

# Reliance Standard Life Insurance Company

## Funding Agreement-Backed Notes Program

April 2022

# Notice to Potential Investors

RELIANCE STANDARD  
LIFE INSURANCE COMPANY



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This Presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities of RSL. The summary descriptions and other information included in this Presentation are intended only for informational purposes and convenient reference. The information contained in this Presentation is not intended to provide, and should not be relied upon for, accounting, legal or tax advice or investment recommendations. Before making an investment decision with respect to the funding agreement-backed notes (the “Notes”), prospective investors are advised to carefully review the Offering Memorandum<sup>1</sup>, including the section titled “Risk Factors” therein, and to consult with their tax, financial, investment and legal advisors. This Presentation does not purport to be complete and is qualified in its entirety by reference to the more detailed disclosures contained in the Offering Memorandum.

This Presentation contains forward-looking statements. Such statements include statements regarding the belief or current expectations of the management of RSL concerning its future financial condition and results of operations, including its expected operating and non-operating relationships, ability to meet debt service obligations and financing plans, product sales, distribution channels, retention of business, investment yields and spreads, investment portfolio, ability to manage asset-liability cash flows and any statement concerning RSL’s potential future response or responses to the COVID-19 pandemic or any related contagious disease or pandemic, including any statement concerning the effect of any such contagious disease or pandemic on RSL’s business, financial condition, liquidity or results of operations. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors. The Offering Memorandum, including without limitation the information set forth under the heading “Risk Factors,” identifies important factors that could cause such differences.

Neither Reliance Standard Life Global Funding II nor RSL intends, or is under any obligation, to update any forward-looking statement included in this Presentation or the Offering Memorandum.

The preparation of financial statements requires management to make estimates and assumptions that impact the reported amount of assets and liability, the disclosure of contingent assets and liabilities at the date of the statutory financial statements and the reported amounts of revenues and expenses during the reporting periods. Financial information provided through this Presentation is prepared in accordance with statutory accounting principles unless otherwise specified or noted.

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<sup>1</sup> The term “Offering Memorandum” refers to the offering memorandum dated May 10, 2021 (the “Base Offering Memorandum”) as supplemented by the offering memorandum supplements dated July 14, 2021, September 2, 2021 and December 10, 2021.

# Tokio Marine Overview

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**Tokio Marine Holdings, Inc. (“TM” or “Tokio Marine”) is a global financial services holding company that operates a broad array of property-casualty and life insurance, reinsurance and other financial businesses**

Total Assets at 12/31/21 <sup>(1)</sup>	Net Assets at 12/31/21 <sup>(1)</sup>	FY20 Total Revenues <sup>(1)</sup>	FY20 Net Income <sup>(1)</sup>
\$235 billion	\$35 billion	\$50 billion	\$1.5 billion

**Leading insurance and financial services companies in Japan and 36 other countries, with international subsidiaries including Lloyd’s reinsurer Kiln and U.S. insurers Philadelphia Consolidated, HCC Insurance, PURE Group and Delphi Financial Group, Inc. (“Delphi”)**

**Tokio Marine’s primary subsidiary, Tokio Marine & Nichido Fire (“TMNF”), is the oldest and one of the largest domestic general insurance companies in Japan**

**As part of its international growth strategy, TM acquired Delphi, parent company of Reliance Standard Life Insurance Company (“RSL”), in 2012**

**Delphi was the largest single contributor to TM’s International Insurance Business division’s profits in the last four fiscal years<sup>(2,3)</sup>**

(in Yen billions)	FY17 Business	FY18 Business	FY19 Business	FY20 Business
Company	Unit Profits	Unit Profits	Unit Profits	Unit Profits
Delphi	¥ 73.0	¥ 58.5	¥ 76.5	¥ 45.6
TMHCC	45.1	45.3	41.9	25.3
Philadelphia	39.2	43.9	27.0	39.9
Asia/Oceania	13.7	12.0	16.6	(6.0)
South & Central America	5.0	9.2	10.8	10.9
EMEA / Reinsurance	(33.4)	12.9	2.2	(11.8)

