



BEST'S COMPANY REPORT

It's Our Business to Protect Yours

FEDERATED ***INSURANCE*** ®

FEDERATED LIFE INSURANCE COMPANY

Domiciliary Address: 121 East Park Square, Owatonna, Minnesota 55060 United States

Administrative Office: 121 East Park Square, Owatonna, Minnesota 55060 United States

Mailing Address: 121 East Park Square, Owatonna, Minnesota 55060 United States

AMB #: 006381

NAIC #: 63258

FEIN #: 41-6022443

Phone: +1-507-455-5200

Fax: +1-507-446-4664

Website: www.federatedinsurance.com



Best's Credit Rating Effective Date

April 02, 2025

Analytical Contacts

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Information

[Best's Credit Rating Methodology](#)

[Guide to Best's Credit Ratings](#)

[Market Segment Outlooks](#)

Financial Data Presented

The financial data in this report reflects the most current data available to the Analytical Team at the time of the rating. Updates to the financial exhibits in this report are available here: [Best's Financial Report](#).

Federated Life Insurance Company

AMB #: 006381 | NAIC #: 63258 | FEIN #: 41-6022443

Ultimate Parent: AMB # 000384 - Federated Mutual Insurance Company

Best's Credit Ratings

Financial Strength Rating (FSR)

A+ Superior
Outlook: Stable Action: Affirmed

Issuer Credit Rating (ICR)

aa- Superior
Outlook: Stable Action: Affirmed

Assessment Descriptors

Balance Sheet Strength	Strongest
Operating Performance	Strong
Business Profile	Neutral
Enterprise Risk Management	Appropriate

Rating Rationale

Balance Sheet Strength: **Strongest**

- Federated Life continues to maintain a risk-adjusted capitalization assessment of strongest as measured by Best's Capital Adequacy Ratio (BCAR), further evidenced by RBC ratios of over 700% in most years.
- Consistent and favorable capital and surplus growth with a total capital five-year compound annual growth rate well above the life/annuity industry average.
- Conservative investment portfolio heavily weighted in investment-grade fixed-income securities with no direct exposure to real estate or mortgage loans. However, it is noted that the company has increased allocations to NAIC-2 bonds over time, which currently account for approximately 42% of the total bond holdings.

Operating Performance: **Strong**

- Federated Life has produced pre-tax and net operating profitability in each of the past five years.
- Favorable return on equity metrics above those of mutual company peers.
- Investment performance has improved in most of the past five years.

Business Profile: **Neutral**

- The majority of Federated Life's reserves are in products considered lower risk as per AM Best's product risk scale, including current assumption universal life and term life.
- Federated Life is highly integrated with its parent, Federated Mutual Insurance Company, which utilizes over 500 affinity groups contracted to market life, annuity, and property/casualty products. Direct marketers also coordinate with a special accounts team that identifies prospects during annual, quarterly, and monthly planning while executing the product development strategy.
- The company maintains a moderate amount of product and geographic diversification offering life, annuity, and disability products throughout the contiguous United States with no one state representing more than 8% of total direct premiums written.

Enterprise Risk Management: **Appropriate**

- It has a formal ERM program that is centered on the organization's major risk categories.
- Defined risk appetite and risk tolerance statements are in place.
- Strong risk assessment culture and risk management controls. Highly risk-aware management team.
- ERM processes have continued to assist the organization in meeting its corporate profitability and preservation of capital goals.

Rating Lift/Drag

- Receives rating support from its parent property/casualty company.
- Federated Life shares common branding and distribution with its parent, Federated Mutual Insurance Company, and the life company is necessary for licensing and sale of life insurance products for the group.
- Federated Life is not currently a material contributor of earnings to the Federated Mutual group of companies.

Outlook

- The stable outlooks reflect Federated Life's strongest level of balance sheet strength assessment and solid operating performance, while benefiting from a strong parent, Federated Mutual Insurance Company.

