

# BEST'S RATING REPORT



## AMALGAMATED LIFE INSURANCE COMPANY

333 Westchester Avenue, White Plains, New York, United States 10604

AMB #: 006031

NAIC #: 60216

FEIN#: 13-5501223

Phone: +1-914-367-5000

Fax: +1-914-367-2533

Website: [www.amalgamatedlife.com](http://www.amalgamatedlife.com)



**Best's Credit Rating Effective Date**

August 20, 2020

**Analytical Contacts**

Antonietta Iachetta  
Senior Financial Analyst  
[Antonietta.Iachetta@ambest.com](mailto:Antonietta.Iachetta@ambest.com)  
+1(908) 439-2200 Ext. 5792

Sally A. Rosen  
Senior Director  
[Sally.Rosen@ambest.com](mailto:Sally.Rosen@ambest.com)  
+1(908) 439-2200 Ext. 5280

**Information**

[Best's Credit Rating Methodology](#)  
[Understanding Best's Credit Ratings](#)  
[Market Segment Outlooks](#)

**Financial Data Presented**

The financial data in this report reflects the most current data available to the Analytical Team at the time of the rating. Updates to the financial exhibits in this report are available here: [Best's Financial Report](#).

# Amalgamated Life Insurance Company

**AMB #:** 006031 | **NAIC #:** 60216 | **FEIN#:** 13-5501223

**Ultimate Parent:** AMB # 055392 - National Retirement Fund

**Best's Credit Ratings**

**Financial Strength Rating (FSR)**

<b>A</b>
<b>Excellent</b>
Outlook: <b>Stable</b>
Action: <b>Affirmed</b>

**Issuer Credit Rating (ICR)**

<b>a</b>
<b>Excellent</b>
Outlook: <b>Stable</b>
Action: <b>Affirmed</b>

**Assessment Descriptors**

Balance Sheet Strength	<b>Very Strong</b>
Operating Performance	<b>Adequate</b>
Business Profile	<b>Neutral</b>
Enterprise Risk Management	<b>Appropriate</b>

## Rating Rationale

### Balance Sheet Strength: **Very Strong**

- Strongest level of risk-adjusted capitalization as measured by Best's Capital Adequacy Ratio (BCAR) at the 99.6% VaR level.
- Continued capital growth driven by favorable earnings over the past few years.
- Conservative investment portfolio with high liquidity, investment-grade assets well diversified among various industry segments.
- Amalgamated Life's overall liquidity scores have been consistently strong over the past few years.

### Operating Performance: **Adequate**

- Amalgamated Life's profitability strengthened during 2019 driven by higher earnings. Return on equity and revenue increased to 12.8% and 5.4%, respectively.
- Amalgamated Life exhibited revenue development and continued growth in its administrative services only (ASO) business.
- Underwriting income was favorable over the last five years, leading to good net income results. Group life and individual accident and health reported favorable performance.
- Net investment yield has improved moderately, mainly as a consequence of changes to longer maturities and investment mix.

### Business Profile: **Neutral**

- Amalgamated Life has a national presence by being licensed to sell and operate in 50 states. The company is working to leverage its expertise in both the middle market and the Taft-Hartley market, where there is significant brand loyalty.
- The company has been able to geographically diversify within its group life book, with continued planned expansions in worksite products and stop loss providing revenue stream diversification.
- Group life and stop loss, the main lines of business for the company remain price sensitive; however Amalgamated Life has managed through it by pricing appropriately while remaining competitive.

### Enterprise Risk Management: **Appropriate**

- Amalgamated Life's ERM policy is actively maintained and is in compliance with New York State's Department of Financial Services.
- Risk assessment is performed annually by the organization's outsourced internal audit department and is reviewed by Amalgamated Life's Audit Committee.
- The chief risk officer is the chairman of the ERM Committee, which is composed of the CEO, CFO, CIO, chief actuary and VP of policy services, and is advised by the company's compliance counsel. The CRO also serves as the company's general counsel.
- Stress testing of the company's investment portfolio is performed quarterly.

### Outlook

- The stable outlooks reflect the very strong balance sheet strength assessment.

### Rating Drivers

- Negative rating action could occur if a sustained trend of operating losses or a decline in revenue growth were to persist.
- Negative rating action could occur if risk-adjusted capitalization were to significantly deteriorate.

