



BEST'S COMPANY REPORT



AMALGAMATED LIFE INSURANCE COMPANY

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Best's Credit Rating Effective Date

August 30, 2023

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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)

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

Issuer Credit Rating (ICR)

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

Assessment Descriptors

Balance Sheet Strength	Very Strong
Operating Performance	Adequate
Business Profile	Neutral
Enterprise Risk Management	Appropriate

Rating Rationale**Balance Sheet Strength: Very Strong**

- The risk-adjusted capitalization of Amalgamated Life Insurance Company (Amalgamated Life) is assessed at the strongest level for its insurance and investment risks based on Best's Capital Adequacy Ratio (BCAR).
- Absolute capital and surplus declined in 2022 and the prior year due to net losses after having grown annually in earlier years. While the BCAR declined in both years, statutory risk-based capitalization (RBC) grew in 2022 from a decrease in net premium.
- Grew absolute capital and surplus slightly through the second quarter of 2023 due to net income, partially offset by a modest increase in non-admitted assets.
- Maintains more than adequate current and overall liquidity ratios.
- Conservative investment portfolio consists of almost entirely investment-grade fixed-income securities and cash & short-term investments.
- Although financial flexibility is limited owing to the lack of a line of credit or membership in the Federal Home Loan Bank, capitalization and liquidity have historically been more than adequate to support both short-term business requirements and longer-term strategic growth.

Operating Performance: Adequate

- After Amalgamated Life grew net premium annually in prior years, net premium decreased at year-end 2022 from the termination of two large voluntary worksite employer groups, and declined further through the second quarter of 2023 versus the same period in the prior year partially due to the termination of a large individual disability group.
- Subsequent to reporting net income in earlier years, it reported a net loss in 2022 and the previous year due to higher-than-expected cancer and COVID-19 claims in its medical stop-loss segment, elevated loss ratios within two large employer groups in its voluntary disability segment and an elevated loss ratio from COVID-19 claims in its group life segment.
- Returned to profitability through the second quarter of 2023 by reporting net income driven by implemented profitability restoration initiatives in the previous two years within its voluntary individual disability and medical stop-loss segments.
- Grew net investment income modestly at year-end 2022 and through the second quarter of 2023 versus the same period in the prior year from higher interest yields after net investment income had trended downward slightly in previous years.

Business Profile: Neutral

- Amalgamated Life maintains moderate shares of the group life, medical stop-loss and group disability markets among Taft-Hartley plans and organized labor, where sizable brand loyalty is present.
- Benefits from diversified distribution channels including internal sales, consultants, brokers, strategic alliances and associations.
- Lower moderate product risk profile from lower-risk life products and moderate-risk medical stop-loss, short-term disability and voluntary/worksite supplemental life and health products, as well as non-risk ASO revenue.
- While the company operates in highly competitive group life and medical stop-loss markets, it has generally grown life net premium meaningfully in recent years and has successfully competed against larger carriers for quality stop-loss business.
- Although net premium is fairly well diversified among its products, nearly 80% of direct premium at year-end 2022 was derived from three adjacent northeastern states, as well as California and Missouri.

Enterprise Risk Management: Appropriate

- Amalgamated Life maintains an enterprise risk management (ERM) policy that complies with New York State Department of Financial Services Regulation 203.
- The general counsel, who serves as the chief risk officer, chairs the ERM Committee composed of the CEO, EVP of finance, CIO, CISO, chief actuary and vice president of policy services and advised by the company's compliance counsel.
- The outsourced internal audit department annually conducts a risk assessment, which results in a new risk assessment and audit plan for review and approval by the Audit Committee.
- The external asset management firm stress tests investments quarterly.

Outlook

- The stable outlooks reflect the very strong balance sheet strength assessment supported by BCAR at the strongest level and adequate, albeit fluctuating, operating results. In addition, reliable distribution relationships, an expanding product portfolio and increased geographic diversification will continue to sustain the neutral business profile.

Rating Drivers

- Negative rating action could occur if there were 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 material decline in geographic or product diversification.
- While unlikely, positive rating action could occur if the company expands its geographic diversification and net premium.

