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### Information

Best's Credit Rating Methodology  
 Guide to Best's Credit Ratings  
 Market Segment Outlooks

### Financial Data Presented

The financial data in this report reflects the most current data available to the Analytical Team at the time of the rating. Updates to the financial exhibits in this report are available here: .

## The Savings Bank Mutual Life Insurance Company of Massachusetts

**AMB #:** 006696 | **NAIC #:** 70435 | **FEIN #:** 04-3117253

**Ultimate Parent:** AMB # 006696 - Savings Bank Mutual Life Ins Co of MA

### Best's Credit Ratings

#### Financial Strength Rating (FSR)

<b>A</b>
<b>Excellent</b>
Outlook: <b>Stable</b> Action: <b>Affirmed</b>

#### Issuer Credit Rating (ICR)

<b>a</b>
<b>Excellent</b>
Outlook: <b>Stable</b> Action: <b>Affirmed</b>

### Assessment Descriptors

Balance Sheet Strength	<b>Very Strong</b>
Operating Performance	<b>Adequate</b>
Business Profile	<b>Neutral</b>
Enterprise Risk Management	<b>Appropriate</b>

## Rating Rationale

### Balance Sheet Strength: **Very Strong**

- The overall balance sheet strength of The Savings Bank Mutual Life Insurance Company of Massachusetts (SBLI) is very strong and benefits from a very strong level of risk-adjusted capitalization, as measured by Best's Capital Adequacy Ratio (BCAR), and overall good credit quality of invested assets.
- The company's quality of capital is impacted by extensive use of reinsurance for XXX reserve changes, use of captive reinsurers and manageable financial leverage. However, AM Best notes that the capital structure is more transparent as a result of remutualization in 2017 and a clean captive reinsurance structure.
- Invested assets are generally of good credit quality. The percentage of below-investment-grade bonds increased in 2020 but has been generally rangebound over the past several years. Elevated allocations to NAIC-2 bonds and Schedule BA assets.
- The cash flows of SBLI show positive results per the New York Seven (NY7) and other in-house scenarios.

### Operating Performance: **Adequate**

- Generally positive and stable earnings trends in recent years although COVID-19 mortality has partially offset earnings.
- Earnings have been historically supported by good mortality experience and favorable persistency.
- Premium growth had declined in recent years as COVID-19 has impacted interactions with policyholders and low interest rates prompted management to stop marketing its multi-year guaranteed annuity, which had nearly \$200 million of sales in 2019.
- Net investment income was slightly higher in 2020, as an increased asset base was partially offset by lower investment yields.

### Business Profile: **Neutral**

- SBLI's product offerings are generally of lower risk on the AM Best product creditworthiness and risk continuum.
- There is some geographic concentration in the state of Massachusetts, but SBLI has sought to diversify geographically in recent years.
- While SBLI is experienced in the term life insurance market and has a strong marketing niche, the company faces heavy competition in the term life insurance market, which can be highly commoditized, from larger insurers and new entrants.
- SBLI has relatively diverse distribution platforms, and it continues to work on forging and maintaining partnerships to expand its marketing reach. In addition, the company has demonstrated some innovative capabilities to expand market reach.

### Enterprise Risk Management: **Appropriate**

- Embedded conservative risk management culture, where the product portfolio, underwriting guidelines and investment strategy are managed to within narrow risk tolerances.
- SBLI uses an ERM scorecard, which is the main tool with both qualitative and quantitative metrics.
- Uses cash flow testing for NY7 scenarios as well as additional deterministic scenarios. Risk-adjusted capital analysis and monitoring also include using 50 stochastically generated scenarios.
- Risk areas covered include investment, market, underwriting, operational and strategic.

### Outlook

- The stable outlooks for SBLI reflect AM Best's expectations that its rating fundamentals will remain unchanged in the intermediate term. Risk-adjusted capitalization, as measured by BCAR, is expected to remain at the very strong level. Operating performance is expected to remain adequate and supported by prudent underwriting and reserving.

### Rating Drivers

- A negative rating action could occur if there are negative trends in operating performance.
- A negative rating action could occur if the company's risk-adjusted capitalization, as defined by Best's Capital Adequacy Model, declines.