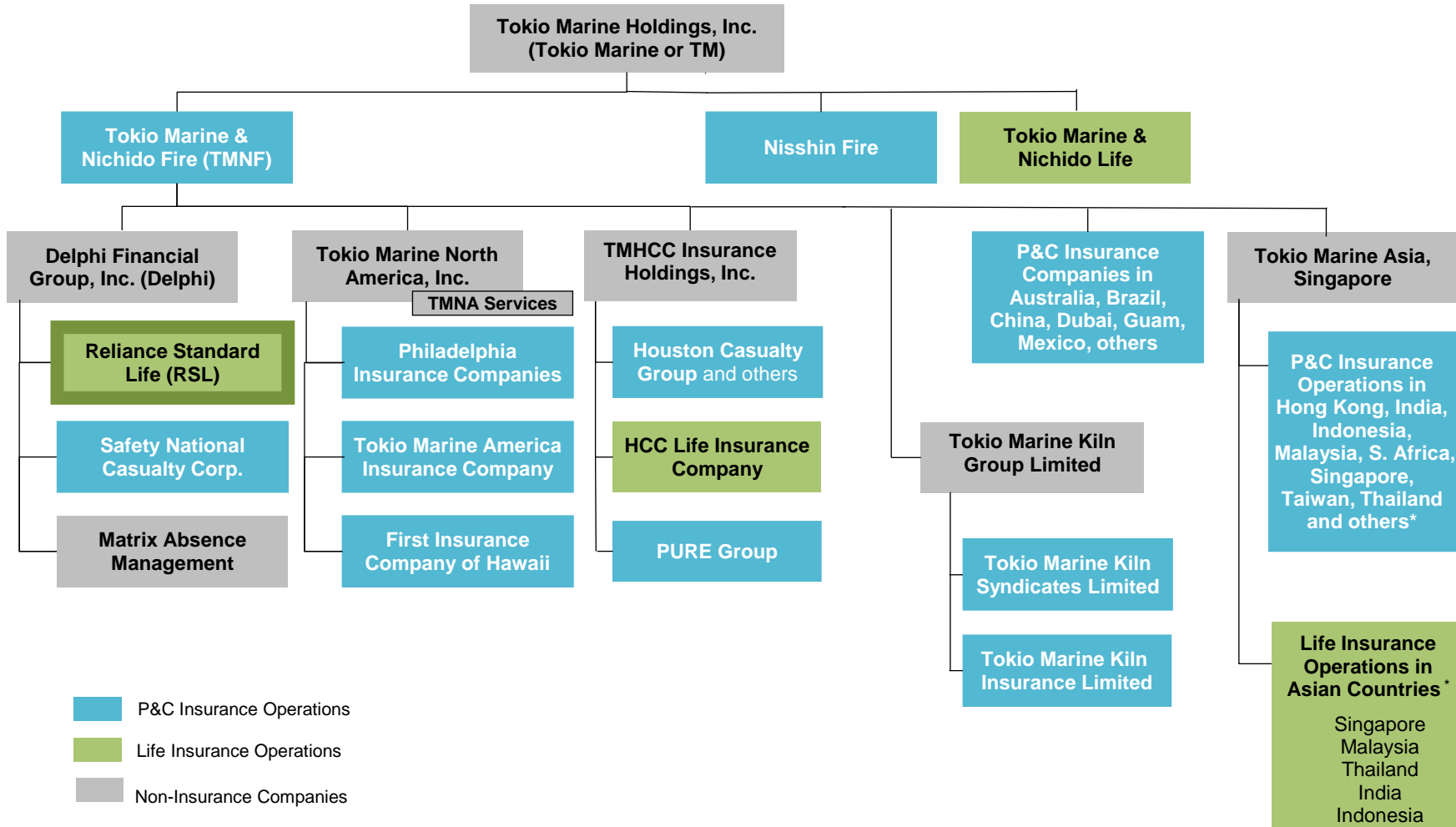
Note: Tokio Marine consolidated figures shown in US dollars. TM fiscal year ends 3/31.

(1) Assumes 12/31/21 ending JPY/USD exchange rate for balance sheet items and average exchange rate for the fiscal year ended 3/31/21 for income statement items

(2) Average exchange rate over the period used

(3) Source: Tokio Marine “FY2020 Results & FY2021 Projections” May 2021, and comparable reports for FY19, FY18 and FY17 in May 2020, May 2019 and May 2018, respectively

# Tokio Marine Group Structure



\* Some or all of the shares of the subsidiaries in Asian countries are held by TMNF

# Significant Size and Scale at Tokio Marine

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LIFE INSURANCE COMPANY



## Consolidated Balance Sheet

(Yen in millions)

	As of 3/31/21(YE)	As of 12/31/21
<b>Assets</b>		
Cash and bank deposits	¥ 812,011	¥ 1,048,230
Securities	18,741,600	19,192,018
Loans	1,626,615	1,872,956
Fixed assets	1,389,491	1,412,425
Other assets	3,195,646	3,524,878
<b>Total Assets</b>	<u>25,765,368</u>	<u>27,050,513</u>
<b>Liabilities</b>		
Insurance liabilities	18,020,554	18,939,796
Corporate bonds	230,597	219,299
Other liabilities	3,216,017	3,243,045
Net defined benefit liabilities	254,274	256,771
Deferred tax liabilities	321,141	328,343
<b>Total Liabilities</b>	<u>22,042,587</u>	<u>22,987,254</u>
<b>Net Assets</b>		
Shareholders' equity	1,915,553	2,070,417
Accumulated other comprehensive income	1,748,467	1,943,548
Stock acquisition rights	2,379	33
Non-controlling interests	56,380	49,258
<b>Total net assets</b>	<u>3,722,780</u>	<u>4,063,258</u>
<b>Total liabilities and net assets</b>	<u>25,765,368</u>	<u>27,050,513</u>

## Consolidated Statement of Income

(Yen in millions)

	Year Ended 3/31/21	9 Mos Ended 12/31/21
<b>Ordinary income</b>		
Underwriting income	¥ 4,669,910	¥ 3,716,431
Investment income	661,414	554,907
Other ordinary income	129,870	100,812
<b>Total ordinary income</b>	<u>5,461,195</u>	<u>4,372,150</u>
<b>Ordinary expenses</b>		
Underwriting expenses	4,185,395	3,075,938
Investment expenses	79,552	57,930
Operating and general admin expenses	900,956	723,705
Other ordinary expenses	28,556	15,453
<b>Ordinary profit</b>	<u>266,735</u>	<u>499,123</u>
Net extraordinary gains/(losses)	(23,561)	(7,107)
<b>Income before income taxes &amp; non-controlling interests</b>	<u>243,174</u>	<u>492,016</u>
Income taxes	81,337	128,124
<b>Net income</b>	<u>161,837</u>	<u>363,891</u>
Net income (loss) attributable to non-controlling interests	35	(10,227)
<b>Net income attributable to owners of the parent</b>	<u>161,801</u>	<u>374,119</u>