## Key Financial Indicators

### Best's Capital Adequacy Ratio (BCAR) Scores (%)

Confidence Level	95.0	99.0	99.5	99.6
BCAR Score	79.3	67.8	61.8	58.9

Source: Best's Capital Adequacy Ratio Model - L/H, US

<b>Key Financial Indicators USD (000)</b>	<b>6-Months</b>		<b>Year End - December 31</b>				
	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Assets:</b>							
General Account	154,211	145,125	142,957	146,540	127,540	122,944	119,943
Total	154,211	145,125	142,957	146,540	127,540	122,944	119,943
<b>Liabilities:</b>							
Net Life Reserves	25,586	18,919	18,877	18,183	17,069	17,981	19,617
Net Accident & Health Reserves	20,538	17,144	19,506	20,372	13,716	11,359	10,888
Asset Valuation Reserve	498	441	466	417	375	348	349
Other General Account	28,820	40,547	28,558	40,803	34,667	35,467	33,517
Total	75,442	77,051	67,406	79,775	65,827	65,155	64,370
Total Capital and Surplus	78,769	68,074	75,551	66,765	61,712	57,789	55,573
Net Income	2,808	2,502	9,160	4,934	5,521	3,507	3,046
Net Premiums Earned	59,626	50,012	99,723	96,515	82,730	80,652	75,605
Net Investment Income	1,689	1,747	3,477	3,048	2,357	2,110	2,309

Source: BestLink® - Best's Financial Suite

<b>Key Financial Ratios (%)</b>	<b>6-Months</b>		<b>Year End - December 31</b>					<b>Weighted Average</b>
	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	
Operating Return on Revenue	3.0	2.9	5.4	3.0	3.7	2.3	2.1	3.3
Operating Return on Capital and Surplus	7.3	7.4	12.9	7.7	9.2	6.2	5.7	8.6
Net Investment Yield	2.4	2.8	2.6	2.5	2.1	2.0	2.3	2.3
Pre-Tax Investment Total Return	2.4	2.8	2.6	2.4	2.1	2.1	2.4	2.3

Source: BestLink® - Best's Financial Suite

<b>Leverage (%)</b>	<b>6-Months</b>		<b>Year End - December 31</b>				
	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
General Account Liabilities to Capital and Surplus	1.0	1.1	0.9	1.2	1.1	1.1	1.2
Higher Risk Assets to Capital and Surplus:							
All Other Higher Risk Assets	0.6	...	0.2	...	...	...	...

Source: BestLink® - Best's Financial Suite

<b>Liquidity Analysis</b>	<b>6-Months</b>		<b>Year End - December 31</b>				
	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Current Liquidity (%)	184.6	156.7	202.6	161.0	170.9	165.0	161.9
Net Operating Cash Flow USD (000)	3,599	-4,240	6,965	14,144	4,436	3,954	4,585

Source: BestLink® - Best's Financial Suite

## Credit Analysis

### Balance Sheet Strength

Amalgamated Life Insurance Company's (Amalgamated Life) balance sheet assessment is very strong, driven by the strongest level of risk-adjusted capitalization, coupled with a conservative investment portfolio, and appropriate reinsurance program.

### Capitalization

Amalgamated Life risk-adjusted capital as measured by Best Capital Adequacy Ratio (BCAR) was assessed as strongest at the 99.6 VaR confidence level, a trend the company has continued to maintain. Absolute capital and surplus increased to \$75.5 million, a 13.2% increase from the prior year. The favorable trend has been supported by growing net income. Net premium leverage is low, measuring less than one and one-half times capital and surplus, reflecting the capacity for business development.

Amalgamated Life continues to exhibit strong liquidity measures driven by the company holding a very liquid portfolio, and cash and short term investments. Financial leverage remained low despite Amalgamated Life issuing through a private placement perpetual cumulative preferred stock, which was limited to Workers United, an SEIU affiliate, and certain affiliates of Workers United and UNITE

**Balance Sheet Strength (Continued...)**

HERE. The purpose of the preferred stock issuance was to fund strategic initiatives and to increase Workers United and UNITE HERE ownership in Amalgamated Life. Net operating cash flow has consistently remained favorable.

<b>Capital Generation Analysis USD (000)</b>	<b>6-Months</b>		<b>Year End - December 31</b>				
	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Beginning Capital and Surplus	75,551	66,765	66,765	61,712	57,789	55,573	50,999
Net Operating Gain	2,808	2,502	9,160	4,934	5,521	3,507	3,046
Other Changes in Capital and Surplus	410	-1,193	-375	119	-1,598	-1,291	1,528
Net Change in Capital and Surplus	3,218	1,309	8,786	5,053	3,923	2,216	4,574
<b>Ending Capital and Surplus</b>	<b>78,769</b>	<b>68,074</b>	<b>75,551</b>	<b>66,765</b>	<b>61,712</b>	<b>57,789</b>	<b>55,573</b>
Net Change in Capital and Surplus (%)	4.3	2.0	13.2	8.2	6.8	4.0	9.0
Net Change in Capital and Surplus (5 yr CAGR)	...	...	8.2	...	...	...	...

Source: BestLink® - Best's Financial Suite

**Asset Liability Management - Investments**

Amalgamated Life outsources investment management to an external investment manager who follows the company's investment guidelines emphasizing liquidity and prescribed low risk. While the investment manager has discretion to liquidate positions when warranted, it adheres to specific benchmarks including book yield and allocation to specific asset quality standards.

Invested assets have been growing over the last five years. Fixed income comprises the majority of the invested assets at over 90% with the remainder allocated to cash and short term investments.