Rating Drivers

- Negative rating action may occur if there is a material and sustained deterioration in Federated Life's operating performance.
- A negative rating action could occur if there is a negative rating action taken by AM Best on its parent, Federated Mutual Insurance Company, or if the strategic value and/or its contribution to the organization decreases.
- While unlikely, positive rating action may occur if there is a material increase in Federated Life's contribution to its parent's revenues and earnings.

Key Financial Indicators

Best's Capital Adequacy Ratio (BCAR) Scores (%)

Confidence Level	95.0	99.0	99.5	99.6
BCAR Score	82.3	76.4	74.1	73.5

Source: Best's Capital Adequacy Ratio Model - L/H, US

Year End - December 31

Key Financial Indicators USD (000)

	2024	2023	2022	2021	2020
Assets:					
General Account	2,874,842	2,717,568	2,599,436	2,427,111	2,255,813
Total	2,874,842	2,717,568	2,599,436	2,427,111	2,255,813
Liabilities:					
Net Life Reserves	1,949,407	1,877,143	1,829,557	1,720,362	1,613,487
Net Accident & Health Reserves	119,604	113,481	99,296	96,602	94,801
Liability for Deposit Contracts	5,946	6,579	4,775	4,670	5,188
Asset Valuation Reserve	44,474	36,036	31,653	29,408	18,866
Other General Account	29,648	33,308	35,356	26,087	17,278
Total	2,149,079	2,066,547	2,000,637	1,877,129	1,749,620
Total Capital and Surplus	725,763	651,021	598,799	549,981	506,193
Net Income	76,935	58,326	57,276	42,871	43,229
Net Premiums Earned	298,835	278,918	291,904	251,734	216,253
Net Investment Income	157,776	144,398	126,510	129,312	115,626

Source: BestLink® - Best's Financial Suite

Year End - December 31

Key Financial Ratios (%)

	2024	2023	2022	2021	2020	Weighted Average
Operating Return on Revenue	18.3	14.7	13.7	11.6	14.0	14.6
Operating Return on Capital and Surplus	12.1	10.0	10.0	8.4	9.6	10.1
Net Investment Yield	5.7	5.5	5.1	5.6	5.3	5.5
Pre-Tax Investment Total Return	5.6	5.3	4.8	6.0	5.0	5.3

Source: BestLink® - Best's Financial Suite

Year End - December 31

Leverage (%)

	2024	2023	2022	2021	2020
General Account Liabilities to Capital and Surplus	3.0	3.2	3.3	3.4	3.5
Higher Risk Assets to Capital and Surplus:					
All Other Higher Risk Assets	34.7	32.4	38.2	34.3	41.6

Source: BestLink® - Best's Financial Suite

Year End - December 31

Liquidity Analysis

	2024	2023	2022	2021	2020
Current Liquidity (%)	124.0	123.4	122.5	124.0	123.3
Net Operating Cash Flow USD (000)	161,736	120,015	167,405	153,135	135,712

Source: BestLink® - Best's Financial Suite

Credit Analysis

Balance Sheet Strength

Federated Life's balance sheet strength benefits from the strongest level of risk-adjusted capitalization as measured by AM Best, mostly derived from organic earnings growth. Invested assets are generally of good credit quality but have increased allocations in more volatile and/or risky asset types such as private placements and lower rated investment grade bonds over time. Reinsurance use is low and is transacted with highly rated reinsurers. Most of its reserves are in ordinary life insurance products, which is considered by AM Best to be less risky and more credit worthy.

Balance Sheet Strength (Continued...)

Capitalization

Federated Life's risk-adjusted capitalization, as defined by the Best Capital Adequacy Ratio (BCAR), is assessed as strongest and supportive of its insurance and business risks. Quality of capital is high due to high absolute capitalization, growth mainly from organic earnings, low use of reinsurance, no financial leverage, and no prescribed or permitted accounting practices. The parent company is also well capitalized and hasn't historically required dividends from Federated Life.