## Key Financial Indicators

### Best's Capital Adequacy Ratio (BCAR) Scores (%)

Confidence Level	95.0	99.0	99.5	99.6
BCAR Score	42.9	21.6	13.1	11.2

Source: Best's Capital Adequacy Ratio Model - L/H, US

Key Financial Indicators USD (000)	6-Months		Year End - December 31				
	2021	2020	2020	2019	2018	2017	2016
<b>Assets:</b>							
General Account	3,519,432	3,459,346	3,486,756	3,407,592	3,066,542	3,032,422	3,016,370
Total	3,519,432	3,459,346	3,486,756	3,407,592	3,066,542	3,032,422	3,016,370
<b>Liabilities:</b>							
Net Life Reserves	2,178,914	2,187,108	2,185,635	2,174,779	1,988,403	1,991,950	2,017,563
Net Accident & Health Reserves	...	...	...	...	...	6	6
Liability for Deposit Contracts	310,973	313,062	311,830	289,436	192,256	197,977	198,164
Asset Valuation Reserve	29,030	27,755	30,388	26,935	22,211	26,596	28,277
Other General Account	801,205	753,131	771,879	722,539	661,873	613,371	546,742
Total	3,320,122	3,281,057	3,299,732	3,213,689	2,864,743	2,829,900	2,790,752
Total Capital and Surplus	199,310	178,288	187,025	193,902	201,799	202,523	225,618
Net Income	15,764	7,197	38,555	24,295	39,075	46,761	26,573
Net Premiums Earned	56,516	81,507	146,387	310,504	128,144	140,501	158,621
Net Investment Income	54,188	52,067	103,943	103,172	105,240	109,377	108,472

Source: BestLink® - Best's Financial Suite

Key Financial Ratios (%)	6-Months		Year End - December 31					Weighted Average
	2021	2020	2020	2019	2018	2017	2016	
Operating Return on Revenue	11.3	4.1	10.2	4.9	13.0	7.6	8.0	8.3
Operating Return on Capital and Surplus	16.0	7.2	16.6	11.9	19.8	11.5	11.6	14.2
Net Investment Yield	3.3	3.2	3.2	3.4	3.7	3.8	3.9	3.6
Pre-Tax Investment Total Return	3.5	2.8	3.1	3.2	2.5	2.3	3.1	2.8

Source: BestLink® - Best's Financial Suite

Leverage (%)	6-Months		Year End - December 31				
	2021	2020	2020	2019	2018	2017	2016
General Account Liabilities to Capital and Surplus	16.7	18.4	17.6	16.6	14.2	14.0	12.4
<b>Higher Risk Assets to Capital and Surplus:</b>							
All Other Higher Risk Assets	146.6	158.5	156.8	108.9	94.8	97.4	68.5

Source: BestLink® - Best's Financial Suite

Liquidity Analysis	6-Months		Year End - December 31				
	2021	2020	2020	2019	2018	2017	2016
Current Liquidity (%)	93.7	93.3	93.7	94.7	96.1	94.7	96.7
Net Operating Cash Flow USD (000)	1,518	18,005	33,923	190,023	37,874	-9,984	50,154

Source: BestLink® - Best's Financial Suite

## Credit Analysis

### Balance Sheet Strength

SBLI's risk-adjusted capitalization is assessed as very strong in 2020. Capital had declined in 2020 due to the amortization of its inforce life business and remaining write-down of a wholly owned captive, partially offset by organic earnings. Quality of capital is impacted by

## Balance Sheet Strength (Continued...)

SBLI's extensive use of captive reinsurance solutions to support XXX reserving and manageable use of financial leverage which is expected to decline over time as the company's new business uses principles based reserving practices. As part of SBLI's remutualization process, a surplus note was issued in 2017 for \$57.3 million, used to buy out its bank shareholders.

## Capitalization

SBLI's capital had reported generally declining amounts in recent years, due in part to the write-down of a wholly owned captive reinsurer. Statutory capital and surplus for 2020 and 2019 is \$187 million and \$194 million. Unrealized losses in SBLI Re were partially offset by organic earnings. AM Best notes that future organic earnings and reserve releases from its maturing block of XXX business reinsured to captives will also contribute to future surplus growth.

SBLI's capital structure has become more transparent with the remutualization in 2017. \$57 million in surplus notes were issued to buy out the shareholders. AM Best notes that the surplus note interest is relatively higher than dividends paid to previous shareholders, as there was some pressure from the shareholders to continue to increase the dividend. The surplus note structure better aligns the capital requirements with the policyholders. Also impacting quality of capital is SBLI's extensive use of reinsurance and securitizations to fund non-economic term life reserves to manage its risk-adjusted capital levels..

