



# North American Life Insurers Sector View 2024

Economic uncertainty clouds improving conditions

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**S&P Global**  
Ratings

Carmi Margalit  
Managing Director  
Life Insurance Sector Lead

Jan. 30, 2024

*This report does not constitute a rating action*

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# Sector View And Ratings Snapshot

# Our credit view of the North American life insurance sector is stable

Overall conditions might be turning positive for North American life insurers:

- Inflation is declining, and the threat of an outright recession in the U.S. has largely been supplanted by the expectation of a slowdown in the economy.
- Interest rates, although volatile, are holding at much higher levels than they were during the decade before the pandemic.
- Sales, especially of annuities, are up and profitability is solid; COVID-19 mortality is abating.
- Capital buffers will likely remain strong in 2024.

Nevertheless, uncertainty is on the horizon:

- Escalating geopolitical tensions are impeding trade and investment and may ultimately affect the sector.
- The impact of a slowing economy on corporate bonds and commercial real estate, especially office properties, could still lead to losses on insurers' investment portfolios.
- Volatile markets, even without a recession, could take a bite out of earnings in 2024.

Strong rating position	Resilient outlook	Capital adequacy	Profitability
92%	90%	~90%	7.3%
'A' category Ratings	Stable outlook	Strong or higher capital	Three-year average return on equity (2020 -2022)

Source: S&P Global Ratings.

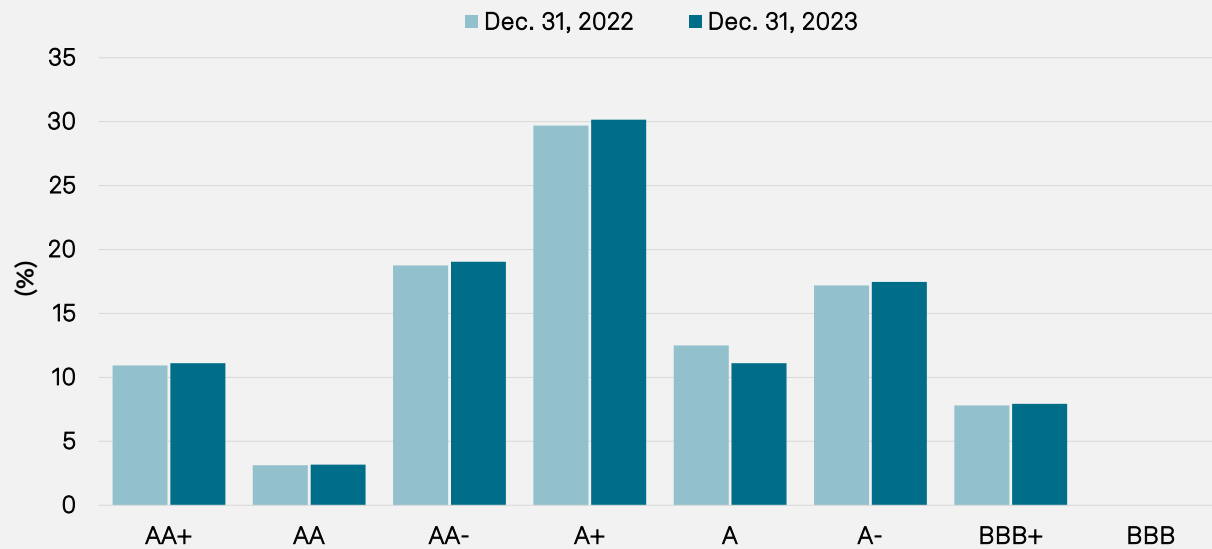
## What might shift our view to negative?

- An outright deep and/or long recession
- Heated competition that fuels a “race to the bottom”
- Disintermediation in insurance markets, driven by a large, unexpected spike in interest rates

# U.S. Life Insurance Sector: Rating/Outlook Distribution

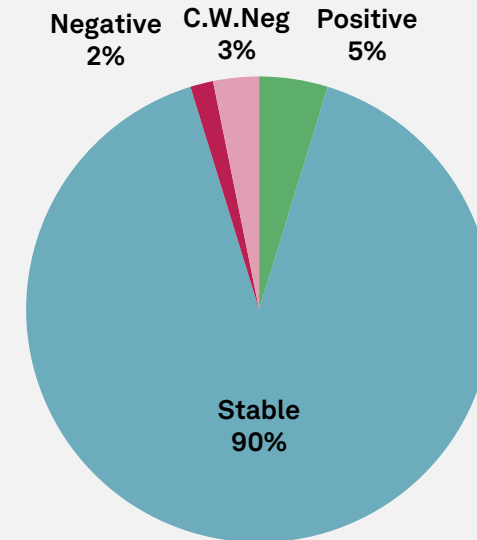
- The median rating for U.S. life insurers is 'A+'; 92% are in the 'AA' and 'A' rating categories.
- The majority of companies have stable outlooks, reflecting improved credit conditions and strong credit fundamentals.
- Two ratings were raised in 2023, and three life insurers have positive outlooks.

## Financial strength rating distribution



Source: S&P Global Ratings.

## Year-end outlook distribution (%)

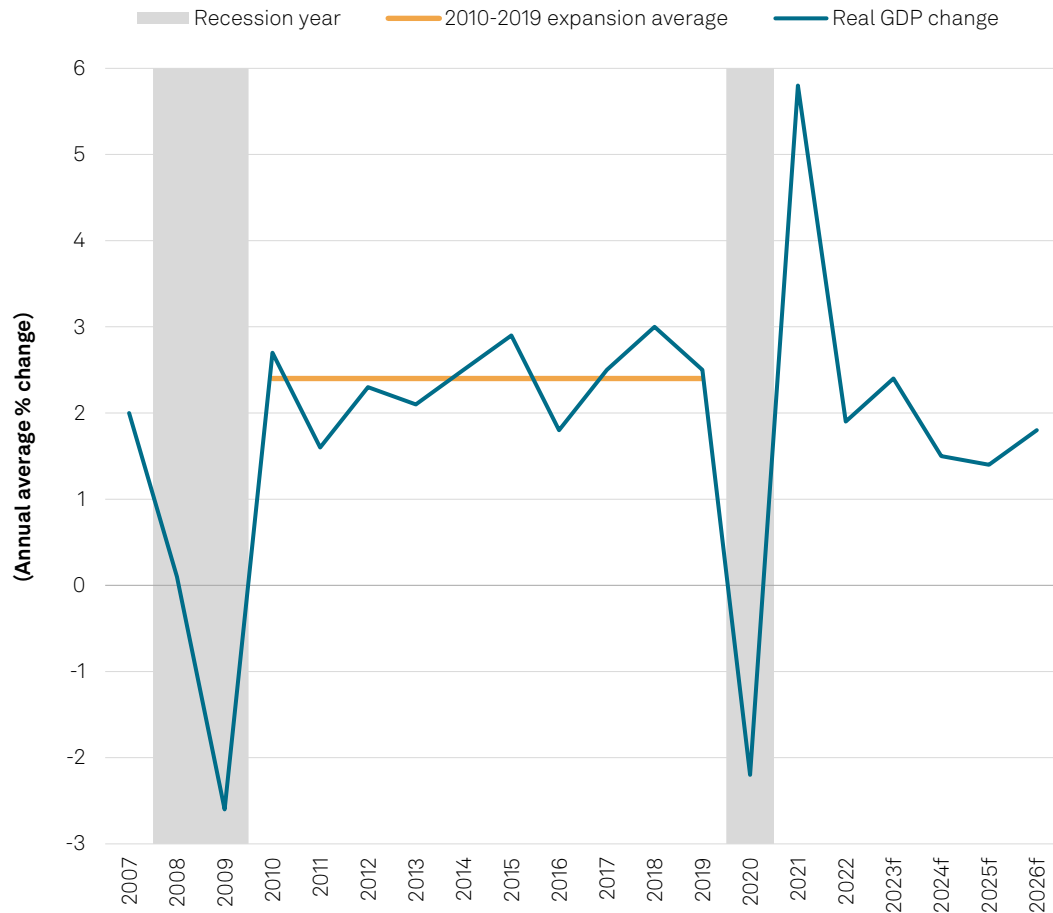


Source: S&P Global Ratings.

# Economic Outlook

The potential turning, or not, of the credit cycle

# U.S. Economic Outlook



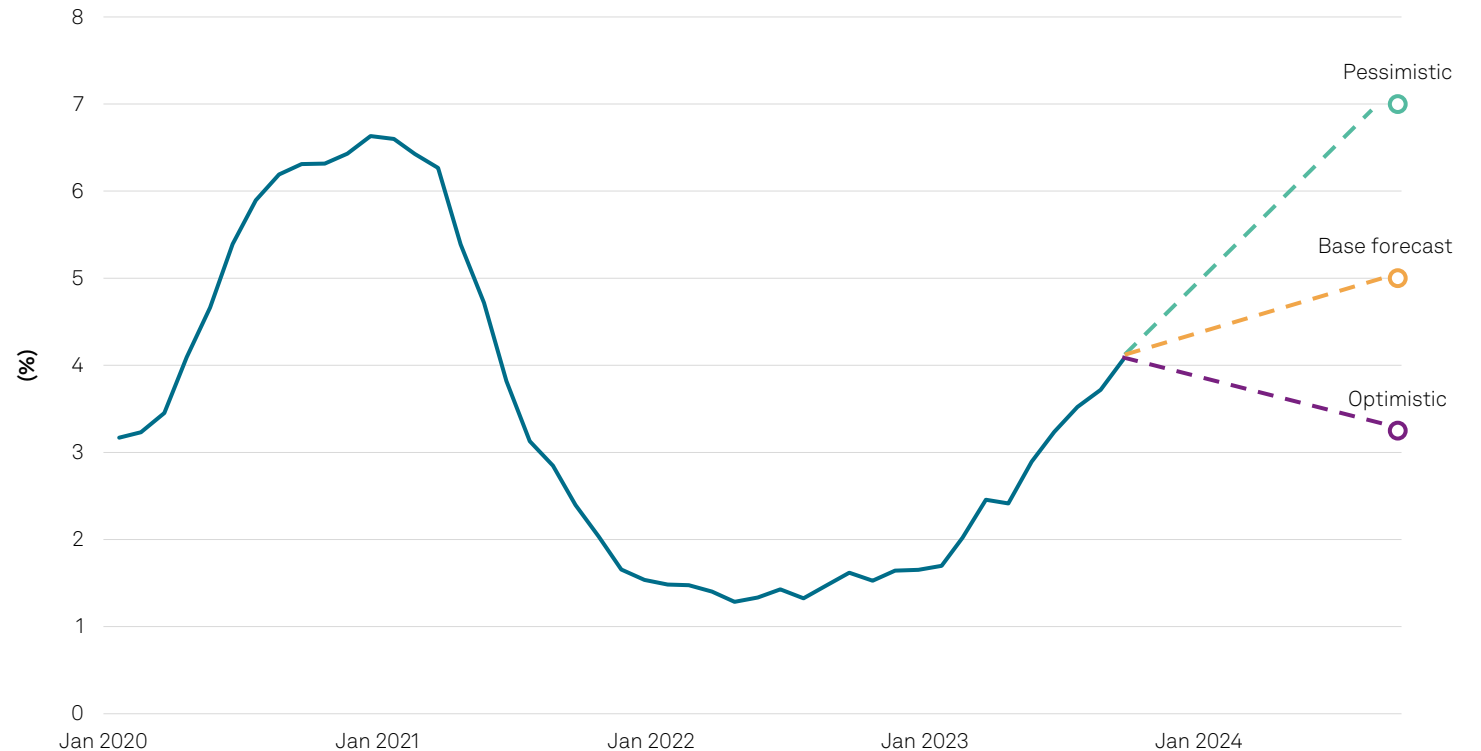
f – Forecast. Source: Economic Outlook U.S. Q1 2024, published on Nov. 28, 2023, S&P Global Ratings.

