Best's Rating Report

Oxford Life Insurance Company

2721 North Central Avenue, Phoenix, Arizona, United States 85004-1172

AMB #: 007890 **NAIC #:** 76112 **FEIN#:** 86-0216483

Phone: 602-263-6666 **Fax:** 602-277-5901 **Website:** www.oxfordlife.com

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 29, 2018

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

Five Year Credit Rating History:

	Best's Financial Strength Ratings			Best's Issuer Credit Ratings		
Date	**Rating**	**Outlook**	**Action**	**Rating**	**Outlook**	**Action**
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
05/06/2014	A-	Stable	Upgraded	a-	Stable	Upgraded

Rating Rationale:

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

Balance Sheet Strength: Strongest

- Strongest level of risk-adjusted capitalization as exhibited by Best's Capital Adequacy Ratio (BCAR).
- Implicitly supported by AMERCO in both capital contributions if ever required and assistance in managing the group's mortgage portfolio, which has produced favorable returns historically.
- Favorable liquidity position bolstered further with membership in the Federal Home Loan Bank (FHLB) of San Francisco, an advantage the company has used sparingly.

Operating Performance: Adequate

- Ten-year history of profitable earnings results due in part to favorable invested asset performance, despite operating in a low interest rate environment.
- Significant overall premium revenue growth from the previous year due to higher individual annuity sales of the company's multi-year guaranteed annuity product.
- Total benefits increased substantially in 2017 across all lines leading to a sizeable decrease in pre-tax operating earnings from the previous year.

Business Profile: Limited

- Oxford Group is not a material contributor to AMERCO's business profile or operating results; it does, however, provide some diversification benefit.
- Annuity business growth has far outpaced the group's two other main lines, Medicare Supplement and final expense life insurance. A.M. Best's product risk continuum categorizes annuities and Medicare Supplement as higher-risk products.
- The group is well diversified geographically with sales in 46 states, policies in-force in all 50 states, and no single state concentration.

Enterprise Risk Management: Appropriate

- Significant stress / cash flow testing is conducted to evaluate risk exposures.
- Multi-faceted ERM framework with dedicated staff, specialized committees, internal and external audits completed at least annually.
- Established comprehensive policies and procedures to continually monitor and minimize the effects of identified risks.

Outlook

The stable outlooks reflect Oxford Group's strongest level of balance sheet strength.

Rating Drivers

A positive rating action may occur if the group produces profitable premium growth across all core lines.

A negative rating action may occur if there are increased product concentration risks or higher growth in less creditworthy product lines.

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	
	2017 ($000)	2016 ($000)
Bonds	1,530,938	1,334,154
Preferred Stocks	1,000	1,000
Common Stocks	42,327	42,941
Mortgage Loans	265,294	217,963
Real Estate	19,748	19,970
Contract Loans	17,246	16,700
Cash & short-term Investments	45,967	18,335
Premiums & Consideration Due	3,444	3,533
Investment income due & accrued	17,577	16,355
Other Assets	11,091	13,399
Total Assets	1,954,630	1,684,348

Liabilities & Surplus	Year End - December 31	
	2017 ($000)	2016 ($000)
+ Net Policy Reserves	1,638,418	1,405,042
Liabilities for deposit type contracts	68,568	37,923
Policy Claims	18,543	17,200
Interest maintenance reserve	9,698	8,321
Commissions, taxes and expenses	2,339	4,454
Asset Valuation Reserve	13,681	13,066
Other Liabilities	7,452	9,064
Total Liabilities	1,758,699	1,495,069

YE 2017: + Analysis of reserves; 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.

YE 2016: + Analysis of reserves; Life $348,181; annuities $1,043,668; supplementary contracts with life contingencies $5,149; accidental death benefits $1,098; disability active lives $319; disability disabled lives $748; miscellaneous reserves $560; accident & health $5,318.

Balance Sheet: (Continued...)

Balance Sheet: (Continued...)

Capital & Surplus	Year End - December 31	
	2017 ($000)	2016 ($000)
Common Stock	2,500	2,500
Surplus Notes	...	...
Paid-in & Contributed Surplus	16,435	16,435
Unassigned Surplus	176,996	170,344
Other Surplus	...	...
Total Policyholders' Surplus	195,931	189,279
Total Liabilities & Surplus	1,954,630	1,684,348

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 08/03/2018

Officers

President: Mark A. Haydukovich
Vice President and Treasurer: Charles E. Miller, Jr.
Vice President: Anthony M. Gertos
Vice President: Michael A. Quaranta
Secretary: Ryan A, Ramsey
Controller: Galina Braslavsky

Directors

Jason A. Berg
Mark A. Haydukovich
Daniel R. Mullen
Samuel J. Shoen
Stewart M. Shoen
Mary K. Thompson

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A Best's Issue/Issuer Credit Rating is an opinion regarding the relative future credit risk of an entity, a credit commitment or a debt or debt-like security.

Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

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