At year-end 2019, the bond portfolio is comprised of nearly 100% investment grade, publicly traded securities. The bond portfolio remained diversified with allocations to various industry sectors, with the majority of bonds in corporate securities, followed by, state, municipal & special revenue, US government, and the remainder in foreign government obligations. Amalgamated Life held less than one percent in private bonds. The average bond maturity increased from 6.9 to 7.6 years in 2019. Reallocation to longer term maturities were derived from reducing the securities mainly in the ten to twenty year band.

<b>Composition of Cash and Invested Assets</b>	<b>6-Months</b>		<b>Year End - December 31</b>				
	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total Cash and Invested Assets USD (000)	138,488	119,996	135,831	127,726	111,884	106,951	103,695
Composition Percentages (%)							
Unaffiliated:							
Cash and Short Term Investments	9.6	2.5	8.6	12.5	11.8	9.4	14.8
Bonds	90.4	97.5	91.3	87.5	88.1	90.5	85.1
Other Invested Assets	...	0.1	...	0.1	0.2	0.1	0.2
<b>Total Unaffiliated</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.2</b>	<b>100.1</b>	<b>100.1</b>
Non-Admitted	...	...	...	...	-0.2	-0.1	-0.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: BestLink® - Best's Financial Suite

<b>Bonds and Short Term Investments - Distribution by Maturity (%)</b>	<b>Years</b>					<b>Average (Years)</b>
	<b>0-1</b>	<b>1-5</b>	<b>5-10</b>	<b>10-20</b>	<b>20+</b>	
Government Bonds	4.2	6.0	2.7	...	1.8	5.8
Government Agencies and Municipal Bonds	2.4	5.3	3.8	4.8	6.6	12.3
Industrial and Miscellaneous Bonds	5.1	30.1	20.8	1.4	5.0	6.3
<b>Total Bonds</b>	<b>11.8</b>	<b>41.4</b>	<b>27.2</b>	<b>6.3</b>	<b>13.3</b>	<b>7.6</b>

Source: BestLink® - Best's Financial Suite

**Balance Sheet Strength (Continued...)****Year End - December 31**

<b>Bonds - Distribution by Issuer</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Bonds USD ('000)	124,015	111,705	98,566	96,793	88,256
US Government (%)	14.2	10.0	8.0	11.6	6.5
Foreign Government (%)	0.6	0.6	2.9	3.0	3.3
Foreign - All Other (%)	4.4	4.4	4.1	3.1	4.5
State, Municipal & Special Revenue (%)	22.9	22.8	20.9	28.3	27.7
Industrial & Miscellaneous (%)	57.9	62.2	64.0	54.0	58.0
Total Bonds (%)	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

**Reserve Adequacy**

Amalgamated Life's actuarial liabilities are generally short-term in nature and are not interest rate sensitive. Consequently, changes in economic conditions and interest rates are not material to the adequacy of reserves. The company does maintain a block of individual and group life insurance reserves associated with long-term contracts, as well as a small block of individual disability business, critical illness and accident only policies.

**Holding Company Assessment**

From an organizational perspective, the ultimate co-parent owners are the National Retirement Fund and affiliates of Workers United and Unite Here. Below the ultimate parent is an intermediate holding company, Alico Services Corporation (ASC). On the primary operating level are Amalgamated Life Insurance Company, Amalgamated Employee Benefits Administrators (AEBA, formerly known as Alicare Inc.), and Amalgamated Medical Care Management (AMCM, formerly known as Alicare Medical Management, Inc.). Further, Amalgamated Agency (Insurance Brokerage) and Aligraphics (Printing Services) are managed under AEBA.

**Financial Leverage Summary - Holding Company**

Financial Leverage Ratio (%)	4.00
Adjusted Financial Leverage Ratio (%)	4.00

**Operating Performance**

Over the last five years, Amalgamated Life has reported consecutive years of increasing direct and net premiums written. In 2019, growth in net premiums written was driven by an increase in direct premiums written partially offset by a decline in premiums assumed. The growth was primarily driven by sales of group life and stop loss lines of business. Stop-loss has been a successful growth segment for the company, where a majority of stop-loss premiums is produced outside New York.

Furthermore, Amalgamated Life generated nearly \$1 billion in premium equivalents from Administrative Service Only (ASO) contracts during 2019, a segment that has seen consistent growth over the years. The company's ability to generate revenue has been consistent as evidenced by its five year CAGR of total premiums measuring 6.6% at December 31, 2019.

Investment income has trended in-line with the growth in invested assets. In 2019, Amalgamated Life reported net yield of 2.6% which, while moderate, was higher than the prior five years. This demonstrated the conservatism of the investment portfolio which derives investment income from long-term bonds.