Risk-adjusted capitalization as defined by the Best Capital Adequacy Ratio is assessed as very strong, supported by organic earnings, an invested asset portfolio of generally good credit quality, and execution of captive finance solutions. NAIC RBC ratios improved to 421 in 2020, from 412 in 2019.

Capital Generation Analysis USD (000)	6-Months		Year End - December 31				
	2021	2020	2020	2019	2018	2017	2016
Beginning Capital and Surplus	187,025	193,902	193,902	201,799	202,523	225,618	223,958
Net Operating Gain	15,453	6,696	31,657	23,639	40,047	24,561	26,008
Net Realized Capital Gains (Losses)	310	501	6,899	657	-972	22,200	565
Net Unrealized Capital Gains (Losses)	3,430	-7,269	-10,259	-8,503	-31,465	-59,352	-23,269
Net Change in Paid-In Capital and Surplus	...	...	...	...	...	18,108	...
Stockholder Dividends	...	...	...	...	...	-1,840	-1,840
Other Changes in Capital and Surplus	-6,908	-15,542	-35,174	-23,689	-8,334	-26,772	196
Net Change in Capital and Surplus	12,285	-15,614	-6,877	-7,897	-723	-23,095	1,660
<b>Ending Capital and Surplus</b>	<b>199,310</b>	<b>178,288</b>	<b>187,025</b>	193,902	201,799	202,523	225,618
Net Change in Capital and Surplus (%)	6.6	-8.1	-3.5	-3.9	-0.4	-10.2	0.7
Net Change in Capital and Surplus (5 yr CAGR)	...	...	-3.5	...	...	...	...

Source: BestLink® - Best's Financial Suite

## Asset Liability Management - Investments

Invested asset allocations for SBLI at year-end, 2020 included bonds (88%); schedule BA assets (4%); stocks (3%) and the rest in real estate and contract loans. There is no direct mortgage exposure, although some is in bond holdings and Schedule BA assets. High risk asset allocations are elevated, which consist primarily of high yield bonds and schedule BA assets.

Bond allocations are mostly investment grade, but NAIC-2 allocations have increased in recent years as management has sought to gain investment yield. The bond portfolio unrealized gain position has increased in recent years as well. About 20% of the bond holdings include mortgage-backed securities, but are held in more stable risk tranches which help mitigate prepayment and extension risk. Private placements account for 20% of bond holdings, and has more than doubled in five years.

Stock holdings in recent years included modest allocations to preferred and affiliated holdings. Common stock allocations increased modestly in early 2020 as SBLI purchased common equities as the financial markets declined due to the COVID-19 pandemic. In 2017, SBLI sold nearly all of its unaffiliated public equity holdings. Lastly, the company holds Federal Home Loan Bank of Boston stock that provides the company access to additional liquidity and the potential for earning incremental investment spreads.

## Balance Sheet Strength (Continued...)

Composition of Cash and Invested Assets	6-Months		Year End - December 31				
	2021	2020	2020	2019	2018	2017	2016
Total Cash and Invested Assets USD (000)	3,316,515	3,248,049	3,286,783	3,191,759	2,863,976	2,824,857	2,826,296
Composition Percentages (%)							
Unaffiliated:							
Cash and Short Term Investments	3.1	0.9	2.5	6.4	...	3.1	5.9
Bonds	87.9	89.3	88.1	86.5	93.8	89.6	86.0
Stocks	1.8	3.1	2.5	1.6	1.2	1.2	2.6
Other Invested Assets	7.0	6.4	6.6	5.2	4.6	4.8	3.1
<b>Total Unaffiliated</b>	99.7	99.7	99.7	99.7	99.7	98.7	97.6
Investments in Affiliates	0.3	0.4	0.3	0.4	0.4	1.4	2.4
Non-Admitted	-0.1	...	-0.1	...	-0.1	-0.1	...
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

Bonds and Short Term Investments - Distribution by Maturity (%)	Years					Average (Years)
	0-1	1-5	5-10	10-20	20+	
Government Bonds	...	0.2	...	...	...	3.1
Government Agencies and Municipal Bonds	3.0	11.2	11.5	8.7	0.5	7.6
Industrial and Miscellaneous Bonds	2.5	20.8	19.0	19.1	3.3	8.9
Hybrid Securities	...	0.2	0.1	...	...	4.6
<b>Total Bonds</b>	5.5	32.3	30.6	27.8	3.8	8.4

