Insurance Operations Financial Strength Profile

Ameritas
fulfilling life.

HC 1995 11-23

Introduction

Ameritas Mutual Holding Company (Ameritas) draws its financial strength and stability from many sources, but its foundation is our insurance companies. These include Ameritas Life Insurance Corp. (Ameritas Life) and Ameritas Life Insurance Corp. of New York (Ameritas Life of New York).

Insurance companies prepare financial statements for their regulators based on statutory accounting practices prescribed or permitted by said regulators, which comprise a comprehensive statutory basis of accounting. The information presented in this document reflects combined statutory basis of accounting results for Ameritas Life and Ameritas Life of New York operations. This information does not represent the financials of the individual insurance companies. If this Insurance Operations Financial Strength Profile is presented in conjunction with a product solicitation, the issuing company's financials must be included.

Delivering on our promises

Our business structure as a mutual-based organization helps us make long-term decisions in our customers' best interest. We have the skills, perspective and flexibility to make smart, well-timed decisions designed to benefit our members and customers for generations to come. Though we're proud of our ratings[1] from Standard & Poor's and AM Best, we measure our success by how many people we've helped and how many promises we've kept.

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

A+

Standard & Poor's

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

A

AM Best

A (Excellent) for insurer financial strength. This is the third highest of AM Best's 13 ratings assigned.

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. The statutory surplus levels of Ameritas Life and Ameritas Life of New York are above Standard & Poor's capital requirements at the 'AAA' rating level.[2] This represents extremely strong capital which, along with low levels of financial leverage, provides ample financial flexibility to address unforeseen market conditions.

Ameritas Life and Ameritas Life of New York had approximately $2.2 billion of statutory basis total adjusted capital at December 31, 2022.[3] They ended the period with a capital and surplus/assets ratio of 11.0%, which was 26.0% higher than the life industry average capital, and surplus/assets ratio of 8.7%.[4]

Surplus notes/capital and surplus

Surplus notes are a form of debt for mutual insurance organizations. However, on statutory financial statements, this debt is included in the capital structure of insurance companies. Ameritas has one $50 million long-term debt issue outstanding that matures in 2026, which represented 2.6% of total capital and surplus at December 31, 2022, while the industry average for surplus notes as a percent of total capital and surplus was 10.6% at December 31, 2022.[4]

Ameritas insurance companies' overall debt-to-capital ratio[7] was 8.3% compared to an insurance industry average of 14.2% as of December 31, 2022.[4]

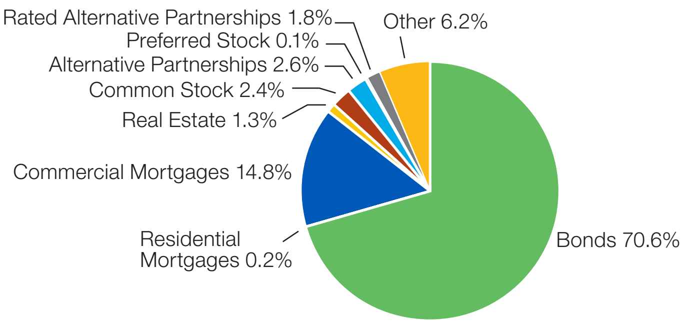
Invested assets

As of December 31, 2022, Ameritas insurance companies' general account[5] invested assets base was $16.7 billion. This represented approximately 96.9% of general account admitted assets. The major asset classes within the general account include bonds at 70.6%, commercial mortgage loans at 14.8%, common stock at 2.4%, real estate at 1.3%, alternative partnerships at 2.6% and other invested assets at 6.2%.

Another way to look at the pie is to add together the bond and commercial mortgage loans sectors, which total about 85% of invested assets. These assets are used to back the insurance products of our life insurance subsidiaries—life, annuity, disability income and retirement plans—and to support surplus. The remainder of the pie is made up of investments that back the surplus of Ameritas insurance companies and are more total return oriented than income oriented. Surplus investments are available to support liquidity and provide a safety cushion during difficult economic periods. Ameritas insurance companies have greater surplus, or cushion, than the industry average.

