

Best's Rating Report



AMALGAMATED LIFE INSURANCE COMPANY

White Plains, New York



A (Excellent)

Ultimate Parent: National Retirement Fund

AMALGAMATED LIFE INSURANCE COMPANY

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BEST'S CREDIT RATING

Best's Financial Strength Rating: A

Best's Financial Size Category: VII

Outlook: Stable

RATING RATIONALE

Rating Rationale: The rating assignments of Amalgamated Life Insurance Company (Amalgamated Life) reflect its established niche in the labor union life insurance market, business and geographic diversification initiatives and ongoing favorable operating results. Offsetting factors include a highly competitive group life insurance market, a concentration of business in this market and the challenges of national expansion.

Amalgamated Life has historically marketed primarily group term life insurance products chiefly in the Taft-Hartley labor union market, where it enjoys a competitive advantage due to its familiarity with this market as well as its ownership by a national pension fund. In recent years, the company has diversified its business and geographic profiles by entering the medical stop-loss market and building a national sales platform by achieving licenses in all 50 states and the District of Columbia. As a result, the majority of its new sales are derived from employer groups outside New York. The company has reported a net operating gain each year over the last five years due to favorable underwriting results supplemented by investment income. It has also made significant technology infrastructure improvements and continues to maintain a reasonable expense ratio.

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Amalgamated Life remains challenged by an intensely competitive life insurance market, as well as competitive markets for its ancillary products. The company's reliance on the life insurance market within the Taft-Hartley labor union arena for the majority of its premium revenue and a significant portion of its net operating gains exposes it to market risk. Although Amalgamated Life has recently achieved some geographic diversification outside New York, as well as some product diversification beyond group life, A.M. Best believes it could take some years for it to establish a noticeable and profitable presence in its targeted growth areas.

Rating drivers that may result in a positive rating action include sustained, materially higher levels of diversified premium revenue and operating earnings. Conversely, a future negative rating action could occur if it does not sustain higher year-over-year premium revenue growth or relatively consistent operating income, or does not continue progress toward meaningful earnings across its lines of business or if either absolute or risk-adjusted capital trends downward.

FIVE YEAR RATING HISTORY

Date	Best's FSR	Date	Best's FSR
06/16/16	A	05/17/13	A
05/15/15	A	05/25/12	A
05/16/14	A		

KEY FINANCIAL INDICATORS (\$000)

Year	Assets	Total Capital				Net Invest Income	Net Income
		Capital Surplus Funds	Asset Valuation Reserve	Net Premiums Written	Net Invest Income		
2011	78,947	38,280	133	55,700	2,145	1,856	
2012	88,555	42,208	195	56,317	2,006	3,708	
2013	99,851	47,184	255	64,329	2,098	3,528	
2014	111,781	50,999	306	72,370	2,366	3,486	
2015	119,943	55,573	349	75,605	2,309	3,046	

(*) Within several financial tables of this report, this company is compared against the Group Life Composite.

(*) Data reflected within all tables of this report has been compiled from the company-filed statutory statement.

BUSINESS PROFILE

Amalgamated Life, based in White Plains, NY, and licensed in 50 states and the District of Columbia, is wholly-owned by ALICO Services Corporation. ALICO Services Corporation (ASC), in turn, is 96.9% owned by the National Retirement Fund and 3.1% owned by affiliates of Workers United, UNITE HERE and management. ASC's other affiliated subsidiaries include AliCare, a third-party administrator; AliCare Medical Management, Inc., a medical cost management company; AliComp, an information technology outsourcing firm; Amalgamated Agency, a property and casualty insurance brokerage; and AliGraphics, a printing and graphics company. ASC generates \$851 million in premium, premium equivalents and fee revenue. These businesses bring diversity to ASC and assist Amalgamated Life in providing its products and services.

