A LEGAL & GENERAL AMERICA AGENCY COMMUNICATION

# AM BEST AFFIRMS A+ (SUPERIOR), S&P AFFIRMS AA- (VERY STRONG)

## financial strength ratings for Legal & General America.

TO: ALL LEGAL & GENERAL AMERICA GENERAL AGENTS
FROM: FRANK GENCARELLI, SVP, SALES AND MARKETING
DATE: JUNE 12, 2012

**Legal & General America has ratings you and your clients can feel great about. AM Best and Standard and Poor's both reaffirmed our financial strength.**

**ON MAY 25, 2012 AM BEST AFFIRMED THE FINANCIAL STRENGTH RATING OF A+ (SUPERIOR) OF BANNER LIFE INSURANCE AND WILLIAM PENN LIFE INSURANCE COMPANY OF NEW YORK.** The press release said that the rating actions "reflect LGA's continued strong competitive position in the U.S. term life market, where it currently ranks among the top 10 as measured by new recurring premium. The affirmation of the ratings also reflects LGA's solid operating performance as measured on a U.S. GAAP and international accounting basis, which is enhanced by an efficient expense structure and disciplined approach to mortality underwriting. The rating actions recognize LGA's more than adequate capitalization that has been enhanced by a high quality long-term bond portfolio, which is currently in a large unrealized gain position and has thus far avoided meaningful investment losses. Furthermore, LGA has successfully raised more than $4.6 billion through a variety of securitization transactions to fund Regulation XXX reserves. The rating actions also acknowledge LGA's strategic importance to its ultimate parent, which has provided explicit support when needed to sustain LGA's new business growth."

Online versions of the rating brochures are in production at AM Best. They will be posted to our consumer and agency websites once received.

**S&P REAFFIRMED THE AA- (VERY STRONG) RATING FOR LEGAL & GENERAL ASSURANCE SOCIETY LTD. ON JUNE 1, 2012.** Their review in December 2011 resulted in an evaluation of Legal & General America as "core" to our parent company, citing our "strong competitive position", and strengths in "investments, capitalization and liquidity." S&P also recognizes greater evidence of our link to our parent, with whom we share the AA- rating. According to the June 1, 2012 S&P press release, our parent company "retains one of the most favorable business profiles in the U.K. life sector. This reflects its expertise across products—including its marketing-leading risk and asset management operations—multichannel distribution model, respected brand, and reputation for good-value products. L&G's overseas operations, in particular in the U.S., increasingly provide meaningful revenue diversity. The group's strategic focus in the U.S. is on high-end term assurance through brokers. This narrow focus allows L&G to concentrate on developing an efficient, well-underwritten, and competitive product."

A new consumer financial strength brochure as well as other financial strength marketing materials will be released in the coming weeks.

12-029LGA

**BANNER. WILLIAM PENN.**
**YOUR COMPANY FOR LIFE™**