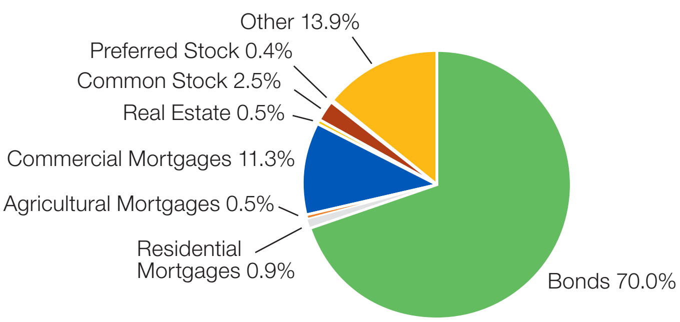
Diversification of Invested Assets

Ameritas Insurance Companies Assets



as of 12/31/22

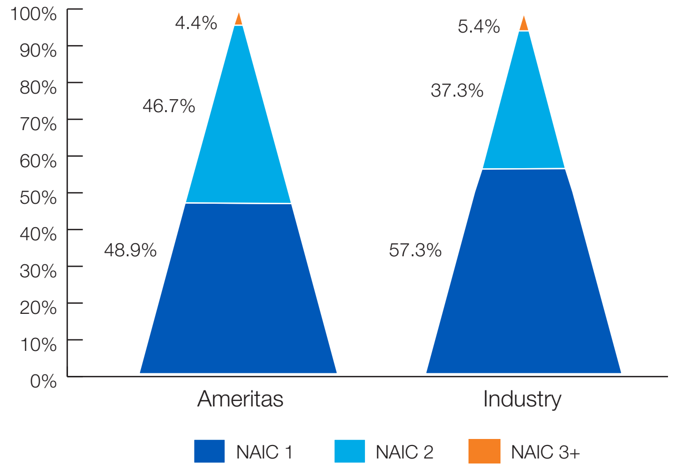
Industry



Source: ACLI – 12/31/21

Bonds

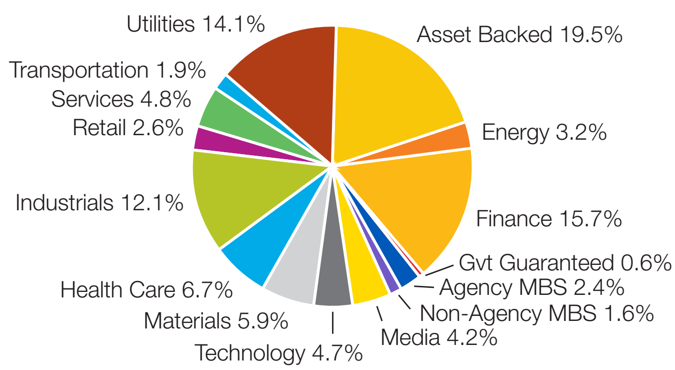
Bonds represent 70.6% of the Ameritas insurance companies' invested assets.[4] The following chart breaks down the total bond portfolio by quality as of December 31, 2022. Approximately 95.6% is rated at least strong investment grade, comparable to the industry average of approximately 94.6%.



Source: NAIC[6] and ACLI – 12/31/22 (preliminary)

The bond portfolio is constructed as a highly diversified portfolio by industry and by issuer. Investment policy limitations are very stringent and limit exposure to industries and issuers. The portfolio contains over 1,130 separate issues and the average position represents approximately 0.5% of surplus.

Bond Portfolio Breakdown by Industry



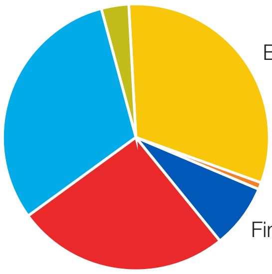
as of 12/31/22

Another example of Ameritas insurance companies' prudent investment discipline is its relatively low exposure to the financial sector, at only 15.7% of the total portfolio, or 20.6% of the corporate bond portfolio. The financial sector is a significant participant in the corporate debt market.

This is illustrated by the exposure to the sector in ICE Bank of America US Corporate Index, a common benchmark used by the industry and a good representation of the bond market. This benchmark's exposure to financials is more than one and a half times that of Ameritas insurance companies', at 32.5% of corporate bonds.

The following charts reflect the diversity within the financial sector, and show that we maintain greater diversity than ICE Bank of America US Corporate Index. We have benefited from this diversification discipline, particularly during times such as the most recent financial crisis, when stress was concentrated on the financial sector.

