

Risky Moves in the Game of Life Insurance: **Clarifying Misconceptions**

You may have seen an article *Risky Moves in the Game of Life Insurance* by Mary Walsh, which appeared in the New York Times online on April 11, 2015 and in print on April 12. We wanted to address this article proactively with our key partners, as it tackles some complex issues, including the use of captives, a well-established industry wide practice. Unfortunately it may result in some misleading conclusions. Here's what you need to know about our business:

- **Global Atlantic and Accordia Life place the highest priority on policyholders, and the trust they have put in us to deliver products that meet their long term financial goals.**
- **We take our responsibility to deliver on our promises very seriously. To that end, our companies employ industry best practices in managing our capital and risk to ensure we will always be able to meet our obligations.**
- **Accordia Life is well capitalized and managed to meet its long-term commitments to policyholders. Accordia Life:**
 - **Has \$7.7 billion in assets backing policyholder liabilities.**
 - **Is rated A- by both S&P and AM Best, and both rating agencies have vetted Accordia Life's financial strength, including its use of captives.**
 - **Maintains very conservative Risk Based Capital ratios, 455%, as of December 31, 2014.**
- **Accordia Life's captives were established by Aviva Life and Annuity prior to Global Atlantic's acquisition of the business.**
- **These are complex arrangements, which are generally:**
 - **Commonly used by a range of insurance companies, both public and private.**
 - **Specifically approved by state regulators as a component of an insurance company's overall risk and capital plan.**
 - **Subject to the reviews of rating agencies and included in their capital models.**
 - **Assessed by at least one third-party actuarial firm as part of their approval.**

We're proud of our business, proud to be based in Iowa and supportive of Iowa's transparency regulations. We're also in favor of the facts, and now you have them.

Guarantees are based on the claims-paying ability of the issuing company.

Life insurance products are issued by Accordia Life and Annuity Company, Des Moines, Iowa. Products issued by and all policy benefits are the responsibility of Accordia Life and Annuity Company, and not that of any other insurer or company.

Accordia Life is a subsidiary of Global Atlantic Financial Group Limited.