In 2019, the sizable increase in net operating gains was primarily driven by more favorable underwriting experience from its stop loss business which has been steadily growing over the years as well as a slight improvement in the company's administrative expense ratio. Amalgamated Life's profitably measures reflected earnings growth; operating return on revenue increased to 5.4% in 2019, up from 3% in 2018, while its return on equity increased to 13.2% in 2019 up from 7.7% in 2018.

**Operating Performance (Continued...)**

	Year End - December 31				
<b>Net Operating Gain By LOB USD (000)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Individual Life	73	168	85	162	108
Group Life	4,014	2,689	2,420	1,703	1,536
Accident & Health	5,074	2,076	3,016	1,642	1,402
Total	9,160	4,934	5,521	3,507	3,046

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
<b>Accident &amp; Health Statistics</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Net Premiums Written USD (000)	42,060	38,463	26,946	20,086	18,064
Net Premiums Earned USD (000)	37,024	33,520	24,204	20,319	17,772
Claims and Cost Containment Ratio (%)	70.6	77.2	70.1	70.8	64.0
Expense Ratio (%)	23.8	24.2	28.5	33.3	36.0
Combined Ratio (%)	94.4	101.4	98.7	104.1	100.0
Underwriting Results USD (000)	890	-1,658	-466	-752	-111

Source: BestLink® - Best's Financial Suite

**Business Profile**

Amalgamated Life is based in White Plains, NY, and licensed to operate in 50 states and the District of Columbia. Amalgamated Life is wholly-owned by ALICO Services Corporation (ASC), which is in turn, is 93.8% owned by the National Retirement Fund and 6.2% owned by affiliates of Workers United and UNITE HERE. ASC's other affiliated subsidiaries include AEBA, a third-party administrator, AMCM a medical cost management company, Amalgamated Agency, a property and casualty insurance brokerage, and Aligraphics, a printing and graphics company. ASC generates nearly one billion dollars in premium equivalents, and fee revenue within the organization. These businesses bring diversity to ASC and assist Amalgamated Life in providing its products and services.

Amalgamated Life is a leading provider of comprehensive insurance solutions. Amalgamated Life has a long history of serving diverse businesses, unions, and health and welfare funds. The company is strategically well positioned in helping working people and their families to achieve financial security by providing life, health, and pension products and services. The company continues to consistently grow while maintaining a low cost, low risk profile.

Life and health products offered by Amalgamated Life include group term life, group disability, medical stop loss, worksite products including short term disability, whole life, portable term life, legal, dental, accidental death and dismemberment, accident, critical illness, hearing services, ID protection and specialty drug management. The organization's growth initiatives and diversification are showing in its results as it offers a variety of more products while also expanding geographically. Stop loss business has been a steady growth opportunity, with the majority of premiums produced outside New York. The company continues its search for strategic partners in order to execute on select expansion opportunities. Overall sales are directed towards the Taft-Hartley market and the commercial business segment.

Amalgamated Life is pursuing a growth and diversification business strategy. The majority of Amalgamated Life's business is sold in New York, however the company continues to diversify away from New York in order to help alleviate geographic concentration risk. The organization's strategic plan has emphasized some initiatives which include investments in its voluntary business, associations, and growing medical stop loss.

AEBA, a third party administrator, provides full service pension and health and welfare administration for self-funded benefit plans. The company provides administrative services also for the medical, dental, and disability lines of business. Services include the following: claims processing, eligibility verification, billing and collections of contributions and premiums, providing assistance with PPO selection, COBRA administration, stop-loss reporting, administrative services, and benefit processing. Sales are predominantly directed towards the Taft-Hartley markets and some segments of the non-labor market.

AMCM is a medical management company that delivers clinically based cost management services. AMCM is licensed in all states that require utilization management licensing with nationwide business operations. Amalgamated Agency offers property and casualty brokerage. Coverage is provided through an alliance with Alliant Insurance Services, a brokerage house. Aligraphics is a printing company, providing a broad range of services including offset lithography as well as digital color and black and white reprographics.

## Business Profile (Continued...)

2019 By Line Business	Direct Premiums Written		Reinsurance Premiums Assumed		Reinsurance Premiums Ceded		Net Premiums Written		Business Retention
	USD (000)	%	USD (000)	%	USD (000)	%	USD (000)	%	%
Ordinary Life	288	0.4	2,109	7.2	96	1.2	2,300	2.3	96.0
Group Life	37,212	47.3	26,248	89.6	3,061	37.4	60,399	60.6	95.2
Individual Accident & Health	4,735	6.0	...	...	...	...	4,735	4.7	100.0
Group Accident & Health	36,386	46.3	939	3.2	5,035	61.5	32,289	32.4	86.5
<b>Total</b>	<b>78,620</b>	<b>100.0</b>	<b>29,296</b>	<b>100.0</b>	<b>8,193</b>	<b>100.0</b>	<b>99,723</b>	<b>100.0</b>	<b>92.4</b>

Source: BestLink® - Best's Financial Suite

### Year End - December 31

Geographic Breakdown by Direct Premiums Written USD (000)	2019	2018	2017	2016	2015
New York	34,498	37,662	27,345	30,248	27,469
New Jersey	8,018	7,796	5,483	4,738	3,807
Pennsylvania	6,781	7,435	5,387	4,962	2,200
California	5,896	6,329	3,933	4,707	4,056
Illinois	4,009	3,438	2,620	2,461	2,807
Top 5 States	59,202	62,659	44,769	47,117	40,339
All Other	18,102	13,131	8,193	6,713	7,235
<b>Total</b>	<b>77,304</b>	<b>75,790</b>	<b>52,962</b>	<b>53,830</b>	<b>47,574</b>
Geographic Concentration Index	0.23	...	...	...	...