Capital Generation Analysis USD (000)	Year End - December 31				
	2024	2023	2022	2021	2020
Beginning Capital and Surplus	651,021	598,799	549,981	506,193	467,663
Net Operating Gain	83,555	62,340	57,503	44,358	46,591
Net Realized Capital Gains (Losses)	-6,620	-4,014	-227	-1,487	-3,362
Net Unrealized Capital Gains (Losses)	3,395	1,616	-6,927	10,059	-3,346
Other Changes in Capital and Surplus	-5,588	-7,720	-1,532	-9,141	-1,353
Net Change in Capital and Surplus	74,742	52,223	48,817	43,788	38,530
Ending Capital and Surplus	725,763	651,021	598,799	549,981	506,193
Net Change in Capital and Surplus (%)	11.5	8.7	8.9	8.7	8.2
Net Change in Capital and Surplus (5 yr CAGR)	9.2	...	...	...	...

Source: BestLink® - Best's Financial Suite

Asset Liability Management - Investments

Invested assets are comprised mostly of bonds, with more modest allocations to cash and short-term, common stocks, and other invested assets. Bond allocations are comprised mostly of corporates, taxable municipals, and structured. Corporate bond sector holdings include finance (banks and insurance), manufacturing, and services. To gain yield, Federated Life has increased its allocations to lower rated investment grade bonds, which account for nearly half of bond holdings. In addition, allocations to privately placed bonds have increased to almost 60% of total bond holdings. There are no holdings in mortgage loans or real estate. Schedule BA assets consist of \$88 million of surplus notes. High risk asset exposure is comparable to its peers and is mostly due to below investment grade bonds.

Composition of Cash and Invested Assets	Year End - December 31				
	2024	2023	2022	2021	2020
Total Cash and Invested Assets USD (000)	2,797,542	2,644,964	2,535,452	2,370,370	2,201,336
Composition Percentages (%)					
Unaffiliated:					
Cash and Short Term Investments	4.8	2.2	2.7	3.2	2.9
Bonds	85.1	89.1	89.3	90.2	91.5
Stocks	4.2	3.9	3.7	3.9	2.5
Other Invested Assets	5.9	4.8	4.3	2.8	3.1
Total Unaffiliated	100.0	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

Bonds and Short Term Investments - Distribution by Maturity (%)	Years					Average (Years)
	0-1	1-5	5-10	10-20	20+	
Government Bonds	...	0.3	0.1	0.1	...	6.6
Government Agencies and Municipal Bonds	2.2	0.8	2.5	3.9	0.2	8.9
Industrial and Miscellaneous Bonds	12.2	41.2	21.3	13.3	2.0	6.0
Total Bonds	14.4	42.3	23.8	17.3	2.2	6.3

Source: BestLink® - Best's Financial Suite

Balance Sheet Strength (Continued...)

Bonds - Distribution by Issuer	Year End - December 31				
	2024	2023	2022	2021	2020
Bonds USD (000)	2,380,669	2,355,492	2,263,786	2,137,001	2,013,213
US Government (%)	0.3	0.3	0.4	0.4	0.3
Foreign Government (%)	0.1	0.1	0.1	0.1	0.1
Foreign - All Other (%)	11.2	13.1	12.6	13.1	14.2
State, Municipal & Special Revenue (%)	9.5	9.0	10.4	11.6	13.1
Industrial & Miscellaneous (%)	78.8	77.5	76.4	74.8	72.2
Total Bonds (%)	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

Reserve Adequacy

The company is moderating its exposure to annuity liabilities, which account for about one fifth of total reserves. XXX reserving resulting from level premium term life products is retained on the balance sheet, rather than funded through captives. At year-end 2024, approximately 91% of annuity liabilities had no surrender charges and nearly all had minimum guaranteed crediting rates over 3%. Adequacy of reserves is also supported by cash flow testing.

Operating Performance

Federated Life has reported positive earnings in recent years with that trend continuing through 2024, driven by steady net investment income growth offsetting moderate underwriting losses. Earnings in 2024 were positive overall with a net income of \$76.9 million.

Most of the company's earnings are derived from the ordinary life line of business, which is focused on the universal life and traditional life product lines. Investment income saw strong growth in 2024. Net income continued its growth trend mostly due to increases in investment earnings. In earlier periods, earnings improved due to higher premiums, net investment income, lower surrenders, partially offset by higher death and annuity benefits, and general expenses. AM Best notes that Federated Life's return on surplus ratios are favorable relative to mutual company peers.

