

Step 2: Establishment of Preliminary Annual Incentive Compensation Amounts. Preliminary annual incentive amounts were determined based on company performance in 2013 against target performance levels set by during the first quarter of 2013, based on business forecasts and projections. Because in 2013 these targets were set during the period prior to our IPO when we were still wholly owned by ING Group, these targets were set by our board of directors in consultation with, and subject to the approval of, ING Group. Achievement against these targets was assessed by our Compensation and Benefits Committee during the first quarter of 2014, following the availability of Company financial information for 2013.

For 2013 annual incentive awards, preliminary annual compensation amounts were based on the target annual incentive compensation amounts for each of our NEOs, and on the following three financial measures:

Ongoing Business Adjusted Operating Earnings Before Tax: Ongoing Business Adjusted Operating Earnings Before Tax is a measure which indicates the financial performance of our ongoing business, without the effect of period-to-period volatility that can be caused by DAC/VOBA and other intangibles

-272-

Table of Contents

unlocking and certain other notable items that we do not believe are indicative of its continuing performance. Ongoing Business Adjusted Operating Income is a non-GAAP financial measure. See Business Return on Operating Return on Capital Goal Calculations and Reconciliations .

Ongoing Business Adjusted Operating Return on Capital: Ongoing Business Adjusted Operating Return on Capital is a measure of how effectively we deploy capital in our ongoing business. Ongoing Business Adjusted Operating Return on Capital is a non-GAAP financial measure. See Business Return on Operating Return on Capital Goal Calculations and Reconciliations .

Distributable Earnings Before Holding Company Expense: Distributable Earnings Before Holding Company Expense is a measure of how effectively we are generating capital and managing the capital structure of our business.

Measure	Weight	Minimum Performance for Payout	Performance for Target Payout	Performance for Maximum Payout	Actual Performance, as Reported[(1)]	Performance, As Adjusted for Compensation Purposes[(2)]	Payout as Percentage of Target
Ongoing Business Adjusted Operating Earnings Before Tax	35%	$ 909 million	$ 1,136 million	$ 1,363 million	$ 1,212 million	$1,165 million	113%
Ongoing Business Adjusted Operating Return on Capital	35%	6.5%	8.1%	9.7%	8.6%	8.3%	105%
Distributable Earnings Before Holding Company Expense[(3)]	30%	80%	100%	120%	N/A	127%	150%
Total	**100%**						**120%**

(1) Actual performance amounts as reported in the Company s press release announcing 2013 financial results.
(2) Performance amounts reflecting adjustments to the reported amounts, which were determined by the Compensation and Benefits Committee to be not reflective of the ongoing performance of our business.
(3) Expressed as a percentage of plan amounts.

Step 3: Individual assessment and determination of individual ICP award. Following determination of the preliminary annual incentive amounts, the Compensation and Benefits Committee qualitatively assessed each NEO s performance based on performance objectives that included individualized qualitative performance goals and business line or functional area performance. In the case of NEOs other than Mr. Martin, the views of Mr. Martin with respect to such performance were considered by the Compensation and Benefits Committee as part of this assessment. The results of this assessment were as follows:

Mr. Martin significantly exceeded his goals and objectives that were set at the beginning of 2013. In assessing the performance of Mr. Martin, the Committee considered the Company results that were achieved under Mr. Martin s leadership, in addition to a number of his other notable accomplishments in 2013. Key corporate and individual factors considered included the following:

Mr. Martin delivered solid financial results for the Company, which met or exceeded our targets, with Net Income available to shareholders driven by strong Ongoing Business Operating Earnings. Further, the Closed Block Variable Annuity performance was actively and effectively managed so as to protect regulatory and rating agency capital.

Ongoing Business Adjusted Operating Return on Equity for the year was increased to 10.3% during 2013, well on track to meet the year-end 2016 target of 12% to 13%.

Under Mr. Martin s leadership, the Company achieved significant transformational objectives in 2013. Notably:

Our IPO was completed in May and a secondary offering of shares was completed in October, reducing ING Group s ownership stake to approximately 57%.

-273-

Table of Contents

We had strong stock performance in 2013, with our stock price increasing approximately 80% between our initial public offering and the end of the year.

ING U.S. completed its recapitalization plan, which included a $600 million primary equity offering in May; three debt offerings (with an aggregate principal amount of $2.15 billion); and the restoration of ordinary dividend capacity in our four principal insurance operating subsidiaries.

We introduced our new brand, Voya Financial, to employees, customers, clients, distribution partners and investors, and developed detailed plans for full operational rebranding in 2014.

Mr. Karaoglan significantly exceeded his key business objectives established for 2013. The Committee considered the following factors in assessing Mr. Karaoglan s performance, in his capacity as a member of the OCEO:

Mr. Karaoglan significantly contributed to the financial results of the Company, which met or exceeded our targets with Net Income available to shareholders driven by strong Ongoing Business Operating Earnings. The Closed Block Variable Annuity performance was actively and effectively managed so as to protect regulatory and rating agency capital.

Ongoing Business Adjusted Operating Return on Equity for the year was increased to 10.3% during 2013, well on track to meet the year-end 2016 target of 12% to 13%.

Mr. Karaoglan significantly contributed to the achievement of key transformational objectives for the Company during 2013. He was one of the key drivers in the development of compelling investment narratives, based on capital and value creation, and prepared the Company to be publicly traded. As a result of his efforts, we completed our IPO in May and a secondary offering of shares in October, thus reducing ING Group s ownership stake to approximately 57%.

Further,

We had strong stock performance in 2013, with our stock price increasing approximately 80% between our initial public offering and the end of the year.

The businesses and functions led by Mr. Karaoglan achieved meaningful business and strategic targets in 2013.

Investment Management realized profitability and margin levels that were at historic highs, all while concurrently undergoing significant cultural change.

The functions met or exceeded key targets and also underwent significant leadership changes, began a significant cultural transformation and launched Continuous Improvement so as to enable employees to improve the ways in which they work and thereby deliver tangible economic benefits.

Mr. Karaoglan also successfully led the efforts to develop and began to implement our plans to operationally rebrand, while maintaining our existing strong brand presence and awareness.

Mr. Steenbergen significantly exceeded our key business objectives for 2013. The Committee considered the following factors in assessing Mr. Steenbergen s performance, in his capacity as a member of the OCEO:

Mr. Steenbergen significantly contributed to the financial results of the Company, which met or exceeded our targets, with Net Income available to shareholders driven by strong Ongoing Business Operating Earnings. Capital generation during 2013 significantly exceeded our plan. Further, the Closed Block Variable Annuity performance was actively and effectively managed so as to protect regulatory and rating agency capital.

Ongoing Business Adjusted Operating Return on Equity for the year was increased to 10.3% during 2013, well on track to meet the year-end 2016 target of 12% to 13%.Mr. Steenbergen helped to direct the achievement of significant transformational objectives for the Company during 2013. He

Table of Contents

significantly contributed to the development and communication of the ING U.S. story with key investors, regulators, research analysts and rating agencies. As a result of his efforts, we were able to complete our IPO in May and a secondary offering in October, thereby reducing ING Group s ownership to approximately 57%.

We had strong stock performance in 2013, with our stock price increasing approximately 80% between our initial public offering and the end of the year.

Mr. Steenbergen led the achievement of meaningful business and strategic targets during 2013, which included significant capital management projects, the establishment of a high quality U.S. GAAP reporting function next to simultaneous IFRS reporting and insurance statutory reporting, the redomestication of SLDI, and the completion of the ING U.S. recapitalization plan, which included a $600 million primary equity offering in May; three debt offerings (with an aggregate principal amount of $2.15 billion); and the restoration of ordinary dividend capacity in our four principal insurance operating subsidiaries.

Ms. Beams met or exceeded her key business objectives for 2013. The Committee considered the following factors in assessing Ms. Beams performance, in her capacity as Chief Executive Officer of our Retirement Solutions businesses:

Under the leadership of Ms. Beams, the Retirement business outperformed our targets on key metrics (including adjusted operating earnings, adjusted operating return on capital and distributable earnings). These results were driven by increases in profitable sales, margin and capital efficiency efforts as well as recordkeeping change orders. Recordkeeping retention, however, was somewhat below our targets, although with minimal impact to 2013 earnings.

Ms. Beams led the Annuities business to outperform on all key metrics (including adjusted operating earnings, adjusted operating return on capital and distributable earnings), except with respect to the lapse rate of one product which was slightly below our target.

Ms. Beams also notably contributed to the achievement of key strategic objectives for the Company during 2013, including continued rollout of our Retirement Readiness strategy and integrating cross-organizational capabilities.

Mr. Becker exceeded his key business objectives for 2013. The Committee considered the following factors in assessing Mr. Becker s performance, in his capacity as Chief Executive Officer of our Investment Management businesses:

Under Mr. Becker s leadership, Investment Management exceeded its targets and made important strategic advances. These included driving enhanced coordination and cross business development with Retirement and Insurance; leveraging the rebuilt and repositioned retirement, retail, and institutional distribution organizations to achieve industry-level productivity; focusing and prioritizing of products and strategies to achieve scale; significant margin expansion, retention and engagement with staff with a focus on investment talent; and driving profitable growth and distributable earnings consistent with growth objectives.

Mr. Becker also led Investment Management to significant asset growth during 2013. The Institutional and Retail Intermediary businesses had solid year-over-year growth in sales across products, with a series of notable wins. The business continued to grow it s capabilities in the area of 529 College Savings Plans and Defined Contribution Investment Only mandates.

Following this assessment, the Compensation and Benefits Committee considered the total 2013 compensation package being proposed for each NEO, including long-term incentive amounts and the amount of 2013 annual incentive amounts that would be subject to mandatory deferral as described above. Following this review and assessment, the Compensation and Benefits Committee adjusted the annual compensation amount payable to each NEO to between 100% and 167% of the preliminary payout determined pursuant to Step 2, above.

Annual Incentive Compensation Outcomes

The following table presents, for each NEO, the results of the foregoing annual incentive award determination, the target annual incentive compensation for 2013 and the amount of the award paid in the form of cash and deferred equity (for a discussion of incentive deferral requirements, see *Mandatory Deferral of 2013 Annual Incentive Compensation*). The cash component of 2013 incentive compensation awards was paid in March 2014, and the equity grants were made at the same time. As discussed above, due to SEC rules, the Summary Compensation Table , below, and the related tables, do not include the value of the equity grants made in 2014 in respect of 2013 annual incentive compensation, but do include the grant date fair value (as determined under FASB ASC Topic 718) of the deferred portion of 2012 annual incentive compensation granted to our NEOs in March 2013 under the ING Group LSPP (as defined below) and subsequently converted to RSUs under the Omnibus Plan as of the date of our IPO.

Name	2013 Target Annual Incentive	2013 Preliminary Annual Incentive Amount Based on Financial Measures Described Above	2013 Actual Incentive Award Cash Payment	Deferred Equity[(1)]	Total Annual Incentive Payment
Rodney O. Martin, Jr.	$ 1,000,000	$ 1,200,000	$ 1,185,711	$ 814,289	$ 2,000,000
Alain M. Karaoglan	$ 700,000	$ 840,000	$ 885,711	$ 514,289	$ 1,400,000
Ewout L. Steenbergen	$ 550,000	$ 660,000	$ 735,711	$ 364,289	$ 1,100,000
Maliz E. Beams	$ 700,000	$ 840,000	$ 745,711	$ 374,289	$ 1,120,000
Jeffrey T. Becker	$ 1,437,500	$ 1,725,000	$ 1,048,211	$ 676,789	$ 1,725,000

(1) The portion of the annual incentive award that was automatically deferred and converted into grants of RSUs under the Omnibus Plan vest over four years from the date of grant, with 50% vesting on the second anniversary, 25% vesting on the third anniversary and 25% vesting on the fourth anniversary of the date of grant.

Long-Term Equity-Based Incentive Compensation

Equity compensation is an important element of executive compensation, because it helps to align executive pay with the performance of our stock, and in turn the interests of our stockholders. We currently seek to achieve this objective through the payment of a portion of our NEO s compensation in the form of time-vested equity awards. The size of each award is generally based on each NEO s individual performance during the year preceding the grant date.

We have historically made grants of equity-based awards in March, in respect of prior-year performance. In March 2013 we had not yet completed our IPO and were not yet a publicly traded company, and we therefore followed our historical practice of granting equity-based awards in the form of plan shares of ING Group. In 2013, these plan shares were awarded under the ING Group Long-Term Sustainable Performance Plan (LSPP). Upon the closing of our IPO in May 2013, 2013 awards granted to our NEOs under the LSPP were converted to ING U.S. awards granted under the Omnibus Plan, at a conversion ratio based on our IPO price of $19.50 per share and ING Group shares valued based upon an average market price over the five trading-day period immediately before our IPO. For equity awards granted in 2014 and subsequent years, we intend to make grants on the date of the first scheduled meeting of our Compensation and Benefits Committee following the publication of our financial results for the preceding year. If such grants are subject to a further approval requirement, as is the case for awards made in 2014 that are subject to the approval of the ING Group Supervisory Board (see Approval of Compensation Arrangements by Supervisory Board of ING Group), then the grant date would be the date of such subsequent approval, although the determination of the price basis for such awards would be the date of the earlier Committee meeting.

Upon conversion of their 2013 LSPP awards to ING U.S. awards, our NEOs received time-vested RSUs issued under the Omnibus Plan that vest over a four-year period, with the first 50% vesting on the second anniversary of the original LSPP grant, and an additional 25% vesting on each of the third and fourth such anniversary. The number of LSPP awards granted to our NEOs in 2013 was based initially on a target award amount, expressed as a percentage of base salary, which was either set forth in their individual employment agreements, or was determined by our board of directors and approved by ING Group, based on reviews of market competitiveness and on individual performance.

The NEOs long-term equity awards granted in 2013 were considered for adjustment, either upwards or downwards, from 2012 levels, based on an assessment of individual performance during 2012. Mr. Martin, Mr. Karaoglan, Mr. Steenbergen, Ms. Beams and Mr. Becker received long-term incentive awards in 2013 in the following amounts: Mr. Martin $1,220,000; Mr. Karaoglan $825,500; Mr. Steenbergen $308,238; Ms. Beams $1,170,000; and Mr. Becker $600,000. Although these amounts were granted in respect of 2012 performance, because of the rules of the Securities and Exchange Commission governing the presentation of executive compensation in registration statements, such amounts appear in the Summary Compensation Table and other tables below under Executive Compensation as compensation for 2013, because such awards were granted during 2013.

Our equity-based awards granted under the Omnibus Plan are calculated and communicated to our NEOs based on various internal factors and qualifications, and are similar to award measurements used by companies that compete with us for executive talent. These internally communicated amounts do not necessarily reflect the grant date fair value of these awards (computed in accordance with FASB ASC Topic 718) which are required to be included in the Summary Compensation Table , below.

For each of our NEOs other than Mr. Martin, target long-term equity awards with respect to 2013 performance were set or reviewed by the Compensation and Benefits Committee during 2013, with reference to the Towers Watson Survey and to the compensation amounts publicly disclosed by the Comparison Group (with respect to Messrs. Karaoglan, and Steenbergen, and Ms. Beams) and the IM Comparison Group (with respect to Mr. Becker). The target long-term equity incentive amounts were considered as one element of our NEOs overall total direct compensation opportunity, and, based in part on this review, total direct compensation opportunities were set at or below median total target compensation as reflected in the comparative data. Our NEO target long-term equity incentive amounts for 2013, expressed as a percentage of base salary, were 200% for each of Messrs. Karaoglan and Steenbergen, and for Ms. Beams, and 250% for Mr. Becker. Mr. Martin did not have a specific long-term equity incentive target for 2013.

In 2014, long-term incentive awards to our NEOs were made on the basis of an evaluation of individual performance during 2013, which evaluations are described above under Step 3 of Annual Incentive Compensation determination process. Based on those evaluations, Mr. Martin, Mr. Karaoglan, Mr. Steenbergen, Ms. Beams and Mr. Becker each received long-term incentive awards in 2014 in the following amounts: Mr. Martin $4,000,000; Mr. Karaoglan $1,712,000; Mr. Steenbergen $1,188,000; Ms. Beams $1,120,000; and Mr. Becker $1,437,500. Although these amounts were granted in respect of 2013 performance, because of the rules of the Securities and Exchange Commission governing the presentation of executive compensation in registration statements, such amounts do not appear in the Summary Compensation Table and other tables below under Executive Compensation as compensation for 2013, because such awards were granted during 2014.

Long-term incentive awards were granted to our NEOs in the form of time-vested RSUs issued under the Omnibus Plan that vest over a four-year period, with the first 50% vesting on the second anniversary of the grant date, and an additional 25% vesting on each of the third and fourth such anniversary.

ING Group Equity Awards in Prior Years

Prior to our IPO, all long-term equity-based awards granted to our NEOs and other U.S. employees were granted in plan shares of ING Group. In addition to pre-IPO grants that were made under the LSPP, we previously granted long-term equity-based awards under two other ING Group plans: options were granted under the ING Group Standard Share Option Plan (the GSOP) and performance shares and options were granted

Table of Contents

under the ING Group Long-Term Equity Ownership Plan (the LEO Plan). Beginning in March 2011, we granted equity-based awards under the LSPP in the form of performance shares and deferred shares. The Company also granted restricted American Depositary Share (ADS) units of ING Group and restricted performance units under the ING America Insurance Holdings, Inc. Equity Compensation Plan (the Equity Plan). Some of the NEOs continue to have outstanding awards under the GSOP, the LEO Plan, the LSPP and the Equity Plan, as set forth in the table entitled Outstanding Equity Awards Table at 2013 Year End .

Approval of Compensation Arrangements by Supervisory Board of ING Group

Pursuant to the requirements of the Capital Requirements Directive (CRD) of the European Commission, and the related implementing legislation and instruments of the Kingdom of the Netherlands, as a majority-owned subsidiary of ING Group, we are currently required to submit all compensation of identified staff for purposes of CRD (which includes all of our NEOs) to the approval of the Supervisory Board of ING Group (Supervisory Board). This arrangement, which is also formalized in our Shareholder Agreement with ING Group, is expected to continue to apply until we are no longer subject to CRD.

During the period between our IPO and December 31, 2013, the only such submission to the Supervisory Board relating to the compensation of our NEOs was in respect of changes to the compensation package of Mr. Becker. Such changes were approved by our Compensation and Benefits Committee in October 2013 and subsequently approved by the Supervisory Board. In addition, all annual incentive compensation amounts and long-term equity-based incentive compensation paid or awarded to our NEOs in 2014 in respect of 2013 performance is also subject to Supervisory Board approval.

Health and Insurance Plans

Our NEOs are currently eligible to participate in Company-sponsored benefit programs, offered on the same terms and conditions as those made generally available to all full-time and part-time employees. Basic health, life insurance, disability benefits and similar programs are provided to give employees access to healthcare and income protection for themselves and their family members. The NEOs also have access to a supplemental long-term disability program, facilitated by the Company, generally available to a broad group of highly paid Company employees on an elective basis. The cost of participating in the supplemental disability program is borne entirely by each NEO. Mr. Steenbergen became eligible to participate in these programs in connection with his localization in 2013. See Expatriate Arrangements and Localization of Mr. Steenbergen for more information relating to Mr. Steenbergen s health and welfare benefits before his localization.

Tax-qualified and Non-qualified Retirement and Other Deferred Compensation Plans

Our NEOs generally are eligible for the same retirement benefits as full-time and part-time employees under the Company s broad-based, tax-qualified retirement plans. As described further in the narrative description preceding the table entitled Pension Benefits in 2013 , below, the Company sponsors the Retirement Plan, a tax-qualified, noncontributory, cash balance formula, defined benefit pension plan for eligible employees. See the narrative below under Pension Benefits .

The Company also sponsors the ING U.S. Savings Plan and ESOP (the 401(k) Plan), a tax-qualified defined contribution plan with an employee stock ownership plan feature. Under the 401(k) Plan, the Company will match 100% of a participant s contribution up to six percent of eligible compensation.

In addition to the tax-qualified retirement benefits described above, the Company also maintains the ING U.S. Supplemental Executive Retirement Plan (the SERP) and the ING U.S. 409A Deferred Compensation Savings Plan (the DCSP). The SERP and the DCSP permit our NEOs (including Mr. Steenbergen who became eligible to participate in the DCSP in connection with his localization) and certain other employees whose participation in our tax-qualified plans is limited due to compensation and contribution limits imposed under the Internal Revenue Code (the Code), to receive the benefits on a non-qualified basis that they otherwise would have been eligible to receive under the Retirement Plan and the 401(k) Plan if it were not for the compensation and contribution limits set under the Internal Revenue Code. For purposes of determining benefits under the SERP and the DCSP, eligible compensation is limited to three times the Internal Revenue Code compensation limit, which was $255,000 for 2013.

See the narrative description preceding the table entitled Pension Benefits in 2013 for more detail of the Retirement Plan and the SERP. See the narrative description preceding the table entitled Nonqualified Deferred Compensation Plans Table for 2013 for more detail of the DCSP.

Also, see Expatriate Arrangements and Localization of Mr. Steenbergen for more information relating to Mr. Steenbergen s retirement benefits.

Perquisites and Other Benefits

During 2013, we provided the NEOs with Company-selected independent advisors to assist them with financial planning, tax and legal issues. In addition, certain of our NEOs have personal use of a company car and driver (principally for commuting purposes), and in certain cases the Company provided travel-related perquisites, including for spousal travel. In addition, our NEOs occasionally have personal use of tickets held by the Company at sporting or entertainment events, at no incremental cost to the Company. See All Other Compensation Table for 2013 , below, for additional information concerning perquisites. In addition, see Expatriate Arrangements and Localization of Mr. Steenbergen for more information relating to Mr. Steenbergen s pre-localization perquisites.

Deal Incentive Awards

Prior to our IPO, we granted certain one-time incentive award opportunities (Deal Incentive Awards) to each of the NEOs and to certain other employees to encourage the achievement of ING Group s and the Company s goal of successfully executing an initial public offering of the Company s common stock. The terms and conditions of the Deal Incentive Awards are set forth in award letters or, in the case of Messrs. Martin and Karaoglan, set forth in their respective employment agreement or offer letter. With the exception of the deal incentive awards of Messrs. Martin and Karaoglan, the Deal Incentive Awards were payable in the form of RSUs issued under the Omnibus Plan, one half of which vested during 2013, upon the closing of our IPO and the subsequent expiration of the associated underwriters lock-up period applicable to our common stock. The second half of the deal incentive RSUs vested in January 2014.

The Deal Incentive Awards of Mr. Martin and Mr. Karaoglan included a cash payment of $2,000,000 and $666,667, respectively, which became payable upon the completion of our IPO in May 2013, and an equity component consisting of RSUs which vest ratably as ING Group continues to sell its holdings of our common stock. The first such vesting occurred in October 2013. See the narrative descriptions under Compensation of Named Executive Officers Grants of Plan-Based Awards Deal Incentive Awards and Employment Agreements for a description of the material terms of the Deal Incentive Awards.

Expatriate Arrangements and Localization of Mr. Steenbergen

Mr. Steenbergen is a citizen of the Netherlands who served in the United States from January 1, 2010 through March 31, 2013 pursuant to a long-term international assignment from ING Group. On April 1, 2013, Mr. Steenbergen was localized and became an employee of the Company. With respect to Mr. Steenbergen s service as an expatriate, the Company followed the ING Group International Assignments Long-Term Assignment Policy (the LTAP), which provides executives on long-term international assignments with additional benefits to ensure they have approximately the same relative spending power in the host country as they would have had in their home country. Under the LTAP, the Company operates a net pay policy , to which tax equalization applies. This is designed to ensure that assignees pay no more or less tax than would have been payable if they had remained solely in their home country. Also under the LTAP, Mr. Steenbergen received

-279-

Table of Contents

benefits to compensate him for certain expenses and cost differentials attributable to his expatriate status, as well as amounts to cover the taxes on those benefits. These benefits are described in more detail in the footnotes to the Summary Compensation Table and All Other Compensation for 2013 table. Mr. Steenbergen s expatriate benefits applied only until April 1, 2013, when Mr. Steenbergen was localized.

For the first three months of 2013, Mr. Steenbergen participated in ING Group health care and insurance programs that are generally available to all expatriates on assignment with the Company. He also participated in the ING Directors Pension Scheme during that time, the Dutch tax-qualified, contributory defined benefit pension plan in which similarly situated employees of ING Group are eligible to participate. Upon Mr. Steenbergen s localization on April 1, 2013, his compensation and benefits were aligned with practices for local U.S. employees. See Employment Agreements Employment Agreement of Mr. Steenbergen .

Critical Compensation and Other Policies

Tax Deductibility of Compensation

Under Section 162(m) of the Internal Revenue Code, a public company generally may not deduct compensation in excess of $1 million paid to its chief executive officer and the three other most highly compensated executive officers (other than the chief financial officer). Until the expiration of the post-IPO transition period provided by the rules and regulations of the Internal Revenue Code, compensation awarded under a pre-IPO plan or arrangement is generally exempt from the deduction limits of Section 162(m), unless such plan or arrangement is materially amended or certain other events occur.

For compensation that is not otherwise exempt from Section 162(m), amounts paid to the aforementioned officers will only be exempt from the deduction limit to the extent that it complies with the conditions set forth in Section 162(m) and the related Treasury regulations, including that such compensation be based on the satisfaction of performance conditions and be submitted for the approval of our stockholders. Currently, we are subject to the CRD Limitations that prohibit us from granting equity incentive awards, including under the Omnibus Plan, that are subject to performance conditions. Nevertheless, our Compensation and Benefits Committee will seek to minimize the impact of Section 162(m), while maintaining overall NEO compensation packages that it deems to be in the interests of the Company and adhering to the requirements of the CRD Limitations for as long as they are applicable to us. See Capital Requirements Directive . The Company reserves the right to pay in the future compensation that is not exempt from the deduction limit, when it deems such compensation to be in the interests of the Company.

Under Section 162(m)(6) of the Internal Revenue Code, which was introduced as part of the 2010 Affordable Care Act, certain health insurance providers cannot deduct compensation for any employees in excess of $500,000. The Company has determined that it is not subject to Section 162(m)(6) for calendar years 2010 through 2013. The Department of the Treasury issued proposed regulations under Section 162(m)(6) in 2013, but those regulations have not been finalized. The Company is continuing to monitor this issue and will determine whether the Section 162(m)(6) limitations will apply in the future based on that guidance. To the extent that the Company is subject to any of these limits on deductibility of compensation, the Company reserves the right to approve non-deductible compensation.

Compensation Recoupment Policies

Certain elements of our NEOs compensation packages are subject to recoupment or being clawed back or held back under certain circumstances. Under both the CRD policies described below (which became applicable to the Company on January 1, 2012) and the terms of the LSPP (pursuant to which both performance plan shares and deferred plan shares of ING Group have been granted), ING Group has the right to claw back awards previously settled with or paid to our NEOs, or hold back awards previously made to our NEOs that have not yet vested if (i) activities conducted under the responsibility of the NEO, including fraud or malfeasance, led to a material restatement of ING Group s or the Company s annual accounts or resulted in significant reputational harm to ING Group or any of its subsidiaries or affiliates, (ii) the Company undergoes significant adverse changes in its economic and regulatory capital base or (iii) the Company or one of its business lines suffers a significant failure in risk management. Grants of Company RSUs to the NEOs made pursuant to the Omnibus Plan are subject to similar clawback provisions in respect of the Company.

Capital Requirements Directive

The European Commission s CRD affects compensation disclosures and practices in financial services companies, which all EU member states are required to implement and enforce. One objective of CRD is to ensure that the total compensation and mix of fixed to variable compensation paid to key Identified Staff are consistent with CRD, as implemented by each EU nation and in alignment with the companies risk management practices and policies. Other objectives of CRD include the incorporation of recoupment or clawback provisions into compensation programs in which our NEOs participate, and the maintenance of an adequate capital base by the institutions subject to CRD. These policies provide for the Company to make adjustments to reduce current or prior year variable compensation based on significant changes in the Company s risk profile. In the Netherlands, the Dutch National Bank oversees the implementation of and compliance with CRD.

CRD has already been widely implemented across ING Group s Europe-based financial services businesses. Under ING Group s agreement with the DNB, since January 1, 2012 the CRD requirements have applied to certain Company employees, referred to as Control Function employees and Identified Staff . Control Function employees include the heads of the corporate audit services, finance, human resources, compliance, risk management and legal departments and individuals they supervise, in each case, who may have a material impact on the Company s risk profile. Identified Staff, who may also be Control Function employees, include employees who may have a material impact on the Company s risk profile. Performance metrics for Control Function employees generally may not be directly linked to financial objectives related to their departments and variable-to-fixed pay may not exceed certain ratios.

Under CRD as it applied for 2013 compensation, the compensation packages of Identified Staff were subject to specified parameters, including that (i) variable-to-fixed pay may not exceed certain ratios, and (ii) variable pay must be composed of at least 50% long-term incentives for Identified Staff (other than those in Investment Management) and must be composed of at least 30% long-term incentives for those Identified Staff in Investment Management.

For 2013, the Company had approximately 40 Identified Staff , including all of the NEOs, whose total compensation packages were required to conform with CRD.

Relationship of Compensation Policies and Practices to Risk Management

The Company adheres to compensation policies and practices that are designed to support a strong risk management culture. We have reviewed the Company s compensation programs, policies and practices for employees and have determined that those programs, policies and practices are not reasonably likely to have a material adverse effect on the Company.

Table of Contents

Compensation of Named Executive Officers

Summary Compensation Table

The following table presents the cash and other compensation for our NEOs for 2013, 2012 and 2011.

Summary Compensation Table

Name and Principal Position	Year	Salary(1)	Bonus(2)	Stock Awards(3)	Non-Equity Incentive Plan Compensation(4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(5)	All Other Compensation(6)	Total
Rodney O. Martin, Jr., CEO	2013	$ 1,000,000	$	$ 7,598,688(7)	$ 3,185,711	$ 29,903	$ 67,868	$ 11,882,170
	2012	$ 1,000,000	$	$ 923,129	$ 816,116	$ 30,209	$ 58,780	$ 2,828,234
	2011	$ 746,212	$	$	$ 585,536	$	$ 84,231	$ 1,415,979
Alain M. Karaoglan, EVP & COO	2013	$ 700,000	$	$ 2,961,939(7)	$ 1,552,378	$ 23,828	$ 62,395	$ 5,300,540
	2012	$ 650,000	$	$ 923,129	$ 593,866	$ 28,809	$ 59,529	$ 2,255,333
	2011	$ 452,292	$	$ 381,980	$ 585,536	$	$ 28,188	$ 1,447,996
Ewout L. Steenbergen, EVP & CFO	2013	$ 605,768	$	$ 1,081,229	$ 735,711	$ 94,001	$ 637,818	$ 3,154,527
	2012	$ 498,861	$	$ 314,575	$ 281,032	$ 820,688	$ 680,376	$ 2,595,532
	2011	$ 438,139	$ 164,128	$ 235,236	$ 267,933	$ 172,514	$ 796,113	$ 2,074,063
Maliz E. Beams, CEO, Retirement Solutions	2013	$ 679,167	$	$ 2,852,755	$ 745,711	$ 27,493	$ 64,881	$ 4,370,007
	2012	$ 600,000	$	$ 772,227	$ 766,116	$ 29,628	$ 57,723	$ 2,225,694
Jeffrey T. Becker, CEO Investment Management	2013	$ 422,538	$	$ 1,596,793	$ 1,048,211	$ 0	$ 62,168	$ 3,129,710
	2012	$ 391,667	$ 216,690	$ 856,429	$ 681,116	$ 293,510	$ 58,809	$ 2,498,221
	2011	$ 350,000	$ 198,367	$ 959,285	$ 695,536	$ 235,762	$ 51,975	$ 2,490,925

(1) Amounts in this column represent salary that was actually paid to each NEO during the listed calendar year. Mr. Steenbergen s salary comprises three elements: (i) his net pay under the LTAP for periods prior to April 1, 2013; (ii) tax equalization payments for periods prior to April 1, 2013 (amounting to $54,739, $163,787 and $149,780 in 2013, 2012 and 2011, respectively); and (iii) regular base salary for periods after Mr. Steenbergen s localization on April 1, 2013. See 2013 Compensation Expatriate Arrangements and Localization of Mr. Steenbergen, above.

(2) Amounts in this column reflect the portions of a cash retention award that became vested and were paid in September 2011 and (in the case of Mr. Becker) September 2012.

(3) Amounts in this column include the grant date fair value calculated in accordance with FASB ASC Topic 718 of: (i) for 2013, time-vested awards granted to the NEOs under the LSPP and Equity Plan and subsequently converted to RSUs under the Omnibus Plan at the time of our IPO, including a component representing the portion of each NEO s annual incentive that was subject to automatic deferment, and in each case in respect of 2012 performance; (ii) for 2012 and 2011, time-vested awards granted to the NEOs under the LSPP and the Equity Plan and subsequently converted to RSUs under the Omnibus Plan at the time of our IPO, including a component representing the portion of each NEO s annual incentive that was subject to automatic deferment, and in respect of 2011 and 2010 performance, respectively; and (iii) Deal Incentive Awards that were awarded in the form of time-vested RSUs.

(4) Amounts in this column include, for Mr. Martin and Mr. Karaoglan, $2,000,000 and $666,667, respectively, reflecting the cash portion of their Deal Incentive Awards that became payable upon the completion of our IPO in May 2013. Amounts in this column for all NEOs include the cash portion of the annual incentive awarded for prior-year performance. An additional portion of each award made for 2013 performance (and granted in 2014) has been deferred in the form of time-vested RSUs issued under the Omnibus Plan, which vest between 2015 and 2017. Pursuant to SEC rules, the value of such RSUs is not included in this table because they were not awarded during the 2013 calendar year.

(5) Amounts in this column represent the net changes in actuarial present value under the Retirement Plan and the SERP (and, with respect to Mr. Steenbergen, the Directors Pension Plan). See the Pension Benefits in 2013 table below for more detail. Approximately 82% ($693,405) of the change in the present value of the accumulated pension benefit of Mr. Steenbergen from December 31, 2011 to December 31, 2012 is due solely to the change in the discount rate from 5.50% to 3.70%.

(6) Amounts in this column for Mr. Steenbergen include a market value payment of $400,000 pursuant to terms of Mr. Steenbergen s localization in April 2013 and certain amounts payable prior to his localization in accordance with the LTAP. See 2013 Compensation Expatriate Arrangements and Localization of Mr. Steenbergen, above. All amounts in this column are described in more detail in the table below entitled All Other Compensation Table for 2013 .

(7) This amount includes the effect of revaluing the Deal Incentive Awards granted to Messrs. Martin and Karaoglan in July 2013, upon the extension of the latest vesting date applicable to such awards, in order to reflect the terms of the 2012 Restructuring Plan of ING Group. See Summary ING Group Restructuring Plan with European Commission . Deal Incentive Awards for all other NEOs have been valued at the price to the public in our IPO, because no change was made to the terms of such awards. If valued at the date of the IPO, the grant date fair value of stock awards to Messrs. Martin and Karaoglan during 2013 would have been lower by $2,159,998 and $719,999, for aggregate grant date fair values of $5,438,690 and $2,241,940, respectively. As of December 31, 2013, 40,448 and 13,483 of the RSUs awarded to Mr. Martin and Mr. Karaoglan, respectively, in respect of Deal Incentive Awards, having a grant date fair value of $1,214,653 and $404,894, had vested.

-282-

Table of Contents

All Other Compensation Table for 2013

Name	401(k) Employer Match[(1)]	DCSP Employer Match[(2)]	Financial Tax Services[(3)]	Gross-Ups[(4)]	Other[(5)]	Total
Rodney O. Martin, Jr.	$ 15,600	$ 30,600	$ 15,968	$ 2,585	$ 3,114	$ 67,868
Alain M. Karaoglan	$ 15,600	$ 30,600	$ 15,968	$	$ 227	$ 62,395
Ewout L. Steenbergen	$ 15,300	$ 9,450	$	$ 85,897	$ 527,171	$ 637,818
Maliz E. Beams	$ 9,200	$ 36,700	$ 15,968	$	$ 3,013	$ 64,881
Jeffrey T. Becker	$ 15,600	$ 30,600	$ 15,968	$	$	$ 62,168

(1) See the narrative under Retirement and Other Deferred Compensation Plans for a description of the material terms of the 401(k) Plan. For Messrs. Martin, Karaoglan and Becker, this amount includes $300 correction payment with respect to the prior year.

(2) See the narrative under Retirement and Other Deferred Compensation Plans for a description of the material terms of the DCSP.

(3) Amounts in this column represent the amounts actually paid by the Company, on behalf of each NEO, to the Company-selected financial advisor in 2013.

(4) The Company provided tax gross-ups to Mr. Steenbergen in accordance with the LTAP for periods prior to Mr. Steenbergen s localization on April 1, 2013. These include reimbursements for taxes associated with his housing allowance ($45,878); his home leave allowance ($14,815); tuition and other educational expenses for his children ($24,437); and long-term incentive vesting ($768).

(5) The amount in this column for Mr. Steenbergen includes (i) a market value allowance of $400,000 paid in connection with Mr. Steenbergen s localization in April 2013, (ii) a tax protection payment pursuant to the LTAP of $32,665 in respect of the exercise of options during 2013 and (iii) the sum of the expatriate benefits provided to Mr. Steenbergen under the LTAP prior to his localization. These include a housing allowance ($45,000), tuition and other educational and related expenses for his children ($24,300), and home leave allowance covering the cost of travel for Mr. Steenbergen and his family to travel to the Netherlands ($16,699). For more detail, see the narrative description under 2013 Compensation Expatriate Arrangements and Localization of Mr. Steenbergen, above.

Amounts in this column also include the following perquisites: (i) for Mr. Martin, Mr. Karaoglan and Mr. Steenbergen, the expense to the Company associated with the respective NEO s personal use of a Company car and driver, the amount of which has been calculated based on an allocation of the total cost associated with the car and driver between business and personal usage, based on total miles driven; and (ii) for Mr. Martin and Ms. Beams, incremental expenses associated with travel perquisites, including for spousal travel. Personal usage of the car and driver was principally for commuting purposes. In addition, during 2013, several of our NEOs had personal use of tickets held by the Company to sporting and entertainment events, at no incremental expense to the Company.

Table of Contents

Grants of Plan-Based Awards

The table below presents individual grants of awards made to each NEO during 2013.

Grants of Plan-Based Awards Table for 2013

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards				
Name	**Grant Type**	**Grant Date(1)**	**Threshold**	**Target**	**Maximum**	**Threshold Number of Shares**	**Target Number of Shares**	**Maximum Number of Shares**	**Number of Other Stock Awards**	**Grant Date Fair Value of Stock Awards(2)**
Rodney O. Martin, Jr.	Omnibus Plan Converted LSPP Long-Term Incentive Shares	5/7/2013					56,482	56,482		$ 1,048,588
	Omnibus Plan Converted LSPP Deferred Shares (Mandatory Deferral of portion of Annual ICP Award)	5/7/2013					21,013	21,013		$ 390,106
	Deal Incentive Award(3)	7/25/2013					205,128	205,128		$ 6,159,994
	Annual Incentive Plan			$ 1,000,000	$ 2,000,000					
Alain M. Karaoglan	Omnibus Plan Converted LSPP Long-Term Incentive Shares	5/7/2013					38,218	38,218		$ 709,517
	Omnibus Plan Converted LSPP Deferred Shares (Mandatory Deferral of portion of Annual ICP Award)	5/7/2013					10,724	10,724		$ 199,091
	Deal Incentive Award(3)	7/25/2013					68,376	68,376		$ 2,053,331
	Annual Incentive Plan			$ 700,000	$ 1,400,000					
Ewout L. Steenbergen	Omnibus Plan Converted LSPP Long-Term Incentive Shares	5/7/2013					14,270	14,270		$ 264,922
	Omnibus Plan Converted LSPP Deferred Shares (Mandatory Deferral of portion of Annual ICP Award)	5/7/2013					878	878		$ 16,300
	Deal Incentive Award(3)	5/7/2013					41,026	41,026		$ 800,007
	Annual Incentive Plan			$ 550,000	$ 1,100,000					
Maliz E. Beams	Omnibus Plan Converted LSPP Long-Term Incentive Shares	5/7/2013					54,167	54,167		$ 1,005,610
	Omnibus Plan Converted LSPP Deferred Shares	5/7/2013					18,699	18,699		$ 347,147

(Mandatory Deferral of portion of Annual ICP Award)						
Deal Incentive Award[3]	5/7/2013			76,923	76,923	$ 1,499,999
Annual Incentive Plan		$ 700,000	$ 1,400,000			

-284-

Table of Contents

Name	Grant Type	Grant Date[1]	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Threshold	Target	Maximum	Estimated Future Payouts Under Equity Incentive Plan Awards Threshold Number of Shares	Target Number of Shares	Maximum Number of Shares	Number of Other Stock Awards	Grant Date Fair Value of Stock Awards[2]
Jeffery T. Becker	Omnibus Plan Converted LSPP Long-Term Incentive Shares[4]	5/7/2013					13,899	13,899		$ 257,849
	Omnibus Plan Converted LSPP Deferred Shares (Mandatory Deferral of portion of Annual ICP Award)	5/7/2013					14,763	14,763		$ 274,075
	Converted ADS Units[4]	5/7/2013							14,126	$ 264,863
	Deal Incentive Award[3]	5/7/2013					41,026	41,026		$ 800,007
	Annual Incentive Plan			$ 1,437,500	$ 2,875,000					

(1) Grant date is based upon the date of grant of converted awards under the Omnibus Plan, not that of the original award that was subject to conversion. For Messrs. Martin and Karaoglan, the grant date of their respective Deal Incentive Awards is the date upon which such awards were revalued for accounting purposes in July 2013, upon the extension of the latest vesting date applicable to such awards, in order to reflect the terms of the 2012 Restructuring Plan of ING Group. See Summary ING Group Restructuring Plan with European Commission . Deal Incentive Awards for all other NEOs have a grant date of May 7, 2013, the date we completed our IPO.

(2) Amounts in this column represent the grant date fair value calculated in accordance with FASB ASC Topic 718.

(3) See Deal Incentive Awards , above. For Deal Incentive Awards granted to Messrs. Martin and Karaoglan, the grant date and the grant date fair value provided in the table reflects the revaluation of such Deal Incentive Awards for accounting purposes in July 2013, upon the extension of the latest vesting date applicable to the Deal Incentive Awards held by Messrs. Martin and Karaoglan, in order to reflect the terms of the 2012 Restructuring Plan of ING Group. See Summary ING Group Restructuring Plan with European Commission . Deal Incentive Awards for all other NEOs have a grant date of May 7, 2013, the date we completed our IPO and have been valued at the price to the public in our IPO, because no change was subsequently made to the terms of such awards. If valued at the date of the IPO, the grant date fair value of the Deal Incentive Awards of Messrs. Martin and Karaoglan would have been $3,999,996 and $1,333,332, respectively. As of December 31, 2013, 40,448 and 13,483 of the RSUs awarded to Mr. Martin and Mr. Karaoglan, respectively, in respect of Deal Incentive Awards, having a grant date fair value of $1,214,653 and $404,894, had vested.

(4) Fifty percent of Mr. Becker s long-term incentive award was comprised of awards granted under the LSPP and subsequently converted to Omnibus Plan RSUs, and the remaining 50% was granted in the form of restricted ADS units granted under the Equity Plan and subsequently converted to Omnibus Plan RSUs.

-285-

Table of Contents

Outstanding Equity Awards at Year End

The table below provides information concerning unexercised options and stock and stock-based awards that have not vested for each NEO outstanding as of December 31, 2013.

Outstanding Equity Awards Table at 2013 Year End

	Option Awards					Stock Awards			
Name	**Number of Securities Underlying Unexercised Options Exercisable**	**Number of Securities Underlying Unexercised Options Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options**	**Option Exercise Price**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested**	**Market Value of Shares or Units of Stock That Have Not Vested(1)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested(1)**
Rodney O. Martin, Jr.									
								56,396(2)	$ 790,108
						14,061(3)	$ 196,995		
						56,482(4)	$ 1,985,342		
						21,013(4)	$ 738,607		
						164,680(5)	$ 5,788,502		
Alain M. Karaoglan									
								18,038(6)	$ 252,712
								56,396(2)	$ 790,108
						14,061(3)	$ 196,995		
						38,218(4)	$ 1,343,363		
						10,724(4)	$ 376,949		
						54,893(5)	$ 1,929,489		
Ewout L. Steenbergen									
	2,051(7)			14.37	3/15/2014				
	5,730			17.88	3/30/2015				
	4,860			25.16	3/23/2016				
	8,339			24.72	3/22/2017				
	11,447			16.66	3/13/2018				
	13,918			7.35	3/17/2020				
								5,732(8)	$ 80,305
						487(9)	$ 6,823		
								21,691(2)	$ 303,891
						2,319(3)	$ 32,489		
						14,270(4)	$ 501,591		
						878(4)	$ 30,862		
						20,513(10)	$ 721,032		
Maliz E. Beams									
								20,813(6)	$ 291,590
								54,227(2)	$ 759,720
						4,712(3)	$ 66,015		
						54,167(4)	$ 1,903,970		
						18,699(4)	$ 657,270		

38,462[10]	$ 1,351,939

[Table of Contents](#)

Name	Option Awards Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price	Option Expiration Date	Stock Awards Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested[(1)]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested[(1)]
Jeffrey T. Becker									
	7,814[(7)]			14.37	3/15/2014				
	10,816			17.88	3/30/2015				
	8,479			25.16	3/23/2016				
	7,124			24.72	3/22/2017				
	13,829			16.66	3/13/2018				
								6,939[(8)]	$ 97,215
						9,068[(9)]	$ 127,043		
						27,479[(11)]	$ 384,981		
								21,691[(2)]	$ 303,891
						22,014[(3)]	$ 308,416		
						32,380[(12)]	$ 453,644		
						13,889[(4)]	$ 488,198		
						14,763[(4)]	$ 518,919		
						14,126[(13)]	$ 496,529		
						20,513[(10)]	$ 721,032		

(1) The market value of ING U.S., Inc. equity awards was determined by multiplying $35.15, the closing price of a share of ING U.S., Inc. common stock, as reported by the NYSE, on December 31, 2013, by the number of shares or units; and the market value of ING Group equity awards was determined by multiplying $14.01, the closing price per ADS of ING Group ADS, as reported by the NYSE on December 31, 2013, by the number of shares or units.

(2) Represents performance shares of ING Group. One half of such shares are scheduled to vest on March 28, 2014 and the remaining shares are scheduled to vest on March 28, 2015, based on the achievement of performance metrics that are determined prior to each vesting cycle.

(3) Represents deferred shares of ING Group. One-half of such shares are scheduled to vest on March 28, 2014 and the remaining shares are scheduled to vest on March 28, 2015.

(4) Represents RSUs of ING U.S., Inc. One-half of such RSUs are scheduled to vest on March 27, 2015 and the remaining half is scheduled to vest in equal amounts on March 27, 2016 and March 27, 2017.

(5) Represents RSUs of ING U.S., Inc. awarded as deal incentive awards, which vest proportionately to the continued sell-down by ING Group of ING U.S., Inc., common stock.

(6) Represents performance shares of ING Group that are scheduled to vest on September 7, 2014, based on the achievement of performance metrics that are determined prior to each vesting cycle.

(7) Option expires on March 15, 2014.

(8) Represents performance shares of ING Group that vested on March 30, 2014, based on the achievement of performance metrics that are determined prior to each vesting cycle.

(9) Represents deferred shares of ING Group that vested on March 30, 2014.

(10) Represents RSUs of ING U.S., Inc. awarded as deal incentive awards, and which vested on January 22, 2014.

(11) Represents ADS of ING Group issued under the Equity Plan that vested on January 1, 2014.

(12) Represents ADS of ING Group issued under the Equity Plan that are scheduled to vest on January 1, 2015.

(13) Represents RSUs of ING U.S., Inc. that are scheduled to vest on January 1, 2016.

Equity-based awards of ING Group granted in 2012 and 2011 were made under the LSPP and the Equity Plan and awards made in years before 2011 were made under the GSOP, the LEO Plan and the Equity Plan. All options shown on the table above are options to acquire ordinary shares of ING Group and were issued under the GSOP and LEO plans.

-287-

Table of Contents

Option Exercises and Stock Vested in 2013

The following table provides information regarding all of the RSUs, deferred shares and performance shares held by the NEOs that vested during 2013 and options that were exercised by NEOs during 2013. This table includes vesting of both ING U.S. equity awards and ING Group equity awards. All option exercises were in respect of ING Group equity awards.

