

# 2015 Ward's 50 Top Performing L&H Insurers



To develop its annual list of the top 50 performing insurance companies, Ward Group analyzes the financial performance of nearly 800 life-health insurance companies domiciled in the United States and identifies the top performers based on objective data and subjective quality measures. Each company has passed all safety and consistency screens and achieved superior performance over the five years analyzed. This is the 25th consecutive year Ward Group has conducted the analysis.

The Ward's 50 life-health group of insurance companies produced a 21.8% statutory return on average equity from 2010 to 2014 compared to 8.9% for the life-health industry overall.

"Most insurers saw improvements in overall premium levels, however, these premium gains were tempered by slightly lower financial returns," explained Jeff Rieder, Partner and Head of Ward Group. "Our research finds that companies are cautiously optimistic about continued growth in revenue in 2015 but they responded that maintaining profitability is becoming more difficult. Growth in technology and business analytics investments are at the highest levels we have ever measured. While companies expect to achieve efficiency gains and improvements in customer satisfaction from these investments, the costs may negatively impact expense ratios. Fortunately, total policyholder surplus continues to grow and overall financial stability for the industry remains very strong. In selecting the Ward's 50, we identified companies that pass financial stability requirements and measure their ability to grow while maintaining strong capital positions and underwriting results."

## Safety and Consistency

Insurance companies are evaluated and must pass minimum thresholds to be considered for the Ward's 50 designation.

Each company must pass primary safety and consistency tests, including:

- Surplus and premiums of at least \$50 million for each of the five years analyzed
- Adjusted net income in at least four of the last five years.
- Compound annual growth in premiums between -10% and +40%

## Performance Measurements

Companies that pass the safety and consistency tests are measured and scored on the following elements:

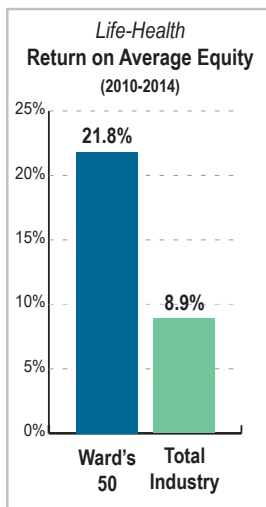
- Five Year Average Return on Average Equity
- Five Year Average Return on Average Assets
- Five Year Average Return on Total Revenue
- Five Year Growth in Revenue
- Five Year Growth in Surplus

## Key Performance Benchmarks

An important objective of the Ward's 50 is to compare their performance as a group with the rest of the industry. In addition to achieving greater levels of income returns, the Ward's 50 benchmarks also outperformed in other key performance benchmarks. The Ward's 50 life-health group of companies outpaced the industry for five-year policyholder surplus growth (32.1% compared to 23.9%) and net premium income growth (20.5% compared to 20.0%).

In addition to achieving higher financial returns, the Ward's 50 benchmark continues to achieve

lower expense ratios. "The expense ratio declined slightly in 2014 for both the property-casualty and the life-health benchmark. We still find the Ward's 50 benchmarks comparing better than the industry average," said Rieder. In 2014, expenses relative to revenue were 8.3% lower for the Ward's 50 life-health group.



## 2015 Ward's 50® Companies

### Life and Health

(listed alphabetically)

Aetna Life Insurance Company  
 AFLAC  
 Alfa Life Insurance Corporation  
 Amalgamated Life Insurance Company  
 American Family Life Insurance Company  
 American Fidelity Assurance Company  
 American General Life Insurance Company  
 American Republic Insurance Company  
 Americo Financial Life and Annuity Insur. Co.  
 Anthem Life Insurance Company  
 Bankers Life & Casualty Company  
 Beneficial Life Insurance Company  
 Berkley Life and Health Insurance Company  
 BMI Companies  
 CIGNA Group  
 Combined Insurance Company of America  
 Companion Life Insurance Company  
 Erie Family Life Insurance Company  
 Farm Bureau Life Insurance Company  
 Farm Bureau Life Insurance Company of MI  
 Farmers New World Life Insurance Company  
 Federated Life Insurance Company  
 Fidelity & Guaranty Life Insurance Company  
 Fidelity Investments Life Insurance Company  
 First Investors Life Insurance Company  
 Forethought Life Insurance Company  
 General Re Life Insurance Corporation  
 Great American Life Insurance Company  
 HCC Life Insurance Company  
 HM Life Insurance Company  
 Horace Mann Life Insurance Company  
 Liberty National Life Insurance Company  
 LifeCare Assurance Company  
 LifeWise Assurance Company  
 M Life Insurance Company  
 Mid-West National Life Insurance Company  
 National Teachers Associates Life Insur. Co.  
 Ozark National Life Insurance Company  
 Pacific Guardian Life Insurance Company  
 Protective Life Insurance Company  
 RiverSource Life Insurance Company  
 Security Benefit Life Insurance Company  
 Standard Insurance Company  
 Tennessee Farmers Life Insurance Company  
 Thrivent Financial for Lutherans  
 Trustmark Insurance Company  
 United Heritage Life Insurance Company  
 United Insurance Company of America  
 UnitedHealthcare Insurance Company  
 USAA Life Insurance Company

An important objective of the Ward's 50 is to compare their performance as a group with the rest of the industry. Comparisons based on benchmarks set by the Ward's 50 group of companies are available for individual companies and the total industry. Visit [www.wardinc.com](http://www.wardinc.com) for more information.