Scope of Operations: Amalgamated Life markets group life and medical stop-loss insurance products primarily to Taft-Hartley health and welfare and pension plans or through endorsed voluntary arrangements via their unions. The company also offers group short-term and long-term disability products and worksite/voluntary insurance products, which include whole life and term life, critical illness, disability, accident, dental, vision, hearing, accidental death and dismemberment and legal services products. In recent years, the company has been growing organically via strategic partnerships, aiming to diversify its revenue streams nationally. Additionally, it has been expanding its national worksite/voluntary segment.

Group life insurance, comprising three-quarters of Amalgamated Life's total net premium revenue, consists entirely of term life products. Optional additional coverages to the basic group term life product, available in some states, includes accidental death and dismemberment, dependent life, retiree life and supplemental life. The company provides coverage to participants of union employee benefit plans throughout the U.S. via group policies and ASO contracts. However, it has been diversifying its revenue streams in recent years primarily by expanding operations geographically.

Amalgamated Life also offers voluntary life insurance products through its worksite marketing division. Since 2005, it has been marketing and underwriting the "Workers Life Level and Plus" term life products along with partner Boston Mutual's interest-sensitive whole life product. The company retains the entire risk on its term life products, while Boston Mutual shares risk on the whole life product. Amalgamated Life partnered with Guardian Life Insurance Company (Guardian Life) in 2010 to market a voluntary dental product underwritten by Guardian Life. Other voluntary products, underwritten by Amalgamated Life, include short-term disability, accidental death and dismemberment, a hearing aid discount program in partnership with United Hearing Services and legal services in partnership with LegalEase. In 2012, the company partnered with National Guardian Life and Avesis to market a voluntary vision product underwritten by these two companies. In 2016, Amalgamated Life introduced its own underwritten voluntary personal accident and critical illness products to complement its short-term disability product.

Medical stop-loss, comprising approximately one-sixth of total net premium revenue, has been marketed since December 2007 as part of the company's diversification and expansion initiatives. This line of business reduces self-insured employers' risk of incurring high expense individual major medical claims or a high aggregate volume of major medical claims. Amalgamated Life believes that medical stop-loss is an excellent growth opportunity. The company leverages its presence in the Taft-Hartley market through its access to established distribution channels, provider networks, product bundling, third-party administration capabilities and medical management expertise.

Group and individual disability, comprising five percent of total net premium revenue, consists almost entirely of short-term disability products. These products, available as contributory or non-contributory, provide income protection for non-work-related injury or illness. The company also offers voluntary short-term and long-term disability products.

Medicare supplement and individual life comprise the vast majority of remaining net premium revenue. The Medicare supplement business is assumed from another carrier, while the individual life segment consists

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primarily of assumed interest-sensitive whole life, whole life paid in full and traditional whole life products.

Amalgamated Life's salaried sales representatives, comprised of seasoned insurance professionals, market its products by directly contacting trade unions, brokers and consultants. The company maintains sales offices throughout the U.S. Its sales force benefits from referrals from a network of benefit consultants, legal, actuarial and accounting firms that also serve the Taft-Hartley market. Amalgamated Life is developing new markets within labor and outside of labor to further diversify its revenue streams. The company has recently added sales staff, hired management and expanded distribution and infrastructure to support its growth initiative within its national worksite business.

TOTAL PREMIUM COMPOSITION & GROWTH ANALYSIS

Period Ending	DPW		Reinsurance Prem Assumed	
	(\$000)	(% Chg)	(\$000)	(% Chg)
2011	34,942	17.5	24,330	27.2
2012	33,655	-3.7	26,274	8.0
2013	39,794	18.2	29,051	10.6
2014	45,110	13.4	33,100	13.9
2015	47,246	4.7	34,639	4.6
5-Yr CAGR	...	9.7	...	12.6

Period Ending	Reinsurance Prem Ceded		NPW & Deposits	
	(\$000)	(% Chg)	(\$000)	(% Chg)
2011	3,571	37.8	55,700	20.4
2012	3,612	1.2	56,317	1.1
2013	4,516	25.0	64,329	14.2
2014	5,840	29.3	72,370	12.5
2015	6,280	7.5	75,605	4.5
5-Yr CAGR	...	19.4	...	10.3

Territory: The company is licensed in the District of Columbia and all states.