Net Operating Gain By LOB USD (000)	Year End - December 31				
	2024	2023	2022	2021	2020
Individual Life	44,208	36,375	25,135	13,363	19,769
Group Life	676	-2,830	280	128	865
Individual Annuities	2,853	1,706	1,911	1,939	3,226
Accident & Health	13,152	5,418	12,761	13,428	7,677
Other Lines of Business	22,666	21,671	17,415	15,500	15,054
Total	83,555	62,340	57,503	44,358	46,591

Source: BestLink® - Best's Financial Suite

Accident & Health Statistics	Year End - December 31				
	2024	2023	2022	2021	2020
Net Premiums Written USD (000)	41,190	39,460	37,451	35,885	33,556
Net Premiums Earned USD (000)	41,342	39,822	37,372	34,980	33,549
Claims and Cost Containment Ratio (%)	37.2	60.0	28.4	24.2	47.4
Expense Ratio (%)	34.5	35.3	38.4	37.0	35.0
Combined Ratio (%)	71.7	95.3	66.8	61.2	82.4
Underwriting Results USD (000)	11,755	1,984	12,384	13,212	5,917

Source: BestLink® - Best's Financial Suite

Business Profile

There are several unique qualities that together give Federated Life a competitive advantage. As part of the broader Federated Mutual group structure that has a long-term time horizon, Federated Life is not pressured to meet quarterly performance goals. The company also benefits from the group's direct marketing network consisting of over 500 employees marketing property/casualty and life

Business Profile (Continued...)

products. The group contracts with industry associations and affinity groups which gives Federated exclusive rights to market their products through their multi-line employee agents. Typically, once a group establishes a contractual relationship with Federated, property/casualty products are initially marketed, followed by life products.

Products offered by Federated Life include universal life, whole life, and term life. Individual fixed annuities are also sold, with steady premium growth seen in recent years. Federated Life also markets disability insurance. Products are sold in every state except Alaska, Hawaii, and the District of Columbia with no one state making up over 8% of total direct premiums written. The vast majority of direct written premium is ordinary life, of which most is current assumption universal life.

2024 By Line Business	Direct Premiums Written		Reinsurance Premiums Assumed		Reinsurance Premiums Ceded		Net Premiums Written		Business Retention
	USD (000)	%	USD (000)	%	USD (000)	%	USD (000)	%	%
Individual Life	275,136	85.2	...	...	24,645	99.2	250,491	83.8	91.0
Group Life	1,973	0.6	763	100.0	199	0.8	2,538	0.8	92.7
Individual Annuities	4,616	1.4	...	...	...	...	4,616	1.5	100.0
Accident & Health	41,190	12.8	...	...	...	...	41,190	13.8	100.0
Total	322,915	100.0	763	100.0	24,844	100.0	298,835	100.0	92.3

Source: BestLink® - Best's Financial Suite

Year End - December 31

Geographic Breakdown by Direct Premiums Written and Deposit-Type Contracts USD (000)

	2024	2023	2022	2021	2020
Minnesota	25,292	25,337	43,381	34,045	22,307
Texas	22,802	20,092	25,461	18,938	16,862
California	22,744	19,746	19,457	18,166	15,465
Michigan	16,415	12,352	15,299	10,966	9,434
Missouri	13,857	13,024	13,166	11,559	10,760
Top 5 States	101,110	90,552	116,765	93,673	74,828
All Other	218,809	207,022	191,437	172,706	157,669
Total	319,918	297,574	308,202	266,379	232,497
Geographic Concentration Index	0.04	...	...	...	...

Source: BestLink® - Best's Financial Suite

Enterprise Risk Management

Traditional risk management practices have been in place for some time at Federated, as evidenced by the group's historical record of stability. Certain cornerstones of their risk management include the following: conservative investment policy; conservative loss reserving practices; voluntary early adoption of the Model Audit Rule (and full compliance); limited turnover and tenure of Board of Directors and Leadership Group; extensive and comprehensive hiring practices for their entire enterprise (especially their distribution force); increasing emphasis on an integrated compliance team and its respective policies; systematic approach to eliminate legacy systems; and to improve analytics to enable growth.