Source: BestLink® - Best's Financial Suite

## Enterprise Risk Management

Amalgamated Life has an appropriate Enterprise Risk Management framework. The company's general counsel serves as its Chief Risk Officer (CRO), who is also a member of the Board of Directors of the Risk Insurance Management Society (RIMS). The CRO is responsible for ensuring that risks are properly identified, monitored, and mitigated in accordance with the New York State Department of Financial Services requirements and best practices. The ERM Committee meets quarterly and assesses potential impact on operational performance, balance sheet strength, and business profile.

Amalgamated Life interacts with insurance brokers to ensure proper coverages are in place to help mitigate risks and has standardized policies and procedures for regular monitoring and reporting. The company communicates with the ERM committee and senior management regularly. Additionally, it reports directly to and meets regularly with the audit committee.

Officers of the company have participated in risk identification and risk tolerance exercises, which has resulted in the development of risk appetite and risk tolerance statements. Additionally, identified risks are prioritized for monitoring. The ERM Committee reviews these statements annually.

BlackRock, the company's investment portfolio manager, performs quarterly stress testing of the investment portfolio. Grant Thornton, the company's outsourced internal auditor, completes an annual internal audit risk management process, providing risk assessment reports to be reviewed by the Audit Committee.

The company's Information Technology (IT) group is responsible for cyber security. The Security Director is responsible for all aspects of the company's information technology security. The company has taken steps to enhance its IT security which entails reviewing encryption on laptops and work stations, hiring an outside firm to monitor the company's traffic 24 hours a day, enhancing virus protection, intrusion detection and prevention, web filtering and email scrubbing software, database activity monitoring, two-factor authentication, identification of sensitive data on company systems, and ongoing employee training.

Amalgamated Life has developed a set of largely IT related policies and procedures to address the specific requirements for vendor management in order to reduce the risks associated with using third parties. The policies and controls necessary for vendor risk management are shared between IT, legal, and the associated business unit.



**Enterprise Risk Management (Continued...)****Reinsurance Summary**

For Amalgamated Life, assumed life insurance premiums are mainly derived from Metropolitan Life, Security Mutual Life Insurance Company, and Boston Mutual Life, Life Insurance Company of Boston and NY, all non-affiliated companies. Assumed accident and health premiums were derived from Amalgamated Life and Health insurance Company, a non-affiliate.

Amalgamated Life maintains a reinsurance treaty with Swiss Re Life and Health America for its group life and AD&D business. The company also maintains catastrophic coverage with Zurich American Insurance Company. It maintains a reinsurance treaty for medical stop-loss coverage as of January 1, 2020, with Transatlantic Reinsurance Company.

**Financial Statements**

	6-Months		Year End - December 31			
	2020		2019		2018	
<b>Balance Sheet</b>	<b>USD (000)</b>	<b>%</b>	<b>USD (000)</b>	<b>%</b>	<b>USD (000)</b>	<b>%</b>
Cash and Short Term Investments	13,269	8.6	11,748	8.2	15,955	10.9
Bonds	125,160	81.2	124,015	86.8	111,705	76.2
Other Invested Assets	59	...	67	...	67	...
<b>Total Cash and Invested Assets</b>	<b>138,488</b>	<b>89.8</b>	<b>135,831</b>	<b>95.0</b>	<b>127,726</b>	<b>87.2</b>
Premium Balances	7,673	5.0	1,491	1.0	1,411	1.0
Net Deferred Tax Asset	1,626	1.1	1,626	1.1	1,308	0.9
Other Assets	6,424	4.2	4,010	2.8	16,095	11.0
<b>Total General Account Assets</b>	<b>154,211</b>	<b>100.0</b>	<b>142,957</b>	<b>100.0</b>	<b>146,540</b>	<b>100.0</b>
<b>Total Assets</b>	<b>154,211</b>	<b>100.0</b>	<b>142,957</b>	<b>100.0</b>	<b>146,540</b>	<b>100.0</b>
Net Life Reserves	25,586	16.6	18,877	13.2	18,183	12.4
Net Accident & Health Reserves	20,538	13.3	19,506	13.6	20,372	13.9
Asset Valuation Reserve	498	0.3	466	0.3	417	0.3
Other Liabilities	28,820	18.7	28,558	20.0	40,803	27.8
<b>Total General Account Liabilities</b>	<b>75,442</b>	<b>48.9</b>	<b>67,406</b>	<b>47.2</b>	<b>79,775</b>	<b>54.4</b>
<b>Total Liabilities</b>	<b>75,442</b>	<b>48.9</b>	<b>67,406</b>	<b>47.2</b>	<b>79,775</b>	<b>54.4</b>
Capital Stock	2,500	1.6	2,500	1.7	2,500	1.7
Paid-In and Contributed Surplus	7,550	4.9	7,550	5.3	7,550	5.2
Unassigned Surplus	68,719	44.6	65,501	45.8	56,715	38.7
<b>Total Capital and Surplus</b>	<b>78,769</b>	<b>51.1</b>	<b>75,551</b>	<b>52.8</b>	<b>66,765</b>	<b>45.6</b>
<b>Total Liabilities, Capital and Surplus</b>	<b>154,211</b>	<b>100.0</b>	<b>142,957</b>	<b>100.0</b>	<b>146,540</b>	<b>100.0</b>