Option Exercises and Stock Vested Table for 2013

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
Rodney O. Martin			28,197	$ 304,921(1)
			7,030	$ 50,681(2)
			40,448	$ 1,399,905(3)
Alain M. Karaoglan			28,197	$ 304,921(1)
			7,030	$ 50,681(2)
			18,038	$ 300,943(4)
			13,483	$ 466,647(3)
Ewout L. Steenbergen			5,459	$ 57,727(5)
			10,845	$ 117,280(1)
			1,159	$ 8,355(2)
			5,730	$ 61,250(4)
			485	$ 3,456(6)
			15,239	$ 108,596(7)
	15,289	$ 84,145(8)		
			20,513	$ 709,955(3)
Maliz E. Beams			27,113	$ 293,499(1)
			2,356	$ 16,985(2)
			20,813	$ 347,246(4)
			38,461	$ 1,331,135(3)
Jeffrey T. Becker			33,716	$ 317,942(9)
			10,343	$ 109,379(5)
			10,845	$ 117,280(1)
			11,006	$ 79,345(2)
			6,937	$ 74,155(4)
			9,066	$ 64,606(6)
			21,635	$ 154,175(7)
	9,996	$ 90,608(8)		
	26,374	$ 77,180(8)		
			20,513	$ 709,955(3)

(1) Represents vesting of a portion of an ING Group performance share award granted under the LSPP during 2012.

(2) Represents vesting of a portion of an ING Group deferred share award granted under the LSPP during 2012 in respect of the deferred portion of annual incentive awards.

(3) Represents vesting of a portion of an ING U.S. deal incentive RSU award granted under the Omnibus Plan.

(4) Represents vesting of a portion of an ING Group performance share award granted under the LSPP during 2011.

(5) Represents vesting of a portion of an ING Group performance share award granted under the LEO Plan during 2010.

Table of Contents

(6) Represents vesting of a portion of an ING Group deferred share award granted under the LSPP during 2011.
(7) Represents vesting of a portion of an ING Group deferred share award granted under the LEO Plan during 2010.
(8) Represents exercise of an option to acquire ING Group ordinary shares.
(9) Represents vesting of a portion of ING Group equity awards granted under the Equity Plan during 2010.

Pension Benefits

As described above under 2013 Compensation Tax-qualified and Non-qualified Retirement and Other Deferred Compensation Plans, the Company maintains tax-qualified and nonqualified defined benefit (pension) plans that provide retirement benefits for employees whose length of service allows them to vest in and receive these benefits. During 2013, regular full-time and part-time employees of the Company who were hired before January 1, 2009 and completed one year of service were covered by the Retirement Plan. Certain highly compensated employees who participate in the Retirement Plan whose benefits cannot be paid from the Retirement Plan as a result of tax limitations and who are designated by the Company are also eligible to participate in the SERP.

The benefit under the Retirement Plan for employees who participated prior to January 1, 2009 is currently calculated using a final average pay pension formula based on the employee s average compensation for the highest five consecutive whole calendar years of benefit service earned during a period ranging from 10 to 20 years preceding the date of retirement. Eligible compensation generally includes base salary, annual incentive award and commissions, if applicable. The SERP benefit is equal to the difference between (a) the participant s retirement benefit before taking into account the tax limitations on eligible compensation and other compensation deferrals and (b) the participant s actual retirement benefit paid from the Retirement Plan. Pension benefits under the Retirement Plan and SERP are generally payable in the form of a monthly annuity, though certain benefits under the Retirement Plan may be received as a lump-sum or partial lump-sum payment.

A participant s retirement benefits under the Retirement Plan and the SERP vest in full upon completion of three years of vesting service, when the participant reaches age 65 or if the participant dies while in active service with the Company. Participants may begin receiving full retirement benefits at age 65 and may be eligible for reduced benefits if retiring at an earlier age with a minimum of three years of vesting service. As of December 31, 2013, Messrs. Martin and Karaoglan, and Ms. Beams, were each eligible for early retirement under the Retirement Plan. Benefits under the SERP may be forfeited at the discretion of the Company if the participant engages in unauthorized competition with the Company, is discharged for cause, or performs acts of willful malfeasance or gross negligence in a matter of material importance to the Company. The Retirement Plan and the SERP were closed to new participants effective January 1, 2009.

Beginning January 1, 2012, all ING U.S. employees transitioned to a new cash balance pension formula under the Retirement Plan. A similar change to the SERP was also made. The cash balance pension formula credits 4% of eligible compensation to a hypothetical account in the Retirement Plan and SERP, as applicable, each month. Account balances receive a monthly interest credit based on a 30-year Treasury bond rate published by the IRS in the preceding August of each year (for 2013 that rate was 2.77%). Participants in the Retirement Plan and SERP prior to January 1, 2012, including Mr. Becker, transitioned to the new cash balance pension formula during the two-year period ending December 31, 2013. Benefits that accrued during the transition period have been determined based on the prior final average pay pension formula or the new cash balance pension formula, whichever is greater. Pension benefits that accrue after the transition period will be solely based on the new cash balance pension formula. Because they began employment after December 31, 2008, the benefits of Messrs. Martin and Karaoglan, and Ms. Beams, will be determined based solely on the new cash balance pension formula.

Prior to April 1, 2013, Mr. Steenbergen participated in the ING Group Directors Pension Scheme (the Directors Pension Plan), to which a percentage of his base salary was automatically contributed. The benefit

-289-

Table of Contents

under the Directors Pension Plan is calculated based on the participant s years of service and fixed annual salary (adjusted annually). Members of the Directors Pension Plan may begin receiving full retirement benefits at age 65 and may be eligible for reduced benefits if retiring at an earlier age. Beginning April 1, 2013, in connection with his localization, pension benefits for Mr. Steenbergen were determined based solely on the new cash balance pension formula under the Retirement Plan.

The following table presents the accumulated benefits under the Company pension plans in which each NEO participates.

Pension Benefits in 2013

Name	**Plan Name**	**Number Years Credit Service**	**Present Value of Accumulated Benefit**	**Payments During 2013**
Rodney O. Martin, Jr.	Retirement Plan	2	$ 20,074	$ 0
	SERP	2	$ 40,041	$ 0
Alain M. Karaoglan	Retirement Plan	2	$ 17,566	$ 0
	SERP	2	$ 35,071	$ 0
Ewout L. Steenbergen	Retirement Plan	1	$ 7,891	$ 0
	SERP	1	$ 4,731	$ 0
	Directors Plan	18.75	$ 1,691,885	$ 0
Maliz E. Beams	Retirement Plan	2	$ 19,072	$ 0
	SERP	2	$ 38,049	$ 0
Jeffrey T. Becker	Retirement Plan	19.42	$ 322,360	$ 0
	SERP	19.42	$ 660,431	$ 0

Assumptions for the Pension Benefits in 2013 table include:

The present value of accumulated benefits under the Retirement Plan and SERP shown in the Pension Benefits in 2013 table is calculated using the same actuarial assumptions used by the Company for GAAP financial reporting purposes, and assuming benefits commence as of age 65 under both plans. Those assumptions are:

The discount rate is 4.95%.

The RP-2000 Mortality Table with generational projection using Scale AA for males and females after commencement at age 65. No mortality assumed before age 65.

The interest crediting rate on cash balance accounts is 3.5%, except AFS cash balance benefits have a minimum of 5.0%.

The cost of living adjustment under prior AFS benefits is 2.2%.

Assumptions for the ING Group Directors Plan include:

The discount rate is 3.668% and general inflation is 2.00%. The long-term rate of return on plan assets is not applicable but would be equal to the discount rate under IAS19 reporting.

Mortality is based on the AG Generational Table 2012-2062 with ING Group mortality experience rates derived from the Towers Watson 2012 experience mortality model.

Retirement age is equal to the normal pension age, 65. Payment is assumed to be in the form of a life-long annuity.

A discretionary cost-of-living indexation beginning January 1, 2015 is excluded.

-290-

Table of Contents

Nonqualified Deferred Compensation Plans

The Company maintains the DCSP, a nonqualified deferred compensation plan that allows employees to contribute to deferred compensation accounts amounts above the 401(k) annual limit and provides certain company matching contributions on the deferred amounts. The Company also previously maintained an additional nonqualified deferred compensation plan for the purpose of holding certain deferred amounts paid to employees of our Investment Management business in 2010, including Mr. Becker. All amounts in such additional plan vested and were paid out during 2013.

ING U.S. 409A Deferred Compensation Savings Plan

Eligible employees who meet certain compensation thresholds may elect to participate in the DCSP. Participating employees may elect to defer up to 50% of their salary, up to 50% of their sales-based commission compensation, up to 100% of their short-term variable compensation (excluding sales-based commissions) and up to 100% of their long-term variable compensation and may also elect to defer compensation they would have contributed to their 401(k) Plan accounts were it not for the compensation and contribution limits under the Internal Revenue Code. The Company provides a 6% matching contribution on certain amounts elected to be deferred under the DCSP to enable company-matched contributions on deferrals that are in excess of the 401(k) contribution limits. The aggregate company match under the 401(k) plan and DCSP for 2013 was limited to $45,900.

The table below presents, for each NEO, 2013 information with respect to nonqualified deferred compensation plans.

Nonqualified Deferred Compensation Plans Table for 2013

Name	Executive Contributions in 2013[1]	Registrant Contributions in 2013[1]	Aggregate Earnings in 2013[2]	Aggregate Withdrawals/ Distributions	Aggregate Balance at 2013 Year End
Rodney O. Martin, Jr.	$ 93,667	$ 30,600	$ 94,255	$ 0	$ 416,540
Alain M. Karaoglan	$ 62,332	$ 30,600	$ 6,380	$ 0	$ 245,028
Ewout L. Steenbergen	$ 9,450	$ 9,450	$ 72	$ 0	$ 18,972
Maliz E. Beams	$ 58,695	$ 36,700	$ 4,160	$ 0	$ 173,731
Jeffrey T. Becker	$ 125,337	$ 30,600	$ 139,395	$ 309,872	$ 2,537,959

(1) Amounts reported in this column that are reported in the Summary Compensation Table (for 2013, unless otherwise noted) are: Mr. Martin $93,667 base salary; Mr. Karaoglan $62,332 base salary; Mr. Steenbergen $9,450 base salary; Ms. Beams $58,695 base salary; and Mr. Becker $84,470 base salary and $40,867 non-equity incentive plan compensation from 2012.

(2) Amounts in this column reflect the interest earned on notional investments, which investments are elected by the participant. The participant has the ability to change his or her investment election only during open periods.

Potential Payments upon a Termination or Change in Control

ING U.S. Severance Pay Plan

The ING Americas Severance Pay Plan (the Severance Plan) provides for the payment of severance benefits to eligible employees in the event of a qualifying termination of employment. Examples of qualifying termination events include an employee s job elimination as a result of a reduction in workforce, an acquisition, a merger, divestiture or restructuring, outsourcing or position elimination. Other examples of qualifying termination events are significant pay reductions due to an employer-requested job change, the transfer of an employee s job function more than 50 miles from the employee s current work location, an employee s job being filled while the employee is on an approved leave and the expiration of an employee s expatriation assignment.

Table of Contents

Employees whose employment terminates for reasons other than a qualifying termination, including those who resign or are terminated for unsatisfactory performance, violation of laws or Company policies or similar reasons are not eligible for payments under the Severance Plan. Under the Severance Plan, eligible employees who do not sign a waiver and release agreement in connection with their employment termination receive two weeks of eligible pay. Employees who sign a waiver and release receive a benefit equal to the greatest of six weeks of eligible pay, two weeks of eligible pay per year of service (up to 52 weeks of eligible pay), or two weeks of eligible pay per $10,000 of eligible pay (up to 52 weeks of eligible pay). Outplacement and support services may be provided to eligible employees at the discretion of the Company. Mr. Martin has an employment agreement that provides for a lump-sum severance payment equal to annual salary in the event of an involuntary separation without Cause or for Good Reason, as defined in the employment agreements. Pursuant to Mr. Steenbergen s localization arrangements, if he is involuntarily terminated without Cause (as defined in his offer letter), prior to April 15, 2014, in addition to severance under the ING U.S. Severance Plan, he will be paid a market value allowance of $400,000 on April 14, 2014. Currently, there are no other employment agreements that provide payments due to termination of employment. Mr. Karaoglan, Mr. Steenbergen, Ms. Beams and Mr. Becker are eligible to participate in the ING U.S. Severance Plan that is generally available to all full-time and part-time employees.

Employment Agreements

As discussed above under Critical Compensation and Other Policies , notwithstanding the target opportunities discussed below, the compensation paid to Identified Staff remains subject to CRD Limitations as long as ING Group continues to consolidate our financial results with its financial results under IFRS.

Employment Agreement of Mr. Martin

The Company has an employment agreement with Mr. Martin, who serves as Chief Executive Officer of the Company and Chairman of its Board of Directors. The employment agreement is dated as of March 25, 2011, as amended and restated as of November 7, 2012, and as further amended and restated as of July 25, 2013. The term of the employment agreement is April 4, 2011 to December 31, 2014 and can be extended by mutual agreement.

Under the terms of his employment agreement, Mr. Martin receives an annual base salary of $1 million and has the opportunity for certain incentive payments. Mr. Martin is eligible to participate in the annual incentive payment program, or ICP , under which he may receive an award subject to his achievement of pre-established performance goals during each year ending during his employment. The amounts awarded under the ICP are determined by the Compensation and Benefits Committee and have a target of 100% of base salary with an opportunity to earn up to 200% of his base salary, a certain portion of which is subject to deferral. Mr. Martin s target annual incentive award has subsequently been adjusted to 175% of base salary.

In addition to his base salary and ICP opportunity, Mr. Martin received a Deal Incentive Award in the amount of $6 million upon completion of our IPO, consisting of $2 million in cash and $4 million in Company RSUs, issued under the Omnibus Plan, based on the IPO price. The cash component of the award was paid after the completion of the IPO. The RSUs will vest as follows, *provided* that Mr. Martin is still employed by the Company on the applicable vesting date: (i) prior to December 31, 2016, if the Company completes one or more additional public offerings, a number of shares underlying the RSUs shall vest equal to (I) the total number of shares underlying the original RSU award multiplied by (II) the percentage of Company shares held by ING Group after the IPO that are sold in an additional public offering, and (ii) on December 31, 2016, if all of the shares underlying the original RSU award have not yet vested, and ING Group owns less than 50% of the amount of Company shares that it held prior to the IPO (the Pre-IPO Shares), then 50% of the unvested RSUs shall vest (but no RSUs will vest if ING Group continues to own 50% or more of the Pre-IPO Shares). If the number of shares underlying the RSU award that have vested pursuant to the above is less than the Minimum RSA Shares, determined as (I) the number of shares underlying the RSU award multiplied by (II) a fraction, the numerator of which is the amount by which the percentage of the Pre-IPO Shares no longer owned by ING Group as of December 31, 2016 exceeds 33.33% and the denominator of which is 66.67%, then an additional

-292-

Table of Contents

number of shares underlying the RSU award shall vest such that the total number of shares that have vested is not less than the Minimum RSA Shares. All unvested shares underlying the RSU award that have not vested as of December 31, 2016 shall be forfeited. In the event of Mr. Martin s termination without cause, termination for good reason, death or disability prior to a relevant payment or vesting date, any unpaid portion of the Deal Incentive Award will immediately vest and be paid, unless applicable law or regulation requires payment in a different form or at a different time. Except as provided in his employment agreement, Mr. Martin s RSUs will be subject to the terms of the Omnibus Plan and to the terms of his award agreement under it.

During his employment, Mr. Martin is eligible to receive long-term equity-based incentive awards. With respect to the 2011 and 2012 performance years, he was eligible, in ING Group s sole discretion, to receive up to a maximum aggregate amount of $2,000,000 in long-term incentive awards (his Long-Term Incentive). Beginning with fiscal year 2013 performance, Mr. Martin is eligible to receive an annual long-term incentive award, as determined in its discretion by the Compensation and Benefits Committee. For 2014, Mr. Martin s target long-term incentive opportunity has been established at 550% of base salary. Mr. Martin is entitled to participate in each of the Company s employee benefit and welfare plans, including plans providing retirement benefits or medical, dental, hospitalization, life or disability insurance, on a basis that is at least as favorable as that provided to other senior executives of the Company.

Mr. Martin s employment agreement contains various provisions governing termination. If the Company terminates Mr. Martin s employment for cause (which includes willful failure to perform substantially under the agreement, *after* demand for substantial performance has been given by the Board of Directors that specifically identifies how he has not substantially performed his responsibilities, engagement in illegal conduct or in gross negligence or willful misconduct, in any case, that is materially and demonstrably injurious to either ING Group or the Company and material breach of non-compete, non-solicitation and other restrictive covenants in the employment agreement) or if Mr. Martin terminates his employment other than for good reason (which includes a reduction in salary or incentive award opportunities, failure to pay compensation or other amounts due under the agreement, failure to elect and maintain Mr. Martin in the positions contemplated by the employment agreement, any material reduction or other materially adverse action related to his authority, responsibilities or duties, or relocation of his principal office more than 50 miles from the New York City metropolitan area) the Company will pay his unpaid salary through the end of his employment, his salary for any accrued but unused paid time off, any accrued expense reimbursements and other cash entitlements and any unpaid but vested ICP award for a year ending before the end of his employment (collectively, his Accrued Compensation). In addition, the Company will pay any benefits to which he is entitled under any plan, contract or arrangement other than those described in the employment agreement, (including any unpaid deferred compensation and other cash compensation accrued by him through the end of his employment) (collectively, the Other Benefits).

If the Company terminates Mr. Martin s employment without cause or if he terminates his employment for good reason, the Company will pay his Accrued Compensation, the Other Benefits, a pro rata ICP award (based on actual performance through the termination date, multiplied by the number of days of employment before termination divided by 365), and a lump-sum severance payment equal to his salary and any unpaid portion of his Deal Incentive Award. The Company s obligation to make the specified payments and benefits in the event of a termination by the Company without cause or by Mr. Martin for good reason is conditioned upon Mr. Martin s execution and delivery, without subsequent revocation, of an agreement releasing ING Group from all other liability.

Employment Agreement of Mr. Karaoglan

Mr. Karaoglan serves as the Executive Vice President and Chief Operating Officer of the Company, reporting to the CEO. Certain terms and conditions of his employment are set forth in an offer letter dated April 5, 2011, as amended as of July 25, 2013. Mr. Karaoglan is employed at will, and the Company may change the terms of or terminate his employment at any time.

Under the terms of his offer letter, Mr. Karaoglan received an annual base salary of $650,000 and has the opportunity for certain incentive payments. Mr. Karaoglan is eligible to receive an annual incentive award with a target bonus opportunity of 100% of his base salary with the opportunity to earn up to 200% of his base salary, a certain portion of which is subject to deferral. The offer letter also states that Mr. Karaoglan is eligible to participate in the LSPP, under which he may receive a long-term incentive award of ING Group restricted stock and/or performance shares with a target value of 100% of his salary (following our IPO, awards to employees of the Company are made in the form of ING U.S., Inc. equity grants pursuant to the Omnibus Plan, rather than the LSPP). Mr. Karaoglan s base salary has subsequently been increased to $700,000, his target annual incentive award has subsequently been increased to 160% of base salary, and his target long-term incentive award has subsequently been increased to 320% of base salary.

In addition to his base salary, annual incentive award opportunity and long-term incentive award opportunity, Mr. Karaoglan received a Deal Incentive Award in the amount of $2 million upon completion of our IPO, consisting of $666,667 in cash and $1,333,333 in RSUs based on the IPO price. The cash component of the award was paid after the completion of the IPO. The RSUs vest pursuant to the same terms and conditions as those described above for the vesting of the Deal Incentive Award of Mr. Martin, under Employment Agreement of Mr. Martin. All unvested shares underlying the restricted share award that have not vested as of December 31, 2016 shall be forfeited. If Mr. Karaoglan s employment is terminated without cause (which includes willful failure to perform substantially under the agreement, *after* demand for substantial performance has been given by the Company that specifically identifies how he has not substantially performed his responsibilities, and engagement in illegal conduct or in gross negligence or willful misconduct, in any case, that is materially and demonstrably injurious to the Company) or for good reason (which includes a reduction in salary or ICP award opportunity, more than 50% of his responsibilities change and are not replaced with other responsibilities of generally similar significance or relocation of his principal office more than 50 miles from the New York City metropolitan area), death or disability following an IPO but prior to a relevant vesting or payment date, his Deal Incentive Award will immediately vest and be paid, unless applicable law or regulation requires payment in a different form or at a different time. Except as provided in his offer letter, Mr. Karaoglan s restricted stock award will be subject to the terms of the equity plan for executive officers of the Company in effect at the time of the IPO and to the terms of his award agreement under it.

Employment Agreement of Mr. Steenbergen

Mr. Steenbergen serves as Executive Vice President and Chief Financial Officer of the Company. Prior to Mr. Steenbergen s localization and the execution of his offer letter, dated March 28, 2013, Mr. Steenbergen was party to an employment agreement with ING Group, as Director of the Retail Division of ING Nederland. This agreement was originally entered into on May 19, 2004 and was amended effective January 1, 2006. See Expatriate Arrangements and Localization of Mr. Steenbergen for more information regarding the terms of Mr. Steenbergen s offer letter.

The terms of Mr. Steenbergen s localization and his employment as a local employee of the Company are set forth in an offer letter dated March 28, 2013. Mr. Steenbergen is employed at will, and the Company may change the terms of or terminate his employment at any time. Under the terms of his offer letter, Mr. Steenbergen, beginning April 1, 2013, received a base salary of $550,000 and had a target annual incentive opportunity of 100% of his base salary, and a long-term incentive opportunity of 200% of his base salary. Mr. Steenbergen s base salary has subsequently been increased to $625,000, his target annual incentive award has subsequently been increased to 163% of base salary, and his target long-term incentive award opportunity has been changed to 190% of base salary. To support his transition to a local, market competitive compensation package, Mr. Steenbergen receives a market value allowance of $400,000 for each twelve-month period beginning April 15, 2013 and 2014, respectively. If, however, Mr. Steenbergen is terminated for cause (as defined in his offer letter) prior to the payment of his market value allowance in 2014, Mr. Steenbergen will not receive such payment. In addition, if Mr. Steenbergen voluntarily leaves employment with the Company prior to April 15, 2015, he is required to repay a prorated amount of the market value allowance already paid. Following his localization, Mr. Steenbergen is now eligible to participate in Company-sponsored health and insurance programs, offered on the same terms and conditions as those made generally available to all full-time and part-time employees, as well as the DCSP and the Retirement Plan.

Table of Contents

Mr. Steenbergen was awarded a Deal Incentive Award with an original value of $650,000, subject to the terms and conditions described above under Compensation of Named Executive Officers Grants of Plan Based Awards Deal Incentive Awards, which, in connection with his localization, was increased to $800,000.

Employment Agreement of Ms. Beams

Ms. Beams serves as the Chief Executive Officer, Retirement Solutions, of the Company, reporting to the CEO. Certain terms and conditions of her employment are set forth in an offer letter dated May 27, 2011. Ms. Beams is employed at will, and the Company may change the terms of or terminate her employment at any time.

Under the terms of her offer letter, Ms. Beams received an annual base salary of $600,000 and has the opportunity for certain incentive payments. Ms. Beams is eligible to receive an annual incentive award with a target bonus opportunity of 125% of her base salary, a certain portion of which is subject to deferral. The offer letter also states that Ms. Beams is eligible to participate in the LSPP, under which she may receive a long-term incentive award of ING Group restricted stock and/or performance shares with a target value of 125% of her base salary (following our IPO, awards to employees of the Company are made in the form of ING U.S., Inc. equity grants pursuant to the Omnibus Plan, rather than the LSPP). Ms. Beams base salary has subsequently been increased to $700,000 and her target long-term incentive award has subsequently been increased to 250% of base salary.

In addition to her base salary, annual incentive award opportunity and long-term incentive award opportunity, Ms. Beams received a Deal Incentive Award with an aggregate value of $1.5 million, subject to the terms and conditions described under Compensation of Named Executive Officers Grants of Plan Based Awards Deal Incentive Awards .

Employment Agreement of Mr. Becker

Mr. Becker serves as the Chief Executive Officer of Investment Management. Certain terms and conditions of his employment are set forth in an offer letter from Aetna Life & Casualty, dated July 25, 1994. Under the terms of his offer letter, Mr. Becker is entitled to an annual base salary of $82,500, which may be reviewed and adjusted. Mr. Becker is employed at will, and the Company may change the terms of or terminate his employment at any time. Mr. Becker s base salary has subsequently been increased to $575,000.

Mr. Becker is party to a letter agreement pursuant to which he received a Deal Incentive Award of $800,000, subject to the terms and conditions described above under Compensation of Named Executive Officers Grants of Plan Based Awards Deal Incentive Awards .

Table of Contents

Potential Payments upon Termination or Change of Control Table[1]

The following table sets forth, for each NEO, an estimate of potential payments the NEO would have received at, following, or in connection with a termination of employment under the circumstances enumerated below on December 31, 2013.

Name	Termination Trigger	Severance[2]	Continued Benefits Health and Welfare Continuation	Equity Vesting[3]	Other Benefits[4]	Total
Rodney O. Martin, Jr.	Involuntary termination without cause / for good reason	$ 1,000,000	$	$ 9,098,332	$ 8,500	$ 10,106,832
	Voluntary Termination	$	$	$	$	$
	Retirement	$	$	$	$	$
	Death	$	$	$ 9,489,294	$	$ 9,489,294
	Disability	$	$	$ 9,489,294	$	$ 9,489,294
	Involuntary termination following Change in Control	$ 1,000,000	$	$ 9,489,294	$ 8,500	$ 10,497,794
Alain M. Karaoglan	Involuntary termination without cause / for good reason	$ 700,000	$ 6,978	$ 4,485,767	$ 8,500	$ 5,201,245
	Voluntary Termination	$	$	$	$	$
	Retirement	$	$	$	$	$
	Death	$	$	$ 4,876,728	$	$ 4,876,728
	Disability	$	$	$ 4,876,728	$	$ 4,876,728
	Involuntary termination following Change in Control	$ 700,000	$ 6,978	$ 4,876,728	$ 8,500	$ 5,592,206
Ewout L. Steenbergen	Involuntary termination without cause / for good reason	$ 550,000	$ 6,670	$ 1,515,465	$ 8,500	$ 2,080,635
	Voluntary Termination	$	$	$	$	$
	Retirement	$	$	$	$	$
	Death	$	$	$ 1,665,838	$	$ 1,665,838
	Disability	$	$	$ 1,665,838	$	$ 1,665,838
	Involuntary termination following Change in Control	$ 550,000	$ 6,670	$ 1,665,838	$ 8,500	$ 2,231,008
Maliz E. Beams	Involuntary termination without cause / for good reason	$ 700,000	$ 9,949	$ 4,642,972	$ 8,500	$ 5,361,421
	Voluntary Termination	$	$	$	$	$
	Retirement	$	$	$	$	$
	Death	$	$	$ 5,018,891	$	$ 5,018,891
	Disability	$	$	$ 5,018,891	$	$ 5,018,891
	Involuntary termination following Change in Control	$ 700,000	$ 9,949	$ 5,018,891	$ 8,500	$ 5,737,340
Jeffrey T. Becker	Involuntary termination without cause / for good reason	$ 575,000	$ 10,005	$ 3,041,728	$ 8,500	$ 3,635,233
	Voluntary Termination	$	$	$	$	$
	Retirement	$	$	$	$	$
	Death	$	$	$ 3,762,158	$	$ 3,762,158
	Disability	$	$	$ 3,762,158	$	$ 3,762,158
	Involuntary termination following Change in Control	$ 575,000	$ 10,005	$ 3,762,158	$ 8,500	$ 4,355,663

(1) There are no change in control provisions that would affect the level of benefits payable from the pension plans. The ING U.S. Severance Plan determines benefits under a formula that takes into account service and salary. The Plan s maximum severance benefit is equal to 52 weeks of eligible pay.

(2) Under the terms of his employment agreement, cash severance payments to Mr. Martin would be made in a lump sum by the Company. Under the terms of the Severance Plan and subject to the executive s execution of a release, cash severance payments to Mr. Karaoglan, Mr. Steenbergen, Ms. Beams and Mr. Becker would be made by the Company in substantially equal, semi-monthly payments as the same time as the regular payroll, for the duration of the severance period.

Table of Contents

(3) The equity valuations were determined using the closing market prices on December 31, 2013 and the interim payout percentages for performance shares as of this same date. The following table details the equity valuations determined using the ING U.S., Inc. closing share price and ING Group closing ADS price, in each case on December 31, 2013.

Name	Deal Incentive Awards (ING U.S., Inc.)	Performance Shares (ING Group) Total Value	Performance Shares (ING Group) Prorated Value	Deferred Equity (ING U.S., Inc. and ING Group)	Restricted ADS (ING Group)
Rodney O. Martin, Jr.	$ 5,788,502	$ 781,895	$ 390,934	$ 2,918,896	$ 0
Alain M. Karaoglan	$ 1,929,489	$ 1,031,981	$ 641,019	$ 1,915,258	$ 0
Ewout L. Steenbergen	$ 721,032	$ 380,203	$ 229,830	$ 564,604	$ 0
Maliz E. Beams	$ 1,351,939	$ 1,040,383	$ 664,464	$ 2,626,569	$ 0
Jeffrey T. Becker	$ 721,032	$ 396,937	$ 246,564	$ 1,312,328	$ 1,331,861[(a)]

(a) Prorated value of $761,803

(4) The executive outplacement services program for executives with a salary of $275,000 or more provides services for up to 12 months at a fixed cost of $8,500 per participant. All NEOs would be eligible.

Non-Employee Director Compensation

Each of our directors that is neither our employee nor an employee of ING Group (each, a non-employee director) currently receives the following compensation for their service on our Board of Directors and its committees. For service periods of less than one year, amounts are prorated.

Element of Compensation	Annual Compensation Amount
Annual Cash Fees	$100,000 cash payment
Annual Equity Grant	$110,000, in the form of time-vested RSUs
Committee Membership Fees	$5,000 cash payment
Committee Chair Fees	$20,000 cash payment (Audit Committee) $15,000 cash payment (Compensation and Benefits Committee) $10,000 cash payment (all other committees)
Lead Director Fees	$25,000 cash payment

Director Summary Compensation Table

The chart below indicates the elements and total value of cash compensation and of RSUs granted to each non-employee director for services performed in 2013. Pursuant to SEC rules, this table includes equity awards granted during 2013, and excludes equity awards granted in 2014 in respect of 2013 service. Cash amounts, however, reflect amounts paid in respect of 2013 service, even if paid during 2014.

Director	Fees Earned or Paid in Cash	Stock Awards[(1)]	All Other Compensation[(2)]	Total
J. Barry Griswell	$ 79,999	$ 73,534	$ 5,000	$ 158,533
Dirk Harryvan	$ 79,780	$ 73,534	$	$ 153,314
Frederick S. Hubbell	$ 136,593	$ 123,532	$	$ 260,125
David Zweiner	$ 88,304	$ 73,534	$ 5,000	$ 166,838

(1) For Mr. Hubbell, this amount includes, in addition to the annual equity grant referenced above, a Deal Incentive Award of 2,564 RSUs, 50% of which vested on October 23, 2013 and 50% of which vested on January 22, 2014, and is subject to a required holding period.

(2) Consists of matching charitable contributions.

Table of Contents

Director Equity Awards

The following table sets forth outstanding equity awards held by each non-employee director as of December 31, 2013.

Director	Number of RSUs Outstanding
J. Barry Griswell	2,733
Dirk Harryvan	2,733
Frederick S. Hubbell	5,297[(1)]
David Zweiner	2,733

(1) Includes RSUs held in respect of Mr. Hubbell s Deal Incentive Award, which had fully vested by January 22, 2014, but is subject to a required holding period.

Compensation Committee Interlocks and Insider Participation

There are no interlocking relationships between any member of our Compensation and Benefits Committee and any of our executive officers that require disclosure under the applicable rules promulgated under the federal securities laws.

During 2013, Willem F. Nagel, who is currently an officer of ING Group, the parent of the Company, and Frederick S. Hubbell, who was previously an officer of ING Group, each served on the Compensation and Benefits Committee.

-298-

Table of Contents

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Continuing Relationship with ING Group

Prior to the completion of our initial public offering in May 2013, we were an indirect wholly owned subsidiary of ING Group. Until the completion of this offering and the Direct Share Buyback, we continue to be part of ING Group s consolidated business operations, and as a result, ING Group has significant control over our business, including pursuant to the agreements described below. Following the completion of this offering, ING Group will continue to own a significant minority of our common stock and will continue to exercise significant influence over matters voted upon by our stockholders, including the election of members of our Board of Directors.

Share Repurchase Agreement and Direct Share Buyback

On March 18, 2014, we entered into the Share Repurchase Agreement with ING Group, pursuant to which we will acquire from ING Group shares of our common stock having an aggregate purchase price of $250 million. Pursuant to the Share Repurchase Agreement, the purchase price per share of common stock in the Direct Share Buyback will be equal to the per share proceeds, before expenses, to the Selling Stockholder shown on the cover of this prospectus.

The Direct Share Buyback and the entry into the Share Repurchase Agreement were each authorized by a special committee of our Board of Directors consisting solely of independent and disinterested directors, which was formed for the purpose of considering the Direct Share Buyback. The Special Committee retained independent financial and legal advisors for purposes of its deliberations.

Pursuant to the Share Repurchase Agreement, the Direct Share Buyback will be subject to a number of conditions (unless waived by the Company with the approval of the Special Committee), including:

- The completion of this offering;

- That upon the completion of this offering and the Direct Share Buyback (and without giving any effect to the exercise by the underwriters of their option to acquire additional shares), ING Group and its affiliates will beneficially own, in the aggregate, no more than 45% of the issued and outstanding shares of our common stock;

- The resignation from our Board of Directors, effective as of the time of completion of the Direct Share Buyback, of two directors who are designated as ING Group Directors for purposes of our Shareholder Agreement with ING Group; and

- The receipt by the Special Committee of a fairness opinion from Greenhill & Co., LLC, the Special Committee s financial advisor.

The Direct Share Buyback will be funded from our existing cash on hand.

Although, as described above, the closing of the Direct Share Buyback is conditioned on the closing of this offering (among other conditions), the closing of this offering is not conditioned upon the closing of the Direct Share Buyback, and there can be no assurance that the Direct Share Buyback will be completed even if this offering is completed.

Pursuant to the Share Repurchase Agreement, ING Group has agreed to reimburse one half of the reasonable out-of-pocket costs, fees and expenses incurred by the Special Committee, including the fees and expenses of legal and financial advisors to the Special Committee, in connection with the Share Repurchase Agreement and Direct Share Buyback.

The Share Repurchase Agreement is filed as an exhibit to the registration statement of which this prospectus is a part.

Table of Contents

Shareholder Agreement

In connection with our initial public offering, we entered into the Shareholder Agreement with ING Group that governs certain aspects of our continuing relationship. In particular, the Shareholder Agreement addresses the composition of our board of directors and its committees, other corporate governance matters, ING Group approval and consent rights with respect to certain business and corporate actions we may take, mutual rights that we and ING Group will have with respect to business and financial information and financial accounting matters and ING Group rights with respect to subsequent sales of our common stock. The Shareholder Agreement has been filed as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2013.

Board of Directors and ING Group Rights with Respect to Director Nomination

The Shareholder Agreement entitles ING Group, in connection with any election of directors by our stockholders, to have our Board of Directors include in the candidates it nominates for election (the Company Slate) a minimum number of directors designated by ING Group. The number of Group Directors that ING Group is entitled to have included on the Company Slate is based on its beneficial ownership of our common stock, as follows:

Until and including the date on which ING Group first ceases to beneficially own more than 50% of our outstanding common stock (which is referred to as the Majority Holder Date), ING Group will be entitled to nominate five ING Group Directors, who shall comprise a majority of our directors;

Following the Majority Holder Date, and until and including the date on which ING Group first ceases to beneficially own at least 35% of our outstanding common stock (which is referred to as the First Threshold Date), ING Group will be entitled to nominate three ING Group Directors (two, if there shall be at such time fewer than eight directors on our board of directors); and

Following the First Threshold Date, and until and including the date on which ING Group first ceases to beneficially own at least 20% of our outstanding common stock (which is referred to as the Third Threshold Date), ING Group will be entitled to nominate two ING Group Directors (one, if there shall be at such time fewer than eight directors on our board of directors).

Following the Third Threshold Date, ING Group will have no further right to nominate ING Group Directors. We expect that the Majority Holder Date will be the date of completion of this offering and the Direct Share Buyback.

The Shareholder Agreement also provides that, until the Majority Holder Date, our Board of Directors will consist of nine members, one of whom will be our CEO and three of whom will be Independent Directors , as defined by NYSE listing rules and Rule 10A-3 under the Exchange Act. On and after the first anniversary of the Majority Holder Date, our Board of Directors may reduce the number of directors to no fewer than seven members.

The Shareholder Agreement requires that, until the Third Threshold Date, if at any time the chairman of our board of directors is not an Independent Director, our Board of Directors will designate a lead director who is an Independent Director and who has the responsibilities described under Management Board of Directors Lead Director . In addition, the Shareholder Agreement includes provisions relating to the membership and conduct of our board and management committees, including providing that:

until the First Threshold Date, an ING Group Director shall serve on the Executive Committee of the board (see Management Board of Directors Executive Committee of the Board);

until the Majority Holder Date, our Executive Committee may not act without the consent of a majority of the Executive Committee, which majority must include the member who is an ING Group Director;

until the first anniversary of the effectiveness of the registration statement relating to our initial public offering, ING Group may at its option have included on our audit committee an ING Group Director who is not an Independent Director; and afterwards may include on our Audit Committee an ING Group Director who is an Independent Director;

at any time during which the board of directors includes an ING Group Director who is also an Independent Director, at least one member of the Audit Committee shall be an ING Group Director;

until the Third Threshold Date, ING Group is entitled to have observers present at meetings of our Management Risk Committee and Management Investment Committee and to receive all materials, reports and other communications from such committees; and

our board committees shall have the membership and responsibilities described under Management Board of Directors .

Consent Rights

The Shareholder Agreement provides that, until such time as ING Group ceases to beneficially own at least 30% of our outstanding common stock, the prior consent of ING Group will be required before we may take any of the following actions, whether directly or indirectly through a subsidiary:

any merger, consolidation or similar transaction (or any amendment to or termination of an agreement to enter into such a transaction) involving us or any of our subsidiaries, on the one hand, and any other person, on the other hand; other than (A) an acquisition of 100% of the capital stock of such other person or (B) disposition of 100% of the capital stock of one of our subsidiaries, in each case (x) involving consideration not exceeding $1 billion and (y) where none of (1) the book value of the assets or liabilities or (2) the sum of the assets under management and assets under administration of such Person exceeds $5 billion;

any acquisition or disposition of securities, assets or liabilities (including through reinsurance transactions) involving consideration or book value greater than $1 billion, other than transactions involving assets invested in our consolidated general account and approved in accordance with our established policies and procedures to monitor invested assets;

any change in our authorized capital stock or the creation of any class or series of our capital stock;

any issuance or acquisition of capital stock, except:

issuances of equity awards to directors or employees pursuant to an equity compensation plan;

issuances or acquisitions of capital stock of one of our subsidiaries to or by one of our wholly-owned subsidiaries; and

issuances or acquisitions of capital stock that our board of directors determines are necessary to maintain adequate capitalization or comply with a debt instrument or a legal or regulatory requirement;

any issuance or acquisition of debt securities involving an aggregate principal amount exceeding $1 billion, except for short term funding instruments and certain capital management facilities, which include certain intercompany debt and certain financial instruments that we use as operating leverage (e.g., to finance reserves or to collateralize reinsurance obligations);

any other incurrence of a debt obligation having a principal amount greater than $1 billion, except for certain capital management facilities, which include intercompany debt and certain financial instruments that we use as operating leverage (e.g., to finance reserves or to collateralize reinsurance obligations);

entry into or termination of any joint venture or cooperation arrangements involving assets having a value exceeding $1 billion;

listing or delisting of any securities on a securities exchange, other than the listing or delisting of debt securities on the NYSE or any other securities exchange located solely in the United States;

Table of Contents

any amendments to the charter (or equivalent authorizing document) of the management risk committee or the management investment committee that affects (A) the obligations of such committees to report their activities (or those of their respective subcommittees) to our board of directors or (B) the scope of authority of such committees;

the amendment (or approval or recommendation of the amendment) of our certificate of incorporation or by-laws; or

any filing or petition under bankruptcy laws, admission of insolvency or similar actions by us or any of our subsidiaries, or our dissolution or winding-up.

Information Rights, Disclosure and Financial Accounting

The Shareholder Agreement requires us, as long as ING Group is required under IFRS to consolidate our financial results with its financial results, and in any case for all financial periods commencing prior to the Majority Holder Date, to continue to provide ING Group with (A) information and data relating to our and our subsidiaries business and financial results and (B) access to our personnel, data and systems, in each case in the same manner as it did immediately prior to the completion of the IPO. In addition, during this period, we will be required to maintain accounting principles, systems and reporting formats that are consistent with ING Group s financial accounting practices in effect as of the completion of the IPO, and in good faith to consider any changes to such principles, systems or reporting formats requested by ING Group. Furthermore, the Shareholder Agreement requires us during this time to maintain appropriate disclosure controls and procedures and internal control over financial reporting, and to provide quarterly certifications from our relevant officers and employees regarding such matters in accordance with ING Group s internal standards, and to inform ING Group promptly of any events or developments that might reasonably be expected to materially affect our financial results. We expect that the provisions described in this paragraph will cease to apply for periods following the completion of this offering and the Direct Share Buyback.

Following the time at which the provisions of the immediately preceding paragraph cease to apply, and until the later of (A) ING Group being no longer required under IFRS (x) to account in its financial statements for its holdings in us under an equity method or (y) to consolidate our financial results with its financial results and (B) the Third Threshold Date, unless ING Group shall earlier provide written notice to us that it is opting-out of these provisions, we will be obligated to provide ING Group with (i) information and data relating to our and our subsidiaries business and financial results and (ii) access to our personnel, data and systems, in each case to the extent that such information, data or access is required for ING Group to meet its legal, financial or regulatory obligations or requirements (as determined by ING Group in its reasonable judgment).

The Shareholder Agreement provides that, until the Third Threshold Date, ING Group will have certain access and cooperation rights with respect to the independent public registered accounting firm responsible for the audit of our financial statements and to our internal audit function, and subject to applicable law and SEC and stock exchange rules, ING Group s approval shall be required before we may engage a different independent public registered accounting firm.

The Shareholder Agreement also provides that, until the Third Threshold Date, we shall consult and coordinate with ING Group with respect to public disclosures and filings, including in connection with our quarterly and annual financial results. Among other requirements, we will, to the extent practicable, provide ING Group with a copy of any public release at least two business days prior to publication and consider in good faith incorporating any comments provided by ING Group. In addition, we and ING Group will have mutual rights with respect to any information and access each may require in connection with regulatory or supervisory reporting obligations or inquiries.

Rights with Respect to Policies and Conduct

The Shareholder Agreement provides that, until the Majority Holder Date, our Board of Directors shall, when determining to implement, amend or rescind any of our or our subsidiaries policies relating to risk, capital,

Table of Contents

investment, environmental and social responsibility or regulatory compliance (each, a Critical Policy), take into account our status as a consolidated subsidiary of ING Group, and the interests of ING Group with respect to such policies.

In addition, during any period in which ING Group is deemed to control us for U.S., European Commission or Dutch regulatory purposes, and in any case at all times prior to the Third Threshold Date, we:

- may not adopt or implement any policies or procedures, and at ING Group s reasonable request, must refrain from taking any actions, that would cause ING Group to violate any applicable laws to which ING Group is subject;

- must, prior to implementing, amending or rescinding any Critical Policy, consult with ING Group and, to the extent consistent with its fiduciary duties, our Board of Directors must take into account the interests of ING Group with respect thereto; and

- must maintain and observe the policies of ING Group to the extent necessary for ING Group to comply with its legal or regulatory obligations;

provided that nothing in the foregoing shall require us to take any action (including adopting or implementing any policy) or refrain from taking any action where such action or inaction would cause us to violate any applicable law.

Non-Solicitation

We and ING Group have agreed that, until the earlier of two years after the date of the Shareholder Agreement and the Third Threshold Date, neither we nor they shall solicit any then-current employee of the other party with respect to employment.

Provisions Relating to Specific Regulatory Requirements

Pursuant to the Shareholder Agreement, during any period in which we are deemed to be under the control of ING Group and at all times prior to the Third Threshold Date, we will, upon request from ING Group, promptly provide any information, records or documents requested or demanded by any governmental or regulatory authority with jurisdiction over ING Group or necessary for ING Group in connection with any filing, report or response to such entities and will, upon reasonable notice, provide access to such entities to our offices, employees and management, where and as required under applicable law.

The Shareholder Agreement requires us, until the date on which ING Group is no longer required under IFRS to consolidate our financial results with its financial results, to maintain remuneration practices and policies which comply with the CRD III requirements, including subjecting the compensation arrangements of all employees covered by the CRD III requirements to the approval of the Supervisory Board of ING Group.

The Shareholder Agreement also requires us to fully cooperate with the requirements of the 2012 Amended Restructuring Plan or any other future requirements imposed by the European Commission as a consequence of state aid received by ING Group.

Subsequent Equity Sales ING Group Right of First Offer

Until the Third Threshold Date, the Shareholder Agreement provides ING Group (or a designated subsidiary of ING Group) with a right of first offer with respect to any issuances of our common stock or securities convertible or exchangeable for our common stock. In circumstances in which the right of first offer is applicable, we will be required to provide ING Group with at least ten business days notice of any such planned issuance, along with an estimated price range within which we expect to issue the common stock or other

-303-

Table of Contents

securities. If ING Group wishes to exercise its right of first offer, it will be entitled to purchase (and must enter into an irrevocable purchase commitment, subject only to any required regulatory approvals), at the same price as other purchasers of the issuance, a portion of the common stock or other securities we issue, in proportion to its then-current holdings of our outstanding common stock. ING Group s commitment to purchase, and our ability to consummate the offering, will be contingent on the offering price being within the estimated price range we will have provided to ING Group. The right of first offer will not apply to issuances we make as consideration for mergers, acquisitions or exchange offers, in connection with equity-based compensation awards, or in connection with certain transactions approved by ING Group pursuant to its consent rights set forth in the Shareholder Agreement (unless otherwise provided in such consent).

Provisions Relating to Indemnification and Liability Insurance

The Shareholder Agreement provides that, until at least the day after the last date on which any director (including any member of the Supervisory Board or the Executive Board of ING Group), officer, employee or certain designated agents of ING Group or any of its subsidiaries (a Group Individual) is a director, officer or employee of the Company, we must indemnify (including advancement of expenses) each such director, officer and employee to the greatest extent permitted under Section 145 of the DGCL and other applicable laws. Such indemnification must continue as to any Group Individual who becomes entitled to indemnification notwithstanding any subsequent change in our indemnification policies or that such Group Individual ceases to be a director, officer or employee of the Company.

The Shareholder Agreement also requires that we renew annually our insurance coverage with respect to director and officer and other fiduciary liability and liabilities under U.S. federal and state securities laws covering directors, officers and employees of the Company, Group Individuals, the Company, ING Group and respective Subsidiaries of the Company and ING Group. Such coverage generally is required to be renewed annually on substantially the same terms in order to cover any claims made on or prior to the sixth anniversary of the last date on which any Group Individual is a director, officer or employee of the Company, with certain exceptions and potential extensions. The Shareholder Agreement also provides a process for adjustments to these coverages and requires the Company and ING Group to share the cost of these coverages and to cooperate in handling renewals and claims.

Provisions with respect to certain obligations of the Company guaranteed by ING Group or its subsidiaries

Aetna Notes

ING Group guarantees approximately $506.1 million par value of various debentures of Lion Holdings that were assumed by Lion Holdings in connection with the Company s acquisition of Aetna s life insurance and related businesses in 2000 (the Aetna Notes). The Aetna Notes mature between 2023 and 2036.

The Company agreed in the Shareholder Agreement that it will reduce the aggregate outstanding principal amount of Aetna Notes to:

- no more than $400.0 million as of December 31, 2015;
- no more than $300.0 million as of December 31, 2016;
- no more than $200.0 million as of December 31, 2017;
- no more than $100.0 million as of December 31, 2018; and
- zero as of December 31, 2019.

The reduction in principal amount of Aetna Notes may be accomplished, at the Company s option, through redemptions, repurchases or other means, but will also be deemed to have been reduced to the extent the Company shall have posted collateral with a third-party collateral agent, for the benefit of ING Group, which may consist of:

cash collateral;

Table of Contents

certain investment-grade debt instruments;

a letter of credit meeting certain requirements; or

senior debt obligations of ING Group or a wholly owned subsidiary of ING Group (other than the Company or its subsidiaries).
If collateral is posted in lieu of reducing the outstanding principal amount of Aetna Notes, the amount of such collateral shall be deemed to reduce the outstanding principal amount of Aetna Notes dollar-for-dollar, except that collateral consisting of certain investment grade debt instruments shall be subject to a haircut , calculated based on the applicable collateral margin that would be applied from time to time by the U.S. Federal Reserve System to such collateral if it were to be pledged as security for discount window advances.

