

# BEST'S RATING REPORT



## AMALGAMATED LIFE INSURANCE COMPANY

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**AMB #:** 006031

**NAIC #:** 60216

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**Best's Credit Rating Effective Date**

August 03, 2021

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**Information**

[Best's Credit Rating Methodology](#)

[Guide to 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**

- Amalgamated Life continues to maintain the strongest level of risk-adjusted capitalization as measured by Best's Capital Adequacy Ratio (BCAR).
- Continued capital and surplus growth supported 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 exhibited revenue development in its group life and voluntary/worksites products driven by higher retention and persistency. The administrative services only (ASO) business continues to grow.
- Underwriting income was favorable over the last five years, leading to good net income results. However, group life and individual accident and health earnings moderated during 2020, attributed to higher claims experience due to the COVID-19 pandemic.
- Net investment yield has improved moderately, mainly as a consequence of changes to longer maturities and investment mix.
- Near-term earnings will be pressured due to the introduction of a new group term life product and continued elevated claims in the disability line of business.

### 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 supported through positive, although fluctuating, operating results. In addition, reliable distribution relationships, expanding product portfolio and increased geographic diversification will continue to sustain the neutral business profile.

### Rating Drivers

- Negative rating action could occur if there is a sustained trend of operating losses.
- Negative rating action could occur if risk-adjusted capitalization were to significantly deteriorate.
- Negative rating action could occur if there were a feasible decline in geographic or product diversification.

## Key Financial Indicators

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

Confidence Level	95.0	99.0	99.5	99.6
BCAR Score	81.0	70.5	64.8	61.9

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

Key Financial Indicators USD (000)	3-Months		Year End - December 31				
	2021	2020	2020	2019	2018	2017	2016
Assets:							
General Account	156,815	147,681	155,632	142,957	146,540	127,540	122,944
Total	156,815	147,681	155,632	142,957	146,540	127,540	122,944
Liabilities:							
Net Life Reserves	24,955	19,228	22,274	18,877	18,183	17,069	17,981
Net Accident & Health Reserves	27,424	19,510	23,866	19,506	20,372	13,716	11,359
Asset Valuation Reserve	560	483	537	466	417	375	348
Other General Account	25,229	31,316	28,692	28,558	40,803	34,667	35,467
Total	78,168	70,537	75,369	67,406	79,775	65,827	65,155
Total Capital and Surplus	78,647	77,143	80,264	75,551	66,765	61,712	57,789
Net Income	-1,988	1,385	4,868	9,160	4,934	5,521	3,507
Net Premiums Earned	31,553	26,197	116,291	99,723	96,515	82,730	80,652
Net Investment Income	791	886	3,344	3,477	3,048	2,357	2,110

Source: BestLink® - Best's Financial Suite

Key Financial Ratios (%)	3-Months		Year End - December 31					Weighted Average
	2021	2020	2020	2019	2018	2017	2016	
Operating Return on Revenue	-3.9	3.1	2.6	5.4	3.0	3.7	2.3	3.4
Operating Return on Capital and Surplus	-10.0	7.3	6.2	12.9	7.7	9.2	6.2	8.5
Net Investment Yield	2.2	2.6	2.4	2.6	2.5	2.1	2.0	2.4
Pre-Tax Investment Total Return	2.2	2.6	2.7	2.6	2.4	2.1	2.1	2.4

Source: BestLink® - Best's Financial Suite

Leverage (%)	3-Months		Year End - December 31				
	2021	2020	2020	2019	2018	2017	2016
General Account Liabilities to Capital and Surplus	1.0	0.9	0.9	0.9	1.2	1.1	1.1
Higher Risk Assets to Capital and Surplus:							
All Other Higher Risk Assets	0.1	0.6	0.1	0.2	...	...	...