- Below-trend growth in 2024-2025.** S&P Global Ratings now expects the U.S. economy to expand 1.5% in 2024 on an annual average basis (up from 1.3% in our September forecast) and 1.4% in 2025 (unchanged from the September forecast), before reaching longer-term sustainable growth of 1.8% in 2026.
- Rising unemployment:** Businesses are facing higher costs of capital, which will lower capital expenditures and hiring. The unemployment rate will likely rise in the next two years--to 4.6% in 2025--slightly above the longer-run steady state.
- Year of Fed pivot.** As normalization in the product and labor markets continues, disinflation will endure, albeit unevenly. We now think the Federal Reserve is at the peak of the current tightening cycle and expect the Fed to dial down the federal funds rate to 4.6% by year-end 2024.

# Further **Credit Deterioration** Expected In 2024, But The Impact On Life Insurers Is Likely Manageable

- Overall credit deterioration in the corporate sector, which began in late 2022, is expected to continue.
- Most defaults and downgrades on corporate bonds are anticipated to be at the lower end of the ratings scale.
- Investment-grade bonds, which make up most of life insurers' investments, are expected to be relatively resilient.
- The life insurance industry has very little direct exposure to speculative-grade bonds and loans.
- Indirect exposure to speculative grade, primarily via collateralized loan obligations, has historically not translated to high losses for insurers.

## U.S. speculative-grade default rate expected to hit 5% by September 2024



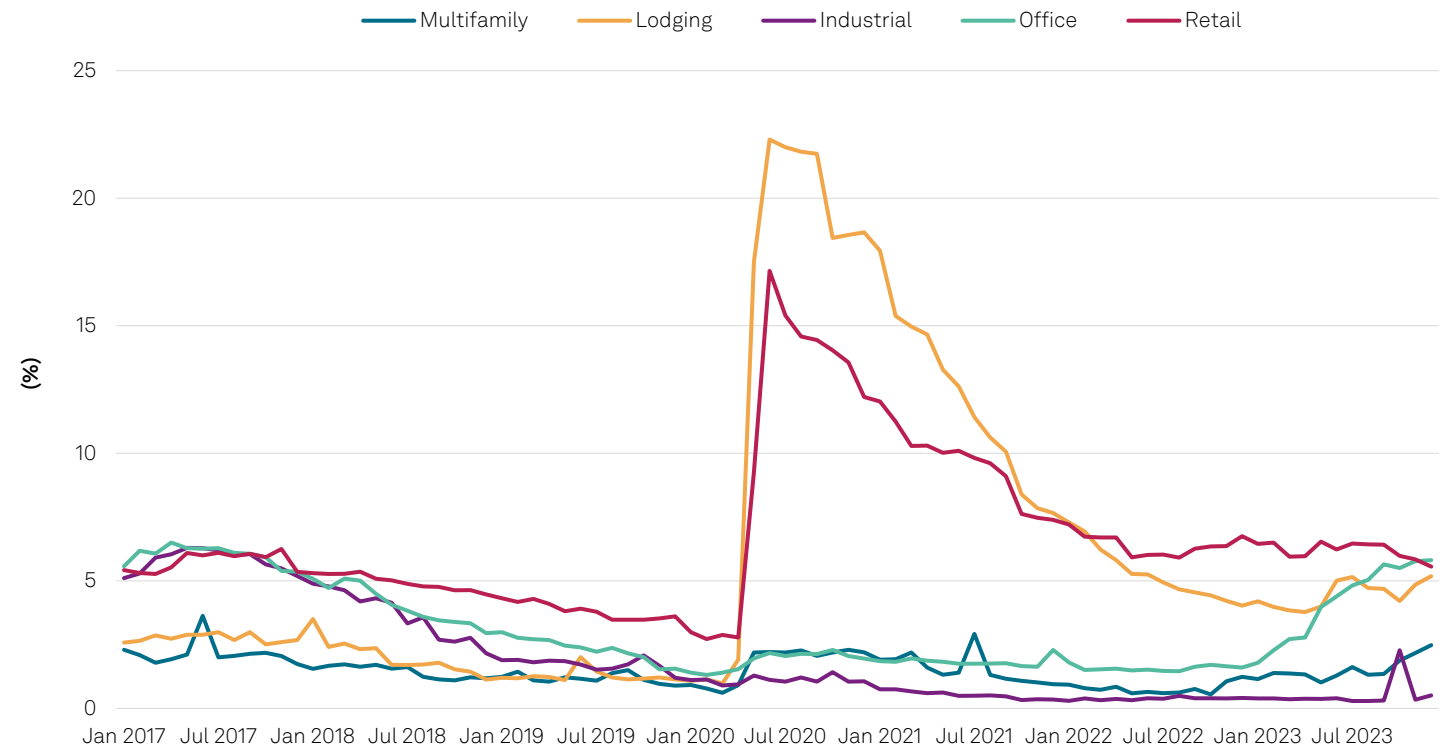
Sources: S&P Global Ratings Credit Research & Insights and S&P Global Market Intelligence's CreditPro®.



# Commercial Mortgages, Especially **Office Properties**, Remain Vulnerable

- Delinquency rates for mortgage loans within commercial mortgage-backed securities (CMBS) portfolios increased in late 2023 for all property types except retail, but office has the highest delinquency rate at 5.8%.
- Importantly, the commercial mortgages held by life insurers have historically performed considerably better than those in CMBS.
- Low exposure to office, retail, and lodging within life insurance portfolios (2.7%, 1.9%, and less than 1% of invested assets, respectively) as well as strong underwriting standards are likely to make losses on mortgage loans manageable.

CMBS: Mortgage delinquency rates by property type



Source: S&P Global Ratings' research.

# Interest Rates

It's hard to overstate the importance of interest rates to the life sector

# Interest Rates Have Been Volatile But Are Above Pre-Pandemic Levels

- Rates are significant for the life insurance sector--they tend to both drive the sales of fixed rates products and the profitability of spread-based business.
- Recent experience suggests that a 10-year U.S. Treasury rate of 3%-5% supports robust sales and good profitability, without overly affecting withdrawals.
- The life industry is sensitive to longer-term rates, which are influenced, but not determined, by Fed actions and therefore are unlikely to drop precipitously--even if the Fed cuts rates toward the end of the year.

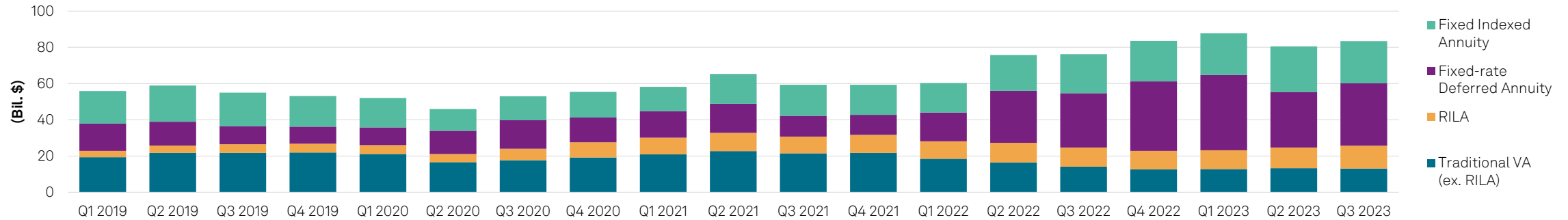
## 10-year U.S. Treasury rate



Sources: S&P Capital IQ and S&P Global Ratings' research.

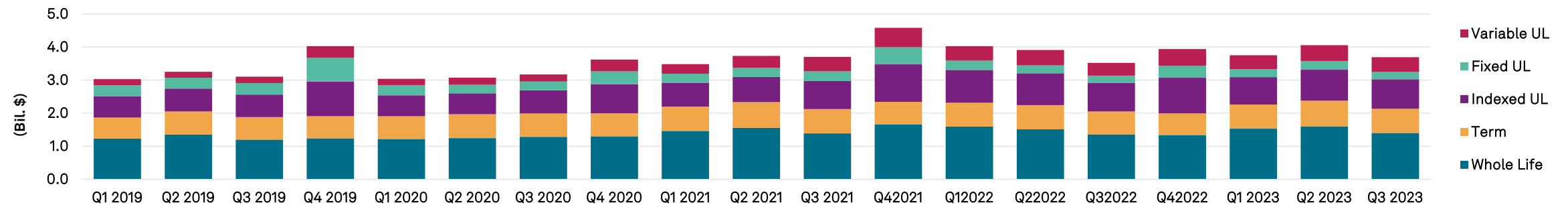
# Higher Rates Have Fueled Sales Of Fixed Products

## Quarterly annuity sales



Source: LIMRA Secure Retirement Institute.

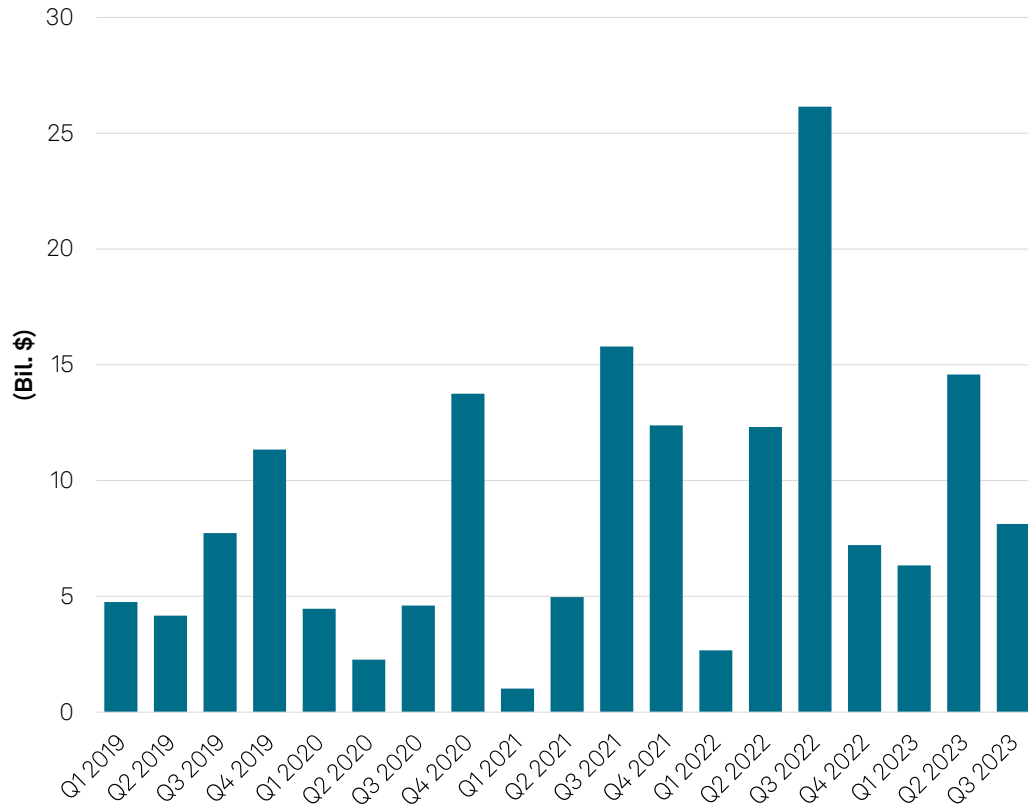
## Quarterly individual life annualized premiums



Source: LIMRA Secure Retirement Institute.