If the Company fails to reduce the outstanding principal amount of the Aetna Notes as set forth above, the Company will pay a fee to ING Group, payable each quarter, equal to the Quarterly Fee Rate multiplied by the amount by which, as of the end of the immediately preceding fiscal quarter of the Company, the outstanding principal amount of Aetna Notes exceeded the limits set forth above. The Quarterly Fee Rate (i) for 2016, is 0.5% per quarter; (ii) for 2017, is 0.75% per quarter; (iii) for 2018, is 1.0% per quarter; and (iv) for 2019 and subsequent years, is 1.25% per quarter.

Other ING Group Guarantees

In addition to the specific provisions set forth above with respect to the Aetna Notes, the Shareholder Agreement also provides that, to the extent that ING Group or any of its subsidiaries (other than the Company or any of its subsidiaries) shall at any time make any payments with respect to any Company obligations that are the subject of a guarantee by ING Group or its subsidiaries (see Historical Related Party Transactions Financing Arrangements Guarantees), the Company shall immediately reimburse ING Group or its subsidiary for the full amount of such payments and for all reasonable expenses incurred by ING Group or the subsidiary in connection with making such payments.

Term

The Shareholder Agreement terminates upon ING Group ceasing to beneficially own at least 7.5% of our outstanding common stock, except for certain provisions including those relating to confidentiality, dispute resolution, provisions with respect to guaranteed obligations and the obligation to maintain certain insurance coverage. See Provisions Relating to Indemnification and Liability Insurance.

Transitional Intellectual Property License Agreement

In connection with our initial public offering, we entered into a transitional intellectual property license agreement with ING Group (the IP Agreement). Pursuant to the IP Agreement, ING Group granted us and our subsidiaries a limited, non-exclusive, fully paid-up, royalty-free, non-transferable license to use certain trademarks including the name ING and the ING Lion , with respect to each of our and our subsidiaries businesses, in the countries in which such business provides products or services prior to the closing of our IPO (the Territory) in the fields of insurance, retirement and investment management (excluding the field of banking, subject to limited exceptions). The license is sublicensable in certain circumstances in the ordinary course of business in the Territory. The license term shall be for a thirty-month transition period, subject to the possibility of extension in accordance with the IP Agreement. Under the IP Agreement, we are required to use commercially reasonable efforts to transition to our new brand and to cease using ING Group trademarks as soon as commercially reasonably practicable.

In addition, during the thirty-month transition period (the Transition Period), we and our subsidiaries shall make all relevant filings necessary to change our name to eliminate the name ING from all registrations and certificates. See Business Our Brand .

Table of Contents

Under the IP Agreement, we and our subsidiaries will have the continued and exclusive right to use certain domain names during the Transition Period. For the twelve-month period following the expiration of the Transition Period, certain domain names will be redirected to a uniform resource locator designated by us. Upon the expiration of such twelve-month period, certain domain names will be directed to a webpage that will provide one link to a uniform resource locator designated by us and another link to a uniform resource locator designated by ING Group. At the end of the Transition Period, we and our subsidiaries will be required to transfer registration of all ING U.S. domain names to ING Group.

The IP Agreement requires us to defend, indemnify and hold ING Group and its affiliates and their respective directors, officers, employees, shareholders, agents, attorneys, representatives, successors and assigns harmless from and against losses (without limitation or cap of any kind) in connection with any third party claim in connection with (i) breach of the Joinder Agreement (as defined below) based on any act or omission by us or our affiliates, (ii) an act or omission by us or our affiliates that creates liability for ING Group or its affiliates under certain co-existence agreements, (iii) breach of the IP Agreement or (iv) the assertion that we or our subsidiaries have acted on behalf of or have the authority to bind ING Group or its affiliates.

The IP Agreement requires ING Group to defend, indemnify and hold us and our affiliates and our respective directors, officers, employees, shareholders, agents, attorneys, representatives, successors and assigns harmless from and against losses (without limitation or cap of any kind) in connection with (i) an act or omission by ING Group or its affiliates that creates liability for us or our affiliates under certain co-existence agreements, or (ii) breach of the IP Agreement.

The IP Agreement will expire, together with all licenses and sublicenses granted under the IP Agreement, upon the expiration of the Transition Period. Upon expiration or termination of the IP Agreement, we agree not to use the licensed trademarks such as ING or the ING Lion or any mark confusingly similar thereto.

The IP Agreement has been filed as an exhibit to the registration statement of which this prospectus forms a part.

Joinder Agreement

Concurrently with the entry into the IP Agreement, we entered into a joinder agreement (the Joinder Agreement) with ING Group that will become effective once we cease to be an affiliate of ING Group as defined in the Co-Existence Agreement, dated February 17, 2012, among ING Group, ING Direct N.V., ING Direct Bancorp, ING Bank, fsb and Capital One Financial Corporation. Pursuant to the Joinder Agreement, we are joining the co-existence agreement, as if we remained an affiliate of ING Group.

Equity Administration Agreement

In connection with our initial public offering, we entered into an equity administration agreement with ING Group that sets forth certain of our responsibilities and the responsibilities of ING Group with respect to the administration of certain employee equity compensation plans, programs and arrangements (the Equity Administration Agreement). Pursuant to the terms of the Equity Administration Agreement, ING Group agreed to continue to facilitate the exercise of options and the vesting and delivery of performance shares and restricted shares for purposes of all outstanding ING Group equity compensation awards held by our employees. The Equity Administration Agreement also provides that we will cooperate and negotiate with ING Group where necessary to administer compensation plans, programs and arrangements in accordance with the intent of the Equity Administration Agreement.

The Equity Administration Agreement further obligates us and ING Group to promptly provide to the other party all information that the other may reasonably request to enable the requesting party to administer efficiently and accurately each of the ING Group s stock option or stock incentive plans maintained before the IPO, timely respond to audit requests and to determine the scope of, as well as fulfill, its obligations under the Equity Administration Agreement.

The Equity Administration Agreement provides that we will promptly reimburse ING Group for the cost of any liabilities satisfied by ING Group that are, or that have been made pursuant to the Equity Administration Agreement, our responsibility and that ING Group shall promptly reimburse us for the cost of any liabilities satisfied by us that are, or that have been made pursuant to the Equity Administration Agreement, the responsibility of ING Group.

The Equity Administration Agreement has been filed as an exhibit to the registration statement of which this prospectus forms a part.

Master Claim Agreement

In 2012, we entered into an agreement with ING Group and ING Insurance Eurasia N.V. to allocate responsibility among the parties with respect to any litigation against a party (or its subsidiaries) when the party that is named as a defendant in the litigation contends that the litigation in question should be the responsibility of one or more of the other parties.

The Master Claim Agreement has been filed as an exhibit to the registration statement of which this prospectus forms a part.

Historical Related Party Transactions

Financing Arrangements

We previously entered into several intercompany lending and guarantee arrangements with ING Group, ING (succeeded by NN Group), a wholly owned subsidiary of ING Group and our previous indirect parent, and with ING Bank, a wholly owned subsidiary of ING Group. While we have taken a number of steps to replace certain of these arrangements with standalone financing in connection with our initial public offering, we expect to retain direct financing and guarantee arrangements with ING Group, ING V and ING Bank for some period of time.

Guarantees

ING V or ING Group has guaranteed the obligations of the Company and its subsidiaries under various debt instruments and derivative contracts. Additionally, in some circumstances, ING Bank, ING Group, or another subsidiary of ING Group has provided a guarantee of another party s obligation to the Company. Certain of these guarantees are described below. Unless otherwise stated, figures are presented as of December 31, 2013.

ING Group guarantees approximately $506.1 million par amount of Aetna Notes. See Continuing Relationship with ING Group Shareholder Agreement Provisions with respect to certain obligations of the Company guaranteed by ING Group or its subsidiaries Aetna Notes .

ING V was the guarantor for the Company s $3.0 billion commercial paper facility. This facility, along with the ING V guarantee, was terminated in October 2013 and had no amounts outstanding for some time before such termination. Prior to such termination, in connection with this guarantee, the Company paid ING V 10 basis points on the outstanding balance of the commercial paper program, or approximately $20,000, $0.5 million and $1.1 million during 2013, 2012 and 2011, respectively. ING Capital Markets LLC, a wholly owned subsidiary of ING Bank, acted as a dealer on the facility.

ING V provided a guarantee to Deutsche Bank AG of the Company s obligations under a $350.0 million LOC facility issued by Deutsche Bank AG used to support the reinsurance obligation of Whisperingwind I, a captive reinsurer of the Company. As a result of a third-party transaction that closed on September 6, 2012, this LOC facility, and thus the ING V guarantee, were terminated. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Reinsurance Subsidiaries ING U.S., Inc. Credit Support .

ING V provided a guarantee to ING Bank of the Company s obligations with respect to the $30.1 million in LOCs outstanding as of December 31, 2012 under a bi-lateral credit facility between the Company and ING Bank. In January 2013, $15.1 million in LOCs were cancelled. In January 2014, the remaining $15.0 million LOC was cancelled, and thus the ING V guarantee was terminated. No fees were paid by the Company to ING V with respect to this guarantee.

ING V was previously the guarantor of the obligations of Lion Custom Investments LLC, a wholly owned subsidiary of the Company, under its ISDA master agreements with various unaffiliated counterparties. No fees were paid with respect to these guarantees. These guarantees were all terminated on or before May 14, 2013.

ING Financial Products Company (FPC), a wholly owned subsidiary of ING U.S., Inc., has sold protection under certain credit default swap derivative contracts that were previously supported by a guarantee provided by ING V and now NN Group. Between September and December 2013, the guarantee provided by ING V on $1.0 billion notional of sold protection was replaced with guarantees provided by ING U.S., Inc. The Company purchased protection under one credit default swap derivative contract that is still supported by the NN Group guarantee. The maximum potential exposure to NN Group under the guaranteed swap is limited to swap premiums to be paid, or approximately $43.5 million. The swap guaranteed by NN Group, is scheduled to terminate in or prior to 2018. No fees have been or are paid with respect to these guarantees.

Letter of Credit Facilities

From time to time, we have entered into LOC facilities with ING Bank to provide for statutorily required reserves at our captive reinsurance subsidiaries. The terms of these LOC facilities, including fee provisions, are consistent with terms that would be entered into between arm s-length unaffiliated parties.

On April 20, 2012, the Company entered into a Senior Unsecured Credit Facility, comprised of a Revolving Credit Agreement and a Term Loan Agreement, with a syndicate of banks, including ING Bank, which replaced financing that was either internally funded or guaranteed by ING V. (See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Senior Unsecured Credit Facility .) ING Bank committed up to $250.0 million in financing as a member of the syndicate which entered into the Senior Unsecured Credit Facility. ING Bank acted as Joint Lead Arranger, Joint Book Manager, and Documentation Agent for these transactions. For these services, ING Bank received various fees totaling $3.3 million. On April 20, 2012 the Company replaced $1.4 billion of LOCs issued under the $2.5 billion Syndicated LOC Facility entered into on May 4, 2010 (described below), with LOCs issued under the Revolving Credit Agreement. (See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Senior Unsecured Credit Facility Amended and Restated Credit Agreement .) The Revolving Credit Agreement was amended and restated as of February 14, 2014 and ING Bank remains a lender under the amended and restated Revolving Credit Agreement and has committed up to $150 million as a syndicate member. ING Bank acted as Joint Lead Arranger, Joint Book Manager and Documentation Agent for the amended and restated Revolving Credit Agreement and received various fees of approximately $0.7 million related to its participation in the amended and restated Revolving Credit Agreement.

In June 2010, we consolidated and expanded two existing LOC facilities into a single bi-lateral LOC facility with ING Bank in an amount of approximately $2.3 billion. In May and December of 2011, this facility was amended to reduce the available credit to $1.6 billion and permit the issuance or increase of new LOCs until February 28, 2012. As of December 31, 2012, $30.1 million of LOCs issued under this facility remained outstanding. In January 2013, $15.1 million in LOCs were cancelled. The remaining $15.0 million LOC and, accordingly, the facility itself, was cancelled in January 2014.

Table of Contents

In July 2011, we entered into a bi-lateral LOC facility with ING Bank in the amount of $625.0 million, in connection with reinsurance treaties entered into by SLDI, and subsequently retroceded to Hannover Life (Ireland) Plc. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Credit Facilities and Subsidiary Credit Support Arrangements . As part of this transaction, SLDI also assigned all cash flows related to the underlying business to ING Bank. This facility was originally to have expired on June 30, 2012. Effective October 4, 2012, the facility was reduced to $300.0 million and extended until June 30, 2013. Effective October 30, 2013, this facility and the outstanding LOCs thereunder were consolidated with the September 2008 LOC facility described below into a single $1.125 billion LOC facility with ING Bank (also described below).

In May 2010, we entered into a syndicated Letter of Credit facility of approximately $2.5 billion. Subsequently, in April 2012, this facility was replaced with the Revolving Credit Agreement described above, in an aggregate principal amount of $3.5 billion. Under the terms of the Amended and Restated Credit Agreement that was entered into in February 2014, an aggregate amount of up to $3.0 billion is available for issuances of LOCs. ING Bank was the lead or co-lead arranger for both the May 2010 and April 2012 syndicated facilities.

In September 2008, SLDI entered into a bi-lateral LOC facility with ING Bank in the amount of $825.0 million. This LOC facility was used to support the borrowing of securities from ING Bank that were used by the Master Trust as collateral for the reinsurance of business written by SLD. The Company provided a limited guarantee in favor of ING Bank on the return of securities to the extent that SLD drew on the collateral while receiving reinsurance payments when contractually due. Effective October 30, 2013, this facility and the outstanding LOCs thereunder were consolidated with the July 2011 facility described above into a single $1.125 billion LOC facility. As a result of the October 30, 2013 transaction, the Master Trust returned the securities and the guarantee provided by the Company was extinguished. The new facility provides $1.125 billion of capacity until 2020 and no parental or third party guarantees are provided.

In December 2011, SLDI entered into a contingent capital LOC facility with ING Bank in the amount of $1.5 billion. The contingent capital LOC was used to support the reinsurance obligations of SLDI to another of our wholly owned subsidiaries, ING USA, related to variable annuity cessions from ING USA to SLDI. On May 8, 2013, ING U.S., Inc. made a capital contribution to SLDI in the amount of $1.8 billion. Immediately thereafter, SLDI deposited the contributed capital as cash collateral into a funds withheld trust account to support its reinsurance obligation to ING USA related to variable annuity cessions from ING USA to SLDI. Following the deposit by SLDI of the contributed capital into the funds withheld trust account, the $1.5 billion contingent capital LOCs issued under the contingent capital LOC facility were cancelled and, on May 14, 2013, the $1.5 billion contingent capital LOC facility was terminated.

Intercompany Loans

In 2007, the Company entered into a $500.0 million par floating rate loan agreement with ING V under which the Company paid a variable rate of interest based on the three month LIBOR. Effective April 13, 2012, the term of the loan was extended until April 29, 2016. The Company had debt of $500.0 million as of December 31, 2012 and 2011, related to this loan agreement. As of May 31, 2013, the Company paid off $350 million of this loan and, on July 5, 2013, the Company paid off all remaining borrowings on this loan.

As of December 31, 2013, LOCs issued by ING Bank under the Revolving Credit Agreement were $150.3 million. As part of its participation in the Senior Unsecured Credit Facility described above, ING Bank funded $35.7 million of the total $500.0 million direct borrowings drawn from the Term Loan Agreement portion of the facility. In July 2012, all direct borrowing under the Term Loan Agreement were repaid and no direct borrowings remain thereunder.

The Company in the past borrowed funds from time to time from ING V under a facility loan agreement. The Company had debt of $3.7 billion as of December 31, 2010 related to this agreement. During 2011, the Company borrowed an additional $263.0 million under this facility, and ING V subsequently contributed all borrowings under the facility to the Company. The contributed debt, which had a book value and fair value of $4.0 billion, was immediately extinguished as a result of this contribution.

On April 9, 2009, the Company sold a funding agreement in the amount of $600.0 million to the Columbine Funding Trust (CFT), a special purpose Delaware business trust. CFT, in turn, issued a trust note to ING Bank, which was collateralized by all of the cash flows from the funding agreement and otherwise matched the terms of the funding agreement. The Company was not a party to the trust note. The funding agreement was scheduled to mature in April 2012; however it was terminated in May 2011 with an early termination fee of $8.6 million paid to ING Bank.

Securities Offerings

ING Financial Markets LLC (ING Financial Markets), a non-subsidiary affiliate of ING U.S., Inc., served as a Joint Book Running Manager in both the 2018 Notes and 2022 Notes offerings and as a Senior Co-Manager in the 2043 Notes and 2053 Notes offerings and received $0.3 million, $0.3 million, $0.02 million and $0.2 million, respectively, for its services, on terms no more favorable than those received by any of the non-affiliated bookrunners.

ING Financial Markets was one of the participating underwriters of our initial public offering and follow-on offering and received $1.3 million and $0.5 million, respectively, in commission from the Company on that portion of the offered shares sold by the Company, on terms no more favorable than those received by any of the non-affiliated underwriters.

Derivative and Swap Agreements

The Company is or has been party to several derivative contracts with NN Group and ING Bank and one or more of ING Bank s subsidiaries. Each of the transactions entered into pursuant to these contracts was entered into as a result of a competitive bid, which included unaffiliated counterparties. The Company is exposed to various risks relating to its ongoing business operations, including but not limited to interest rate risk, foreign currency risk, and equity market risk. To manage these risks, the Company uses various strategies, including derivatives contracts, certain of which are with related parties, including interest rate swaps, equity options and currency forwards.

As of December 31, 2013, 2012 and 2011, the outstanding notional amounts of derivative contracts with NN Group, ING Bank and one or more of ING Bank s subsidiaries were approximately $518.9 million (consisting of interest rate swaps of $328.8 million and equity options of $190.1 million), $2.1 billion (consisting of interest rate swaps of $1.9 billion and equity options of $265.7 million) and $1.4 billion (consisting of interest rate swaps of $1.0 billion and equity options of $384.6 million), respectively.

As of December 31, 2013, 2012 and 2011 the market values for these contracts were $10.5 million, $15.6 million and $7.9 million, respectively. For the years ended December 31, 2013, 2012 and 2011, the Company recorded net realized capital gains (losses) of $1.7 million, $20.1 million and $376.4 million, respectively, in respect of derivative contracts with ING Bank and NN Group.

Alt-A Back-up Facility

On January 26, 2009, ING Group, for itself and on behalf of certain subsidiaries, including the Company, reached an agreement with the Dutch State on an Illiquid Asset Back Up Facility (the Alt-A Back-up Facility) regarding Alt-A RMBS owned by subsidiaries, including the Company. Pursuant to this transaction, the Company transferred all risks and rewards on 80% of a $4.5 billion par Alt-A RMBS portfolio to ING Support Holding, B.V. (ING Support Holding), a wholly owned subsidiary of ING Group by means of the granting of a participation interest to ING Support Holding. ING Group and ING Support Holding entered into a back-to-back arrangement with the Dutch State on this 80%. As a result of this first transaction, the Company retained 20% of the exposure for any results on the $4.5 billion Alt-A RMBS portfolio.

The purchase price for the participation payable by the Dutch State was set at 90% of the par value of the 80% interest in the securities as of that date. This purchase price was payable in installments, was recognized as a loan granted to the Dutch State with a value of $3.3 billion, and was recorded as Loan Dutch State Obligation on the Consolidated Balance Sheets (referred to as the Dutch State loan obligation in this prospectus). Under the transaction, other fees were payable by both the Company and the Dutch State. The Company incurred net fees of $6.1 million, $8.3 million and $9.4 million in the years ended December 31, 2012, 2011 and 2010, respectively.

The Company executed a second transaction effective January 26, 2009, in which an additional $445.9 million par Alt-A RMBS portfolio owned by the Company was sold to ING Direct Bancorp. ING Direct Bancorp paid cash in the amount of $321.0 million for 80% of the Company s additional $445.9 million par Alt-A RMBS and included those purchased securities as part of its Alt-A RMBS portfolio sale to the Dutch State. ING Direct Bancorp paid cash in the amount of $54.3 million and retained the remaining 20% of this Alt-A RMBS portfolio.

Upon the closing of the $4.5 billion par and the $445.9 million par transactions on March 31, 2009, the Company recognized a gain of $844.0 million, as the securities were impaired and written down to fair value in 2008.

On November 13, 2012, ING Group, ING Support Holding, ING Bank and the Company entered into restructuring arrangements with the Dutch State, which closed the following day (collectively, the Termination Agreement). Pursuant to the Termination Agreement, the Company sold the Dutch State Obligation to ING Support Holding at fair value and transferred legal title to 80% of the securities subject to the Alt-A Back-up Facility to ING Bank. The restructuring resulted in an immaterial pre-tax loss. Following the Termination Agreement, the Company retains ownership of 20% of the Alt-A RMBS from the first transaction and had a right to sell these securities, subject to a right of first refusal granted to ING Bank. Effective March 14, 2014, the right of first refusal granted to ING Bank was terminated and the Company may freely dispose of the securities.

Asset Management Arrangements

Prior to the Termination Agreement, our Investment Management business managed the underlying assets and provided services related to the Company s securities subject to the Alt-A Back-up Facility pursuant to services agreements with each of the participating subsidiaries. We did not include these underlying assets whose beneficial ownership had been transferred (as described herein) in our calculation of AUM or AUA.

As part of ING Group s divestiture of ING Direct U.S., ING Group, ING Bank and ING Direct U.S. entered into an agreement with the Dutch State similar to the Termination Agreement with respect to the Alt-A RMBS owned by ING Direct U.S. (the ING Direct Restructuring). As part of the ING Direct Restructuring, in February 2012 our Investment Management business entered into an agreement (the Alt-A Asset Management Agreement) with ING Bank pursuant to which it managed the assets transferred to ING Bank from ING Direct U.S. In November 2012, in connection with the Termination Agreement, this Alt-A Asset Management Agreement was amended to provide that our Investment Management business would also manage the assets transferred to ING Bank as part of the Termination Agreement. For the years ended December 31, 2013 and 2012, ING Bank paid us approximately $5.5 million and $7.7 million, respectively, in fees related to the Alt-A Asset Management Agreement.

Transition Services Agreements

In 2009, ING Group announced that it would begin the process of separating its insurance and banking businesses and divesting certain businesses (See Organizational History and Structure Plan of Divestment from ING Group). As part of this process, we entered into a number of transition services agreements with our non-U.S. affiliates to continue to provide or receive services for certain periods. Pursuant to these arrangements, we benefited from certain services from such affiliates related to risk management, capital planning and corporate governance. We have also provided certain administration and consulting services to ING V related to ING Group s divested Latin American businesses see below Latin America Service Arrangements . In addition, we previously provided investment advisory and client solicitation services to ING Bank pursuant to a transition services agreement. With the exception of certain Latin America-related services, these arrangements expired on or before December 31, 2012. See Latin America Service Arrangements.

Agreements related to ING Group Divestitures

In recent years, ING Group has divested several businesses and has agreed in certain cases with the buyers of the divested businesses to observe certain non-competition and other restrictions. We are subject to certain of those restrictions, the material aspects of which are indicated below:

Sale of ING Direct (Online US Retail Banking)

Until the earlier of February 17, 2017 and the date ING Group ceases to own 50% or more of the Company s voting power or ceases to have the power to appoint the majority of the Company s Board, we may not, within the United States, accept retail bank deposits or operate an online securities brokerage or mortgage or consumer lending business. There are a number of exceptions to these restrictions. For instance, we may continue to carry on any businesses in which we were actively engaged or were actively contemplating on June 16, 2011, even if they would otherwise violate the restrictions. Similarly, we may acquire a business as long as a significant portion of such business revenues does not come from competing operations or we divest the competing operations. We also may hold minority, passive investment positions in competing businesses.

Also, until February 17, 2017, we may not adopt, use or attempt to register any trademark, service mark or domain name in the United States, its territories or possessions that consists of or contains (i) an orange sphere, orange ball or similar orange object, or (ii) the word orange in connection with promoting retail banking products, although there are no restrictions on our use of the color orange. There are also certain restrictions on the use of certain domain names, trademarks, and other intellectual property rights.

Advisory Transactions

Several of our asset management subsidiaries have served as investment managers or sub-managers, investment advisors or sub-advisors, and portfolio managers or sub-managers for various funds pertaining to the asset management subsidiaries of ING Group or the general and separate accounts of non-U.S. insurance company subsidiaries of ING Group. The amount of fees we receive depends, in part, on the performance of the funds or the returns earned on the accounts which our subsidiaries are advising.

Fee and Revenue Sharing

Some of our asset management subsidiaries serve as co-managers or co-advisors for funds alongside other non-U.S. asset management subsidiaries of ING Group. For the services rendered as co-managers, we have agreed to share fees or revenues with our related party co-manager or co-advisor. Similarly, when asset management subsidiaries of ING Group serve as sub-advisors for our funds, we have entered into revenue sharing agreements, in which we receive a portion of the fees earned by the sub-advisor in return for hiring them as sub-advisor.

Non-Advisory Services

Several of our asset management subsidiaries have also provided and continue to provide non-advisory services to funds and asset management subsidiaries of ING Group. These services generally include, but are not

Table of Contents

limited to, providing research materials and recommendations, trading services, legal and tax advice, sales support services, compliance support and back office and administrative services.

Distribution and Solicitation Agreements

Several of our asset management subsidiaries are parties to distribution and/or solicitation agreements with non-U.S. asset management subsidiaries of ING Group through which these non-U.S. asset management subsidiaries of ING Group may distribute or sell our asset management products or strategies outside of the United States. Likewise, our U.S. asset management subsidiaries may distribute or sell products or strategies of ING Group s non-U.S. asset management subsidiaries to U.S.-based clients and investors.

Allocated Expenses

With respect to these asset management arrangements, we previously received allocations of expenses from affiliates located outside of U.S. for staff and projects costs. No amounts were paid or received to or from non-U.S. affiliates during 2013. For the years ended December 31, 2012 and 2011, we paid our non-U.S. affiliates $0.4 million and $2.9 million, respectively, under these arrangements.

Reinsurance Agreements

Three of our insurance subsidiaries, RLI, ReliaStar Life Insurance Company of New York, and SLD, are parties to life reinsurance treaties with ING Re (Netherlands) N.V. (ING Re), a wholly owned reinsurance subsidiary of ING Group. These reinsurance treaties are all either yearly or monthly renewable term reinsurance treaties, and all of these treaties were closed for new business as of December 31, 2010. Although there are no new additional risks ceded under these agreements, the reinsurance of the risks already ceded will continue until the underlying policies lapse. In connection with these reinsurance treaties, our subsidiaries together paid premiums to ING Re of $10.4 million, $8.9 million and $9.3 million during the years ended December 31, 2013, 2012 and 2011, respectively.

Transfer Pricing Agreement

Prior to our initial public offering we were a party to a transfer pricing agreement between the Company and ING Group, pursuant to which ING Group charged us certain specified amounts for various services provided by the ING Group head office. These services included tax services, financial controls, acquisitions and divestments, vendor management, capital management general administrative services, human resources, corporate communications, and audit services among others. The total charges for the services provided pursuant to the transfer pricing agreement are a part of the administrative overhead allocation described below. We no longer make payments to ING Group under this agreement.

Compensation and Other Arrangements Concerning Employees

We have maintained human resources-related arrangements with ING Group in three primary areas: (i) long-term compensation for our employees, (ii) expatriate relationships and (iii) provision of services to employees of our former affiliates in Latin America (discussed below).

Incentive Compensation

Our employees have participated in certain of ING Group s long-term incentive compensation programs. Following our initial public offering, this participation is governed by the Equity Administration Agreement. See Continuing Relationship with ING Group Equity Administration Agreement. We pay ING Group a recharge expense amount, which is an interest charge on a percentage of our outstanding stock options. This payment to ING Group was approximately $0.1 million, $2.1 million and $3.1 million for the years ended December 31, 2013, 2012 and 2011, respectively. Such payments are now made pursuant to the Equity Administration Agreement.

Table of Contents

When our employees or retirees receive payments through any of the long-term incentive plans managed by ING Group, ING Group reimburses the Company for amounts paid to employees. This reimbursement was approximately $53.4 million, $31.6 million and $10.9 million for the years ended December 31, 2013, 2012 and 2011, respectively. Such payments are now made pursuant to the Equity Administration Agreement.

Expatriate Relationships

During 2013, there were four employees originally hired by the Company who worked at other affiliates within ING Group; however, as of December 31, 2013, none of these employees were considered to be employees of the Company. Two left ING Group entirely while two were hired directly by ING Group affiliates. During the first three months of 2013, we hosted one employee originally hired elsewhere within ING Group (who has since become an employee of the Company). Any salary, tax and other expenses related to these expatriate arrangements were reimbursed to the entity incurring the cost. For the year ended December 31, 2013 we received approximately $1.7 million in reimbursements for such expenses while paying out $2.1 million; for the year ended December 31, 2012, we received approximately $4.9 million in reimbursements for such expenses while paying out $4.0 million; and for the year ended December 31, 2011, we received $10.4 million, while paying out $9.3 million.

Affiliate Loan Transaction with Named Executive Officer

One of our named executive officers has entered into an unsecured loan arrangement with a banking subsidiary of ING Group. Such loan was made in the ordinary course of business, was made on substantially the same terms, including interest rates, as those prevailing at the time for comparable loans made by the banking subsidiary with persons unrelated to it, and did not involve more than the normal risk of collectability or present other unfavorable features. We disclaim any participation in the transaction.

Latin America Service Arrangements

In 2009, the Company entered into an agreement with a Latin American subsidiary of ING Group, pursuant to which the Company agreed to provide a variety of services to its Latin American affiliates, including personnel, legal, compliance, IT, finance and accounting and other services. This agreement was terminated upon the divestiture of ING Group s Latin American businesses in December 2011, at which time the Company entered into a transition services agreement with a subsidiary of ING Group to continue providing those services with respect to certain legacy operations. That transition services agreement, and the services provided thereunder, were terminated as of December 31, 2013. As part of this agreement, the Company was reimbursed $1.7 million for expenses incurred during the year ended December 31, 2013 and $30.1 million for expenses incurred during the year ended December 31, 2012. In addition, as a result of a separate understanding between the Company and ING Group, the Company was also reimbursed an additional $22.0 million for expenses incurred by the Company during 2011 to 2013.

Sourcing/Procurement

We contract directly for most of our strategic sourcing and procurement needs. In several instances, we have entered into consolidated global agreements with ING Bank as the contracting entity to achieve greater leverage. In some cases, we pay directly to vendors based on pricing negotiated by ING Group. In other cases, we pay fees to ING Bank in consideration for our participation in these global arrangements. These global arrangements cover a variety of sourcing needs, including software licenses, information technology service and support, audit services and market data services. We reimbursed ING Bank approximately $1.3 million, $3.2 million and $7.1 million for the years ended December 31, 2013, 2012 and 2011, respectively. In many cases, we have existing relationships with these vendors and have begun to contract directly with them.

Table of Contents

Insurance Coverage

The Company continues to benefit from the Risk Management Program (RMP) of ING Group (a self-insured insurance program) with respect to professional liability and employment practices-related claims for wrongful acts that occurred prior to May 2, 2013. This coverage will cease as of December 31, 2014. The RMP insurance policies and certain endorsements related to the Company were issued directly by a third party insurer to the Company, which has paid premiums directly to a non-affiliated broker which, in turn, has remitted such premiums directly to the insurer. The insurer, in turn, cedes 100% of the RMP risks, along with 100% of the remitted premiums, to ING Re. The annual premiums paid by the Company include taxes, fees and premiums. The RMP coverage applies to (i) any claims reported under the RMP prior to May 2, 2013 and (ii) claims alleging wrongful acts occurring prior to May 2, 2013 and reported under the professional liability and employment practices liability coverages of the RMP reported on or before December 31, 2014. On January 1, 2015, reporting periods for claims made under the professional liability and employment practices liability RMP policies will terminate though any previously reported claims will remain covered by the RMP.

Given our departure from participation in the RMP, the Company has taken out a stand-alone insurance program insuring professional liability, employment practices liability and network security/cyber liability claims arising from wrongful acts that occur on or after May 2, 2013. The Company has also taken out a stand-alone fidelity/crime program that covers all claims discovered on or after May 2, 2013. The Company also maintains a separate, standalone directors and officers liability insurance program and a separate, standalone fiduciary liability insurance program, each of which is issued by non-affiliated providers. Additionally, directors and officers of the Company designated by ING Group are eligible for excess coverage under the Side A directors and officers and fiduciary liability insurance policy issued to ING Group by non-affiliated providers.

Intellectual Property

We frequently make use of trademarks and other intellectual property owned by ING Group. Prior to our initial public offering, there were no formal, written license agreements in place between the Company and ING Group, although we followed brand guidelines as specified in the Trademark License Agreement concluded between ING Group and NN Group. Our use of trademarks and intellectual property owned by ING Group is now governed by the IP Agreement described above under Continuing Relationship with ING Group Transitional Intellectual Property License Agreement . We have not previously paid license fees for the use of ING Group intellectual property and will not be required to do so pursuant to the IP Agreement.

ING Global Network

Our Employee Benefits business, through our subsidiary, RLI, participates in a worldwide insurance network offering multinational pooling arrangements to global corporate clients. This network, called ING Global Network, is co-owned in equal portions by RLI, Nationale-Nederlanden Nederland B.V. (a subsidiary of ING Group) and an unaffiliated insurance company, and profits and losses of the network are split accordingly.

Administrative Overhead Allocations

Previously, we made use of various other administrative and corporate services provided by non-U.S. affiliates of ING Group. We did not reimburse our affiliate service providers pursuant to formal written agreements but through accounting allocations. The total net allocations were approximately $2.2 million, $6.6 million and $25.6 million for the years ended December 31, 2013, 2012 and 2011, respectively. These allocations will not continue in 2014.

Table of Contents

Revenues and Expenses Associated with Related Party Transactions

The approximate net fees and costs received or (paid), or intercompany charges, for our various arrangements with ING Group and its affiliates, including NN Group, are presented in the table below.

($ in millions)	Year Ended December 31,		
	2013	2012	2011
Types of Related Party Transactions			
Financing arrangements	$ (43.8)	$ (111.2)	$ (98.6)
Fees related to Alt-A Back-up Facility		(6.1)	(8.3)
Revenues related to the Alt-A Back-up Facility	5.5	7.7	
Transition services arrangements with affiliates (excluding Latin America human resources-related services set forth below)	0.3	(3.9)	(5.4)
Advisory, sub-advisory, distribution solicitation and portfolio management agreements fees	10.9	11.6	2.8
Reinsurance Transactions	(10.4)	(8.9)	(9.3)
Human resources services and compensation arrangements (not including Latin America Services Arrangements)	(0.1)	(2.1)	(3.1)
Latin America human resources services arrangements	[1]	22.0[1]	(24.6)[1]
Sourcing/procurement services	(1.3)	(3.2)	(7.1)
Real estate			(0.1)
Insurance policies	(5.6)	(5.8)	(4.5)
Other administrative services, overhead allocations	(2.2)	(6.6)	(25.6)
Total	$ (46.7)	$ (106.5)	$ (183.8)

(1) ING Group reimbursed ING U.S. for the full $1.7 million of expenses incurred under the Latin America transition services agreement referred to above. Also, based on agreements reached with ING Group (see Latin America Service Arrangements) during 2012, the Company was reimbursed for expenses incurred in 2011, 2012 and 2013.

Related Party Transaction Approval Policy

Our Board of Directors has adopted a written related party transaction approval policy pursuant to which an Independent Committee of our Board of Directors reviews and approves or takes such other action as it may deem appropriate with respect to the following transactions:

a transaction in which we or one or more of our subsidiaries is a participant and which involves an amount exceeding $120,000 and in which any of our directors, executive officers, or 5% stockholders or any other related person as defined in Item 404 of Regulation S-K (Item 404), has or will have a direct or indirect material interest;

any material amendment, modification or extension of the Shareholder Agreement, the Equity Administration Agreement, the Registration Rights Agreement or the Transitional Intellectual Property License Agreement; and

any other transaction that meets the related party disclosure requirements of the SEC as set forth in Item 404.

Table of Contents

The policy provides that an investment by a director or executive officer in a fund or other investment vehicle sponsored or managed by the Company or by one or more of its subsidiaries shall not be deemed to be a related party transaction if:

- such investment is made pursuant to the Company s 401(k) plan, Deferred Compensation Savings Plan or any other similar type of Company-sponsored employee or director plan; or

- such investment is made on terms and conditions that are in all material respects not more favorable to such director or executive officer than are available to investors that are not employed by or affiliated with the Company or any of its subsidiaries.

This policy sets forth factors to be considered by the Independent Committee in determining whether to approve any such transaction, including the nature of our and our subsidiaries involvement in the transaction, whether we or our subsidiaries have demonstrable business reasons to enter into the transaction, whether the transaction would impair the independence of a director and whether the proposed transaction involves any potential reputational or other risk issues.

To simplify the administration of the approval process under this policy, the Independent Committee may, where appropriate, establish guidelines for certain types of related party transactions or designate certain types of such transactions that will be deemed pre-approved. This policy also provides that the following transactions are deemed pre-approved:

- decisions on compensation or benefits or the hiring or retention of our or any of our subsidiaries directors or executive officers, if approved by the applicable board committee;

- the indemnification and advancement of expenses pursuant to our amended and restated certificate of incorporation, by-laws or an indemnification agreement; and

- transactions where the related person s interest or benefit arises solely from such person s ownership of our securities and holders of such securities receive the same benefit on a pro rata basis.

The Independent Committee is currently comprised of Messrs. Hubbell, Griswell and Zweiner. Mr. Hubbell, as lead director, is the chairperson of the Independent Committee. A director on the Independent Committee who has an interest in a related party transaction being considered by the Independent Committee, will not participate in the consideration of that transaction unless requested by the chairperson of the Independent Committee.

This policy does not apply to the implementation or administration of intercompany agreements, including the Shareholder Agreement, the Equity Administration Agreement, the Registration Rights Agreement and the Transitional Intellectual Property License Agreement. Our directors who are also senior executives or directors of ING Group or any of its subsidiaries may participate in the negotiation, execution, implementation, amendment, modification, or termination of these intercompany arrangements, as well as in any resolution of disputes thereunder, on behalf of either or both of us and ING Group or any of its subsidiaries, in each case under the direction of the Independent Committee or the comparable committee of the board of directors of ING Group.

Our amended and restated certificate of incorporation contains limitations on the obligations of our directors who have certain relationships with ING Group with respect to certain corporate opportunities.

-317-

Table of Contents

BENEFICIAL OWNERSHIP OF COMMON STOCK AND SELLING STOCKHOLDER

Immediately following the offering and the Direct Share Buyback, ING Group will own approximately 45% of our outstanding common stock, assuming no exercise by the underwriters of their option to purchase additional shares, and approximately 43% of our common stock if the underwriters exercise their option to purchase additional shares in full.

ING Group is selling 26,500,000 shares of our common stock in this offering, assuming no exercise by the underwriters of their option to purchase additional shares.

The following table presents information as of March 1, 2014, 2014 regarding the beneficial ownership of our common stock by:

- all persons known by us to own beneficially more than 5% of our common stock;
- each of our named executive officers and directors (including those who we expect will be our named executive officers and directors upon completion of the offering); and
- all executive officers and directors as a group.

For purposes of the following table, beneficial ownership is determined in accordance with Rule 13d-3 under the Exchange Act, which includes in a person s beneficial ownership any shares of common stock subject to options held by that person that are currently exercisable or are exercisable within 60 days of March 1, 2014 but does not deem such shares to be outstanding for purposes of calculating any other person s percentage ownership of common stock.

In the table below, the number of shares shown under the column Shares Being Sold by the Selling Stockholder in the Direct Share Buyback is based on an assumed per share repurchase price of $35.60, the closing price per share of our common stock on March 17, 2014, as reported by the NYSE. The actual number of shares repurchased in the Direct Share Buyback will be equal to $250 million divided by the per share proceeds, before expenses, to the Selling Stockholder in this offering, as shown on the cover of this prospectus.

-318-

Table of Contents

Unless otherwise indicated, the address of each beneficial owner presented in the table below is c/o ING U.S., Inc., 230 Park Avenue, New York, New York 10169.

Name and Address of Beneficial Owners and Selling Stockholders	Shares of Common Stock Beneficially Owned Before the Completion of the Offering		Shares Being Sold by Stockholder in the Offering	Shares Being Sold by Stockholder in Direct Share Buyback	Shares of Common Stock Beneficially Owned After Completion of the Offering	
	Number of Shares	Percentage of Class	Number of Shares	Number of Shares	Number of Shares	Percentage of Class
ING Groep N.V.[1]	147,848,227	57%	26,500,000	7,022,471	114,325,756	45%
Named executive officers and directors (13 persons)						
Rodney O. Martin, Jr.[2]	185,483	*			185,483	*
Alain M. Karaoglan[3]	65,721	*			65,721	*
Ewout L. Steenbergen[4]	30,491	*			30,491	*
Mary E. Beams[5]	62,785	*			62,785	*
Jeffrey T. Becker[6]	35,836	*			35,836	*
Johannes (John) M.M. Boers[7]		*				*
Patrick G. Flynn[8]	2,350	*			2,350	*
J. Barry Griswell[9]	5,100	*			5,100	*
Dirk (Dick) H. Harryvan[10]		*				*
Frederick S. Hubbell[11]	7,664	*			7,664	*
Hendricus (Henny) A. Koemans[12]		*				*
Willem (Wilfred) F. Nagel[13]		*				*
David Zwiener[14]	5,100	*			5,100	*
All executive officers and directors (17 persons)[15]	585,054	*			585,054	*

* Less than 1%

(1) The principal business address of ING Group is Bijlmerplein 888, 1102 MG Amsterdam, The Netherlands. Prior to September 30, 2013, ING Group held its shares in the Company through ING Insurance International B.V., an indirect wholly owned subsidiary of ING Group.

(2) In connection with his Deal Incentive Award, Mr. Martin received 205,128 restricted stock units. See Compensation of Executive Officers and Directors Employment Agreements Employment Agreement of Mr. Martin . Mr. Martin purchased 5,100 shares of common stock of the Company in our IPO.

(3) In connection with his Deal Incentive Award, Mr. Karaoglan received 68,376 restricted stock units. See Compensation of Executive Officers and Directors Employment Agreements Employment Agreement of Mr. Karaoglan . Mr. Karaoglan purchased 5,100 shares of common stock of the Company in our IPO.

(4) In connection with his Deal Incentive Award, Mr. Steenbergen received 41,026 restricted stock units. See Compensation of Executive Officers and Directors Compensation of Named Executive Officers Grants of Plan Based Awards Deal Incentive Awards . Mr. Steenbergen purchased 2,350 shares of common stock of the Company in our IPO. As of March 1, 2014, Mr. Steenbergen was the beneficial owner of

32,711 shares of ING Group, our majority shareholder, which represent less than 1% of the outstanding ordinary shares of ING Group. These shares consist of 284 ordinary shares and 32,427 shares issuable upon the exercise of currently exercisable options.

(5) In connection with her Deal Incentive Award, Ms. Beams received 76,923 restricted stock units. See Compensation of Executive Officers and Directors Employment Agreements Employment Agreement of Ms. Beams . Ms. Beams purchased 5,100 shares of common stock of the Company in our IPO.

(6) In connection with his Deal Incentive Award, Mr. Becker received 41,026 restricted stock units. See Compensation of Executive Officers and Directors Compensation of Named Executive Officers Grants of Plan Based Awards Deal Incentive Awards . Mr. Becker purchased 5,100 shares of common stock of the Company in our IPO. As of March 1, 2014, Mr. Becker was the beneficial owner of 50,318 shares of ING Group, our majority shareholder, which represent less than 1% of the outstanding ordinary shares of

ING Group. These shares consist of 511 ordinary shares, 48,062 shares issuable upon the exercise of currently exercisable options and 1,732 shares which reflect units in the Company s 401(k) plan that may be settled in ordinary shares following a termination of employment.

(7) As of March 1, 2014, Mr. Boers was the beneficial owner of 80,157 shares of ING Group, our majority shareholder, which represent less than 1% of the outstanding ordinary shares of ING Group. These shares consist of 2,907 ordinary shares, 74,189 shares issuable upon the exercise of currently exercisable options and 3,061 deferred shares that have vested (but have been deferred until March 27, 2014).

(8) Mr. Flynn purchased 2,350 shares of common stock of the Company in our IPO. As of March 1, 2014, Mr. Flynn was the beneficial owner of 85,084 shares of ING Group, our majority shareholder, which represent less than 1% of the outstanding ordinary shares of ING Group. These shares consist of ordinary shares.

(9) Mr. Griswell purchased 5,100 shares of common stock of the Company in our IPO.

(10) As of March 1, 2014, Mr. Harryvan was the beneficial owner of 190,088 shares of ING Group, our majority shareholder, which represent less than 1% of the outstanding ordinary shares of ING Group. These shares consist of 8,250 ordinary shares and 181,838 shares issuable upon the exercise of currently exercisable options.

(11) In connection with his Deal Incentive Award, Mr. Hubbell received 2,565 restricted stock units. See Compensation of Executive Officers and Directors Compensation of Directors . Mr. Hubbell purchased 5,100 shares of common stock of the Company in our IPO. As of March 1, 2014, Mr. Hubbell was the beneficial owner of 627,153 shares of ING Group, our majority shareholder, which represent less than 1% of the outstanding ordinary shares of ING Group. These shares consist of 201,128 ordinary shares owned directly by Mr. Hubbell, 262,002 ordinary shares owned indirectly by Mr. Hubbell through family and charitable trusts and 164,023 shares issuable upon the exercise of currently exercisable options.

(12) As of March 1, 2014, Mr. Koemans was the beneficial owner of 90,364 shares of ING Group, our majority shareholder, which represent less than 1% of the outstanding ordinary shares of ING Group. These shares consist of 12,913 ordinary shares, 70,406 shares issuable upon the exercise of currently exercisable options and 7,045 deferred shares that have vested (but with respect to which settlement of 5,684 shares has been deferred until March 27, 2014 and settlement of 1,361 shares has been deferred until March 28, 2014).

(13) As of March 1, 2014, Mr. Nagel was the beneficial owner of 147,474 shares of ING Group, our majority shareholder, which represent less than 1% of the outstanding ordinary shares of ING Group. These shares consist of 60,901 ordinary shares, 77,447 shares issuable upon the exercise of currently exercisable options and 9,126 deferred shares that have vested (but with respect to which settlement of 2,207 shares has been deferred until March 28, 2014, settlement of 2,336 shares has been deferred until May 16, 2017, settlement of 1,188 shares has been deferred until May 16, 2017 and settlement of 3,395 shares has been deferred until May 15, 2018).

(14) Mr. Zwiener purchased 5,100 shares of common stock of the Company in our IPO.

(15) In connection with their Deal Incentive Awards, certain of our directors and executive officers received 541,454 restricted stock units, which represent less than 1% of our outstanding common stock. As of March 1, 2014, our directors, executive officers and director nominees were the beneficial owners of 1,586,252 shares of ING Group, our majority shareholder, which represent less than 1% of the outstanding ordinary shares of ING Group. These shares consist of 400,400 directly owned ordinary shares, 262,002 ordinary shares owned indirectly through family and charitable trusts, 300 ordinary shares owned by immediate family members, 901,343 shares issuable upon the exercise of currently exercisable options, 19,232 deferred shares, and 2,975 shares which reflect units in the Company s 401(k) plan that may be settled in ordinary shares following a termination of employment.

-320-

Table of Contents

DESCRIPTION OF CAPITAL STOCK

The provisions of our amended and restated certificate of incorporation and amended and restated bylaws and relevant sections of the DGCL are summarized below. The following description of our capital stock and provisions of our amended and restated certificate of incorporation and our amended and restated bylaws are only summaries of such provisions and instruments and in each case are qualified by reference to our amended and restated certificate of incorporation and our amended and restated bylaws that are filed as exhibits to the registration statement of which this prospectus is a part.

Authorized Capital Stock

Our authorized capital stock consists of 1,000,000,000 shares, including: (i) 900,000,000 shares of our common stock, $0.01 par value per share, and (ii) 100,000,000 shares of preferred stock, $0.01 par value per share. As of March 7, 2014, we had outstanding 261,675,811 shares of our common stock, held of record by three stockholders, including Cede & Co., the nominee of The Depository Trust Company, through which shares held in street name are held, and no shares of preferred stock outstanding.

