financial strength benchmarking of life insurance competitors

Ameritas®
fulfilling life

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financial strength benchmarking of life insurance competitors

Ameritas Mutual Holding Company's (Ameritas) core financial strength lies within its insurance companies. Ameritas Life Insurance Corp. is a subsidiary of Ameritas Mutual Holding Company, which includes life insurance company affiliates Ameritas Life Insurance Corp. of New York, Acacia Life Insurance Company and The Union Central Life Insurance Company.

the financial strength to deliver on our promises

As a mutual organization, we always put customers first. With our long-standing strength, we've established a tradition of striving to deliver the very best in products and services generation after generation. Though we're proud of our group ratings[1] from Standard & Poor's and A.M. Best Company, we measure our success by how many people we've helped. By how many promises we've kept. That's the true measure of who we are.

The Best's Rating Report and Standard & Poor's Full Analysis Report are available in the ratings section of ameritas.com.

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

A (Excellent) for financial strength and operating performance. This is the third highest of A.M. Best's 15 ratings.

Competitor Benchmarking

The following financial strength benchmarking of life insurance competitors is based on a comprehensive statutory basis of accounting (SAP) as of December 31, 2012. The source for the following information is SNL Financial, April 2013. Individual insurance company financials are available upon request by calling toll-free 1-800-745-1112. Ameritas Life and Acacia Life are not licensed in New York. The information for Ameritas is for all its insurance companies on a group basis. Ameritas Mutual Holding Company itself is not an insurance company.

Life Insurance Competitor Categories

SECTION I

Rating Agency Peers: Standard & Poor's and A.M. Best Company rating peers as selected by Ameritas.

SECTION II

Home Office-Defined Competitors: Competitors as selected by Ameritas.

SECTION III

Similar Distribution/Agent Value Proposition Peers: Peers with similar distribution strategy and agent value proposition.

section I

Life Insurance Competitors: Rating Agency Peers

Ameritas – Ameritas Mutual Holding Company (SNL Life Group)

Mutual of Omaha – Mutual of Omaha Insurance Company (SNL Life Group)

National Life Group – National Life Group (SNL Life Group)

Ohio National – Ohio National Mutual Holdings (SNL Life Group)

OneAmerica – OneAmerica Financial Partners (SNL Life Group)

Penn Mutual – Penn Mutual Life Insurance Company (SNL Life Group)

Securian - Securian Financial Group – (SNL Life Group)

Average – Average of Listed Life Insurance Competitors (excludes Ameritas)

Approved for client use.

Capital and Surplus/Assets Ratio

The capital and surplus/assets ratio measures the cushion a company has against a decline in the value of its assets before its surplus is depleted. *Higher levels of capital and surplus relative to assets help support a company's operations and growth.* It also helps protect against the volatility of the financial markets.

Mutual companies generally hold more capital as they do not have access to just-in-time capital like stock companies. Ameritas has a capital and surplus/assets ratio of 13.4 percent, which is well above the industry average and compares favorably to most peers. A capital ratio of 13.4 percent means for every $7.5 of general account assets Ameritas holds on its balance sheet, we hold $1.0 of capital as reserve.

Rating Agency Peers	Capital & Surplus/Assets (%)
Securian	16.4%
Penn Mutual	13.9%
Ameritas	**13.4%**
Mutual of Omaha	12.4%
Average	11.5%
Ohio National	10.9%
OneAmerica	8.4%
National Life Group	7.1%

NAIC Risk-Based Capital Ratio

National Association of Insurance Commissioners (NAIC) Risk-Based Capital (RBC) is a method for establishing the hypothetical minimum amount of capital appropriate for an insurance company to support its overall business operations in consideration of its size and risk profile. *All else equal, the higher the RBC ratio, the greater the financial strength of the insurer.*

Generally the industry considers an RBC ratio above 400 percent to be the threshold required to have the equivalency of AA capital from Standard & Poor's. Ameritas' group rating reflects statutory surplus levels above the risk-adjusted minimums for a AAA stress scenario. This gives Ameritas maximum flexibility to meet stress scenarios.*

Rating Agency Peers	NAIC Risk-Based Capital Ratio (%)
Ohio National	636%
Penn Mutual	612%
Ameritas	**525%**
Average	511%
Securian	507%
OneAmerica	475%
Mutual of Omaha	423%
National Life Group	416%

Surplus Notes/Capital & Surplus

Surplus notes are a form of debt for mutual insurance organizations. Ameritas' debt-to-capital ratio is considered conservative compared to several of the peer companies. Ameritas has one $50 million long-term debt issue outstanding that matures in 2026, which represents less than 4 percent of total capital and surplus.