Source: BestLink® - Best's Financial Suite

Bonds - Distribution by Issuer	Year End - December 31				
	2020	2019	2018	2017	2016
Bonds USD (000)	2,895,441	2,761,056	2,687,330	2,530,496	2,430,334
US Government (%)	0.2	0.3	0.2	0.3	0.3
Foreign - All Other (%)	9.8	9.4	12.0	12.9	12.8
State, Municipal & Special Revenue (%)	34.8	40.6	45.9	42.3	43.5
Industrial & Miscellaneous (%)	54.9	49.6	41.9	44.5	43.4
Hybrid Securities (%)	0.3	0.2	...	...	...
<b>Total Bonds (%)</b>	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

## Reserve Adequacy

SBLI has sufficient reserves as is demonstrated by its cash flow testing results.

## Operating Performance

SBLI has reported positive but fluctuating statutory earnings over the past several years. Earnings historically have benefited from favorable mortality and persistency. Operating results also reflect utilization of tax loss carry-forwards.

While SBLI has experienced some higher mortality due to the COVID-19 pandemic. However, this has been mostly offset by use of reinsurance and that most of the COVID-19 mortality has come from older policyholders who held whole life policies with relatively low face amounts.



## Operating Performance (Continued...)

Statutory pretax operating income increased to \$1.7 million in 2020, from \$23.6 million in 2019, driven by a lower level of policyholder dividends, lower surrenders and less new business strain, partially offset by higher general expenses from transitioning its workforce to working remotely and increased loading of deferred premiums.

In 2019, statutory net income declined to \$24.3 million, from \$39.1 million in 2018. The main drivers of the decline was new business strain related to growth and an increase in mortality. Earnings in 2018 included lower death benefits, lower surrenders and amortization of in-force gains. 2017 earnings included realized capital gains on the disposition of the equity portfolio. Most of the earnings are driven from its ordinary life line of business.

Premium growth historically has come from its ordinary life line of business, where compound annual growth rates have been comparable with its peers and the life industry average. In 2020, overall premiums declined significantly as the company introduced a multi-year guaranteed annuity in 2019, which generated very favorable sales. Due to the low interest rates as a result of the COVID-19 pandemic, the company stopped sales of this product. Ordinary life direct premiums have declined modestly in recent years, and term insurance comprised nearly 85% of direct written premium in 2020.

Investment income has declined over the past several years as lower investment yields were partially offset by an increased asset base. Statutory investment yields for SBLI are lower compared to the life industry average. There could be challenges for SBLI to maintain spreads on its multi-year guaranteed annuities (MYGA) which originally offered crediting rates of 4%, but is partially offset by a favorable commission terms.

A.M. Best believes that the servicing of the surplus note in the short term will negatively impact capital relative to prior shareholder dividends paid, but partially mitigating this concern is that capital costs are locked in, which eliminates the need to raise dividends for its former shareholders, and is viewed to have a favorable long-run impact.

SBLI has the ability to use net operating loss carry forwards from operating losses related to the captive reinsurers to offset future earnings, since all the companies are included in the federal income tax filings. XXX reserves are expected to decline in SBLI's VT Re captive after hitting their peak reserve levels.

Net Operating Gain By LOB USD (000)	Year End - December 31				
	2020	2019	2018	2017	2016
Individual Life	30,785	21,804	32,793	18,237	19,391
Group Life	-102	13	7	-51	4
Individual Annuities	2,174	3,058	6,073	6,413	6,282
Accident & Health	...	...	11	1	-1
Other Lines of Business	-1,201	-1,236	1,164	-38	332
Total	31,657	23,639	40,047	24,561	26,008

Source: BestLink® - Best's Financial Suite

Accident & Health Statistics	Year End - December 31				
	2020	2019	2018	2017	2016
Net Premiums Earned USD (000)	...	...	...	1	...
Claims and Cost Containment Ratio (%)	...	...	-99.9	...	289.5
Expense Ratio (%)	...	...	...	35.1	34.7
Combined Ratio (%)	...	...	-99.9	35.1	324.2
Underwriting Results USD (000)	...	...	11	1	-1

Source: BestLink® - Best's Financial Suite

## Business Profile

The Savings Bank Mutual Life Insurance Company of Massachusetts (SBLI), domiciled in the state of Massachusetts, markets term life, whole life and bank owned life insurance (BOLI) and individual annuities. SBLI is currently licensed in 48 states and the District of Columbia. Despite operating in a very competitive marketplace with a product that is highly commoditized, SBLI has earned a reputation for being a provider of low cost life insurance, particularly term insurance, and individual annuities, where it maintains a prominent market share.