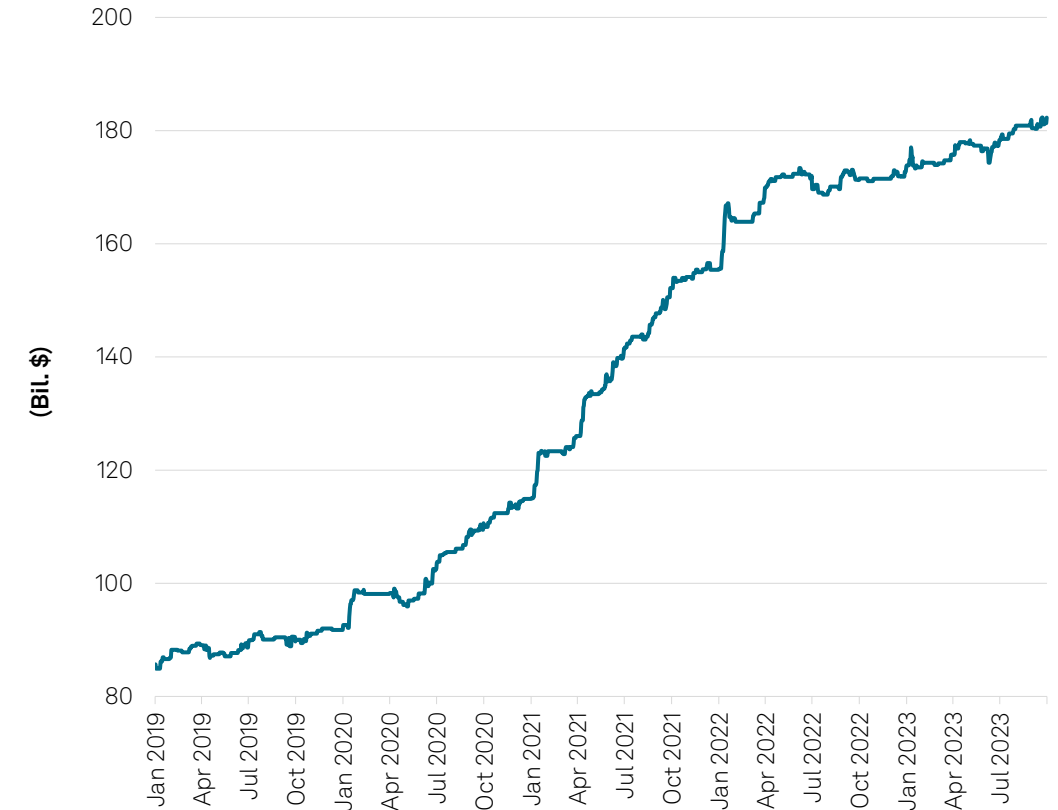
# Rates Continue To Support Sales Of Institutional Spread Products As Well

Quarterly PRT sales



Source: LIMRA Secure Retirement Institute.

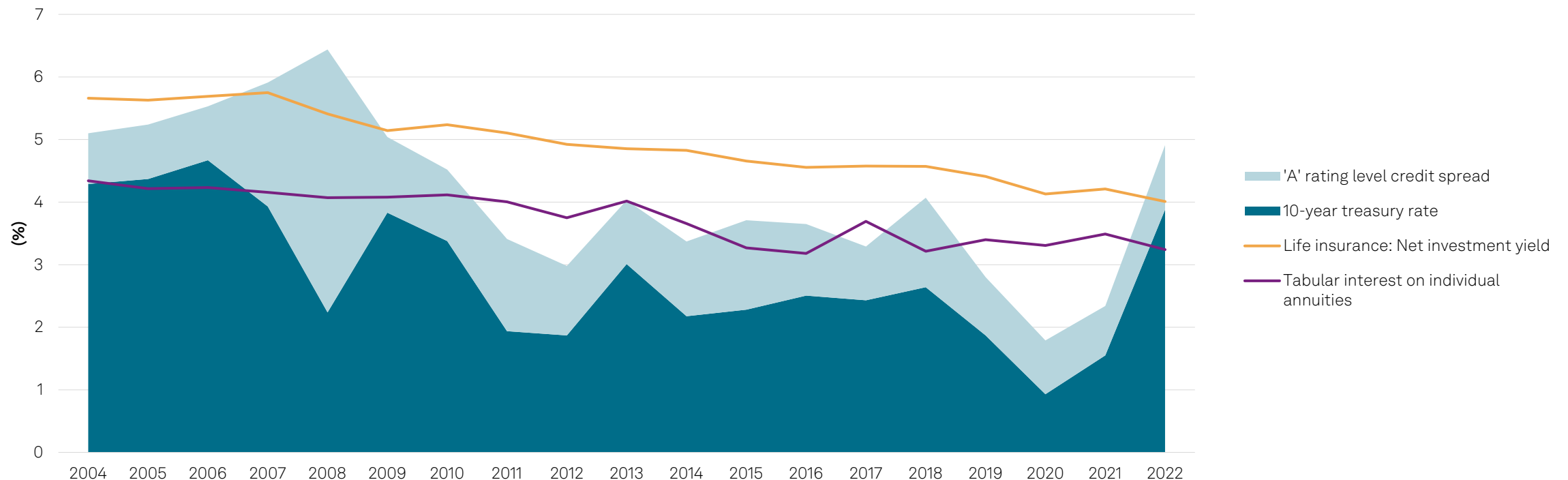
Total outstanding funding agreement-backed securities



Source: Federal Reserve.

# Higher Rates Translate To **Improved Profitability** Only On New Business

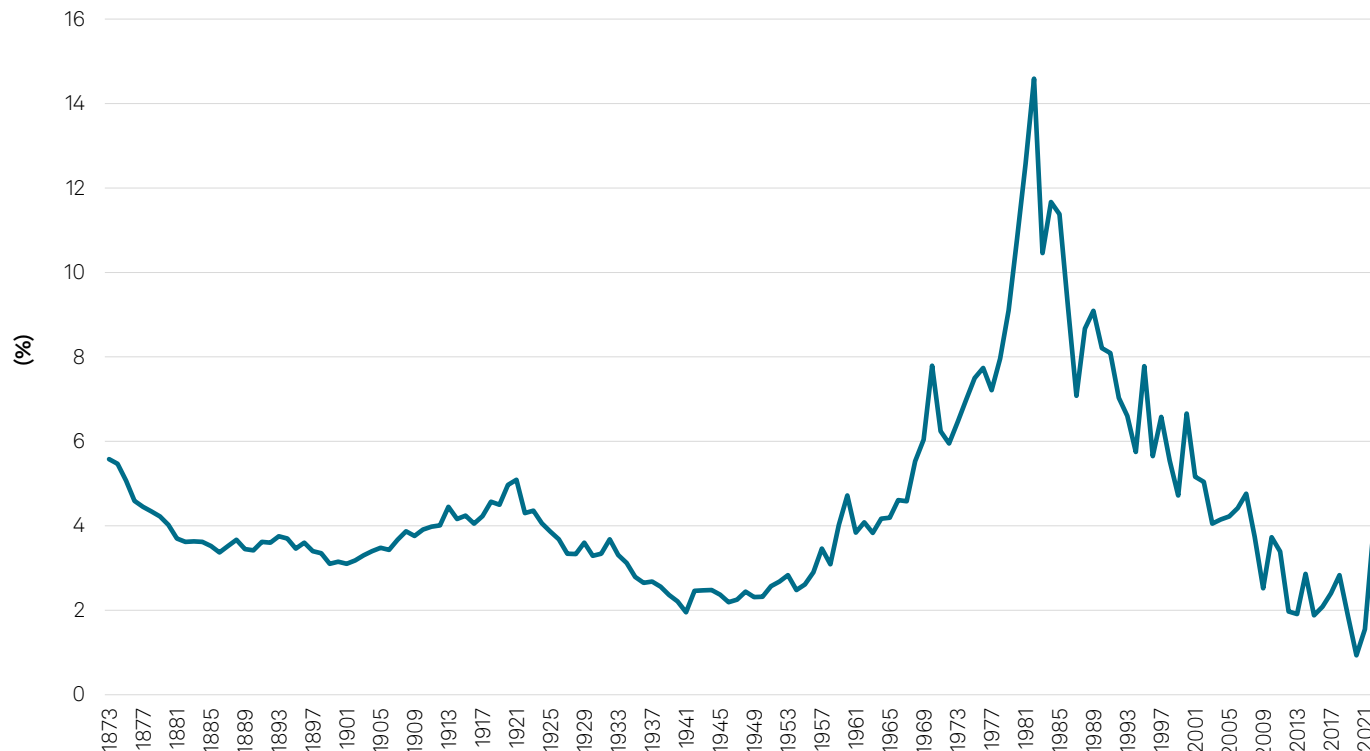
- Higher rates typically translate to better profitability on new sales of spread-based business, since growth in the yield on new investments is typically larger than the increase in new crediting rates.
- The process is slow, and the impact on earnings takes time to appear, since tighter-spread business written in previous years can stay on balance sheets for many years.



Sources: S&P Capital IQ, S&P CapIQ Pro, and S&P Global Ratings' research.

# Risk Of **Disintermediation** Seems Remote for Now

Long-term history of U.S. 10-year government bond rate



Sources: S&P Capital IQ, S&P Global Ratings' research, and U.S. macro data from multiple sources.

- When rates rise rapidly, there is always the risk that policyholders that bought into long-term products (e.g., fixed annuities) when yields were low will withdraw their funds en masse to invest in higher-yielding accounts.
- Most insurance products that are exposed to this risk have protections, such as surrender charges and market-value adjustments, that deter early withdrawal and/or compensate the insurer for the associated losses.
- Despite the rapid rise in rates since in the last two to three years, the industry has not seen any outside spike in surrender activity.
- Life insurers we rate have maintained adequate or better liquidity, per our rating methodology.

