

Financial Strength and Stability

A solid foundation for fulfilling life.

July 2023



Sue Wilkinson

Executive Vice President,
Chief Financial Officer
and Treasurer

Ameritas has been accomplishing great things – hard work that will yield benefits far into the future. And we're making these strides while in an uncertain external environment of new threats to the economy and the institutions that help create stability.

That makes things more difficult for business, and the past year has delivered a combination of high inflation, rising interest rates, new regulation, tight labor and volatile investment markets. Today, inflation has eased, a deep recession seems more remote, and financial markets are reflecting optimism. We're more optimistic, too, but know trends can quickly reverse.

Being prepared is more important than ever, and that's what Ameritas is all about. Our business model, our products and services ... literally everything we do is meant to help prepare our customers for a brighter future.

As a company, we've been preparing for the future, too. Our fast-changing world is driven by powerful trends and new technologies that offer great opportunities but also require smart decisions. One of the few things we can really be certain of is that business will be conducted very differently in the not-distant future.

Ameritas intends to be ready. Transformation and flexibility are woven into our systems, our processes, our culture. We're making investments, integrating acquisitions and employing new, digital tools. We plan to be here for our customers, and for the fast-growing network of financial professionals who serve them. We also thrive through all this change by remembering what we're so well known for – financial strength and organizational stability.

- Being an **independent, mutual-based organization** gives us the freedom to focus on the big picture, making the best decisions for our policyholders and members.
- An **exceptionally strong capital base** provides a deep foundation that lets us continue keeping our promises and controlling our destiny.
- Our **diversified business model** mitigates risk in volatile times and markets, featuring smart, balanced investments and sales spread across multiple product lines.

As always, Ameritas is honored to provide the insurance, employee benefits and financial services that help customers feel more safe and secure during uncertain times. The financial measures described here reflect our commitment to the strength and stability that move us forward with confidence and optimism.

We make the best decisions possible with the most complete information available, and you can take comfort knowing Ameritas is here for you, focused on fulfilling life.

Fulfilling life ...

It's our company's purpose, and a job we take very seriously. It's also the promise we make to everyone who secures some part of their future through a relationship with Ameritas.

Even in the best of times, we remain focused on financial strength and stability – the foundation on which our business has been built, and the assurance behind each of the commitments made with our help, generation by generation.

That's what fulfilling life means here at Ameritas. The financial professionals who stand behind our products and services say it's in our DNA – and theirs. They're proud to share this message with the clients and future clients who count on us.

Our mutual advantage

Founded in 1887 as the Old Line Bankers Life Insurance Company of Nebraska, today we're Ameritas. Still headquartered in Lincoln, Neb., we've continued growing organically and through acquisitions, and now serve 5.7 million customers nationwide¹ by providing insurance, financial services and employee benefits.

As a mutual-based organization, our business structure supports making long-term decisions in our customers' best interest, without obligation to Wall Street analysts or stockholders. We can make smart, well-timed decisions to benefit the individuals, families and businesses who rely on our products and services. We're fully committed to the sustainable growth that helps us keep our promises for generations to come.

A record of strength and stability

Industry financial strength ratings²

The analyses from AM Best's Rating Reports and Standard & Poor's RatingsDirect are available in the Ameritas ratings section of the Financial Strength page on Ameritas.com.

A+

Standard & Poor's

A+ (Strong) for insurer financial strength.³ This is the fifth highest of Standard & Poor's 21 ratings assigned.

A

AM Best

A (Excellent) for insurer financial strength.⁴ This is the third highest of AM Best's 13 ratings assigned.

Strong liquidity

Liquidity measures how easily a company can convert assets into cash. Ameritas has access to multiple avenues of funding. AM Best confirms this, indicating that our overall liquidity is supported by positive net cash flows from a diversified business mix, access to a committed but fully available bank line, and by membership in the Federal Home Loan Bank system, providing additional borrowing capacity at relatively low cost of funds. AM Best notes that liquidity is further enhanced by the Ameritas mutual holding company structure, providing very low financial leverage, and by our generally lower risk product portfolio.⁴

High capital and surplus/assets ratio

The capital and surplus/assets ratio measures a company's cushion against a decline in the value of its assets before surplus is depleted. Higher levels of capital and surplus relative to assets help support operations and growth. The statutory surplus levels of Ameritas Life Insurance Corp. and Ameritas Life Insurance Corp. of New York (Ameritas) are above Standard & Poor's capital requirements at the 'AAA' rating level.³ Ameritas had \$1.9 billion of statutory basis total adjusted capital as of Dec. 31, 2022,⁵ ending the period with a capital and surplus/assets ratio of 11.0%, well above the industry average of 8.7%⁶ and comparing favorably to our peers. This represents extremely strong capital which, along with low levels of financial leverage, demonstrates adequate financial flexibility to address unforeseen market conditions.

Low debt-to-capital ratio

The debt-to-capital ratio measures the debt component of a company's capital structure. Calculated by dividing total debt by total capital, it is often used to determine the soundness of long-term financial policies. As of Dec. 31, 2022, Ameritas had \$157.4 million of outstanding debt,⁷ representing 8.3% of our capital and surplus. This is significantly below the industry average of 14.2%⁸ for the same period, demonstrating a strong equity position and focus on minimizing permanent debt.

High-quality assets

Asset quality is an important factor in managing risk. As of Dec. 31, 2022, the Ameritas insurance companies' general account invested assets base was \$16.7 billion.⁸ This represented approximately 96.9% of the general account admitted assets. Bonds represented 70.6% of the company's invested assets, 95.6% of which were rated strong investment grade, versus the industry average of approximately 94.6%.⁹ The high yield portfolio comprised 4.4% of bonds compared to the industry average at 5.4%.⁹ This reflects our continued focus on maintaining a high-quality investment portfolio.

Ameritas Mutual Holding Company

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¹ Total customers served as of Dec. 31, 2022. 2022 Annual Report, Ameritas Mutual Holding Company.

² The ratings assigned to Ameritas Life Insurance Corp. and Ameritas Life Insurance Corp. of New York provide an independent opinion of each insurer's financial strength and ability to meet ongoing insurance policy and contract obligations. Standard & Poor's and AM Best are recognized among the top authorities in analyzing insurance companies. Ratings are current as of June 2023 and subject to change. For the latest Best's credit rating, visit ambest.com/home.

³ Standard & Poor's RatingsDirect®, June 5, 2023.

⁴ Best's Rating Report, May 4, 2023. To view the complete report, visit ameritas.com/about/financial-strength.

⁵ Total adjusted capital equals capital and surplus plus asset valuation reserves.

⁶ S&P Global Market Intelligence, 2022 statutory insurance data.

⁷ Debt includes surplus notes payable, real estate encumbrances, and operational borrowings on the balance sheet.

⁸ The information contained within this brochure reflects combined statutory basis of accounting results for the Ameritas Life insurance operations, as of Dec. 31, 2022. This information does not represent the financials of the individual insurance companies.

⁹ American Council of Life Insurers (ACLI) preliminary values, Dec. 31, 2022.

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