## Current Ratings Profile

Rating Agency	Type of Rating	Tokio Marine & Nichido Fire	Reliance Standard Life
<b>S&amp;P</b>	Financial Strength	A+ (Stable)	A+ (Stable)
<b>Moody's</b>	Insurance Financial Strength	Aa3 (Stable)	A2 (Stable)
<b>A.M. Best</b>	Financial Strength	A++ (Stable)	A++ (Stable)
<b>R&amp;I</b>	Issuer	AA+ (Stable)	—
<b>JCR</b>	Long-term Issuer	AAA (Stable)	—
<b>Fitch Ratings</b>	Insurance Financial Strength	AA- (Stable)	—

## Tokio Marine explicitly provides capital support to RSL through a Capital Support Agreement issued directly from TMNF<sup>(1)</sup>

- Provides for RSL to maintain a minimum Risk Based Capital ratio of 300%
- TMNF to contribute additional capital to RSL as necessary to achieve the minimum RBC
- TMNF provides similar capital support agreements to Delphi and Delphi's other major subsidiaries as well as most of Tokio Marine's other international subsidiaries
- Coupon increase of 50 bps if RSL is downgraded by S&P or Moody's because of an adverse change to, or termination of, the Capital Support Agreement

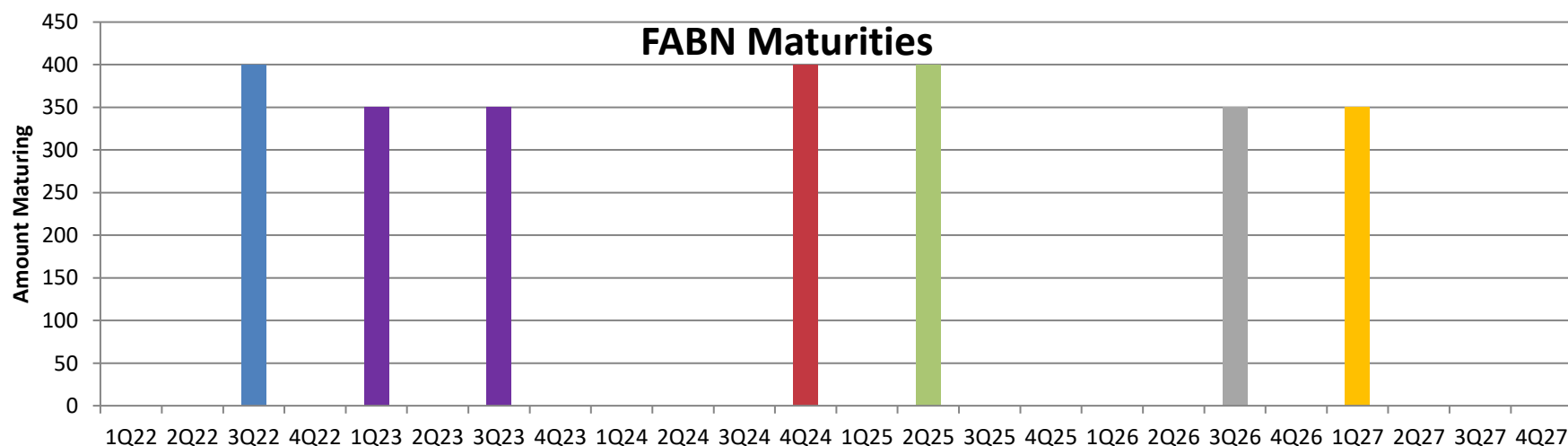
(1) Subject to termination in certain circumstances. See "Description of Business of RSLIC – Capital Support Agreement" in the Base Offering Memorandum.

# RSL's FA-Backed Notes Program

## Tokio Marine has supported the growth of RSL's funding agreement-backed notes program

- TM's size, scale and ratings, behind a Capital Support Agreement in favor of RSL, substantially bolster RSL's already strong credit position
- TM views RSL's funding agreement-backed note program as an attractive line of business, as funding agreements are not issued by any other TM entities

Since RSL's FABN program re-launched in April 2014, we have issued \$5.05 billion\* of three, five and seven-year fixed and floating rate notes with laddered maturities, with \$2.6 BN currently outstanding



\*Includes \$500 million 2014-1 issuance, \$550 million 2015-1 issuance, \$400 million 2015-2 issuance, \$400 million 2015-3 issuance, \$300 million 2016-1 issuance and \$300 million 2016-2 issuance, all of which were repaid upon maturity

**Founded in 1907 and acquired by Delphi in 1987**

**Delphi is focused on specialty insurance and insurance-related businesses**

- Group employee benefits insurance and retirement services products through primary life insurance subsidiary, RSL
- High layer workers' compensation and other property-casualty insurance products through primary property-casualty subsidiary, Safety National Casualty Corporation

**RSL underwrites a diverse portfolio of group benefits and other insurance products in two business segments**

- Group Employee Benefits: group disability, life, travel accident, dental, vision, voluntary accidental death and dismemberment, medical stop loss and limited benefit health insurance
- Retirement Services: individual fixed annuities, funding agreements and other asset accumulation products