Source: BestLink® - Best's Financial Suite

Liquidity Analysis	3-Months		Year End - December 31				
	2021	2020	2020	2019	2018	2017	2016
Current Liquidity (%)	177.8	196.8	190.6	202.6	161.0	170.9	165.0
Net Operating Cash Flow USD (000)	2,094	2,611	5,237	6,965	14,144	4,436	3,954

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. These positive attributes are partially offset by a lack of financial flexibility, as the organization does not have access to outside sources of financing. However, the levels of capitalization and liquidity have been more than sufficient to support both short-term needs and business growth.

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

Amalgamated Life's 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 over the past few years. Absolute capital and surplus increased to \$80.8 million in 2020, a 6.2% increase from the prior year. The favorable trend has been supported by a stable pattern in earnings. Alongside the BCAR, risk based capital (RBC) also strengthened in 2020 reflecting core fundamentals performing well. 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. Amalgamated Life issued 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 HERE in 2019. 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>3-Months</b>		<b>Year End - December 31</b>				
	<b>2021</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Beginning Capital and Surplus	80,264	75,551	75,551	66,765	61,712	57,789	55,573
Net Operating Gain	-1,988	1,385	4,868	9,160	4,934	5,521	3,507
Other Changes in Capital and Surplus	371	208	-155	-375	119	-1,598	-1,291
Net Change in Capital and Surplus	-1,617	1,593	4,713	8,786	5,053	3,923	2,216
<b>Ending Capital and Surplus</b>	<b>78,647</b>	<b>77,143</b>	<b>80,264</b>	<b>75,551</b>	<b>66,765</b>	<b>61,712</b>	<b>57,789</b>
Net Change in Capital and Surplus (%)	-2.0	2.1	6.2	13.2	8.2	6.8	4.0
Net Change in Capital and Surplus (5 yr CAGR)	...	...	7.6	...	...	...	...

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 2020, the bond portfolio is comprised of nearly 100% investment grade, publicly traded securities. In 2020, the allocation to Class 2 bonds increased to 28% of the total fixed income portfolio compared to 18% maintained during the prior three years. This change was to maintain returns given the low interest rates environment. 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 has been increasing over the past few years. 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>3-Months</b>		<b>Year End - December 31</b>				
	<b>2021</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Total Cash and Invested Assets USD (000)	138,251	138,071	142,916	135,831	127,726	111,884	106,951
Composition Percentages (%)							
Unaffiliated:							
Cash and Short Term Investments	6.1	9.7	12.8	8.6	12.5	11.8	9.4
Bonds	93.9	90.2	87.1	91.3	87.5	88.1	90.5
Other Invested Assets	...	...	...	...	0.1	0.2	0.1
<b>Total Unaffiliated</b>	<b>100.0</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>
Non-Admitted	...	...	...	...	...	-0.2	-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

## Balance Sheet Strength (Continued...)

Bonds and Short Term Investments - Distribution by Maturity (%)	Years					Average (Years)
	0-1	1-5	5-10	10-20	20+	
Government Bonds	3.1	3.4	0.8	...	1.3	5.8
Government Agencies and Municipal Bonds	1.7	3.7	3.8	7.9	12.4	15.9
Industrial and Miscellaneous Bonds	4.3	30.8	17.6	2.7	6.5	6.9
<b>Total Bonds</b>	<b>9.1</b>	<b>37.9</b>	<b>22.3</b>	<b>10.6</b>	<b>20.1</b>	<b>9.5</b>

Source: BestLink® - Best's Financial Suite

Bonds - Distribution by Issuer	Year End - December 31				
	2020	2019	2018	2017	2016
Bonds USD (000)	124,533	124,015	111,705	98,566	96,793
US Government (%)	7.7	14.2	10.0	8.0	11.6
Foreign Government (%)	0.6	0.6	0.6	2.9	3.0
Foreign - All Other (%)	6.3	4.4	4.4	4.1	3.1
State, Municipal & Special Revenue (%)	29.7	22.9	22.8	20.9	28.3
Industrial & Miscellaneous (%)	55.8	57.9	62.2	64.0	54.0
<b>Total Bonds (%)</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

## 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.

In 2020, the company recorded significant increase in reserves related to the individual and group portable term life product.