Key Financial Indicators

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

Confidence Level	95.0	99.0	99.5	99.6
BCAR Score	74.9	61.8	54.5	50.4

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

Key Financial Indicators USD (000)	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Assets:							
General Account	148,355	150,123	148,550	144,270	155,632	142,957	146,540
Total	148,355	150,123	148,550	144,270	155,632	142,957	146,540
Liabilities:							
Net Life Reserves	23,752	25,268	24,841	25,476	22,274	18,877	18,183
Net Accident & Health Reserves	26,833	27,163	31,261	26,685	23,866	19,506	20,372
Asset Valuation Reserve	720	637	681	603	537	466	417
Other General Account	27,326	22,773	24,446	18,953	28,692	28,558	40,803
Total	78,631	75,842	81,230	71,718	75,369	67,406	79,775
Total Capital and Surplus	69,725	74,281	67,320	72,552	80,264	75,551	66,765
Net Income	2,772	5	-4,650	-9,101	4,868	9,160	4,934
Net Premiums Earned	60,828	66,038	133,188	137,111	116,291	99,723	96,515
Net Investment Income	1,985	1,444	3,165	3,139	3,344	3,477	3,048

Source: BestLink® - Best's Financial Suite

Key Financial Ratios (%)	6-Months		Year End - December 31					Weighted Average
	2023	2022	2022	2021	2020	2019	2018	
Operating Return on Revenue	2.9	...	-2.3	-4.4	2.6	5.4	3.0	0.6
Operating Return on Capital and Surplus	8.1	...	-6.6	-11.9	6.2	12.9	7.7	1.4
Net Investment Yield	3.2	2.3	2.5	2.3	2.4	2.6	2.5	2.5
Pre-Tax Investment Total Return	3.2	2.3	2.5	2.5	2.7	2.6	2.4	2.5

Source: BestLink® - Best's Financial Suite

Leverage (%)	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
General Account Liabilities to Capital and Surplus	1.1	1.0	1.2	1.0	0.9	0.9	1.2
Higher Risk Assets to Capital and Surplus:							
All Other Higher Risk Assets	0.1	0.1	0.1	0.1	0.1	0.2	...

Source: BestLink® - Best's Financial Suite

Liquidity Analysis	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Current Liquidity (%)	154.8	164.3	155.6	175.5	190.6	202.6	161.0
Net Operating Cash Flow USD (000)	-1,122	-207	2,490	-9,422	5,237	6,965	14,144

Source: BestLink® - Best's Financial Suite

Credit Analysis

Balance Sheet Strength

The balance sheet strength assessment of Amalgamated Life Insurance Company (Amalgamated Life, the company) is very strong driven by the strongest level of risk-adjusted capitalization as measured by Best's Capital Adequacy Ratio (BCAR), partially offset by limited financial flexibility. However, more than sufficient capitalization and liquidity levels support both short-term requirements and longer term strategic business growth.

Capitalization

Amalgamated Life's risk-adjusted capitalization for its insurance and investment risks is assessed at the strongest level based on Best's Capital Adequacy Ratio (BCAR). The BCAR declined in 2022 and the prior year due to declines in absolute capital & surplus driven by net losses. Increases to absolute capital and surplus from net income before 2021 were partially offset by these declines to yield a 1.8% 5-year compound annual growth rate for absolute capital & surplus at year-end 2022. Absolute capital and surplus grew slightly through the second quarter of 2023 due to net income.

Leverage metrics are satisfactory. The two times ratio of net premium to capital and surplus at year-end 2022 had resulted from capital growth keeping pace with premium growth. Similarly, the company's ratio of adjusted capital and surplus to liabilities was 84.4%, while its reinsurance leverage ratio was favorably low at 19.6%.

Liquidity has remained more than sufficient over the last five years, with overall and current liquidity ratios reported at 184.4% and 155.6%, respectively, at year-end 2022. However, Amalgamated Life reported negative cash flow in 2021 driven by the underwriting loss. While the company has limited access to external capital due to a lack of a line of credit or membership with the Federal Home Loan Bank (FHLB), it has historically maintained a more than sufficient level of liquidity as reflected by its very liquid investment portfolio.

