

# Legal & General America

## Its Financial Strength

### Legal & General America

For nearly 70 years, we've been in the business of providing financial protection for American families from coast to coast.

The Legal & General America companies are Banner Life Insurance Company and its subsidiary William Penn Life Insurance Company of New York. Banner was founded as GELICO in 1949 and has been part of Legal & General Group Plc since 1981; William Penn joined the family in 1989.

While Banner and William Penn remain the companies that underwrite and issue our policies, we go to market under a single name, Legal & General America.

### Independent Ratings For Overall Financial Strength

**A+** In its November 2017 press release reaffirming the A+ (Superior) financial strength rating for Banner and William Penn, A.M. Best noted our "strong competitive position in the U.S. term life marketplace" and "solid operating performance" on both "a U.S. GAAP and International Financial Reporting Standard basis."

**AA-** The Standard & Poor's review dated July 7, 2017 reaffirmed the AA- (Very Strong) financial strength rating we share with our parent company, assessing our operations as "core" to Legal & General Group.

**AA-** In June, 2017, Fitch Ratings reaffirmed the insurance financial strength ratings for its core rated operating entities, Banner and William Penn, with ratings of AA- (Very Strong).

**94** Our COMDEX score, as of June 15, 2017, is a composite of all the financial strength ratings Legal & General America has received.

### What Makes Us Strong

#### 95% Investment Grade Portfolio<sup>1</sup>

The Legal & General America operating companies are among the most financially sound life insurers. Our investment portfolio is conservatively positioned and prudently managed. It's highly liquid and well diversified with approximately 95% investment grade corporate bonds and very highly rated structured securities.

#### 1.3 Million U.S. Customers<sup>1</sup>

That's the number of policy owners counting on us to help provide financial security for the people they have so carefully chosen to protect.

#### New Coverage Ranks Us In The Top Five<sup>2</sup>

Legal & General America is a top five provider of term life insurance in the U.S., issuing more than \$53 billion in new coverage in 2017. We also issued approximately \$717 million in new annuity contracts in 2017 to over 21,500 annuitants.

#### \$678 Billion of Coverage In Force<sup>1</sup>

Legal & General America is growing; our life insurance in force is over \$678 billion.

#### Nearly \$5 Billion In Invested Assets<sup>3</sup>

Another testament to our financial strength, the Legal & General America operating companies had nearly \$5 billion in invested assets at year-end 2017.

#### Capitalization Is More Than Double The Industry Average<sup>4</sup>

The capitalization level of a company is particularly meaningful because it measures a company's solvency. It assesses the level of a company's assets available to pay future liabilities; such as current and future policyholder benefits. On this basis, we are particularly strong. The Pure Capital Ratio measures the cushion a company has against a decline in the value of its assets. Our Pure Capital Ratio was 28.7%, more than double the industry average of 11.8%.

### Our Parent: Legal & General Group, Plc

#### A History More Than 180 Years Strong

Founded in 1836 in London where it still has its headquarters, Legal & General Group, Plc has operations in Europe, North America and Asia.

#### 9th Largest In The World<sup>1</sup>

Legal & General Group, Plc is the 9th largest insurance company in the world, as measured by non-banking assets.

#### 10 Million Customers Worldwide<sup>2</sup>

That's the number of people who rely on Legal & General Group, Plc for life insurance, pensions, investments, and general insurance plans.

#### \$1.3 Trillion Assets Under Management<sup>3</sup>

Legal & General Group, Plc is one of the world's largest insurance and investment management groups, with total assets under management of \$1.3 trillion as of December 31, 2017.

#### Award Winning

Legal & General Group, Plc received numerous awards in 2017 including "Best Term Assurance Provider" at the Investment Life & Pensions Moneyfacts Awards.

Legal & General America life insurance products are underwritten and issued by Banner Life Insurance Company, Urbana, MD and William Penn Life Insurance Company of New York, Valley Stream, NY. Banner products are distributed in 49 states and in DC. William Penn products are available exclusively in New York; Banner does not solicit business there. The Legal & General America companies are part of the worldwide Legal & General Group. Financial strength ratings from A.M. Best, Standard & Poor's and Fitch Ratings as of 2018. LAA1920 19-006 (1.15.19)

<sup>1</sup> Year-end 2017

<sup>2</sup> Top five term life ranking based on coverage in the brokerage channel; 2017 LIMRA US Retail Individual Life Insurance Sales By Channel

<sup>3</sup> Statutory Returns 2017

<sup>4</sup> Year-end 2017 ALIRT Insurance Research

<sup>1</sup> 2016 non-banking assets, 2018 study, A.M. Best

<sup>2</sup> Year-end 2017

<sup>3</sup> Conversions for year-end 2017, FX 1 GBP = USD 1.35