Source: BestLink® - Best's Financial Suite

<b>Income Statement USD (000)</b>	<b>6-Months</b>		<b>Year End - December 31</b>	
	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>
Net Premiums Earned:				
Individual Life	...	...	2,300	2,429
Group Life	...	...	60,399	60,566
Accident & Health	...	...	37,024	33,520
Total Net Premiums Earned	59,626	50,012	99,723	96,515
Net Investment Income	1,689	1,747	3,477	3,048
Other Income	33,589	33,423	66,102	67,134
Total Revenue	94,903	85,182	169,302	166,697
Policy Benefits	49,669	40,740	79,844	79,411
Commissions and Expense Allowances	3,246	2,306	5,058	5,055
Insurance and Other Expense	38,435	38,969	73,097	75,653
Pre-Tax Net Operating Gain	3,554	3,167	11,304	6,577
Income Taxes Incurred	746	665	2,144	1,643
Net Operating Gain	2,808	2,502	9,160	4,934
Net Income	2,808	2,502	9,160	4,934

Source: BestLink® - Best's Financial Suite

<b>Statement of Operating Cash Flows USD (000)</b>	<b>6-Months</b>		<b>Year End - December 31</b>	
	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>
Net Premiums Collected	50,340	46,376	98,400	98,093
Net Investment Income	1,828	1,811	3,652	3,166
Other Income Received	33,598	33,438	66,129	67,155
Total Collected Operating Revenue	85,765	81,625	168,181	168,414
Net Benefits and Loss Related Payments	42,899	46,288	77,957	75,135
Commissions and Other Expenses Paid	39,272	38,890	81,938	77,970
Income Taxes Paid (Recovered)	-4	687	1,321	1,165
Total Paid Expenses and Transfers	82,166	85,865	161,215	154,270
Net Operating Cash Flow	3,599	-4,240	6,965	14,144

Source: BestLink® - Best's Financial Suite

**Last Update**

October 22, 2020

**Identifiers****AMB #:** 006031**NAIC #:** 60216**FEIN #:** 13-5501223**Contact Information**

Domiciliary Address:  
333 Westchester Avenue,  
White Plains, New York 10604  
United States

**Web:** [www.amalgamatedlife.com](http://www.amalgamatedlife.com)**Phone:** +1-914-367-5000**Fax:** +1-914-367-2533**Financial Data Presented**

The financial data in this report reflects the most current data available at the time the report was printed.

## Amalgamated Life Insurance Company

### Operations

**Date Incorporated:** September 29, 1943 | **Date Commenced:** February 01, 1944**Domiciled:** New York, United States**Licensed:** (Current since 06/14/2012). The company is licensed in the District of Columbia and all states.**Business Type:** Life, Annuity, and Accident**Organization Type:** Stock**Marketing Type:** Direct Response**Financial Size:** VII (\$50 Million to \$100 Million)

## Best's Credit Ratings

### Rating Relationship

**AM Best Rating Unit:** 006031 - Amalgamated Life Insurance Company

Refer to the [Best's Credit Report for AMB# 006031 - Amalgamated Life Insurance Company](#) for details regarding the rating rationale, credit analysis, and financial exhibits available at the time the credit analysis was performed.

### Best's Credit Rating History

AM Best has assigned ratings on this company since 1976. In our opinion, the company has an Excellent ability to meet their ongoing insurance obligations and an Excellent ability to meet their ongoing senior financial obligations.

