

BEST'S RATING REPORT

Sagicor Life Insurance Company

Austin, Texas, United States 78701

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Sagikor Life Insurance Company

Disclosure Information: View A.M. Best's [Rating Disclosure Form](#)

Ultimate Parent: [088130 - Sagikor Financial Corporation Limited](#)

A.M. Best Rating Unit: 006057 - Sagikor Life Insurance Company

Best's Credit Ratings:

Rating Effective Date: August 31, 2018

Best's Financial Strength Rating:	A-	Outlook:	Stable	Action:	Affirmed
Best's Issuer Credit Rating:	a-	Outlook:	Stable	Action:	Affirmed

Five Year Credit Rating History:

Date	Best's Financial Strength Ratings			Best's Issuer Credit Ratings		
	Rating	Outlook	Action	Rating	Outlook	Action
08/31/2018	A-	Stable	Affirmed	a-	Stable	Affirmed
07/18/2017	A-	Stable	Affirmed	a-	Stable	Affirmed
03/28/2017	A- u	Negative	Under Review	a- u	Negative	Under Review
02/03/2017	A-	Stable	Affirmed	a-	Stable	Affirmed
12/04/2015	A-	Stable	Affirmed	a-	Stable	Affirmed
08/20/2014	A-	Stable	Affirmed	a-	Stable	Affirmed

Rating Rationale:

Balance Sheet Strength: Adequate

- High dependence on reinsurance.
- Risk-adjusted capital in the weak category.
- Conservative and liquid investment portfolio.

Operating Performance: Adequate

- Profitable IFRS results.
- Flat premium growth after decline in annuity sales.
- Volatile statutory results due to new business strain and hedging program.

Business Profile: Neutral

- Diversified product portfolio.
- Annuity market is very competitive, Sagikor USA lacks scale.
- Sagikor USA is a significant part of Sagikor Financial Corporation Limited's (SFC) overall strategy, and it has 29% of the assets and 21% of the premium of SFC.

Enterprise Risk Management: Appropriate

- Integrated ERM program set by group manages risks across all companies under SFC.
- Product risk on higher end of risk continuum due to equity indexed annuities, which are risk managed by hedging program.

Rating Lift/Drag

- Parental guarantee to provide capital at the 300% risk-based capitalization (RBC) level.
- Sagicor has made capital contributions in the past.

Outlook

The outlooks are stable due to adequate balance sheet strength and capital support from the parent.

Rating Drivers

Negative rating action could occur if there is significant deterioration of the risk-adjusted capitalization of Sagicor Life Insurance Company.

Negative rating action could occur if there is a deterioration in operating performance.

Financial Statements:

Balance Sheet:

Balance Sheet:

Admitted Assets	Year End - December 31	
	2017 (\$000)	2016 (\$000)
Bonds	937,746	922,968
Preferred Stocks	22,859	20,045
Common Stocks	6,520	5,982
Mortgage Loans	33,970	27,995
Real Estate	86	115
Contract Loans	29,821	31,156
Cash & short-term Investments	9,272	-388
Derivatives	30,245	27,616
Premiums & Consideration Due	8,323	7,539
Investment income due & accrued	12,752	12,422
Other Assets	23,409	30,960
Total Assets	1,115,003	1,086,410

Liabilities & Surplus	Year End - December 31	
	2017 (\$000)	2016 (\$000)
Net policy reserves (see components below)	799,449	776,427
Liabilities for deposit type contracts	38,312	39,602
Policy Claims	10,283	9,547
Interest maintenance reserve	20,136	21,536
Commissions, taxes and expenses	3,407	3,879
Borrowed Money	148,583	134,309
Asset Valuation Reserve	6,378	6,827
Other Liabilities	15,958	22,031
Total Liabilities	1,042,504	1,014,159

YE 2017: Life \$389,598; annuities \$400,570; supplementary contracts with life contingencies \$5,616; accidental death benefits \$192; disability active lives \$87; disability disabled lives \$494; miscellaneous reserves \$2,772; accident & health \$120.

YE 2016: Life \$381,823; annuities \$387,310; supplementary contracts with life contingencies \$3,548; accidental death benefits \$200; disability active lives \$83; disability disabled lives \$393; miscellaneous reserves \$2,944; accident & health \$128.

Balance Sheet: (Continued...)**Balance Sheet: (Continued...)**

Capital & Surplus	Year End - December 31	
	2017 (\$000)	2016 (\$000)
Common Stock	2,500	2,500
Surplus Notes	50,817	43,055
Paid-in & Contributed Surplus	130,638	137,726
Unassigned Surplus	-111,456	-111,031
Total Policyholders' Surplus	72,499	72,250
Total Liabilities & Surplus	1,115,003	1,086,410

Source: Bestlink - Best's Statement File - L/H, US

Company History:**Date Incorporated:** 04/05/1954**Date Commenced:** 04/05/1954**Domicile:** United States: Texas

Originally incorporated as American Founders Life Insurance Company, the present title was adopted during 2006.

Mergers: AF Merger Life Insurance Company, Texas, 1977; Aztec Life Assurance Company, California, 1997; Washington Life Insurance Company of America, Louisiana, 2001; Imperial General Life Insurance Company, Missouri, 2001; Teton National Insurance Company, Colorado, 2001; PEMCO Life Insurance Company, 2012; Laurel Life Insurance Company, 2012.

Company Management:

Last significant update on 07/27/2018

Officers

Chairman of the Board: Stephen D. McNamara
CEO: Dodridge D. Miller
President and COO: Bart F. Catmull
Chief Risk Officer: Tyler J. Denison
SVP and CFO: Shaun Williams
SVP: Bernard R. Gaffney (Investments)
SVP: Michael P. Stricker
Vice President: James Burke (Corporate Communications)
Vice President: Catherine Hauck (Human Resources)
Vice President: Glen Pederson (Systems)
Vice President: Alycia G. Slyck (Actuarial Services)
Vice President: Ena T. Townsend
Vice President: James R. Weiskircher (Finance)
Secretary: James G. Golembiewski (Legal & Compliance)
Chief Officer: Laura J. Morrison (Sales, Independent Channel)

Directors

J. Arthur Bethell

Company Management: (Continued...)

Directors (Continued...)

Todd M. Campbell
Monish K Dutt
William P. Lucie-Smith
Kendrick A. Marshall
Stephen McNamara
Dodridge D. Miller
Vikki L. Pryor
Ravi C. Rambarran
Peggy M. Rubin-Dittemore
John F. Shettle

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Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

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