Financial Sector Breakdown
Represents 20.6% of Corporate Bond Portfolio



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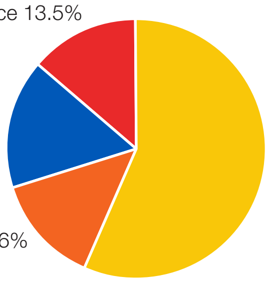
Financial Sector Breakdown
Represents 32.5% of Corporate Bond Portfolio
within ICE Bank of America US Corporate Index



Source: ICE Bank of America US Corporate Index – 12/31/22

Commercial mortgage loans

Commercial mortgage loans are the second largest asset class within Ameritas insurance companies' invested assets[3] portfolio. As of December 31, 2022, commercial mortgage loans amounted to $2.5 billion, or 14.8% of the total insurance companies' invested assets.[4]

Our commercial mortgage loans are amortizing fixed-rate loans made to property owners and secured by a first lien on the underlying asset. Property types in the commercial mortgage portfolio include office buildings, industrial warehouses, retail properties, apartments and hotels.

The commercial mortgage portfolio is very diverse geographically (see below) and by property type. A large percentage of the loans are self-liquidating and many have short amortization periods, thus faster paydown of the loan.

This chart shows our largest exposure by state.

State	% Portfolio	(Millions)
Florida	9.5%	$234.7
California	8.5%	$209.5
Texas	8.2%	$202.9
Ohio	7.1%	$176.2
Michigan	5.0%	$124.5
Utah	4.9%	$120.4
Georgia	4.2%	$104.6
New York	3.4%	$85.0
Arizona	3.3%	$82.7
Tennessee	3.3%	$81.4

as of 12/31/22

The commercial mortgage loan asset class has been a value-added class, enabling Ameritas insurance companies to generate competitive yields and perform very well relative to the commercial mortgage loan industry.

The performance of this asset class can be attributed to our consistent and conservative underwriting standards.

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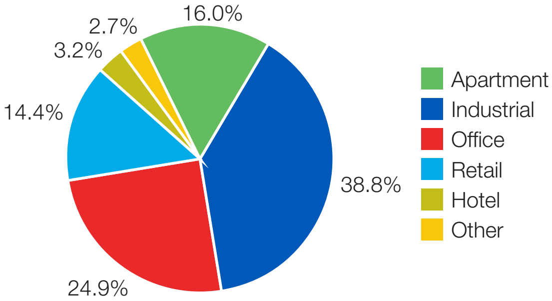
Commercial Mortgage Loan Exposure by Property Type



as of 12/31/22

Strong liquidity

Liquidity measures how easily a company can convert assets into cash. Ameritas has access to multiple avenues of funding. AM Best confirms this, indicating that our overall liquidity is supported by positive net cash flows from a diversified business mix, access to a committed but fully available bank line, and by membership in the Federal Home Loan Bank system, providing additional borrowing capacity at relatively low cost of funds. AM Best notes that liquidity is further enhanced by the Ameritas mutual holding company structure, providing very low financial leverage, and by our generally lower risk product portfolio.[4]

Liquidity is enhanced by well-balanced maturity distribution within our consolidated bond portfolio.

Maturity	Statement Value ($ millions)	Percent
Less than 1 Year*	$349.2	3.1%
1-3 Years	1,413.2	12.4%
3-5 Years	1,825.2	16.0%
5-7 Years	1,355.5	11.8%
7-10 Years	1,339.0	11.6%
Beyond 10 Years	5,153.2	45.1%
Total	**$11,435.3**	**100.0%**

as of 12/31/22

*Includes cash equivalent short-term investments amounting to $36.0 million.

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[1] Ameritas Mutual Holding Company's ratings by Standard & Poor's and AM Best include Ameritas Life Insurance Corp. and Ameritas Life Insurance Corp. of New York.

[2] Standard & Poor's Research Update, June 5, 2023.

[3] Total adjusted capital equals capital and surplus plus asset valuation reserves.

[4] S&P Global Market Intelligence, 2022 statutory insurance data.

[5] "General account" refers to the general accounts of the life insurance subsidiaries of Ameritas on a consolidated basis, which consolidation is for accounting purposes only.

[6] National Association of Insurance Commissioners.

[7] Debt includes surplus notes payable, encumbrances on real estate, and operational borrowings on the balance sheet.

This information is provided by Ameritas®, which is a marketing name for subsidiaries of Ameritas Mutual Holding Company. Subsidiaries include Ameritas Life Insurance Corp. in Lincoln, Nebraska, and Ameritas Life Insurance Corp. of New York (licensed in New York) in New York, New York. Each company is solely responsible for its own financial condition and contractual obligations. For more information about Ameritas®, visit ameritas.com.