Business Trends: Amalgamated Life's net premium revenue has increased each year over the last five years due primarily to sales in its direct medical stop-loss and individual disability lines of business, as well as direct group life sales and assumption of new group life business. Nearly three-fifths of direct premium revenue is derived from New York, where a majority of union-sponsored multi-employer plans covering national collective bargaining agreements are domiciled. However, the company has increasingly generated more sales outside of New York in recent years.

2015 BY-LINE BUSINESS (\$000)

Product Line	DPW		Reinsurance Prem Assumed	
	(\$000)	(%)	(\$000)	(%)
Ordinary life	214	0.5	1,702	4.9
Group life	26,972	57.1	31,547	91.1
Individual A&H	1,198	2.5	...	...
Group A&H	18,862	39.9	1,390	4.0
Total	47,246	100.0	34,639	100.0

Product Line	Reinsurance Prem Ceded		NPW	
	(\$000)	(%)	(\$000)	(%)
Ordinary life	81	1.3	1,835	2.4
Group life	2,521	40.1	55,998	74.1
Individual A&H	...	...	1,198	1.6
Group A&H	3,678	58.6	16,574	21.9
Total	6,280	100.0	75,605	100.0

BY-LINE RESERVES (\$000)

Product Line	2015	2014	2013	2012	2011
Ordinary life	2,402	2,492	2,599	2,613	2,664
Group life	4,559	4,916	5,689	5,203	4,174
Individual A&H	478	177	...	...	...
Group A&H	19	2	213	198	220
Total	7,459	7,586	8,501	8,014	7,059

LIFE POLICIES STATISTICS

Year	-Ordinary Policies-		-Group Policies-		-Group Certificates-	
	Issued	In Force	Issued	In Force	Issued	In Force
2011	37	12,073	25	341	28,932	458,849
2012	22	12,340	13	335	13,778	476,718
2013	24	12,749	9	281	141,684	648,117
2014	25	13,133	9	270	41,598	673,838
2015	24	13,473	6	390	6,992	651,172

LIFE INSURANCE IN FORCE (\$000)

Year	Whole Life Endow. & Adds	Term	Credit	Group	Industrial	Total Insurance In Force
2011	91,741	4,067	...	19,772,863	...	19,868,671
2012	97,767	3,313	...	21,114,617	...	21,215,697
2013	102,026	3,113	...	24,099,089	...	24,204,227
2014	110,326	2,913	...	25,144,873	...	25,258,112
2015	118,491	2,710	...	25,698,183	...	25,819,384

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NEW LIFE BUSINESS ISSUED (\$000)

Year	Whole Life & Endow.	Term	Credit	Group	Industrial	Total Insurance Issued	Non-Par (%)	Par (%)
2011	512	94	...	1,316,897	...	1,317,503	100.0	0.0
2012	227	...	...	335,112	...	335,339	100.0	0.0
2013	314	...	...	2,530,191	...	2,530,505	100.0	0.0
2014	299	...	...	778,693	...	778,992	100.0	...
2015	320	...	...	100,849	...	101,169	100.0	...

ORDINARY LIFE STATISTICS

Year	Ord. Lapse Ratio	Renew Premium Persist	Average Ord. Policy (in dollars)		Avg Prem (\$/M)	1st Yr Prem Total	1st Yr Comm/ Prem	Gen. Exp./ Policies
	%	%	Issued	In Force				In Force
2011	16.4	18.3	16,378	7,936	16.90	5.9	...	53.47
2012	11.1	157.2	10,318	8,191	16.95	0.6	...	27.57
2013	12.2	58.6	13,083	8,247	15.98	-0.4	...	37.59
2014	4.2	113.4	11,960	8,622	16.27	1.5	...	34.17
2015	15.2	91.8	13,333	8,996	15.81	-1.0	...	39.45