Common Stock

Holders of our common stock are entitled to one vote per share on all matters submitted to a vote of stockholders, including the election of directors. Our common stockholders are not entitled to cumulative voting in the election of directors. Subject to preferences that may be applicable to any outstanding shares of preferred stock, holders of our common stock are entitled to receive ratably such dividends as may be declared by our Board of Directors out of funds legally available therefor if our Board of Directors, in its discretion, determines to issue dividends and only then at the times and in the amounts that our Board of Directors may determine. Upon the liquidation, dissolution or winding-up of our Company, the holders of our common stock are entitled to receive their ratable share of the net assets of our Company available after payment of all debts and other liabilities, subject to the prior preferential rights and payment of liquidation preferences, if any, of any outstanding shares of preferred stock. Holders of our common stock have no preemptive, subscription or redemption rights. There are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate in the future.

Preferred Stock

Our Board of Directors has the authority, subject to the limitations imposed by Delaware law, without any further vote or action by our stockholders, to issue preferred stock in one or more series and to fix the designations, powers, preferences, limitations and rights of the shares of each series, including:

- dividend rates;
- terms of, and conditions upon, dividends payable to holders;
- conversion and exchange rights;
- voting rights;
- repurchase obligations of our Company;
- terms of redemption and liquidation preferences; and

the number of shares constituting each series.

Satisfaction of any dividend preferences of outstanding shares of preferred stock would reduce the amount of funds available for the payment of dividends on shares of our common stock. Holders of shares of preferred stock may be entitled to receive a preference payment in the event of our liquidation, dissolution or winding-up before any payment is made to the holders of shares of our common stock.

Table of Contents

Our Board of Directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of our company and may adversely affect the market price of our common stock and the voting and other rights of the holders of our common stock.

There are no current agreements or understandings with respect to the issuance of preferred stock, except as set forth under Certain Relationships and Related Party Transactions Relationship with ING Group following the Offering Shareholder Agreement Consent Rights , and our Board of Directors has no present intentions to issue any shares of preferred stock.

Certain Anti-Takeover Provisions of our Amended and Restated Certificate of Incorporation, our Amended and Restated Bylaws and Applicable Law

Certain provisions of our amended and restated certificate of incorporation, amended and restated bylaws, Delaware law and insurance regulations applicable to our business may discourage or make more difficult a takeover attempt that a stockholder might consider in his or her best interest. These provisions may also adversely affect prevailing market prices for our common stock. We believe that the benefits of increased protection give us the potential ability to negotiate with the proponent of an unsolicited proposal to acquire or restructure us and outweigh the disadvantage of discouraging those proposals because negotiation of the proposals could result in an improvement of their terms.

For example, our amended and restated certificate of incorporation and by-laws prohibit stockholders from calling special meetings of our stockholders and, from and after such time as ING Group ceases to beneficially own at least 50% of our outstanding common stock, from taking action by written consent, which will occur upon completion of this offering and the Direct Share Buyback. Also, to the extent that our stockholders seek to amend our by-laws, our amended and restated certificate of incorporation requires the affirmative vote of not less than two-thirds of the outstanding shares entitled to vote on the matter.

Section 203 of the Delaware General Corporation Law

As a Delaware corporation, we are subject to Section 203 of the DGCL. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. A business combination includes, among other things, a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. An interested stockholder is a person who, together with affiliates and associates, owns, or did own within three years prior to the determination of interested stockholder status, 15% or more of the corporation s voting stock. Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions:

- before the stockholder became interested, the Board of Directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and officers; or

- at or after the time the stockholder became interested, the business combination was approved by the Board of Directors of the corporation and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

Table of Contents

A Delaware corporation may opt out of Section 203 with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from amendments approved by holders of at least a majority of the corporation s outstanding voting shares. We have not elected to opt out of Section 203.

Board of Directors

Our amended and restated certificate of incorporation provides that the number of directors of the Company will be established from time to time pursuant to the Company s bylaws. However, until such time as ING Group first ceases to own at least 20% of our outstanding common stock, the number of directors shall not be fewer than seven or greater than nine. See Certain Relationships and Related Party Transactions Relationship with ING Group Following the Offering Shareholder Agreement Board of Directors and ING Group Rights with Respect to Director Nominations .

Exclusive Forum

Our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees to us or to our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL or (iv) any action asserting a claim governed by the internal affairs doctrine.

Insurance Regulations

The insurance laws and regulations of the various states in which the Company s insurance subsidiaries are organized may delay or impede a business combination involving the Company. State insurance laws prohibit an entity from acquiring control of an insurance company without the prior approval of the domestic insurance regulator. Under most states statutes, an entity is presumed to have control of an insurance company if it owns, directly or indirectly, 10% or more of the voting stock of that insurance company or its parent company. These regulatory restrictions may delay, deter or prevent a potential merger or sale of our Company, even if our Board of Directors decides that it is in the best interests of stockholders for us to merge or be sold. These restrictions also may delay sales by us or acquisitions by third parties of our subsidiaries.

Limitation of Liability and Indemnification of Directors and Officers

Our amended and restated certificate of incorporation includes provisions that limit the personal liability of our directors for monetary damages for breach of their fiduciary duties as directors, except to the extent that such limitation is not permitted under the DGCL. Such limitation shall not apply, except to the extent permitted by the DGCL, to (i) any breach of a director s duty of loyalty to us or our stockholders, (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) any unlawful payment of a dividend or unlawful stock repurchase or redemption, as provided in Section 174 of the DGCL, or (iv) any transaction from which the director derived an improper personal benefit. These provisions will have no effect on the availability of equitable remedies such as an injunction or rescission based on a director s breach of his or her duty of care.

Our amended and restated certificate of incorporation provides, and our amended and restated bylaws will provide, for indemnification, to the fullest extent permitted by the DGCL, of any person made or threatened to be made a party to any action, suit or proceeding by reason of the fact that such person is or was a director, officer, employee or agent of the Company, or, at the request of the Company, serves or served as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or any other enterprise, against all expenses, judgments, fines, amounts paid in settlement and other losses actually and reasonably incurred in

Table of Contents

connection with the defense or settlement of such action, suit or proceeding. In addition, we intend to enter into indemnification agreements with each of our executive officers and directors pursuant to which we will agree to indemnify each such executive officer and director to the fullest extent permitted by the DGCL.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the Company pursuant to the foregoing provisions, the Company has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Act and is therefore unenforceable.

Potential Business Opportunities

Our amended and restated certificate of incorporation provides that certain of our directors, who have also served or may serve as directors, officers, employees or agents of ING Group (Overlap Directors), are relieved of any obligation to refer potential business opportunities to the Company or to notify the Company of potential business opportunities of which they become aware, and they may instead refer such opportunities to ING Group at which time we will be deemed to have renounced any interest or right with respect to such potential business opportunity. The only exception to this waiver is in the case of a Restricted Business Opportunity, which is defined to mean a business opportunity (i) expressly presented or offered in writing to the Overlap Director solely in his or her capacity as a director of the Company and for the benefit of the Company; (ii) for which the Overlap Director believed that the Company possessed, or would reasonably be expected to be able to possess, the resources necessary to exploit; and (iii) substantially all of which, at the time it is presented to the Overlap Director, is, and is expected to remain, an opportunity relating to the retirement solutions, investment management and insurance solutions businesses actively engaged in by the Company in the United States as of April 30, 2013, provided, that the Company is still directly engaged in that business at the time the business opportunity is presented or offered to the Overlap Director.

Our amended and restated certificate of incorporation provides that any person purchasing or otherwise acquiring shares of our common stock, or any interest therein, is deemed to have notice of the provisions described under this Potential Business Opportunities caption and to have consented to such provisions.

Our amended and restated certificate of incorporation also provides that no contract, agreement, arrangement or transaction entered into between us and ING Group prior to the completion of our IPO shall be void or voidable or be considered unfair solely because ING Group is a party thereto or because any directors, officers or employees of ING Group were present at or participated in any meeting at which the contract, agreement, arrangement or transaction was authorized. To the extent permitted by law, no such contract, agreement, arrangement or transaction shall be considered to be contrary to any fiduciary duty of any Overlap Director and no Overlap Director shall have any fiduciary duty to us (or to any stockholder) to refrain from acting on behalf of the Company or ING Group in respect of any such contract, agreement, arrangement or transaction in accordance with its terms. Future contracts or transactions between the Company and ING Group shall not be void or voidable solely because a director or officer of ING Group is present at or participates in the meeting of the Company s board of directors which authorizes the contract or transaction or because his or her votes are counted toward such authorization, provided that (i) the board of directors is aware of the material facts and the board or a committee in good faith authorizes the contract or transaction by a majority vote of the disinterested directors, (ii) the stockholders entitled to vote on such matter are aware of the material facts and specifically approve in good faith such contract or transaction, or (iii) the contract or transaction is fair to the Company at the time it is authorized, approved or ratified by the board of directors, a committee thereof, or the stockholders.

Ownership Limitations

Certain transfers of our securities could result in an ownership change for purposes of Section 382, which would materially limit the use of certain of the Company s tax attributes, including certain NOLs and capital loss carryforwards. We expect that the completion of this offering and the Direct Share Buyback will result in such an ownership change , and, accordingly, the following provisions of our amended and restated certificate of incorporation (the Ownership Limitations), which were designed to reduce the possibility of such an event from occurring prior to the time that ING Group s divestment would otherwise trigger the Section 382 limitation, will cease to be operative following the completion of this offering and the Direct Share Buyback. This is because, subject to their terms, the occurrence of such an ownership change causes the Ownership Limitations to expire.

These provisions of our amended and restated certificate of incorporation generally restrict any direct or indirect transfer of a direct or indirect interest (including a securities entitlement) in our common stock or other classes of stock then outstanding, and including the warrants, rights or options discussed below (collectively Company Securities) (such as transfers of our securities that result from the transfer of interests in other entities that own our common stock) if the effect would be to:

increase the direct, indirect or constructive ownership by any Person (as defined below) to 4.99% or more of our common stock then outstanding or other classes of stock then outstanding (a Five Percent Shareholder); or

increase the percentage of our stock owned directly, indirectly or constructively by a Five Percent Shareholder.

Person means any individual, firm, partnership, limited liability company, trust, association, limited liability partnership, corporation or other entity within the meaning of U.S. Treasury Regulation §1.382-3(a)(1)(i), and includes any successor (by merger or otherwise) of such entity. Restricted transfers include sales to Persons whose resulting percentage ownership (direct, indirect or constructive) of Company Securities would equal or exceed the 4.99% threshold discussed above, or to Persons whose direct or indirect ownership of our common stock would by attribution cause another Person to equal or exceed such threshold. Complicated stock ownership rules prescribed by the U.S. Internal Revenue Code (and U.S. Treasury Regulations promulgated thereunder) apply in determining whether a Person is a Five Percent Shareholder for purposes of the Ownership Limitations.

These transfer restrictions may result in the delay or refusal of certain requested transfers of our common stock, or prohibit ownership (thus requiring dispositions) of our common stock due to a change in the relationship between two or more persons or entities or to a transfer of an interest in an entity that, directly or indirectly, owns our common stock. The transfer restrictions will also apply to proscribe the creation, transfer or exercise of certain warrants, rights or options (which are broadly defined by Section 382) with respect to our securities (other than the warrants issued to ING Group in conjunction with our IPO) to the extent that, in certain circumstances, the creation, transfer or exercise of the warrant, right or option would result in a proscribed level of ownership.

Any direct or indirect transfer attempted in violation of the Ownership Limitations will be void as of the date of the prohibited transfer as to the purported transferee (or, in the case of an indirect transfer, the direct owner of our securities will be deemed to have disposed of, and required to dispose of, the excess stock (as defined below), with such disposition being deemed to occur simultaneously with the transfer), and the purported transferee (or in the case of any indirect transfer, the direct owner) will not be recognized as the owner of the securities owned in violation of the Ownership Limitations for any purpose, including for purposes of voting and receiving dividends or other distributions in respect of our Company Securities, or in the case of options, receiving our securities in respect of their exercise. We refer to the Company Securities purportedly acquired in violation of the Ownership Limitations as excess stock.

In addition to a prohibited transfer being void as of the date it is attempted, upon demand, the purported transferee must transfer the excess stock to our agent along with any dividends or other distributions paid with respect to such excess stock. Our agent is required to sell such excess stock in an arm s-length transaction (or series of transactions) that would not constitute a violation under the Ownership Limitations. The net proceeds of

-325-

the sale, together with any other distributions with respect to such excess stock received by our agent, after deduction of all costs incurred by the agent, will be distributed first to the purported transferee in an amount, if any, up to the cost (or, in the case of gift, inheritance or similar transfer, the fair market value of the excess stock on the date of the prohibited transfer) incurred by the purported transferee to acquire such excess stock, and the balance of the proceeds, if any, will be distributed to the transferor in the prohibited transfer, or to a charitable beneficiary if the transferor cannot be readily identified. If the excess stock is sold by the purported transferee, such person will be treated as having sold the excess stock on behalf of our agent, and will be required to remit all proceeds to our agent (except to the extent we grant written permission to the purported transferee to retain an amount, not to exceed the amount such person otherwise would have been entitled to retain had our agent sold such shares for an amount equal to the proceeds of such sale (taking into account the actual costs incurred by our agent)).

The transfer restrictions in the Ownership Limitations do not apply to (i) any transfer for which, prior to such transfer being consummated (or, in the case of an involuntary transfer, as soon as practicable after the transfer is consummated), our Board of Directors has granted its approval, (ii) a transfer pursuant to any transaction, including, but not limited to, a merger, consolidation, mandatory share exchange or other business combination in which all holders of our stock and other specified securities receive, or are offered the same opportunity to receive, cash or other consideration for all such Company Securities, and upon the consummation of which the acquiror owns at least a majority of the outstanding shares of our common stock, (iii) a transfer to any employee stock ownership or other employee benefit plan of the Company (or any entity or trustee holding shares of our common stock for or pursuant to the terms of any such plan or for the purpose of funding any such plan or funding other employee benefits for our employees), (iv) a transfer by ING Group or any of its subsidiaries (including by means of a transfer to any underwriter, dealer or initial purchaser), and (v) the issuance of shares of our common stock upon exercise of the warrants to be issued to ING Group in conjunction with our IPO. Transfers by underwriters, dealers or purchasers following any transfer referred to in clause (iv) remain subject to the Ownership Limitations.

The Ownership Limitations expire on the earliest of (i) the date of the occurrence of an ownership change resulting from the sale of our common stock by ING Group, which we expect will be the date of completion of this offering and the Direct Share Buyback, (ii) the date on which our Board of Directors receives, at its request, a report from our advisors that the Ownership Limitations are no longer necessary for the preservation of our tax attributes described above because of the amendment or repeal of Section 382 or any other change in law, (iii) the first day of a taxable year to which our Board of Directors receives a report, at its request, from our advisors that the tax attributes described above may no longer be carried forward, and (iv) such other date as our Board of Directors determines.

In addition, the Board of Directors may determine that transfer and ownership restrictions shall not apply to any particular transaction or transactions and such determination may be made prospectively or retroactively.

Warrants Issued to ING Group

In conjunction with our IPO, we issued to ING Group warrants exercisable for a number of shares of our common stock equal in the aggregate to 26,050,846 shares of our common stock. The current exercise price of the warrants is $48.75 per share of common stock, subject to adjustments, including for stock dividends, certain cash dividends, subdivisions, combinations, reclassifications and non-cash distributions. The warrants also provide for, upon the occurrence of certain change of control events affecting the Company, an increase in the number of shares to which a warrant holder will be entitled upon payment of the aggregate exercise price of the warrant. The warrants are exercisable starting on the first anniversary of the completion of our IPO (May 7, 2014) and expire on the tenth anniversary of the completion of our IPO (May 7, 2023). The warrants are net share settled, which means that no cash will be payable by a warrant holder in respect of the exercise price of a warrant upon exercise. Such warrant holder will receive the number of shares of common stock equal to the number of shares into which the warrant is exercisable less the number of shares having a value equal to the

Table of Contents

aggregate exercise price. The value of the shares for purposes of the net share settlement will be determined based on the volume-weighted average prices of shares of common stock on the NYSE (or such other principal stock exchange on which such shares are traded at the time of exercise) during the ten consecutive trading day period beginning on and including the trading day immediately following the exercise date).

Warrant holders are not entitled, by virtue of holding warrants, to vote, to consent, to receive dividends, if any, to receive notices as stockholders with respect to any meeting of stockholders or to exercise any rights whatsoever as our stockholders until they become holders of the shares of our common stock issued upon exercise of the warrants.

The warrants are not subject to any contractual restrictions on transfer. However, the warrants will be subject to the lock-up arrangement entered into by ING Group with the underwriters in connection with our IPO. See Underwriting. The warrants are not exercisable by ING Group or any of its affiliates before January 1, 2017, but are exercisable in accordance with their terms before January 1, 2017, by holders other than ING Group or its affiliates, if any. For so long as ING Group holds warrants, ING Group will have registration rights under the registration rights agreement we have entered into with ING Group, with respect to such warrants and the shares to be issued upon exercise thereof. See Registration Rights Agreement below.

Registration Rights Agreement

Concurrently with our IPO, we entered into a registration rights agreement with ING Group, pursuant to which ING Group is able to require us to file one or more registration statements with the SEC covering the public resale of registrable securities beneficially owned by ING Group. Registrable securities consist of shares of our common stock, warrants to purchase shares of our common stock and the shares of our common stock issuable upon the exercise of such warrants. We will not be obligated to effect more than one demand registration, in addition to any registration on a shelf registration statement, in any six month period. We will be obligated to file a shelf registration statement, upon any request made by ING Group subsequent to the date that is one year from the date of the registration rights agreement (or, if earlier, the date on which we become eligible to use Form S-3 for the registration of securities). In addition, ING Group will have certain piggyback registration rights, pursuant to which it will be entitled to register the resale of its registrable securities alongside any offering of securities that we may undertake, and the amount of securities we may offer may be subject to cutback in certain such cases. These registration rights are transferable by ING Group. We will be responsible for the expenses associated with any sale under the agreement by ING Group, except for its legal fees and underwriting discounts, selling commissions and transfer taxes applicable to such sale. The registration rights agreement will terminate at such time as no registrable securities remain outstanding. We are registering this offering of our common stock by ING Group pursuant to a registration demand under the registration rights agreement.

Listing

Our common stock is listed on the NYSE under the symbol VOYA . We expect to rebrand from ING U.S. to Voya Financial over time following this offering.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A. The transfer agent s address is 250 Royall Street, Canton, MA 02021.

[Table of Contents](#)

MATERIAL U.S. FEDERAL TAX CONSIDERATIONS

FOR NON-U.S. HOLDERS OF OUR COMMON STOCK

This section summarizes material U.S. federal income and estate tax consequences of the acquisition, ownership and disposition of our common stock by a non-U.S. holder. You are a non-U.S. holder if you are, for U.S. federal income tax purposes, a beneficial owner of our common stock that is:

- a nonresident alien individual,
- a foreign corporation, or
- an estate or trust that in either case is not subject to U.S. federal income tax on a net income basis on income or gain from common stock.

This section applies to you only if you acquire our common stock in this offering and you hold our common stock as a capital asset for U.S. federal income tax purposes.

This section does not consider the specific facts and circumstances that may be relevant to a particular non-U.S. holder and does not address the treatment of a non-U.S. holder under the laws of any state, local or foreign taxing jurisdiction and does not address the potential application of the Medicare contribution tax. This section is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, existing and proposed regulations, and administrative and judicial interpretations, all as of the date hereof. These laws are subject to change, possibly on a retroactive basis.

If a partnership holds our common stock, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding our common stock should consult its tax advisor with regard to the U.S. federal income tax treatment of an investment in our common stock.

You should consult a tax advisor regarding the U.S. federal tax consequences of acquiring, owning and disposing of our common stock in your particular circumstances, as well as any tax consequences that may arise under the laws of any state, local or foreign taxing jurisdiction.

Dividends

Distributions on our common stock will generally be treated as dividends to the extent paid out of our current or accumulated earnings and profits (as determined by U.S. federal income tax principles). Distributions in excess of current and accumulated earnings and profits will be treated first as a tax-free return of capital to the extent of your tax basis in our common stock and then as gain on the disposition of our common stock. Except as described below, if you are a non-U.S. holder of our common stock, dividends paid to you are subject to withholding of U.S. federal income tax at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate. Even if you are eligible for a lower treaty rate, we and other payors will generally be required to withhold at a 30% rate (rather than the lower treaty rate) on dividend payments to you, unless you have furnished to us or another payor:

- a valid IRS Form W-8BEN or an acceptable substitute form upon which you certify, under penalties of perjury, your status as a non-U.S. person and your entitlement to the lower treaty rate with respect to such payments, or
- in the case of payments made outside the United States to an offshore account (generally, an account maintained by you at an office or branch of a bank or other financial institution at any location outside the United States), other documentary evidence establishing your entitlement to the lower treaty rate in accordance with U.S. Treasury Regulations.

If you are eligible for a reduced rate of U.S. federal withholding tax under a tax treaty, you may obtain a refund of any amounts withheld in excess of that rate by filing a refund claim with the IRS.

Table of Contents

If dividends paid to you are effectively connected with your conduct of a trade or business within the United States and, if required by a tax treaty, the dividends are attributable to a permanent establishment that you maintain in the United States, we and other payors generally are not required to withhold tax from the dividends, provided that you have furnished to us or another payor a valid IRS Form W-8ECI or an acceptable substitute form upon which you represent, under penalties of perjury, that:

- you are a non-U.S. person, and
- the dividends are effectively connected with your conduct of a trade or business within the United States and are includible in your gross income.

Effectively connected dividends are taxed at rates applicable to U.S. citizens, resident aliens and domestic U.S. corporations.

If you are a corporate non-U.S. holder, effectively connected dividends that you receive may, under certain circumstances, be subject to an additional branch profits tax at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Gain on Disposition of Common Stock

If you are a non-U.S. holder, you generally will not be subject to U.S. federal income tax on gain that you recognize on a disposition of our common stock unless:

- the gain is effectively connected with your conduct of a trade or business in the United States and, if required by a tax treaty, the gain is attributable to a permanent establishment that you maintain in the United States,
- you are an individual, you hold the common stock as a capital asset, you are present in the United States for 183 or more days in the taxable year of the sale and certain other conditions exist, or
- we are or have been a United States real property holding corporation for U.S. federal income tax purposes at any time within the five-year period preceding the disposition or your holding period, whichever period is shorter, you are not eligible for a treaty exemption, and, either (i) our common stock has ceased to be traded on an established securities market prior to the beginning of the calendar year in which the sale or disposition occurs, or (ii) you held (directly or indirectly) more than 5% of our common stock at any time during the five-year period preceding the disposition.

We have not been, are not and do not anticipate becoming a United States real property holding corporation for U.S. federal income tax purposes.

If you are a corporate non-U.S. holder, effectively connected gains that you recognize may, under certain circumstances, be subject to an additional branch profits tax at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Withholdable Payments to Foreign Financial Entities and Other Foreign Entities

A 30% withholding tax will be imposed on certain payments to you or certain foreign financial institutions, investment funds and other non-U.S. persons receiving payments on your behalf if you or such institutions fail to comply with information reporting requirements (FATCA Withholding). Such payments will include U.S.-source dividends and the gross proceeds from the sale or other disposition of stock that can produce U.S.-source dividends. Dividend payments you receive after June 30, 2014 could be subject to this withholding if you are subject to the information reporting requirements and fail to comply with them or if you hold common stock through another person (e.g., a foreign bank or broker) that is subject to withholding because it fails to comply with these requirements (even if you would not otherwise have been subject to withholding). However, FATCA Withholding will not apply to payments of gross proceeds from a sale or other disposition of common stock before January 1, 2017.

Table of Contents

Federal Estate Taxes

Common stock held by a non-U.S. holder at the time of death will be included in the holder s gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Backup Withholding and Information Reporting

If you are a non-U.S. holder, we and other payors are required to report payments of dividends on IRS Form 1042-S even if the payments are exempt from withholding. You are generally exempt from backup withholding and information reporting on IRS Form 1099 with respect to:

- payment of dividends on our common stock and
- payment of proceeds from the sale of our common stock effected at a U.S. office of a broker,

in each case, as long as the income associated with such payments is otherwise exempt from U.S. federal income tax, and:

- the payor or broker does not have actual knowledge or reason to know that you are a U.S. person and you have furnished to the payor or broker:
  - a valid IRS Form W-8BEN or an acceptable substitute form upon which you certify, under penalties of perjury, that you are a non-U.S. person, or
  - other documentation upon which it may rely to treat the payments as made to a non-United States person in accordance with U.S. Treasury Regulations, or
- you otherwise establish an exemption.

Payment of proceeds from the sale of our common stock effected at a foreign office of a broker generally will not be subject to backup withholding or information reporting. However, a sale of our common stock that is effected at a foreign office of a broker will be subject to backup withholding and information reporting if:

- the proceeds are transferred to an account maintained by you in the United States,
- the payment of proceeds or the confirmation of the sale is mailed to you at a U.S. address, or
- the sale has some other specified connection with the United States as provided in U.S. Treasury Regulations,

unless the broker does not have actual knowledge or reason to know that you are a U.S. person and the documentation requirements described above are met or you otherwise establish an exemption.

In addition, a sale of our common stock that is effected at a foreign office of a broker will be subject to information reporting if the broker is:

- a U.S. person,
- a controlled foreign corporation for U.S. federal income tax purposes,
- a foreign person 50% or more of whose gross income is effectively connected with the conduct of a U.S. trade or business for a specified three-year period, or
- a foreign partnership, if at any time during its tax year:
  - one or more of its partners are U.S. persons, as defined in U.S. Treasury Regulations, who in the aggregate hold more than 50% of the income or capital interest in the partnership, or
  - the foreign partnership is engaged in the conduct of a U.S. trade or business,

unless the broker does not have actual knowledge or reason to know that you are a U.S. person and the documentation requirements described above are met or you otherwise establish an exemption. Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that you are a U.S. person.

You generally may obtain a refund (or a credit) of any amounts withheld under the backup withholding rules that exceed your income tax liability by timely filing a refund claim with the IRS.

Table of Contents

UNDERWRITING

Under the terms and subject to the conditions set forth in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC, Goldman, Sachs & Co., Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as representatives, have severally agreed to purchase, and the Selling Stockholder has agreed to sell to them, severally, the number of shares indicated below:

Underwriters	Number of Shares
Morgan Stanley & Co. LLC	
Goldman, Sachs & Co.	
Citigroup Global Markets Inc.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Total	26,500,000

The underwriters and the representatives are collectively referred to as the underwriters and the representatives, respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from the Selling Stockholder and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters option to purchase additional shares described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at the public offering price less a concession not to exceed $ per share. After this offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters right to reject any order in whole or in part.

The Selling Stockholder has granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to 3,975,000 additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter s name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

Because of the relationship between the Selling Stockholder and the Company, the Selling Stockholder is deemed to be an underwriter of the offering for purposes of the Securities Act.

The following table presents the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to the Selling Stockholder. These amounts are presented assuming both no exercise and full exercise of the underwriters option to purchase up to 3,975,000 additional shares of common stock.

		Total	
	Per Share	No Exercise	Full Exercise
Public offering price			
Underwriting discounts and commissions to be paid by the Selling Stockholder			
Proceeds, before expenses, to the Selling Stockholder			

Table of Contents

The estimated offering expenses payable by us are approximately $1.4 million. We have agreed to reimburse the underwriters for expenses relating to the clearance of this offering with the Financial Industry Regulatory Authority up to $.

Our common stock is listed on the New York Stock Exchange under the symbol VOYA . We expect to rebrand from ING U.S. to Voya Financial over time following this offering.

We and all of our directors and officers and the Selling Stockholder have agreed, subject to certain exceptions, that, without the prior written consent of Morgan Stanley & Co. LLC, Goldman, Sachs & Co., Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated on behalf of the underwriters, we and they will not, during the period ending 90 days after the date of this prospectus (the restricted period):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;

- file any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or

- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock,

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person have agreed that, without the prior written consent of Morgan Stanley & Co. LLC, Goldman, Sachs & Co., Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The restricted period described in the preceding paragraph will be extended if:

- during the last 17 days of the restricted period we issue an earnings release or material news event relating to us occurs, or

- prior to the expiration of the restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the restricted period or provide notification to Morgan Stanley & Co. LLC, Goldman, Sachs & Co., Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated of any earnings release or material news or material event that may give rise to an extension of the initial 90 day restricted period,

in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

Morgan Stanley & Co. LLC, Goldman, Sachs & Co., Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice. When determining whether or not to release common stock and other securities from lock-up agreements, Morgan Stanley & Co. LLC, Goldman, Sachs & Co., Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated will consider, among other factors, the holder s reasons for requesting the release, the number of shares of common stock and other securities for which the release is being requested and market conditions at the time.

Table of Contents

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the option to purchase additional shares. The underwriters can close out a covered short sale by exercising the option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the option to purchase additional shares. The underwriters may also sell shares in excess of the option to purchase additional shares, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We, the Selling Stockholder and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

Other Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or persons or entities with a relationship with us. They have received, or may in the future receive, customary fees and commissions for these transactions. In particular, certain of the underwriters or their affiliates have a lending relationship with us under our Amended and Restated Revolving Credit Agreement and Term Loan Agreement and act as agents thereunder.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Table of Contents

Selling Restrictions

Australia

Neither this document nor any other disclosure document (as defined in the Corporations Act 2001 (Cth) of Australia (Corporations Act)) has been, or will be, lodged with the Australian Securities & Investments Commission (ASIC) and does not constitute an offer except to the following categories of exempt investors:

(i) sophisticated investors under section 708(8)(a) or (b) of the Corporations Act;

(ii) sophisticated investors under section 708(8)(c) or (d) of the Corporations Act who have provided an accountant s certificate to the Company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before any offer has been made; or

(iii) professional investors within the meaning of section 708(11)(a) or (b) of the Corporations Act.

By purchasing shares of common stock, you warrant and agree that:

(i) you are an exempt investor under one of the above categories; and

(ii) you will not offer any shares of common stock issued or sold to you pursuant to this document for sale in Australia within 12 months of those shares being issued or sold unless any such sale offer is exempt from the requirement to issue a disclosure document (as defined in the Corporations Act) under sections 708 or 708A of the Corporations Act.

People s Republic of China

This prospectus may not be circulated or distributed in the People s Republic of China (China) and the shares of common stock may not be offered or sold, and will not be offered or sold, to any person for re-offering or resale directly or indirectly to any resident of China except pursuant to applicable laws and regulations of China. For the purpose of this paragraph, China does not include Taiwan or the special administrative regions of Hong Kong and Macau.

Egypt

The shares of common stock may not be offered or sold in any form of general solicitation or general advertising or in a public offering in Egypt, unless the pre-approval of the Egyptian Financial Supervisory Authority (EFSA) has been obtained. Shares of common stock offered and sold in the offering may only be offered or sold in Egypt through a private placement to Egyptian QIBs or Professional High Net Worth Investors (each as defined below) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments for the purposes of their business and only in accordance with applicable Egyptian law and regulations including the applicable provisions of the Capital Market Law (CMA) and the provisions of the CMA s Directives No. 31 for the year 2002 concerning private placements.

Each purchaser of the shares of common stock offered in the private placement in Egypt will be deemed to have represented that it is either an Egyptian QIB or a Professional High Net Worth Investor within the meaning of the CMA and the CMA s Directives No. 31 of the year 2002 concerning private placements.

An Egyptian QIB is an institutional investor having (i) a minimum asset book value of 20.0 million Egyptian Pounds (EGP); (ii) a minimum equity book value of EGP 10.0 million; (iii) a minimum investment in securities (excluding securities related to the offering) of EGP 5.0 million as of date of the placement; or (iv) a license to operate in the field of securities and permitted to acquire securities within its objects. In addition, an Egyptian QIB should also have at least five years experience in capital markets and stock exchanges locally and internationally.

A Professional High Net Worth Investor is an individual investor: (i) who owns assets with a minimum value of EGP 2.0 million; (ii) with a minimum annual income of EGP 500,000; (iii) with a minimum bank

-334-

savings account balance of EGP 500,000; (iv) who, as of the placement date, holds securities in two joint stock companies (excluding the offering) with a minimum value of EGP 2.0 million; or (v) who has at least five years experience in capital markets and stock exchanges locally or internationally.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date), an offer to the public of any shares which are the subject of the offering contemplated by this Prospectus (the Securities) may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any Securities may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to legal entities which are qualified investors as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) or Article 4(1) of the Prospectus Directive,

provided that no such offer of Securities shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer to the public in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase any Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State, and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

Hong Kong

Shares of our common stock may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares of our common stock may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares of our common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Table of Contents

WARNING

The contents of this prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Jordan

The shares of common stock have not been presented to, or approved by, the Jordanian Securities Commission or the Board for Regulating Transactions in Foreign Exchanges. The underwriters have confirmed that they will not offer the shares of common stock to potential investors in Jordan except (i) pursuant to a prospectus that is filed and approved by the Jordanian Securities Commission and (ii) by persons licensed to do so pursuant to the Jordanian Securities Law and the Law Regulating Trading in Foreign Exchanges, or exemptions from such filing and licenses apply or have been obtained.

Kuwait

FOR RESIDENTS OF KUWAIT ONLY:

Unless all necessary approvals from the Kuwait Capital Markets Authority (CMA) pursuant to Law No. 7/2010, its Executive Regulations and the various Resolutions and Announcements issued pursuant thereto or in connection therewith have been given in relation to the marketing of, and sale of, the shares, these may not be offered for sale, nor sold in the State of Kuwait (Kuwait). Neither this prospectus nor any of the information contained herein is intended to lead to the conclusion of any contract of whatsoever nature within Kuwait.

With regard to the contents of this document we recommend that you consult a party licensed by the CMA to conduct securities activities in Kuwait and specialized in giving advice about the purchase of shares and other securities before making the subscription decision.

The Netherlands

No offer of any shares of our common stock, which are the subject of the offering contemplated by this document, has been made or will be made in the Netherlands, unless in reliance on Article 3(2) or Article 4(1) of the Prospectus Directive and provided that:

(a) such offer is made exclusively to legal entities which are qualified investors (as defined in the Prospectus Directive) in the Netherlands; or

(b) standard exemption logo and wording are disclosed as required by article 5:20(5) of the Dutch Financial Supervision Act (*Wet op het Financieel Toezicht*, the FSA); or

(c) such offer is otherwise made in circumstances in which article 5:20(5) of the FSA is not applicable.

Qatar

Without the approval of the Qatar Financial Markets Authority (the QFMA), the common shares will not be provided, promoted, offered, sold or delivered, at any time, directly or indirectly in the State of Qatar to any person.

-336-

Table of Contents

If the approval of the QFMA is obtained, the offer of the common shares in the State of Qatar will only be made through a private placement on an exclusive basis to the specifically intended professional and sophisticated identified recipient thereof, upon that person s request and initiative, for personal use only and will not be provided, promoted, offered, sold or delivered, at any time, directly or indirectly in the State of Qatar to any other person. Such an offer shall in no way be construed as a general public offer for the sale of securities to the public or an attempt to do business as a bank, an investment company or otherwise in the State of Qatar. Such promotion will not be approved by the Qatar Central Bank and will not be registered or licensed by any other regulator in the State of Qatar including the Qatar Financial Centre Regulatory Authority and the Qatar Exchange. If provided in the State of Qatar in accordance with the foregoing restrictions, the information contained in this prospectus shall be for the recipient only and may not be shared with any third party in Qatar. It shall not be for general circulation in the State of Qatar and any distribution or reproduction of this prospectus by any recipient to third parties in Qatar is not permitted and shall be at the liability of such recipient only and no liability whatsoever shall apply to ING U.S., Inc. or the underwriters in this regard.

Saudi Arabia

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulation issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document you should consult an authorized financial adviser.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares of our common stock may not be circulated or distributed, nor may the shares of our common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares of our common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries rights and interest (howsoever described) in that trust shall not be transferable within 6 months after that corporation or that trust has acquired the shares pursuant to an offer under Section 275 of the SFA except: (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; (2) where no consideration is or will be given for the transfer; (3) where the transfer is by operation of law; (4) as specified in Section 276(7) of the SFA; or (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Table of Contents

Taiwan

Shares of common stock cannot be offered, distributed, sold or resold to the public in Taiwan unless prior approval from, or effective registration with, the Republic of China government authorities has been obtained pursuant to the applicable laws or a private placement exemption is available under the applicable securities laws.

United Arab Emirates

The offering contemplated hereunder has not been approved or licensed by the Central Bank of the United Arab Emirates (UAE), the Securities and Commodities Authority of the UAE and/or any other relevant licensing authority in the UAE including any licensing authority incorporated under the laws and regulations of any of the free zones established and operating in the territory of the UAE, in particular the Dubai Financial Services Authority (DFSA), a regulatory authority of the Dubai International Financial Centre (DIFC). This offering does not constitute a public offer of shares in the UAE, DIFC and/or any other free zone in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended), or the DFSA Markets Rules, accordingly, or otherwise. The shares of common stock may not be offered to the public in the UAE and/or any of the free zones.

The shares of common stock may be offered and issued only to a limited number of investors in the UAE or any of its free zones who qualify as sophisticated investors under the relevant laws and regulations of the UAE or the free zone concerned. We represent and warrant that the shares will not be offered, sold, transferred or delivered to the public in the UAE or any of its free zones.

Dubai International Financial Centre. This document relates to an Exempt Offer in accordance with the Markets Rules of the Dubai Financial Services Authority. This document is intended for distribution only to Persons of a type specified in those rules to whom Exempt Offers can be made. It must not be delivered to, or relied on by, any other Person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The shares of common stock to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares of common stock offered should conduct their own due diligence on the shares. If you do not understand the contents of this document you should consult an authorized financial adviser.

United Kingdom

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (iii) high net worth entities within Article 49(2)(a) to (d) of the Order or other persons to whom it may otherwise be lawfully communicated (all such persons together being referred to as relevant persons). The shares are only available to, and any invitation, offer or agreement to subscribe for, purchase or otherwise acquire such shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Each underwriter has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the FSMA)) received by it in connection with the issue or sale of the shares which are the subject of the offering contemplated by this Prospectus (the Securities) in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

-338-

Table of Contents

VALIDITY OF COMMON STOCK

The validity of the shares of our common stock offered hereby will be passed upon for us by Sullivan & Cromwell LLP, New York, New York and for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

EXPERTS

The Consolidated Financial Statements and schedules of ING U.S., Inc. as of December 31, 2013 and 2012 and for each of the three years in the period ended December 31, 2013, appearing in this prospectus and registration statement, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act for the shares of our common stock being offered by this prospectus. This prospectus, which is part of the registration statement, does not contain all of the information included in the registration statement and the exhibits. For further information about us you should refer to the registration statement and its exhibits. References in this prospectus to any of our contracts or other documents are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document. You may read and copy any document that we file at the SEC s public reference room located at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. SEC filings are also available to the public at the SEC s website at www.sec.gov.

We are subject to the reporting and information requirements of the Exchange Act and, as a result, will file periodic and current reports, proxy statements and other information with the SEC. We expect to make our periodic reports and other information filed with or furnished to the SEC available, free of charge, through our website at ing.us as soon as reasonably practicable after those reports and other information are filed with or furnished to the SEC. The information contained on, or that can be accessed through, our website is not part of, and is not incorporated into, this prospectus. Additionally, these periodic reports, proxy statements and other information will be available for inspection and copying at the public reference room and website of the SEC referred to above.

Table of Contents

GLOSSARY

2018 Notes	$1.0 billion principal amount of 2.9% Senior Notes due 2018 that we issued on February 11, 2013
2022 Notes	$850.0 million principal amount of 5.5% Senior Notes due 2022 that we issued on July 13, 2012
2043 Notes	$400.0 million principal amount of 5.7% Senior Notes due 2043 that we issued on July 26, 2013 in a private placement
ABS	Asset-backed securities
ADOI	Arizona Department of Insurance
Aetna Notes	Approximately $645.0 million of various debentures of Lion Holdings that were assumed by Lion Holdings in connection with the acquisition of Aetna s life insurance and related businesses in 2000
AG38	NAIC Actuarial Guideline XXXVIII, The Application of the Valuation of Life Insurance Policies Model Regulation (Model), which clarifies the application of XXX with respect to certain universal life insurance policies with secondary guarantees
AG43	NAIC Actuarial Guideline XLIII, Commissioners Annuity Reserve Valuation Method for Variable Annuities, which clarifies the approach to determining additional reserves required for variable annuities and the guaranteed benefits embedded in them
ALM	Asset/liability management
AOCI	Accumulated other comprehensive income (loss)
ARO	NAIC acceptable rating organization providing credit quality and financial strength rating designations
ASC	FASB Accounting Standards Codification
ASU	FASB Accounting Standards Update
AUA	Assets under administration. See Management s Discussion and Analysis of Financial Condition and Results of Operations Operating Measures AUM and AUA.
AUM	Assets under management. See Management s Discussion and Analysis of Financial Condition and Results of Operations Operating Measures AUM and AUA.
CAL	Company action level risk-based capital, as defined by the NAIC
CBVA	Closed Block Variable Annuity
CDS	Credit default swaps
CFTC	U.S. Commodity Futures Trading Commission
Capital Hedge Overlay program or CHO program	See Business Closed Blocks Variable Annuity Hedge Program and Reinsurance Variable Annuity Capital Hedge Overlay Program.
CMBS	Commercial mortgage-backed securities
CMO	Collateralized mortgage obligation

-340-

Table of Contents

CMO-B	A proprietary strategy to manage a portfolio of various CMO tranches in combination with financial derivatives. See Investments CMO-B Portfolio.
CRO	The Chief Risk Officer of ING U.S., Inc. or one of its businesses or segments
DAC	Deferred acquisition cost, representing the incremental costs related directly to the successful acquisition of new and renewal insurance and annuity contracts
DAC/VOBA and other intangibles	DAC, VOBA, DSI, and URR
Divestment Transaction	Any sale or other divestment of all or a portion of ING U.S., Inc. common stock by ING Group, including this offering
DNB	Dutch Central Bank (*De Nederlandsche Bank*)
DOL	U.S. Department of Labor
DSI	Deferred sales inducements, representing amounts that are credited to a policyholder s account balance that are higher than the expected credited rates on similar contracts without such an inducement and that are an incentive to purchase a contract
Dutch State loan obligation	The assignment by ING Support Holding of certain rights pursuant to participation agreements that certain subsidiaries of the Company entered into with ING Support Holding on January 26, 2009. See Certain Relationships and Related Party Transactions Alt-A Back-up Facility.
Dutch State Transactions	The state aid granted to ING Group by the Kingdom of the Netherlands in November 2008 and March 2009. See Regulation Dutch State Transactions and Restructuring Plan.
EC	European Commission
Exit price	The price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants
FASB	Financial Accounting Standards Board
Favorable unlocking	See Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations Segment by Segment Unlocking of DAC/VOBA and other Contract Owner/Policyholder Intangibles.
FIAs	Fixed indexed annuities
FIO	United States Department of the Treasury s Federal Insurance Office
FSB	Financial Stability Board
FSOC	Financial Stability Oversight Council
FVO	Fair value option
GAAP	Accounting principles generally accepted in the United States
GICs	Guaranteed investment contracts
GLWB	Guaranteed lifetime withdrawal benefits
GMAB	Guaranteed minimum accumulation benefits
GMDB	Guaranteed minimum death benefits
GMIB	Guaranteed minimum income benefits
GMWB	Guaranteed minimum withdrawal benefits

-341-

GMWBL	Guaranteed minimum withdrawal benefits for life
GRA	Global Resolution Agreement, entered into with VERUS Financial LLC, effective as of July 26, 2013.
GRIP	Guaranteed retirement income portfolio
Guaranteed benefit derivatives	Embedded derivatives and derivatives related to product guarantees
Hannover Re	Hannover Life Reassurance Company of America and Hannover Life Reassurance (Ireland) Limited, collectively
ILIAC	ING Life Insurance and Annuity Company, a principal insurance subsidiary of ING U.S., Inc.
ING Bank	ING Bank N.V., a wholly owned subsidiary of ING Group
ING Group	ING Groep N.V.
ING Re	ING Re (Netherlands) N.V., a wholly owned subsidiary of ING Group
ING Support Holding	ING Support Holding, B.V., a wholly owned subsidiary of ING Group
ING USA	ING USA Annuity and Life Insurance Company, a principal insurance subsidiary of ING U.S., Inc.
ING V	ING Verzekeringen N.V., a wholly owned subsidiary of ING Group
IRAs	Individual Retirement Accounts
IRS	U.S. Internal Revenue Service
Junior subordinated notes	$750.0 million principal amount of 5.65% Fixed-to-Floating Rate Junior Subordinated Notes due 2053
Lehman Recovery	Distribution of cash and securities received by us in connection with a Lehman Brothers bankruptcy settlement
LIHTC	Low Income Housing Tax Credits
Lion Holdings	Lion Connecticut Holdings Inc., our principal intermediate holding company, which is the parent of a number of our insurance and non-insurance operating entities
LOCs	Letters of credit
MAP-21	Moving Ahead for Progress in the 21st Century Act
MCG	Managed custody guarantee product
MGIR	Minimum Guaranteed Interest Rates
Missouri Division	Missouri Department of Insurance, Division of Insurance Company Regulation
MPA	A master asset purchase agreement that the Company entered into, effective January 1, 2009, with Scottish Re and Hannover Re
MYGAs	Multi-Year Guarantee Annuities
NAIC	National Association of Insurance Commissioners
NAR	Net amount at risk
NAV	Net asset value

Table of Contents

New VM	A new Valuation Manual for life insurance adopted by the NAIC in December 2012
NN Group	NN Group N.V., a wholly owned subsidiary of ING Group and the legal successor to ING V effective as of March 1, 2014
NOLs	Net operating loss carryforwards
NYDFS	New York Department of Financial Services
Nonperformance risk	Risk that our obligations or the obligations of one of our subsidiaries will not be fulfilled
OCC	Office of the Comptroller of the Currency
Operating ROC	Operating return on capital. See Business Operating Return on Capital Goal.
Operating ROE	Operating return on equity. See Business Operating Return on Equity.
OTTI	Other-than-temporary impairment
PBGC	U.S. Pension Benefit Guaranty Corporation
PBR	A Principles-Based Reserving framework under which the NAIC has begun a process of redefining the U.S. statutory reserve methodology for certain of our insurance liabilities
Principal Insurance Subsidiaries	Each of, and collectively, ING USA, ILIAC, SLD and RLI
RBC	Risk-based capital as defined by the NAIC
RBC ratio	Company action level risk-based capital ratio
Regulation XXX (XXX)	NAIC Model Regulation entitled Valuation of Life Insurance Policies , which requires insurers to establish additional statutory reserves for certain term life
	insurance policies with long-term premium guarantees and for certain universal life policies with secondary guarantees
Restructuring Plan	A restructuring plan that ING Group submitted in October 2009 to the EC in order to receive approval for state aid granted to ING Group by the Dutch State in November 2008 and March 2009
Revolving Credit Agreement	A three-year committed revolving credit agreement, which provides for issuance of up to $3.5 billion of letters of credit with a $1.5 billion sublimit for cash borrowings (reduced, as required by the terms of the Revolving Credit Agreement, to $1.075 billion in connection with the 2022 Notes), that we entered into on April 20, 2012 as part of the Senior Unsecured Credit Facility
RGA	Various subsidiaries of Reinsurance Group of America Incorporated, collectively
RLI	ReliaStar Life Insurance Company, a principal insurance subsidiary of ING U.S., Inc.
RMBS	Residential mortgage-backed securities
RMP	Risk Management Program
SAT	NAIC Suitability in Annuity Transactions Model Regulation
Scottish Re	Scottish Re Group Limited, Scottish Holdings, Inc., Scottish Re (U.S.), Inc., Scottish Re Life (Bermuda) Limited and Scottish Re (Dublin) Limited, collectively

Table of Contents

Section 382	Section 382 of the U.S. Internal Revenue Code of 1986, as amended
Selling Stockholder	ING Groep N.V.
Senior Unsecured Credit Facility	A $5.0 billion senior unsecured credit facility that we entered into on April 20, 2012 with a syndicate of banks, which replaced financing that was either internally funded or guaranteed by ING V. See Glossary Revolving Credit Agreement and Term Loan Agreement.
Shareholder Agreement	The shareholder agreement between ING U.S. and ING Group that will govern certain aspects of our continuing relationship. See Certain Relationships and Related Party Transactions Continuing Relationship with ING Group Shareholder Agreement.
SLD	Security Life of Denver Insurance Company, a principal insurance subsidiary of ING U.S., Inc.
SLDI	Security Life of Denver International Limited, our insurance subsidiary domiciled in Arizona
SSDMF	U.S. Social Security Death Master File
Supervisory Board	Supervisory Board of ING Group
SVO	Securities Valuation Office of the NAIC
TAC	Total adjusted capital
Term Loan Agreement	A $1.5 billion two-year syndicated term loan agreement that we entered into on April 20, 2012 as part of the Senior Unsecured Credit Facility
TPAs	Third-party administrators
Unfavorable unlocking	See Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations Segment by Segment Unlocking of DAC/VOBA and other Contract Owner/Policyholder Intangibles.
Unlocking event	See Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations Segment by Segment Unlocking of DAC/VOBA and other Contract Owner/Policyholder Intangibles.
URR	Unearned revenue reserve, representing expense loads that are deducted from contract owner account balances and that are greater than the corresponding loads in subsequent contract years; the excess over the corresponding load in subsequent contract years is established as a liability when it is deducted and is amortized into revenue over the life of the associated contracts.
Variable Annuity Guarantee Hedge Program	See Business Closed Blocks Variable Annuity Hedge Program and Reinsurance Variable Annuity Guarantee Hedge Program.
VB	Voluntary Benefits
VIEs	Variable interest entities
VMCR	Value of management contract rights
VOBA	Value of business acquired, representing the present value of estimated cash flows embedded in acquired business, plus renewal commissions and certain other costs on such acquired business
VOCRA	Value of customer relationships acquired
VOEs	Voting interest entities
XXX	See Regulation XXX (XXX).