# Investments

Life insurers' portfolios remain conservative  
and can likely withstand the stress of a slowing economy



# Overall Makeup Of **Assets** Remains Stable

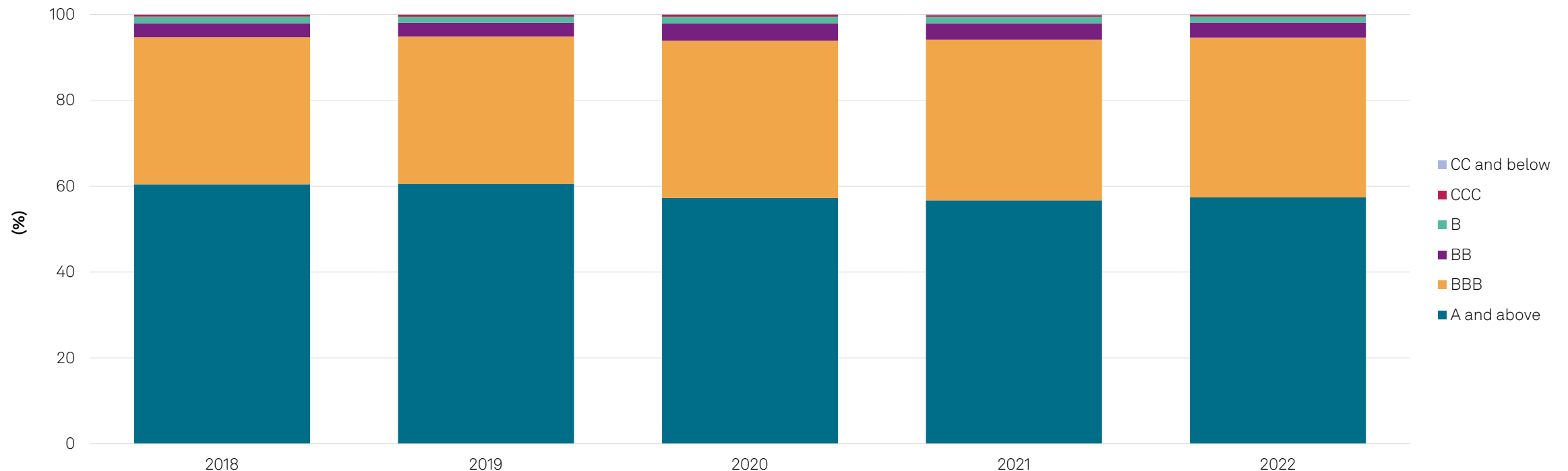
- Bonds account for over 70% of invested assets; all fixed-income assets (bonds, preferred shares, and mortgages) are nearly 90%.
- Allocation to alternative investments remains low, consistent with historical levels.



Source: S&P Capital IQ Pro.

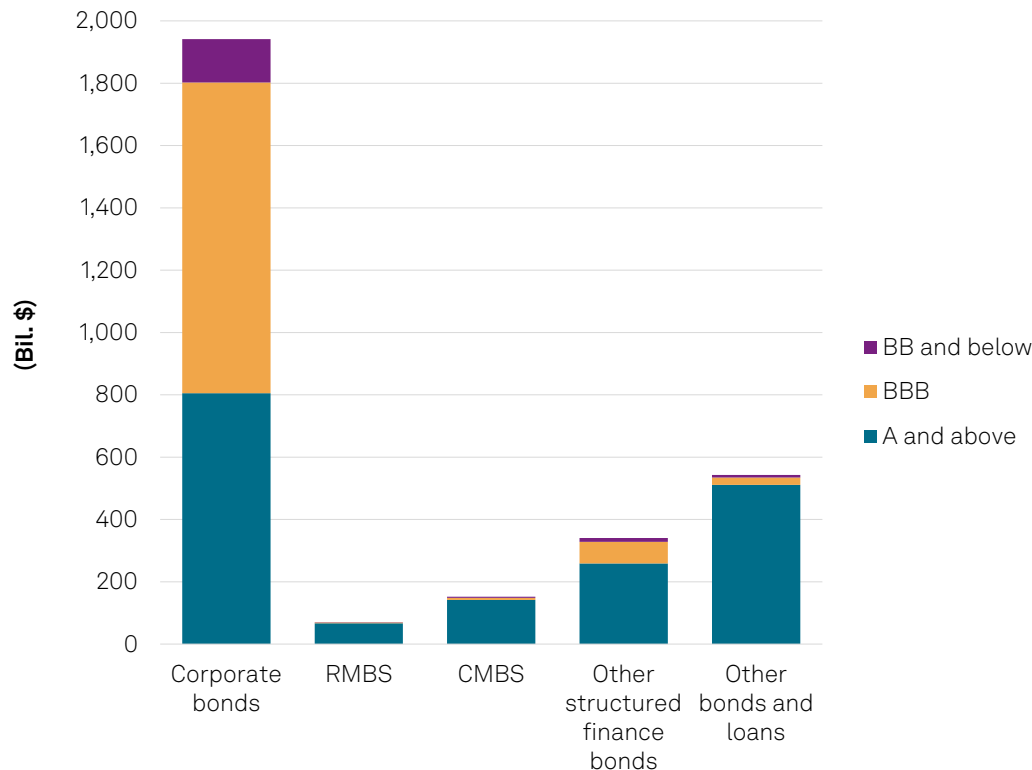
# Overall Bond Credit Quality Remains High

- Approximately 95% of bonds are of investment-grade credit quality; this credit distribution has largely held at this level in prior years.
- Allocation to 'BBB' bonds has been increasing for over a decade--reflecting wider changes in the bond market as well as higher allocation to private credit--but remained flat in 2022 compared to 2021.



Source: S&P Capital IQ Pro.

# Exposure To Structured Finance Is Stable And Overwhelmingly Investment Grade



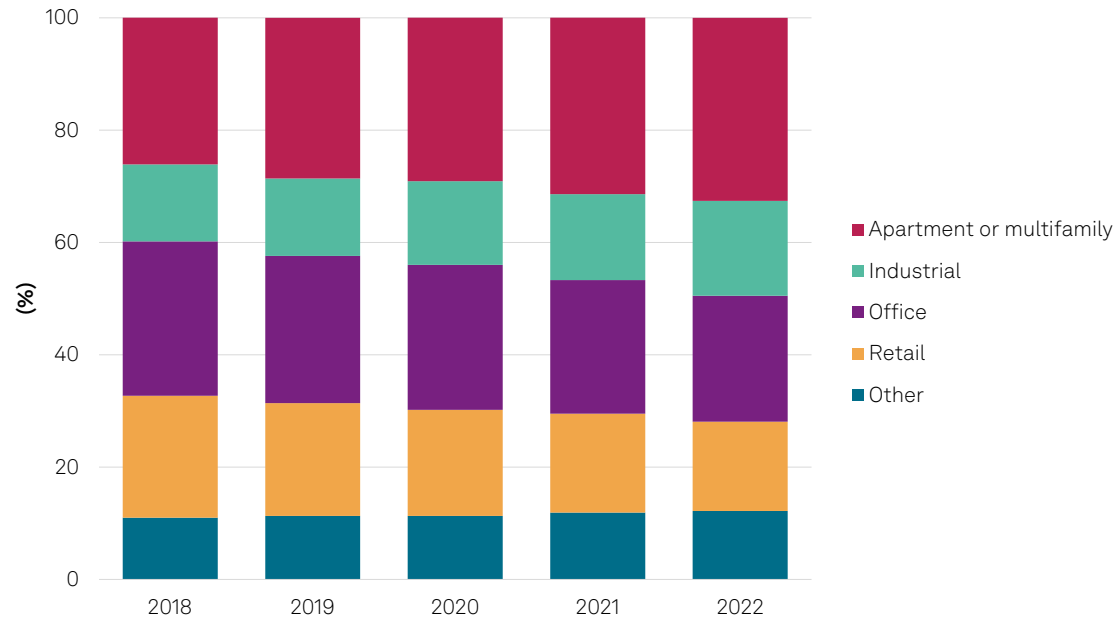
As of Dec 31, 2022. Sources: NAIC statutory filings and S&P Global Ratings' research.

- RMBS, CMBS, and other structured finance (SF-other) bonds made up roughly 23% of all bonds at the end of 2022.
- The total allocation has largely remained stable in the past few years (it was 24% in 2018), although the mix of SF bonds has shifted away from RMBS and CMBS toward SF-other (12.2% of bonds in 2022 versus 9.5% in 2018).
- This shift is likely due to increased allocations to CLOs, which fall in the SF-other category under statutory reporting.
- CLO exposure is not uniform across the industry. Most life insurers focus on 'AAA' and 'AA' rated CLOs, while a minority of companies have an appetite for some 'A' and 'BBB' exposure as well.
- We believe our recently updated capital model adequately captures the credit risk associated with these investments.

# Office CML Is A Concern But Likely To Be Manageable

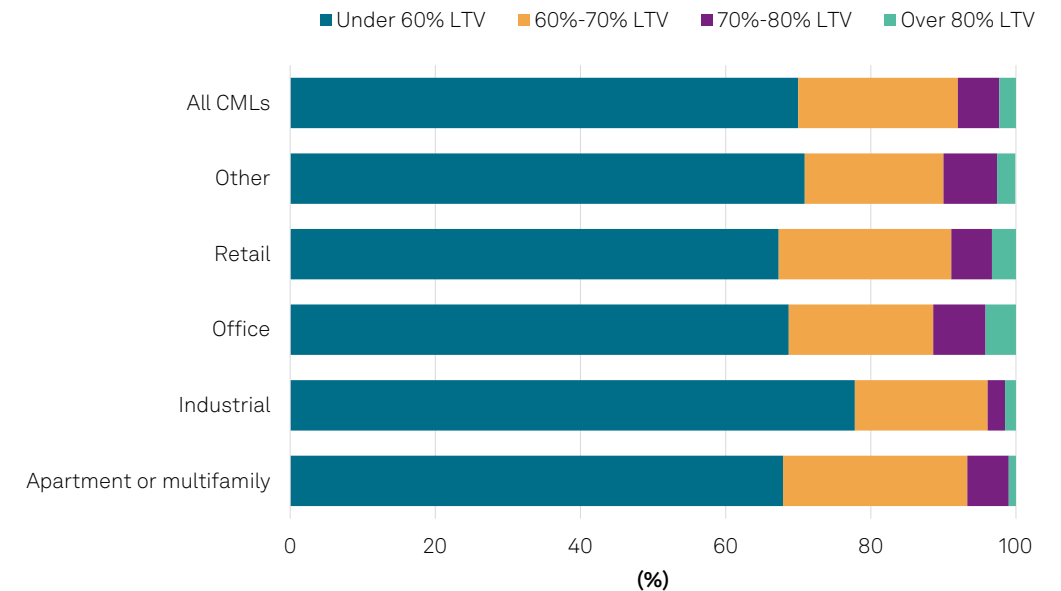
- Commercial mortgage grew from 9.4% of the invested assets of life insurers in 2012 to 12.1% in 2022.
- Strong underwriting standards, low loan-to-value (LTV) figures, high debt-service coverage ratios, and modest exposure to office and other problematic property types are likely to make losses on mortgage loans manageable.