## 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.

## Operating Performance

Over the last five years, Amalgamated Life has reported consecutive years of increasing direct and net premiums written. In 2020, growth in net premiums written was driven by an increase in direct premiums written while assumed premiums has been stable. The growth was primarily driven by sales of group life, stop loss and voluntary worksite 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 2020, 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 9% at December 31, 2020.

Investment income has trended in-line with the growth in invested assets. In 2020, 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 2020, operating gains moderated coming down to \$4.8 million down from \$9.2 million in 2019. The decrease was primarily driven by less favorable underwriting experience from its group life and stop loss business due to higher claims from COVID-19. Improvement in the company's administrative expense ratio favorably contributed to company's profitability. Amalgamated Life's profitably measures reflected lower underwriting with benefit ratio increasing to 72.2% in 2020, up from 70.6% in 2019. The increase was primarily driven

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

by higher claims experience in the group life segment which had a higher benefit ratio during 2020, but it fell within the expected range of 87-90%. Results for 2021 might be tempered by impact of the new group term life reserves as well as some residual COVID-19 reserves

	Year End - December 31				
<b>Net Operating Gain By LOB USD (000)</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Individual Life	82	73	168	85	162
Group Life	1,177	4,014	2,689	2,420	1,703
Accident & Health	3,609	5,074	2,076	3,016	1,642
Total	4,868	9,160	4,934	5,521	3,507

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
<b>Accident &amp; Health Statistics</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Net Premiums Written USD (000)	47,294	42,060	38,463	26,946	20,086
Net Premiums Earned USD (000)	41,945	37,024	33,520	24,204	20,319
Claims and Cost Containment Ratio (%)	72.2	70.6	77.2	70.1	70.8
Expense Ratio (%)	25.7	23.8	24.2	28.5	33.3
Combined Ratio (%)	97.9	94.4	101.4	98.7	104.1
Underwriting Results USD (000)	-491	890	-1,658	-466	-752

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. The company launched a new portable group term life product in 2021 which will continue to further diversify the product offerings as well as mitigate geographic concentration.

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

## Business Profile (Continued...)

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.

2020 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	236	0.2	2,082	6.9	90	1.0	2,228	1.9	96.1
Group Life	47,506	50.1	28,126	92.6	3,514	39.2	72,118	62.0	95.4
Individual Accident & Health	8,317	8.8	...	...	...	...	8,317	7.2	100.0
Group Accident & Health	38,819	40.9	159	0.5	5,350	59.7	33,628	28.9	86.3
<b>Total</b>	<b>94,877</b>	<b>100.0</b>	<b>30,367</b>	<b>100.0</b>	<b>8,954</b>	<b>100.0</b>	<b>116,291</b>	<b>100.0</b>	<b>92.9</b>

Source: BestLink® - Best's Financial Suite

### Year End - December 31

#### Geographic Breakdown by Direct Premiums Written and Deposit-Type Contracts USD (000)

	2020	2019	2018	2017	2016
New York	37,521	34,498	37,662	27,345	30,248
New Jersey	7,994	8,018	7,796	5,483	4,738
Pennsylvania	7,070	6,781	7,435	5,387	4,962
California	6,390	5,896	6,329	3,933	4,707
Illinois	4,920	4,009	3,438	2,620	2,461
Top 5 States	63,894	59,202	62,659	44,769	47,117
All Other	22,297	18,102	13,131	8,193	6,713
<b>Total</b>	<b>86,191</b>	<b>77,304</b>	<b>75,790</b>	<b>52,962</b>	<b>53,830</b>
Geographic Concentration Index	0.22	...	...	...	...