## Business Profile (Continued...)

The main objectives of the company's long-term geographic, product, and marketing strategy are to maintain its cost advantages through growth by using selective distribution channels, testing new markets before committing major investment, maintaining a focus on direct marketing and e-commerce, and considering the prudent diversification of compatible products. Distribution is through four main channels: Direct, Aggregators, Independent and HIQ. The direct channel is through SBLI's own sales agents. Aggregators are direct markets while the independent channel is comprised of agents, brokers and independent marketing organizations. HIQ is a more recent development which is related to HealthIQ, an InsureTech company. SBLI continues to work with a number of key partners, such as Lifyfy, and ECA and HealthIQ, which are expected to produce meaningful life insurance sales over the medium term.

Premium sales by product in 2020 include Term (54%), Whole Life (5%) and BOLI (2%). Annuity sales declined significantly in 2020, and accounted for about 6% of total DWP. In 2019, annuity sales accounted for over a third of direct written premiums. SBLI faces some geographic exposure as 30% of its premiums are from the state of Massachusetts, but has been declining in recent years.

SBLI's main product is its guaranteed level premium term life product with various duration choices. SBLI has multi-class underwriting for its level premium term life products offering several underwriting classes. Additionally, the company offers yearly renewable term life products. All term life products have a convertibility provision to whole life, and have an alternative universal life conversion option. SBLI's permanent ordinary life products include whole life, limited payment life and single premium life. SBLI offers two different types of children's life insurance products: a term life insurance product designed to cover a child for a specific period of time and a whole life insurance plan that covers a child for his/her entire life as long as premiums are paid when due. Waiver of premium is available on ordinary life insurance policies. There is no statutory limit on policy amounts with amounts over \$500,000 on any one life reinsured.

SBLI also offers both single premium immediate and deferred fixed annuity contracts both on a qualified or non-qualified basis. The single premium deferred annuity is available for \$5,000 or more. To further broaden its product portfolio and diversify its net premium income sources, SBLI markets Bank Owned Life Insurance (BOLI). BOLI is a single-premium whole life product used by banks to fund executive benefits. BOLI premium has experienced significant growth in recent periods and is expected to generate an average of \$20 million in annual premium. SBLI is also qualified to bid on SPIA for the Massachusetts and Connecticut Lottery business.

In 2019, SBLI introduced a multi-year guaranteed annuity (MYGA) originally with crediting rates of 4%, which are now lower, of which nearly \$200 million was sold. Due to unfavorable interest rates as a result of the economic impact from the COVID-19 pandemic, and only about \$20 million of MYGA sales were generated before the company stopped selling this product in March, 2020. Despite the relatively generous crediting rate and current lower interest rates, spreads will be moderate, and are partially offset by lower commission costs on the product.

SBLI management continually looks for ways to expand its marketing reach and product offerings through the use of technology, as well as improving the customer experience and has a number of innovation projects in process.

2020 By Line Business	Direct Premiums Written		Reinsurance Premiums Assumed		Reinsurance Premiums Ceded		Net Premiums Written		Business Retention
	USD (000)	%	USD (000)	%	USD (000)	%	USD (000)	%	
Ordinary Life	348,306	94.2	...	...	223,509	100.0	124,797	85.3	35.8
Credit Life	4	...	...	...	...	...	4	...	100.0
Individual Annuities	21,586	5.8	...	...	...	...	21,586	14.7	100.0
<b>Total</b>	<b>369,896</b>	<b>100.0</b>	...	...	<b>223,509</b>	<b>100.0</b>	<b>146,387</b>	<b>100.0</b>	<b>39.6</b>

Source: BestLink® - Best's Financial Suite



Business Profile (Continued...)