The group also has an established Enterprise Risk Management policy which clearly states risk tolerances and risk appetite. The policy outlines the group's ERM objectives, leadership structure, and responsibilities. The board of directors and senior management uses a balanced approach in determining acceptable levels of risk to undertake. Assumed risks must achieve stated operational and strategic business objectives, provide a financial return that meets or exceeds corporate expectations, comply with applicable laws and regulation, and work in the best interests of policyholders and employees.

Reinsurance Summary

Federated Life uses a modest level of reinsurance, which is below the mutual company average, and about a quarter of its inforce business is ceded. Yearly renewable term agreements are in place with highly rated reinsurers such as RGA Reinsurance Company, Swiss Re Life and Health America, Inc., and Canada Life Reinsurance Company. Maximum net retention on any one life is \$1.0 million for ordinary life risks.

Enterprise Risk Management (Continued...)

Environmental, Social & Governance

AM Best considers the group's exposure to material environmental, social and corporate governance (ESG) risks to be moderate. While Federated faces potential impacts from all ESG factors, social inflation and governance are viewed as having the greatest impact on financial strength over the near-term. Strong corporate governance practices are maintained including a set of risk tolerance statements surrounding key risk, operations, and capital. Roles and responsibilities are clearly defined, including risk owners for key risks. Regular monitoring of risk tolerance metrics, correlations, and mitigating activities are established for top risks. Deterministic modeling is used to assure the reinsurance structure is able to absorb shock losses in accordance with the established risk appetite statement. Stress testing is performed including evaluating the impact to earnings and capital at various scenarios which are incorporated in the capital modeling process.

Rating Lift/Drag

Federated Life receives rating enhancement from its parent property/casualty company, Federated Mutual, as it shares common branding and distribution with the parent and is necessary for licensing as the company is the provider of life insurance for the Federated organization. Currently, Federated Life is not a material contributor of earnings to the Federated group of companies.

Financial Statements

	Year End - December 31			
	2024		2023	
Balance Sheet	USD (000)	%	USD (000)	%
Cash and Short Term Investments	133,721	4.7	59,155	2.2
Bonds	2,380,669	82.8	2,355,492	86.7
Preferred and Common Stock	116,839	4.1	103,570	3.8
Other Invested Assets	166,313	5.8	126,747	4.7
Total Cash and Invested Assets	2,797,542	97.3	2,644,964	97.3
Premium Balances	17,710	0.6	16,110	0.6
Net Deferred Tax Asset	20,962	0.7	18,392	0.7
Other Assets	38,628	1.3	38,104	1.4
Total General Account Assets	2,874,842	100.0	2,717,568	100.0
Total Assets	2,874,842	100.0	2,717,568	100.0
Net Life Reserves	1,949,407	67.8	1,877,143	69.1
Net Accident & Health Reserves	119,604	4.2	113,481	4.2
Liability for Deposit Contracts	5,946	0.2	6,579	0.2
Asset Valuation Reserve	44,474	1.5	36,036	1.3
Other Liabilities	29,648	1.0	33,308	1.2
Total General Account Liabilities	2,149,079	74.8	2,066,547	76.0
Total Liabilities	2,149,079	74.8	2,066,547	76.0
Capital Stock	4,000	0.1	4,000	0.1
Paid-In and Contributed Surplus	4,000	0.1	4,000	0.1
Unassigned Surplus	715,641	24.9	640,434	23.6
Other Surplus	2,122	0.1	2,588	0.1
Total Capital and Surplus	725,763	25.2	651,021	24.0
Total Liabilities, Capital and Surplus	2,874,842	100.0	2,717,568	100.0