**RSL generated total premiums and annuity considerations of \$2.1 billion and net income of \$290 million for the year ended 12/31/21**

**RSL held total admitted assets of \$18.9 billion and statutory capital & surplus of \$1.8 billion as of 12/31/21**

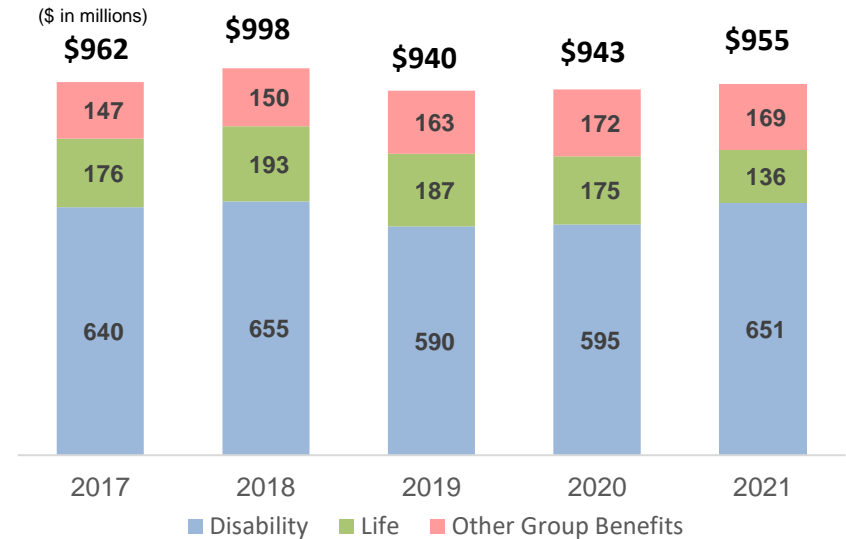


# Group Employee Benefits Segment Overview

## Products

- **Group Disability**
  - Long-Term Disability
  - Short-Term Disability
- **Group Life / Accidental Death & Dismemberment**
- **Other Group Employee Benefits**
  - Dental
  - Vision
  - Business Travel Accident
  - Limited Benefit Medical
  - Critical Illness / Accident
  - Absence Management Services (through Matrix affiliate)
  - Medical Stop Loss (transferred to affiliated company HCC Life 10/1/21)

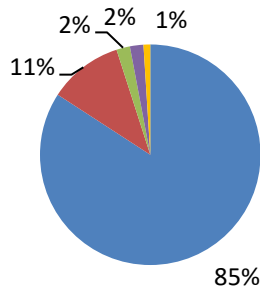
## Earned Premiums & Fees by Product



## Target Market:

Smaller groups of 2 to 5,000 employees; focus on groups with <500 employees

## Case Size Breakdown by Number of Policies (at 12/31/20)



- Number of Employees
- 2-100
  - 101-500
  - 501-1000
  - 1001-5000
  - >5000

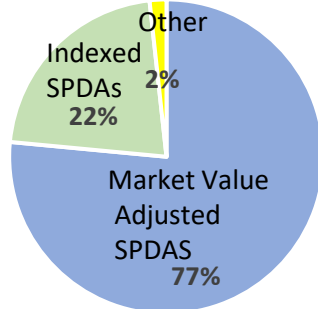
## Distribution:

Group employee benefit brokers and agents

# Retirement Services Segment Overview

## Products

**Individual Annuities**



2021 sales

**Other Asset Accumulation**

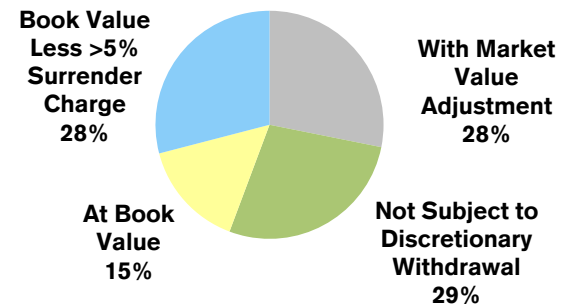
- Institutional FABNs
- FHLB funding agreements

**Annuities Target Market:** Middle income individuals planning for retirement

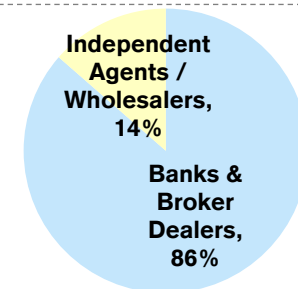
## Conservative Product Design

- “Plain vanilla” individual fixed annuities
- No variable annuities
- No living benefit or minimum withdrawal guarantees
- All new SPDA sales are structured with surrender penalties and/or market value adjustment features