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) and its President. 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 coverage is 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, the CRO 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, 2021, with Transatlantic Reinsurance Company.

**Financial Statements**

	3-Months		Year End - December 31			
	2021		2020		2019	
<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	8,387	5.3	18,341	11.8	11,748	8.2
Bonds	129,818	82.8	124,533	80.0	124,015	86.8
Other Invested Assets	46	...	43	...	67	...
<b>Total Cash and Invested Assets</b>	<b>138,251</b>	<b>88.2</b>	<b>142,916</b>	<b>91.8</b>	<b>135,831</b>	<b>95.0</b>
Premium Balances	7,740	4.9	6,844	4.4	1,491	1.0
Net Deferred Tax Asset	1,599	1.0	1,599	1.0	1,626	1.1
Other Assets	9,225	5.9	4,273	2.7	4,010	2.8
<b>Total General Account Assets</b>	<b>156,815</b>	<b>100.0</b>	<b>155,632</b>	<b>100.0</b>	<b>142,957</b>	<b>100.0</b>
<b>Total Assets</b>	<b>156,815</b>	<b>100.0</b>	<b>155,632</b>	<b>100.0</b>	<b>142,957</b>	<b>100.0</b>
Net Life Reserves	24,955	15.9	22,274	14.3	18,877	13.2
Net Accident & Health Reserves	27,424	17.5	23,866	15.3	19,506	13.6
Asset Valuation Reserve	560	0.4	537	0.3	466	0.3
Other Liabilities	25,229	16.1	28,692	18.4	28,558	20.0
<b>Total General Account Liabilities</b>	<b>78,168</b>	<b>49.8</b>	<b>75,369</b>	<b>48.4</b>	<b>67,406</b>	<b>47.2</b>
<b>Total Liabilities</b>	<b>78,168</b>	<b>49.8</b>	<b>75,369</b>	<b>48.4</b>	<b>67,406</b>	<b>47.2</b>
Capital Stock	2,500	1.6	2,500	1.6	2,500	1.7
Paid-In and Contributed Surplus	7,550	4.8	7,550	4.9	7,550	5.3
Unassigned Surplus	68,597	43.7	70,214	45.1	65,501	45.8
<b>Total Capital and Surplus</b>	<b>78,647</b>	<b>50.2</b>	<b>80,264</b>	<b>51.6</b>	<b>75,551</b>	<b>52.8</b>
<b>Total Liabilities, Capital and Surplus</b>	<b>156,815</b>	<b>100.0</b>	<b>155,632</b>	<b>100.0</b>	<b>142,957</b>	<b>100.0</b>

Source: BestLink® - Best's Financial Suite

<b>Income Statement USD (000)</b>	<b>3-Months</b>		<b>Year End - December 31</b>	
	<b>2021</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>
Net Premiums Earned:				
Individual Life	...	...	2,228	2,300
Group Life	...	...	72,118	60,399
Accident & Health	...	...	41,945	37,024
Total Net Premiums Earned	31,553	26,197	116,291	99,723
Net Investment Income	791	886	3,344	3,477
Other Income	18,136	16,928	65,641	66,102
Total Revenue	50,480	44,011	185,276	169,302
Policy Benefits	30,944	20,471	99,220	79,844
Commissions and Expense Allowances	3,534	1,846	7,005	5,058
Insurance and Other Expense	18,519	19,942	72,724	73,097
Pre-Tax Net Operating Gain	-2,517	1,753	6,327	11,304
Income Taxes Incurred	-528	368	1,458	2,144
Net Operating Gain	-1,988	1,385	4,868	9,160
Net Income	-1,988	1,385	4,868	9,160