Source: BestLink® - Best's Financial Suite

Income Statement USD (000)	Year End - December 31	
	2024	2023
Net Premiums Earned:		
Individual Life	250,491	229,858
Group Life	2,538	2,551
Individual Annuities	4,616	7,012
Accident & Health	41,190	39,497
Total Net Premiums Earned	298,835	278,918
Net Investment Income	157,776	144,398
Other Income	-267	-81
Total Revenue	456,344	423,236
Policy Benefits	252,953	253,642
Commissions and Expense Allowances	24,670	23,331
Insurance and Other Expense	67,152	63,362
Pre-Tax Net Operating Gain	111,569	82,901
Income Taxes Incurred	28,013	20,561
Net Operating Gain	83,555	62,340
Net Realized Capital Gains	-6,620	-4,014
Net Income	76,935	58,326

Source: BestLink® - Best's Financial Suite

Statement of Operating Cash Flows USD (000)	Year End - December 31	
	2024	2023
Net Premiums Collected	296,974	277,345
Net Investment Income	158,598	139,928
Other Income Received	99	58
Total Collected Operating Revenue	455,672	417,331
Net Benefits and Loss Related Payments	172,572	194,461
Commissions and Other Expenses Paid	90,567	84,722
Income Taxes Paid (Recovered)	30,796	18,133
Total Paid Expenses and Transfers	293,936	297,317
Net Operating Cash Flow	161,736	120,015

Source: BestLink® - Best's Financial Suite

Federated Life Insurance Company

Last Update

April 24, 2025

Identifiers

AMB #: 006381

NAIC #: 63258

FEIN #: 41-6022443

Contact Information

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Financial Data Presented

The financial data in this report reflects the most current data available at the time the report was printed.

Filing Date History

March 17, 2025 (April Annual)
February 26, 2025 (March Annual)
November 05, 2024 (9-Month)
August 07, 2024 (6-Month)
May 14, 2024 (3-Month)

Operations

Date Incorporated: December 09, 1958 | **Date Commenced:** January 05, 1959

Domiciled: Minnesota, United States

Licensed: (Current since 07/07/2014). The company is licensed in AL, AZ, AR, CA, CO, CT, DE, FL, GA, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI and WY.

Business Type: Life, Annuity, and Accident

Organization Type: Stock

Marketing Type: Exclusive/Captive Agent

Best's Financial Size Category: XI (USD 750 Million to Less than 1.00 Billion)

Best's Credit Ratings

Rating Relationship

AM Best Rating Unit: 006381 - Federated Life Insurance Company

Best's Credit Rating Effective Date: April 02, 2025

Refer to the [Best's Credit Report for AMB# 006381 - Federated Life Insurance Company](#) for details regarding the rating rationale, credit analysis, and financial exhibits available at the time the credit analysis was performed.

Best's Credit Rating History

AM Best has assigned ratings on this company since 1968. In our opinion, the company has a Superior ability to meet their ongoing insurance obligations and a Superior ability to meet their ongoing senior financial obligations.

The following are the most recent rating events, for longer history refer to [Rating History](#) in BestLink:

Best's Financial Strength Ratings				Best's Long-Term Issuer Credit Ratings		
Effective Date	Rating	Outlook	Action	Rating	Outlook	Action
Current -						
Apr 2, 2025	A+	Stable	Affirmed	aa-	Stable	Affirmed
Apr 10, 2024	A+	Stable	Affirmed	aa-	Stable	Affirmed
Apr 5, 2023	A+	Stable	Affirmed	aa-	Stable	Affirmed
Apr 6, 2022	A+	Stable	Affirmed	aa-	Stable	Affirmed
Mar 10, 2021	A+	Stable	Affirmed	aa-	Stable	Affirmed

Corporate Structure

Ultimate Parent: AMB # 000384 - Federated Mutual Insurance Company

Based on AM Best's analysis, AMB# 000384 Federated Mutual Insurance Company is the AMB Ultimate Parent and identifies the topmost entity of the corporate structure. Access in BestLink this company's current [Corporate Structure](#).