## U.S. life insurers' CML by property type



CML--Commercial mortgage loans. Sources: NAIC statutory filings for U.S. life insurance companies, S&P Global Capital IQ Pro, and S&P Global Ratings' research.

## LTV distribution by property type (year-end 2022)

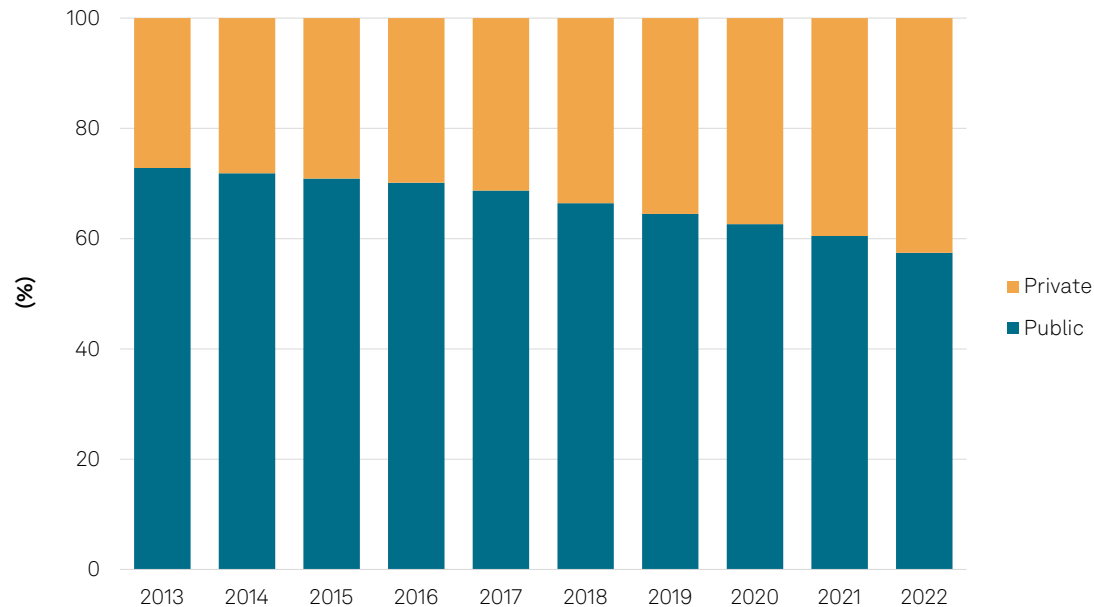


LTV--Loan to value. Sources: NAIC statutory filings for U.S. life insurance companies, S&P Global Capital IQ Pro, and S&P Global Ratings' research.

# Private Credit Is Also Growing, Mostly In Investment-Grade Securities

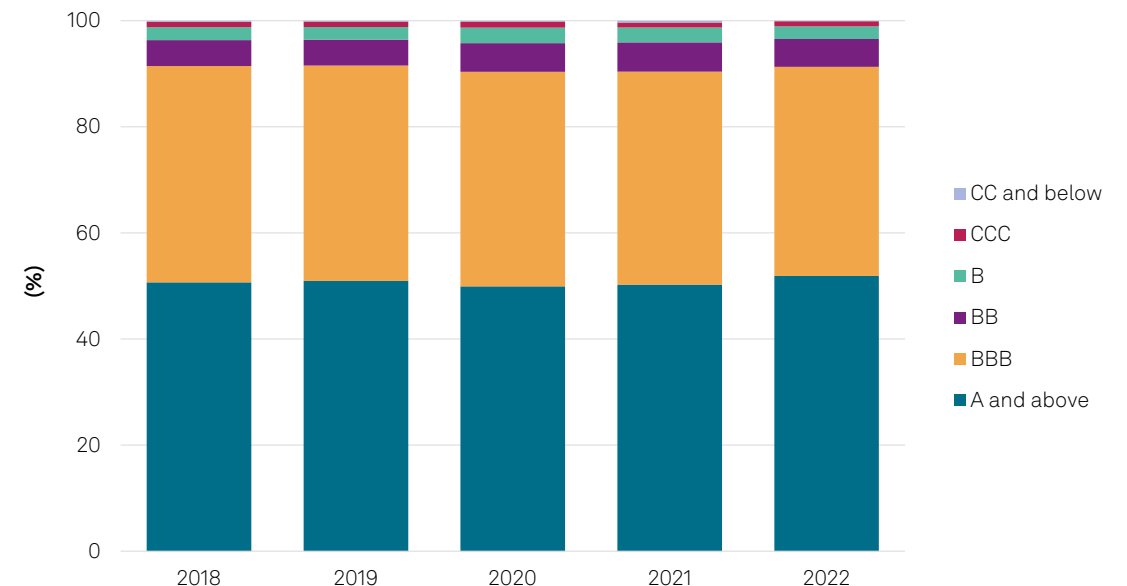
- Over the past few years, the industry has allocated a larger share to privately placed bonds and loans.
- This trend started pre-pandemic, when interest rates were low, as insurers looked for illiquidity premium as a source of higher yield.
- The trend does not appear to be stopping, although interest rates have climbed, as the industry still finds value in the space.
- The credit quality of private bonds remains primarily investment grade, although the allocation to 'BBB' level credit is higher than public bonds.

## Public versus private bonds



Source: S&P Capital IQ Pro.

## Credit quality of private bonds



Source: S&P Capital IQ Pro.

# M&A And Offshoring

Private equity-affiliated insurers are major buyers of blocks of business in the life sector M&A market, but they aren't the only ones

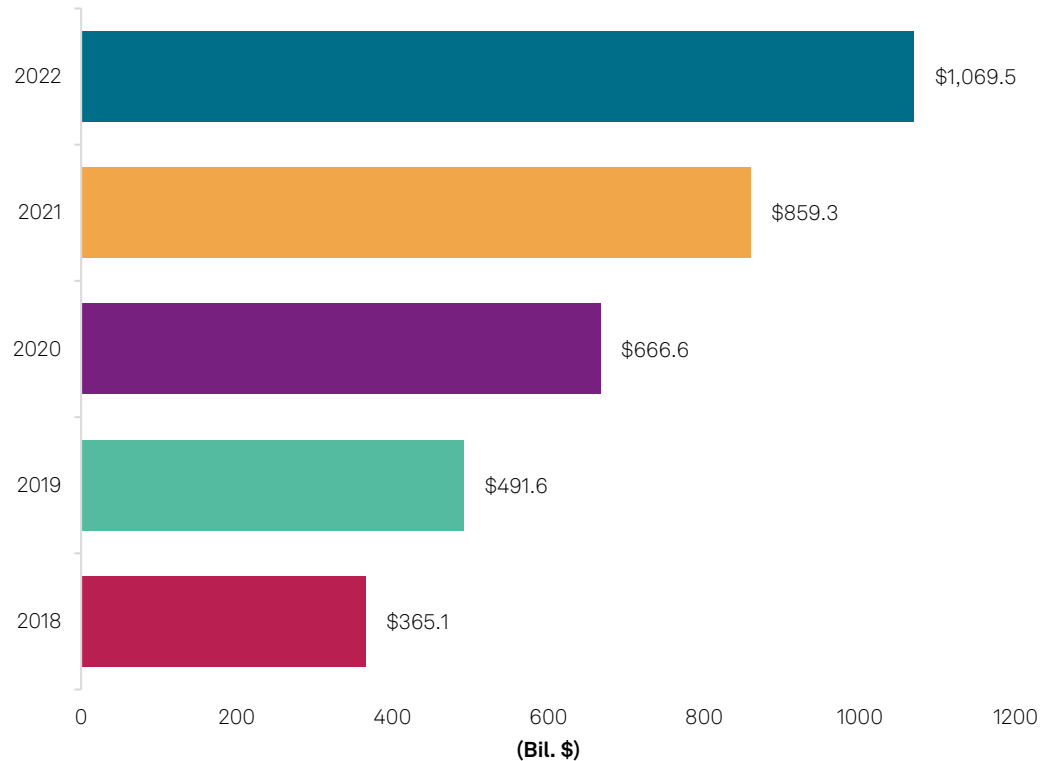
# Life Sector **M&A** In 2023 Was Due To Movement Of Legacy Business To Private Hands

Acquirer	Target block/Company	Transaction size	Announcement
Global Atlantic Financial Group	Manulife's Long-term care, whole life and structured settlement business	Reinsurance of approx. C\$13 billion of reserves, notably, C\$6 billion of long-term care (LTC) business, with the balance being whole life and structured settlements	Dec 2023
Prosperity Life Group	National Western Life Group Inc.	All-cash transaction valued at approximately \$1.9 billion	Oct 2023
Prismic Re	Prudential Financial's Structured Settlement block	Equity investment in new reinsurer and reinsurance of approximately \$10 billion of reserves backing structured settlements policies	Sep 2023
Somerset Re	Prudential Financial's Guaranteed Universal Life block	Reinsurance of approximately \$12.5 billion of reserves backing guaranteed universal life policies	Jul 2023
Brookfield Reinsurance Ltd.	American Equity Investment Life Holding Company.	Cash and stock transaction value of approximately \$4.3 billion	Jun 2023
Fortitude Reinsurance Company, Ltd.	Lincoln National's ULSG, Money Guard and fixed annuity statutory reserves	Reinsurance of approximately \$28 billion universal life insurance, combo LTC, and fixed annuity business	May 2023
Franklin Templeton	Great-West Lifeco's Putnam Investments	The total potential transaction consideration and retained value is estimated to be \$1.7 billion-\$1.8 billion	May 2023
Global Atlantic Financial Group	MetLife's UL, VUL, FA and UL with secondary guarantees block	Reinsurance of approximately \$19.2 billion of U.S. retail universal life, variable universal life, universal life with secondary guarantees, and fixed annuity statutory reserves	May 2023
Constellation Insurance Holdings	Prudential Financial's Variable Annuities Block	Reinsurance of approximately \$10 billion of variable annuities	May 2023

Source: S&P Global Ratings' research.