Table of Contents

INDEX TO FINANCIAL STATEMENTS AND SCHEDULES

Table of Contents

Report of Independent Registered Public Accounting Firm

The Board of Directors

ING U.S., Inc.

We have audited the accompanying consolidated balance sheets of ING U.S., Inc. as of December 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive income, changes in shareholders equity, and cash flows for each of the three years in the period ended December 31, 2013. Our audits also included the financial statement schedules listed in the Index to Financial Statements and Schedules. These financial statements and schedules are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company s internal control over financial reporting. Our audits include consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of ING U.S., Inc. at December 31, 2013 and 2012, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP

Atlanta, Georgia

March 10, 2014

Table of Contents

ING U.S., Inc.

Consolidated Balance Sheets

December 31, 2013 and 2012

(In millions, except share and per share data)

	As of December 31, 2013	2012
Assets:		
Investments:		
Fixed maturities, available-for-sale, at fair value (amortized cost of $65,033.8 at 2013 and $62,955.4 at 2012)	$ 68,317.8	$ 70,910.3
Fixed maturities, at fair value using the fair value option	2,935.3	2,771.3
Equity securities, available-for-sale, at fair value (cost of $267.4 at 2013 and $297.9 at 2012)	314.4	340.1
Short-term investments	1,048.1	5,991.2
Mortgage loans on real estate, net of valuation allowance of $3.8 at 2013 and $3.9 at 2012	9,312.2	8,662.3
Policy loans	2,147.0	2,200.3
Limited partnerships/corporations	236.4	465.1
Derivatives	1,149.3	2,374.5
Other investments	124.6	167.0
Securities pledged (amortized cost of $1,457.9 at 2013 and $1,470.0 at 2012)	1,465.7	1,605.5
Total investments	87,050.8	95,487.6
Cash and cash equivalents	2,840.8	1,786.8
Short-term investments under securities loan agreements, including collateral delivered	552.9	664.0
Accrued investment income	897.1	863.5
Reinsurance recoverable	6,702.2	7,379.3
Deferred policy acquisition costs and Value of business acquired	5,351.6	3,656.3
Sales inducements to contract holders	279.0	212.7
Deferred income taxes	162.1	
Goodwill and other intangible assets	323.7	348.5
Other assets	1,036.5	1,362.5
Assets related to consolidated investment entities:		
Limited partnerships/corporations, at fair value	3,218.6	2,931.2
Cash and cash equivalents	710.7	440.8
Corporate loans, at fair value using the fair value option	4,965.3	3,559.3
Other assets	104.8	34.3
Assets held in separate accounts	106,827.1	97,667.4
Total assets	$ 221,023.2	$ 216,394.2

The accompanying notes are an integral part of these Consolidated Financial Statements.

Table of Contents

ING U.S., Inc.

Consolidated Balance Sheets

December 31, 2013 and 2012

(In millions, except share and per share data)

	As of December 31, 2013	2012
Liabilities and Shareholders Equity:		
Future policy benefits	$ 14,098.4	$ 15,493.6
Contract owner account balances	69,908.3	70,562.1
Payables under securities loan agreement, including collateral held	769.4	1,509.8
Short-term debt		1,064.6
Long-term debt	3,514.7	3,171.1
Funds held under reinsurance agreements	1,181.5	1,236.6
Derivatives	1,351.8	1,944.2
Pension and other post-employment provisions	474.9	903.2
Current income taxes	44.1	11.7
Deferred income taxes		1,042.7
Other liabilities	1,274.1	1,604.2
Liabilities related to consolidated investment entities:		
Collateralized loan obligations notes, at fair value using the fair value option	5,161.6	3,829.4
Other liabilities	903.3	292.4
Liabilities related to separate accounts	106,827.1	97,667.4
Total liabilities	205,509.2	200,333.0
Shareholders equity:		
Common stock (900,000,000 shares authorized, 261,754,931 and 230,079,120 shares issued as of December 31, 2013 and 2012, respectively; 261,675,811 and 230,000,000 shares outstanding as of December 31, 2013 and 2012, respectively; $0.01 par value per share)	2.6	2.3
Treasury stock (79,120 shares as of December 31, 2013 and 2012, respectively; $0.01 par value per share)		
Additional paid-in capital	23,563.7	22,917.6
Accumulated other comprehensive income (loss)	1,849.1	3,710.7
Retained earnings (deficit):		
Appropriated-consolidated investment entities	18.4	6.4
Unappropriated	(12,161.6)	(12,762.1)
Total ING U.S., Inc. shareholders equity	13,272.2	13,874.9
Noncontrolling interest	2,241.8	2,186.3
Total shareholders equity	15,514.0	16,061.2

Total liabilities and shareholders equity	$ 221,023.2	$ 216,394.2

The accompanying notes are an integral part of these Consolidated Financial Statements.

F-4

ING U.S., Inc.

Consolidated Statements of Operations

For the Years Ended December 31, 2013, 2012 and 2011

(In millions, except per share data)

	Years Ended December 31,		
	2013	**2012**	**2011**
Revenues:			
Net investment income	$ 4,689.0	$ 4,697.9	$ 4,968.8
Fee income	3,666.3	3,515.4	3,603.6
Premiums	1,956.3	1,861.1	1,770.0
Net realized gains (losses):			
Total other-than-temporary impairments	(43.7)	(74.1)	(550.6)
Less: Portion of other-than-temporary impairments recognized in Other comprehensive income (loss)	(8.0)	(19.0)	(47.9)
Net other-than-temporary impairments recognized in earnings	(35.7)	(55.1)	(502.7)
Other net realized capital gains (losses)	(2,499.1)	(1,225.7)	(1,028.7)
Total net realized capital gains (losses)	(2,534.8)	(1,280.8)	(1,531.4)
Other revenue	433.0	378.5	428.2
Income (loss) related to consolidated investment entities:			
Net investment income (loss)	545.2	556.6	528.4
Changes in fair value related to collateralized loan obligations	3.5	(113.4)	(48.8)
Total revenues	8,758.5	9,615.3	9,718.8
Benefits and expenses:			
Policyholder benefits	2,409.4	2,613.5	3,286.5
Interest credited to contract owner account balance	2,088.4	2,248.1	2,455.5
Operating expenses	2,686.7	3,155.0	3,030.8
Net amortization of deferred policy acquisition costs and value of business acquired	442.8	722.3	387.0
Interest expense	184.8	153.7	139.3
Operating expenses related to consolidated investment entities:			
Interest expense	180.6	106.4	68.4
Other expense	7.7	10.3	73.5
Total benefits and expenses	8,000.4	9,009.3	9,441.0
Income (loss) before income taxes	758.1	606.0	277.8
Income tax expense (benefit)	(32.5)	(5.2)	175.0

Net income (loss)		790.6		611.2		102.8
Less: Net income (loss) attributable to noncontrolling interest		190.1		138.2		190.9
Net income (loss) available to ING U.S., Inc. s common shareholders	$	600.5	$	473.0	$	(88.1)
Net income (loss) available to ING U.S., Inc. s common shareholders per common share:						
Basic	$	2.40	$	2.06	$	(0.38)
Diluted	$	2.38	$	2.06	$	(0.38)
Cash dividends declared per share of common stock	$	0.02	$		$	

The accompanying notes are an integral part of these Consolidated Financial Statements.

F-5

Table of Contents

ING U.S., Inc.

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2013, 2012 and 2011

(In millions)

	Years Ended December 31,		
	2013	**2012**	**2011**
Net income (loss)	$ 790.6	$ 611.2	$ 102.8
Other comprehensive income (loss), before tax:			
Unrealized gains/losses on securities	(2,989.8)	1,659.1	1,655.4
Other-than-temporary impairments	48.0	52.2	165.4
Pension and other postretirement benefits liability	(13.8)	(21.4)	78.9
Other comprehensive income (loss), before tax	(2,955.6)	1,689.9	1,899.7
Income tax expense (benefit) related to items of other comprehensive income (loss)	(1,094.0)	574.2	278.0
Other comprehensive income (loss), after tax	(1,861.6)	1,115.7	1,621.7
Comprehensive income (loss)	(1,071.0)	1,726.9	1,724.5
Less: Comprehensive income (loss) attributable to the noncontrolling interest	190.1	138.2	190.9
Comprehensive income (loss) attributable to ING U.S., Inc. s common shareholders	$ (1,261.1)	$ 1,588.7	$ 1,533.6

The accompanying notes are an integral part of these Consolidated Financial Statements.

F-6

Table of Contents

ING U.S., Inc.

Consolidated Statements of Changes in Shareholders Equity

For the Years Ended December 31, 2013, 2012 and 2011

(In millions)

	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit) Appropriated	Retained Earnings (Deficit) Unappropriated	Total ING U.S., Inc. Shareholders Equity	Noncontrolling Interest	Total Shareholders Equity
Balance at January 1, 2011	$ 2.3	$ 18,825.0	$ 973.3	$ 177.2	$ (13,147.0)	$ 6,830.8	$ 1,237.0	$ 8,067.8
Comprehensive income (loss):								
Net income (loss)					(88.1)	(88.1)	190.9	102.8
Other comprehensive income (loss), after tax			1,621.7			1,621.7		1,621.7
Total comprehensive income (loss)						1,533.6	190.9	1,724.5
Reclassification of noncontrolling interest				(50.7)		(50.7)	50.7	
Contribution of capital		3,979.7				3,979.7		3,979.7
Common Stock Issuance								
Dividends on common stock								
Share-based compensation		60.5				60.5		60.5
Contribution from (Distribution to) noncontrolling interest, net							93.6	93.6
Balance at December 31, 2011	2.3	22,865.2	2,595.0	126.5	(13,235.1)	12,353.9	1,572.2	13,926.1

Comprehensive income (loss):								
Net income (loss)					473.0	473.0	138.2	611.2
Other comprehensive income (loss), after tax			1,115.7			1,115.7		1,115.7
Total comprehensive income (loss)						1,588.7	138.2	1,726.9
Reclassification of noncontrolling interest				(120.1)		(120.1)	120.1	
Contribution of capital								
Common Stock Issuance								
Dividends on common stock								
Share-based compensation		52.4				52.4		52.4
Contribution from (Distribution to) noncontrolling interest, net							355.8	355.8
Balance at December 31, 2012	2.3	22,917.6	3,710.7	6.4	(12,762.1)	13,874.9	2,186.3	16,061.2
Comprehensive income (loss):								
Net income (loss)					600.5	600.5	190.1	790.6
Other comprehensive income (loss), after tax			(1,861.6)			(1,861.6)		(1,861.6)
Total comprehensive income (loss)						(1,261.1)	190.1	(1,071.0)
Reclassification of noncontrolling interest				12.0		12.0	(12.0)	
Contribution of capital								
Common Stock Issuance	0.3	571.3				571.6		571.6
Dividends on common stock		(5.2)				(5.2)		(5.2)
		80.0				80.0		80.0

Share-based compensation								
Contribution from (Distribution to) noncontrolling interest, net							(122.6)	(122.6)
Balance at December 31, 2013	$ 2.6	$ 23,563.7	$ 1,849.1	$ 18.4	$ (12,161.6)	$ 13,272.2	$ 2,241.8	$ 15,514.0

The accompanying notes are an integral part of these Consolidated Financial Statements.

Table of Contents

ING U.S., Inc.

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2013, 2012 and 2011

(In millions)

	Years Ended December 31, 2013	2012	2011
Cash Flows from Operating Activities:			
Net income (loss)	$ 790.6	$ 611.2	$ 102.8
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Capitalization of deferred policy acquisition costs, value of business acquired and sales inducements	(439.2)	(642.7)	(692.2)
Net amortization of deferred policy acquisition costs, value of business acquired and sales inducements	495.5	784.9	401.0
Net accretion/amortization of discount/premium	54.9	70.8	133.4
Future policy benefits, claims reserves and interest credited	493.2	949.2	2,946.0
Deferred income tax (benefit) expense	(110.8)	(44.5)	236.6
Net realized capital losses	2,534.8	1,280.8	1,531.4
Depreciation and amortization	85.4	90.5	96.0
Employee retirement (benefit) cost	(384.8)	190.3	204.5
Employer retirement contributions	(57.4)	(105.9)	(178.0)
Share-based compensation	80.0	52.4	60.5
Gains on consolidated investment entities	(214.5)	(265.4)	(315.3)
(Gains) losses on limited partnerships/corporations	(91.0)	138.3	42.6
Change in:			
Accrued investment income	(33.6)	18.2	(35.9)
Reinsurance recoverable	467.8	344.1	35.0
Other receivables and assets accruals	24.8	125.4	12.1
Other payables and accruals	(91.2)	78.3	(293.2)
Funds held under reinsurance agreements	(55.1)	(71.0)	47.1
(Increase) decrease in cash held by consolidated investment entities	(269.9)	(303.8)	57.7
Other, net	(16.1)	(19.0)	(35.1)
Net cash provided by operating activities	3,263.4	3,282.1	4,357.0
Cash Flows from Investing Activities:			
Proceeds from the sale, maturity, disposal or redemption of:			
Fixed maturities	16,681.3	17,015.2	17,312.4
Equity securities, available-for-sale	51.6	66.8	206.9
Mortgage loans on real estate	1,580.0	1,991.8	1,542.5
Loan Dutch State obligation		1,781.9	505.6

Limited partnerships/corporations	466.1	895.9	121.3
Acquisition of:			
Fixed maturities	(19,014.8)	(17,292.3)	(18,598.9)
Equity securities, available-for-sale	(47.6)	(41.8)	(52.7)
Mortgage loans on real estate	(2,206.0)	(1,969.0)	(2,057.9)
Limited partnerships/corporations	(97.0)	(178.9)	(156.4)
Short-term investments, net	4,943.1	(2,397.4)	(763.2)
Policy loans, net	53.3	63.6	127.9
Derivatives, net	(2,623.7)	(1,395.8)	(1,216.7)
Other investments, net	53.0	43.4	(8.4)
Sales from consolidated investment entities	3,203.0	1,781.7	2,422.8
Purchase of consolidated investment entities	(4,257.9)	(2,851.6)	(3,044.6)
Collateral (delivered) received, net	(629.3)	139.9	756.7
Purchases of fixed assets, net	(40.7)	(29.3)	(32.9)
Other, net			(16.1)
Net cash used in investing activities	(1,885.6)	(2,375.9)	(2,951.7)

Table of Contents

ING U.S., Inc.

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2013, 2012 and 2011

(In millions)

	Years Ended December 31,		
	2013	**2012**	**2011**
Cash Flows from Financing Activities:			
Deposits received for investment contracts	12,893.9	16,118.8	16,571.1
Maturities and withdrawals from investment contracts	(14,301.0)	(19,033.4)	(16,746.6)
Proceeds from issuance of debt with maturities of more than three months	2,146.8	3,049.6	606.5
Repayment of debt with maturities of more than three months	(2,697.4)	(902.5)	(573.8)
Short-term debt, net	(171.6)	(309.1)	(1,905.0)
Debt issuance costs	(26.5)	(38.8)	
Borrowings of consolidated investment entities	196.5	152.6	138.9
Repayments of borrowings of consolidated investment entities	(128.2)	(56.6)	(121.4)
Contributions from participants in consolidated investment entities	1,197.3	1,262.0	647.7
Proceeds from issuance of common stock, net	571.6		
Dividends paid	(5.2)		
Net cash (used in) provided by financing activities	(323.8)	242.6	(1,382.6)
Net increase in cash and cash equivalents	1,054.0	1,148.8	22.7
Cash and cash equivalents, beginning of year	1,786.8	638.0	615.3
Cash and cash equivalents, end of year	$ 2,840.8	$ 1,786.8	$ 638.0
Supplemental cash flow information:			
Income taxes paid, net	$ 44.6	$ 3.5	$ 17.6
Interest paid	147.4	114.9	191.4
Non-cash financing activities:			
Debt extinguishment	$	$	$ 3,979.7
Capital contribution			3,979.7

The accompanying notes are an integral part of these Consolidated Financial Statements.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

1. Business, Basis of Presentation and Significant Accounting Policies

Business

ING U.S., Inc. and its subsidiaries (collectively, the Company) is a financial services organization in the United States that offers a broad range of retirement services, annuities, investment management services, mutual funds, life insurance, group insurance and supplemental health products, guaranteed investment contracts and funding agreements. The Company provides its principal products and services in three businesses (Retirement Solutions, Investment Management and Insurance Solutions) and reports results through five ongoing operating segments, including Retirement, Annuities, Investment Management, Individual Life and Employee Benefits. The Company also has a Corporate segment, which includes the financial data not directly related to the businesses, and Closed Block segments. See the Note 20. Segments to these Consolidated Financial Statements.

In 2009, ING Groep N.V. (ING Group or ING), a global financial services holding company based in The Netherlands, with American Depository Shares listed on the New York Stock Exchange, announced the anticipated separation of its global banking and insurance businesses, including the divestiture of the Company. On April 11, 2013, the Company announced plans to rebrand in the future as Voya Financial. On May 2, 2013, the common stock of ING U.S., Inc. began trading on the New York Stock Exchange under the symbol VOYA. On May 7, 2013 and May 31, 2013, ING U.S., Inc. completed its initial public offering of common stock, including the issuance and sale by ING U.S., Inc. of 30,769,230 shares of common stock and the sale by ING Insurance International B.V. (ING International), an indirect, wholly owned subsidiary of ING Group and previously the sole stockholder of ING U.S., Inc., of 44,201,773 shares of outstanding common stock of ING U.S., Inc. (collectively, the IPO). On September 30, 2013, ING International transferred all of its shares of ING U.S., Inc. common stock to ING Group.

On October 29, 2013, ING Group completed a sale of 37,950,000 shares of common stock of the Company in a registered public offering (Secondary Offering), reducing ING Group s ownership in the Company to 57%.

Basis of Presentation

On April 11, 2013, the Company filed an amended restated certificate of incorporation that provides for an authorized capital stock consisting of 1,000,000,000 shares, of which 900,000,000 shares (par value $0.01 per share) are designated as common stock and 100,000,000 shares (par value $0.01 per share) are designated as preferred stock. In addition, the amended and restated certificate of incorporation effected a 2,295.248835-for-1 split of the Company s then outstanding common stock, resulting in 230,079,120 shares of common stock issued, including 79,120 shares of Treasury stock, and 230,000,000 shares of common stock outstanding and held by ING International, prior to the IPO. The accompanying Consolidated Financial Statements and Notes to the Consolidated Financial Statements give retroactive effect to the stock split for all periods presented. There are no preferred shares issued or outstanding.

The accompanying Consolidated Financial Statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

The Consolidated Financial Statements include the accounts of ING U.S., Inc. and its subsidiaries, as well as partnerships (voting interest entities (VOEs)) in which the Company has control and variable interest entities (VIEs) for which the Company is the primary beneficiary. See Note 19. Consolidated Investment Entities. Intercompany transactions and balances have been eliminated.

Certain immaterial reclassifications have been made to prior year financial information to conform to the current year classifications.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Significant Accounting Policies

Estimates and Assumptions

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Those estimates are inherently subject to change and actual results could differ from those estimates.

The Company has identified the following accounts and policies as the most significant in that they involve a higher degree of judgment, are subject to a significant degree of variability and/or contain significant accounting estimates:

Reserves for future policy benefits, deferred policy acquisition costs (DAC), value of business acquired (VOBA) and other intangibles, valuation of investments and derivatives, impairments, income taxes, contingencies and employee benefit plans.

Fair Value Measurement

The Company measures the fair value of its financial assets and liabilities based on assumptions used by market participants in pricing the asset or liability, which may include inherent risk, restrictions on the sale or use of an asset or nonperformance risk, which is the risk that the issuing subsidiary will not fulfill its obligation. The estimate of an exchange price is the price in an orderly transaction between market participants to sell the asset or transfer the liability (exit price) in the principal market, or the most advantageous market in the absence of a principal market, for that asset or liability. The Company utilizes a number of valuation sources to determine the fair values of its financial assets and liabilities, including quoted market prices, third-party commercial pricing services, third-party brokers, industry-standard, vendor-provided software that models the value based on market observable inputs and other internal modeling techniques based on projected cash flows.

Investments

The accounting policies for the Company s principal investments are as follows:

Fixed Maturities and Equity Securities: The Company s fixed maturities and equity securities are currently designated as available-for-sale, except those accounted for using the fair value option (FVO). Available-for-sale securities are reported at fair value and unrealized capital gains (losses) on these securities are recorded directly in Accumulated other comprehensive income (loss) (AOCI) and presented net of related changes in DAC/VOBA and other intangibles and deferred income taxes. In addition, certain fixed maturities have embedded derivatives, which are reported with the host contract on the Consolidated Balance Sheets.

The Company has elected the FVO for certain of its fixed maturities to better match the measurement of assets and liabilities in the Consolidated Statements of Operations. Certain collateralized mortgage obligations (CMOs), primarily interest-only and principal-only strips, are accounted for as hybrid instruments and valued at fair value with changes in the fair value recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

Purchases and sales of fixed maturities and equity securities, excluding private placements, are recorded on the trade date. Purchases and sales of private placements and mortgage loans are recorded on the closing date. Investment gains and losses on sales of securities are generally determined on a first-in-first-out basis.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Interest income on fixed maturities is recorded when earned using an effective yield method, giving effect to amortization of premiums and accretion of discounts. Dividends on equity securities are recorded when declared. Such dividends and interest income are recorded in Net investment income in the Consolidated Statements of Operations.

Included within fixed maturities are loan-backed securities, including residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS) and asset-backed securities (ABS). Amortization of the premium or discount from the purchase of these securities considers the estimated timing and amount of prepayments of the underlying loans. Actual prepayment experience is periodically reviewed and effective yields are recalculated when differences arise between the prepayments originally anticipated and the actual prepayments received and currently anticipated. Prepayment assumptions for single class and multi-class mortgage-backed securities (MBS) and ABS are estimated by management using inputs obtained from third party specialists, including broker-dealers, and based on management s knowledge of the current market. For prepayment-sensitive securities such as interest-only, principal-only strips, inverse floaters and credit-sensitive MBS and ABS securities, which represent beneficial interests in securitized financial assets that are not of high credit quality or that have been credit impaired, the effective yield is recalculated on a prospective basis. For all other MBS and ABS, the effective yield is recalculated on a retrospective basis.

Short-term Investments: Short-term investments include investments with remaining maturities of one year or less, but greater than three months, at the time of purchase. These investments are stated at fair value.

Assets Held in Separate Accounts: Assets held in separate accounts are reported at the fair values of the underlying investments in the separate accounts. The underlying investments include mutual funds, short-term investments, cash and fixed maturities.

Mortgage Loans on Real Estate: The Company s mortgage loans on real estate are all commercial mortgage loans, which are reported at amortized cost, less impairment write-downs and allowance for losses. If a mortgage loan is determined to be impaired (i.e., when it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement), the carrying value of the mortgage loan is reduced to the lower of either the present value of expected cash flows from the loan discounted at the loan s original purchase yield or fair value of the collateral. For those mortgages that are determined to require foreclosure, the carrying value is reduced to the fair value of the underlying collateral, net of estimated costs to obtain and sell at the point of foreclosure. The carrying value of the impaired loans is reduced by establishing a permanent write-down recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations. Property obtained from foreclosed mortgage loans is recorded in Other investments on the Consolidated Balance Sheets.

Mortgage loans are evaluated by the Company s investment professionals, including an appraisal of loan-specific credit quality, property characteristics and market trends. Loan performance is continuously monitored on a loan-specific basis throughout the year. The Company s review includes submitted appraisals, operating statements, rent revenues and annual inspection reports, among other items. This review evaluates whether the properties are performing at a consistent and acceptable level to secure the debt.

Mortgages are rated for the purpose of quantifying the level of risk. Those loans with higher risk are placed on a watch list and are closely monitored for collateral deficiency or other credit events that may lead to a potential loss of principal or interest. The Company defines delinquent mortgage loans consistent with industry practice as 60 days past due.

The Company s policy is to recognize interest income until a loan becomes 90 days delinquent or foreclosure proceedings are commenced, at which point interest accrual is discontinued. Interest accrual is not resumed until the loan is brought current.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The Company records an allowance for probable losses incurred on non-impaired loans on an aggregate basis, rather than specifically identified probable losses incurred by individual loan.

Policy Loans: Policy loans are carried at an amount equal to the unpaid balance. Interest income on such loans is recorded as earned in Net investment income using the contractually agreed upon interest rate. Generally, interest is capitalized on the policy s anniversary date. Valuation allowances are not established for policy loans, as these loans are collateralized by the cash surrender value of the associated insurance contracts. Any unpaid principal or interest on the loan is deducted from the account value or the death benefit prior to settlement of the policy.

Limited Partnerships/Corporations: The Company uses the equity method of accounting for investments in limited partnership interests that are not consolidated, which consists primarily of private equities, hedge funds and VIEs for which the Company is not the primary beneficiary. Generally, the Company records its share of earnings using a lag methodology, relying upon the most recent financial information available, generally not to exceed three months. The Company s earnings from limited partnership interests accounted for under the equity method are recorded in Net investment income.

Other Investments: Other investments are comprised primarily of Federal Home Loan Bank (FHLB) stock and property obtained from foreclosed mortgage loans, as well as other miscellaneous investments. The Company is a member of the FHLB system and is required to own a certain amount of stock based on the level of borrowings and other factors; the Company may invest in additional amounts. FHLB stock is carried at cost, classified as a restricted security and periodically evaluated for impairment based on ultimate recovery of par value.

Securities Lending: The Company engages in securities lending whereby certain securities from its portfolio are loaned to other institutions for short periods of time. Initial collateral, primarily cash, is required at a rate of 102% of the market value of the loaned securities. For certain transactions, a lending agent may be used and the agent may retain some or all of the collateral deposited by the borrower and transfer the remaining collateral to the Company. Collateral retained by the agent is invested in liquid assets on behalf of the Company. The market value of the loaned securities is monitored on a daily basis with additional collateral obtained or refunded as the market value of the loaned securities fluctuates.

Corporate Loans: Corporate loans held by consolidated collateralized loan obligations (CLO or CLO entities) are reported in Corporate loans, at fair value using the fair value option, on the Consolidated Balance Sheets. Changes in the fair value of the loans are recorded in Changes in fair value related to collateralized loan obligations in the Consolidated Statements of Operations. The fair values for corporate loans are determined using independent commercial pricing services. In the event that the third-party pricing source is unable to price an investment (which occurs in less than 2% of the loans), other relevant factors are considered including:

Information relating to the market for the asset, including price quotations for and trading in the asset or in similar investments and the market environment and investor attitudes towards the asset and interests in similar investments;

The characteristics of and fundamental analytical data relating to the investment, including the cost, current interest rate, period until next interest rate reset, maturity and base lending rate, the terms and conditions of the corporate loan and any related agreements and the position of the corporate loan in the borrower s debt structure;

The nature, adequacy, and value of the corporate loan s collateral, including the CLO s rights, remedies and interests with respect to the collateral;

The creditworthiness of the borrower, based on an evaluation of its financial condition, financial statements and information about the business, cash flows, capital structure and future prospects;

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The reputation and financial condition of the agent and any intermediate participants in the corporate loan; and

General economic and market conditions affecting the fair value of the corporate loan.

Other-than-temporary Impairments

The Company periodically evaluates its available-for-sale investments to determine whether there has been an other-than-temporary decline in fair value below the amortized cost basis. Factors considered in this analysis include, but are not limited to, the length of time and the extent to which the fair value has been less than amortized cost, the issuer s financial condition and near-term prospects, future economic conditions and market forecasts, interest rate changes and changes in ratings of the security. An extended and severe unrealized loss position on a fixed maturity may not have any impact on: (a) the ability of the issuer to service all scheduled interest and principal payments and (b) the evaluation of recoverability of all contractual cash flows or the ability to recover an amount at least equal to its amortized cost based on the present value of the expected future cash flows to be collected. In contrast, for certain equity securities, the Company gives greater weight and consideration to a decline in market value and the likelihood such market value decline will recover.

When assessing the Company s intent to sell a security or if it is more likely than not it will be required to sell a security before recovery of its amortized cost basis, management evaluates facts and circumstances such as, but not limited to, decisions to rebalance the investment portfolio and sales of investments to meet cash flow or capital needs.

When the Company has determined it has the intent to sell or if it is more likely than not that the Company will be required to sell a security before recovery of its amortized cost basis and the fair value has declined below amortized cost (intent impairment), the individual security is written down from amortized cost to fair value, and a corresponding charge is recorded in Net realized capital gains (losses) in the Consolidated Statements of Operations as an other-than-temporary impairment (OTTI). If the Company does not intend to sell the security and it is not more likely than not that the Company will be required to sell the security before recovery of its amortized cost basis, but the Company has determined that there has been an other-than-temporary decline in fair value below the amortized cost basis, the OTTI is bifurcated into the amount representing the present value of the decrease in cash flows expected to be collected (credit impairment) and the amount related to other factors (noncredit impairment). The credit impairment is recorded in Net realized capital gains (losses) in the Consolidated Statements of Operations. The noncredit impairment is recorded in Other comprehensive income (loss).

The Company uses the following methodology and significant inputs to determine the amount of the OTTI credit loss:

When determining collectability and the period over which the value is expected to recover for U.S. and foreign corporate securities, foreign government securities and state and political subdivision securities, the

Company applies the same considerations utilized in its overall impairment evaluation process, which incorporates information regarding the specific security, the industry and geographic area in which the issuer operates and overall macroeconomic conditions. Projected future cash flows are estimated using assumptions derived from the Company s best estimates of likely scenario-based outcomes, after giving consideration to a variety of variables that includes, but is not limited to: general payment terms of the security; the likelihood that the issuer can service the scheduled interest and principal payments; the quality and amount of any credit enhancements; the security s position within the capital structure of the issuer; possible corporate restructurings or asset sales by the issuer; and changes to the rating of the security or the issuer by rating agencies.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Additional considerations are made when assessing the unique features that apply to certain structured securities such as subprime, Alt-A, non-agency, RMBS, CMBS and ABS. These additional factors for structured securities include, but are not limited to: the quality of underlying collateral; expected prepayment speeds; loan-to-value ratios; debt service coverage ratios; current and forecasted loss severity; and the payment priority within the tranche structure of the security.

When determining the amount of the credit loss for U.S. and foreign corporate securities, foreign government securities and state and political subdivision securities, the Company considers the estimated fair value as the recovery value when available information does not indicate that another value is more appropriate. When information is identified that indicates a recovery value other than estimated fair value, the Company considers in the determination of recovery value the same considerations utilized in its overall impairment evaluation process, which incorporates available information and the Company s best estimate of scenarios-based outcomes regarding the specific security and issuer; possible corporate restructurings or asset sales by the issuer; the quality and amount of any credit enhancements; the security s position within the capital structure of the issuer; fundamentals of the industry and geographic area in which the security issuer operates, and the overall macroeconomic conditions.

The Company performs a discounted cash flow analysis comparing the current amortized cost of a security to the present value of future cash flows expected to be received, including estimated defaults and prepayments. The discount rate is generally the effective interest rate of the fixed maturity prior to impairment.

In periods subsequent to the recognition of the credit related impairment components of OTTI on a fixed maturity, the Company accounts for the impaired security as if it had been purchased on the measurement date of the impairment. Accordingly, the discount (or reduced premium) based on the new cost basis is accreted into net investment income over the remaining term of the fixed maturity in a prospective manner based on the amount and timing of estimated future cash flows.

Derivatives

The Company s use of derivatives is limited mainly to economic hedging to reduce the Company s exposure to cash flow variability of assets and liabilities, interest rate risk, credit risk, exchange rate risk and market risk. It is the Company s policy not to offset amounts recognized for derivative instruments and amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral arising from derivative instruments executed with the same counterparty under a master netting arrangement.

The Company enters into interest rate, equity market, credit default and currency contracts, including swaps, futures, forwards, caps, floors and options, to reduce and manage various risks associated with changes in value, yield, price, cash flow or exchange rates of assets or liabilities held or intended to be held, or to assume or reduce credit exposure associated with a referenced asset, index or pool. The Company also utilizes options and futures on equity indices to reduce and manage risks associated with its annuity products. Open derivative contracts are reported as Derivatives assets or liabilities on the Consolidated Balance Sheets at fair value. Changes in the fair value of derivatives are recorded in Net realized capital gains (losses) in the Consolidated Statements of Operations.

To qualify for hedge accounting, at the inception of the hedging relationship, the Company formally documents its risk management objective and strategy for undertaking the hedging transaction, as well as its designation of the hedge as either (a) a hedge of the exposure to changes in the estimated fair value of a recognized asset or liability or

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

an identified portion thereof that is attributable to a particular risk (fair value hedge) or (b) a hedge of a forecasted transaction or of the variability of cash flows that is attributable to interest rate risk to be received or paid related to a recognized asset or liability (cash flow hedge). In this documentation, the Company sets forth how the hedging instrument is expected to hedge the designated risks related to the hedged item and sets forth the method that will be used to retrospectively and prospectively assess the hedging instrument s effectiveness and the method that will be used to measure ineffectiveness. A derivative designated as a hedging instrument must be assessed as being highly effective in offsetting the designated risk of the hedged item. Hedge effectiveness is formally assessed at inception and periodically throughout the life of the designated hedging relationship.

Fair Value Hedge: For derivative instruments that are designated and qualify as a fair value hedge, the gain or loss on the derivative instrument, as well as the hedged item, to the extent of the risk being hedged, are recognized in Other net realized capital gains (losses).

Cash Flow Hedge: For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative instrument is reported as a component of AOCI and reclassified into earnings in the same periods during which the hedged transaction impacts earnings in the same line item associated with the forecasted transaction. The ineffective portion of the derivative s change in value, if any, along with any of the derivative s change in value that is excluded from the assessment of hedge effectiveness, are recorded in Other net realized capital gains (losses).

When hedge accounting is discontinued because it is determined that the derivative is no longer expected to be highly effective in offsetting changes in the estimated fair value or cash flows of a hedged item, the derivative continues to be carried on the Consolidated Balance Sheets at its estimated fair value, with subsequent changes in estimated fair value recognized immediately in Other net realized capital gains (losses). The carrying value of the hedged asset or liability under a fair value hedge is no longer adjusted for changes in its estimated fair value due to the hedged risk, and the cumulative adjustment to its carrying value is amortized into income over the remaining life of the hedged item. Provided the hedged forecasted transaction is still probable of occurrence, the changes in estimated fair value of derivatives recorded in Other comprehensive income (loss) related to discontinued cash flow hedges are released into the Consolidated Statements of Operations when the Company s earnings are affected by the variability in cash flows of the hedged item.

When hedge accounting is discontinued because it is no longer probable that the forecasted transactions will occur on the anticipated date or within two months of that date, the derivative continues to be carried on the Consolidated Balance Sheets at its estimated fair value, with changes in estimated fair value recognized currently in Other net realized capital gains (losses). Derivative gains and losses recorded in Other comprehensive income (loss) pursuant to the discontinued cash flow hedge of a forecasted transaction that is no longer probable are recognized immediately in Other net realized capital gains (losses).

The Company also has investments in certain fixed maturities and has issued certain annuity products, that contain embedded derivatives whose fair value is at least partially determined by levels of or changes in domestic and/or foreign interest rates (short-term or long-term), exchange rates, prepayment rates, equity markets or credit ratings/spreads. Embedded derivatives within fixed maturities are included with the host contract on the Consolidated Balance Sheets and changes in fair value of the embedded derivatives are recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations. Embedded derivatives within certain annuity products are included in Future policy benefits on the Consolidated Balance Sheets and changes in the fair value of the embedded derivatives are recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

In addition, the Company has entered into a coinsurance with funds withheld arrangement that contains an embedded derivative, the fair value of which is based on the change in the fair value of the underlying assets held

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

in trust. The embedded derivative within the coinsurance with funds withheld arrangement is included in Funds held under reinsurance arrangements on the Consolidated Balance Sheets, and changes in the fair value of the embedded derivative are recorded in Policyholder benefits in the Consolidated Statements of Operations.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts due from banks and other highly liquid investments, such as money market instruments and debt instruments with maturities of three months or less at the time of purchase. Cash and cash equivalents are stated at fair value. Cash and cash equivalents of VIEs and VOEs are not available for general use by the Company.

Property and Equipment

Property and equipment are carried at cost, less accumulated depreciation and included in Other assets on the Consolidated Balance Sheets. Expenditures for replacements and major improvements are capitalized; maintenance and repair expenditures are expensed as incurred. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, with the exception of land and artwork which are not depreciated, as follows:

	Estimated Useful Lives
Buildings	40 years
Furniture and fixtures	5 years
Leasehold improvements	10 years, or the life of the lease, whichever is shorter
Equipment	3 years

As of December 31, 2013 and 2012, total cost basis was $451.5 and $463.5, respectively. As of December 31, 2013 and 2012, total accumulated depreciation was $313.0 and $305.1, respectively. For the years ended December 31, 2013, 2012 and 2011, depreciation expense was $33.7, $36.9 and $36.2, respectively, and included in Operating expenses in the Consolidated Statements of Operations.

Deferred Policy Acquisition Costs, Value of Business Acquired and Other Intangibles

DAC represents policy acquisition costs that have been capitalized and are subject to amortization and interest. Capitalized costs include incremental, direct costs of contract acquisition and certain costs related directly to successful acquisition activities. Such costs consist principally of commissions, underwriting, sales and contract issuance and processing expenses directly related to the successful acquisition of new and renewal business. Indirect or unsuccessful acquisition costs, maintenance, product development and overhead expenses are charged to expense as incurred. VOBA represents the outstanding value of in force business acquired and is subject to amortization and interest. The value is based on the present value of estimated net cash flows embedded in the insurance contracts at the time of the acquisition and increased for subsequent deferrable expenses on purchased policies.

Collectively, we refer to DAC, VOBA, deferred sales inducements (DSI) and unearned revenue (URR) as DAC/VOBA and other intangibles . (See respective DSI and URR sections below.)

Amortization Methodologies

The Company amortizes DAC and VOBA related to certain traditional life insurance contracts and certain accident and health insurance contracts over the premium payment period in proportion to the present value of

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

expected gross premiums. Assumptions as to mortality, morbidity, persistency and interest rates, which include provisions for adverse deviation, are consistent with the assumptions used to calculate reserves for future policy benefits.

These assumptions are locked-in at issue and not revised unless the DAC or VOBA balance is deemed to be unrecoverable from future expected profits. Recoverability testing is performed for current issue year products to determine if gross premiums are sufficient to cover DAC or VOBA estimated benefits and expenses. In subsequent periods, the recoverability of the DAC or VOBA balances are determined by assessing whether future gross profits are sufficient to amortize DAC or VOBA, as well as provide for expected future benefits and maintenance costs. If a premium deficiency is deemed to be present, charges will be applied against the DAC and VOBA balances before an additional reserve is established. Absent such a premium deficiency, variability in amortization after policy issuance or acquisition relates only to variability in premium volumes.

The Company amortizes DAC and VOBA related to universal life (UL) and variable universal life (VUL) contracts and fixed and variable deferred annuity contracts over the estimated lives of the contracts in relation to the emergence of estimated gross profits. Assumptions as to mortality, persistency, interest crediting rates, fee income, returns associated with separate account performance, impact of hedge performance, expenses to administer the business and certain economic variables, such as inflation, are based on the Company s experience and overall capital markets. At each valuation date, estimated gross profits are updated with actual gross profits, and the assumptions underlying future estimated gross profits are evaluated for continued reasonableness. Adjustments to estimated gross profits require that amortization rates be revised retroactively to the date of the contract issuance (unlocking). For variable deferred annuity contracts within Closed Block Variable Annuity, the Company amortizes DAC/VOBA and other intangibles in relation to the emergence of estimated gross revenue.

For UL and VUL contracts and fixed and variable deferred annuity contracts, recoverability testing is performed for current issue year products to determine if gross revenues are sufficient to cover DAC/VOBA and other intangibles estimated benefits and expenses. In subsequent years, the Company performs testing to assess the recoverability of DAC/VOBA and other intangibles on an annual basis, or more frequently if circumstances indicate a potential loss recognition issue exists. If DAC/VOBA or other intangibles are not deemed recoverable from future gross profits, changes will be applied against the DAC/VOBA or other intangible balances before an additional reserve is established.

<u>Internal Replacements</u>

Contract owners may periodically exchange one contract for another, or make modifications to an existing contract. These transactions are identified as internal replacements. Internal replacements that are determined to result in substantially unchanged contracts are accounted for as continuations of the replaced contracts. Any costs associated with the issuance of the new contracts are considered maintenance costs and expensed as incurred. Unamortized DAC/VOBA and other intangibles related to the replaced contracts continue to be deferred and amortized in connection with the new contracts. Internal replacements that are determined to result in contracts that are substantially changed are accounted for as extinguishments of the replaced contracts, and any unamortized DAC/VOBA and other intangibles related to the replaced contracts are written off to Net amortization of deferred policy acquisition costs and value of business acquired in the Consolidated Statements of Operations.

Assumptions

Changes in assumptions can have a significant impact on DAC/VOBA and other intangible balances, amortization rates and results of operations. Assumptions are management s best estimate of future outcome.

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Several assumptions are considered significant in the estimation of gross profits associated with the Company s variable products. One significant assumption is the assumed return associated with the variable account performance. To reflect the volatility in the equity markets, this assumption involves a combination of near-term expectations and long-term assumptions regarding market performance. The overall return on the variable account is dependent on multiple factors, including the relative mix of the underlying sub-accounts among bond funds and equity funds, as well as equity sector weightings. The Company s practice assumes that intermediate-term appreciation in equity markets reverts to the long-term appreciation in equity markets (reversion to the mean). The Company monitors market events and only changes the assumption when sustained deviations are expected. This methodology incorporates a 9% long-term equity return assumption, a 14% cap and a five-year look-forward period.

Other significant assumptions used in the estimation of gross profits include mortality and for products with credited rates include interest rate spreads and credit losses. Estimated gross revenues and gross profits of variable annuity contracts are sensitive to mortality and estimated policyholder behavior assumptions, such as surrender, lapse and annuitization rates.

Sales Inducements

DSI represent benefits paid to contract owners for a specified period that are incremental to the amounts the Company credits on similar contracts without sales inducements and are higher than the contract s expected ongoing crediting rates for periods after the inducement. The Company defers sales inducements and amortizes the DSI over the life of the policy using the same methodology and assumptions used to amortize DAC. The amortization of sales inducements is included in Interest credited to contract owner account balances in the Consolidated Statements of Operations. Each year, or more frequently if circumstances indicate a potentially significant recoverability issue exists, the Company reviews DSI to determine the recoverability of these balances.

For the years ended December 31, 2013, 2012 and 2011, the Company capitalized $29.7, $35.1 and $39.9, respectively, of sales inducements. For the years ended December 31, 2013, 2012 and 2011, the Company amortized $52.7, $62.6 and $14.0, respectively, of DSI.

Future Policy Benefits and Contract Owner Accounts

Future Policy Benefits

The Company establishes and carries actuarially-determined reserves that are calculated to meet its future obligations. Reserves also include estimates of unpaid claims as well as claims that the Company believes have been incurred but have not yet been reported as of the balance sheet date. The principal assumptions used to establish liabilities for future policy benefits are based on Company experience and periodically reviewed against industry standards. These assumptions include mortality, morbidity, policy lapse, contract renewal, payment of subsequent premiums or deposits by the contract owner, retirement, investment returns, inflation, benefit utilization and expenses. Changes in, or deviations from, the assumptions used can significantly affect the Company s reserve levels and related results of operations.

Reserves for traditional life insurance contracts (term insurance, participating and non-participating whole life insurance and traditional group life insurance) and certain accident and health insurance represent the present value of future benefits to be paid to or on behalf of contract owners and related expenses, less the present value of future net premiums. Assumptions as to interest rates, mortality, expenses and persistency are based on the Company s estimates of anticipated experience at the period the policy is sold or acquired, including a provision for adverse deviation. Interest rates used to calculate the present value of these reserves ranged from 2.5% to 8.3%.

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Reserves for payout contracts with life contingencies are equal to the present value of expected future payments. Assumptions as to interest rates, mortality and expenses are based on the Company s experience at the period the policy is sold or acquired, including a provision for adverse deviation. Such assumptions generally vary by annuity plan type, year of issue and policy duration. Interest rates used to calculate the present value of future benefits ranged from 3.0% to 8.3%.

Although assumptions are locked-in upon the issuance of traditional life insurance contracts, certain accident and health insurance contracts and payout contracts with life contingencies, significant changes in experience or assumptions may require the Company to provide for expected future losses on a product by establishing premium deficiency reserves. Premium deficiency reserves are determined based on best estimate assumptions that exist at the time the premium deficiency reserve is established and do not include a provision for adverse deviation.

Contract Owner Account Balances

Contract owner account balances relate to investment-type contracts and certain annuity product guarantees, as follows:

Account balances for guaranteed investment contracts and funding agreements with fixed maturities (collectively referred to as GICs) are calculated using the amount deposited with the Company, less withdrawals, plus interest accrued to the ending valuation date. Interest on these contracts is accrued by a predetermined index, plus a spread or a fixed rate, established at the issue date of the contract.

Account balances for universal life-type contracts, including VUL and indexed universal life contracts, are equal to cumulative deposits, less charges and withdrawals and account values released upon death, plus credited interest thereon.

Account balances for fixed annuities and payout contracts without life contingencies are equal to cumulative deposits, less charges and withdrawals, plus credited interest thereon. Credited interest rates vary by product and ranged up to 8.0% for the years 2013, 2012 and 2011. Account balances for group immediate annuities without life contingent payouts are equal to the discounted value of the payment at the implied break-even rate.

For fixed-indexed annuity contracts (FIAs), the aggregate initial liability is equal to the deposit received, plus a bonus, if applicable, and is split into a host component and an embedded derivative component. Thereafter, the host liability accumulates at a set interest rate, and the embedded derivative liability is recognized at fair value.

Product Guarantees and Additional Reserves

The Company calculates additional reserve liabilities for certain universal life-type products, certain variable annuity guaranteed benefits and variable funding products. The Company periodically evaluates its estimates and adjusts the additional liability balance, with a related charge or credit to benefit expense, if actual experience or other evidence suggests that earlier assumptions should be revised. Changes in, or deviations from, the assumptions used can significantly affect the Company s reserve levels and related results of operations.

Universal and Variable Life: Reserves for UL and VUL secondary guarantees and paid-up guarantees are calculated by estimating the expected value of death benefits payable and recognizing those benefits ratably over the accumulation period based on total expected assessments. The reserve for such products recognizes the portion of contract assessments received in early years used to compensate the Company for benefits provided in later years. Assumptions used, such as the interest rate, lapse rate and mortality, are consistent with assumptions used in estimating gross profits for purposes of amortizing DAC. Reserves for UL and VUL secondary guarantees and paid up guarantees are recorded in Future policy benefits on the Consolidated Balance Sheets.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The Company also calculates a benefit ratio for each block of business that meets the requirements for additional reserves and calculates an additional reserve by accumulating amounts equal to the benefit ratio multiplied by the assessments for each period, reduced by excess benefits during the period. The additional reserve is accumulated at interest rates consistent with the DAC model for the period. The calculated reserve includes a provision for UL contracts with patterns of cost of insurance charges that produce expected gains from the insurance benefit function followed by losses from that function in later years. Additional reserves are recorded in Future policy benefits on the Consolidated Balance Sheets.