Management

Officers

Chairman, CEO, President: Nicholas Lower

Chief Information Officer, EVP: Ryker Richardson

Chief Underwriting Officer, EVP: Mark Heyne

EVP, Secretary, Treasurer, CFO: Michael Keller

EVP and Chief Officer: John Gehan (Insurance)

EVP: Thomas Peterson

EVP: Sean Pick

EVP: Becky Rauen

General Counsel, SVP: Jonathan Hanson

SVP: Alyson Bowman

SVP: Jennifer McNett

Directors

Steven Clark (Director)

Camelia Clarke (Director)

Jason Courter (Director)

David Frame (Director)

James Giesler (Director)

Michael Keller (Chief Financial Officer, Secretary, Treasurer)

Nicholas Lower (Chairman, Chief Executive Officer, President)

Darlene Miller (Director)

Thomas Nobbe (Director)

Sarah Person (Director)

Timothy Whicker (Director)

Regulatory

Auditor: PricewaterhouseCoopers, LLP

Actuary: Scott D. Haglund

An examination of the financial condition was made as of December 31, 2020, by the insurance department of Minnesota. The 2024 annual independent audit of the company was conducted by PricewaterhouseCoopers, LLP. The annual statement of actuarial opinion is provided by Scott D. Haglund, Director of Actuarial Services.

Professional Service Providers

Investment Managers, Advisors, Brokers/Dealers:

- BRET MOTTLL (Internal Employee)
- DONNA ENNIS (Internal Employee)
- JOHN HYLLE (Internal Employee)
- JOHN THOMPSON (Internal Employee)
- MARK HOOD (Internal Employee)
- MICHAEL KELLER (Internal Employee)
- TIFFANY HANEY (Internal Employee)

Principal Law Firm: Stinson, LLP

Visit [Best's Insurance Professional Resources](#) to search for additional Attorneys, Adjusters, and Expert Service Providers with experience serving the insurance industry.

State Rate Filings

Summary of Approved Filings

The table below shows the number of approved filings in the last five years. For more information, please refer to [Best's State Rate Filings - 006381 - Federated Life Insurance Company](#)

Major Line	2022	2021	2020	2019	2018
Individual Health - Disability Income	1	...	...	...	...
Life - Other	6	...	...	...	...
Multi-Line - Other	8	...	...	...	...
Total	15	...	...	...	...

Source: Best's State Rate Filings

Financial Results

Financial exhibits presented in this report provide calculated ratios using the most recent company-filed statements available in BestLink - Best's Statement File – L/H, US. Access [Quantitative Analytical Report \(QAR\) Annual](#) and [Quarterly](#) for additional details.

Currency: US Dollars

Balance Sheet Highlights

Ceded Reinsurance Analysis	Year End - December 31				
	2024	2023	2022	2021	2020
Federated Life Insurance Company					
Face Amount Reinsurance Ceded USD (000)	12,032,205	10,814,962	9,571,765	8,662,871	7,785,587
Unaffiliated Reinsurance Recoverable / Capital & Surplus (%)	0.4	0.6	1.1	0.7	0.4
Total Reinsurance Recoverable / Capital & Surplus (%)	0.4	0.6	1.1	0.7	0.4
Reinsurance Leverage (%)	0.6	0.8	1.3	0.9	0.6
Individual Life Composite					
Total Reinsurance Recoverable / Capital & Surplus (%)	3.1	3.7	3.9	4.1	4.0
Reinsurance Leverage (%)	106.7	108.6	110.6	105.5	107.9

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments

	Year End - December 31				
	2024	2023	2022	2021	2020
Bond Portfolio					
Bonds & Short Term Investments USD (000)	2,380,669	2,355,492	2,263,786	2,137,001	2,013,213
Unaffiliated Bonds:					
US Government	0.3	0.3	0.4	0.4	0.3
Foreign Government	0.1	0.1	0.1	0.1	0.1
Foreign – All Other	11.2	13.1	12.6	13.1	14.2
State, Municipal & Special Revenue	9.5	9.0	10.4	11.6	13.1
Industrial & Miscellaneous	78.8	77.5	76.4	74.8	72.2
Total Bonds	100.0	100.0	100.0	100.0	100.0
By Private vs Public (%)					
Private issues	58.5	59.2	55.6	50.4	46.8
Public issues	41.5	40.8	44.4	49.6	53.2
By Quality (%)					
Class 1	53.3	53.4	50.9	48.5	47.5
Class 2	41.6	41.9	42.9	44.7	44.2
Class 3	1.8	2.1	2.7	3.9	5.0
Class 4	0.4	0.4	1.1	0.9	1.7
Class 5	1.3	1.9	2.1	1.1	0.9
Class 6	1.6	0.3	0.4	0.9	0.6
Below Investment Grade (NAIC 3-6)	5.0	4.7	6.2	6.8	8.3
Below Investment Grade - % of Capital & Surplus	15.6	16.0	22.2	25.1	31.8