Capital Generation Analysis USD (000)	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Beginning Capital and Surplus	67,320	72,552	72,552	80,264	75,551	66,765	61,712
Net Operating Gain	2,772	5	-4,650	-9,101	4,868	9,160	4,934
Other Changes in Capital and Surplus	-368	1,723	-582	1,390	-155	-375	119
Net Change in Capital and Surplus	2,404	1,729	-5,232	-7,711	4,713	8,786	5,053
Ending Capital and Surplus	69,725	74,281	67,320	72,552	80,264	75,551	66,765
Net Change in Capital and Surplus (%)	3.6	2.4	-7.2	-9.6	6.2	13.2	8.2
Net Change in Capital and Surplus (5 yr CAGR)	...	...	1.8	...	...	...	...

Source: BestLink® - Best's Financial Suite

Asset Liability Management - Investments

Amalgamated Life engages an external asset manager to manage the majority of its investments according to its investment policy emphasizing liquidity and low risk. The investment portfolio predominately consists of almost entirely investment-grade fixed income securities with the remainder composed of cash & short-term investments. Fixed income securities are well diversified among corporate, U.S. state/special revenue, foreign and U.S. government issues with an average maturity of just over 9 years at year-end 2022. Although the company in recent years shifted a larger portion of its fixed income portfolio to higher risk but still investment grade NAIC Class 2 issues to maintain returns given the low interest rate environment before 2022, its 29.8% of these securities at year-end 2022 remains lower than the average % for life and health carriers.

Balance Sheet Strength (Continued...)

Composition of Cash and Invested Assets	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Total Cash and Invested Assets USD (000)	120,774	123,862	125,601	125,071	142,916	135,831	127,726
Composition Percentages (%)							
Unaffiliated:							
Cash and Short Term Investments	-1.1	0.6	4.9	2.6	12.8	8.6	12.5
Bonds	101.1	99.4	95.1	97.4	87.1	91.3	87.5
Other Invested Assets	...	...	...	...	...	...	0.1
Total Unaffiliated	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

Bonds and Short Term Investments - Distribution by Maturity (%)	Years					Average (Years)
	0-1	1-5	5-10	10-20	20+	
Government Bonds	1.3	2.8	...	...	0.6	5.2
Government Agencies and Municipal Bonds	0.7	2.0	2.3	8.5	11.0	17.4
Industrial and Miscellaneous Bonds	5.1	39.6	16.2	3.1	6.7	6.5
Total Bonds	7.1	44.4	18.5	11.7	18.3	9.1

Source: BestLink® - Best's Financial Suite

Bonds - Distribution by Issuer	Year End - December 31				
	2022	2021	2020	2019	2018
Bonds USD (000)	119,409	121,763	124,533	124,015	111,705
US Government (%)	3.9	4.2	7.7	14.2	10.0
Foreign Government (%)	...	0.6	0.6	0.6	0.6
Foreign - All Other (%)	14.1	13.6	6.3	4.4	4.4
State, Municipal & Special Revenue (%)	24.7	26.2	29.7	22.9	22.8
Industrial & Miscellaneous (%)	57.4	55.5	55.8	57.9	62.2
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 reserve adequacy. 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

The ultimate co-parent owners are the National Retirement Fund and affiliates of Workers United and Unite Here, who in turn own the intermediate holding company, ALICO Services Corporation (ASC). ASC in turn owns Amalgamated Life Insurance Company (Amalgamated Life), Amalgamated Employee Benefits Administrators (AEBA, formerly known as Alicare Inc.), and Amalgamated Medical Care Management (AMCM, formerly known as Alicare Medical Management, Inc.).

Operating Performance

Except for 2022 and through the second quarter of 2023, Amalgamated Life has grown net premium annually over the last five years due mainly to new sales of life, medical stop-loss, short-term disability and voluntary/worksites supplemental life and health products, with a 10% 5 year compound annual growth rate reported at year-end 2022. The company also grew its significant management services fee income, reaching \$66 million at this time. The decline in net premium through the second quarter of 2023 versus the same period in the prior year was partially due to the termination of a large individual disability group.

Operating Performance (Continued...)

After annually reporting net underwriting gains, the company reported net underwriting losses in 2022 and the prior year driven by higher than expected cancer and COVID-19 claims in its medical stop-loss segment, elevated loss ratios within two large employer groups in its voluntary disability segment and an elevated loss ratio from COVID-19 claims in its group life segment. The voluntary disability loss ratio fell to 153% at year-end 2022 from 162% in the prior year after ranging from 81% to 84% in earlier years, while the loss ratio of the medical stop-loss segment increased to 100% in 2022 from 96% in the previous year after having been in the low to high 70's in prior years. The group life loss ratio declined to 79% at year-end 2022 from 88% in the prior year due to COVID-19 claims dissipating in the second half of 2022.