Year End - December 31

Geographic Breakdown by Direct Premiums Written and Deposit-Type Contracts USD (000)

Table with 6 columns: State/Category, 2020, 2019, 2018, 2017, 2016. Rows include Massachusetts, California, New Jersey, Florida, Texas, Top 5 States, All Other, Total, and Geographic Concentration Index.

Source: BestLink® - Best's Financial Suite

Enterprise Risk Management

AM Best assesses that SBLI's risk management capabilities are appropriate to support its risk profile. SBLI follows the Committee of Sponsoring Organizations (COSO) model.

SBLI's tolerance for risk is low and maintains a conservative approach which is used in product development, underwriting and investment strategy.

Senior Management incorporates risk management in its decision-making process, while several individuals have an input through the Internal Risk Committee (ICR).

SBLI meets on a quarterly basis via the internal Risk Committee and senior management meets regularly to discuss and evaluate risks. The major risk categories covered by SBLI are Underwriting, Market, Investment, Operational and Strategic.

For information technology (IT) planning and project management, the company maintains and updates a road map regarding various projects covering areas such as digital planning, products, back office, infrastructure and corporate...

SBLI is in the process of building out its ESG activities, which most prominently include race & insurance as well as climate risk and resiliency.

Reinsurance Summary

SBLI also has two wholly owned captives: SBLI Re, LLC and SBLI VT Re, LLC. SBLI Re, LLC is domiciled in Vermont, and is opened for level term new business from January 1, 2015 to December 31, 2019.



**Enterprise Risk Management (Continued...)**

During the fourth quarter of 2014, SBLI-MA completed a reinsurance transaction that recaptured all of the in-force business from SBLI Re, LLC back into SBLI-MA. This block of business was then combined with a block currently at SBLI-MA, (containing all level term business from December 18, 2013 to December 31, 2014), which was then ceded to SBLI VT Re, LLC. SBLI VT Re, LLC terminated its letter of credit financing with UBS AG as of September 30, 2014, which was replaced by the issuance of a surplus note to NNLI VT Holdings, LLC, a Vermont domiciled limited liability company, which purchased the surplus note in exchange for a Rated NAIC Bond. The effective date of these transactions was October 1, 2014 and the transactions were closed on December 18, 2014.

During 2015, the Company completed a reinsurance transaction that ceded all of the level term life business from January 1, 2015, to December 31, 2017, to SBLI Re, LLC. This transaction received approval from the State of Vermont Department of Financial Regulation on September 28, 2015. A Surplus Note was issued to NNLI RNB2 Holdings, LLC, a Vermont domiciled limited liability company, which purchased the surplus note in exchange for a Rated NAIC Bond. This entire restructuring was approved by the Commonwealth of Massachusetts Division of Insurance on November 16, 2015. The effective date of these transactions was October 1, 2015 and the transactions were closed on December 11, 2015.

Prior to August 31, 2007, the Company reinsured primarily Term and Whole Life policies above the per-life retention limits, with various third party reinsurance companies. The first reinsurance agreement was entered in 1996 and additional agreements were implemented as needed for varying retention limits and pool agreements in the course of business. Third party reinsurers have included Generali, Swiss Re Life & Health of America, Scottish Re U.S., Transamerica Life Insurance Company, and RGA Reinsurance Company.