### Withdrawal Characteristics of Annuity Reserves and Deposit Liabilities (12/31/21)



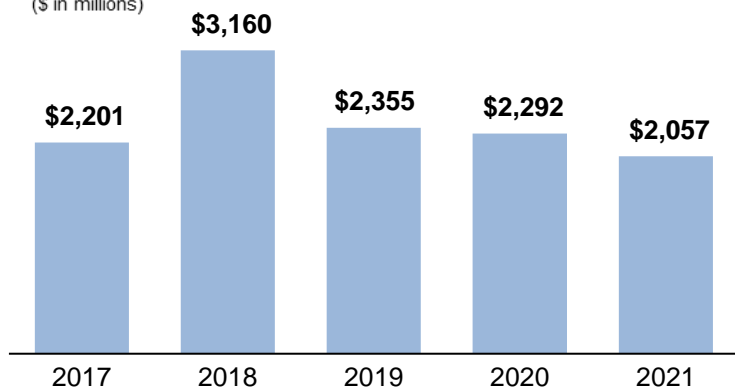
**2021 Annuities Distribution:**



# Steady Revenues

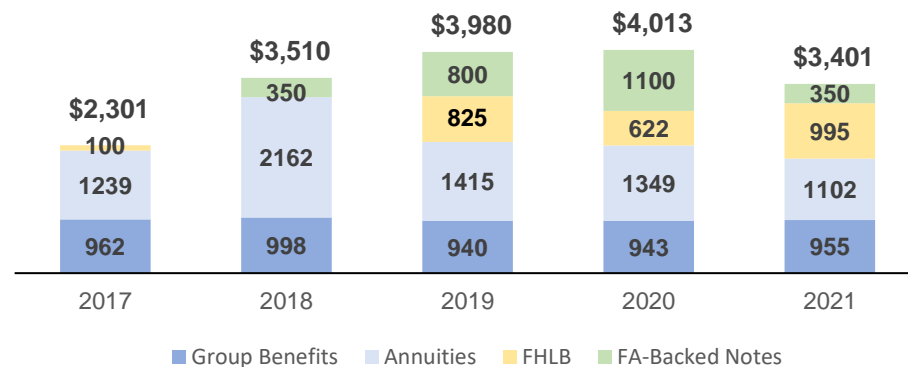
## Premiums and Annuity Considerations\*

(\$ in millions)



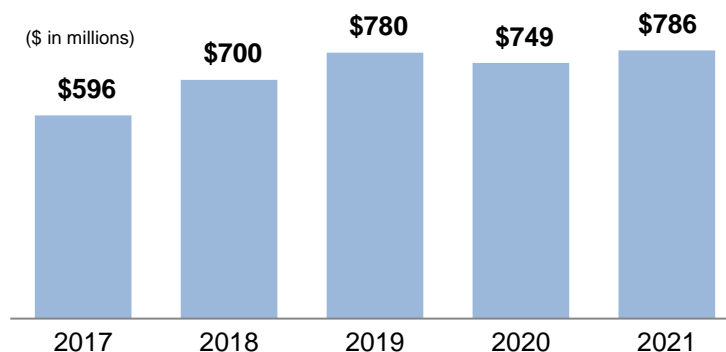
## Premiums & Annuity Considerations Plus Funding Agreement Deposits\*\*

(\$ in millions)



## Net Investment Income

(\$ in millions)



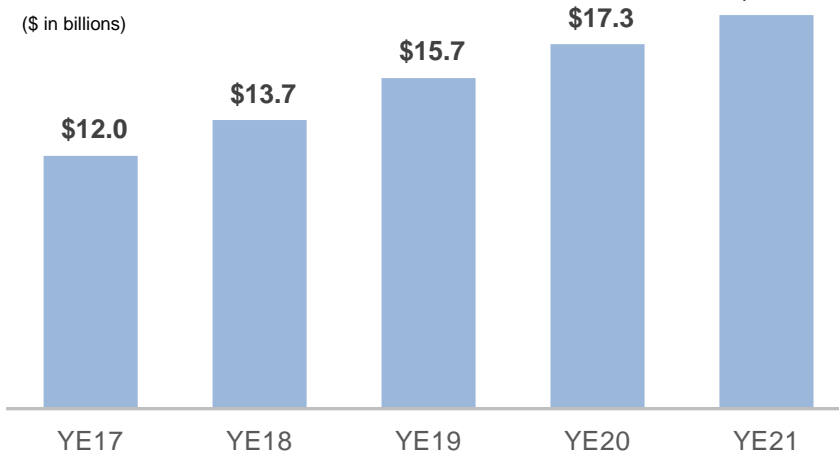
\* Excluding individual life insurance

\*\* A non-statutory accounting metric calculated by adding funding agreement issuances, which are accounted for under statutory accounting as deposits, to the premiums & annuity considerations reported under statutory accounting. Excludes reinsurance, FHLB short-term advances.

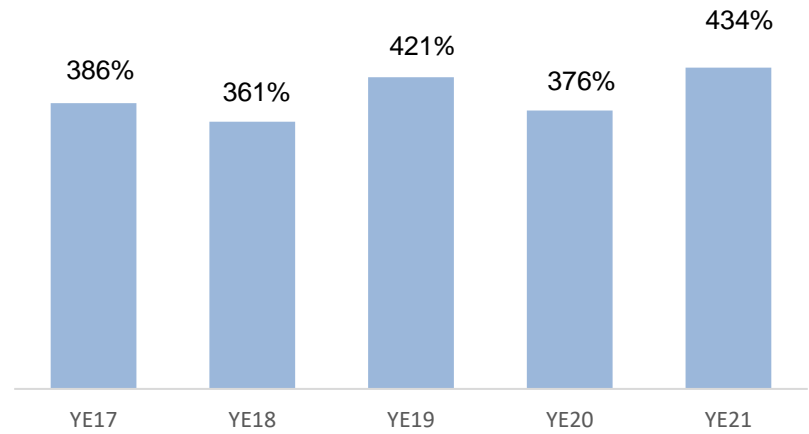
# Strong Capital Position

## Total Admitted Assets\*

(\$ in billions)

