FOR IMMEDIATE RELEASE

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A.M. Best Affirms Credit Ratings of AmFirst Insurance Company and Monitor Life Insurance Company of New York

OLDWICK, N.J., June 15, 2017—The following rating actions referenced below were made on June 8, 2017. **A.M. Best** has affirmed the Financial Strength Rating (FSR) of A- (Excellent) and the Long-Term Issuer Credit Ratings (Long-Term ICR) of "a-" of **AmFirst Insurance Company** (AmFirst) (Oklahoma City, OK) and its wholly owned subsidiary, **Monitor Life Insurance Company of New York** (Monitor Life) (Utica, NY). The outlook of these Credit Ratings (ratings) remains stable. Additionally, A.M. Best has also affirmed the FSR of B++ (Good) and the Long-Term ICR of "bbb+" of **TPM Life Insurance Company** (TPM) (Lancaster, PA), a wholly owned subsidiary of AmFirst. The outlook of these ratings remains stable.

The rating affirmations of AmFirst and Monitor Life reflect improved risk-adjusted capitalization, a projected premium growth trend, favorable operating margins, expansion of products and geographic diversification. Each of AmFirst's and Monitor Life's risk-adjusted capital measures has increased over the near term, which reflects their combined favorable operating income and capital growth that is outpacing premium growth. Over the past five years, capital has increased through retained earnings as a result of the combined favorable operating results of the group and the lack of shareholder dividend payments. On a consolidated basis, the companies have reported a favorable long-term trend of net premium revenue growth over the past four years, driven primarily by increased sales of their medical gap insurance and dental products through strategic partners. The companies share comprehensive marketing and sales arrangements for business written by their insurance

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entities and strategic partners, which continue to drive new sales and facilitate market expansion and geographic diversification. Monitor Life's international life and health insurance products have added to the organization's geographic diversification.

Partially offsetting rating factors include a somewhat limited product portfolio, restricted access to capital, increased medical and operating costs and market challenges. AmFirst's product offerings continue to expand, mainly through international medical and disability products written by Monitor Life; however, the organization's medi-gap and dental products are the main drivers of premiums and earnings for the company. Monitor Life's earnings are more diversified with international medical products and accident and health offerings. AmFirst and Monitor Life discontinued their group term life offerings in 2015. Although this line of business had been profitable, the selling and administrative costs were high and the companies chose to concentrate strategies away from life products. Investments have been focused on other higher-margin business. Additionally, access to additional capital is somewhat limited. There is no line-of-credit (LOC) maintained at AmFirst or Monitor Life; however, **AmFirst Holdings, Inc.**, has secured an LOC to acquire property. The group has experienced higher administrative expenses in its medi-gap product line in recent years, which may continue to increase. Additionally, competitive market pressure may challenge the group to continue to grow its direct and assumed businesses in its core health business.

The ratings of TPM reflect its stable projected premium trend from primarily its medi-gap insurance product sales in expansion markets, operating gains and increased level of risk-adjusted capitalization. Offsetting these favorable rating attributes includes limited geographic diversification, the addition of a small block of reclaimed long-term care business and the potential for losses exceeding A.M. Best's expectations.

This press release relates to Credit Ratings that have been published on A.M. Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office

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responsible for issuing each of the individual ratings referenced in this release, please see A.M. Best's Recent Rating Activity web page. For additional information regarding the use and limitations of Credit Rating opinions, please view Understanding Best's Credit Ratings. For information on the proper media use of Best's Credit Ratings and A.M. Best press releases, please view Guide for Media - Proper Use of Best's Credit Ratings and A.M. Best Rating Action Press Releases.

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