

Security Benefit Life Insurance Co., First Security Benefit Life Insurance & Annuity Co. Of NY Outlooks Revised To Pos.

Publication date: 21-Jul-2014 14:04:29 EST

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- Security Benefit continues to generate capital organically with its consistently strong earnings.
- We are revising our outlook on Security Benefit to positive from stable and affirming our ratings on the company.
- The positive outlook reflects our belief that the company will maintain a very strong capital and earnings profile.

NEW YORK (Standard & Poor's) July 21, 2014--Standard & Poor's Ratings Services said today that it revised its outlook on Security Benefit Life Insurance Co. and First Security Benefit Life Insurance and Annuity Co. of New York (collectively, Security Benefit) to positive from stable, and affirmed its 'A-' long-term counterparty credit and financial strength ratings on the companies.

Security Benefit Life Insurance Co. continues to generate capital organically with its consistently strong earnings. Although the company had statutory net income of \$164 million in 2013, it also benefited from a \$325 million capital contribution from its parent Security Benefit Corp. to support future growth. As a result, total adjusted capital increased to \$1.2 billion.

The positive outlook reflects our belief that the company will maintain very strong capital (total adjusted capital in excess of \$1 billion and 'AA' redundant) and earnings profile (statutory net income in excess of \$150 million for 2014) while continuing to expand operations. Should Security Benefit meet these objectives during the next 12-24 months, we could upgrade the company to 'A'. However, should earnings fall short of expectations, or capital fall to less than \$1 billion and no longer be consider redundant at the 'AA' level by our risk-based capital model, we could affirm the current rating.

RELATED CRITERIA AND RESEARCH

- [Group Rating Methodology](#), Nov. 19, 2013
- [Insurers: Rating Methodology](#), May 7, 2013
- [Enterprise Risk Management](#), May 7, 2013
- [Methodology For Linking Short-Term And Long-Term Ratings For Corporate, Insurance, And Sovereign Issuers](#), May 7, 2013
- [Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers](#), Nov. 13, 2012
- [Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model](#), June 7, 2010
- [Use Of CreditWatch And Outlooks](#), Sept. 14, 2009

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at www.spcapitaliq.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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