Source: BestLink® - Best's Financial Suite

<b>Statement of Operating Cash Flows USD (000)</b>	<b>3-Months</b>		<b>Year End - December 31</b>	
	<b>2021</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>
Net Premiums Collected	30,726	26,391	108,694	98,400
Net Investment Income	893	970	4,127	3,652
Other Income Received	18,122	16,933	65,634	66,129
Total Collected Operating Revenue	49,741	44,293	178,456	168,181
Net Benefits and Loss Related Payments	25,757	20,363	90,939	77,957
Commissions and Other Expenses Paid	21,965	21,320	80,060	81,938
Income Taxes Paid (Recovered)	-75	...	2,220	1,321
Total Paid Expenses and Transfers	47,647	41,683	173,219	161,215
Net Operating Cash Flow	2,094	2,611	5,237	6,965

Source: BestLink® - Best's Financial Suite

**Last Update**

August 27, 2021

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

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

**Web:**[www.amalgamatedbenefitslife.com](http://www.amalgamatedbenefitslife.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 3, 2021</b>	<b>A</b>	<b>Stable</b>	<b>Affirmed</b>	<b>a</b>	<b>Stable</b>	<b>Affirmed</b>
Aug 20, 2020	A	Stable	Affirmed	a	Stable	Affirmed
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

## 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:** Timothy Clark

**SVP:** John Dubil

**SVP:** Cynthia Katsaras

**SVP:** Victoria Sartor

**Vice President:** Melanie Cannon

**Vice President:** Martin Cohen

**Vice President:** Pamela Duffy

**Vice President:** Carol Herrera

**Vice President:** Joel Mueller

**Vice President:** Albert Olechnowicz

**Vice President:** Pradeep Purandare

**Vice President:** Michael Schaefer

**Vice President:** Lee Souksay

### Directors

Chris Baumann

Gary Bonadonna, Jr.

Julie Bracero-Kelly

John Fowler

Lynne Fox

Naomi Hanshew

Jean Hervey

Patrick Jones, Sr.

Paul Mallen

David Melman

Homi Patel

Warren Pepicelli

Maria Rivera

Edgar Romney

Richard Rumelt

Steven Thomas

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 2020 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				
	2020	2019	2018	2017	2016
<b>Ceded Reinsurance Analysis</b>					
<b>Amalgamated Life Insurance Company</b>					
Face Amount Reinsurance Ceded USD (000)	6,953,358	7,454,804	5,853,211	5,486,267	8,032,518
Unaffiliated Reinsurance Recoverable / Capital & Surplus (%)	5.4	3.7	13.0	2.0	4.7
Total Reinsurance Recoverable / Capital & Surplus (%)	5.4	3.7	13.0	2.0	4.7
Reinsurance Leverage (%)	7.9	6.9	27.8	16.9	19.0
<b>Group Life Composite</b>					
Total Reinsurance Recoverable / Capital & Surplus (%)	3.8	2.6	4.0	3.3	3.7
Reinsurance Leverage (%)	183.3	194.0	242.4	217.4	254.6

Source: BestLink® - Best's Financial Suite

## Asset Liability Management | Investments

	6-Months		Year End - December 31				
	2021	2020	2020	2019	2018	2017	2016
Bond Portfolio							
Bonds & Short Term Investments USD (000)	127,387	125,160	125,033	124,015	111,705	98,566	110,571
Unaffiliated Bonds:							
US Government	...	...	7.7	14.2	10.0	8.0	11.6
Foreign Government	...	...	0.6	0.6	0.6	2.9	3.0
Foreign – All Other	...	...	6.3	4.4	4.4	4.1	3.1
State, Municipal & Special Revenue	...	...	29.7	22.9	22.8	20.9	28.3
Industrial & Miscellaneous	...	...	55.8	57.9	62.2	64.0	54.0
<b>Total Bonds</b>	...	...	100.0	100.0	100.0	100.0	100.0
<b>By Private vs Public (%)</b>							
Private issues	...	...	1.4	0.6	0.7	1.9	1.6
Public issues	...	...	98.6	99.4	99.3	98.1	98.4
<b>By Quality (%)</b>							
Class 1	68.3	76.9	72.1	81.6	81.7	82.5	86.2
Class 2	31.6	22.7	27.8	18.3	18.3	17.5	13.8
Class 3	...	0.3	...	...	...	...	...
Class 4	0.1	0.1	0.1	0.1	...	...	...
Below Investment Grade (NAIC 3-6)	0.1	0.4	0.1	0.1	...	...	...
Below Investment Grade - % of Capital & Surplus	0.1	0.6	0.1	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	38,978	33,628	71.1	20.6	1,699
Individual:					
Guaranteed renewable	7,453	7,453	84.6	45.3	-2,230
Other accident only	718	718	7.6	58.7	242
All other	145	145	0.2	238.9	-202