URR relates to UL and VUL products and represents policy charges for benefits or services to be provided in future periods (see the Recognition of Insurance Revenue and Related Benefits section below). The URR balance is recorded in Future policy benefits on the Consolidated Balance Sheets.

GMDB and GMIB: Reserves for annuity guaranteed minimum death benefits (GMDB) and guaranteed minimum income benefits (GMIB) are determined by estimating the value of expected benefits in excess of the projected account balance and recognizing the excess ratably over the accumulation period based on total expected assessments. Expected experience is based on a range of scenarios. Assumptions used, such as the long-term equity market return, lapse rate and mortality, are consistent with assumptions used in estimating gross revenues for purposes of amortizing DAC. The assumptions of investment performance and volatility are consistent with the historical experience of the appropriate underlying equity index, such as the Standard & Poor s (S&P) 500 Index. In addition, the reserve for the GMIB incorporates assumptions for the likelihood and timing of the potential annuitizations that may be elected by the contract owner. In general, the Company assumes that GMIB annuitization rates will be higher for policies with more valuable guarantees (in the money guarantees where the notional benefit amount is in excess of the account value). Reserves for GMDB and GMIB are recorded in Future policy benefits on the Consolidated Balance Sheets. Changes in reserves for GMDB and GMIB are reported in Policyholder benefits in the Consolidated Statements of Operations.

Most contracts issued on or before December 31, 1999 with enhanced death benefit guarantees were reinsured to third-party reinsurers to mitigate the risk associated with such guarantees. For contracts issued after December 31, 1999, the Company instituted a variable annuity guarantee hedge program to mitigate the risks associated with these guarantees, which do not qualify for hedge accounting. The variable annuity guarantee hedge program is based on the Company entering into derivative positions to offset such exposures to GMDB and GMIB due to adverse changes in the equity markets.

GMAB, GMWB, GMWBL and FIA: The Company also issues certain products which contain embedded derivatives that are measured at estimated fair value separately from the host contracts. These products include annuity guaranteed minimum accumulation benefits (GMAB), guaranteed minimum withdrawal benefits (GMWB), guaranteed minimum withdrawal benefits with life payouts (GMWBL) and FIAs. Embedded derivatives associated with GMABs, GMWBs and GMWBLs are recorded in Future policy benefits on the Consolidated Balance Sheets. Embedded derivatives associated with FIAs are recorded in Contract owner account balances on the Consolidated Balance Sheets. Changes in estimated fair value, along with attributed fees collected or payments made, are reported in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

At inception of the GMAB, GMWB and GMWBL contracts, the Company projects a fee to be attributed to the embedded derivative portion of the guarantee equal to the present value of projected future guaranteed benefits. After inception, the estimated fair value of the GMAB, GMWB and GMWBL contracts is determined based on the present value of projected future guaranteed benefits, minus the present value of projected attributed fees. A risk neutral valuation methodology is used under which the cash flows from the guarantees are projected under multiple

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

capital market scenarios using observable risk free rates. The projection of future guaranteed benefits and future attributed fees require the use of assumptions for capital markets (e.g., implied volatilities, correlation among indices, risk-free swap curve, etc.) and policyholder behavior (e.g., lapse, benefit utilization, mortality, etc.).

The estimated fair value of the FIA contracts is based on the present value of the excess of interest payments to the contract owners over the growth in the minimum guaranteed contract value. The excess interest payments are determined as the excess of projected index driven benefits over the projected guaranteed benefits. The projection horizon is over the anticipated life of the related contracts, which takes into account best estimate actuarial assumptions, such as partial withdrawals, full surrenders, deaths, annuitizations and maturities.

Stabilizer and MCG: Products with guaranteed credited rates treat the guarantee as an embedded derivative for Stabilizer products and a stand-alone derivative for managed custody guarantee products (MCG). These derivatives are measured at estimated fair value and recorded in Contract owner account balances on the Consolidated Balance Sheets. Changes in estimated fair value along with attributed fees collected are reported in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

The estimated fair value of the Stabilizer and MCG contracts is determined based on the present value of projected future claims, minus the present value of future guaranteed premiums. At inception of the contract the Company projects a guaranteed premium to be equal to the present value of the projected future claims. The income associated with the contracts is projected using actuarial and capital market assumptions, including benefits and related contract charges, over the anticipated life of the related contracts. The cash flow estimates are projected under multiple capital market scenarios using observable risk-free rates and other best estimate assumptions.

The GMAB, GMWB, GMWBL, FIA and Stabilizer embedded derivative liabilities and the stand-alone derivative for MCG include a risk margin to capture uncertainties related to policyholder behavior assumptions. The margin represents additional compensation a market participant would require to assume these risks.

The discount rate used to determine the fair value of GMAB, GMWB, GMWBL, FIA and Stabilizer embedded derivative liabilities and the stand-alone derivative for MCG includes an adjustment to reflect the risk that these obligations will not be fulfilled (nonperformance risk).

Separate Accounts

Separate account assets and liabilities generally represent funds maintained to meet specific investment objectives of contract owners or participants who bear the investment risk, subject, in limited cases, to minimum guaranteed rates. Investment income and investment gains and losses generally accrue directly to such contract owners. The assets of each account are legally segregated and are not subject to claims that arise out of any other business of the Company.

Separate account assets supporting variable options under variable annuity contracts are invested, as designated by the contract owner or participant under a contract, in shares of mutual funds that are managed by the Company or in other selected mutual funds not managed by the Company.

The Company reports separately, as assets and liabilities, investments held in the separate accounts and liabilities of separate accounts if:

Such separate accounts are legally recognized;

Assets supporting the contract liabilities are legally insulated from the Company s general account liabilities;

F-22

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Investments are directed by the contract owner or participant; and

All investment performance, net of contract fees and assessments, is passed through to the contract owner. The Company reports separate account assets that meet the above criteria at fair value on the Consolidated Balance Sheets based on the fair value of the underlying investments. Separate account liabilities equal separate account assets. Investment income and net realized and unrealized capital gains (losses) of the separate accounts, however, are not reflected in the Consolidated Statements of Operations. The Consolidated Statements of Cash Flows do not reflect investment activity of the separate accounts.

Short-term and Long-term Debt

Short-term and long-term debt are carried at an amount equal to the unpaid principal balance, net of any remaining unamortized discount or premium attributable to issuance. Direct and incremental costs to issue the debt are recorded in Other assets on the Consolidated Balance Sheets and are recognized as a component of Interest expense in the Consolidated Statements of Operations over the life of the debt using the effective interest method of amortization.

Collateralized Loan Obligations Notes

CLO notes issued by consolidated CLO entities are recorded as Collateralized loan obligations notes, at fair value using the fair value option, on the Consolidated Balance Sheets. Changes in the fair value of the notes are recorded in Changes in fair value related to collateralized loan obligations in the Company s Consolidated Statements of Operations.

Repurchase Agreements

The Company engages in dollar repurchase agreements with MBS (dollar rolls) and repurchase agreements with other collateral types to increase its return on investments and improve liquidity. Such arrangements meet the requirements to be accounted for as financing arrangements.

The Company enters into dollar roll transactions by selling existing MBS and concurrently entering into an agreement to repurchase similar securities within a short time frame at a lower price. Under repurchase agreements, the Company borrows cash from a counterparty at an agreed upon interest rate for an agreed upon time frame and pledges collateral in the form of securities. At the end of the agreement, the counterparty returns the collateral to the Company, and the Company, in turn, repays the loan amount along with the additional agreed upon interest.

Company policy requires that at all times during the term of the dollar roll and repurchase agreements that cash or other collateral types obtained is sufficient to allow the Company to fund substantially all of the cost of purchasing replacement assets. Cash received is invested in Short-term investments, with the offsetting obligation to repay the loan included within Other liabilities on the Consolidated Balance Sheets. The carrying value of the securities pledged in dollar rolls and repurchase agreement transactions and the related repurchase obligation are included in Securities pledged and Short-term debt, respectively, on the Consolidated Balance Sheets.

The primary risk associated with short-term collateralized borrowings is that the counterparty will be unable to perform under the terms of the contract. The Company s exposure is limited to the excess of the net replacement cost of the securities over the value of the short-term investments. The Company believes the counterparties to the dollar rolls and repurchase agreements are financially responsible and that the counterparty risk is minimal.

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Recognition of Insurance Revenue and Related Benefits

Premiums related to traditional life insurance contracts are recognized in Premiums in the Consolidated Statements of Operations when due from the contract owner. When premiums are due over a significantly shorter period than the period over which benefits are provided, any gross premium in excess of the net premium (i.e., the portion of the gross premium required to provide for all expected future benefits and expenses) is deferred and recognized into revenue in a constant relationship to insurance in force. Benefits are recorded in Policyholder benefits in the Consolidated Statements of Operations when incurred.

Amounts received as payment for investment-type, universal life-type, fixed annuities, payout contracts without life contingencies and FIA contracts are reported as deposits to contract owner account balances. Revenues from these contracts consist primarily of fees assessed against the contract owner account balance for mortality and policy administration charges and are reported in Fee income. Surrender charges are reported in Other revenue. In addition, the Company earns investment income from the investment of contract deposits in the Company s general account portfolio, which is reported in Net investment income in the Consolidated Statements of Operations. Fees assessed that represent compensation to the Company for services to be provided in future periods and certain other fees are established as a URR liability and amortized into revenue over the expected life of the related contracts in proportion to estimated gross profits in a manner consistent with DAC for these contracts. URR is reported in Future policy benefits and amortized into Fee income. Benefits and expenses for these products include claims in excess of related account balances, expenses of contract administration and interest credited to contract owner account balances.

Income Taxes

The Company files a consolidated federal income tax return, which includes many of its subsidiaries, in accordance with the Internal Revenue Code of 1986, as amended.

The Company s deferred tax assets and liabilities resulting from temporary differences between financial reporting and tax bases of assets and liabilities are measured at the balance sheet date using enacted tax rates expected to apply to taxable income in the years the temporary differences are expected to reverse.

Deferred tax assets represent the tax benefit of future deductible temporary differences and operating loss and tax credit carryforwards. The Company evaluates and tests the recoverability of its deferred tax assets. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence, it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. Considerable judgment and the use of estimates are required in determining whether a valuation allowance is necessary and, if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance, the Company considers many factors, including:

- The nature and character of the deferred tax assets and liabilities;

The nature and character of income by life and non-life subgroups;

The recent cumulative book income (loss) position after adjustment for permanent differences;

Taxable income in prior carryback years;

Projected future taxable income, exclusive of reversing temporary differences and carryforwards;

Projected future reversals of existing temporary differences;

The length of time carryforwards can be utilized;

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

- Prudent and feasible tax planning strategies the Company would employ to avoid a tax benefit from expiring unused; and

- Tax rules that would impact the utilization of the deferred tax assets.

In establishing unrecognized tax benefits, the Company determines whether a tax position is more likely than not to be sustained under examination by the appropriate taxing authority. The Company also considers positions that have been reviewed and agreed to as part of an examination by the appropriate taxing authority. Tax positions that do not meet the more likely than not standard are not recognized in the Consolidated Financial Statements. Tax positions that meet this standard are recognized in the Consolidated Financial Statements. The Company measures the tax position as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate resolution with the tax authority that has full knowledge of all relevant information.

Reinsurance

The Company utilizes reinsurance agreements in most aspects of its insurance business to reduce its exposure to large losses. Such reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Company as direct insurer of the risks reinsured.

For each of its reinsurance agreements, the Company determines whether the agreement provides indemnification against loss or liability relating to insurance risk. The Company reviews all contractual features, particularly those that may limit the amount of insurance risk to which the reinsurer is subject or features that delay the timely reimbursement of claims. The assumptions used to account for both long and short-duration reinsurance agreements are consistent with those used for the underlying contracts. Ceded future policy benefits and contract owner liabilities are reported gross on the Consolidated Balance Sheets.

Long-duration: For reinsurance of long-duration contracts that transfer significant insurance risk, the difference, if any, between the amounts paid and benefits received related to the underlying contracts is included in the expected net cost of reinsurance, which is recorded as a component of the reinsurance asset or liability. Any difference between actual and expected net cost of reinsurance is recognized in the current period and included as a component of profits used to amortize DAC.

Short-duration: For prospective reinsurance of short-duration contracts that meet the criteria for reinsurance accounting, amounts paid are recorded as ceded premiums and ceded unearned premiums and are reflected as a component of Premiums in the Consolidated Statements of Operations and Other assets on the Consolidated Balance Sheets, respectively. Ceded unearned premiums are amortized through premiums over the remaining contract period in proportion to the amount of protection provided.

For retroactive reinsurance of short-duration contracts that meet the criteria for reinsurance accounting, amounts paid in excess of the related insurance liabilities ceded are recognized immediately as a loss. Any gains on such retroactive agreements are deferred in Other liabilities and amortized over the remaining life of the underlying contracts.

Accounting for reinsurance requires extensive use of assumptions and estimates, particularly related to the future performance of the underlying business and the potential impact of counterparty credit risks. The Company periodically reviews actual and anticipated experience compared to the assumptions used to establish assets and liabilities relating to ceded and assumed reinsurance. The Company also evaluates the financial strength of potential reinsurers and continually monitors the financial condition of reinsurers. The S&P ratings for the Company s reinsurers with the largest reinsurance recoverable balances are all A rated or better, including Lincoln National Corporation (Lincoln), Hannover Life Reassurance Company of America and Hannover Re

F-25

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

(Ireland) Plc (collectively, Hannover Re) and various subsidiaries of Reinsurance Group of America Incorporated (collectively, RGA).

Only those reinsurance recoverable balances deemed probable of recovery are recognized as assets on the Company s Consolidated Balance Sheets and are stated net of allowances for uncollectible reinsurance. Amounts currently recoverable and payable under reinsurance agreements are included in Reinsurance recoverable and Other liabilities, respectively. Such assets and liabilities relating to reinsurance agreements with the same reinsurer are recorded net on the Consolidated Balance Sheets if a right of offset exists within the reinsurance agreement. Premiums, Fee income and Policyholder benefits are reported net of reinsurance ceded. Amounts received from reinsurers for policy administration are reported in Other revenue.

The Company has entered into a coinsurance with funds withheld arrangement that contains an embedded derivative whose carrying value is estimated based upon the change in the fair value of the assets supporting the funds withheld payable under the agreement.

Employee Benefits Plans

Certain subsidiaries of the Company sponsor and/or administer various plans that provide defined benefit pension and other postretirement benefit plans covering eligible employees, sales representatives and other individuals. The plans are generally funded through payments, determined by periodic actuarial calculations, to trustee-administered funds.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognized in respect of defined benefit pension plans is the present value of the projected pension benefit obligation (PBO) at the balance sheet date, less the fair value of plan assets, together with adjustments for unrecognized past service costs. This liability is included in Pension and other postretirement provisions on the Consolidated Balance Sheets. The PBO is defined as the actuarially calculated present value of vested and non-vested pension benefits accrued based on future salary levels. The Company recognizes the funded status of the PBO for pension plans and the accumulated postretirement benefit obligation (APBO) for other postretirement plans on the Consolidated Balance Sheets.

Net periodic benefit cost is determined using management estimates and actuarial assumptions to derive service cost, interest cost and expected return on plan assets for a particular year. The obligations and expenses associated with these plans require use of assumptions, such as discount rate, expected rate of return on plan assets, rate of future compensation increases and healthcare cost trend rates, as well as assumptions regarding participant demographics such as age of retirements, withdrawal rates and mortality. Management determines these assumptions based upon a variety of factors such as historical performance of the plan and its assets, currently available market and industry data and expected benefit payout streams. The assumptions used may differ materially from actual results due to, among other factors, changing market and economic conditions and changes in participant demographics. These differences may have a significant effect on the Company s Consolidated Financial Statements and liquidity. Differences between the expected return and the actual return on plan assets and actuarial gains (losses) are immediately recognized in Operating expenses in the Consolidated Statements of Operations.

For postretirement healthcare and other benefits to retirees, the entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued in Other liabilities over the period of employment using an

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

accounting methodology similar to that for defined benefit pension plans. Actuarial gains (losses) are immediately recognized in Operating expenses in the Consolidated Statements of Operations.

Share-based Compensation

The Company grants certain employees and directors stock-based compensation awards under various plans. Certain employees of the Company have in the past participated in various ING Group share-based compensation plans for which awards remain outstanding. Both the ING U.S., Inc. and the ING Group share-based compensation plans are subject to certain vesting conditions. The Company measures the cost of the share-based awards at their grant date fair value, based upon the market value of the stock, and recognizes that cost over the vesting period. Differences in actual versus expected experience or changes in expected forfeitures are recognized in the period of change. Compensation expense is principally related to the granting of performance share units, restricted stock units and stock options and is recognized in Operating expenses in the Consolidated Statements of Operations. The majority of awards granted are provided in the first quarter of each year.

Earnings per Common Share

Basic earnings per common share (EPS) is computed by dividing earnings available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted EPS is computed assuming the issuance of nonvested shares, restricted stock units, and performance share units using the treasury stock method. Under the treasury stock method, the Company utilizes the average market price to determine the amount of cash that would be available to repurchase shares if the common shares vested. The net incremental share count issued represents the potential dilutive or anti-dilutive securities.

For any period where a loss from earnings available to common shareholders is experienced, shares used in the diluted EPS calculation represent basic shares because using diluted shares would be anti-dilutive to the calculation.

Consolidation and Noncontrolling Interests

The Company consolidates entities in which it, directly or indirectly, is determined to have a controlling financial interest.

VIEs: The Company consolidates VIEs for which it is the primary beneficiary. An entity is a VIE if it has equity investors who lack the characteristics of a controlling financial interest or it does not have sufficient equity at risk to finance its expected activities without additional subordinated financial support from other parties. The primary beneficiary (a) has the power to direct the activities of the entity that most significantly impact the entity s economic performance and (b) has the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the entity.

VOEs: For entities determined not to be VIEs, the Company consolidates entities in which it has an equity investment of greater than 50% and has control over significant operating, financial and investing decisions of the entity. Additionally, the Company consolidates entities in which the Company is a substantive, controlling general partner, and the limited partners have no substantive rights to impact ongoing governance and operating activities of the partnership.

The Company provides investment management services to, and has transactions with, various CLO entities, private equity funds, real estate funds, fund-of-hedge funds, single strategy hedge funds, insurance entities, securitizations and other investment entities in the normal course of business. In certain instances, the Company serves as the investment manager, making day-to-day investment decisions concerning the assets of these entities. These entities are considered to be either VIEs or VOEs, and the Company evaluates its involvement

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

with each entity to determine whether consolidation is required. Investment management fees and contingent performance fees are recorded in Fee income in the Consolidated Statements of Operations.

For certain investment funds after January 1, 2010, and all entities prior to January 1, 2010, the determination is based on previous consolidation guidelines that require an analysis to determine whether (a) an entity in which the Company holds a variable interest is a VIE and (b) the Company s involvement, through holding interests directly or indirectly in the entity or contractually through other variable interests (e.g., management fees), would be expected to absorb a majority of the entity s expected losses or receive a majority of residual returns in the entity, or both.

The determination of whether an entity in which the Company holds a variable interest is a VIE requires judgments, which include (1) determining whether the equity investment at risk is sufficient to permit the entity to finance its activities without additional subordinated financial support; (2) evaluating whether the equity holders, as a group, can make decisions that have a significant effect on the success of the entity; (3) determining whether two or more parties equity interests should be aggregated; and (4) determining whether the equity investors have proportionate voting rights to their obligations to absorb losses or rights to receive returns from an entity. The Company determines whether it is the primary beneficiary of a VIE at the time it becomes involved with a VIE. Consolidation conclusions are reviewed quarterly to identify whether any reconsideration events have occurred, which would require detailed reassessment of the VIE status.

The Company has elected to apply the FVO for financial assets and financial liabilities held by consolidated CLO entities and continues to measure these assets (primarily senior bank and corporate loans) and liabilities (debt obligations issued by CLO entities) at fair value in subsequent periods. The Company has elected the FVO to more closely align its accounting with the economics of its transactions. This election allows the Company to more effectively align changes in the fair value of CLO assets with a commensurate change in the fair value of CLO liabilities.

Noncontrolling interest represents the interests of shareholders, other than the Company, in consolidated entities. In the Consolidated Statements of Operations, net earnings and losses attributable to noncontrolling interest represents such shareholders interests in the earnings and losses of those entities, or the attribution of results from consolidated VIEs or VOEs to which the Company is not economically entitled.

Contingencies

A loss contingency is an existing condition, situation or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future events occur or fail to occur. Examples of loss contingencies include pending or threatened adverse litigation, threat of expropriation of assets and actual or possible claims and assessments. Amounts related to loss contingencies are accrued and recorded in Other liabilities on the Consolidated Balance Sheets if it is probable that a loss has been incurred and the amount can be reasonably estimated, based on the Company s best estimate of the ultimate outcome. If determined to meet the criteria for a reserve, the Company also evaluates whether there are external legal or other costs directly associated with the resolution of the matter and accrues such costs if estimable.

Adoption of New Pronouncements

Financial Instruments

Derivatives and Hedging

In July 2013, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2013-10, Derivatives and Hedging (Accounting Standards Codification (ASC) Topic 815): Inclusion

F-28

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes (ASU 2013-10), which permits an entity to use the Fed Funds Effective Swap Rate (OIS) to be used as a U.S. benchmark interest rate for hedge accounting purposes. In addition, the guidance removes the restriction on using different benchmark rates for similar hedges.

The provisions of ASU 2013-10 were adopted by the Company on July 17, 2013 for qualifying new or redesigned hedges entered into on or after that date. The adoption had no effect on the Company s financial condition, results of operations or cash flows.

Deferred Policy Acquisition Costs

Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts

In October 2010, the FASB issued ASU 2010-26, Financial Services Insurance (ASC Topic 944): Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts (ASU 2010-26), which provides new guidance related to acquisition costs of new or renewal insurance contracts that qualify for deferral. Costs that should be capitalized include (1) incremental direct costs of successful contract acquisition and (2) certain costs related directly to successful acquisition activities (underwriting, policy issuance and processing, medical and inspection, and sales force contract selling) performed by the insurer for the contract. Advertising costs should be included in DAC only if the capitalization criteria for direct-response advertising guidance is met. All other acquisition-related costs should be charged to expense as incurred.

The Company early adopted the provisions of ASU 2010-26 on January 1, 2011, and applied the provisions retrospectively. If the Company s Consolidated Balance Sheet as of December 31, 2010 had been issued prior to implementation, the impact to the Company s January 1, 2011 Retained earnings, as a result of implementation, would have been a decrease of $1.2 billion, net of income taxes of $300.8.

Presentation and Disclosure

Disclosures about Offsetting Assets and Liabilities

In December 2011, FASB issued ASU 2011-11, Balance Sheet (ASC Topic 210): Disclosures about Offsetting Assets and Liabilities (ASU 2011-11), which requires an entity to disclose both gross and net information about instruments and transactions eligible for offset in the statement of financial position, as well as instruments and transactions subject to an agreement similar to a master netting arrangement. In addition, the standard requires disclosure of collateral received and posted in connection with master netting agreements or similar arrangements.

In January 2013, the FASB issued ASU 2013-01, Balance Sheet (ASC Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities (ASU 2013-01), which clarifies that the scope of ASU 2011-11 applies to derivatives accounted for in accordance with ASU Topic 815, Derivatives and Hedging, including bifurcated embedded derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions that are either offset in accordance with Section 210-20-45 or Section 815-10-45 or subject to an enforceable master netting arrangement or similar agreement.

The provisions of ASU 2013-01 and ASU 2011-11 were adopted retrospectively by the Company on January 1, 2013. The adoption had no effect on the Company s financial condition, results of operations or cash flows, as the pronouncement only pertains to additional disclosure. The disclosures required by ASU 2011-11 and ASU 2013-01 are included in Note 3. Derivative Financial Investments to these Consolidated Financial Statements.

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Disclosures about Amounts Reclassified out of Accumulated Other Comprehensive Income

In January 2013, the FASB issued ASU 2013-02, Comprehensive Income (ASC Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income (ASU 2013-02), which requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income, but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under U.S. GAAP that provide additional detail about those amounts.

The provisions of ASU 2013-02 were adopted by the Company on January 1, 2013. The adoption had no effect on the Company s financial condition, results of operations or cash flows, as the pronouncement only pertains to additional disclosure. The disclosures required by ASU 2013-02, including comparative period disclosures, are included in Note 14. Accumulated Other Comprehensive Income to these Consolidated Financial Statements.

Future Adoption of Accounting Pronouncements

Income Taxes

In July 2013, the FASB issued ASU 2013-11, Income Taxes (ASC Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists (ASU 2013-11), which clarifies that:

An unrecognized tax benefit should be presented as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss or a tax credit carryforward, except,

An unrecognized tax benefit should be presented as a liability and not be combined with a deferred tax asset (i) to the extent a net operating loss carryforward, a similar tax loss or a tax credit carryforward is not available at the reporting date to settle any additional income taxes that would result from the disallowance of a tax position or (ii) the tax law does not require the entity to use, or the entity does not intend to use, the deferred tax asset for such a purpose.

The assessment of whether a deferred tax asset is available is based on the unrecognized tax benefit and deferred tax asset that exist at the reporting date and should be made presuming disallowance of the tax position at the reporting date.

The provisions of ASU 2013-11 are effective for years, and interim periods within those years, beginning after December 15, 2013, and should be applied prospectively to all unrecognized tax benefits that exist at the effective date. The Company does not expect ASU 2013-11 to have an impact on its financial condition, results of operations or cash flows as the guidance is consistent with that currently applied.

Investment Companies

In June 2013, the FASB issued ASU 2013-08, Financial Services-Investment Companies (ASC Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements (ASU 2013-08), which provides comprehensive guidance for assessing whether an entity is an investment company and requires an investment company to measure noncontrolling ownership interests in other investment companies at fair value. ASU 2013-08 also requires an entity to disclose that it is an investment company and any changes to that status, as well as information about financial support provided or required to be provided to investees.

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The provisions of ASU 2013-08 are effective for interim and annual reporting periods in years beginning after December 15, 2013, and should be applied prospectively for entities that are investment companies upon the effective date of the amendments. The Company is currently in the process of determining the impact of adoption of the provisions of ASU 2013-08.

Joint and Several Liability Arrangements

In February 2013, the FASB issued ASU 2013-04, Liabilities (ASC Topic 405): Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date (ASU 2013-04), which requires an entity to measure obligations resulting from joint and several liable arrangements for which the total amount of the obligation within the scope of this guidance is fixed at the reporting date, as the sum of (1) the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors and (2) any additional amount it expects to pay on behalf of its co-obligors. ASU 2013-04 also requires an entity to disclose the nature and amount of the obligation, as well as other information about those obligations.

The provisions of ASU 2013-04 are effective for years, and interim periods within those years, beginning after December 15, 2013. The amendments should be applied retrospectively for those obligations resulting from joint and several liability arrangements that exist at the beginning of an entity s year of adoption. The Company does not expect ASU 2013-04 to have an impact on its financial condition, results of operations or cash flows, as the Company does not have any fixed obligations under joint and several liable arrangements as of December 31, 2013.

Fees Paid to the Federal Government by Health Insurers

In July 2011, the FASB issued ASU 2011-06, Other Expenses (Topic 720): Fees Paid to the Federal Government by Health Insurers (ASU 2011-06), which specifies how health insurers should recognize and classify the annual fee imposed by the Patient Protection and Affordable Care Act as amended by the Health Care Education Reconciliation Act (the Acts). The liability for the fee should be estimated and recorded in full at the time the entity provides qualifying health insurance in the year in which the fee is payable, with a corresponding deferred cost that is amortized to expense.

The provisions of ASU 2011-06 are effective for calendar years beginning after December 31, 2013, when the fee initially becomes effective. The Company does not expect ASU 2011-06 to have an impact on its financial condition, results of operations or cash flows, as the amount of net premium written for qualifying health insurance by the Company is expected to be below the $25.0 threshold as defined by the Acts and, thus, not subject to the fee.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

2. Investments (excluding Consolidated Investment Entities)

Fixed Maturities and Equity Securities

Available-for-sale and fair value option (FVO) fixed maturities and equity securities were as follows as of December 31, 2013:

	Amortized Cost	Gross Unrealized Capital Gains	Gross Unrealized Capital Losses	Embedded Derivatives[2]	Fair Value	OTTI[3]
Fixed maturities:						
U.S. Treasuries	$ 5,094.0	$ 174.0	$ 86.8	$	$ 5,181.2	$
U.S. Government agencies and authorities	598.0	22.3	1.4		618.9	
State, municipalities and political subdivisions	272.0	10.6	1.5		281.1	
U.S. corporate securities	36,010.3	2,174.5	706.2		37,478.6	12.8
Foreign securities[1]:						
Government	1,044.0	49.6	42.2		1,051.4	
Other	14,617.4	864.2	176.5		15,305.1	
Total foreign securities	15,661.4	913.8	218.7		16,356.5	
Residential mortgage-backed securities:						
Agency	5,379.2	431.1	62.1	79.2	5,827.4	0.4
Non-Agency	1,101.1	166.2	18.3	47.3	1,296.3	103.2
Total Residential mortgage-backed securities	6,480.3	597.3	80.4	126.5	7,123.7	103.6
Commercial mortgage-backed securities	3,427.9	327.7	3.5		3,752.1	4.4
Other asset-backed securities	1,883.1	81.6	38.0		1,926.7	5.2
Total fixed maturities, including securities pledged	69,427.0	4,301.8	1,136.5	126.5	72,718.8	126.0
Less: Securities pledged	1,457.9	24.6	16.8		1,465.7	

Total fixed maturities	67,969.1	4,277.2	1,119.7	126.5	71,253.1	126.0
Equity securities:						
Common stock	214.3	5.1	0.9		218.5	
Preferred stock	53.1	43.4	0.6		95.9	
Total equity securities	267.4	48.5	1.5		314.4	
Total fixed maturities and equity securities investments	$ 68,236.5	$ 4,325.7	$ 1,121.2	$ 126.5	$ 71,567.5	$ 126.0

(1) Primarily U.S. dollar denominated.

(2) Embedded derivatives within fixed maturity securities are reported with the host investment. The changes in fair value of embedded derivatives are reported in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

(3) Represents OTTI reported as a component of Other comprehensive income.

F-32

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Available-for-sale and FVO fixed maturities and equity securities were as follows as of December 31, 2012:

	Amortized Cost	Gross Unrealized Capital Gains	Gross Unrealized Capital Losses	Embedded Derivatives[2]	Fair Value	OTTI[3]
Fixed maturities:						
U.S. Treasuries	$ 5,194.3	$ 691.2	$ 1.8	$	$ 5,883.7	$
U.S. Government agencies and authorities	645.4	78.8			724.2	
State, municipalities and political subdivisions	320.2	32.6			352.8	
U.S. corporate securities	32,986.1	4,226.6	48.8		37,163.9	13.4
Foreign securities[1]:						
Government	1,069.4	125.2	4.6		1,190.0	
Other	13,321.8	1,527.4	54.7		14,794.5	
Total foreign securities	14,391.2	1,652.6	59.3		15,984.5	
Residential mortgage-backed securities:						
Agency	5,071.6	633.3	14.8	156.0	5,846.1	1.2
Non-Agency	1,612.6	198.6	71.9	81.6	1,820.9	139.6
Total Residential mortgage-backed securities	6,684.2	831.9	86.7	237.6	7,667.0	140.8
Commercial mortgage-backed securities	4,438.9	513.6	6.1		4,946.4	4.4
Other asset-backed securities	2,536.4	128.4	90.0	(10.2)	2,564.6	15.4
Total fixed maturities, including securities pledged	67,196.7	8,155.7	292.7	227.4	75,287.1	174.0
Less: Securities pledged	1,470.0	139.6	4.1		1,605.5	
Total fixed maturities	65,726.7	8,016.1	288.6	227.4	73,681.6	174.0
Equity securities:						
Common stock	194.4	13.2	1.0		206.6	
Preferred stock	103.5	30.0			133.5	

Total equity securities	297.9	43.2	1.0		340.1	
Total fixed maturities and equity securities investments	$ 66,024.6	$ 8,059.3	$ 289.6	$ 227.4	$ 74,021.7	$ 174.0

(1) Primarily U.S. dollar denominated.

(2) Embedded derivatives within fixed maturity securities are reported with the host investment. The changes in fair value of embedded derivatives are reported in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

(3) Represents OTTI reported as a component of Other comprehensive income.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The amortized cost and fair value of fixed maturities, including securities pledged, as of December 31, 2013, are shown below by contractual maturity. Actual maturities may differ from contractual maturities as securities may be restructured, called, or prepaid. Mortgage-backed securities (MBS) and Other asset-backed securities (ABS) are shown separately because they are not due at a single maturity date.

	Amortized Cost	Fair Value
Due to mature:		
One year or less	$ 2,104.7	$ 2,153.6
After one year through five years	13,588.4	14,397.4
After five years through ten years	20,970.4	21,303.4
After ten years	20,972.2	22,061.9
Mortgage-backed securities	9,908.2	10,875.8
Other asset-backed securities	1,883.1	1,926.7
Fixed maturities, including securities pledged	$ 69,427.0	$ 72,718.8

The investment portfolio is monitored to maintain a diversified portfolio on an ongoing basis. Credit risk is mitigated by monitoring concentrations by issuer, sector and geographic stratification and limiting exposure to any one issuer.

As of December 31, 2013 and 2012, the Company did not have any investments in a single issuer, other than obligations of the U.S. Government and government agencies, with a carrying value in excess of 10% of the Company s consolidated Shareholders equity.

The following tables set forth the composition of the U.S. and foreign corporate securities within the fixed maturity portfolio by industry category as of the dates indicated:

	Amortized Cost	Gross Unrealized Capital Gains	Gross Unrealized Capital Losses	Fair Value
December 31, 2013				
Communications	$ 4,016.2	$ 293.0	$ 73.4	$ 4,235.8
Financial	6,640.7	566.6	72.6	7,134.7
Industrial and other companies	29,303.1	1,524.5	564.5	30,263.1
Utilities	9,200.6	570.0	142.2	9,628.4

Transportation	1,467.1	84.6	30.0	1,521.7
Total	$ 50,627.7	$ 3,038.7	$ 882.7	$ 52,783.7
December 31, 2012				
Communications	$ 3,609.5	$ 563.4	$ 2.4	$ 4,170.5
Financial	5,912.9	749.4	46.7	6,615.6
Industrial and other companies	26,613.3	3,063.3	24.2	29,652.4
Utilities	8,893.1	1,210.5	28.9	10,074.7
Transportation	1,279.1	167.4	1.3	1,445.2
Total	$ 46,307.9	$ 5,754.0	$ 103.5	$ 51,958.4

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Fixed Maturities and Equity Securities

The Company s fixed maturities and equity securities are currently designated as available-for-sale, except those accounted for using the fair value option (FVO). Available-for-sale securities are reported at fair value and unrealized capital gains (losses) on these securities are recorded directly in Accumulated other comprehensive income (loss) (AOCI), and presented net of related changes in DAC, VOBA, and deferred income taxes. In addition, certain fixed maturities have embedded derivatives, which are reported with the host contract on the Consolidated Balance Sheets.

The Company has elected the FVO for certain of its fixed maturities to better match the measurement of assets and liabilities in the Consolidated Statements of Operations. Certain collateralized mortgage obligations (CMOs), primarily interest-only and principal-only strips, are accounted for as hybrid instruments and valued at fair value with changes in the fair value recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

The Company invests in various categories of CMOs, including CMOs that are not agency-backed, that are subject to different degrees of risk from changes in interest rates and defaults. The principal risks inherent in holding CMOs are prepayment and extension risks related to significant decreases and increases in interest rates resulting in the prepayment of principal from the underlying mortgages, either earlier or later than originally anticipated. As of December 31, 2013 and 2012, approximately 38.3% and 33.1%, respectively, of the Company s CMO holdings, such as interest-only or principal-only strips were invested in those types of CMOs that are subject to more prepayment and extension risk than traditional CMOs.

Repurchase Agreements

As of December 31, 2013 and 2012, the Company did not have any securities pledged in dollar rolls, repurchase agreement transactions or reverse repurchase agreements.

Securities Lending

As of December 31, 2013 and 2012, the fair value of loaned securities was $435.4 and $601.8, respectively, and is included in Securities pledged on the Consolidated Balance Sheets. As of December 31, 2013 and 2012, collateral retained by the lending agent and invested in liquid assets on the Company s behalf was $451.0 and $619.5, respectively, and recorded in Short-term investments under securities loan agreement, including collateral delivered on the Consolidated Balance Sheets. As of December 31, 2013 and 2012, liabilities to return collateral of $451.0 and $619.5, respectively, were included in Payables under securities loan agreement, including collateral held on the Consolidated Balance Sheets.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Unrealized Capital Losses

Unrealized capital losses (including noncredit impairments), along with the fair value of fixed maturity securities, including securities pledged, by market sector and duration were as follows as of December 31, 2013:

	Six Months or Less Below Amortized Cost		More Than Six Months and Twelve Months or Less Below Amortized Cost		More Than Twelve Months Below Amortized Cost		Total	
	Fair Value	**Unrealized Capital Losses**	**Fair Value**	**Unrealized Capital Losses**	**Fair Value**	**Unrealized Capital Losses**	**Fair Value**	**Unrealized Capital Losses**
2013								
U.S. Treasuries	$ 1,559.5	$ 24.3	$ 1,087.6	$ 52.6	$ 41.9	$ 9.9	$ 2,689.0	$ 86.8
U.S. Government agencies and authorities	9.5	*	55.9	1.4			65.4	1.4
U.S. corporate, state and municipalities	3,524.9	78.5	6,893.9	519.6	821.9	109.6	11,240.7	707.7
Foreign	1,133.6	16.0	2,447.8	184.3	179.1	18.4	3,760.5	218.7
Residential mortgage-backed	919.1	8.3	1,019.6	40.6	377.9	31.5	2,316.6	80.4
Commercial mortgage-backed	235.8	3.3			6.2	0.2	242.0	3.5
Other asset-backed	150.6	0.9	105.5	1.5	299.3	35.6	555.4	38.0
Total	$ 7,533.0	$ 131.3	$ 11,610.3	$ 800.0	$ 1,726.3	$ 205.2	$ 20,869.6	$ 1,136.5

* Less than $0.1

Unrealized capital losses (including noncredit impairments), along with the fair value of fixed maturity securities, including securities pledged, by market sector and duration were as follows as of December 31, 2012:

Total

	Six Months or Less Below Amortized Cost		More Than Six Months and Twelve Months or Less Below Amortized Cost		More Than Twelve Months Below Amortized Cost			
	Fair Value	**Unrealized Capital Losses**	**Fair Value**	**Unrealized Capital Losses**	**Fair Value**	**Unrealized Capital Losses**	**Fair Value**	**Unrealized Capital Losses**
2012								
U.S. Treasuries	$ 451.2	$ 1.8	$	$	$	$	$ 451.2	$ 1.8
U.S. Government agencies and authorities								
U.S. corporate, state and municipalities	1,333.4	19.2	116.5	3.0	231.2	26.6	1,681.1	48.8
Foreign	360.2	12.7	59.8	7.4	314.9	39.2	734.9	59.3
Residential mortgage-backed	369.3	6.4	42.0	2.1	585.1	78.2	996.4	86.7
Commercial mortgage-backed	22.0	0.2	15.3	1.7	44.4	4.2	81.7	6.1
Other asset-backed	70.2	*	7.0	1.2	609.2	88.8	686.4	90.0
Total	$ 2,606.3	$ 40.3	$ 240.6	$ 15.4	$ 1,784.8	$ 237.0	$ 4,631.7	$ 292.7

* Less than $0.1

Of the unrealized capital losses aged more than twelve months, the average market value of the related fixed maturities was 89.4% and 88.3% of the average book value as of December 31, 2013 and 2012, respectively.

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Unrealized capital losses (including noncredit impairments) in fixed maturities, including securities pledged, for instances in which fair value declined below amortized cost by greater than or less than 20% for consecutive months as indicated in the tables below, were as follows as of the dates indicated:

	Amortized Cost		Unrealized Capital Losses		Number of Securities	
	< 20%	> 20%	< 20%	> 20%	< 20%	> 20%
December 31, 2013						
Six months or less below amortized cost	$ 7,883.3	$ 80.5	$ 166.0	$ 18.6	570	20
More than six months and twelve months or less below amortized cost	12,339.7	67.6	776.8	16.7	798	8
More than twelve months below amortized cost	1,579.2	55.8	144.5	13.9	302	22
Total	$ 21,802.2	$ 203.9	$ 1,087.3	$ 49.2	1,670	50
December 31, 2012						
Six months or less below amortized cost	$ 3,154.6	$ 42.1	$ 95.2	$ 11.4	308	21
More than six months and twelve months or less below amortized cost	363.3	30.2	19.5	10.3	83	9
More than twelve months below amortized cost	940.1	394.1	35.9	120.4	221	95
Total	$ 4,458.0	$ 466.4	$ 150.6	$ 142.1	612	125

Unrealized capital losses (including noncredit impairments) in fixed maturities, including securities pledged, by market sector for instances in which fair value declined below amortized cost by greater than or less than 20% were as follows as of the dates indicated:

	Amortized Cost		Unrealized Capital Losses		Number of Securities	
	< 20%	> 20%	< 20%	> 20%	< 20%	> 20%
December 31, 2013						
U.S. Treasuries	$ 2,750.5	$ 25.3	$ 81.4	$ 5.4	32	1
	66.8		1.4		3	

U.S. Government agencies and authorities						
U.S. corporate, state and municipalities	11,892.6	55.8	694.2	13.5	744	5
Foreign	3,944.2	35.0	211.0	7.7	300	6
Residential mortgage-backed	2,361.4	35.6	70.2	10.2	471	25
Commercial mortgage-backed	245.5		3.5		16	
Other asset-backed	541.2	52.2	25.6	12.4	104	13
Total	$ 21,802.2	$ 203.9	$ 1,087.3	$ 49.2	1,670	50
December 31, 2012						
U.S. Treasuries	$ 453.0	$	$ 1.8	$	3	
U.S. Government agencies and authorities						
U.S. corporate, state and municipalities	1,688.5	41.4	33.1	15.7	109	3
Foreign	684.9	109.3	24.1	35.2	50	14
Residential mortgage-backed	938.3	144.8	42.5	44.2	343	77
Commercial mortgage-backed	85.9	1.9	5.6	0.5	19	1
Other asset-backed	607.4	169.0	43.5	46.5	88	30
Total	$ 4,458.0	$ 466.4	$ 150.6	$ 142.1	612	125

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The following tables summarize loan-to-value, credit enhancement and fixed floating rate details for RMBS and Other ABS in a gross unrealized loss position as of the dates indicated:

	Loan-to-Value Ratio			
	Amortized Cost		Unrealized Capital Losses	
	< 20%	> 20%	< 20%	> 20%
December 31, 2013				
RMBS and Other ABS(1)				
Non-agency RMBS > 100%	$ 75.7	$ 36.4	$ 2.9	$ 8.3
Non-agency RMBS 90% - 100%	156.8	24.1	8.6	5.7
Non-agency RMBS 80% - 90%	151.3	5.9	8.4	1.7
Non-agency RMBS < 80%	284.7	8.0	15.5	2.2
Agency RMBS	2,008.9	11.3	57.9	4.2
Other ABS (Non-RMBS)	225.2	2.1	2.5	0.5
Total RMBS and Other ABS	$ 2,902.6	$ 87.8	$ 95.8	$ 22.6

	Credit Enhancement Percentage			
	Amortized Cost		Unrealized Capital Losses	
	< 20%	> 20%	< 20%	> 20%
December 31, 2013				
RMBS and Other ABS(1)				
Non-agency RMBS 10% +	$ 407.1	$ 47.7	$ 27.6	$ 11.1
Non-agency RMBS 5% - 10%	43.9	0.8	1.2	0.2
Non-agency RMBS 0% - 5%	90.4	3.9	1.9	0.8
Non-agency RMBS 0%	127.1	22.0	4.7	5.8
Agency RMBS	2,008.9	11.3	57.9	4.2
Other ABS (Non-RMBS)	225.2	2.1	2.5	0.5
Total RMBS and Other ABS	$ 2,902.6	$ 87.8	$ 95.8	$ 22.6

	Fixed Rate/Floating Rate			
	Amortized Cost		Unrealized Capital Losses	
	< 20%	> 20%	< 20%	> 20%

December 31, 2013				
Fixed Rate	$ 1,723.7	$ 4.4	$ 50.5	$ 1.6
Floating Rate	1,178.9	83.4	45.3	21.0
Total	$ 2,902.6	$ 87.8	$ 95.8	$ 22.6

(1) For purposes of this table, subprime mortgages are included in Non-agency RMBS categories.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

	Loan-to-Value Ratio			
	Amortized Cost		Unrealized Capital Losses	
	< 20%	> 20%	< 20%	> 20%
December 31, 2012				
RMBS and Other ABS[1]				
Non-agency RMBS > 100%	$ 562.3	$ 203.8	$ 39.5	$ 58.0
Non-agency RMBS 90% - 100%	134.2	35.2	12.8	10.7
Non-agency RMBS 80% - 90%	78.9	46.9	7.5	12.1
Non-agency RMBS < 80%	288.9	17.5	14.0	5.5
Agency RMBS	398.0	8.1	11.0	3.8
Other ABS (Non-RMBS)	83.4	2.3	1.2	0.6
Total RMBS and Other ABS	$ 1,545.7	$ 313.8	$ 86.0	$ 90.7

	Credit Enhancement Percentage			
	Amortized Cost		Unrealized Capital Losses	
	< 20%	> 20%	< 20%	> 20%
December 31, 2012				
RMBS and Other ABS[1]				
Non-agency RMBS 10% +	$ 706.8	$ 187.1	$ 53.8	$ 51.2
Non-agency RMBS 5% - 10%	187.6	2.2	6.8	0.7
Non-agency RMBS 0% - 5%	89.4	12.3	7.6	4.2
Non-agency RMBS 0%	80.5	101.8	5.6	30.2
Agency RMBS	398.0	8.1	11.0	3.8
Other ABS (Non-RMBS)	83.4	2.3	1.2	0.6
Total RMBS and Other ABS	$ 1,545.7	$ 313.8	$ 86.0	$ 90.7

	Fixed Rate/Floating Rate			
	Amortized Cost		Unrealized Capital Losses	
	< 20%	> 20%	< 20%	> 20%
December 31, 2012				
Fixed Rate	$ 669.4	$ 33.3	$ 14.2	$ 10.2
Floating Rate	876.3	280.5	71.8	80.5
Total	$ 1,545.7	$ 313.8	$ 86.0	$ 90.7

(1) For purposes of this table, subprime mortgages are included in Non-agency RMBS categories.

All investments with fair values less than amortized cost are included in the Company s other-than-temporary impairments analysis, and impairments were recognized as disclosed in the Evaluating Securities for Other-Than-Temporary Impairments section below. The Company evaluates non-agency RMBS and ABS for other-than-temporary impairments each quarter based on actual and projected cash flows after considering the quality and updated loan-to-value ratios reflecting current home prices of underlying collateral, forecasted loss severity, the payment priority within the tranche structure of the security and amount of any credit enhancements. The Company s assessment of current levels of cash flows compared to estimated cash flows at the time the securities were acquired indicates the amount and the pace of projected cash flows from the underlying collateral has generally been lower and slower, respectively. However, since cash flows are typically projected at a trust level, the impairment review incorporates the security s position within the trust structure as well as credit enhancement remaining in the trust to determine whether an impairment is warranted. Therefore, while lower and slower cash flows will impact the trust, the effect on a particular security within the trust will be dependent upon

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

the trust structure. Where the assessment continues to project full recovery of principal and interest on schedule, the Company has not recorded an impairment. Unrealized losses on below investment grade securities are principally related to RMBS (primarily Alt-A RMBS), and ABS (primarily subprime RMBS) largely due to economic and market uncertainties including concerns over unemployment levels, lower interest rate environment on floating rate securities requiring higher risk premiums since purchase and valuations on residential real estate supporting non-agency RMBS. Based on this analysis, the Company determined that the remaining investments in an unrealized loss position were not other-than-temporarily impaired and therefore no further other-than-temporary impairment was necessary.

