

BEST'S RATING REPORT



Oxford Life Insurance Company

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AMB #: 007890

NAIC #: 76112

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Oxford Life Insurance Company

Disclosure Information: View A.M. Best's [Rating Disclosure Form](#)

Ultimate Parent: [058314 - AMERCO](#)

A.M. Best Rating Unit: [070367 - Oxford Group](#)

Best's Credit Ratings:

Rating Effective Date: June 28, 2019

Best's Financial Strength Rating:	A-	Outlook:	Positive	Action:	Affirmed
Best's Issuer Credit Rating:	a-	Outlook:	Positive	Action:	Affirmed

Five Year Credit Rating History:

Date	Best's Financial Strength Ratings			Best's Issuer Credit Ratings		
	Rating	Outlook	Action	Rating	Outlook	Action
06/28/2019	A-	Positive	Affirmed	a-	Positive	Affirmed
06/29/2018	A-	Stable	Affirmed	a-	Stable	Affirmed
06/29/2017	A-	Stable	Affirmed	a-	Stable	Affirmed
05/26/2016	A-	Stable	Affirmed	a-	Stable	Affirmed
05/06/2015	A-	Stable	Affirmed	a-	Stable	Affirmed

Rating Rationale:

The following text is derived from Best's Credit Report on Oxford Group (AMB#070367)

Balance Sheet Strength: Very Strong

- Strongest level of risk-adjusted capitalization as exhibited by Best's Capital Adequacy Ratio (BCAR) with a conservative investment portfolio consisting primarily of investment-grade bonds with minimal exposure to equities.
- Favorable liquidity position bolstered further with membership in the Federal Home Loan Bank (FHLB) of San Francisco and implicit support from the ultimate parent.
- With the growth of the group's annuity business in recent years, approximately 85% of total reserves are interest sensitive exposing Oxford to more interest rate and market risk.

Operating Performance: Adequate

- The group has maintained a history of profitable earnings results due in part to favorable invested asset performance with a portfolio that has remained relatively conservative despite operating in a low interest rate environment.
- Significant direct premium written growth the previous two years due to higher sales of the company's multi-year guaranteed annuity product.
- With the exception of the group's Medicare supplement business, earnings by business line have fluctuated due to strain and spread compression, partially offset by a one-time gain due to the recapture of reinsurance.

Business Profile: Limited

- The group is well diversified both geographically and by product offerings as it is licensed in 48 states plus D.C. with no single state concentration offering a suite of Medicare supplement, final expense, and annuity products.

- Recent innovative initiatives in the areas of risk selection, distribution monitoring, and the sales process while also implementing various technology platforms.
- Competes in highly competitive markets including life, annuities, and Medicare supplement.

Enterprise Risk Management: Appropriate

- In tandem with U-Haul's IT security, the Oxford Group has substantial IT systems and data breach controls in place on top of regularly conducted penetration testing and ongoing monitoring for cyber threats.
- Multi-faceted ERM framework with dedicated staff, specialized committees, comprehensive policies and procedures to identify and monitor risks, with internal and external audits completed at least annually.
- Significant cash flow testing performed for each company, of which results have been favorable.

Outlook

The positive outlooks reflect Oxford Group's improving business profile.

Rating Drivers

A positive rating action may occur if the group produces profitable premium growth and maintains its relative market position in annuities and final expense.

A negative rating action may occur if there is a material decline in operating performance.

A negative rating action may occur if there is a material decline in risk-adjusted capitalization.

Financial Statements:

Balance Sheet:

Balance Sheet:

Admitted Assets	Year End - December 31	
	2018 (\$000)	2017 (\$000)
Bonds	1,915,749	1,530,938
Preferred Stocks	1,000	1,000
Common Stocks	43,954	42,327
Mortgage Loans	167,126	265,294
Real Estate	19,577	19,748
Contract Loans	10,062	17,246
Cash & short-term Investments	22,420	45,967
Other Invested Assets	153	259
Premiums & Consideration Due	2,650	3,444
Investment income due & accrued	21,145	17,577
Other Assets	10,023	10,832
Total Assets	2,213,861	1,954,630

Liabilities & Surplus	Year End - December 31	
	2018 (\$000)	2017 (\$000)
Net policy reserves (see components below)	1,881,342	1,638,418
Liabilities for deposit type contracts	68,736	68,568
Policy Claims	18,599	18,543
Interest maintenance reserve	9,289	9,698
Commissions, taxes and expenses	4,296	2,339
Asset Valuation Reserve	15,358	13,681
Other Liabilities	12,518	7,452
Total Liabilities	2,010,138	1,758,699

YE 2018: Life \$281,370; annuities \$1,585,066; supplementary contracts with life contingencies \$7,746; accidental death benefits \$992; disability active lives \$284; disability disabled lives \$683; miscellaneous reserves \$588; accident & health \$4,613.

YE 2017: Life \$354,413; annuities \$1,269,962; supplementary contracts with life contingencies \$6,421; accidental death benefits \$1,045; disability active lives \$298; disability disabled lives \$712; miscellaneous reserves \$633; accident & health \$4,934.

Capital & Surplus	Year End - December 31	
	2018 (\$000)	2017 (\$000)
Common Stock	2,500	2,500
Paid-in & Contributed Surplus	16,435	16,435
Unassigned Surplus	184,788	176,996
Total Policyholders' Surplus	203,723	195,931
Total Liabilities & Surplus	2,213,861	1,954,630

Source: Bestlink - Best's Statement File - L/H, US

Company History:

Date Incorporated: 07/27/1965

Date Commenced: 06/24/1968

Domicile: United States: Arizona

Mergers: Safe Mate Life Insurance Company, Texas, 1998.

Company Management:

Last significant update on 07/25/2019

Officers

President: Mark A. Haydukovich

Vice President and Treasurer: Charles E. Miller, Jr.

Vice President and Chief Actuary: Robert W. Simmons

Vice President: Anthony M. Gertos

Vice President: Michael A. Quaranta

Secretary: Lauren Barbaruolo

Controller: Galina Braslavsky

Directors

Jason A. Berg

Kevin J. Harte

Mark A. Haydukovich

Daniel R. Mullen

Samuel J. Shoen

Stewart M. Shoen

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