Amalgamated Life reported net underwriting income through the second quarter of 2023 due to implemented profitability restoration initiatives after reporting a net underwriting loss through the same period in the prior year. Profitability restoration initiatives implemented within the voluntary disability segment included benefit reduction, policy duration reduction and rate increases, while stop-loss profitability restoration initiatives implemented included the non-renewal of certain under performing employer groups for 2023 and various underwriting enhancements.

Amalgamated Life grew net investment income modestly at year-end 2022 and through the second quarter of 2023 versus the same period in the prior year from higher interest yields after net investment income had trended downward slightly in previous years. The five year average net yield at year-end 2022 was below the average for life and health carriers with adequate operating performance, reflecting the company's conservative investment portfolio.

Net Operating Gain By LOB USD (000)	Year End - December 31				
	2022	2021	2020	2019	2018
Individual Life	-330	-14	82	73	168
Group Life	5,487	2,250	1,177	4,014	2,689
Accident & Health	-9,806	-11,337	3,609	5,074	2,076
Total	-4,650	-9,101	4,868	9,160	4,934

Source: BestLink® - Best's Financial Suite

Accident & Health Statistics	Year End - December 31				
	2022	2021	2020	2019	2018
Net Premiums Written USD (000)	58,295	56,390	47,294	42,060	38,463
Net Premiums Earned USD (000)	50,080	48,967	41,945	37,024	33,520
Claims and Cost Containment Ratio (%)	102.5	103.9	72.2	70.6	77.2
Expense Ratio (%)	23.0	26.5	25.7	23.8	24.2
Combined Ratio (%)	125.5	130.4	97.9	94.4	101.4
Underwriting Results USD (000)	-14,651	-16,873	-491	890	-1,658

Source: BestLink® - Best's Financial Suite

Business Profile

Amalgamated Life, founded in 1943 and based in White Plains, NY, is licensed in 50 states and the District of Columbia. The company is wholly-owned by holding company ALICO Services Corporation (ASC) which, 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 subsidiaries include Amalgamated Employee Benefits Administrators, Inc. (AEBA), a third-party administrator and Amalgamated Medical Care Management, Inc. (AMCM), a medical care management company. ASC generates over \$1 billion in premium equivalents and fee revenue within the organization. These businesses diversify ASC and assist Amalgamated Life in providing its products and services.

Amalgamated Life has historically served diverse businesses, unions, and health and welfare funds, specializing in Taft-Hartley Plans and organized labor. 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. It continues to consistently grow while maintaining a low cost, low risk profile.

Products offered include group term life, medical stop loss, group short-term disability and voluntary/worksites products including accident, critical illness, short-term disability, portable term life, whole life, dental, legal, a hearing aid discount program and identity protection. While Amalgamated Life operates in the competitive group life and medical stop-loss markets, it has generally grown term life net premium meaningfully in recent years and successfully competes with several larger carriers for quality medical stop-loss business. The company maintains moderate shares of the group life, medical stop-loss and group disability markets among Taft-Hartley plans and organized labor, where significant brand loyalty exists. Amalgamated Life filed a group voluntary/worksites critical illness

Business Profile (Continued...)

product in 2022 after launching new voluntary/worksites portable term life, accident and group disability products in the prior year. In 2020, the company entered two medical stop-loss strategic partnerships with it retaining 20%-30% of the risk.

Amalgamated Life maintains an overall lower moderate product risk profile. Net premium was fairly well diversified among products at year-end 2022, consisting of lower risk life (mostly group term life-62%), higher moderate risk medical stop-loss (25%) and moderate risk group short-term disability and voluntary/worksites supplemental life and health products (13%). Also, non-risk administrative services only (ASO) revenue composed 32.5% of total revenue. However, nearly four-fifths of direct premium was derived from three adjacent northeastern states (New York, New Jersey and Pennsylvania), as well as California and Missouri. The company is strategically diversifying beyond these states by growing its voluntary/worksites supplemental life and health and medical stop-loss segments, selling to associations and adding strategic partners.