Troubled Debt Restructuring

The Company invests in high quality, well performing portfolios of commercial mortgage loans and private placements. Under certain circumstances, modifications are granted to these contracts. Each modification is evaluated as to whether a troubled debt restructuring has occurred. A modification is a troubled debt restructuring when the borrower is in financial difficulty and the creditor makes concessions. Generally, the types of concessions may include reducing the face amount or maturity amount of the debt as originally stated, reducing the contractual interest rate, extending the maturity date at an interest rate lower than current market interest rates and/or reducing accrued interest. The Company considers the amount, timing and extent of the concession granted in determining any impairment or changes in the specific valuation allowance recorded in connection with the troubled debt restructuring. A valuation allowance may have been recorded prior to the quarter when the loan is modified in a troubled debt restructuring. Accordingly, the carrying value (net of the specific valuation allowance) before and after modification through a troubled debt restructuring may not change significantly, or may increase if the expected recovery is higher than the pre-modification recovery assessment. As of December 31, 2013, the Company had no new private placement troubled debt restructurings and had 21 new commercial mortgage loan troubled debt restructurings with a pre-modification and post modification carrying value of $91.0. Of these 21 commercial mortgage loans, 20 comprise a portfolio of cross-defaulted, cross-collateralized individual loans, which are owned by the same sponsor. Between the date of the troubled debt restructurings and December 31, 2013, these loans have repaid $4.2 in principal. As of December 31, 2012, the Company had one private placement troubled debt restructuring with a pre-modification carrying value of $1.2, which was written down to zero and no commercial mortgage loan troubled debt restructurings.

As of December 31, 2013 and 2012, the Company did not have any commercial mortgage loans or private placements modified in a troubled debt restructuring with a subsequent payment default.

Mortgage Loans on Real Estate

The Company s mortgage loans on real estate are all commercial mortgage loans held for investment, which are reported at amortized cost, less impairment write-downs and allowance for losses. The Company diversifies its commercial mortgage loan portfolio by geographic region and property type to reduce concentration risk. The Company manages risk when originating commercial mortgage loans by generally lending only up to 75% of the estimated fair value of the underlying real estate. Subsequently, the Company continuously evaluates all mortgage loans based on relevant current information including a review of loan-specific credit quality, property characteristics and market trends. Loan performance is monitored on a loan specific basis through the review of submitted appraisals, operating statements, rent revenues and annual inspection reports, among other items. This review ensures properties are performing at a consistent and acceptable level to secure the debt. The components to evaluate debt service coverage are received and reviewed at least annually to determine the level of risk.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The following table summarizes the Company s investment in mortgage loans as of the dates indicated:

	December 31, 2013	December 31, 2012
Commercial mortgage loans	$ 9,316.0	$ 8,666.2
Collective valuation allowance	(3.8)	(3.9)
Total net commercial mortgage loans	$ 9,312.2	$ 8,662.3

There were no impairments taken on the mortgage loan portfolio for the year ended December 31, 2013.

Impairments taken on the mortgage loan portfolio for the years ended December 31, 2012 and 2011 were $7.7 and $9.3, respectively.

The following table summarizes the activity in the allowance for losses for all commercial mortgage loans for the periods indicated:

	December 31, 2013	December 31, 2012
Collective valuation allowance for losses, balance at January 1	$ 3.9	$ 4.4
Addition to (reduction of) allowance for losses	(0.1)	(0.5)
Collective valuation allowance for losses, end of period	$ 3.8	$ 3.9

The carrying values and unpaid principal balances of impaired mortgage loans were as follows as of the dates indicated:

	December 31, 2013	December 31, 2012
Impaired loans with allowances for losses	$	$
Impaired loans without allowances for losses	94.3	16.8
Subtotal	94.3	16.8

Less: Allowances for losses on impaired loans				
Impaired loans, net	$	94.3	$	16.8
Unpaid principal balance of impaired loans	$	96.7	$	31.9

The following table presents information on impaired loans, restructured loans, loans 90 days or more past due and loans in foreclosure as of the dates indicated:

	December 31, 2013		December 31, 2012	
Troubled debt restructured loans	$	86.6	$	
Loans 90 days or more past due, interest no longer accruing, at amortized cost		5.1		
Loans in foreclosure, at amortized cost				9.0
Unpaid principal balance of loans 90 days or more past due, interest no longer accruing		5.1		

The Company s policy is to recognize interest income until a loan becomes 90 days delinquent or foreclosure proceedings are commenced, at which point interest accrual is discontinued. Interest accrual is not resumed until the loan is brought current.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The following table presents the aging of past due mortgage loans at carrying value as of the dates indicated:

($ in millions)	30 days or less past due	31 to 90 days past due	91 to 180 days past due	181 days or more past due	Total
As of December 31, 2013	$	$ 5.1	$	$	$ 5.1
As of December 31, 2012				9.0	9.0

There were no mortgage loans in the Company s portfolio in process of foreclosure as of December 31, 2013. There were four mortgage loans in the Company s portfolio in process of foreclosure as of December 31, 2012 with a total amortized cost of $9.0.

There was one loan in arrears with respect to principal and interest as of December 31, 2013 with a total amortized cost of $5.1. There were no loans in arrears with respect to principal and interest as of December 31, 2012.

The following table presents information on the average investment during the period in impaired loans and interest income recognized on impaired and troubled debt restructured loans for the periods indicated:

	Years Ended December 31, 2013	2012	2011
Impaired loans, average investment during the period (amortized cost)(1)	$ 55.6	$ 32.7	$ 43.7
Interest income recognized on impaired loans, on an accrual basis(1)	2.9	0.7	1.8
Interest income recognized on impaired loans, on a cash basis(1)	2.9	0.8	1.8
Interest income recognized on troubled debt restructured loans, on an accrual basis	2.4	0.3	0.3

(1) Includes amounts for Troubled debt restructured loans.

Loan-to-value (LTV) and debt service coverage (DSC) ratios are measures commonly used to assess the risk and quality of mortgage loans. The LTV ratio, calculated at time of origination, is expressed as a percentage of the amount of the loan relative to the value of the underlying property. A LTV ratio in excess of 100% indicates the unpaid loan amount exceeds the underlying collateral. The DSC ratio, based upon the most recently received financial statements, is expressed as a percentage of the amount of a property s net income to its debt service payments. A DSC ratio of less than 1.0 indicates that property s operations do not generate sufficient income to cover debt payments. These ratios are utilized as part of the review process described above.

The following table presents the LTV ratios as of the dates indicated:

	December 31, 2013[1]	December 31, 2012[1]
Loan-to-Value Ratio:		
0% - 50%	$ 1,782.6	$ 1,987.9
50% - 60%	2,390.0	2,425.2
60% - 70%	4,668.3	3,736.1
70% - 80%	455.8	481.7
80% and above	19.3	35.3
Total Commercial mortgage loans	$ 9,316.0	$ 8,666.2

(1) Balances do not include allowance for mortgage loan credit losses.

F-42

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The following table presents the DSC ratios as of the dates indicated:

	December 31, 2013[(1)]	December 31, 2012[(1)]
Debt Service Coverage Ratio:		
Greater than 1.5x	$ 6,346.5	$ 5,953.7
1.25x - 1.5x	1,520.9	1,336.3
1.0x - 1.25x	980.6	992.7
Less than 1.0x	467.8	374.6
Commercial mortgage loans secured by land or construction loans	0.2	8.9
Total Commercial mortgage loans	$ 9,316.0	$ 8,666.2

(1) Balances do not include allowance for mortgage loan credit losses.

Properties collateralizing mortgage loans are geographically dispersed throughout the United States, as well as diversified by property type, as reflected in the following tables as of the dates indicated:

	December 31, 2013[(1)]		December 31, 2012[(1)]	
	Gross Carrying Value	% of Total	Gross Carrying Value	% of Total
Commercial Mortgage Loans by U.S. Region:				
Pacific	$ 2,281.8	24.5%	$ 1,973.9	22.8%
South Atlantic	1,936.0	20.8%	1,687.6	19.4%
West South Central	1,122.3	12.0%	1,176.3	13.6%
Middle Atlantic	1,112.0	11.9%	1,059.5	12.2%
East North Central	1,037.5	11.1%	962.8	11.1%
Mountain	790.4	8.5%	718.2	8.3%
West North Central	517.2	5.6%	537.5	6.2%
New England	318.1	3.4%	334.6	3.9%
East South Central	200.7	2.2%	215.8	2.5%

Total Commercial mortgage loans	$ 9,316.0	100.0%	$ 8,666.2	100.0%

(1) Balances do not include allowance for mortgage loan credit losses.

	December 31, 2013[(1)]		December 31, 2012[(1)]	
	Gross Carrying Value	**% of Total**	**Gross Carrying Value**	**% of Total**
Commercial Mortgage Loans by Property Type:				
Retail	$ 2,936.9	31.5%	$ 2,350.2	27.1%
Industrial	2,848.0	30.6%	3,361.5	38.8%
Apartments	1,296.1	13.9%	952.1	11.0%
Office	1,242.2	13.3%	1,284.7	14.8%
Hotel/Motel	430.6	4.6%	280.6	3.2%
Mixed Use	184.1	2.0%	74.0	0.9%
Other	378.1	4.1%	363.1	4.2%
Total Commercial mortgage loans	$ 9,316.0	100.0%	$ 8,666.2	100.0%

(1) Balances do not include allowance for mortgage loan credit losses.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The following table sets forth the breakdown of mortgages by year of origination as of the dates indicated:

	December 31, 2013[(1)]	December 31, 2012[(1)]
Year of Origination:		
2013	$ 2,199.8	$
2012	1,743.3	1,821.0
2011	1,835.9	1,940.8
2010	409.8	429.9
2009	149.5	175.1
2008	408.6	725.1
2007 and prior	2,569.1	3,574.3
Total Commercial mortgage loans	$ 9,316.0	$ 8,666.2

(1) Balances do not include allowance for mortgage loan credit losses.

Evaluating Securities for Other-Than-Temporary Impairments

The Company performs a regular evaluation, on a security-by-security basis, of its available-for-sale securities holdings, including fixed maturity securities and equity securities in accordance with its impairment policy in order to evaluate whether such investments are other-than-temporarily impaired.

The following table identifies the Company s credit-related and intent-related impairments included in the Consolidated Statements of Operations, excluding impairments included in Other comprehensive income (loss) by type for the periods indicated:

	Years Ended December 31,					
	2013		2012		2011	
	Impairment	No. of Securities	Impairment	No. of Securities	Impairment	No. of Securities
U.S. corporate	$		$ 14.3	4	$ 55.2	41
Foreign[(1)]	5.1	1	2.2	5	71.3	61
Residential mortgage-backed	17.4	118	25.2	106	37.7	134
Commercial mortgage-backed	0.6	3	1.7	1	133.7	26

Other asset-backed	8.9	8	2.6	7	195.5	122
Equity	3.0	2				
Mortgage loans on real estate			7.7	2	9.3	7
Other assets[2]	0.7	1	1.4	1		
Total	$ 35.7	133	$ 55.1	126	$ 502.7	391

(1) Primarily U.S. dollar denominated.

(2) Includes loss on real estate owned that is classified as Other assets on the Consolidated Balance Sheets.

The above tables include $21.2, $47.3 and $72.5 of credit impairments for the years ended December 31, 2013, 2012 and 2011, respectively, in Other-than-temporary impairments, which are recognized in the Consolidated Statements of Operations. The remaining $14.5, $7.8 and $430.2 for the years ended December 31, 2013, 2012 and 2011, respectively, are related to intent impairments.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The following table summarizes these intent impairments, which are also recognized in earnings, by type for the periods indicated:

	Years Ended December 31,					
	2013		2012		2011	
	Impairment	No. of Securities	Impairment	No. of Securities	Impairment	No. of Securities
U.S. corporate	$		$ 1.1	2	$ 55.2	40
Foreign[(1)]			1.5	4	59.0	56
Residential mortgage-backed	6.6	22	3.3	10	7.9	27
Commercial mortgage-backed	0.6	3	1.7	1	124.3	26
Other asset-backed	7.3	2	0.2	1	183.8	118
Total	$ 14.5	27	$ 7.8	18	$ 430.2	267

(1) Primarily U.S. dollar denominated.

The Company may sell securities during the period in which fair value has declined below amortized cost for fixed maturities or cost for equity securities. In certain situations, new factors, including changes in the business environment, can change the Company s previous intent to continue holding a security. Accordingly, these factors may lead the Company to record additional intent related capital losses.

The following table identifies the amount of credit impairments on fixed maturities for which a portion of the OTTI loss was recognized in Other comprehensive income (loss) and the corresponding changes in such amounts for the periods indicated:

	Years Ended December 31,		
	2013	2012	2011
Balance at January 1	$ 114.7	$ 133.9	$ 304.6
Additional credit impairments:			
On securities not previously impaired	3.5	9.5	10.3
On securities previously impaired	8.1	17.1	17.0
Reductions:			
Securities intent impaired			(38.2)
Securities sold, matured, prepaid or paid down	(23.5)	(45.8)	(159.8)

Balance at December 31	$ 102.8	$ 114.7	$ 133.9

F-45

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Net Investment Income

The following table summarizes Net investment income for the periods indicated:

	Years Ended December 31,		
	2013	**2012**	**2011**
Fixed maturities	$ 3,952.5	$ 4,184.0	$ 4,402.1
Equity securities, available-for-sale	10.0	17.7	27.3
Mortgage loans on real estate	483.9	500.0	500.0
Policy loans	118.3	121.5	125.6
Short-term investments and cash equivalents	3.5	5.4	6.7
Other	125.3[(1)]	(123.3)[(2)]	(80.8)
Gross investment income	4,693.5	4,705.3	4,980.9
Less: investment expenses	4.5	7.4	12.1
Net investment income	$ 4,689.0	$ 4,697.9	$ 4,968.8

(1) Includes $143.8 in conjunction with a bankruptcy settlement for a prime broker who held assets on behalf of a limited partnership previously written down to realizable value.

(2) Includes a pre-tax loss of $91.9 in conjunction with a sale of certain private equity limited partnership investments. See Note 19. Consolidated Investment Entities-Private Equity Funds and Single Strategy Hedge Funds (Limited Partnership) to these Consolidated Financial Statements for more information.

As of December 31, 2013, the Company did not have any investments in fixed maturities that did not produce net investment income. As of December 31, 2012, the Company had $0.3 of investments in fixed maturities that did not produce net investment income. Fixed maturities are moved to a non-accrual status when the investment defaults.

Interest income on fixed maturities is recorded when earned using an effective yield method, giving effect to amortization of premiums and accretion of discounts. Such interest income is recorded in Net investment income in the Consolidated Statements of Operations.

Net Realized Capital Gains (Losses)

Net realized capital gains (losses) are comprised of the difference between the amortized cost of investments and proceeds from sale and redemption, as well as losses incurred due to the credit-related and intent-related other-than-temporary impairment of investments. Realized investment gains and losses are also primarily generated from changes in fair value of embedded derivatives within product guarantees and fixed maturities, changes in fair value of fixed maturities recorded at FVO and changes in fair value including accruals on derivative instruments, except for effective cash flow hedges. The cost of the investments on disposal is generally determined based on first-in-first-out (FIFO) methodology.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Net realized capital gains (losses) were as follows for the periods indicated:

	Years Ended December 31,		
	2013	2012	2011
Fixed maturities, available-for-sale, including securities pledged	$ 85.0	$ 391.7	$ 56.4
Fixed maturities, at fair value option	(449.4)	(278.8)	(92.0)
Equity securities, available-for-sale	(2.8)	4.2	18.6
Derivatives	(3,152.9)	(1,712.4)	418.6
Embedded derivatives fixed maturities	(107.5)	(15.7)	16.1
Embedded derivatives product guarantees	1,094.7	337.3	(1,945.1)
Other investments	(1.9)	(7.1)	(4.0)
Net realized capital gains (losses)	$ (2,534.8)	$ (1,280.8)	$ (1,531.4)
After-tax net realized capital gains (losses)	$ (1,693.2)	$ (715.8)	$ (1,017.4)

Proceeds from the sale of fixed maturities and equity securities, available-for-sale and the related gross realized gains and losses, before tax, were as follows for the periods indicated:

	Years Ended December 31,		
	2013	2012	2011
Proceeds on sales	$ 10,559.8	$ 11,185.9	$ 12,850.7
Gross gains	185.2	484.2	648.5
Gross losses	77.7	44.8	181.9

3. Derivative Financial Instruments

The Company enters into the following types of derivatives:

Interest rate caps: The Company uses interest rate cap contracts to hedge the interest rate exposure arising from duration mismatches between assets and liabilities. Interest rate caps are also used to hedge interest rate exposure if rates rise above a specified level. Such increases in rates will require the Company to incur additional expenses. The future payout from the interest rate caps fund this increased exposure. The Company pays an upfront premium to purchase these caps. The Company utilizes these contracts in non-qualifying hedging relationships.

Interest rate swaps: Interest rate swaps are used by the Company primarily to reduce market risks from changes in interest rates and to alter interest rate exposure arising from mismatches between assets and/or liabilities. Interest rate swaps are also used to hedge the interest rate risk associated with the value of assets it owns or in an anticipation of acquiring them. Using interest rate swaps, the Company agrees with another party to exchange, at specified intervals, the difference between fixed rate and floating rate interest payments, calculated by reference to an agreed upon notional principal amount. These transactions are entered into pursuant to master agreements that provide for a single net payment to be made to/from the counterparty at each due date. The Company utilizes these contracts in qualifying hedging relationships as well as non-qualifying hedging relationships.

Foreign exchange swaps: The Company uses foreign exchange or currency swaps to reduce the risk of change in the value, yield or cash flows associated with certain foreign denominated invested assets. Foreign exchange swaps represent contracts that require the exchange of foreign currency cash flows against U.S. dollar cash flows

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

at regular periods, typically quarterly or semi-annually. The Company utilizes these contracts in qualifying hedging relationships as well as non-qualifying hedging relationships.

Credit default swaps: Credit default swaps are used to reduce credit loss exposure with respect to certain assets that the Company owns, or to assume credit exposure on certain assets that the Company does not own. Payments are made to or received from the counterparty at specified intervals. In the event of a default on the underlying credit exposure, the Company will either receive a payment (purchased credit protection) or will be required to make a payment (sold credit protection) equal to the par minus recovery value of the swap contract. The Company utilizes these contracts in non-qualifying hedging relationships.

Total return swaps: The Company uses total return swaps as a hedge against a decrease in variable annuity account values, which are invested in certain indices. Using total return swaps, the Company agrees with another party to exchange, at specified intervals, the difference between the economic risk and reward of assets or a market index and the LIBOR rate, calculated by reference to an agreed upon notional principal amount. No cash is exchanged at the onset of the contracts. Cash is paid and received over the life of the contract based upon the terms of the swaps. The Company utilizes these contracts in non-qualifying hedging relationships.

Currency forwards: The Company uses currency forward contracts to hedge policyholder liabilities associated with the variable annuity contracts which are linked to foreign indices. The currency fluctuations may result in a decrease in account values, which would increase the possibility of the Company incurring an expense for guaranteed benefits in excess of account values. The Company utilizes these contracts in non-qualifying hedging relationships.

Forwards: The Company uses forward contracts to hedge certain invested assets against movement in interest rates, particularly mortgage rates. The Company uses To Be Announced mortgage-backed securities as an economic hedge against rate movements. The Company utilizes forward contracts in non-qualifying hedging relationships.

Futures: Futures contracts are used to hedge against a decrease in certain equity indices. Such decreases may result in a decrease in variable annuity account values which would increase the possibility of the Company incurring an expense for guaranteed benefits in excess of account values. The Company also uses futures contracts as a hedge against an increase in certain equity indices. Such increases may result in increased payments to the holders of the fixed index annuity (FIA) contracts. The Company enters into exchange traded futures with regulated futures commissions that are members of the exchange. The Company also posts initial and variation margin with the exchange on a daily basis. The Company utilizes exchange-traded futures in non-qualifying hedging relationships.

Swaptions: A swaption is an option to enter into a swap with a forward starting effective date. The Company uses swaptions to hedge the interest rate exposure associated with the minimum crediting rate and book value guarantees embedded in the retirement products that the Company offers. Increases in interest rates will generate losses on assets that are backing such liabilities. In certain instances, the Company locks in the economic impact of existing purchased swaptions by entering into offsetting written swaptions. Swaptions are also used to hedge against an increase in the interest rate benchmarked crediting strategies within FIA contracts. Such increases may result in increased payments to contract holders of FIA contracts and the interest rate swaptions offset this increased exposure. The Company pays a premium when it purchases the swaption. The Company utilizes these contracts in non-qualifying hedging relationships.

Options: The Company uses put options to manage the equity, interest rate and equity volatility risk of the economic liabilities associated with certain variable annuity minimum guaranteed living benefits. The Company

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

also uses call options to hedge against an increase in various equity indices. Such increases may result in increased payments to the holders of the FIA contracts. The Company pays an upfront premium to purchase these options. The Company utilizes these options in non-qualifying hedging relationships.

Variance swaps: The Company uses variance swaps to manage equity volatility risk on the economic liabilities associated with certain minimum guaranteed living benefits. An increase in the equity volatility results in a higher valuations of such liabilities. In an equity variance swap, the Company agrees with another party to exchange amounts in the future, based on the changes in equity volatility over a defined period. The Company utilizes equity variance swaps in non-qualifying hedging relationships.

Managed custody guarantees (MCG): The Company issues certain credited rate guarantees on externally managed variable bond funds that represent stand-alone derivatives. The market value is partially determined by, among other things, levels of or changes in interest rates, prepayment rates and credit ratings/spreads.

Embedded derivatives: The Company also invests in certain fixed maturity instruments and has issued certain annuity products that contain embedded derivatives whose market value is at least partially determined by, among other things, levels of or changes in domestic and/or foreign interest rates (short-term or long-term), exchange rates, prepayment rates, equity rates, or credit ratings/spreads. In addition, the Company has entered into a coinsurance with a funds withheld arrangement which contains an embedded derivative whose fair value is based on the change in the fair value of the underlying assets held in trust. The embedded derivatives for certain fixed maturity instruments, certain annuity products and coinsurance with funds withheld arrangements are reported with the host contract in investments, in Future policy benefits or Funds held under reinsurance agreements, respectively, on the Consolidated Balance Sheets. Changes in the fair value of embedded derivatives within fixed maturity investments and within annuity products are recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations. Changes in fair value of embedded derivatives with reinsurance agreements are reported in Policyholder benefits in the Consolidated Statements of Operations.

The Company s use of derivatives is limited mainly to economic hedging to reduce the Company s exposure to cash flow variability of assets and liabilities, interest rate risk, credit risk, exchange rate risk and market risk. It is the Company s policy not to offset amounts recognized for derivative instruments and amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral arising from derivative instruments executed with the same counterparty under a master netting arrangement, which provides the Company with the legal right of offset.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The notional amounts and fair values of derivatives were as follows as of the dates indicated:

	December 31, 2013			December 31, 2012		
	Notional Amount	Asset Fair Value	Liability Fair Value	Notional Amount	Asset Fair Value	Liability Fair Value
Derivatives: Qualifying for hedge accounting[(1)]						
Cash flow hedges:						
Interest rate contracts	$ 786.0	$ 81.0	$ 0.5	$ 1,000.0	$ 215.4	$
Foreign exchange contracts	174.7	6.3	1.6			
Fair value hedges:						
Interest rate contracts	873.5	4.8	64.7	291.1		16.4
Derivatives: Non-qualifying for hedge accounting[(1)]						
Interest rate contracts[(2)]	63,122.0	826.2	1,174.3	69,719.2	1,981.1	1,545.0
Foreign exchange contracts	1,281.7	17.8	43.3	1,985.8	11.3	95.0
Equity contracts	11,725.9	172.7	52.9	14,890.4	103.4	235.1
Credit contracts	3,221.0	40.5	14.5	3,106.0	63.3	52.7
Managed custody guarantees	N/A			N/A		
Embedded derivatives:						
Within fixed maturity investments	N/A	126.5		N/A	227.4	
Within annuity products	N/A		2,645.6	N/A		3,571.7
Within reinsurance agreements	N/A		79.0	N/A		169.5
Total		$ 1,275.8	$ 4,076.4		$ 2,601.9	$ 5,685.4

(1) Open derivative contracts are reported as Derivatives assets or liabilities on the Consolidated Balance Sheets at fair value.

(2) As of December 31, 2013, includes a notional amount, asset fair value and liability fair value for interest rate caps of $11.8 billion, $162.5 and $29.7, respectively. As of December 31, 2012, includes a notional amount, asset fair value and liability fair value for interest rate caps of $4.5 billion, $17.7 and $0.6, respectively.

N/A Not Applicable

Based on the notional amounts, a substantial portion of the Company s derivative positions was not designated or did not qualify for hedge accounting as part of a hedging relationship as of December 31, 2013 and 2012. The Company utilizes derivative contracts mainly to hedge exposure to variability in cash flows, interest rate risk, credit risk, foreign exchange risk and equity market risk. The majority of derivatives used by the Company are designated as product hedges, which hedge the exposure arising from insurance liabilities or guarantees embedded in the contracts the Company offers through various product lines. These derivatives do not qualify for hedge accounting as they do not meet the criteria of being highly effective as outlined in ASC Topic 815, but do provide an economic hedge, which is in line with the Company s risk management objectives. The Company also uses derivatives contracts to hedge its exposure to various risks associated with the investment portfolio. The Company does not seek hedge accounting treatment for certain of these derivatives as they generally do not qualify for hedge accounting due to the criteria required under the portfolio hedging rules outlined in ASC Topic 815. The Company also uses credit default swaps coupled with other investments in order to produce the investment characteristics of otherwise permissible investments which do not qualify as effective accounting hedges under ASC Topic 815.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The maximum length of time over which the Company is hedging its exposure to the variability in future cash flows for forecasted transactions is through the fourth quarter of 2016.

Although the Company has not elected to net its derivative exposures, the notional amounts and fair values of OTC and cleared derivatives excluding exchange traded contracts and forward contracts (To Be Announced mortgage-backed securities) are presented in the tables below as of the dates indicated:

	December 31, 2013		
	Notional Amount	**Assets Fair Value**	**Liability Fair Value**
Credit contracts	$ 3,221.0	$ 40.5	$ 14.5
Equity contracts	4,513.5	170.7	32.0
Foreign exchange contracts	1,456.4	24.1	44.9
Interest rate contracts	64,734.1	912.0	1,239.5
		$ 1,147.3	$ 1,330.9
Counterparty netting[1]		(701.0)	(701.0)
Cash collateral netting[1]		(241.7)	(15.7)
Securities collateral netting[1]		(35.9)	(479.1)
Net receivables/payables		$ 168.7	$ 135.1

(1) Represents the netting of receivable balances with payable balances, net of collateral, for the same counterparty under eligible netting rules.

	December 31, 2012		
	Notional Amount	**Assets Fair Value**	**Liability Fair Value**
Credit contracts	$ 3,106.0	$ 63.3	$ 52.7
Equity contracts	3,967.0	79.1	19.1
Foreign exchange contracts	1,985.8	11.3	95.0
Interest rate contracts	69,107.7	2,196.5	1,559.9
		$ 2,350.2	$ 1,726.7
Counterparty netting[1]		(1,126.9)	(1,126.9)

Cash collateral netting[1]		(943.4)		(85.7)
Securities collateral netting[1]		(68.6)		(395.6)
Net receivables/payables	$	211.3	$	118.5

(1) Represents the netting of receivable balances with payable balances, net of collateral, for the same counterparty under eligible netting rules.

Collateral

Under the terms of the Company s Over-The-Counter (OTC) Derivative International Swaps and Derivatives Association, Inc. (ISDA) agreements, the Company may receive from, or deliver to, counterparties collateral to assure that all terms of the ISDA agreements will be met with regard to the Credit Support Annex (CSA). The terms of the CSA call for the Company to pay interest on any cash received equal to the Federal Funds rate. To the extent cash collateral is received and delivered, it is included in Payables under securities loan agreements, including collateral held and Short-term investments under securities loan agreements, including collateral

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

delivered, respectively, on the Consolidated Balance Sheets and is reinvested in short-term investments. Collateral held is used in accordance with the CSA to satisfy any obligations. Investment grade bonds owned by the Company are the source of noncash collateral posted, which is reported in Securities pledged on the Consolidated Balance Sheets. As of December 31, 2013, the Company held $214.7 and $18.8 of net cash collateral related to OTC derivative contracts and cleared derivative contracts, respectively. As of December 31, 2012, the Company held $890.3 of net cash collateral related to OTC derivative contracts. In addition, as of December 31, 2013 and 2012, the Company delivered securities as collateral of $1.0 billion.

Net realized gains (losses) on derivatives were as follows for the periods indicated:

	Years Ended December 31,		
	2013	**2012**	**2011**
Derivatives: Qualifying for hedge accounting[(1)]			
Cash flow hedges:			
Interest rate contracts	$ 0.4	$	$
Foreign exchange contracts	0.4		
Fair value hedges:			
Interest rate contracts	21.1	(10.0)	(57.2)
Derivatives: Non-qualifying for hedge accounting[(2)]			
Interest rate contracts	(1,058.5)	51.5	1,041.8
Foreign exchange contracts	75.7	10.9	(2.4)
Equity contracts	(2,217.2)	(1,801.9)	(559.0)
Credit contracts	25.2	37.1	(4.6)
Managed custody guarantees	0.2	1.1	1.1
Embedded derivatives:			
Within fixed maturity investments[(2)]	(107.5)	(15.7)	16.1
Within annuity products[(2)]	1,094.5	336.2	(1,946.2)
Within reinsurance agreements[(3)]	90.4	(32.2)	(68.1)
Total	$ (2,075.3)	$ (1,423.0)	$ (1,578.5)

(1) Changes in value for effective fair value hedges are recorded in Other net realized capital gains (losses). Changes in fair value upon disposal for effective cash flow hedges are amortized through Net investment income and the ineffective portion is recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations. For the years ended December 31, 2013, 2012 and 2011, ineffective amounts were immaterial.

(2)

Changes in value are included in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

(3) Changes in value are included in Policyholder benefits in the Consolidated Statements of Operations.

Credit Default Swaps

The Company has entered into various credit default swaps. When credit default swaps are sold, the Company assumes credit exposure to certain assets that it does not own. Credit default swaps may also be purchased to reduce credit exposure in the Company s portfolio. Credit default swaps involve a transfer of credit risk from one party to another in exchange for periodic payments. The Company has ISDA agreements with each counterparty with which it conducts business and tracks the collateral positions for each counterparty. To the extent cash collateral is received, it is included in Payables under securities loan agreements, including collateral held, on the

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Consolidated Balance Sheets and is reinvested in short-term investments. Collateral held is used in accordance with the CSA to satisfy any obligations. Investment grade bonds owned by the Company are the source of noncash collateral posted, which is reported in Securities pledged on the Consolidated Balance Sheets. As of December 31, 2013, the fair values of credit default swaps of $40.5 and $14.5 were included in Derivatives assets and Derivatives liabilities, respectively, on the Consolidated Balance Sheets. As of December 31, 2012, the fair value of credit default swaps of $63.3 and $52.7 were included in Derivatives assets and Derivatives liabilities, respectively, on the Consolidated Balance Sheets. As of December 31, 2013, the maximum potential future net exposure to the Company was $1.7 billion, net of purchased protection of $0.5 on credit default swaps. As of December 31, 2012, the maximum potential future net exposure to the Company was $1.1 billion, net of purchased protection of $1.0 billion on credit default swaps. These instruments are typically written for a maturity period of five years and contain no recourse provisions. If the Company s current debt and claims paying ratings were downgraded in the future, the terms in the Company s derivative agreements may be triggered, which could negatively impact overall liquidity.

4. Fair Value Measurements (excluding Consolidated Investment Entities)

Fair Value Measurement

The Company categorizes its financial instruments into a three-level hierarchy based on the priority of the inputs to the valuation technique, pursuant to the Fair Value Measurements and disclosures of the ASC Topic 820. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded at fair value on the Consolidated Balance Sheets are categorized as follows:

Level 1 Unadjusted quoted prices for identical assets or liabilities in an active market. The Company defines an active market as a market in which transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Quoted prices in markets that are not active or valuation techniques that require inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

a) Quoted prices for similar assets or liabilities in active markets;

b) Quoted prices for identical or similar assets or liabilities in non-active markets;

c) Inputs other than quoted market prices that are observable; and

d) Inputs that are derived principally from or corroborated by observable market data through correlation or other means.

Level 3 Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These valuations, whether derived internally or obtained from a third party, use critical assumptions that are not widely available to estimate market participant expectations in valuing the asset or liability.

When available, the estimated fair value of financial instruments is based on quoted prices in active markets that are readily and regularly obtainable. When quoted prices in active markets are not available, the determination of estimated fair value is based on market standard valuation methodologies, including discounted cash flow methodologies, matrix pricing, or other similar techniques.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The following table presents the Company s hierarchy for its assets and liabilities measured at fair value on a recurring basis as of December 31, 2013:

	Level 1	Level 2	Level 3	Total
Assets:				
Fixed maturities, including securities pledged:				
U.S. Treasuries	$ 4,617.0	$ 564.2	$	$ 5,181.2
U.S. Government agencies and authorities		604.5	14.4	618.9
U.S. corporate, state and municipalities		37,303.2	456.5	37,759.7
Foreign(1)		16,202.2	154.3	16,356.5
Residential mortgage-backed securities		7,025.1	98.6	7,123.7
Commercial mortgage-backed securities		3,752.1		3,752.1
Other asset-backed securities		1,867.5	59.2	1,926.7
Total fixed maturities, including securities pledged	4,617.0	67,318.8	783.0	72,718.8
Equity securities, available-for-sale	238.5	20.6	55.3	314.4
Derivatives:				
Interest rate contracts		912.0		912.0
Foreign exchange contracts		24.1		24.1
Equity contracts	1.9	83.3	87.5	172.7
Credit contracts		33.2	7.3	40.5
Cash and cash equivalents, short-term investments and short-term investments under securities loan agreements	4,396.9	44.9		4,441.8
Assets held in separate accounts	101,437.5	5,376.5	13.1	106,827.1
Total assets	$ 110,691.8	$ 73,813.4	$ 946.2	$ 185,451.4
Percentage of Level to total	59.7%	39.8%	0.5%	100.0%
Liabilities:				
Derivatives:				
Annuity product guarantees:				
FIA	$	$	$ 1,736.7	$ 1,736.7
GMAB/GMWB/GMWBL			908.9	908.9
Stabilizer and MCGs				
Other derivatives:				
Interest rate contracts		1,239.5		1,239.5
Foreign exchange contracts		44.9		44.9

Equity contracts	20.9	32.0		52.9
Credit contracts			14.5	14.5
Embedded derivative on reinsurance		79.0		79.0
Total liabilities	$ 20.9	$ 1,395.4	$ 2,660.1	$ 4,076.4

(1) Primarily U.S. dollar denominated.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The following table presents the Company s hierarchy for its assets and liabilities measured at fair value on a recurring basis as of December 31, 2012:

	Level 1	Level 2	Level 3	Total
Assets:				
Fixed maturities, including securities pledged:				
U.S. Treasuries	$ 5,220.5	$ 663.2	$	$ 5,883.7
U.S. Government agencies and authorities		724.2		724.2
U.S. corporate, state and municipalities		36,992.5	524.2	37,516.7
Foreign(1)		15,880.3	104.2	15,984.5
Residential mortgage-backed securities		7,592.9	74.1	7,667.0
Commercial mortgage-backed securities		4,946.4		4,946.4
Other asset-backed securities		2,449.4	115.2	2,564.6
Total fixed maturities, including securities pledged	5,220.5	69,248.9	817.7	75,287.1
Equity securities, available-for-sale	264.2	20.1	55.8	340.1
Derivatives:				
Interest rate contracts		2,196.5		2,196.5
Foreign exchange contracts		11.3		11.3
Equity contracts	24.3	55.9	23.2	103.4
Credit contracts		10.9	52.4	63.3
Cash and cash equivalents, short-term investments and short-term investments under securities loan agreements	8,365.4	76.6		8,442.0
Assets held in separate accounts	91,928.5	5,722.6	16.3	97,667.4
Total assets	$ 105,802.9	$ 77,342.8	$ 965.4	$ 184,111.1
Percentage of Level to total	57.5%	42.0%	0.5%	100.0%
Liabilities:				
Derivatives:				
Annuity product guarantees:				
FIA	$	$	$ 1,434.3	$ 1,434.3
GMAB/GMWB/GMWBL			2,035.4	2,035.4
Stabilizer and MCGs			102.0	102.0
Other derivatives:				
Interest rate contracts	1.6	1,559.8		1,561.4
Foreign exchange contracts		95.0		95.0

Equity contracts	216.0	19.1		235.1
Credit contracts			52.7	52.7
Embedded derivative on reinsurance		169.5		169.5
Total liabilities	$ 217.6	$ 1,843.4	$ 3,624.4	$ 5,685.4

(1) Primarily U.S. dollar denominated.

Valuation of Financial Assets and Liabilities at Fair Value

Certain assets and liabilities are measured at estimated fair value on the Company s Consolidated Balance Sheets. The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

transaction between market participants on the measurement date. The exit price and the transaction (or entry) price will be the same at initial recognition in many circumstances. However, in certain cases, the transaction price may not represent fair value. The fair value of a liability is based on the amount that would be paid to transfer a liability to a third party with an equal credit standing. Fair value is required to be a market-based measurement that is determined based on a hypothetical transaction at the measurement date, from a market participant s perspective. The Company considers three broad valuation techniques when a quoted price is unavailable: (i) the market approach, (ii) the income approach and (iii) the cost approach. The Company determines the most appropriate valuation technique to use, given the instrument being measured and the availability of sufficient inputs. The Company prioritizes the inputs to fair valuation techniques and allows for the use of unobservable inputs to the extent that observable inputs are not available.

The Company utilizes a number of valuation methodologies to determine the fair values of its financial assets and liabilities in conformity with the concepts of exit price and the fair value hierarchy as prescribed in ASC Topic 820. Valuations are obtained from third-party commercial pricing services, brokers and industry-standard, vendor-provided software that models the value based on market observable inputs. The valuations obtained from third-party commercial pricing services are non-binding. The Company reviews the assumptions and inputs used by third-party commercial pricing services for each reporting period in order to determine an appropriate fair value hierarchy level. The documentation and analysis obtained from third-party commercial pricing services are reviewed by the Company, including in-depth validation procedures confirming the observability of inputs. The valuations are reviewed and validated monthly through the internal valuation committee price variance review, comparisons to internal pricing models, back testing to recent trades, or monitoring of trading volumes.

The following valuation methods and assumptions were used by the Company in estimating the reported values for the investments and derivatives described below:

Fixed maturities: The fair values for the actively traded marketable bonds are determined based upon the quoted market prices and are classified as Level 1 assets. Assets in this category would primarily include certain U.S. Treasury securities. The fair values for marketable bonds without an active market are obtained through several commercial pricing services, which provide the estimated fair values and are classified as Level 2 assets. These services incorporate a variety of market observable information in their valuation techniques, including benchmark yields, broker-dealer quotes, credit quality, issuer spreads, bids, offers and other reference data. This category includes U.S. and foreign corporate bonds, ABS, U.S. agency and government guaranteed securities, CMBS and RMBS, including certain CMO assets.

Generally, the Company does not obtain more than one vendor price from pricing services per instrument. The Company uses a hierarchy process in which prices are obtained from a primary vendor and, if that vendor is unable to provide the price, the next vendor in the hierarchy is contacted until a price is obtained or it is determined that a price cannot be obtained from a commercial pricing service. When a price cannot be obtained from a commercial pricing service, independent broker quotes are solicited. Securities priced using independent broker quotes are classified as Level 3.

Broker quotes and prices obtained from pricing services are reviewed and validated through an internal valuation committee price variance review, comparisons to internal pricing models, back testing to recent trades, or monitoring of trading volumes. As of December 31, 2013, $541.2 and $58.3 billion of a total fair value of $72.7 billion in fixed maturities, including securities pledged, were valued using unadjusted broker quotes and unadjusted prices obtained from pricing services, respectively, and verified through the review process. The remaining balance in fixed maturities consisted primarily of privately placed bonds valued using a matrix-based pricing. As of December 31, 2012, $580.4 and $60.4 billion of a total fair value of $75.3 billion in fixed maturities, including securities pledged, were valued using unadjusted broker quotes and unadjusted prices

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

obtained from pricing services, respectively, and verified through the review process. The remaining balance in fixed maturities consisted primarily of privately placed bonds valued using a matrix-based pricing.

All prices and broker quotes obtained go through the review process described above including valuations for which only one broker quote is obtained. After review, for those instruments where the price is determined to be appropriate, the unadjusted price provided is used for financial statement valuation. If it is determined that the price is questionable, another price may be requested from a different vendor. The internal valuation committee then reviews all prices for the instrument again, along with information from the review, to determine which price best represents exit price for the instrument.

Fair values of privately placed bonds are determined primarily using a matrix-based pricing model and are generally classified as Level 2 assets. The model considers the current level of risk-free interest rates, current corporate spreads, the credit quality of the issuer and cash flow characteristics of the security. Also considered are factors such as the net worth of the borrower, the value of collateral, the capital structure of the borrower, the presence of guarantees and the Company s evaluation of the borrower s ability to compete in its relevant market. Using this data, the model generates estimated market values which the Company considers reflective of the fair value of each privately placed bond.

Equity securities, available-for-sale: Fair values of publicly traded equity securities are based upon quoted market price and are classified as Level 1 assets. Other equity securities, typically private equities or equity securities not traded on an exchange, are valued by other sources such as analytics or brokers and are classified as Level 2 or Level 3 assets.

Derivatives: Derivatives are carried at fair value, which is determined using the Company s derivative accounting system in conjunction with observable key financial data from third-party sources, such as yield curves, exchange rates, S&P 500 Index prices, London Interbank Offered Rates (LIBOR) and Overnight Index Swap (OIS) rates. In June 2012, the Company began using OIS rather than LIBOR for valuations of collateralized interest rate derivatives, which are obtained from third-party sources. For those derivatives that are unable to be valued by the accounting system, the Company typically utilizes values established by third-party brokers. Counterparty credit risk is considered and incorporated in the Company s valuation process through counterparty credit rating requirements and monitoring of overall exposure. It is the Company s policy to transact only with investment grade counterparties with a credit rating of A- or better. The Company s nonperformance risk is also considered and incorporated in the Company s valuation process. Valuations for the Company s futures and interest rate forward contracts are based on unadjusted quoted prices from an active exchange and, therefore, are classified as Level 1. The Company also has certain credit default swaps and options that are priced using models that primarily use market observable inputs, but contain inputs that are not observable to market participants, which have been classified as Level 3. However, all other derivative instruments are valued based on market observable inputs and are classified as Level 2.

The Company has entered into a number of options as hedges on its FIA liabilities. The maximum exposure is the current value of the option. The payoff of these contracts depends on market conditions during the lifetime of the option. The fair value measurement of options is highly sensitive to implied equity and interest rate volatility and the market reflects a considerable variance in broker quotes. The Company uses a third-party vendor to determine the market value of these options.

Cash and cash equivalents, Short-term investments and Short-term investments under securities loan agreement: The carrying amounts for cash reflect the assets fair values. The fair values for cash equivalents and most short-term investments are determined based on quoted market prices. These assets are classified as Level 1. Other

F-57

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

short-term investments are valued and classified in the fair value hierarchy consistent with the policies described herein, depending on investment type.

Assets held in separate accounts: Assets held in separate accounts are reported at the quoted fair values of the underlying investments in the separate accounts. The underlying investments include mutual funds, short-term investments and cash, the valuations of which are based upon a quoted market price and are included in Level 1. Fixed maturity valuations are obtained from third-party commercial pricing services and brokers and are classified in the fair value hierarchy consistent with the policy described above for fixed maturities.

Product guarantees: The Company records reserves for annuity contracts containing GMAB, GMWB and GMWBL riders. The guarantee is an embedded derivative and is required to be accounted for separately from the host variable annuity contract. The fair value of the obligation is calculated based on actuarial and capital market assumptions related to the projected cash flows, including benefits and related contract charges, over the anticipated life of the related contracts. The cash flow estimates are produced by using stochastic techniques under a variety of market return scenarios and other market implied assumptions. These derivatives are classified as Level 3 liabilities in the fair value hierarchy.

The Company records an embedded derivative liability for its FIA contracts for interest payments to contract holders above the minimum guaranteed contract value. The guarantee is treated as an embedded derivative and is required to be accounted for separately from the host contract. The fair value of the obligation is calculated based on actuarial and capital market assumptions related to the projected cash flows, including benefits and related contract charges, over the anticipated life of the related contracts. The cash flow estimates are produced by market implied assumptions. These derivatives are classified as Level 3 liabilities in the fair value hierarchy.

The Company records reserves for Stabilizer and MCG contracts containing guaranteed credited rates. The guarantee is treated as an embedded derivative or a stand-alone derivative (depending on the underlying product) and is required to be reported at fair value. The estimated fair value is determined based on the present value of projected future claims, minus the present value of future guaranteed premiums. At inception of the contract, the Company projects a guaranteed premium to be equal to the present value of the projected future claims. The income associated with the contracts is projected using relevant actuarial and capital market assumptions, including benefits and related contract charges, over the anticipated life of the related contracts. The cash flow estimates are produced by using stochastic techniques under a variety of risk neutral scenarios and other market implied assumptions. These derivatives are classified as Level 3 liabilities.

The discount rate used to determine the fair value of the Company s GMAB, GMWB, GMWBL, FIA, and Stabilizer embedded derivative liabilities and the stand-alone derivative for MCG includes an adjustment to reflect the risk that these obligations will not be fulfilled (nonperformance risk). Through June 30, 2012, nonperformance risk was based on the credit default swap spreads of ING V with similar term to maturity and priority of payment. The ING V credit default spread was applied to the risk-free swap curve in the Company s valuation models for these products and guarantees. As a result of the availability of ING U.S., Inc. s market observable data following the issuance of the

$850.0 in 5.5% unsecured Senior Notes due 2022 (the 2022 Notes) in the third quarter of 2012, the Company changed its estimate of nonperformance risk to incorporate a blend of observable, similarly rated peer company credit default swap spreads, adjusted to reflect the credit quality of the individual insurance subsidiary that issued the guarantee as well as an adjustment to reflect the priority of policyholder claims.

The Company s valuation actuaries are responsible for the policies and procedures for valuing the embedded derivatives, reflecting the capital markets and actuarial valuation inputs and nonperformance risk in the estimate

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

of the fair value of the embedded derivatives. The actuarial and capital market assumptions for each liability are approved by each product s Chief Risk Officer (CRO), including an independent annual review by the U.S. CRO. Models used to value the embedded derivatives must comply with the Company s governance policies.

Quarterly, an attribution analysis is performed to quantify changes in fair value measurements and a sensitivity analysis is used to analyze the changes. The changes in fair value measurements are also compared to corresponding movements in the hedge target to assess the validity of the attributions. The results of the attribution analysis are reviewed by the valuation actuaries, responsible CFOs, Controllers, CROs and/or others as nominated by management.

Embedded derivative on reinsurance: The carrying value of the embedded derivative is estimated based upon the change in the fair value of the assets supporting the funds withheld payable under reinsurance agreements between the Company and Hannover Re (Ireland) Plc. As the fair value of the assets held in trust is based on a quoted market price (Level 1), the fair value of the embedded derivative is based on market observable inputs and is classified as Level 2.

Transfers in and out of Level 1 and 2

There were no securities transferred between Level 1 and Level 2 for the years ended December 31, 2013 and 2012. The Company s policy is to recognize transfers in and transfers out as of the beginning of the reporting period.

Level 3 Financial Instruments

The fair values of certain assets and liabilities are determined using prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement (i.e., Level 3 as defined by ASC Topic 820), including but not limited to liquidity spreads for investments within markets deemed not currently active. These valuations, whether derived internally or obtained from a third party, use critical assumptions that are not widely available to estimate market participant expectations in valuing the asset or liability. In addition, the Company has determined, for certain financial instruments, an active market is such a significant input to determine fair value that the presence of an inactive market may lead to classification in Level 3. In light of the methodologies employed to obtain the fair values of financial assets and liabilities classified as Level 3, additional information is presented below.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The following table summarizes the change in fair value of the Company s Level 3 assets and liabilities and transfers in and out of Level 3 for the year ended December 31, 2013:

	Fair Value as of January 1	Total Realized/Unrealized Gains (Losses) Included in: Net Income	OCI	Purchases	Issuances	Sales	Settlements	Transfers in to Level 3[2]	Transfers out of Level 3[2]	Fair Value as of December 31	Chang Unrea Gai (Loss Includ Earnin
ed maturities, including urities pledged:											
. Government agencies authorities	$	$	$	$ 14.4	$	$	$	$	$	$ 14.4	$
. corporate, state and nicipalities	524.2	(0.4)	(3.3)	0.2		(10.0)	(49.8)	12.5	(16.9)	456.5	(0
eign	104.2	0.2	10.0	61.0		(4.8)	(36.3)	20.0		154.3	
idential rtgage-backed securities	74.1	(4.9)	(4.4)	47.2		(0.6)	(0.4)		(12.4)	98.6	(5
er asset-backed urities	115.2	14.2	(5.7)			(8.0)	(31.1)	0.3	(25.7)	59.2	4
al fixed maturities uding securities pledged	817.7	9.1	(3.4)	122.8		(23.4)	(117.6)	32.8	(55.0)	783.0	(0
ity securities, ilable-for-sale	55.8	(3.3)	0.9			(0.2)		51.8	(49.7)	55.3	(1
ivatives:											
duct guarantees:											
[1]	(1,434.3)	(276.5)			(108.4)		82.5			(1,736.7)	
AB/GMWB/GMWBL[1]	(2,035.4)	1,263.0			(137.0)		0.5			(908.9)	
bilizer and MCGs[1]	(102.0)	108.2		(6.2)							
er derivatives, net	22.9	102.6		27.6			(72.8)			80.3	25
ets held in separate ounts[4]	16.3	0.1		16.0		(11.6)		2.2	(9.9)	13.1	0

(1) All gains and losses on Level 3 liabilities are classified as realized gains (losses) for the purpose of this disclosure because it is impracticable to track realized and unrealized gains (losses) separately on a contract-by contract basis. These amounts are included in Other net realized gains (losses) in the Consolidated Statements of Operations.