The following are the most recent rating events, for longer history refer to [Rating History](#) in BestLink:

Best's Financial Strength Ratings				Best's Long-Term Issuer Credit Ratings		
Effective Date	Rating	Outlook	Action	Rating	Outlook	Action
<b>Current -</b>						
<b>Aug 20, 2020</b>	<b>A</b>	<b>Stable</b>	<b>Affirmed</b>	<b>a</b>	<b>Stable</b>	<b>Affirmed</b>
Jul 24, 2019	A	Stable	Affirmed	a	Stable	Affirmed
Jun 13, 2018	A	Stable	Affirmed	a	Stable	Affirmed
Jun 15, 2017	A	Stable	Affirmed	a	Stable	Affirmed
Jun 16, 2016	A	Stable	Affirmed	a	Stable	Affirmed

## Corporate Structure

**Ultimate Parent:** AMB # 055392 - National Retirement Fund

Based on AM Best's analysis, AMB# 055392 National Retirement Fund is the AMB Ultimate Parent and identifies the topmost entity of the corporate structure. Access in BestLink this company's current [Corporate Structure](#).

## Management

### Officers

**President and CEO:** Paul Mallen

**EVP:** John Thornton (Sales & Marketing)

**SVP and CFO:** Timothy Kristof

**SVP and Chief Information Officer:** Raghubar Singh

**SVP, Secretary and General Counsel:** Ellen Dunkin

**SVP and Chief Actuary:** Jonathan Pollio

**SVP:** Leslie Bostic

**SVP:** John Dubil

**SVP:** Victoria Sartor

**Vice President:** Timothy Clark

**Vice President:** Martin Cohen

**Vice President:** Pamela Duffy

**Vice President:** Carol Herrera

**Vice President:** Cynthia Katsaras

**Vice President:** Joel Mueller

**Vice President:** Pradeep Purandare

**Vice President:** Lee Souksay

**Vice President:** Rosanne Tralongo

### Directors

Chris Baumann

Gary Bonadonna

Julie Bracero-Kelly

John Fowler

Lynne Fox

Naomi Hanshew

Jean Hervey

Patrick Jones, Sr.

Paul Mallen

David Melman

Homi Patel

Warren Pepicelli

Edgar Romney

Richard Rumelt

Steven Thomas

Cristina Vazquez

Steven Weiner

## Regulatory

**Auditor:** BDO USA, LLP

**Actuary:** Jonathan Pollio, FSA, MAAA

An examination of the financial condition was made as of December 31, 2017, by the insurance department of New York. The 2019 annual independent audit of the company was conducted by BDO USA, LLP. The annual statement of actuarial opinion is provided by Jonathan Pollio, FSA, MAAA, SVP and Chief Actuary.

## Financial Results

Financial exhibits presented in this report provide calculated ratios using the most recent company-filed statements available in BestLink - Best's Statement File – L/H, US. Access [Quantitative Analytical Report \(QAR\) Annual](#) and [Quarterly](#) for additional details.

**Currency:** US Dollars

## Balance Sheet Highlights

Year End - December 31

### Ceded Reinsurance Analysis

	2019	2018	2017	2016	2015
<b>Amalgamated Life Insurance Company</b>					
Face Amount Reinsurance Ceded USD (000)	7,454,804	5,853,211	5,486,267	8,032,518	8,143,733
Unaffiliated Reinsurance Recoverable / Capital & Surplus (%)	3.7	13.0	2.0	4.7	5.4
Total Reinsurance Recoverable / Capital & Surplus (%)	3.7	13.0	2.0	4.7	5.4
Surplus Relief (%)	...	...	...	...	-0.2
Reinsurance Leverage (%)	6.9	27.8	16.9	19.0	18.5
<b>Group Life Composite</b>					
Total Reinsurance Recoverable / Capital & Surplus (%)	2.6	2.6	2.7	3.2	4.3
Reinsurance Leverage (%)	146.7	158.5	166.1	178.3	183.1

Source: BestLink® - Best's Financial Suite

## Asset Liability Management | Investments

6-Months

Year End - December 31

	2020	2019	2019	2018	2017	2016	2015
<b>Bond Portfolio</b>							
Bonds & Short Term Investments USD (000)	125,160	116,942	124,015	111,705	98,566	110,571	103,186
Unaffiliated Bonds:							
US Government	...	...	14.2	10.0	8.0	11.6	6.5
Foreign Government	...	...	0.6	0.6	2.9	3.0	3.3
Foreign - All Other	...	...	4.4	4.4	4.1	3.1	4.5
State, Municipal & Special Revenue	...	...	22.9	22.8	20.9	28.3	27.7
Industrial & Miscellaneous	...	...	57.9	62.2	64.0	54.0	58.0
<b>Total Bonds</b>	...	...	100.0	100.0	100.0	100.0	100.0
<b>By Private vs Public (%)</b>							
Private issues	...	...	0.6	0.7	1.9	1.6	0.8
Public issues	...	...	99.4	99.3	98.1	98.4	99.2
<b>By Quality (%)</b>							
Class 1	76.9	80.7	81.6	81.7	82.5	86.2	85.3
Class 2	22.7	19.3	18.3	18.3	17.5	13.8	14.7
Class 3	0.3	...	...	...	...	...	...
Class 4	0.1	...	0.1	...	...	...	...
Below Investment Grade (NAIC 3-6)	0.4	...	0.1	...	...	...	...
Below Investment Grade - % of Capital & Surplus	0.6	...	0.2	...	...	...	...