Rating Agency Peers	Surplus Notes/ Capital & Surplus (%)
Ameritas	**3.7%**
Securian	5.4%
OneAmerica	8.5%
National Life Group	17.5%
Average	18.5%
Mutual of Omaha	24.3%
Penn Mutual	26.0%
Ohio National	29.5%

National Association of Insurance Commissioners Bonds Rated 3 through 6

Carrying value of bonds rated NAIC 3 through NAIC 6 (considered below investment grade with more risk) as a percentage of total bonds as reported on SNL Schedule D Part 1A Section 1. *The lower the value, the higher the quality of the bond portfolio.* Ameritas has less than one-half of the industry average exposure to high yield or junk bonds (3.1 percent compared to 6.3 percent for the industry).

Rating Agency Peers	Bonds Rated 3 to 6/Bonds (%)
Penn Mutual	1.9%
Ameritas	**3.1%**
OneAmerica	4.1%
Average	4.7%
Mutual of Omaha	4.9%
Ohio National	5.5%
National Life Group	5.7%
Securian	6.3%

*Standard and Poor's Research, Ameritas Insurance Group, June 14, 2012.

section II

Life Insurance Competitors:
Similar Distribution/Agent Value Proposition

Ameritas – Ameritas Mutual Holding Company (SNL Life Group)

Lafayette Life – Lafayette Life Insurance Co.

Massachusetts Mutual – Massachusetts Mutl Life Ins Co (SNL Life Group)

MetLife – MetLife Inc. (SNL Life Group)

New York Life – New York Life Insurance Group (SNL Life Group)

Northwestern Mutual – Northwestern Mutl Life Ins Co (SNL Life Group)

Prudential Life – Prudential Financial Inc. (SNL Life Group)

Average – Average of Listed Life Competitors (excludes Ameritas)

Capital and Surplus/Assets Ratio

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Mutual companies generally hold more capital as they do not have access to just-in-time capital like stock companies. Ameritas has a capital and surplus/assets ratio of 13.4 percent, which is well above the industry average and compares favorably to most peers. A capital ratio of 13.4 percent means for every $7.5 of general account assets Ameritas holds on its balance sheet, we hold $1.0 of capital as reserve.

Similar Distribution/ Agent Value Proposition	Capital & Surplus/Assets (%)
Ameritas	**13.4%**
Massachusetts Mutual	11.6%
Northwestern Mutual	8.9%
New York Life	8.3%
Average	7.6%
MetLife	7.3%
Lafayette Life	4.8%
Prudential Financial	4.7%

NAIC Risk-Based Capital Ratio

National Association of Insurance Commissioners (NAIC) Risk-Based Capital (RBC) is a method for establishing the hypothetical minimum amount of capital appropriate for an insurance company to support its overall business operations in consideration of its size and risk profile. *All else equal, the higher the RBC ratio, the greater the financial strength of the insurer.*

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Similar Distribution/ Agent Value Proposition	NAIC Risk-Based Capital Ratio (%)
Northwestern Mutual	578%
Ameritas	**525%**
New York Life	522%
Massachusetts Mutual	503%
Average	485%
Prudential Financial	455%
Lafayette Life	367%
MetLife	NA

*Standard and Poor's Research, Ameritas Insurance Group, June 14, 2012.

Surplus Notes/Capital & Surplus

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Similar Distribution/ Agent Value Proposition	Surplus Notes/ Capital & Surplus (%)
Ameritas	**3.7%**
Lafayette Life	6.2%
Prudential Financial	10.4%
Northwestern Mutual	10.8%
Average	10.8%
MetLife	11.8%
New York Life	12.0%
Massachusetts Mutual	13.7%

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National Association of Insurance Commissioners Bonds Rated 3 through 6

Carrying value of bonds rated NAIC 3 through NAIC 6 (considered below investment grade with more risk) as a percentage of total bonds as reported on SNL Schedule D Part 1A Section 1. *The lower the value, the higher the quality of the bond portfolio.* Ameritas has less than one-half of the industry average exposure to high yield or junk bonds (3.1 percent compared to 6.3 percent for the industry).

Similar Distribution/ Agent Value Proposition	Bonds Rated 3 to 6/Bonds(%)
Ameritas	**3.1%**
Lafayette Life	3.2%
Massachusetts Mutual	6.3%
Prudential Financial	6.8%
Average	7.3%
New York Life	7.4%
Northwestern Mutual	8.8%
MetLife	11.1%

section III

Life Insurance Competitors: Home Office-Defined Competitors

Allianz – Allianz Group (SNL Life Group)

American General – American General Life Ins Co.

Ameritas – Ameritas MHC (SNL Life Group)

Aviva – Aviva Plc (SNL Life Group)

AXA – AXA (SNL Life Group)

Banner Life – Banner Life Insurance Co.

Fidelity & Guaranty – Fidelity & Guaranty Life Group (SNL Life Group)

Genworth Financial – Genworth Financial Inc. (SNL Life Group)

Great American Life – Great American Life Ins Co.

