



# PRESS RELEASE

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## FOR IMMEDIATE RELEASE

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### **AM Best Affirms Credit Ratings of Wilton Re Ltd. and Its Subsidiaries**

**OLDWICK, N.J., September 20, 2024**—AM Best has affirmed the Financial Strength Rating (FSR) of A+ (Superior) and the Long-Term Issuer Credit Ratings (Long-Term ICR) of “aa-” (Superior) of the key life/health insurance and annuity operating subsidiaries of Wilton Re Ltd. (WRL) (Nova Scotia, Canada), collectively referred to as Wilton Re. AM Best also has affirmed the Long-Term ICRs of “a-” (Excellent) of WRL. The outlook of these Credit Ratings (ratings) is stable. (See below for a detailed listing of these companies and ratings).

The ratings of Wilton Re reflect its balance sheet strength, which AM Best assesses as very strong, as well as its strong operating performance, favorable business profile and appropriate enterprise risk management. The ratings also reflect implicit support from the ultimate parent company, Canada Pension Plan Investments Board (CPP Investments).

CPP Investments is a financially strong organization that manages approximately CAD 632 billion of net assets as of March 31, 2024, for the Canada Pension Plan serving roughly 22 million Canadian pensioners. Wilton Re is strategically important to CPP Investments by growing assets under management and diversifying profitable cash flows to help meet pension fund obligations. The greater organization also benefits from a balance between biometric and investment risks.

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—2—

Wilton Re has successfully grown its absolute level of capital and invested assets since its founding in 2005 through a series of assumed reinsurance treaties and legal entity acquisitions of primarily closed blocks of life, health, and annuity business. Historically, Wilton Re has financed its growth strategy through a combination of earnings generation, debt issuance and capital contributions from CPP Investments. AM Best notes that CPP Investments does not guarantee support, but may at its discretion provide additional capital should Wilton Re need to maintain its risk-adjusted capitalization levels.

Available capital across Wilton Re has been accumulated primarily through a trend of favorable operating gains; however, there may be instances in any given year of fluctuations in capital driven by large variability in the nature and size of new deals and the timing of dividend payments. Wilton Re's statutory capital growth trend is also moderated by the gradual emergence of earnings for the long-duration business, given that claims experience is expected to be offset over time by net investment income, reserve releases and earned premiums from a variety of in-force blocks.

Certain products reinsured by Wilton Re, such as guaranteed universal life (GUL), are higher-risk products on AM Best's continuum, and the incremental business from Prudential Financial Inc. announced in 2024 is expected to add some concentration risk to Wilton Re's existing exposure in this line of business. However, Wilton Re is already familiar with managing this product given acquisition and reinsurance transactions in 2021 and 2023. The group's operating performance will continue to depend on the adequacy of ceding commissions and the market value of assets transferred on forthcoming deals, in comparison with the insurance and business risks assumed, and the lift in net yield from rotating assets to the group's target portfolio under its ongoing strategic asset allocation initiative.

The FSR of A+ (Superior) and the Long-Term ICRs of "aa-" (Superior) have been affirmed with stable outlooks for the following life/health subsidiaries of Wilton Re Ltd.:

—MORE—

—3—

- Wilton Reinsurance Bermuda Limited
- Wilton Re Overseas Limited
- Wilton Reassurance Company
- Texas Life Insurance Company
- Wilton Reassurance Life Company of New York
- Wilcac Life Insurance Company

**This press release relates to Credit Ratings that have been published on AM Best’s website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best’s [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Guide to Best’s Credit Ratings](#). For information on the proper use of Best’s Credit Ratings, Best’s Performance Assessments, Best’s Preliminary Credit Assessments and AM Best press releases, please view [Guide to Proper Use of Best’s Ratings & Assessments](#).**

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