Year	Number of Policies		First Year Premium (000)	Gen'l Exp/ Reserves (%)	Return on Reserves (%)
	Issued	In Force			
2011	37	12,073	13	24.23	-3.26
2012	22	12,340	2	13.02	6.12
2013	24	12,749	-1	18.44	-0.93
2014	25	13,133	3	18.01	-1.60
2015	24	13,473	-2	22.12	4.49

GEOGRAPHIC BREAKDOWN BY DIRECT PREMIUM WRITINGS (\$000)

	2015	2014	2013	2012	2011
New York	27,469	26,840	24,450	25,300	25,854
California	4,056	2,383	1,475	1,024	22
New Jersey	3,807	4,146	4,207	1,927	1,617
Illinois	2,807	2,585	2,322	1,918	2,369
Pennsylvania	2,200	4,578	3,561	1,626	1,073
Georgia	1,442	103	...	...	...
Virginia	724	505	394	...	...
Texas	669	772	516	432	297
Massachusetts	596	570	767	777	717
Utah	571	719	696	126	...
All Other	3,233	3,841	3,041	2,176	2,955
Total	47,574	47,042	41,430	35,306	34,903

RISK MANAGEMENT

Amalgamated Life maintains a formal risk management policy guided by formal, comprehensive risk appetite and tolerance statements covering business and risk categories. This policy complies with New York State Department of Financial Services Regulation 203. The company began filing the annual enterprise risk management report required under Regulation 203 in 2014. Its Chief Risk Officer, the General Counsel, chairs the Risk

Committee which consists of the CEO, CFO, Chief Information Officer, Chief Actuary and an AVP in insurance operations. This committee focuses on managing risk in these five areas: operations, underwriting, credit, marketing and strategy. It evaluates risk areas as a whole and assesses potential impact on operational performance, balance sheet strength and business profile. The Chief Risk Officer ensures that enterprise wide risk is monitored via metrics and ensures that policies and procedures are standardized for regular reporting, communicates with the risk and audit committees and updates executive management and the board of directors. She also reports directly to the audit committee and meets with them regularly. Executive management meets at least twice a month to discuss corporate issues, their impact on the organization and action plans to resolve these issues. An external asset management firm invests according to Amalgamated Life's investment policy, with stress testing of the investment portfolio performed quarterly. Accume, an independent third-party internal audit and risk management firm, performs internal audits. Monitored corporate-wide metrics include such areas as the call center and medical claims payments.

In recent years, the company has taken several steps to enhance information technology security including but not limited to: encryption of all laptops and workstations, engagement of an external firm to monitor its cyber traffic daily, continual enhancement of virus protection, intrusion prevention/detection, web filtering and e-mail scrubbing software, as well as ongoing employee training. Also, separate policies and controls exist to reduce risks associated with engaging third parties. The Security Director, reporting to the Chief Information Officer, is responsible for information technology security. Accume performs cyber-security testing, while an external firm annually performs penetration testing. Amalgamated Life maintains cyber liability insurance and a business continuity plan for business disruptions. Current areas of cyber security focus include database activity monitoring, two factor authentication for VPN usage, engagement of an external firm to perform an in-depth risk assessment of information technology processes, mobile device management, training to detect malicious e-mails and web links, server and desktop patching and retirement of legacy systems, enhancement of its incident response program and third party vendor risk management.

OPERATING PERFORMANCE

Operating Results: Amalgamated Life has reported relatively consistent net operating gains each year over the last five years due primarily to favorable underwriting results in its core group life and medical stop-loss segments, supplemented by stable investment income. During this period improvements to information technology and operational efficiency have contributed to the company's favorable operating results. In 2012, the company reported its highest net operating gain during this period due to terminations of unfavorably performing business.