Diversified distribution channels include internal sales, consultants, brokers, strategic alliances and associations.

2022 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	264	0.2	1,758	4.8	105	0.9	1,917	1.4	94.8
Group Life	50,395	46.3	34,724	95.2	3,927	32.1	81,191	61.0	95.4
Individual Accident & Health	10,895	10.0	...	...	...	...	10,895	8.2	100.0
Group Accident & Health	47,400	43.5	...	...	8,216	67.1	39,185	29.4	82.7
Total	108,954	100.0	36,482	100.0	12,248	100.0	133,188	100.0	91.6

Source: BestLink® - Best's Financial Suite

Year End - December 31

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

	2022	2021	2020	2019	2018
New York	48,604	42,842	37,521	34,498	37,662
Pennsylvania	11,093	18,776	7,070	6,781	7,435
California	11,050	9,448	6,390	5,896	6,329
New Jersey	9,086	8,932	7,994	8,018	7,796
Missouri	5,156	4,193	4,364	3,773	2,120
Top 5 States	84,989	84,190	63,338	58,966	61,341
All Other	30,528	26,678	22,853	18,338	14,449
Total	115,517	110,869	86,191	77,304	75,790
Geographic Concentration Index	0.21	...	...	...	...

Source: BestLink® - Best's Financial Suite

Enterprise Risk Management

Amalgamated Life maintains a formal Enterprise Risk Management (ERM) program. The company's ERM Policy complies with New York State Department of Financial Services (NYSDFS) Regulation 203. Company officers periodically participate in risk identification and risk tolerance review exercises, culminating in the development of updated risk appetite and tolerance statements, as well as the prioritizing of risk for monitoring by the Company. The ERM committee reviews these statements annually.

The General Counsel, who serves as the Chief Risk Officer (CRO), chairs the ERM Committee composed of the CEO, EVP of Finance, CIO, CISO, Chief Actuary and VP of Policy Services and advised by the company's Compliance Counsel. The CRO is responsible for ensuring that risks are properly identified, monitored and mitigated in accordance with NYSDFS requirements and best practices. The ERM Committee, which meets quarterly, evaluates risks as a whole and assesses potential impact on balance sheet strength, operational performance, and business profile. Also, Amalgamated Life manages risk less formally via its bi-weekly meetings of the executive team, which includes members of the ERM Committee. In these meetings, the executive team discusses corporate issues and develop action plans as needed to monitor and resolve these issues.

Amalgamated Life annually certifies compliance with NYSDFS cyber security regulations and maintains a cyber security insurance policy. The Chief Information Security Officer (CISO) presents annually to the Board of Directors and regularly updates the ERM and Audit Committees regarding cyber security and data monitoring.

Enterprise Risk Management (Continued...)

The company's internal audit firm annually performs a risk assessment, which includes detailed risk factor assessments and questionnaires that are completed by various business heads, along with interviews of senior management. This process culminates each year in a new risk assessment and audit plan for approval by the Audit Committee at its March meeting.

BlackRock, the company's asset manager, stress tests the investment portfolio quarterly.

Reinsurance Summary

Amalgamated Life cedes excess group life, AD&D and medical stop-loss business to Swiss Re Life and Health. America. The company also cedes catastrophic coverage to Zurich American Insurance Co.

Environmental, Social & Governance

AM Best considers Amalgamated Life's exposure to material environmental, social, and governance (ESG) risks to be low. The company operates in an environment where its underwriting activities have low exposure to climate risk. The company's investment holdings are within external ESG benchmarks, as provided by BlackRock.