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2024	2023	2022	2021	2020
Stock Portfolio					
Stocks USD(000)	116,839	103,570	93,431	92,050	54,580
By Type (%)					
Unaffiliated Common	40.7	39.4	39.1	38.4	57.0
Unaffiliated Preferred	59.3	60.6	60.9	61.6	43.0

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence

	Year End - December 31				
	2024	2023	2022	2021	2020
By Line Breakdown - NPW USD (000)					
Individual Life	250,491	229,858	207,868	183,124	161,174
Group Life	2,538	2,551	2,890	2,778	2,788
Individual Annuities	4,616	7,012	43,649	29,925	18,729
Accident & Health	41,190	39,497	37,497	35,907	33,562
Total	298,835	278,918	291,904	251,734	216,253

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence (Continued...)

Year End - December 31

Geographic Breakdown by Direct Premiums Written and Deposit-Type Contracts USD (000)

	2024	2023	2022	2021	2020
Minnesota	25,292	25,337	43,381	34,045	22,307
Texas	22,802	20,092	25,461	18,938	16,862
California	22,744	19,746	19,457	18,166	15,465
Michigan	16,415	12,352	15,299	10,966	9,434
Missouri	13,857	13,024	13,166	11,559	10,760
Indiana	13,832	13,043	11,093	9,325	8,916
Illinois	12,539	11,549	11,691	13,067	10,535
Wisconsin	12,189	12,640	10,579	9,991	9,309
North Carolina	11,493	11,160	9,827	8,808	9,754
Florida	11,033	10,849	9,264	9,065	7,905
All Other	157,722	147,781	138,984	122,450	111,250
Total	319,918	297,574	308,202	266,379	232,497
Geographic Concentration Index	0.04	...	...	...	...

Source: BestLink® - Best's Financial Suite

Year End - December 31

	2024	2023	2022	2021	2020
By Line Reserves USD (000)					
Individual Life	1,626,804	1,523,938	1,440,211	1,350,269	1,269,267
Individual Annuities	308,330	340,133	379,288	355,569	333,565
Group Life	111	208	423	506	520
Deposit Type Contracts	5,946	6,579	4,775	4,670	5,188
Accident & Health	113,253	108,192	95,049	92,536	90,978
Total (including Supplemental Contracts)	2,054,444	1,979,049	1,919,746	1,803,550	1,699,518

Source: BestLink® - Best's Financial Suite

Year End - December 31

	2024	2023	2022	2021	2020
Life Policies Statistics					
Ordinary Policies					
Issued	7,250	7,661	6,644	6,617	6,156
In Force	74,893	72,945	70,364	68,453	66,161
Group Policies					
In Force	2	2	2	2	2
Group Certificates					
Issued	281	404	405	352	282
In Force	8,042	7,771	7,652	7,480	7,565
Life Insurance In Force USD (000)					
Whole Life & Endowment & Additions	17,940,861	16,499,905	14,977,638	13,869,072	12,683,935
Term	18,283,879	17,455,526	16,542,049	15,790,528	14,908,732
Group	1,196,242	1,144,088	1,165,375	1,072,085	1,076,769
New Life Business Issued USD (000)					
Whole Life & Endowment & Additions	2,307,123	2,364,812	1,952,348	1,713,428	1,403,626
Term	2,534,492	2,486,094	2,072,311	2,172,253	1,807,354
Group	45,287	61,545	60,169	61,670	49,687

Source: BestLink® - Best's Financial Suite

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