



Press Release

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FOR IMMEDIATE RELEASE

Delaware Life Insurance Company 2016 Annuity Sales Pass \$1 Billion

Continued Focus on Innovative Retirement Products and Distribution Drives Growth

Highlights

- Surpassed \$1 billion in annuity sales YTD July 2016
- Expanded statutory capital and surplus position to \$1.8 billion*
- Maintained strong Company Action Level Risk-Based Capital Ratio of 730%*
- Continued to generate strong and stable earnings
- Standard & Poor's upgraded its financial strength rating from "BBB" to "BBB+"
- A.M. Best affirmed its financial strength rating of A- (Excellent)

* As of year-end 2015.

Waltham, MA, August 24, 2016 — Delaware Life Insurance Company ("Delaware Life") announced today that it has achieved an important milestone, breaking through the \$1 billion mark in year-to-date annuity sales through July. In comparison, the company generated \$1.2 billion of total annuity sales for the full year in 2015.

"A key goal among investors today is to find solutions that can provide both pre-retirement asset accumulation and reliable lifetime income," said Daniel J. Towriss, President. "Since restarting our new business operations in late 2013, we have focused on developing innovative products and features that offer reliability and transparent value to meet those needs. These sales results prove that we're on the right track."

Included in these results are sales of Delaware Life's Pinnacle MYGASM, a fixed annuity, and two fixed index annuities (FIAs): Delaware Life Retirement Chapters 10[®] and Delaware Life Retirement Stages 7SM. While Pinnacle MYGA was launched in late 2013, the company diversified its product line in 2015 with the introduction of Retirement Chapters 10[®] in May and Retirement Stages 7SM in September.

"While Pinnacle MYGA has been a steady contributor to our sales, diversifying our product offerings with the launch of two FIAs last year has already paid dividends, as these now account for more than one-third of combined annuity sales," Towriss added.

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Solid Financials and Ratings Improvement

In the past six months, ratings agencies have twice given Delaware Life positive reviews:

- In February, A. M. Best affirmed its financial strength rating of A- (Excellent) and the issuer credit rating of "a-" for Delaware Life Insurance Company and Delaware Life Insurance Company of New York; the outlook for all ratings is stable.
- In April, Standard & Poor's upgraded its counterparty credit and financial strength ratings on Delaware Life Insurance Company and Delaware Life Insurance Company of New York to "BBB+" from "BBB," with a stable outlook.

The agencies attributed the positive ratings action to the companies' strong capitalization, favorable liquidity profile, and stable operating earnings generated by the companies' \$36 billion closed block of annuities and life insurance acquired from Sun Life Financial in August 2013.

At the close of the last fiscal year (December 2015), Delaware Life maintained a strong Company Action Level Risk-Based Capital Ratio of 730% (1,564% for Delaware Life Insurance Company of New York). This ratio is well above most of Delaware Life's competitors in the U.S. annuity and life insurance industry.

In addition, Delaware Life reported statutory adjusted capital and surplus of \$1.8 billion at the end of 2015 and generated 2015 statutory net income of \$365 million, representing a return on capital and surplus of approximately 20.0%.

Focus on Product Expansion and Diversification

"While the block of former Sun Life business has provided steady revenues, the outlook for Delaware Life is dependent on its ability to continue growing its line of current product offerings, according to the ratings agencies. The company is working in two ways to keep its sales momentum," Towriss said.

- **Product Expansion:** Delaware Life is planning to increase and diversify its FIA product line in the fourth quarter of 2016, with updates to an existing product and the introduction of a new FIA focused on providing secure retirement income. In addition, a new single-premium indexed life insurance offering is scheduled to launch within the next six months.
- **Distribution Focus:** While still generating sales primarily from the insurance channel, the company has expanded its selling relationships with broker-dealers and regional and local banks. Delaware Life is also well-positioned to deal with the regulatory, product and distribution implications of the Department of Labor's new "fiduciary rule," which begins to take effect in April 2017.

"Growing our business in an extremely competitive environment is a challenge, but new products, expanded distribution, and a commitment to providing value to our clients have been and continue to be our focus," said Towriss. "The steady sales increases that Delaware Life has enjoyed are, we believe, proof that the marketplace agrees."



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About Delaware Life

The Delaware Life group of companies, through its insurance subsidiaries, is a leader in assets under management in the United States, currently managing approximately \$36 billion of in-force annuity and life insurance policies. The group was established in August 2013, in connection with the purchase by Delaware Life Holdings, LLC of the domestic U.S. annuity business and certain individual life and corporate markets insurance businesses of Sun Life Financial Inc.

Delaware Life Insurance Company is authorized to transact business in all states except New York, as well as in the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Delaware Life Insurance Company of New York is authorized to transact business in New York and Rhode Island. Both companies are members of the Delaware Life group of companies. Each company is responsible for its own financial condition and contractual obligations.

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