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PROFITABILITY ANALYSIS (\$000)

Period Ending	Company			
	Pre-tax Net Oper Income	Net Operating Gain	Net Income	Total Return
2011	3,102	1,856	1,856	1,842
2012	4,897	3,709	3,708	3,722
2013	4,361	3,528	3,528	3,528
2014	4,587	3,491	3,486	3,486
2015	4,117	3,046	3,046	3,046
5-Yr Total	21,064	15,631	15,624	15,624

ACCIDENT & HEALTH STATISTICS (\$000)

Year	Net Premiums Written	Net Premiums Earned	Loss Ratio	Exp. Ratio	Underwriting Results
	2011	10,439	10,029	76.1	25.7	-289
2012	9,734	9,989	63.8	30.8	617
2013	12,919	12,585	65.0	27.8	820
2014	14,528	14,918	59.7	32.1	1,353
2015	18,064	17,772	64.0	36.0	-111
Current Year Experience:					
Group	16,891	16,574	62.5	33.3	604
Guarant renew	1,173	1,198	86.0	75.2	-714

INVESTMENT GAINS (\$000)

Period Ending	Company		Industry Composite		Year	Net Income	Company Realized Capital Gains	Unrealized Capital Gains
	Operating ROR (%)	Operating ROE (%)	Operating ROR (%)	Operating ROE (%)		Income	Capital Gains	Capital Gains
2011	1.5	5.0	5.8	12.6	2011	2,145	...	-14
2012	3.0	9.2	6.7	13.6	2012	2,006	-1	14
2013	2.6	7.9	5.5	10.9	2013	2,098	...	...
2014	2.5	7.1	3.9	8.6	2014	2,366	-6	...
2015	2.1	5.7	2.9	8.2	2015	2,309	...	...
5-Yr Avg	2.3	7.0	4.9	10.9	5-Year Total	10,924	-7	0

PROFITABILITY TESTS

Year	Comm &				Operating		Pre-tax
	Ben Paid to NPW & Dep	Exp to NPW & Dep	NOG to Tot Assets	NOG to Tot Rev	Return on Equity	Net Yield	Invest Total Return
2011	88.2	127.7	2.5	1.5	5.0	3.36	3.28
2012	84.4	126.7	4.4	3.0	9.2	2.74	2.80
2013	86.3	113.8	3.7	2.6	7.9	2.57	2.65
2014	85.2	101.7	3.3	2.5	7.1	2.62	2.74
2015	82.1	105.9	2.6	2.1	5.7	2.33	2.36
5-Year Avg	85.1	113.9	3.3	2.3	7.0	2.68	2.72

(*) Pre-Tax Invest Total Return quarterly calculation based on more limited quarterly data - see Calculation Specifications.

Year	Company			Industry Composite		
	Inv Inc Growth (%)	Inv Yield (%)	Return on Inv Assets (%)	Pre-tax Invest Total Return (%)	Inv Inc Growth (%)	Inv Yield (%)
2011	2.8	3.4	3.4	3.3	3.9	6.0
2012	-6.5	2.7	2.8	2.8	0.3	5.8
2013	4.6	2.6	2.7	2.7	-1.5	5.5
2014	12.8	2.6	2.8	2.7	-8.1	4.9
2015	-2.4	2.3	2.4	2.4	3.4	4.9
5-Yr Avg	2.1	2.7	2.8	2.7	-0.5	5.4

(*) Pre-Tax Invest Total Return quarterly calculation based on more limited quarterly data - see Calculation Specifications.

NET OPERATING GAIN (\$000)

Product Line	2015	2014	2013	2012	2011
Ordinary life	108	-40	-24	160	-87
Group life	1,536	1,336	1,476	1,813	1,369
Individual A&H	-502	-134	3	19	-10
Group A&H	1,903	2,329	2,073	1,718	585
Total	3,046	3,491	3,528	3,709	1,856

BALANCE SHEET STRENGTH

Capitalization: Amalgamated Life's absolute capital and surplus level has increased each year over the past five years due primarily to net income and periodic decreases to non-admitted assets. The company maintains a favorable level of risk-adjusted capital for its insurance and investment risks as measured by Best's Capital Adequacy ratio (BCAR). It is not subject to any mandatory dividend requirements from ALICO Services Corporation and benefits from the explicit support of its parent company. This was evidenced by the capital contribution from ALICO Services Corporation to offset the increase in non-admitted assets resulting from Amalgamated Life's technology and infrastructure capital expenditures in recent years.