# Growing Use Of Offshore Reinsurance For Life Insurers

## Long-term (re) insurers' asset growth in Bermuda



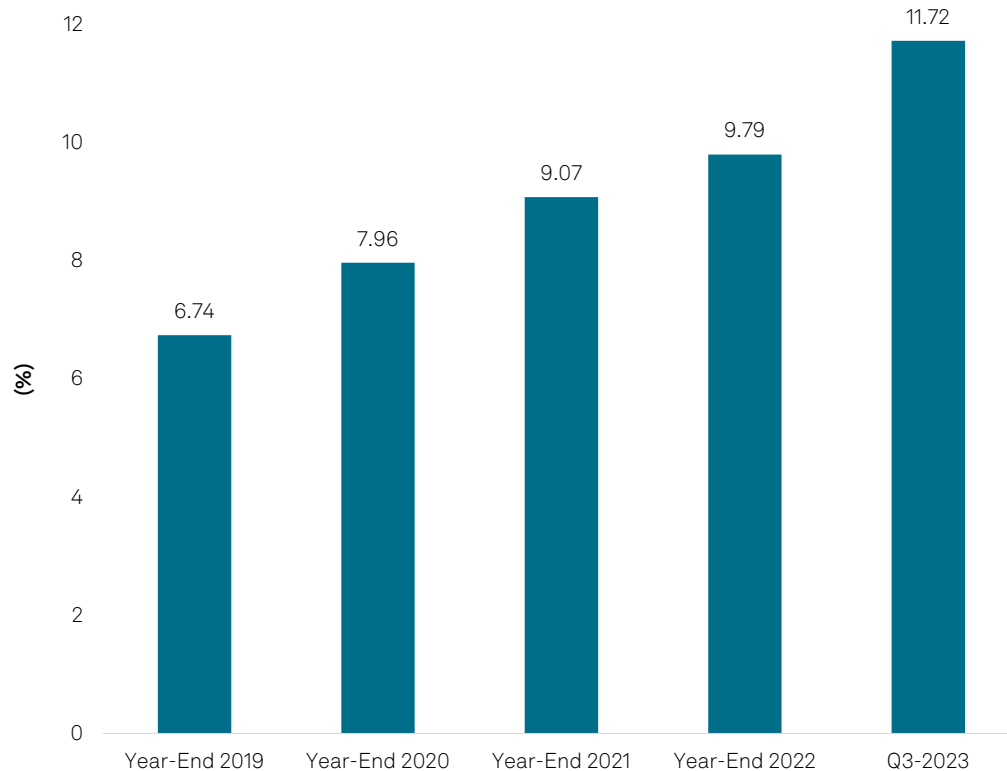
Sources: BMA annual statements.

- Life insurance mergers and acquisitions (M&A) have transferred large amounts of legacy blocks of business offshore in recent years, mostly to Bermuda.
- Consequently, Bermuda has seen significant growth in the assets of long-term reinsurers.
- This trend does not seem to be driven, as it was in the past, by tax advantages--since those have largely been legislated away.
- We believe some insurers see advantages in Bermuda's more flexible reserving and regulatory capital standards, compared with the more rigid U.S. statutory regime.
- In addition, some insurers find it easier to attract third-party capital investors to offshore vehicles.
- This is no longer a private-equity-only play, as more and more publicly traded and mutual insurers are either exploring or have already set up offshore reinsurance structures.



# Private Equity Ownership Is Not Slowing Down

Estimated share of assets of PE-affiliated life insurers



Sources: NAIC statutory filings for U.S. life insurance companies and S&P Global Capital IQ Pro,

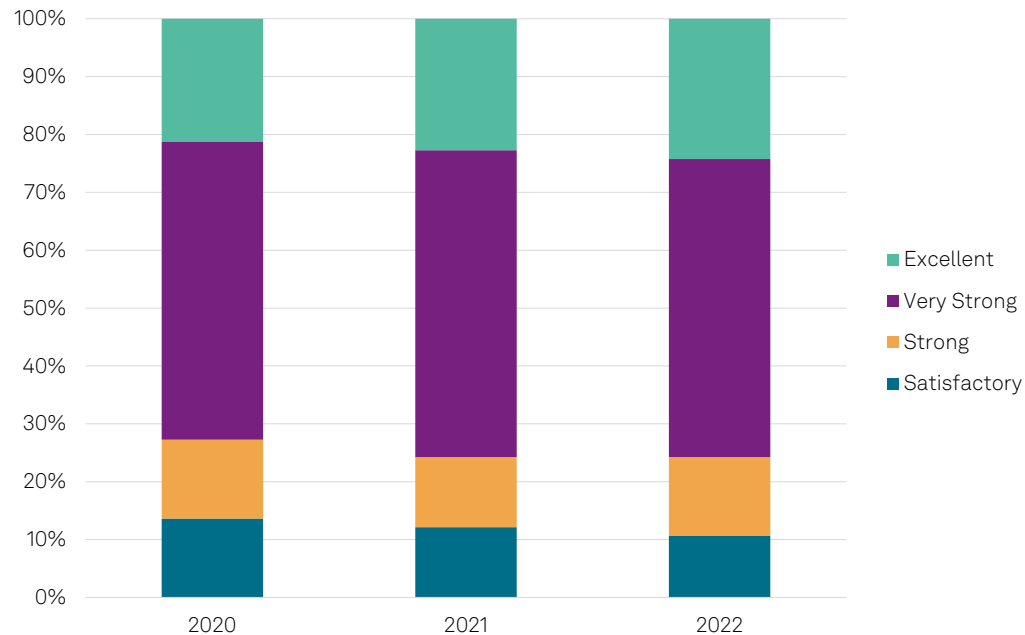
- The involvement of private equity (PE) companies in the life sector has increased over the last few years, and the trend does not seem to be slowing down.
- More life insurers today are either fully or partially owned by PE companies, have all or part of their investment portfolio managed by a PE company, or some combination of the two.
- These PE-affiliated insurers are growing both through continued acquisition of older blocks of business, as well as through direct sales and flow reinsurance agreements with other insurers.
- While most PE-affiliated insurers focus on fixed annuities, some have expanded in recent years into other products such as variable annuities and universal life insurance .
- Our analysis does not differentiate between PE-affiliated and non-affiliated insurers. Rather, we focus on the risks and rating factors outlined in our methodology.

# Capital And Earnings

# Capital Buffers **Remain Strong**

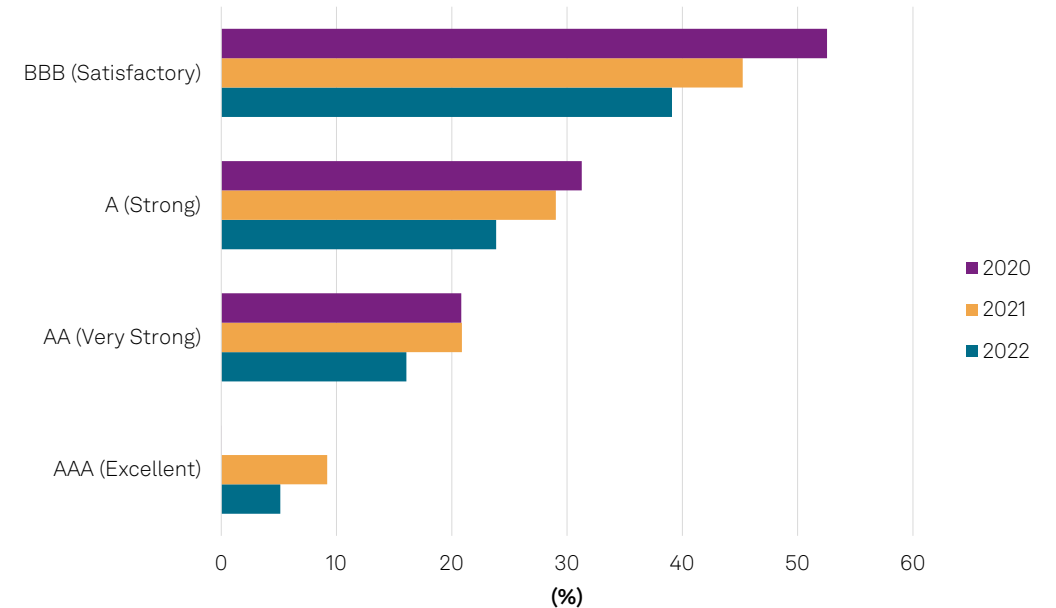
- Aggregate capital adequacy for rated North American life insurers slightly improved in 2022 despite significant sales, which typically have a drag on statutory capital.
- This reflects solid operating performance coming out of the pandemic, with limited growth in shareholder dividends and share buybacks, along with some capital raising during the year.
- We expect capitalization to hold steady in 2023 and 2024.

## About 90% of rated insurers have strong or higher capital



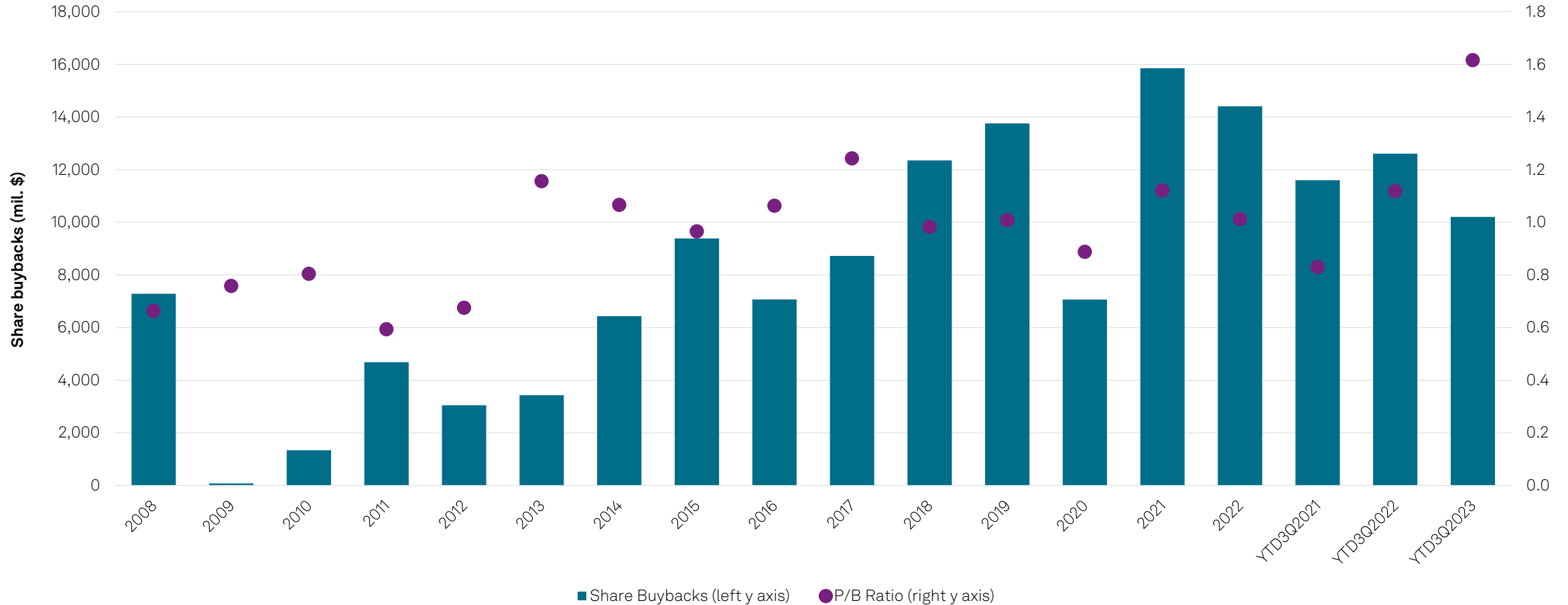
Data reflects capital adequacy as determined using criteria that was superseded by new criteria on Nov. 15, 2023.  
Source: S&P Global Ratings.