Source: BestLink® - Best's Financial Suite

## Business Profile Highlights

### Historical Market Presence

	Year End - December 31				
	2020	2019	2018	2017	2016
<b>By Line Breakdown - NPW USD (000)</b>					
Individual Life	2,228	2,300	2,429	2,243	2,093
Group Life	72,118	60,399	60,566	56,284	58,241
Accident & Health	41,945	37,024	33,520	24,204	20,319
<b>Total</b>	<b>116,291</b>	<b>99,723</b>	<b>96,515</b>	<b>82,730</b>	<b>80,652</b>

Source: BestLink® - Best's Financial Suite

### Geographic Breakdown by Direct Premiums Written and Deposit-Type Contracts USD (000)

	2020	2019	2018	2017	2016
New York	37,521	34,498	37,662	27,345	30,248
New Jersey	7,994	8,018	7,796	5,483	4,738
Pennsylvania	7,070	6,781	7,435	5,387	4,962
California	6,390	5,896	6,329	3,933	4,707
Illinois	4,920	4,009	3,438	2,620	2,461
Missouri	4,364	3,773	2,120	186	258
Florida	1,342	1,210	329	301	286
Massachusetts	1,321	1,435	1,361	933	689
Georgia	1,216	2,589	1,711	1,496	1,468
Alabama	1,119	1,184	584	154	172
All Other	12,935	7,911	7,025	5,122	3,840
<b>Total</b>	<b>86,191</b>	<b>77,304</b>	<b>75,790</b>	<b>52,962</b>	<b>53,830</b>
Geographic Concentration Index	0.22	...	...	...	...

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2020	2019	2018	2017	2016
<b>By Line Reserves USD (000)</b>					
Individual Life	1,728	2,275	2,329	2,342	2,341
Group Life	60,961	4,982	4,755	4,614	4,638
Accident & Health	4,058	1,722	1,135	808	563
<b>Total (including Supplemental Contracts)</b>	<b>66,747</b>	<b>8,978</b>	<b>8,219</b>	<b>7,764</b>	<b>7,542</b>

Source: BestLink® - Best's Financial Suite

## Business Profile Highlights

## Historical Market Presence (Continued...)

	Year End - December 31				
	2020	2019	2018	2017	2016
<b>Life Policies Statistics</b>					
<b>Ordinary Policies</b>					
Issued	21	30	18	23	26
In Force	14,847	16,232	16,206	15,330	14,469
<b>Group Policies</b>					
Issued	85	12	12	15	8
In Force	409	367	387	393	403
<b>Group Certificates</b>					
Issued	24,967	17,516	33,346	61,927	125,485
In Force	720,373	742,941	733,048	716,424	635,712
<b>Life Insurance In Force USD (000)</b>					
Whole Life & Endowment & Additions	143,506	156,514	151,107	140,384	130,125
Term	1,330	1,330	1,560	1,660	3,288
Group	26,849,699	26,812,014	24,331,858	22,422,398	21,524,701
<b>New Life Business Issued USD (000)</b>					
Whole Life & Endowment & Additions	346	961	298	317	381
Group	987,560	1,661,155	1,765,355	985,750	646,628

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.

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