## Financial Statements

	6-Months		Year End - December 31			
	2021		2020		2019	
<b>Balance Sheet</b>	USD (000)	%	USD (000)	%	USD (000)	%
Cash and Short Term Investments	102,214	2.9	81,931	2.3	203,062	6.0
Bonds	2,915,561	82.8	2,895,441	83.0	2,761,056	81.0
Preferred and Common Stock	58,079	1.7	82,204	2.4	50,201	1.5
Other Invested Assets	240,662	6.8	227,207	6.5	177,441	5.2
<b>Total Cash and Invested Assets</b>	<b>3,316,515</b>	<b>94.2</b>	<b>3,286,783</b>	<b>94.3</b>	<b>3,191,759</b>	<b>93.7</b>
Premium Balances	111,881	3.2	115,991	3.3	117,283	3.4
Net Deferred Tax Asset	17,853	0.5	17,853	0.5	20,453	0.6
Other Assets	73,183	2.1	66,129	1.9	78,097	2.3
<b>Total General Account Assets</b>	<b>3,519,432</b>	<b>100.0</b>	<b>3,486,756</b>	<b>100.0</b>	<b>3,407,592</b>	<b>100.0</b>
<b>Total Assets</b>	<b>3,519,432</b>	<b>100.0</b>	<b>3,486,756</b>	<b>100.0</b>	<b>3,407,592</b>	<b>100.0</b>
Net Life Reserves	2,178,914	61.9	2,185,635	62.7	2,174,779	63.8
Liability for Deposit Contracts	310,973	8.8	311,830	8.9	289,436	8.5
Asset Valuation Reserve	29,030	0.8	30,388	0.9	26,935	0.8
Other Liabilities	801,205	22.8	771,879	22.1	722,539	21.2
<b>Total General Account Liabilities</b>	<b>3,320,122</b>	<b>94.3</b>	<b>3,299,732</b>	<b>94.6</b>	<b>3,213,689</b>	<b>94.3</b>
<b>Total Liabilities</b>	<b>3,320,122</b>	<b>94.3</b>	<b>3,299,732</b>	<b>94.6</b>	<b>3,213,689</b>	<b>94.3</b>
Unassigned Surplus	141,990	4.0	129,705	3.7	136,582	4.0
Other Surplus	57,320	1.6	57,320	1.6	57,320	1.7
<b>Total Capital and Surplus</b>	<b>199,310</b>	<b>5.7</b>	<b>187,025</b>	<b>5.4</b>	<b>193,902</b>	<b>5.7</b>
<b>Total Liabilities, Capital and Surplus</b>	<b>3,519,432</b>	<b>100.0</b>	<b>3,486,756</b>	<b>100.0</b>	<b>3,407,592</b>	<b>100.0</b>

Source: BestLink® - Best's Financial Suite

	6-Months		Year End - December 31	
	2021	2020	2020	2019
<b>Income Statement USD (000)</b>				
Net Premiums Earned:				
Individual Life	...	...	124,797	111,337
Individual Annuities	...	...	21,586	199,160
Other Lines of Business	...	...	4	7
<b>Total Net Premiums Earned</b>	<b>56,516</b>	<b>81,507</b>	<b>146,387</b>	<b>310,504</b>
Net Investment Income	54,188	52,067	103,943	103,172
Other Income	26,278	31,094	59,565	69,558
<b>Total Revenue</b>	<b>136,982</b>	<b>164,668</b>	<b>309,895</b>	<b>483,234</b>
Policy Benefits	67,866	99,278	170,278	351,711
Commissions and Expense Allowances	9,107	9,523	18,486	18,285
Insurance and Other Expense	34,540	32,196	70,312	55,380
Dividends to Policyholders	10,016	16,974	19,163	34,218
<b>Pre-Tax Net Operating Gain</b>	<b>15,453</b>	<b>6,696</b>	<b>31,657</b>	<b>23,639</b>
Net Operating Gain	15,453	6,696	31,657	23,639
Net Realized Capital Gains	310	501	6,899	657
<b>Net Income</b>	<b>15,764</b>	<b>7,197</b>	<b>38,555</b>	<b>24,295</b>

Source: BestLink® - Best's Financial Suite



<b>Statement of Operating Cash Flows USD (000)</b>	<b>6-Months</b>		<b>Year End - December 31</b>	
	<b>2021</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>
Net Premiums Collected	57,792	78,753	141,552	309,376
Net Investment Income	56,643	54,924	109,510	111,610
Other Income Received	16,402	17,911	31,550	53,015
Total Collected Operating Revenue	130,837	151,588	282,612	474,001
Net Benefits and Loss Related Payments	75,893	72,367	135,498	171,247
Commissions and Other Expenses Paid	43,420	43,583	79,122	74,195
Dividends to Policyholders	10,006	17,633	34,069	38,536
Total Paid Expenses and Transfers	129,319	133,583	248,689	283,978
Net Operating Cash Flow	1,518	18,005	33,923	190,023

Source: BestLink® - Best's Financial Suite

## Related Methodology and Criteria

A.M. Best's Stress Liquidity Ratio for U.S. Life Insurers, 10/13/2017

Best's Credit Rating Methodology, 11/13/2020

Available Capital & Holding Company Analysis, 10/13/2017

Evaluating U.S. Surplus Notes, 10/13/2017

Scoring and Assessing Innovation, 03/05/2020

Understanding BCAR for U.S. and Canadian Life/Health Insurers, 06/10/2021

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