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# CULTURE OF COMMITMENT

2018 FINANCIAL SUMMARY



**Columbus Life  
Insurance Company**

A member of Western & Southern Financial Group

# Culture of Commitment

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## THE PRESIDENT'S MESSAGE

Columbus Life Insurance Company enjoyed another year of solid growth, a result of our company's culture of commitment and legacy of financial strength.

At Columbus Life, and through our parent organization Western & Southern Financial Group, our culture allows us to see opportunities even in the face of challenges. Our solid balance sheet—with a capital-to-asset ratio near the top of the industry—enables us to weather market volatility, invest in technologies of the future, and helps secure the confidence of producers and clients for the long term.

In 2018, Columbus Life's life premium increased by more than 26% over the prior year and our policy volume increased nearly 15%, demonstrating that the attractiveness of our product offerings contributed to growth in both size and number of policies. These results continue a now six-year track of more than 22% life premium growth per year and establishes a new record level of policy sales for the company.

### **Strengthening Relationships with Expanded Support**

Beyond our financial growth, we added to our number of producer and agency relationships. To provide better coverage and increased



field support, our Distribution Support Team was expanded in 2018 to include two new regional vice presidents and an additional internal wholesaler.

### **Maintaining our Commitment to Product Design**

We remain focused on offering straightforward, competitive products that consistently help clients meet their financial goals. Moving into 2019 and beyond, we will maintain our commitment to offering thoughtfully-designed product solutions that producers can feel confident recommending to their clients year after year.

## Driving Results through Enhanced Technology

Columbus Life continued to invest in sales technologies for producers in 2018. We enhanced our CLIC Mobile app that provides real-time data on the status of pending business. We increased the adoption of our electronic application and policy delivery tools that make new business more efficient and faster, and enhanced our accelerated underwriting program designed to shorten the policy acquisition time. While adoption is just starting to really grow in some of these areas, we believe it is foundational to meet the needs of current and future clients and the producers who serve them.

As we look ahead, we will continue to build upon our long tradition of serving producers and helping clients preserve and protect what matters most. We will consistently invest in innovative technologies and exceptional experiences that make doing business with us more rewarding for all. Most importantly, we will remain steadfast in providing the most personal, high-touch support and service of any life and annuity carrier in the independent distribution market. We believe our culture will allow us to continue our more than century-long commitment to our clients and the independent producers who trust Columbus Life with their business.



**J.J. Miller**, FSA, CLU, ChFC

President and Chief Executive Officer  
Columbus Life Insurance Company

Columbus Life Insurance Company, Cincinnati, Ohio, is licensed in the District of Columbia and all states except New York.

## Columbus Life Board of Directors

### John F. Barrett

Chairman, President and CEO, Western & Southern Financial Group

### J.J. Miller

President and CEO, Columbus Life Insurance Company

### Bryan C. Dunn

President and CEO, The Lafayette Life Insurance Company

### Jill T. McGruder

Senior Vice President and Enterprise Chief Marketing Officer,  
Western & Southern Financial Group

### Jonathan D. Niemeyer

Senior Vice President, Chief Administrative Officer  
and General Counsel, Western & Southern Financial Group

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## Columbus Life Senior Management

### J.J. Miller

President and Chief Executive Officer

### Steven J. Sanders

Senior Vice President and Chief Marketing Officer

### James H. Acton Jr.

Vice President and Chief Financial Officer

### Morgan F. Scott

Vice President, Advanced Markets and Field Development

### Matthew E. Canterbury

Vice President, Sales, East Region

### Andrew Cromer

Vice President, Sales, West Region



**Columbus Life  
Insurance Company**

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Columbus Life Insurance Company  
400 East Fourth Street  
Cincinnati, OH 45202-3302  
800.677.9696

## Columbus Life Insurance Company

### Consolidated and Condensed GAAP Balance Sheet

\$ Thousands | December 31, 2018

#### Assets

Debt securities	\$3,339,569
Equity securities	69,226
Other invested assets	645,333
Total invested assets	4,054,130
Other assets	430,036
Total assets	\$4,484,166

#### Liabilities and equity

Future policy benefits and claims	\$3,495,792
Long-term debt	0
Other liabilities	259,026
Total liabilities	3,754,818
Total equity	729,348
Total liabilities and equity	\$4,484,166

### Consolidated and Condensed GAAP Income Statement

\$ Thousands | Year ended December 31, 2018

#### Revenue

Insurance premiums and product charges	\$143,900
Net investment income	172,431
Net realized investment gains (losses)	(5,193)
Commissions, fees and other income	122
Total revenue	311,260

#### Benefits and expenses

Policyholder benefits, interest credited and dividends to policyholders	236,583
Other operating expenses	66,124
Total benefits and expenses	302,707

Income before income tax expense	8,553
Income tax expense (benefit)	(860)
Net income	\$ 9,413

#### Additional statements of income performance measures

Operating income*	\$ 13,746
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## Western & Southern Financial Group

### Consolidated and Condensed GAAP Balance Sheet

\$ Thousands | December 31, 2018

#### Assets

Debt securities	\$34,639,040
Equity securities	1,467,086
Other invested assets	9,206,434
Other general account assets	4,354,537
Assets held in separate accounts	2,166,102
Total assets	\$51,833,199

#### Liabilities and equity

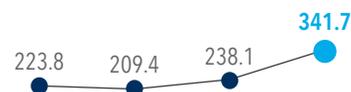
Future policy benefits and claims	\$37,829,769
Long-term debt	493,146
Other general account liabilities	2,509,636
Liabilities related to separate accounts	2,166,102
Total liabilities	42,998,653
Total equity	8,834,546
Total liabilities and equity	\$51,833,199

## Columbus Life 2018 Financial Highlights

2003 2008 2013 2018

#### Life Premiums

\$ Millions



#### Benefits Paid to Policyholders

\$ Millions



#### Contracted Producers



\* Operating income is defined as net income excluding income tax and net realized investment gains or losses.

# Outstanding Strength

**A+** SUPERIOR A.M. Best

Superior ability to meet ongoing insurance obligations (second highest of 16 ratings; held since June 2009)

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**AA-** VERY STRONG Standard & Poor's

Very strong financial security characteristics (fourth highest of 21 ratings; rating held since August 2018)

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**Aa3** EXCELLENT Moody's

Excellent financial security (fourth-highest of 21 ratings; rating held since February 2009)

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**AA** VERY STRONG Fitch

Very strong capacity to meet policyholder and contract obligations on a timely basis (third highest of 21 ratings; rating held since June 2009)

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**95** OUT OF 100 Comdex

The Comdex Ranking is a composite of all the ratings a company has received from the major rating agencies. It ranks insurers on a scale of 1 to 100 (where 1 is the lowest) in an effort to reduce confusion over ratings because each rating agency uses a different scale.

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The ratings are current as of July 10, 2019, and are subject to change. Ratings refer to the claims-paying ability of the insurance company and do not reflect the performance or safety of any investment product. The rating agencies listed above are independent of each other and use proprietary evaluation criteria and rating scales.