## Rated U.S. life insurers' capital adequacy



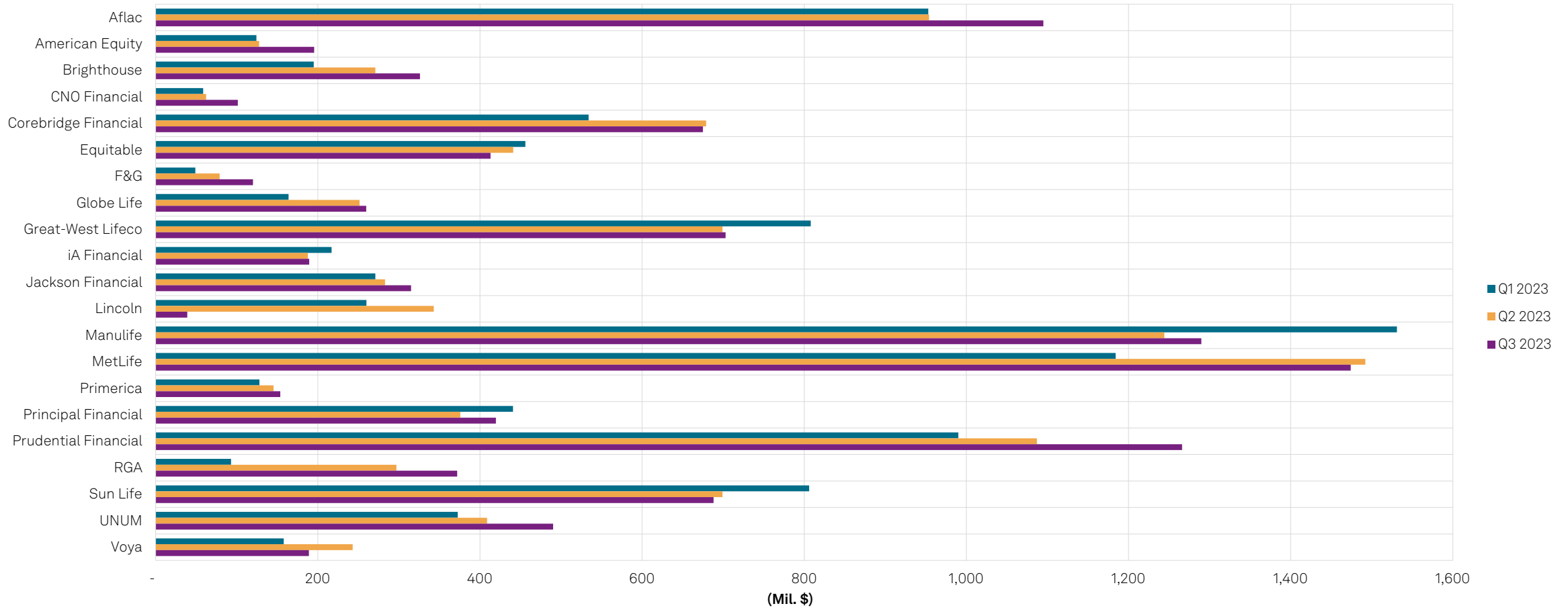
Source: S&P Global Ratings.

# Share Buybacks Hold Steady



YTD—Year-to-date. Sources: Capital IQ and S&P Global Ratings' research.

# Earnings Were Stable Through The First Nine Months Of 2023



Manulife, Sunlife, Great-West, and IA Financials are represented in U.S. dollars. Sources: Companies' filings and supplemental materials, and S&P Global Ratings' research.

# Appendix

# North American Life Sector: 2023 **Rating** And **Outlook** Actions

There were not many rating actions last year; most were changes in outlook rather than ratings. The drivers were primarily related to M&A activity--ownership changes, improved credit fundamentals, etc.

Month/year	Insurer	Rating action	From	To
Nov 2023	Equitable Holdings Inc (HoldCo)	Outlook change to positive	A+/Stable	A+/Positive
Oct 2023	EquiTrust Life Insurance Co	Outlook change to positive	BBB+/Stable	BBB+/Positive
Oct 2023	National Western Life Insurance Co	Rating placed on CreditWatch negative	A-/Stable	A-/Watch Neg
Sep 2023	Savings Bank Mutual Life Insurance Co. of Massachusetts	Outlook change to stable	A-/Negative	A-/Stable
Sep 2023	American Memorial Life Insurance Co.	Outlook change to stable	A/Positive	A+/Stable
Jul 2023	American Equity Investment Life Holding Co.	Rating placed on CreditWatch negative	A-/Stable	A-/Watch Neg
Feb 2023	United Insurance Co. of America	Rating removed from CreditWatch negative	A-/Watch Neg	A-/Stable
Feb 2023	Delaware Life Insurance Co.	Outlook change to positive	BBB+/Stable	BBB+/Positive
Feb 2023	Global Atlantic Financial Group Limited	Outlook change to positive	A-/Stable	A-/Positive
Jan 2023	Talcott Resolution Life Inc	Rating upgrade	BBB/Stable	BBB+/Stable

Source: S&P Global Ratings.

# Issuer Ranking: North American Life Insurance Companies, Strongest To Weakest

Company name	BRP	Competitive position	IICRA	FRP	Capital and earnings	Risk exposure	Funding structure	Anchor	Governance	Liquidity	CRA	Group support	FSR	Outlook	Holdco rating	Holdco outlook
Guardian Life Insurance Co. of America	Very strong	Very strong	Low	Excellent	Excellent	Moderately low	Neutral	aa	Neutral	Exceptional	1	0	AA+	Stable	N.A.	Stable
Knights of Columbus	Very strong	Very strong	Low	Excellent	Excellent	Moderately low	Neutral	aa	Neutral	Exceptional	1	0	AA+	Stable	N.A.	Stable
Massachusetts Mutual Life Insurance Co.	Excellent	Excellent	Low	Excellent	Excellent	Moderately low	Neutral	aa+	Neutral	Adequate	0	0	AA+	Stable	N.A.	Stable
New York Life Insurance Co.	Excellent	Excellent	Low	Excellent	Excellent	Moderately low	Neutral	aa+	Neutral	Exceptional	1	0	AA+	Stable	N.A.	Stable
Northwestern Mutual Life Insurance Co.	Excellent	Excellent	Low	Excellent	Excellent	Moderately low	Neutral	aa+	Neutral	Adequate	1	0	AA+	Stable	N.A.	Stable
Teachers Insurance & Annuity Association of America	Excellent	Excellent	Low	Excellent	Excellent	Moderately low	Neutral	aa+	Neutral	Exceptional	1	0	AA+	Stable	N.A.	Stable
Thrivent Financial for Lutherans	Very strong	Very strong	Low	Very strong	Excellent	Moderately high	Neutral	aa	Neutral	Exceptional	1	0	AA+	Stable	N.A.	Stable
Great-West Lifeco Inc.	Excellent	Excellent	Low	Very strong	Very strong	Moderately low	Neutral	aa	Neutral	Exceptional	0	0	AA	Stable	A+	Stable
Sun Life Financial Inc.	Excellent	Excellent	Very low	Very strong	Very strong	Moderately low	Neutral	aa	Neutral	Adequate	0	0	AA	Stable	A+	Stable
Globe Life Inc.	Very strong	Very strong	Low	Very strong	Very strong	Moderately low	Neutral	aa-	Neutral	Exceptional	0	0	AA-	Stable	A	CreditWatch Neg
iA Financial Corp. Inc.	Strong	Strong	Very low	Very strong	Very strong	Moderately low	Neutral	a+	Neutral	Exceptional	1	0	AA-	Stable	A	Stable
Manulife Financial Corp.	Very strong	Very strong	Low	Very strong	Very strong	Moderately low	Neutral	aa-	Neutral	Exceptional	0	0	AA-	Stable	A	Stable
MetLife Inc.	Very strong	Very strong	Low	Very strong	Very strong	Moderately low	Neutral	aa-	Neutral	Exceptional	0	0	AA-	Stable	A-	Stable
OneAmerica Financial Partners Inc.	Strong	Strong	Low	Very strong	Very strong	Moderately low	Neutral	a+	Neutral	Adequate	1	0	AA-	Stable	A-	Stable
Pacific LifeCorp	Very strong	Very strong	Low	Very strong	Very strong	Moderately low	Neutral	aa-	Neutral	Exceptional	0	0	AA-	Stable	A-	Stable
Primerica Inc.	Strong	Strong	Low	Excellent	Very strong	Low	Neutral	aa-	Neutral	Exceptional	0	0	AA-	Stable	A-	Stable
Protective Life Corp.	Very strong	Very strong	Low	Very strong	Very strong	Moderately low	Neutral	aa-	Neutral	Exceptional	0	0	AA-	Stable	A-	Stable
Prudential Financial Inc.	Very strong	Very strong	Low	Very strong	Very strong	Moderately low	Neutral	aa-	Neutral	Exceptional	0	0	AA-	Stable	A	CreditWatch Neg
Reinsurance Group of America Inc.	Very strong	Very strong	Low	Very strong	Very strong	Moderately low	Neutral	aa-	Neutral	Exceptional	0	0	AA-	Stable	A	CreditWatch Neg
Royal Bank of Canada Insurance Co. Ltd.	Strong	Strong	Low	Excellent	Excellent	Moderately low	Neutral	aa-	Neutral	Exceptional	0	0	AA-	Stable	NA	Stable
Securian Financial Group Inc.	Strong	Strong	Low	Excellent	Excellent	Moderately low	Neutral	aa-	Neutral	Exceptional	0	0	AA-	Stable	A-	Stable
Western & Southern Financial Group Inc.	Strong	Strong	Low	Excellent	Excellent	Moderately low	Neutral	aa-	Neutral	Exceptional	0	0	AA-	Stable	A	Stable

As of Dec. 31, 2023 BRP--Business risk profile. IICRA--Insurance industry and country risk assessment. Int.--Intermediate. FRP--Financial risk profile. CRA--Comparable ratings analysis. FSR--Financial strength rating. N.A.--Not applicable. Source: S&P Global Ratings.