Current BCAR: 324

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CAPITAL GENERATION ANALYSIS (\$000)

Year	Source of Surplus Growth			Unrealized Capital Gains
	Pre-Tax Net Adjusted Gain	Realized Capital Gains	Income Taxes	
2011	3,102	...	1,246	-14
2012	4,897	-1	1,188	14
2013	4,361	...	833	...
2014	4,587	-6	1,096	...
2015	4,117	...	1,071	...
5-Yr Total	21,064	-7	5,433	0

Year	Source of Surplus Growth			% Chg in C&S
	Change in AVR	Other Changes	Change in C&S	
2011	-49	196	1,990	5.5
2012	-62	268	3,928	10.3
2013	-60	1,508	4,976	11.8
2014	-51	381	3,815	8.1
2015	-42	1,570	4,574	9.0
5-Yr Total	-265	3,924	19,283	8.9

QUALITY OF SURPLUS (\$000)

Year	Surplus Notes	Other Debt	Contributed Capital	Unassigned Surplus
2011	...	...	10,050	28,230
2012	...	...	10,050	32,158
2013	...	...	10,050	37,134
2014	...	...	10,050	40,949
2015	...	...	10,050	45,523
2011	38,280	133		38,412
2012	42,208	195		42,403
2013	47,184	255		47,439
2014	50,999	306		51,305
2015	55,573	349		55,922

LEVERAGE ANALYSIS

Year	Company			Change in NPW & Dep(%)	-Industry Composite-	
	C&S to Liab(%)	Surplus Relief(%)	NPW & Dep to Total Capital		C&S to Liab(%)	Surplus Relief(%)
2011	94.8	...	1.5	20.4	17.3	...
2012	91.9	...	1.3	1.1	17.7	...
2013	90.5	0.0	1.4	14.2	17.0	5.0
2014	84.8	-0.2	1.4	12.5	14.8	5.4
2015	87.3	-0.2	1.4	4.5	13.6	6.2

CEDED REINSURANCE ANALYSIS

Year	Company					-Industry Composite-		
	Face Amount Reins Ceded	Affil Reins Rec/C&S	Unaffil Reins Rec/C&S	Total Reins Rec/C&S	Surplus Relief	Reins Leverage	Reins Rec/C&S	Reins Leverage
2011	6,522,715	...	5.8	5.8	...	18.3	4.7	99.9
2012	6,444,069	...	4.2	4.2	...	17.0	4.5	100.8
2013	7,796,175	...	5.2	5.2	0.0	20.8	6.6	106.9
2014	7,921,216	...	3.7	3.7	-0.2	18.0	5.0	108.0
2015	8,143,733	...	5.4	5.4	-0.2	18.5	8.7	113.2

Liquidity: Amalgamated Life maintains a strong liquidity level through its holding of over \$15 million in short-term investments and cash at year-end 2015. The company's current and overall liquidity ratios are considered adequate at 162% and 187%, respectively, and it reported positive net cash flow each year over the last five years.

LIQUIDITY ANALYSIS

Year	Company				Delinq & Foreclsd Mtg to Capital
	Operating Cash Flow (\$000)	Quick Liquidity	Current Liquidity	Non-Inv Grade Bonds to Capital	
2011	7,315	151.6	168.9	1.0	...
2012	8,695	141.1	171.3	0.2	...
2013	9,550	154.3	163.5	0.1	...
2014	10,387	145.8	158.5	0.0	...
2015	4,585	153.1	161.9	0.0	...

Year	Company		-Industry Composite-	
	Mtg & Cred Ten Lns & RE to Cap	Affil Invest to Capital	Quick Liquidity	Current Liquidity
2011	60.5	102.7
2012	61.3	102.7
2013	58.3	103.1
2014	56.6	101.5
2015	54.7	100.3

Investments: An external asset management firm manages Amalgamated Life's high quality, conservative investment portfolio. Fixed income securities, entirely investment grade with an average maturity of six years, comprise over 85% of invested assets, with cash and short-term investments almost entirely comprising the remainder. Diversified fixed income securities included corporate issues, government-backed issues including treasuries, agency debentures and agency mortgages, residential mortgage backed securities, collateralized mortgage-backed securities and asset-back securities. Corporate issues are concentrated among large, money-center banks, highly-rated life, health and property & casualty insurance companies and real estate investment trusts diversified across multiple real estate categories. The average maturity of the bond portfolio reflects the short-term duration of the company's group life and growing medical stop-loss products. Its "modified" buy-and-hold investment policy manages the portfolio for the long term, but allows flexibility to liquidate positions if market conditions warrant.

