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## FOR IMMEDIATE RELEASE

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### **A.M. Best Affirms Credit Ratings of Ameritas Life Insurance Corp. and Its Subsidiary**

**OLDWICK, N.J., March 23, 2018**—A.M. Best has affirmed the Financial Strength Rating (FSR) of A (Excellent) and the Long-Term Issuer Credit Ratings (Long-Term ICR) of “a+” of **Ameritas Life Insurance Corp.** (Ameritas Corp.) (Lincoln, NE) and **Ameritas Life Insurance Corp. of New York** (Ameritas NY) (New York, NY). These insurance entities comprise the life/health operations of **Ameritas Mutual Holding Company** (Ameritas). Concurrently, A.M. Best has affirmed the Long-Term Issue Credit Rating (Long-Term IR) of “a-” on the group’s existing surplus notes (\$49.9 million outstanding). The outlook of these Credit Ratings (ratings) is stable.

The ratings reflect Ameritas’ balance sheet strength, which A.M. Best categorizes as very strong, as well as its adequate operating performance, favorable business profile and appropriate enterprise risk management (ERM).

Ameritas’ continues to maintain a favorable level of risk-adjusted capitalization, which is supplemented by strong liquidity metrics and financial flexibility. Financial leverage and operating leverage are considered modest for the organization and consist primarily of surplus notes and Federal Home Loan Bank borrowings. The organization maintains a generally conservative investment profile, with the largest portion of its assets allocated to highly rated corporate bonds, and a modest exposure to below investment grade bonds relative to industry

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norms. While Ameritas has a material allocation in mortgages and real estate-related assets, impairments related to these asset classes have been modest and the commercial mortgage portfolio has a low average loan size, favorable loan-to-value ratios and the majority is written with personal guarantees (i.e., with recourse).

Ameritas' operating performance has been adequate, though subject to a level of volatility due to one-time impacts, as well as unfavorable mortality reported in certain product lines. Both GAAP and statutory results for year-end 2017 exceeded the prior year, driven primarily by favorable results in the group benefits segment. Additionally, sales and revenue trends have been generally favorable and have been supplemented by a steady stream of net investment income. On a GAAP basis, the company reported a sizable, favorable benefit as a result of U.S. tax reform implemented in fourth quarter 2017. Ameritas' favorable business operations reflect its diverse business segments, distribution channels and overall competitive market position that the company has in its core products. The company continues to further integrate its ERM practices throughout the organization and A.M. Best believes its risk management capabilities are well matched to its profile of insurance, investment and regulatory-related risks.

The following Long-Term IR has been affirmed:

**The Union Central Life Insurance Company** (merged into Ameritas Corp. effective July 1, 2014)—  
— “a-” on \$50 million 8.20% surplus notes, due 2026

**This press release relates to Credit Ratings that have been published on A.M. Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see A.M. Best's [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Understanding Best's Credit Ratings](#). For information on the proper media**

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