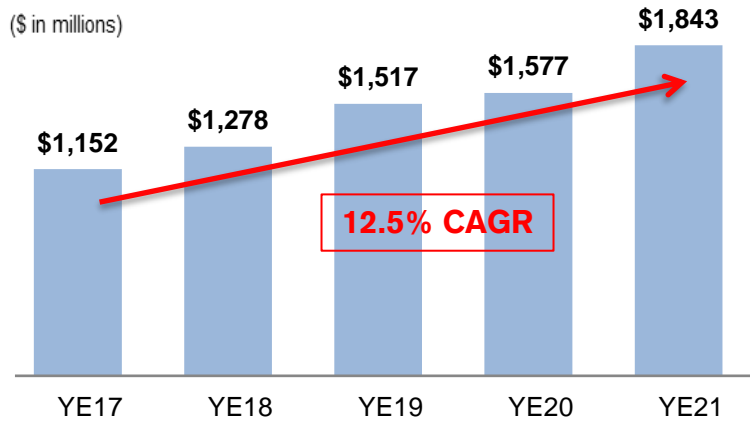


## RBC Ratio (Company Action Level)



## Capital & Surplus

(\$ in millions)



\* Excluding separate accounts

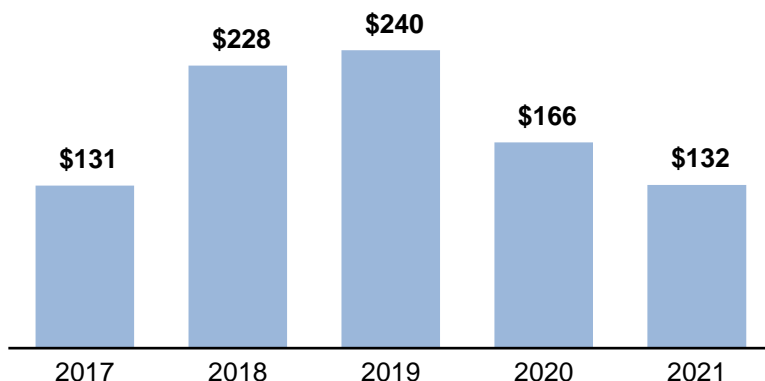
# Solid Statutory Earnings

RSL's pretax operating gain declined in 2021 compared to 2020 primarily due to lower investment yields, COVID-19-related group life claims, lower annuity sales early in the year and the accounting treatment of indexed annuity options

However, net income was up significantly because of a swing from realized investment losses in the turbulent market environment of the first and second quarters of 2020 to net realized gains for FY21

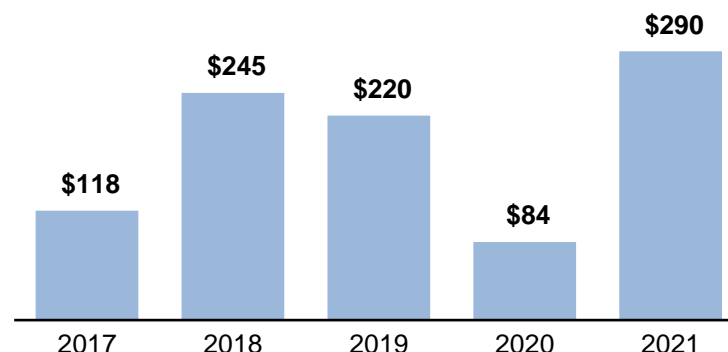
## RSL Net Gain From Operations\*

(\$ in millions)



## RSL Net Income

(\$ in millions)



## Return on Surplus\*\*

11%	17%	17%	9%	7%	10%	19%	15%	5%	15%
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\* After-tax gain from operations before net realized capital gains/losses

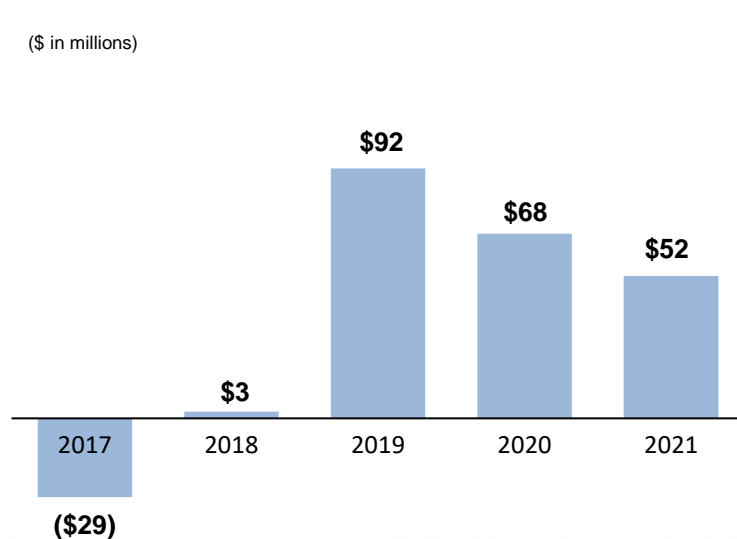
\*\* Return on beginning of year capital + surplus + AVR