Source: BestLink® - Best's Financial Suite

## Operating Performance Highlights

### A&H Current Year Experience

	Premiums Written USD(000)	Premiums Earned USD(000)	Loss Ratio (%)	Expense Ratio (%)	Underwriting Results USD(000)
Group	37,325	32,289	71.1	19.5	2,037
Individual:					
Guaranteed renewable	4,038	4,038	76.8	45.4	-900
Other accident only	645	645	10.0	85.8	27
All other	51	51	10.4	622.1	-274

Source: BestLink® - Best's Financial Suite

**Business Profile Highlights****Historical Market Presence**

	Year End - December 31				
	2019	2018	2017	2016	2015
<b>By Line Breakdown - NPW USD (000)</b>					
Individual Life	2,300	2,429	2,243	2,093	1,835
Group Life	60,399	60,566	56,284	58,241	55,998
Accident & Health	37,024	33,520	24,204	20,319	17,772
<b>Total</b>	<b>99,723</b>	<b>96,515</b>	<b>82,730</b>	<b>80,652</b>	<b>75,605</b>

Source: BestLink® - Best's Financial Suite

**By Geographic Breakdown - DPW USD (000)**

	2019	2018	2017	2016	2015
New York	34,498	37,662	27,345	30,248	27,469
New Jersey	8,018	7,796	5,483	4,738	3,807
Pennsylvania	6,781	7,435	5,387	4,962	2,200
California	5,896	6,329	3,933	4,707	4,056
Illinois	4,009	3,438	2,620	2,461	2,807
Missouri	3,773	2,120	186	258	503
Georgia	2,589	1,711	1,496	1,468	1,442
Massachusetts	1,435	1,361	933	689	596
Florida	1,210	329	301	286	268
Alabama	1,184	584	154	172	170
All Other	7,911	7,025	5,122	3,840	4,257
<b>Total</b>	<b>77,304</b>	<b>75,790</b>	<b>52,962</b>	<b>53,830</b>	<b>47,574</b>
Geographic Concentration Index	0.23	...	...	...	...

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2019	2018	2017	2016	2015
<b>By Line Reserves USD (000)</b>					
Individual Life	2,275	2,329	2,342	2,341	2,402
Group Life	4,982	4,755	4,614	4,638	4,559
Accident & Health	1,722	1,135	808	563	497
<b>Total (including Supplemental Contracts)</b>	<b>8,978</b>	<b>8,219</b>	<b>7,764</b>	<b>7,542</b>	<b>7,459</b>

Source: BestLink® - Best's Financial Suite

**Business Profile Highlights****Historical Market Presence (Continued...)**

	Year End - December 31				
	2019	2018	2017	2016	2015
<b>Life Policies Statistics</b>					
<b>Ordinary Policies</b>					
Issued	30	18	23	26	24
In Force	16,232	16,206	15,330	14,469	13,473
<b>Group Policies</b>					
Issued	12	12	15	8	6
In Force	367	387	393	403	390
<b>Group Certificates</b>					
Issued	17,516	33,346	61,927	125,485	6,992
In Force	742,941	733,048	716,424	635,712	651,172
<b>Life Insurance In Force USD (000)</b>					
Whole Life & Endowment & Additions	156,514	151,107	140,384	130,125	118,491
Term	1,330	1,560	1,660	3,288	2,710
Group	26,812,014	24,331,858	22,422,398	21,524,701	25,698,183
<b>New Life Business Issued USD (000)</b>					
Whole Life & Endowment & Additions	961	298	317	381	320
Group	1,661,155	1,765,355	985,750	646,628	100,849

Source: BestLink® - Best's Financial Suite

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do 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. A Financial Strength 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.

A Best's Issue/Issuer Credit Rating is an opinion regarding the relative future credit risk of an entity, a credit commitment or a debt or debt-like security.

Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

In arriving at a rating decision, AM Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, AM Best does not independently verify the accuracy or reliability of the information. Any and all ratings, opinions and information contained herein are provided "as is," without any express or implied warranty.

Visit <http://www.ambest.com/ratings/index.html> for additional information or <http://www.ambest.com/terms.html> for details on the Terms of Use. For current ratings visit [www.ambest.com/ratings](http://www.ambest.com/ratings)

[Best's Credit Rating Methodology](#) | [Disclaimer](#) | [Best's Credit Rating Guide](#)

Copyright © 2020 A.M. Best Company, Inc. and/or its affiliates. All rights reserved.

No portion of this content may be reproduced, distributed, or stored in a database or retrieval system, or transmitted in any form or by any means without the prior written permission of AM Best. While the content was obtained from sources believed to be reliable, its accuracy is not guaranteed. For additional details, refer to our Terms of Use available at AM Best website: [www.ambest.com/terms](http://www.ambest.com/terms).