Financial Statements

	6-Months		Year End - December 31			
	2023		2022		2021	
Balance Sheet	USD (000)	%	USD (000)	%	USD (000)	%
Cash and Short Term Investments	-1,376	-0.9	6,136	4.1	3,270	2.3
Bonds	122,140	82.3	119,409	80.4	121,763	84.4
Other Invested Assets	10	...	56	...	38	...
Total Cash and Invested Assets	120,774	81.4	125,601	84.6	125,071	86.7
Premium Balances	4,390	3.0	4,991	3.4	6,351	4.4
Net Deferred Tax Asset	3,033	2.0	3,033	2.0	3,707	2.6
Other Assets	20,159	13.6	14,925	10.0	9,142	6.3
Total General Account Assets	148,355	100.0	148,550	100.0	144,270	100.0
Total Assets	148,355	100.0	148,550	100.0	144,270	100.0
Net Life Reserves	23,752	16.0	24,841	16.7	25,476	17.7
Net Accident & Health Reserves	26,833	18.1	31,261	21.0	26,685	18.5
Asset Valuation Reserve	720	0.5	681	0.5	603	0.4
Other Liabilities	27,326	18.4	24,446	16.5	18,953	13.1
Total General Account Liabilities	78,631	53.0	81,230	54.7	71,718	49.7
Total Liabilities	78,631	53.0	81,230	54.7	71,718	49.7
Capital Stock	2,500	1.7	2,500	1.7	2,500	1.7
Paid-In and Contributed Surplus	7,550	5.1	7,550	5.1	7,550	5.2
Unassigned Surplus	59,675	40.2	57,270	38.6	62,502	43.3
Total Capital and Surplus	69,725	47.0	67,320	45.3	72,552	50.3
Total Liabilities, Capital and Surplus	148,355	100.0	148,550	100.0	144,270	100.0

Source: BestLink® - Best's Financial Suite

Income Statement USD (000)	6-Months		Year End - December 31	
	2023	2022	2022	2021
Net Premiums Earned:				
Individual Life	...	...	1,917	1,867
Group Life	...	...	81,191	86,277
Accident & Health	...	...	50,080	48,967
Total Net Premiums Earned	60,828	66,038	133,188	137,111
Net Investment Income	1,985	1,444	3,165	3,139
Other Income	33,363	32,788	65,846	65,716
Total Revenue	96,176	100,271	202,199	205,967
Policy Benefits	51,479	58,315	123,177	124,584
Commissions and Expense Allowances	3,587	4,263	8,300	18,114
Insurance and Other Expense	38,212	37,686	75,371	72,269
Pre-Tax Net Operating Gain	2,899	7	-4,650	-8,999
Income Taxes Incurred	127	1	...	102
Net Operating Gain	2,772	5	-4,650	-9,101
Net Income	2,772	5	-4,650	-9,101

Source: BestLink® - Best's Financial Suite

Statement of Operating Cash Flows USD (000)	6-Months		Year End - December 31	
	2023	2022	2022	2021
Net Premiums Collected	63,819	68,743	140,382	136,346
Net Investment Income	1,980	1,608	3,377	3,555
Other Income Received	33,385	32,767	65,804	65,649
Total Collected Operating Revenue	99,184	103,118	209,563	205,551
Net Benefits and Loss Related Payments	56,817	60,532	121,071	119,747
Commissions and Other Expenses Paid	43,450	42,793	86,002	94,265
Income Taxes Paid (Recovered)	39	...	...	960
Total Paid Expenses and Transfers	100,306	103,325	207,073	214,972
Net Operating Cash Flow	-1,122	-207	2,490	-9,422

Source: BestLink® - Best's Financial Suite

Amalgamated Life Insurance Company

Last Update

August 30, 2023

Identifiers

AMB #: 006031

NAIC #: 60216

FEIN #: 13-5501223

Contact Information

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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.

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

Best's Financial Size Category: VII (USD 50 Million to Less than 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:

Effective Date	Best's Financial Strength Ratings			Best's Long-Term Issuer Credit Ratings		
	Rating	Outlook	Action	Rating	Outlook	Action
Current -						
Aug 30, 2023	A	Stable	Affirmed	a	Stable	Affirmed
Aug 12, 2022	A	Stable	Affirmed	a	Stable	Affirmed
Aug 3, 2021	A	Stable	Affirmed	a	Stable	Affirmed
Aug 20, 2020	A	Stable	Affirmed	a	Stable	Affirmed
Jul 24, 2019	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 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 2022 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				
	2022	2021	2020	2019	2018
Ceded Reinsurance Analysis					
Amalgamated Life Insurance Company					
Face Amount Reinsurance Ceded USD (000)	11,000,457	9,207,827	6,953,358	7,454,804	5,853,211
Unaffiliated Reinsurance Recoverable / Capital & Surplus (%)	16.9	14.2	5.4	3.7	13.0
Total Reinsurance Recoverable / Capital & Surplus (%)	16.9	14.2	5.4	3.7	13.0
Surplus Relief (%)	-0.5	-0.4	...	...	...
Reinsurance Leverage (%)	19.6	16.8	7.9	6.9	27.8
Group Life Composite					
Total Reinsurance Recoverable / Capital & Surplus (%)	2.5	2.8	2.3	2.5	2.5
Reinsurance Leverage (%)	93.1	89.7	85.3	89.3	97.4