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INVESTMENT YIELDS

Year	Net Yield					Cash & Short-Term	—Real Estate—		Invest. Exp. Ratio
		Bonds	Stocks	Mortgages	Term	Gross	Net		
2011	3.36	4.34	6.62	...	0.03	...	...	7.99
2012	2.74	3.29	...	...	0.01	...	...	...
2013	2.57	3.47	...	...	0.16	...	...	12.24
2014	2.62	3.49	...	...	0.13	...	...	12.92
2015	2.33	3.10	...	...	0.04	...	...	13.27

INVESTMENTS - SECURITIES

Current Year Distribution of Bonds By Maturity

	Years					Yrs-Avg Maturity
	0-1	1-5	5-10	10-20	20+	
Government	2.4	4.4	3.3	0.0	0.0	4
Gov't Agencies & Muni	3.7	10.8	3.6	3.6	2.0	7
Industrial & Misc	16.9	21.5	20.0	2.2	5.7	6
Total	23.0	36.7	26.8	5.8	7.7	6

	2015	2014	2013	2012	2011
Bonds (000)	88,256	83,029	71,581	64,798	56,984
US Government	6.5	3.2	0.8	1.8	4.0
Foreign Government	3.3	4.6	0.9	1.0	...
Foreign - All Other	4.5	7.6	7.4	6.8	7.0
State/Special Revenue - US	27.7	24.8	19.7	20.8	23.0
Industrial & Misc - US	58.0	59.8	71.3	69.7	65.9

Private Issues	0.8	...	...	...	...
Public Issues	99.2	100.0	100.0	100.0	100.0

Bond Quality (%)	2015	2014	2013	2012	2011
Class 1	85.3	80.8	77.4	78.5	86.5
Class 2	14.7	19.2	22.5	21.4	12.9
Class 3	...	...	...	...	0.2
Class 4	...	...	0.1	0.1	...
Class 5	...	...	...	...	0.2
Class 6	0.0	0.0	0.0	0.0	0.2

INVESTMENTS - EQUITIES

	2015	2014	2013	2012	2011
Stocks (000)	78
Unaffiliated Preferred	100.0

INVESTMENTS - OTHER INVESTED ASSETS

	2015	2014	2013	2012	2011
Other Inv Assets (000)	15,439	12,763	14,021	14,111	11,158
Cash	2.7	6.3	14.2	95.5	32.3
Short-Term	96.7	92.9	85.2	1.1	67.4
All Other	0.6	0.8	0.6	3.4	0.3

HISTORY

Date Incorporated: 09/29/1943

Date Commenced: 02/01/1944

Domicile: NY

MANAGEMENT

Officers: President and Chief Executive Officer, David J. Walsh; Executive Vice President and Chief Financial Officer, Paul Mallen; Executive Vice Presidents, Richard Rust, John Thornton (Sales & Marketing); Senior Vice President and Chief Information Officer, Raghubar Singh; Senior Vice President, Secretary and General Counsel, Ellen Dunkin; Senior Vice President and Chief Actuary, Jonathan Pollio; Senior Vice Presidents, Leslie Bostic, John Dubil, Ann Joo Kim, Arthur Kurek, Victoria Sartor; Vice Presidents, Nina Chakraborty, Martin Cohen, Joel Mueller, Pradeep Purandare, Lee Souksay, Rosanne Tralongo.