# Issuer Ranking: North American Life Insurance Companies, Strongest To Weakest

Company name	BRP	Competitive position	IICRA	FRP	Capital and earnings	Risk exposure	Funding structure	Anchor	Governance	Liquidity	CRA	Group support	FSR	Outlook	Holdco rating	Holdco outlook
Aflac Inc.	Very strong	Very strong	Int.	Strong	Strong	Moderately low	Neutral	a+	Neutral	Exceptional	0	0	A+	Stable	A-	Stable
Ameritas Life Insurance Corp.	Strong	Strong	Low	Excellent	Excellent	Moderately low	Neutral	a+	Neutral	Exceptional	0	0	A+	Stable	N.A.	Stable
Athene Holding Ltd.	Strong	Strong	Low	Very strong	Very strong	Moderately low	Neutral	a+	Neutral	Adequate	0	0	A+	Stable	A-	Stable
Brighthouse Financial Inc.	Strong	Strong	Low	Very strong	Very strong	Moderately low	Neutral	a+	Neutral	Exceptional	0	0	A+	Stable	BBB+	Stable
Corebridge Financial Inc.	Very strong	Very strong	Low	Strong	Strong	Moderately low	Neutral	a+	Neutral	Adequate	0	0	A+	Stable	BBB+	Stable
Lincoln National Corp.	Strong	Strong	Low	Very strong	Very strong	Moderately low	Neutral	a+	Neutral	Exceptional	0	0	A+	Stable	BBB+	Stable
Dearborn Life Insurance Co.	Satisfactory	Satisfactory	Low	Very strong	Very strong	Moderately low	Neutral	a-	Neutral	Exceptional	0	2	A+	Stable	N.A.	Stable
Equitable Holdings Inc.	Strong	Strong	Low	Strong	Very strong	Moderately Low	Neutral	a	Neutral	Exceptional	0	0	A+	Stable	BBB+	Positive
MassMutual Ascend Life Insurance Company	Satisfactory	Satisfactory	Low	Satisfactory	Satisfactory	Moderately low	Neutral	bbb+	Neutral	Exceptional	0	3	A+	Stable	N.A.	Stable
Mutual of Omaha Insurance Co.	Strong	Strong	Low	Very strong	Very Strong	Moderately low	Neutral	a+	Neutral	Exceptional	0	0	A+	Stable	N.A.	N.A.
National Life Group	Strong	Strong	Low	Excellent	Excellent	Moderately low	Neutral	a+	Neutral	Adequate	0	0	A+	Stable	BBB+	Stable
Penn Mutual Life Insurance Co.	Strong	Strong	Low	Excellent	Excellent	Moderately low	Neutral	a+	Neutral	Exceptional	0	0	A+	Stable	N.A.	Stable
Principal Financial Group Inc.	Very strong	Very strong	Low	Satisfactory	Satisfactory	Moderately low	Neutral	a+	Neutral	Exceptional	0	0	A+	Stable	A-	Stable
Riversource Life Insurance Co.	Strong	Strong	Low	Very strong	Very strong	Moderately low	Neutral	a+	Neutral	Exceptional	0	0	A+	Stable	A-	Stable
Sammons Financial Group Inc.	Strong	Strong	Low	Very strong	Very strong	Moderately low	Neutral	a+	Neutral	Exceptional	0	0	A+	Stable	BBB+	Stable
StanCorp Financial Group Inc.	Strong	Strong	Low	Very strong	Very strong	Moderately low	Neutral	a+	Neutral	Adequate	0	0	A+	Stable	BBB+	Stable
TruStage Financial Group Inc.	Very strong	Very strong	Low	Strong	Very strong	Moderately high	Neutral	a+	Neutral	Adequate	0	0	A+	Stable	BBB+	Stable
Voya Financial Inc.	Strong	Strong	Low	Very strong	Very strong	Moderately low	Neutral	a+	Neutral	Adequate	0	0	A+	Stable	BBB+	Stable
Mutual of America Life Insurance Co.	Strong	Strong	Low	Very strong	Very strong	Moderately low	Neutral	a	Neutral	Exceptional	0	0	A	Stable	N.A.	N.A.
American National Group LLC	Satisfactory	Satisfactory	Low	Very strong	Excellent	Moderately high	Neutral	a	Neutral	Exceptional	0	0	A	Stable	BBB	Stable
Jackson Financial Inc.	Satisfactory	Satisfactory	Low	Very strong	Very strong	Moderately low	Neutral	a-	Neutral	Exceptional	1	0	A	Stable	BBB	Stable

As of Dec. 31, 2023 BRP--Business risk profile. IICRA--Insurance industry and country risk assessment. Int.--Intermediate. FRP--Financial risk profile. CRA--Comparable ratings analysis. FSR--Financial strength rating. N.A.--Not applicable. Source: S&P Global Ratings.

# Issuer Ranking: North American Life Insurance Companies, Strongest To Weakest

Company name	BRP	Competitive position	IICRA	FRP	Capital and earnings	Risk exposure	Funding structure	Anchor	Governance	Liquidity	CRA	Group support	FSR	Outlook	Holdco rating	Holdco outlook
Pacific Guardian Life Insurance Co. Ltd.	Satisfactory	Satisfactory	Low	Strong	Strong	Moderately low	Neutral	bbb+	Neutral	Adequate	0	2	A	Stable	N.A.	Stable
Symetra Financial Corp.	Strong	Strong	Low	Very strong	Very strong	Moderately low	Neutral	a	Neutral	Adequate	0	0	A	Stable	BBB	Stable
Unum Group	Strong	Strong	Low	Strong	Very strong	Moderately high	Neutral	a	Neutral	Exceptional	0	0	A	Stable	BBB	Stable
Zurich American Life Insurance Co.	Fair	Fair	Low	Strong	Strong	Moderately low	Neutral	bbb	Neutral	Exceptional	0	3	A	Stable	N.A.	N.A.
BMO Life Assurance Co.	Strong	Strong	Very low	Very strong	Very strong	Moderately low	Neutral	a	Neutral	Exceptional	0	0	A	Stable	N.A.	Stable
American Equity Investment Life Holding Co.	Satisfactory	Satisfactory	Low	Strong	Strong	Moderately low	Neutral	a-	Neutral	Adequate	0	0	A-	Credit Watch Neg	BBB-	CreditWatch Neg
CNO Financial Group Inc.	Strong	Strong	Low	Satisfactory	Satisfactory	Moderately low	Neutral	a-	Neutral	Exceptional	0	0	A-	Stable	BBB-	Stable
First Penn-Pacific Life Insurance Co.	Fair	Fair	Low	Very strong	Very strong	Moderately low	Neutral	bbb+	Neutral	Exceptional	0	1	A-	Stable	N.A.	Stable
F&G Annuities & Life Inc.	Satisfactory	Satisfactory	Low	Satisfactory	Satisfactory	Moderately low	Neutral	bbb+	Neutral	Exceptional	0	1	A-	Stable	BBB-	Stable
Global Atlantic Financial Group	Strong	Strong	Low	Satisfactory	Satisfactory	Moderately low	Neutral	a-	Neutral	Exceptional	0	0	A-	Positive	BBB-	Positive
National Western Life Insurance Co.	Fair	Fair	Low	Excellent	Excellent	Moderately low	Neutral	a-	Moderately negative	Exceptional	1	0	A-	Credit Watch Neg	N.A.	N.A.
Savings Bank Mutual Life Insurance Co. of Massachusetts (The)	Fair	Fair	Low	Very strong	Very strong	Moderately low	Neutral	a-	Neutral	Exceptional	0	0	A-	Stable	N.A.	N.A.
Security Benefit Life Insurance Co.	Satisfactory	Satisfactory	Low	Strong	Very strong	Moderately high	Neutral	a-	Neutral	Adequate	0	0	A-	Negative	N.A.	N.A.
ShelterPoint Life Insurance Co.	Fair	Fair	Low	Very strong	Very strong	Low	Neutral	a-	Neutral	Exceptional	0	0	A-	Stable	N.A.	Stable
United Insurance Co. of America	Satisfactory	Satisfactory	Low	Strong	Strong	Moderately low	Neutral	a-	Neutral	Adequate	0	0	A-	Stable	BBB-	Stable
USable Life	Satisfactory	Satisfactory	Low	Very strong	Very strong	Moderately low	Neutral	a-	Neutral	Exceptional	0	0	A-	Stable	N.A.	N.A.
Delaware Life Insurance Co.	Satisfactory	Satisfactory	Low	Strong	Strong	Moderately low	Neutral	bbb+	Neutral	Adequate	0	0	BBB+	Positive	N.A.	N.A.
EquiTrust Life Insurance Co.	Satisfactory	Satisfactory	Low	Satisfactory	Satisfactory	Moderately low	Neutral	bbb+	Neutral	Adequate	0	0	BBB+	Positive	N.A.	N.A.
Somerset Reinsurance Ltd.	Satisfactory	Satisfactory	Low	Strong	Strong	Moderately low	Neutral	bbb+	Neutral	Exceptional	0	0	BBB+	Stable	N.A.	N.A.
Talcott Financial Group	Satisfactory	Satisfactory	Low	Satisfactory	Satisfactory	Moderately low	Neutral	bbb+	Neutral	Exceptional	0	0	BBB+	Stable	BB+	Stable
Union Security Insurance Co.	Fair	Fair	Low	Strong	Strong	Moderately low	Neutral	bbb+	Neutral	Adequate	0	0	BBB+	Stable	N.A.	N.A.

As of Dec. 31, 2023 BRP--Business risk profile. IICRA--Insurance industry and country risk assessment. Int.--Intermediate. FRP--Financial risk profile. CRA--Comparable ratings analysis. FSR--Financial strength rating. N.A.--Not applicable. Source: S&P Global Ratings.

# Related Criteria And Research

## Related criteria

- [Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions](#), Nov. 15, 2023
- [Criteria | Insurance | General: Insurers Rating Methodology](#), July 1, 2019

## Related research

- [U.S. Health Insurance Sector View 2024: Revenue Growth Amid Risk In Government Segments](#), Jan. 31, 2024
- [U.S. Property/Casualty Insurance Sector View 2024: Commercial Line Insurers Cruise Along, But Personal Line Writers Have An Uphill Climb](#), Jan. 31, 2024
- [Economic Outlook U.S. Q1 2024: Cooling Off But Not Breaking](#), Nov. 28, 2023
- [Credit Conditions North America Q1 2024 : A Cluster Of Stresses](#), Nov. 28, 2023
- [Certain Issuer And Issue Ratings Placed Under Criteria Observation After Insurance Capital Model Criteria Update](#), Nov. 16, 2023
- [Higher Rates For Even Longer Could Push The U.S. Speculative-Grade Corporate Default Rate To 5% By September 2024](#), Nov. 16, 2023
- [Stressful Conditions For U.S. Commercial Real Estate Are Raising Refinancing Risks](#), June 5, 2023

# Analytical Contacts

## Carmi Margalit, CFA

Managing Director & Sector Lead

New York

[carmi.margalit@spglobal.com](mailto:carmi.margalit@spglobal.com)

## Kevin T Ahern

Managing Director & Analytical Manager

New York

[kevin.ahern@spglobal.com](mailto:kevin.ahern@spglobal.com)

## Neil R Stein

Director & Lead Analyst

New York

[neil.stein@spglobal.com](mailto:neil.stein@spglobal.com)

## Heena C Abhyankar

Director & Lead Analyst

New York

[heena.abhyankar@spglobal.com](mailto:heena.abhyankar@spglobal.com)

## Anika Getubig, CFA

Director

New York

[anika.getubig@spglobal.com](mailto:anika.getubig@spglobal.com)

## Katilyn Pulcher, ASA, CERA

Associate Director

New York

[katilyn.pulcher@spglobal.com](mailto:katilyn.pulcher@spglobal.com)

## Harshit Maheshwari, CFA

Associate Director

Toronto

[harshit.maheshwari@spglobal.com](mailto:harshit.maheshwari@spglobal.com)

## Shelby Merberg

Associate Director

New York

[shelby.merberg@spglobal.com](mailto:shelby.merberg@spglobal.com)

## Akash Chatterjee, ASA

Senior Analyst

New York

[akash.chatterjee@spglobal.com](mailto:akash.chatterjee@spglobal.com)

## Shawn Bai

Senior Analyst

Toronto

[shawn.bai@spglobal.com](mailto:shawn.bai@spglobal.com)

## Abhilash Kulkarni

Research Contributor

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