The Group Employee Benefits segment's net gain from operations was lower YOY for FY21, primarily because of a COVID-related increase in group life claims as well as lower investment yields

The Retirement Services segment's net gain from operations was lower in FY21 than FY20, driven by lower annuity sales early in the year, lower investment yields and by the statutory accounting treatment of the options used to hedge indexed annuities

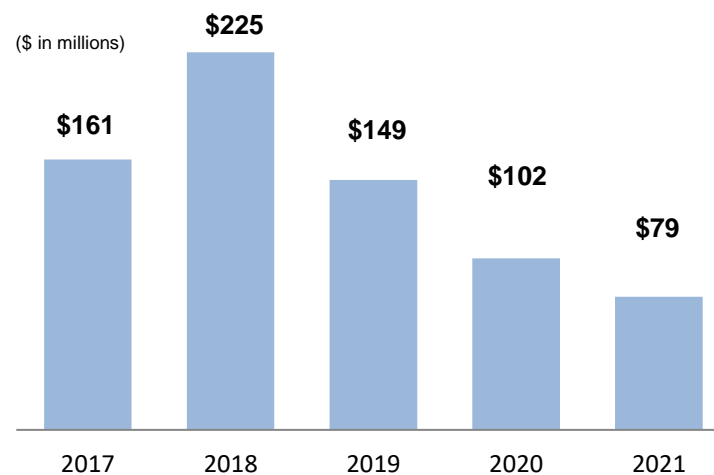
**Group Employee Benefits Segment  
Net Gain from Operations**

(\$ in millions)



**Retirement Services Segment  
Net Gain from Operations**

(\$ in millions)



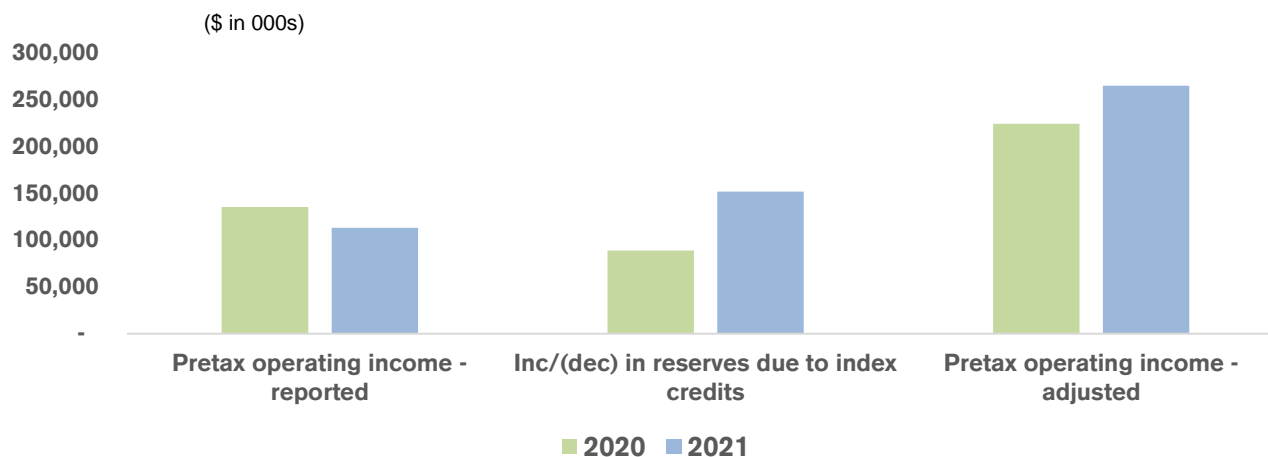
# Retirement Services Earnings Differential

## The statutory accounting treatment of the options used to hedge indexed annuities results in reported statutory earnings that can vary significantly from GAAP

- Under statutory accounting, S&P 500 movements are reflected in the index credits assigned to indexed annuities and the resulting changes in policyholder account value reserves flow through operating income
- However, the offsetting gains or losses on the options bought to hedge this exposure go through surplus or realized gains rather than operating income

## This can produce reported operating earnings volatility

- Reported statutory pretax operating income for Retirement Services for 2021 was \$113 million, down from \$135 million for 2020
- Adjusting for the impact of the index credits results in 2021 pretax gain from operations of \$264 million vs. \$224 million 2020

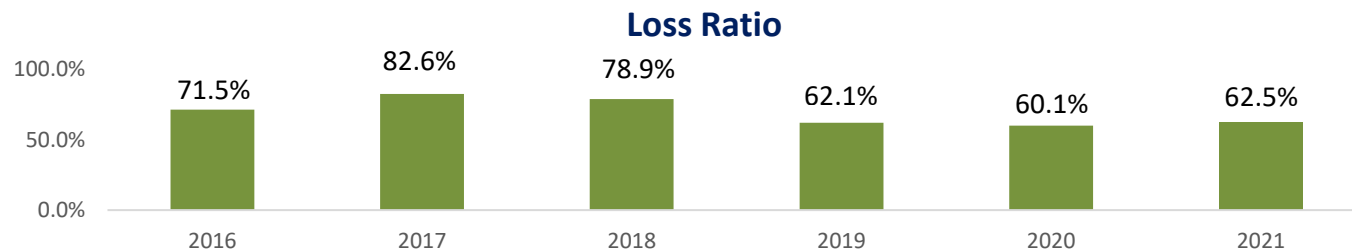


## Although at the onset of the pandemic we expected a negative impact on premiums, earned premiums were essentially on plan in 2020 and above plan in 2021