Directors: Harold Bock, Gary Bonadonna, John Fowler, Lynne Fox (Chair), Julie Kelly, Paul Mallen, David Melman, Richard Monje, Homi Patel, Warren Pepicelli, Harris Raynor, Edgar Romney, Richard Rumelt, Steven Thomas, Cristina Vazquez, David J. Walsh, Steven Weiner.

REGULATORY

An examination of the financial condition was made as of December 31, 2012, by the insurance department of New York. The 2015 annual independent audit of the company was conducted by BDO USA, LLP. The annual statement of actuarial opinion is provided by Jonathan Pollio, SVP and Chief Actuary, Amalgamated Life Insurance Company.

Reserve basis: (Current ordinary business): 1980 CSO 4 1/2%; Net Level and CRVM valuation methods.

REINSURANCE

Amalgamated Life cedes its group term life and conversion coverage to Swiss Re Life and Health America, Armonk, NY. Group term life and conversion coverage is reinsured with a maximum retention of \$100,000. All accidental death and dismemberment coverage is 100% reinsured. The company also maintains catastrophic coverage with Swiss Re Life and Health America. It maintains a reinsurance treaty for medical stop-loss coverage with Navigators Insurance Company, Rye Brook, NY.

Best's Rating Report

FINANCIAL INFORMATION BALANCE SHEET (\$000) - YE 2015

Assets		Liabilities	
Total bonds	88,256	+Net policy reserves	7,459
Contract loans	96	Policy claims	23,046
Cash & short-term inv	15,343	Exp rating refund	3,444
Funds held or dep with reins	4,922	Comm taxes expenses	17,068
Net deferred tax asset	3,202	Asset val reserve	349
Premis and consids due	1,365	Funds held coinsur	4,922
Recvble from affiliates	4,380	Contingency reserve	5,187
Accrued invest income	616	Other liabilities	2,896
Other assets	1,764		
		Total liabilities	64,370
		Common stock	2,500
		Paid in & contrib surpl	7,550
		Unassigned surplus	45,523
Assets	119,943	Total	119,943

+Analysis of reserves; Life \$6,415; disability active lives \$25; miscellaneous reserves \$522; accident & health \$497.

SUMMARY OF OPERATIONS (\$000)

Premiums:		Death benefits	50,773
Ordinary life	1,835	Surrender benefits	178
Group life	55,998	Group conversion	31
Acc & health group	16,574	Acc & health benefits	11,069
Acc & health other	1,198	Incr life reserves	-446
Total premiums	75,605	Incr a & h reserves	318
Net investment income	2,309	Change in reserves	321
Amort interest maint res	43	Commissions	1,858
Comm & exp reins ceded	-114	Comm exp reins assumed	1,021
Other income	249	Insur taxes lic & fees	1,704
Mgt and/or service fee	68,628	General ins expenses	9,456
		Misc operating expense	65,937
		Other disbursements	383
Total	146,721	Total	142,604
Gain from operations before FIT & div to policyholders.....			4,117
Federal income taxes incurred.....			1,071
Net gain from operations after federal income taxes.....			3,046

CASH FLOW ANALYSIS (\$000)

Funds Provided		Funds Applied	
Gross cash from oper	147,508	Benefits paid	62,648
Long-term bond proceeds	22,191	Comm, taxes, expenses	79,372
Other cash provided	3,793	Long-term bonds acquired	27,891
		Other cash applied	904
		Incr cash & short-term	2,679
Total	173,493	Total	173,493

Best's Rating Report

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A Best's Rating Report from the A.M. Best Company showcases the **opinion** from the leading provider of insurer ratings of a company's financial strength and ability to meet its obligations to policyholders, as well as its relative credit risk.

The A.M. Best Company is the oldest, most experienced rating agency in the world and has been reporting on the financial condition of the insurance companies since 1899.

A Best's Financial Strength Rating is an **independent opinion** of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations.

The Financial Strength Rating **opinion** addresses the relative ability of an insurer to meet its ongoing insurance policy and contract obligations. The rating is not assigned to specific insurance policies or contracts and does not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. The rating is **not a recommendation** to purchase, hold or terminate any insurance

policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

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