Hartford Financial – Hartford Financial Services (SNL Life Group)

ING Groep – ING Groep N.V. (SNL Life Group)

Jackson National – Jackson National Life Group (SNL Life Group)

John Hancock – John Hancock Life Ins Co. (USA)

Lincoln National – Lincoln National Corp. (SNL Life Group)

Nationwide Financial – Nationwide Financial Services (SNL Life Group)

Principal Financial – Principal Financial Group Inc. (SNL Life Group)

Protective – Protective Life Corp. (SNL Life Group)

StanCorp – StanCorp Financial Group Inc. (SNL Life Group)

Sun Life – Sun Life Financial Inc. (SNL Life Group)

Transamerica – Transamerica Life Insurance Co.

West Coast Life – West Coast Life Insurance Co.

Average – *Average of Listed Life Competitors (excludes Ameritas)*

Capital and Surplus/Assets Ratio

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Mutual companies generally hold more capital as they do not have access to just-in-time capital like stock companies. Ameritas has a capital and surplus/assets ratio of 13.4 percent, which is well above the industry average and compares favorably to most peers. A capital ratio of 13.4 percent means for every $7.5 of general account assets Ameritas holds on its balance sheet, we hold $1.0 of capital as reserve.

Home Office Defined Competitors	Capital & Surplus/Assets (%)
Banner Life	27.3%
Ameritas	**13.4%**
West Coast Life	11.4%
Protective	10.4%
StanCorp	10.2%
Transamerica	9.6%
Nationwide Financial	9.6%
American General	9.5%
Hartford Financial	9.4%
AXA	9.3%
Average	9.1%
ING Groep	8.5%
Sun Life	7.9%
Great American Life	7.7%
Allianz	7.6%
Lincoln National	7.1%
Principal Financial	6.7%
Genworth Financial	6.5%
John Hancock	6.0%
Jackson National	5.7%
Aviva	5.5%
Fidelity & Guaranty	5.5%

NAIC Risk-Based Capital Ratio

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Home Office Defined Competitors	NAIC Risk-Based Capital Ratio (%)
Banner Life	760%
Nationwide Financial	559%
ING Groep	539%
American General	529%
Ameritas	**525%**
Protective	510%
Transamerica	498%
West Coast Life	490%
Lincoln National	488%
AXA	485%
Average	457%
Genworth Financial	435%
Aviva	434%
Great American Life	427%
John Hancock	415%
Principal Financial	415%
Fidelity & Guaranty	406%
Allianz	373%
StanCorp	364%
Hartford Financial	362%
Jackson National	356%
Sun Life	305%

*Standard and Poor's Research, Ameritas Insurance Group, June 14, 2012.

Surplus Notes/Capital & Surplus

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Home Office Defined Competitors	Surplus Notes/ Capital & Surplus (%)
Allianz	0.0%
American General	0.0%
Banner Life	0.0%
Great American Life	0.0%
Hartford Financial	0.0%
Protective	0.0%
West Coast Life	0.0%
Principal Financial	2.5%
Transamerica	2.7%
Fidelity & Guaranty	3.3%
Ameritas	**3.7%**
ING Groep	4.2%
Jackson National	7.0%
Average	12.9%
Aviva	13.7%
John Hancock	17.1%
Nationwide Financial	18.2%
Lincoln National	19.5%
StanCorp	19.8%
AXA	33.1%
Sun Life	57.6%
Genworth Financial	59.3%

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National Association of Insurance Commissioners Bonds Rated 3 through 6

Carrying value of bonds rated NAIC 3 through NAIC 6 (considered below investment grade with more risk) as a percentage of total bonds as reported on SNL Schedule D Part 1A Section 1. *The lower the value, the higher the quality of the bond portfolio.* Ameritas has less than one-half of the industry average exposure to high yield or junk bonds (3.1 percent compared to 6.3 percent for the industry).

Home Office Defined Competitors	Bonds Rated 3 to 6/Bonds (%)
Banner Life	0.5%
Allianz	2.8%
Ameritas	**3.1%**
Fidelity & Guaranty	3.4%
Hartford Financial	4.0%
Great American Life	4.0%
Protective	4.5%
Sun Life	4.5%
AXA	4.7%
Lincoln National	4.7%
Jackson National	4.9%
West Coast Life	4.9%
ING Groep	5.0%
Average	5.1%
Aviva	5.1%
StanCorp	5.6%
Genworth Financial	5.9%
American General	6.2%
Nationwide Financial	6.6%
Principal Financial	7.2%
John Hancock	7.3%
Transamerica	9.6%

Ameritas Mutual Holding Company
5900 O Street
Lincoln, Nebraska 68510
402-467-1122
Toll Free: 800-745-1112

[1] Ameritas Mutual Holding Company's (Ameritas) group ratings by A.M. Best Company and Standard and Poor's include Ameritas Life Insurance Corp., Ameritas Life Insurance Corp. or New York, Acacia Life Insurance Company and The Union Central Life Insurance Company.

[2] Represented by the ALIRT Life Insurance Composite, which consists of the 100 largest U.S. insurers, and represents ≈ 85% of total industry invested assets.

Securities offered through Ameritas Investment Corp., member FINRA/SIPC.

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