(2) The Company s policy is to recognize transfers in and transfers out as of the beginning of the reporting period.

(3) For financial instruments still held as of December 31, amounts are included in Net investment income and Total net realized capital gains (losses) in the Consolidated Statements of Operations.

(4) The investment income and realized gains (losses) and change in unrealized gains (losses) included in net income for separate account assets are offset by an equal amount for separate account liabilities, which result in a net zero impact on net income for the Company.

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The following table summarizes the change in fair value of the Company s Level 3 assets and liabilities and transfers in and out of Level 3 for the year ended December 31, 2012:

		Total Realized/Unrealized Gains (Losses) Included in:									Char In Unrea Gai
	Fair Value as of January 1	Net Income	OCI	Purchases	Issuances	Sales	Settlements	Transfers in to Level 3[(2)]	Transfers out of Level 3[(2)]	Fair Value as of December 3	(Loss Includ Earnin
ed maturities, including urities pledged:											
. Government agencies authorities	$	$	$	$	$	$	$	$	$	$	$
. corporate, state and nicipalities	520.6	0.7	(7.8)	0.5		(3.1)	(93.1)	142.7	(36.3)	524.2	0
eign	160.6	1.8	(12.4)			(11.5)	(28.8)	79.4	(84.9)	104.2	
idential rtgage-backed securities	186.6	4.0	5.7	2.4		(30.8)	(1.2)	0.4	(93.0)	74.1	(3
er asset-backed urities	104.5	15.6	4.3			(32.8)	(3.2)	27.9	(1.1)	115.2	6
al fixed maturities uding securities pledged	972.3	22.1	(10.2)	2.9		(78.2)	(126.3)	250.4	(215.3)	817.7	3
ity securities, ilable-for-sale	67.6	(0.5)	(1.2)	5.0		(8.3)		2.4	(9.2)	55.8	(0
rivatives:											
duct guarantees:											
[(1)]	(1,304.9)	(177.5)			(94.5)		142.6			(1,434.3)	
IAB/GMWB/GMWBL[(1)]	(2,272.2)	390.3			(154.1)		0.6			(2,035.4)	
bilizer and MCGs[(1)]	(221.0)	124.5		(5.5)						(102.0)	
er derivatives, net	(24.8)	4.2		23.9			25.0		(5.4)	22.9	(2
ets held in separate ounts[(4)]	16.1	0.3		16.3		(8.3)			(8.1)	16.3	0

(1) All gains and losses on Level 3 liabilities are classified as realized gains (losses) for the purpose of this disclosure because it is impracticable to track realized and unrealized gains (losses) separately on a contract-by contract basis.

These amounts are included in Other net realized gains (losses) in the Consolidated Statements of Operations.

(2) The Company s policy is to recognize transfers in and transfers out as of the beginning of the reporting period.

(3) For financial instruments still held as of December 31, amounts are included in Net investment income and Total net realized capital gains (losses) in the Consolidated Statements of Operations.

(4) The investment income and realized gains (losses) and change in unrealized gains (losses) included in net income for separate account assets are offset by an equal amount for separate account liabilities, which result in a net zero impact on net income for the Company.

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

For the years ended December 31, 2013 and 2012, the transfers in and out of Level 3 for fixed maturities including securities pledged, equity securities and separate accounts, were due to the variation in inputs relied upon for valuation each quarter. Securities that are primarily valued using independent broker quotes when prices are not available from one of the commercial pricing services are reflected as transfers into Level 3. When securities are valued using more widely available information, the securities are transferred out of Level 3 and into Level 1 or 2, as appropriate.

The fair value of certain options and swap contracts were valued using observable inputs, and such options and swap contracts were transferred from Level 3 to Level 2 for the year ended December 31, 2012.

Significant Unobservable Inputs

Quantitative information about the significant unobservable inputs used in the Company s Level 3 fair value measurements of its annuity product guarantees is presented in the following sections and table.

The Company s Level 3 fair value measurements of its fixed maturities, equity securities available-for-sale and equity and credit derivative contracts are primarily based on broker quotes for which the quantitative detail of the unobservable inputs is neither provided nor reasonably corroborated, thus negating the ability to perform a sensitivity analysis. The Company performs a review of broker quotes by performing a monthly price variance comparison and back tests broker quotes to recent trade prices.

Significant unobservable inputs used in the fair value measurements of GMABs, GMWBs and GMWBLs include long-term equity and interest rate implied volatility, correlations between the rate of return on policyholder funds and between interest rates and equity returns, nonperformance risk, mortality and policyholder behavior assumptions, such as benefit utilization, lapses and partial withdrawals.

Significant unobservable inputs used in the fair value measurements of FIAs include nonperformance risk and lapses. Such inputs are monitored quarterly.

The significant unobservable inputs used in the fair value measurement of the Stabilizer embedded derivatives and MCG derivative are interest rate implied volatility, nonperformance risk, lapses and policyholder deposits. Such inputs are monitored quarterly.

Following is a description of selected inputs:

Equity / Interest Rate Volatility: A term-structure model is used to approximate implied volatility for the equity indices and swap rates for GMAB, GMWB and GMWBL fair value measurements and swap rates for the Stabilizer and MCG fair value measurements. Where no implied volatility is readily available in the market, an alternative approach is applied based on historical volatility.

Correlations: Integrated interest rate and equity scenarios are used in GMAB, GMWB and GMWBL fair value measurements to better reflect market interest rates and interest rate volatility correlations between equity and fixed income fund groups and between equity fund groups and interest rates. The correlations are based on historical fund returns and swap rates from external sources.

Nonperformance Risk: For the estimate of the fair value of embedded derivatives associated with the Company s product guarantees, the Company uses a blend of observable, similarly rated peer company credit default swap spreads, adjusted to reflect the credit quality of the individual insurance company subsidiary that issued the guarantee and the priority of policyholder claims.

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Actuarial Assumptions: Management regularly reviews actuarial assumptions, which are based on the Company s experience and periodically reviewed against industry standards. Industry standards and Company experience may be limited on certain products.

The following table presents the unobservable inputs for Level 3 fair value measurements as of December 31, 2013:

	Range[1]			
Unobservable Input	**GMWB / GMWBL**	**GMAB**	**FIA**	**Stabilizer / MCG**
Long-term equity implied volatility	15% to 25%	15% to 25%		
Interest rate implied volatility	0.2% to 16%	0.2% to 16%		0.2% to 8.0%
Correlations between:				
Equity Funds	50% to 98%	50% to 98%		
Equity and Fixed Income Funds	-33% to 62%	-33% to 62%		
Interest Rates and Equity Funds	-30% to -14%	-30% to -14%		
Nonperformance risk	-0.1% to 0.79%	-0.1% to 0.79%	-0.1% to 0.79%	-0.1% to 0.79%
Actuarial Assumptions:				
Benefit Utilization	85% to 100%[2]			
Partial Withdrawals	0% to 10%	0% to 10%		
Lapses	0.08% to 40%[3]	0.08% to 31%[3]	0% to 10%[3]	0% to 55%[4]
Policyholder Deposits[5]				0% to 60%[4]
Mortality	[6]	[6]		

(1) Represents the range of reasonable assumptions that management has used in its fair value calculations.

(2) Those policyholders who have elected systematic withdrawals are assumed to continue taking withdrawals. As a percent of account value, 30% are taking systematic withdrawals. Of those policyholders who are not taking withdrawals, we assume that 85% will begin systematic withdrawals after a delay period. The utilization function varies by policyholder age and policy duration. Interactions with lapse and mortality also affect utilization. The utilization rate for GMWB and GMWBL tends to be lower for younger contract owners and contracts that have not reached their maximum accumulated GMWB and GMWBL benefit amount. There is also a lower utilization rate, though indirectly, for contracts that are less in the money (i.e., where the notional benefit amount is in excess of the account value) due to higher lapses. Conversely, the utilization rate tends to be higher for contract owners near or beyond retirement age and contracts that have accumulated their maximum GMWB or GMWBL benefit amount. There is also a higher utilization rate, though indirectly, for contracts which are highly in the money . The chart below provides the GMWBL account value by current age group and average expected delay times from the associated attained age group as of December 31, 2013 (account value amounts are in $ billions).

	Account Values			
Attained Age Group	In the Money	Out of the Money	Total	Average Expected Delay (Years)
< 60	$ 2.1	$ 1.4	$ 3.5	5.4
60-69	5.1	2.6	7.7	1.4
70+	4.0	1.3	5.3	0.0*
	$ 11.2	$ 5.3	$ 16.5	2.3

* Less than 0.1

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

(3) Lapse rates tend to be lower during the contractual surrender charge period and higher after the surrender charge period ends; the highest lapse rates occur in the year immediately after the end of the surrender charge period. The Company makes dynamic adjustments to lower the lapse rates for contracts that are more in the money. The table below shows an analysis of policy account values according to whether they are in or out of the surrender charge period and to whether they are in the money or out of the money as of December 31, 2013 (account value amounts are in $ billions).

		GMAB		GMWB/GMWBL	
	Moneyness	**Account Value**	**Lapse Range**	**Account Value**	**Lapse Range**
During Surrender Charge Period					
	In the Money**	$ *	0.08% to 8.2%	$ 5.7	0.08% to 5.5%
	Out of the Money	*	0.41% to 12%	3.3	0.36% to 11%
After Surrender Charge Period					
	In the Money**	*	2.5% to 21%	5.6	1.5% to 21%
	Out of the Money	0.1	12% to 31%	2.8	6.9% to 40%

* Less than $0.1

** The low end of the range corresponds to policies that are highly in the money. The high end of the range corresponds to the policies that are close to zero in terms of in the moneyness.

(4) Stabilizer contracts with recordkeeping agreements have a different range of lapse and policyholder deposit assumptions from Stabilizer (Investment only) and MCG contracts as shown below:

	Percentage of Plans	**Overall Range of Lapse Rates**	**Range of Lapse Rates for 85% of Plans**	**Overall Range of Policyholder Deposits**	**Range of Policyholder Deposits for 85% of Plans**
Stabilizer (Investment Only) and MCG Contracts	88%	0-30%	0-15%	0-55%	0-15%
Stabilizer with Recordkeeping Agreements	12%	0-55%	0-25%	0-60%	0-30%
Aggregate of all plans	100%	0-55%	0-25%	0-60%	0-30%

(5) Measured as a percentage of assets under management or assets under administration.
(6) The mortality rate is based on the Annuity 2000 Basic table with mortality improvements.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The following table presents the unobservable inputs for Level 3 fair value measurements as of December 31, 2012:

	Range[(1)]			
Unobservable Input	**GMWB / GMWBL**	**GMAB**	**FIA**	**Stabilizer / MCG**
Long-term equity implied volatility	15% to 25%	15% to 25%		
Interest rate implied volatility	0.1% to 19%	0.1% to 19%		0.1% to 7.6%
Correlations between:				
Equity Funds	50% to 98%	50% to 98%		
Equity and Fixed Income Funds	-40% to 65%	-40% to 65%		
Interest Rates and Equity Funds	-25% to -16%	-25% to -16%		
Nonperformance risk	0.1% to 1.3%	0.1% to 1.3%	0.1% to 1.3%	0.1% to 1.3%
Actuarial Assumptions:				
Benefit Utilization	85% to 100%[(2)]			
Partial Withdrawals	0% to 10%	0% to 10%		
Lapses	0.08% to 32%[(3)]	0.08% to 31%[(3)]	0% to 10%[(3)]	0% to 55%[(4)]
Policyholder Deposits[(5)]				0% to 60%[(4)]
Mortality	[(6)]	[(6)]		

(1) Represents the range of reasonable assumptions that management has used in its fair value calculations.

(2) Those policyholders who have elected systematic withdrawals are assumed to continue taking withdrawals. As a percent of account value, 26% are taking systematic withdrawals. Of those policyholders who are not taking withdrawals, we assume that 85% will begin systematic withdrawals after a delay period. The utilization function varies by policyholder age and policy duration. Interactions with lapse and mortality also affect utilization. The utilization rate for GMWB and GMWBL tends to be lower for younger contract owners and contracts that have not reached their maximum accumulated GMWB and GMWBL benefit amount. There is also a lower utilization rate, though indirectly, for contracts that are less in the money (i.e., where the notional benefit amount is in excess of the account value) due to higher lapses. Conversely, the utilization rate tends to be higher for contract owners near or beyond retirement age and contracts that have accumulated their maximum GMWB or GMWBL benefit amount. There is also a higher utilization rate, though indirectly, for contracts which are highly in the money . The chart below provides the GMWBL account value by current age group and average expected delay times from the associated attained age group as of December 31, 2012 (account value amounts are in $ billions).

	Account Values			
Attained Age Group	**In the Money**	**Out of the Money**	**Total**	**Average Expected Delay (Years)**
< 60	$ 3.5	$ 0.3	$ 3.8	5.5
60-69	7.0	0.4	7.4	1.9
70+	4.3	0.1	4.4	0.2
	$ 14.8	$ 0.8	$ 15.6	2.8

(3) Lapse rates tend to be lower during the contractual surrender charge period and higher after the surrender charge period ends; the highest lapse rates occur in the year immediately after the end of the surrender charge period. The Company makes dynamic adjustments to lower the lapse rates for contracts that are more

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

in the money. The table below shows an analysis of policy account values according to whether they are in or out of the surrender charge period and to whether they are in the money or out of the money as of December 31, 2012 (account value amounts are in $ billions):

		GMAB		GMWB/GMWBL	
	Moneyness	**Account Value**	**Lapse Range**	**Account Value**	**Lapse Range**
During Surrender Charge Period					
	In the Money**	$ *	0.08% to 8.2%	$ 8.8	0.08% to 5.8%
	Out of the Money	*	0.41% to 12%	0.9	0.35% to 12%
After Surrender Charge Period					
	In the Money**	$ *	2.4% to 22%	$ 6.2	1.5% to 17%
	Out of the Money	0.1	12% to 31%	0.6	6.9% to 32%

* Less than $0.1.

** The low end of the range corresponds to policies that are highly in the money. The high end of the range corresponds to the policies that are close to zero in terms of in the moneyness.

(4) Stabilizer contracts with recordkeeping agreements have a different range of lapse and policyholder deposit assumptions from Stabilizer (Investment only) and MCG contracts as shown below:

	Percentage of Plans	**Overall Range of Lapse Rates**	**Range of Lapse Rates for 85% of Plans**	**Overall Range of Policyholder Deposits**	**Range of Policyholder Deposits for 85% of Plans**
Stabilizer (Investment Only) and MCG Contracts	87%	0-30%	0-15%	0-55%	0-20%
Stabilizer with Recordkeeping Agreements	13%	0-55%	0-25%	0-60%	0-30%
Aggregate of all plans	100%	0-55%	0-25%	0-60%	0-30%

(5) Measured as a percentage of assets under management or assets under administration.

(6) The mortality rate is based on the Annuity 2000 Basic table with mortality improvements.

Generally, the following will cause an increase (decrease) in the GMAB, GMWB and GMWBL embedded derivative fair value liabilities:

- An increase (decrease) in long-term equity implied volatility
- An increase (decrease) in interest rate implied volatility
- An increase (decrease) in equity-interest rate correlations
- A decrease (increase) in nonperformance risk
- A decrease (increase) in mortality
- An increase (decrease) in benefit utilization
- A decrease (increase) in lapses

Changes in fund correlations may increase or decrease the fair value depending on the direction of the movement and the mix of funds. Changes in partial withdrawals may increase or decrease the fair value depending on the timing and magnitude of withdrawals.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Generally, the following will cause an increase (decrease) in the FIA embedded derivative fair value liability:

- A decrease (increase) in nonperformance risk
- A decrease (increase) in lapses

Generally, the following will cause an increase (decrease) in the derivative and embedded derivative fair value liabilities related to Stabilizer and MCG contracts:

- An increase (decrease) in interest rate implied volatility
- A decrease (increase) in nonperformance risk
- A decrease (increase) in lapses
- A decrease (increase) in policyholder deposits

The Company notes the following interrelationships:

- Higher long-term equity implied volatility is often correlated with lower equity returns, which will result in higher in-the-moneyness, which in turn, results in lower lapses due to the dynamic lapse component reducing the lapses. This increases the projected number of policies that are available to use the GMWBL benefit and may also increase the fair value of the GMWBL.
- Generally, an increase (decrease) in benefit utilization will decrease (increase) lapses for GMWB and GMWBL.
- Generally, an increase (decrease) in interest rate volatility will increase (decrease) lapses of Stabilizer and MCG contracts due to dynamic participant behavior.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Other Financial Instruments

The carrying values and estimated fair values of the Company s financial instruments as of the dates indicated:

	December 31, 2013		December 31, 2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:				
Fixed maturities, including securities pledged	$ 72,718.8	$ 72,718.8	$ 75,287.1	$ 75,287.1
Equity securities, available-for-sale	314.4	314.4	340.1	340.1
Mortgage loans on real estate	9,312.2	9,404.7	8,662.3	8,954.8
Policy loans	2,147.0	2,147.0	2,200.3	2,200.3
Limited partnerships/corporations	236.4	236.4	465.1	465.1
Cash, cash equivalents, short-term investments and short-term investments under securities loan agreements	4,441.8	4,441.8	8,442.0	8,442.0
Derivatives	1,149.3	1,149.3	2,374.5	2,374.5
Other investments	124.6	131.1	167.0	173.7
Assets held in separate accounts	106,827.1	106,827.1	97,667.4	97,667.4
Liabilities:				
Investment contract liabilities:				
Funding agreements without fixed maturities and deferred annuities[1]	49,418.4	53,713.8	50,133.7	56,851.0
Funding agreements with fixed maturities and guaranteed investment contracts	2,692.3	2,663.9	3,784.0	3,671.0
Supplementary contracts, immediate annuities and other	3,383.6	3,567.3	3,109.2	3,482.3
Derivatives:				
Annuity product guarantees:				
FIA	1,736.7	1,736.7	1,434.3	1,434.3
GMAB / GMWB / GMWBL	908.9	908.9	2,035.4	2,035.4
Stabilizer and MCGs			102.0	102.0
Other derivatives	1,351.8	1,351.8	1,944.2	1,944.2
Short-term debt			1,064.6	1,070.6
Long-term debt	3,514.7	3,717.8	3,171.1	3,386.2
Embedded derivatives on reinsurance	79.0	79.0	169.5	169.5

(1) Certain amounts included in Funding agreements without fixed maturities and deferred annuities are also reflected within the Annuity product guarantees section of the table above.

The following disclosures are made in accordance with the requirements of ASC Topic 825 which requires disclosure of fair value information about financial instruments, whether or not recognized at fair value on the Consolidated Balance Sheets, for which it is practicable to estimate that value. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates, in many cases, could not be realized in immediate settlement of the instrument.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

ASC Topic 825 excludes certain financial instruments, including insurance contracts and all nonfinancial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company.

The following valuation methods and assumptions were used by the Company in estimating the fair value of the following financial instruments, which are not carried at fair value on the Consolidated Balance Sheets:

Mortgage loans on real estate: The fair values for mortgage loans on real estate are estimated on a monthly basis using discounted cash flow analyses and rates currently being offered in the marketplace for similar loans to borrowers with similar credit ratings. Loans with similar characteristics are aggregated for purposes of the calculations. Mortgage loans on real estate are classified as Level 3.

Policy loans: The fair value of policy loans approximates the carrying value of the loans. Policy loans are collateralized by the cash surrender value of the associated insurance contracts and are classified as Level 2.

Limited partnerships/corporations: The fair value for these investments, primarily private equity fund of funds and hedge funds, is based on actual or estimated Net Asset Value (NAV) information, as provided by the investee and are classified as Level 3.

Other investments: Federal Home Loan Bank (FHLB) stock is carried at cost and periodically evaluated for impairment based on ultimate recovery of par value and is classified as Level 1.

Investment contract liabilities:

Funding agreements without a fixed maturity and deferred annuities: Fair value is estimated as the mean present value of stochastically modeled cash flows associated with the contract liabilities taking into account assumptions about contract holder behavior. The stochastic valuation scenario set is consistent with current market parameters and discount is taken using stochastically evolving risk-free rates in the scenarios plus an adjustment for nonperformance risk. Margins for non-financial risks associated with the contract liabilities are also included. These liabilities are classified as Level 3.

Funding agreements with a fixed maturity and guaranteed investment contracts: Fair value is estimated by discounting cash flows, including associated expenses for maintaining the contracts, at rates, that are risk-free rates plus an adjustment for nonperformance risk. These liabilities are classified as Level 2.

Supplementary contracts and immediate annuities: Fair value is estimated as the mean present value of the single deterministically modeled cash flows associated with the contract liabilities discounted using stochastically evolving short risk-free rates in the scenarios plus an adjustment for nonperformance risk. The valuation is consistent with current market parameters. Margins for non-financial risks associated with the contract liabilities are also included. These liabilities are classified as Level 3.

Short-term debt and Long-term debt: Estimated fair value of the Company s short-term and long-term debt is based upon discounted future cash flows using a discount rate approximating the current market rate, incorporating nonperformance risk. Short-term debt is classified as Level 1 and Level 2 and long-term debt is classified as Level 2.

Fair value estimates are made at a specific point in time, based on available market information and judgments about various financial instruments, such as estimates of timing and amounts of future cash flows. Such estimates do not reflect any premium or discount that could result from offering for sale at one time the Company s entire

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

holdings of a particular financial instrument, nor do they consider the tax impact of the realization of unrealized capital gains (losses). In many cases, the fair value estimates cannot be substantiated by comparison to independent markets, nor can the disclosed value be realized in immediate settlement of the instruments. In evaluating the Company s management of interest rate, price and liquidity risks, the fair values of all assets and liabilities should be taken into consideration, not only those presented above.

5. Deferred Policy Acquisition Costs and Value of Business Acquired

Activity within DAC and VOBA was as follows for the years ended December 31, 2013, 2012 and 2011:

	DAC	VOBA	Total
Balance at January 1, 2011	$ 3,810.6	$ 1,227.7	$ 5,038.3
Deferrals of commissions and expenses	633.6	18.7	652.3
Amortization:			
Amortization	(459.5)	(265.8)	(725.3)
Interest accrued[(1)]	238.2	100.1	338.3
Net amortization included in Consolidated Statements of Operations	(221.3)	(165.7)	(387.0)
Change in unrealized capital gains/losses on available-for-sale securities	(556.0)	(395.3)	(951.3)
Balance at December 31, 2011	3,666.9	685.4	4,352.3
Deferrals of commissions and expenses	590.3	17.3	607.6
Amortization:			
Amortization	(846.4)	(210.3)	(1,056.7)
Interest accrued[(1)]	243.6	90.8	334.4
Net amortization included in Consolidated Statements of Operations	(602.8)	(119.5)	(722.3)
Change in unrealized capital gains/losses on available-for-sale securities	(432.8)	(148.5)	(581.3)
Balance at December 31, 2012	3,221.6	434.7	3,656.3
Deferrals of commissions and expenses	395.8	13.7	409.5
Amortization:			

Amortization	(669.0)	(98.1)	(767.1)
Interest accrued[1]	233.9	90.4	324.3
Net amortization included in Consolidated Statements of Operations	(435.1)	(7.7)	(442.8)
Change in unrealized capital gains/losses on available-for-sale securities	1,133.8	594.8	1,728.6
Balance at December 31, 2013	$ 4,316.1	$ 1,035.5	$ 5,351.6

(1) Interest accrued at the following rates for DAC: 0.8% to 7.4% during 2013, 1.5% to 7.4% during 2012, and 2.0% to 8.0% during 2011. Interest accrued at the following rates for VOBA: 3.0% to 7.5% during 2013, 2.0% to 7.4% during 2012, and 3.0% to 7.0% during 2011.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The estimated amount of VOBA amortization expense, net of interest, is presented in the following table. Actual amortization incurred during these years may vary as assumptions are modified to incorporate actual results and/or changes in best estimates of future results.

Year	Amount
2014	$ 105.9
2015	93.0
2016	82.7
2017	78.6
2018	74.4

6. Reserves for Future Policy Benefits and Contract Owner Account Balances

Future policy benefits and contract owner account balances were as follows as of December 31, 2013 and 2012:

	2013	2012
Future policy benefits:		
Individual and group life insurance contracts	$ 8,253.9	$ 8,132.4
Guaranteed benefits on annuity contracts, and payout contracts with life contingencies	4,931.7	6,371.5
Accident and health	912.8	989.7
Total	$ 14,098.4	$ 15,493.6
Contract owner account balances:		
GICs	$ 2,581.9	$ 3,642.8
Universal life type contracts	16,851.5	16,915.0
Fixed annuities and payout contracts without life contingencies	37,563.5	37,577.2
Fixed indexed annuities	12,911.4	12,427.1
Total	$ 69,908.3	$ 70,562.1

7. Guaranteed Benefit Features

While the Company ceased new sales of certain retail variable annuity products in 2010, its currently-sold retail variable annuity contracts with separate account options guarantee the contract owner a return of no less than (i) total deposits made to the contract less any partial withdrawals, (ii) total deposits made to the contract less any partial withdrawals plus a minimum return, or (iii) the highest contract value on a specified date minus any withdrawals. These guarantees include benefits that are payable in the event of death, annuitization or at specified dates.

The Company also issues variable life, UL and VUL contracts where the Company contractually guarantees to the contract owner a death benefit even when there is insufficient value to cover monthly mortality and expense charges, whereas otherwise the contract would typically lapse (no lapse guarantee).

In addition, the Company s Stabilizer and MCG products have guaranteed credited rates. Credited rates are set either quarterly or annually. Most contracts have a zero percent minimum credited rate guarantee, although some contracts have minimum credited rate guarantees up to 3% and allow the contract holder to select either the

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

market value of the account or the book value of the account at termination. The book value of the account is equal to deposits plus interest, less any withdrawals. The fair value is estimated using the income approach.

The Company also offers optional guaranteed withdrawal benefit provisions on its indexed annuity products. This provision guarantees an annual withdrawal amount for life that is calculated as a percentage of the benefit base, which equals premium paid at the time of product issue, and can increase by a rollup percentage (mainly 7% or 6%, depending on versions of the benefit) or annual ratchet. The percentage used to determine the guaranteed annual withdrawal amount may vary by age at first withdrawal and depends on whether the benefit is for a single, or joint lives.

The Company s major source of income from guaranteed benefit features is the base contract mortality, expense, and guaranteed death and living benefit rider fees charged to the contract owner, less the costs of administering the product and providing for the guaranteed death and living benefits.

The Company s retail variable annuity contracts offer one or more of the following guaranteed death and living benefits:

Guaranteed Minimum Death Benefits (GMDB).

Standard. Guarantees that, upon the death of the individual specified in the policy, the death benefit will be no less than the premiums paid by the customer, adjusted for withdrawals.

Ratchet. Guarantees that, upon the death of the individual specified in the policy, the death benefit will be no less than the greater of (1) Standard or (2) the maximum policy anniversary (or quarterly) value of the variable annuity, adjusted for withdrawals.

Rollup. Guarantees that, upon the death of the individual specified in the policy, the death benefit will be no less than the aggregate premiums paid by the contract owner, with interest at the contractual rate per annum, adjusted for withdrawals. The Rollup may be subject to a maximum cap on the total benefit.

Combo. Guarantees that, upon the death of the individual specified in the policy, the death benefit will be no less than the greater of (1) Ratchet or (2) Rollup.

Guaranteed Minimum Living Benefits

Guaranteed Minimum Income Benefit (GMIB). Guarantees a minimum income payout, exercisable only on a contract anniversary on or after a specified date, in most cases 10 years after purchase of the GMIB rider. The income payout is determined based on contractually established annuity factors multiplied by the benefit base. The benefit base equals the premium paid at the time of product issue and may increase over time based on a number of factors, including a rollup percentage (mainly 7% or 6% depending on the version of the benefit) and ratchet frequency subject to maximum caps which vary by product version (200%, 250% or 300% of initial premium).

Guaranteed Minimum Withdrawal Benefit and Guaranteed Minimum Withdrawal Benefit for Life (GMWB/GMWBL). Guarantees an annual withdrawal amount for a specified period of time (GMWB) or life (GMWBL) that is calculated as a percentage of the benefit base that equals premium paid at the time of product issue and may increase over time based on a number of factors, including a rollup percentage (mainly 7%, 6% or 0%, depending on versions of the benefit) and ratchet frequency (primarily annually or quarterly, depending on versions). The percentage used to determine the guaranteed annual withdrawal amount may vary by age at first withdrawal and depends on versions of the benefit. A joint life-time withdrawal benefit option was available to

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

include coverage for spouses. Most versions of the withdrawal benefit included reset and/or step-up features that may increase the guaranteed withdrawal amount in certain conditions. Earlier versions of the withdrawal benefit guarantee that annual withdrawals of up to 7.0% of eligible premiums may be made until eligible premiums previously paid by the contract owner are returned, regardless of account value performance. Asset allocation requirements apply at all times where withdrawals are guaranteed for life.

Guaranteed Minimum Accumulation Benefit (GMAB). Guarantees that the account value will be at least 100% of the eligible premiums paid by the customer after 10 years, adjusted for withdrawals. We offered an alternative design that guaranteed the account value to be at least 200% of the eligible premiums paid by contract owners after 20 years.

The following assumptions and methodologies were used to determine the guaranteed reserves for retail variable annuity contracts at December 31, 2013 and 2012:

Area	Assumptions/Basis for Assumptions
Data used	Based on 1,000 investment performance scenarios.
Mean investment performance	GMDB: The mean investment performance varies by fund group. In general, the Company groups all separate account returns into 6 fund groups, and generate stochastic returns for each of these fund groups. The overall blended mean separate account return is 8.1%. The general account fixed portion is a small percentage of the overall total.
	GMIB: the overall blended mean is 8.1% based on a single fund group
	GMAB/GMWB/GMWBL: Zero rate curve
Volatility	GMDB: 15.8% for 2013 and 2012
	GMIB: 15.8% for 2013 and 2012
	GMAB/GMWB/GMWBL: Implied volatilities through the first 5 years and then a blend of implied and historical thereafter.
Mortality	Depending on the type of benefit and gender, the Company uses the Annuity 2000 basic table with mortality improvement through 2013, further adjusted for company experience.
Lapse rates	Vary by contract type, share class, time remaining in the surrender charge period and in-the-moneyness.
Discount rates	GMDB/GMIB: 5.5% for 2013 and 2012.
	GMAB/GMWB/GMWBL: Zero rate curve plus adjustment for nonperformance risk.

Variable annuity contracts containing guaranteed minimum death and living benefits expose the Company to equity risk. With a decline in the equity markets, the Company has exposure to increasing claims due to the guaranteed minimum benefits. On the other hand, with an increase in the equity markets, the Company s exposure to risks associated with the guaranteed minimum benefits generally decreases. In order to mitigate the risk associated with guaranteed death and living benefits, the Company enters into reinsurance agreements and derivative positions on various public market indices chosen to closely replicate contract owner variable fund returns.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The calculation of the GMDB, GMIB, GMAB, GMWB, and GMWBL liabilities assumes dynamic surrenders and dynamic utilization of the guaranteed living benefit feature.

The liabilities for UL and VUL contracts, as well as variable annuity contracts containing guaranteed minimum death and living benefits, are recorded in separate account liabilities as follows as of December 31, 2013 and 2012. The separate account liabilities may include more than one type of guarantee. These liabilities are subject to the requirements for additional reserve liabilities under ASC Topic 944, which are recorded on the Consolidated Balance Sheets in Future policy benefits and Contract owner account balances. The paid and incurred amounts were as follows for the years ended December 31, 2013, 2012 and 2011:

	Variable Life and Universal Life	GMDB	GMAB/ GMWB	GMIB	GMWBL	Stabilizer and MCGs[(1)]
Separate account liability at December 31, 2013	$ 563.1	$ 44,239.7	$ 940.6	$ 15,894.1	$ 16,516.8	$ 36,858.1
Separate account liability at December 31, 2012	$ 517.4	$ 41,932.5	$ 1,027.3	$ 14,881.3	$ 15,587.8	$ 34,150.7
Additional liability balance:						
Balance at January 1, 2011	$ 1,230.5	$ 378.4	$ 85.5	$ 769.3	$ 414.8	$ 3.0
Incurred guaranteed benefits	589.6	258.7	44.8	586.3	1,729.2	218.0
Paid guaranteed benefits	(312.9)	(106.8)	(2.1)	(65.4)		
Balance at December 31, 2011	1,507.2	530.3	128.2	1,290.2	2,144.0	221.0
Incurred guaranteed benefits	512.6	89.2	(42.7)	(5.4)	(193.5)	(119.0)
Paid guaranteed benefits	(348.6)	(118.8)	(0.6)	(38.7)		
Balance at December 31, 2012	1,671.2	500.7	84.9	1,246.1	1,950.5	102.0
Incurred guaranteed benefits	442.5	(59.5)	(52.7)	(144.6)	(1,073.3)	(102.0)
Paid guaranteed benefits	(369.2)	(90.5)	(0.5)	(32.1)		
Balance at December 31, 2013	$ 1,744.5	$ 350.7	$ 31.7	$ 1,069.4	$ 877.2	$

(1) The Separate account liability at December 31, 2013 and 2012 includes $28.7 billion and $25.9 billion, respectively, of externally managed assets, which are not reported on the Company s Consolidated Balance Sheets.

The Company also calculates additional liabilities for FIA contracts with guaranteed withdrawal benefits. The additional liability represents the expected value of these benefits in excess of the projected account balance, and is accreted based on assessments over the accumulation period of the contract. The additional liability for FIA guaranteed withdrawal benefits was $35.1 and $22.8, as of December 31, 2013 and 2012, respectively. The additional liability is recorded in Future policy benefits on the Consolidated Balance Sheets.

The net amount at risk for the GMDB, GMAB and GMWB benefits is equal to the guaranteed value of these benefits in excess of the account values.

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

The net amount at risk for the GMIB and GMWBL benefits is equal to the excess of the present value of the minimum guaranteed annuity payments available to the contract owner over the current account value.

The separate account values, net amount at risk, net of reinsurance, and the weighted average attained age of contract owners by type of minimum guaranteed benefit for retail variable annuity contracts were as follows as of December 31, 2013 and 2012:

	2013			
	In the Event of Death	At Annuitization, Maturity, or Withdrawal		
	GMDB	GMAB/ GMWB	GMIB	GMWBL
Annuity Contracts:				
Minimum Return or Contract Value				
Separate account value	$ 44,239.7	$ 940.6	$ 15,894.1	$ 16,516.8
Net amount at risk, net of reinsurance	$ 5,074.2	$ 20.4	$ 1,681.8	$ 452.3
Weighted average attained age	70	70	62	66

	2012			
	In the Event of Death	At Annuitization, Maturity, or Withdrawal		
	GMDB	GMAB/ GMWB	GMIB	GMWBL
Annuity Contracts:				
Minimum Return or Contract Value				
Separate account value	$ 41,932.5	$ 1,027.3	$ 14,881.3	$ 15,587.8
Net amount at risk, net of reinsurance	$ 7,029.1	$ 42.4	$ 3,576.0	$ 1,702.5
Weighted average attained age	69	69	61	65

The net amount at risk for the secondary guarantees is equal to the current death benefit in excess of the account values.

The separate account values, net amount at risk, net of reinsurance, and the weighted average attained age of contract owners by type of minimum guaranteed benefit for UL and VUL contracts were as follows as of December 31, 2013 and 2012:

	2013		2012	
	Secondary Guarantees	**Paid-up Guarantees**	**Secondary Guarantees**	**Paid-up Guarantees**
Universal and Variable Life Contracts:				
Account value (general and separate account)	$ 3,307.6	$	$ 3,232.6	$
Net amount at risk, net of reinsurance	$ 17,039.6	$	$ 17,885.6	$
Weighted average attained age	60		59	

F-75

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Account balances of contracts with guarantees invested in variable separate accounts were as follows as of December 31, 2013 and 2012:

	2013	2012
Equity securities (including mutual funds):		
Equity funds	$ 34,084.4	$ 31,287.0
Bond funds	5,186.4	6,058.4
Balanced funds	5,438.2	4,794.7
Money market funds	812.3	948.9
Other	141.2	140.8
Total	$ 45,662.5	$ 43,229.8

In addition, the aggregate fair value of fixed income securities supporting separate accounts with Stabilizer benefits as of December 31, 2013 and 2012, was $8.1 billion and $8.3 billion, respectively.

8. Reinsurance

The Company has reinsurance treaties covering a portion of the mortality risks and guaranteed death and living benefits under its life insurance and annuity contracts. The Company remains liable to the extent its reinsurers do not meet their obligations under the reinsurance agreements.

The Company reinsures its business through a diversified group of reinsurers. The Company monitors trends in arbitration and any litigation outcomes with its reinsurers. Collectability of reinsurance balances are evaluated by monitoring ratings and evaluating the financial strength of its reinsurers. Large reinsurance recoverable balances with offshore or other non-accredited reinsurers are secured through various forms of collateral, including secured trusts, funds withheld accounts and irrevocable letters of credit.

As of December 31, 2013, the Company had $6.7 billion of net unaffiliated reinsurance recoverables, of which $2.4 billion, or 35.8%, were due from the Company s largest unaffiliated reinsurer, Hannover Re. As of December 31, 2012, the Company had $7.4 billion of net unaffiliated reinsurance recoverables, of which $2.7 billion, or 36.5%, were due from Hannover Re. Of the total amounts due from Hannover Re, all were fully secured as of December 31, 2013 and $2.3 billion were fully secured as of December 31, 2012.

Information regarding the effect of reinsurance is as follows as of December 31, 2013 and 2012:

	2013			
	Direct	Assumed	Ceded	Total, Net of Reinsurance
Assets				
Premiums receivable	$ 93.5	$ 356.7	$ (374.6)	$ 75.6
Reinsurance recoverable			6,702.2	6,702.2
Total	$ 93.5	$ 356.7	$ 6,327.6	$ 6,777.8
Liabilities				
Future policy benefits and contract owner account balances	$ 80,315.6	$ 3,691.1	$ (6,702.2)	$ 77,304.5
Liability for funds withheld under reinsurance agreements	1,181.5			1,181.5
Total	$ 81,497.1	$ 3,691.1	$ (6,702.2)	$ 78,486.0

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

	2012			
	Direct	**Assumed**	**Ceded**	**Total, Net of Reinsurance**
Assets				
Premiums receivable	$ 96.9	$ 384.7	$ (411.4)	$ 70.2
Reinsurance recoverable			7,379.3	7,379.3
Total	$ 96.9	$ 384.7	$ 6,967.9	$ 7,449.5
Liabilities				
Future policy benefits and contract owner account balances	$ 82,185.3	$ 3,870.4	$ (7,379.3)	$ 78,676.4
Liability for funds withheld under reinsurance agreements	1,236.6			1,236.6
Total	$ 83,421.9	$ 3,870.4	$ (7,379.3)	$ 79,913.0

Information regarding the effect of reinsurance is as follows for the years ended December 31, 2013, 2012 and 2011:

	2013	**2012**	**2011**
Premiums:			
Direct premiums	$ 2,184.1	$ 2,084.0	$ 1,999.2
Reinsurance assumed	1,233.0	1,303.6	1,329.2
Reinsurance ceded	(1,460.8)	(1,526.5)	(1,558.4)
Net premiums	$ 1,956.3	$ 1,861.1	$ 1,770.0
Fee income:			
Gross fee income	$ 3,671.4	$ 3,520.7	$ 3,609.6
Reinsurance ceded	(5.1)	(5.3)	(6.0)
Net fee income	$ 3,666.3	$ 3,515.4	$ 3,603.6
Interest credited and other benefits to contract owners / policyholders:			
Direct interest credited and other benefits to contract owners / policyholders	$ 4,786.9	$ 5,205.5	$ 6,179.9
Reinsurance assumed	1,221.9	1,153.4	1,333.2

Reinsurance ceded[1]	(1,511.0)	(1,497.3)	(1,771.1)
Net interest credited and other benefits to contract owners / policyholders	$ 4,497.8	$ 4,861.6	$ 5,742.0

(1) Includes $414.8, $399.7 and $391.6 for amounts paid to reinsurers in connection with our UL contracts for the years ended December 31, 2013, 2012 and 2011, respectively.

Effective October 1, 1998, the Company disposed of a block of its individual life insurance business under an indemnity reinsurance arrangement with a subsidiary of Lincoln National Corporation (Lincoln) for $1.0 billion. Under the agreement, Lincoln contractually assumed from the Company certain policyholder liabilities and obligations, although the Company remains obligated to contract owners. The Lincoln subsidiary established a trust to secure its obligations to the Company under the reinsurance transaction. Of the Reinsurance recoverable on the Consolidated Balance Sheets, $2.0 billion and $2.1 billion as of December 31, 2013 and 2012, respectively, is related to the reinsurance recoverable from the subsidiary of Lincoln under this reinsurance agreement.

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Effective January 1, 2009, the Company executed a Master Asset Purchase Agreement (the MPA) with respect to its individual reinsurance business with Scottish Re Group Limited, Scottish Holdings, Inc., Scottish Re (U.S.), Inc., Scottish Re Life (Bermuda) Limited and Scottish Re (Dublin) Limited (collectively, Scottish Re) and Hannover Re. Pursuant to the MPA, the Company recaptured business then-reinsured to Scottish Re, and immediately ceded 100% of such business to Hannover Re on a modified coinsurance, funds withheld, and coinsurance basis, which resulted in no gain or loss. The Company will remain obligated to maintain collateral for certain reserve requirements of the business transferred from the Company to Hannover Re for the duration of such reserve requirements, until the underlying reinsurance contracts are novated to Hannover Re, or Hannover Re puts into place its own collateral for such reserve requirements. Effective October 1, 2013, on a 32% quota share basis, the Company recaptured a portion of the business from Hannover Re (Ireland) Limited (HLRI) and retroceded the recaptured business to Hannover Life Reassurance Company of America (HLRUS). As a result, the Company s collateral requirement was reduced to $2.3 billion as of December 31, 2013. Of the Reinsurance recoverable on the Consolidated Balance Sheets, $2.4 billion and $2.7 billion as of December 31, 2013 and 2012, respectively, is related to the reinsurance recoverable from Hannover Re under this reinsurance agreement.

9. Goodwill and Other Intangible Assets

Goodwill

Goodwill is the excess of cost over the estimated fair value of net assets acquired. As of December 31, 2013 and 2012, the Company had $31.1 in goodwill allocated to the Investment Management segment. There is no accumulated impairment balance associated with this goodwill. The Company performs the Step 1 goodwill impairment analysis annually as of October 1 and more frequently if facts and circumstances indicate that goodwill may be impaired.

Other Intangible Assets

The Company has the following assets included in Other intangible assets, which have been capitalized and are amortized over their expected economic lives.

The Company recorded Value of Management Contracts (VMCR) from the acquisition of ReliaStar Life Insurance Company in 2000 that represent the right by the mutual fund advisor company to manage the assets that are held in the mutual funds business.

Customer relationship lists from the acquisition of CitiStreet, LLC in 2008 represent Value of Customer Relationship Acquired (VOCRA) for contracts with customers that were in place at the time of the acquisition.

In addition, computer software that has been purchased or developed internally for own use is stated at cost, less amortization and any impairment losses. Amortization is calculated on a straight-line basis over its useful life. When assessing potential impairment, the unamortized capitalized costs are compared with the net realizable value of the computer software. The amount by which the unamortized capitalized costs exceed the net realizable value is written off.

Table of Contents

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

Other intangible assets were as follows at December 31, 2013 and 2012:

	Weighted Average Amortization Lives	2013 Gross Carrying Amount	2013 Accumulated Amortization	2013 Net Carrying Amount	2012 Gross Carrying Amount	2012 Accumulated Amortization	2012 Net Carrying Amount
Management contract rights	20 years	$ 550.0	$ 366.7	$ 183.3	$ 550.0	$ 339.2	$ 210.8
Customer relationship lists	20 years	115.8	41.9	73.9	115.8	34.5	81.3
Computer software	3 years	485.3	449.9	35.4	478.7	453.4	25.3
Total intangible assets		$ 1,151.1	$ 858.5	$ 292.6	$ 1,144.5	$ 827.1	$ 317.4

Amortization expense related to intangible assets was $51.7, $53.7 and $59.8 for the years ended December 31, 2013, 2012 and 2011, respectively. The estimated amortization of intangible assets are as follows:

Year	Amount
2014	$ 51.5
2015	48.8
2016	42.2
2017	36.4
2018	35.0
Thereafter	78.7
	$ 292.6

Amortization of intangibles assets is included in the Consolidated Statements of Operations in Operating expenses.

The Company does not have any indefinite-lived intangibles other than goodwill.

10. Share-based Compensation

ING U.S., Inc. 2013 Omnibus Employee Incentive Plan

The Company provides equity-based compensation awards to its employees principally under the ING U.S., Inc. 2013 Omnibus Employee Incentive Plan (the Omnibus Plan), which the Company adopted in connection with the IPO. At inception of the Omnibus Plan, a total of 7,650,000 shares of Company common stock were reserved and available for issuance under the Omnibus Plan.

During 2013, the Company provided awards under the Omnibus Plan in connection with (1) the conversion of ING Group equity-based awards granted in March 2013 to employees of the Company into Company equity-based awards, (2) Deal Incentive Awards, and (3) certain other one-time awards of time-vested restricted stock units (RSUs), including in connection with new employee hires.

The Omnibus Plan permits the granting of a wide range of equity-based awards, including RSUs, which represent the right to receive a number of shares of Company common stock upon vesting; restricted stock, which are shares of Company stock that are subject to sale and transfer restrictions until the vesting conditions are met; performance share units (PSUs) awards, which are RSUs subject to certain time- and performance-based

ING U.S., Inc.

Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

vesting conditions, and under which the number of shares of common stock delivered upon vesting varies with the level of achievement of performance criteria; and stock options. Following the IPO, grants of equity-based awards under the Omnibus Plan are made by the Compensation and Benefits Committee (the Committee) of the Board of Directors of the Company, and are subject to such terms and conditions as the Committee may determine, including in respect of vesting and forfeiture, subject to certain limitations provided in the Omnibus Plan. Equity-based awards under the Omnibus Plan may carry dividend equivalent rights, pursuant to which notional dividends accumulate on unvested equity awards and are paid, in cash, upon vesting. To date, all awards made under the Omnibus Plan have included dividend equivalent rights. Dividend equivalents are credited to the recipient and are paid only to the extent the applicable performance criteria and service conditions are met.

In 2013, the Company awarded only RSUs and PSUs under the Omnibus Plan. RSUs were awarded in respect of (1) conversion of ING Group equity awards under the LSPP (as described below) which were not subject to performance-based vesting conditions, (2) Deal Incentive Awards, and (3) one-time equity awards. PSUs awarded in respect of the conversion of ING Group equity awards under the LSPP were subject to performance-based vesting conditions. PSUs in 2013 generally entitle recipients to receive, upon vesting, a number of shares of common stock that ranges from 0% to 150% of the number of PSUs awarded, depending on the level of achievement of the specified performance condition. The establishment and the achievement of performance objectives is determined and approved by the Committee. These awards vest no earlier than one year from the date of the award and no later than three years from the date of the award. Dividend equivalents are credited to the recipient and are paid only to the extent the applicable performance criteria and service conditions are met. In the case of retirement (as defined in the award agreement), awards vest depending on the employee s age and years of service subject to the satisfaction of the applicable performance criteria.

If an award under the Omnibus Plan is forfeited, expired, terminated, otherwise lapses, the shares of Company common stock underlying that award will again become available for issuance under the Omnibus Plan. Shares withheld by the Company to pay taxes, or which are withheld by or tendered to the Company to pay the exercise price of stock options (or are repurchased from an option holder by the Company with proceeds from the exercise of stock options) are not available for reissuance.

As of December 31, 2013, there were no stock options issued or outstanding under the Omnibus Plan.