

# Our Financial Strength and Resiliency



The unique nature of the COVID-19 crisis is creating significant volatility — positive and negative — in the stock market alongside an unprecedented decline in interest rates and economic uncertainty.

The Standard is taking steps to protect and grow our business operations, safeguard the health of our employees and continue meeting the needs of our customers. Our focus has not changed — we will provide the best possible experience for those who rely on our products and services.

Our company was founded in 1906 and our fiscally prudent management approach has helped us navigate through significant volatility and unforeseen events to ensure we can keep our financial commitments. This approach is built on the strength of our disciplined financial practices, our sound investment strategies, our unique mix of high-performing businesses and our industry expertise.

## Bond Portfolio

Our bond portfolio is strong. Our strategy is to maintain a diversified portfolio of high-quality, fixed-maturity securities to keep us well-protected should any industries experience difficulties. As of Dec. 31, 2019:

- A \$10.74 billion portfolio
- Average portfolio credit quality rating of “A” as measured by Standard & Poor’s

## Commercial Mortgage Loan Portfolio

Our commercial mortgage loans have consistently provided a superior balance of risk and return. We offer small commercial mortgage loans to borrowers who want a fixed rate over time, and we rigorously underwrite every commercial mortgage loan we make. The quality of our commercial mortgage loan portfolio is excellent. As of Dec. 31, 2019:

- A \$7.13 billion portfolio (on approximately 6,000 loans)
- An average loan size of approximately \$1.2 million

## Financial Strength Ratings

In the July 2020 issue of *Best’s Review*, A.M. Best Company recognized Standard Insurance Company for maintaining a financial strength rating of “A” or higher each year since 1928, the first year of A.M. Best’s ratings. The Standard was honored to be among one of only eight life and health insurers to achieve an “A” rating or higher for each of the past 92 years. Given rapidly evolving markets, changing customer needs and challenging economic times, we are proud of this longstanding track record of financial strength.



**Greg Ness**  
Chairman, President and CEO

## Standard Insurance Company Financial Strength Ratings

A+ (Strong) by Standard & Poor’s  
fifth of 20 ratings

A1 (Good) by Moody’s  
fifth of 21 ratings

A (Excellent) by A.M. Best\*  
third of 13 ratings

As of August 2020

\* Rating includes The Standard Life  
Insurance Company of New York

## StanCorp Financial Group Long-Term Senior Debt Ratings

Standard & Poor’s: BBB+

Moody’s: Baa1

A.M. Best: bbb+

As of August 2020

## Balance Sheet as of Dec. 31, 2019

<b>Assets</b>	\$33.49 billion
<b>Fixed Maturity Securities</b>	57.8% of cash and investments
A- or Higher	65.6%
BBB- to BBB+	26.8%
BB- to BB+	3.6%
B+ or Lower	2.0%
<b>Commercial Mortgage Loans</b>	38.4% of cash and investments
<b>Real Estate and Other Invested Assets</b>	2.1% of cash and investments
<b>Cash and Cash Equivalents</b>	1.7% of cash and investments
<b>Portfolio Yields</b>	
Fixed Maturity Securities	3.60%
Commercial Mortgage Loans	4.70%

Capital and surplus of the insurance subsidiaries was in excess of 500% of the Company Action Level Risk-Based Capital (RBC) required by regulators.

## Corporate Profile

StanCorp Financial Group, Inc., through its subsidiaries marketed as The Standard — Standard Insurance Company, The Standard Life Insurance Company of New York, Standard Retirement Services, StanCorp Mortgage Investors, StanCorp Real Estate and StanCorp Equities — is a leading provider of financial products and services. StanCorp's subsidiaries offer group and individual disability insurance, group life and accidental death and dismemberment insurance, group dental and group vision insurance, absence management services, retirement plans products and services, individual annuities, and the origination and servicing of fixed-rate commercial mortgage loans. For more information about StanCorp Financial Group, Inc., visit the Investor Relations pages on **standard.com**.

StanCorp Financial Group became part of the Meiji Yasuda family of companies in 2016. The Standard serves as Meiji Yasuda's primary U.S. presence and partner, maintaining its Portland, Oregon, operations and headquarters as well as its employees, management team, brand, product mix, distribution channels and community support.

Meiji Yasuda and The Standard are both leaders in group benefit insurance in their respective markets. Meiji Yasuda, founded in 1881 and headquartered in Tokyo, is the oldest and third-largest life insurance company in Japan, with the largest share of group insurance in the Japanese market. With more than 42,000 employees and 6.9 million customers, Meiji Yasuda specializes in group and individual life insurance, bancassurance and group annuity products, and has assets of \$363 billion and premium income of \$25 billion. In addition to Japan, Meiji Yasuda has insurance operations throughout the U.S., Poland, China, Indonesia and Thailand.

Except where indicated, data represents consolidated results for StanCorp Financial Group, Inc.

The Standard is a marketing name for StanCorp Financial Group, Inc., and subsidiaries. Insurance products are offered by Standard Insurance Company of Portland, Oregon, in all states except New York, where insurance products are offered by The Standard Life Insurance Company of New York of White Plains, New York. Products not available in all states. Product features vary by state and company and are solely the responsibility of each subsidiary. Each company is solely responsible for its own financial condition. Standard Insurance Company is licensed to solicit insurance business in all states except New York. The Standard Life Insurance Company of New York is licensed to solicit insurance business in only the state of New York.