Source: BestLink® - Best's Financial Suite

Asset Liability Management | Investments

	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Bond Portfolio							
Bonds & Short Term Investments USD (000)	122,140	123,127	120,558	121,763	125,033	124,015	111,705
Unaffiliated Bonds:							
US Government	...	...	3.9	4.2	7.7	14.2	10.0
Foreign Government	...	...	...	0.6	0.6	0.6	0.6
Foreign – All Other	...	...	14.1	13.6	6.3	4.4	4.4
State, Municipal & Special Revenue	...	...	24.7	26.2	29.7	22.9	22.8
Industrial & Miscellaneous	...	...	57.4	55.5	55.8	57.9	62.2
Total Bonds	...	...	100.0	100.0	100.0	100.0	100.0
By Private vs Public (%)							
Private issues	...	...	12.2	9.9	1.4	0.6	0.7
Public issues	...	...	87.8	90.1	98.6	99.4	99.3
By Quality (%)							
Class 1	71.8	68.1	70.1	68.0	72.1	81.6	81.7
Class 2	28.2	31.8	29.8	31.9	27.8	18.3	18.3
Class 4	...	0.1	0.1	0.1	0.1	0.1	...
Class 6	0.1	...	...	...	...	...	...
Below Investment Grade (NAIC 3-6)	0.1	0.1	0.1	0.1	0.1	0.1	...
Below Investment Grade - % of Capital & Surplus	0.1	0.1	0.1	0.1	0.1	0.2	...

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence

	Year End - December 31				
	2022	2021	2020	2019	2018
By Line Breakdown - NPW USD (000)					
Individual Life	1,917	1,867	2,228	2,300	2,429
Group Life	81,191	86,277	72,118	60,399	60,566
Accident & Health	50,080	48,967	41,945	37,024	33,520
Total	133,188	137,111	116,291	99,723	96,515

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence (Continued...)

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

	2022	2021	2020	2019	2018
New York	48,604	42,842	37,521	34,498	37,662
Pennsylvania	11,093	18,776	7,070	6,781	7,435
California	11,050	9,448	6,390	5,896	6,329
New Jersey	9,086	8,932	7,994	8,018	7,796
Missouri	5,156	4,193	4,364	3,773	2,120
Illinois	5,057	4,574	4,920	4,009	3,438
Texas	4,268	3,197	685	140	472
Indiana	2,411	2,153	838	193	54
Florida	2,216	1,401	1,342	1,210	329
Massachusetts	1,464	1,157	1,321	1,435	1,361
All Other	15,114	14,197	13,747	11,351	8,794
Total	115,517	110,869	86,191	77,304	75,790
Geographic Concentration Index	0.21	...	...	...	...

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2022	2021	2020	2019	2018

By Line Reserves USD (000)

	2022	2021	2020	2019	2018
Individual Life	3,293	2,643	1,728	2,275	2,329
Group Life	3,547	4,648	60,961	4,982	4,755
Accident & Health	10,679	10,897	4,058	1,722	1,135
Total (including Supplemental Contracts)	17,519	18,188	66,747	8,978	8,219

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2022	2021	2020	2019	2018

Life Policies Statistics

Ordinary Policies

Issued	76	14	21	30	18
In Force	13,915	13,399	14,847	16,232	16,206

Group Policies

Issued	11	20	85	12	12
In Force	350	367	409	367	387

Group Certificates

Issued	12,223	26,029	24,967	17,516	33,346
In Force	706,542	786,191	720,373	742,941	733,048

Life Insurance In Force USD (000)

Whole Life & Endowment & Additions	141,088	128,872	143,506	156,514	151,107
Term	980	1,230	1,330	1,330	1,560
Group	32,592,708	30,394,187	26,849,699	26,812,014	24,331,858

New Life Business Issued USD (000)

Whole Life & Endowment & Additions	2,207	354	346	961	298
Group	3,085,733	2,280,891	987,560	1,661,155	1,765,355

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.

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