

M Partner Carrier Due Care Snapshot



Financials (as of 12/31/2016) and Ratings

All Values in \$000s

Total U.S. L&H Insurance			Ratings			Last reviewed	
Total Admitted Assets, excluding sep. accts.	262,646,554		AM Best	A++	Superior	1 of 15	6/8/2016
Total Liabilities, excluding sep. accts.	219,006,666		Fitch	AAA	Exceptional	1 of 21	3/16/2017
Total Surplus & Asset Valuation Reserve (AVR)	39,788,121		Moody's	Aa1	Exceptional	2 of 21	2/9/2017
Surplus & AVR / Total Admitted Assets	15.1%		S&P	AA+	Very Strong	2 of 20	11/21/2016
Peer Group Surplus & AVR / Total Admitted Assets ¹	9.6%		Comdex	99			5/15/2017
Member Companies		Assets	Surplus & AVR	Invested Assets		Peer Group Avg. ¹	
Teachers Ins & Ann Assoc of America	256,695,531	39,747,295	Total	247,655,736		79,735,295	
TIAA-CREF Life Insurance Co	6,360,696	448,000	Bonds	77.3%		72.9%	
			Preferred Stock	0.1%		0.2%	
			Common Stock	1.2%		2.6%	
			Mortgages	8.5%		13.1%	
			Real Estate	0.9%		0.7%	
			Policy Loans	0.7%		4.0%	
			Cash & Short-Term Inv.	0.3%		2.3%	
			Other	11.1%		4.2%	

Source: A.M. Best Statement File

News/Commentary

February 27, 2017 – Fitch Affirms TIAA's IFS at 'AAA'; Outlook Stable

Fitch Ratings affirmed the 'AAA' insurer financial strength ratings for Teacher Insurance and Annuity Association of America and its wholly owned domestic subsidiary, TIAA-CREF Life Insurance Co. The rating outlook is stable. According to Fitch, TIAA's ratings reflect its extremely strong capitalization, very stable liability profile, good risk-adjusted earnings, and strong competitive position in the U.S. pension market. Fitch said TIAA's statutory capitalization metrics are extremely strong and in line with ratings expectations with the company's total adjusted capital at year-end 2016 standing at \$40.2 billion. Fitch also stated that TIAA's statutory net income during the first three quarters of the year were 40% higher than the same period of 2015 due to strong investment performance. Fitch commented that TIAA's investment portfolio continues to perform within expectations and that credit-related investment losses have been favorable and improving over the last five years.

August 8, 2016 – Moody's Affirms TIAA's Aa1 IFS Ratings Following Announcement to Acquire EverBank

Moody's Investors Service affirmed the 'Aa1' insurance financial strength rating of Teachers Insurance and Annuity Association and TIAA-CREF Life Insurance Co. following the announcement of the agreement to purchase EverBank Financial Corp. The rating outlook is stable. According to Moody's, the affirmation was based on the modest size of the announced acquisition and its strategic fit in complementing TIAA's capabilities in its core 403(b) pension business. Moody's described the acquisition as credit negative because EverBank has a much weaker credit profile than TIAA. Moody's commented that the affirmation also reflects the company's outstanding capital base and uniquely stable liability structure.

June 8, 2016 – A.M. Best Affirms Ratings of Teachers Insurance and Annuity Assoc. and Its Subsidiaries

A.M. Best affirmed the 'A++' financial strength rating of Teachers Insurance and Annuity Association and its wholly-owned subsidiary, TIAA-CREF Life Insurance Co. The outlook for the rating is stable. According to A.M. Best, the affirmation reflects TIAA's strong risk-adjusted capitalization and its leading position in the higher education pension marketplace. A.M. Best said it has a favorable view of TIAA's unique liability structure where most of its general account reserves are not cashable. TIAA's long liability structure and low liquidity needs allow it to take advantage of investment assets that are higher yielding, have less liquidity, and are of longer duration. A.M. Best also stated it considers TIAA's investment management capabilities to be extremely strong. The company's investment portfolio has generated only moderate levels of investment losses in recent years. A.M. Best's concerns regarding TIAA include the group's sizeable exposure to real estate-related and Schedule BA assets, which it believes hold the potential for material credit losses should the global economy deteriorate.

October 1, 2014 – S&P: TIAA 'AA+' Ratings Affirmed After Nuveen Acquisition

Standard & Poor's affirmed its 'AA+' insurer financial strength ratings of Teachers Insurance and Annuity Association and its wholly owned subsidiary, TIAA-CREF Life Insurance Co. The outlook is stable. S&P said TIAA's combined group credit profile is unchanged by the Nuveen acquisition and the company is financing the transaction in a manner to maintain capital adequacy and financial leverage in support of its current

¹ 30 life and health insurance groups representing over 80% of issued face amounts in permanent policies in 2016



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ratings. S&P stated TIAA's business risk profile remains excellent, reflecting its relatively low-risk product portfolio, favorable competitive position compared to many industry peers', strength and predictability of company earnings, and overall success of its business model.