- Employee Benefits earned premiums were slightly ahead of plan in 2021
- Annuity sales declined in 2021 because of the closure of distribution sites and as we maintained discipline in setting crediting rates in the continued low interest rate environment, but gained momentum as the year progressed and ended the year well above plan

## There has been less impact on Employee Benefits claims than our initial predictions

- The group life loss ratio was elevated by COVID claims throughout 2021 (\$85.6 million in incurred COVID group life claims), but within the range we forecast and in line with others in the industry
- As expected, there has been little direct impact on long term disability claims (\$3.0 million in COVID claims)
- Short term disability claims from COVID-19 have come in within the anticipated range (\$4.6 million), but the impact was offset by lower incidence of accident-related and elective surgery claims



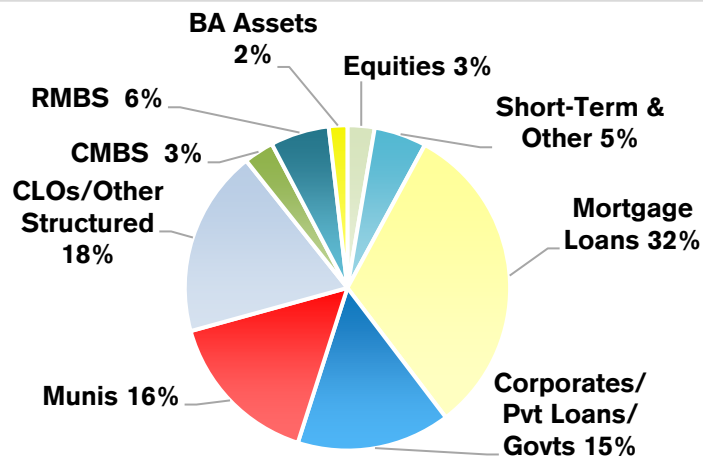
## Annuity spreads are still within our target range

- We evaluate crediting rates on a weekly basis and adjust them as necessary
- Because of strong persistency, annuity reserves have grown and were on plan FY21



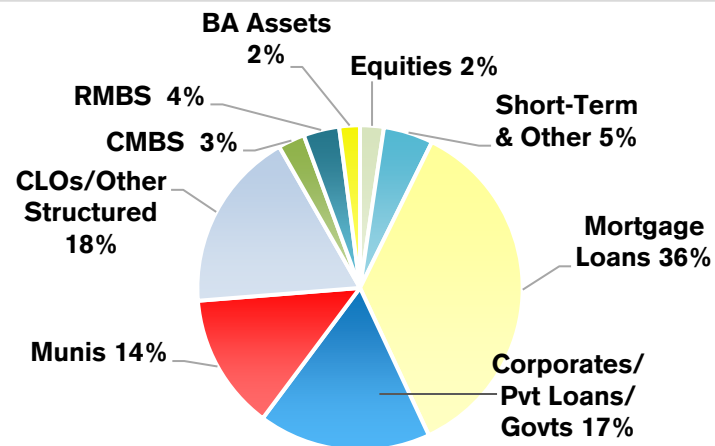
# Diversified Investment Portfolio

Portfolio Composition by Asset Class (at 12/31/19)



Total Invested Assets: \$15.4 billion

Portfolio Composition by Asset Class (at 12/31/21)



Total Invested Assets: \$18.4 billion

## Pre-tax Investment Results

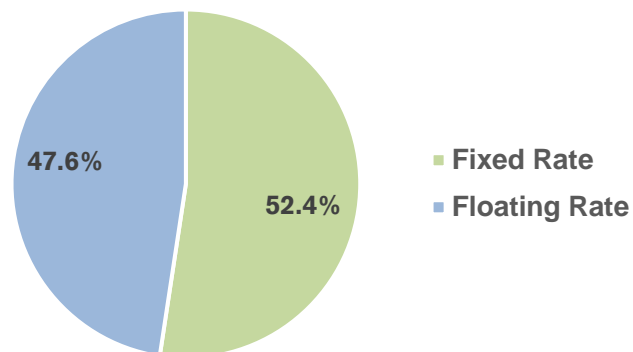
(\$s in millions)	2018	2019	2020	2021
Avg. Net Invested Assets	\$12,604	\$14,098	\$16,054	\$17,269
Net Investment Income	700	780	749	786
Weighted Avg. Annual Yield	5.55%	5.53%	4.67%	4.55%
Total Return Annualized Yield*	5.45%	5.81%	3.94%	5.15%

\* Excluding realized and unrealized gains/(losses) on options

## Portfolio Composition by Rating\*

NAIC Rating	Investments 12/31/2021	Investments 12/31/2020	Equivalent Ratings	
			Moody's	S&P
1	23.1%	28.5%	Aaa to A3	AAA to A-
2	20.8%	18.5%	Baa1 to Baa3	BBB+ to BBB-
3	3.9%	5.2%	Ba1 to Ba3	BB+ to BB-
4	4.7%	3.9%	B1 to B3	B+ to B-
5	0.9%	1.2%	Caa1 to Caa3	CCC
6	1.6%	1.0%	Ca to C	CC to D

## Fixed/Floating Portfolio Breakout\* (at 12/31/21)



## Fixed Income Composition by Industry (at 12/31/21)

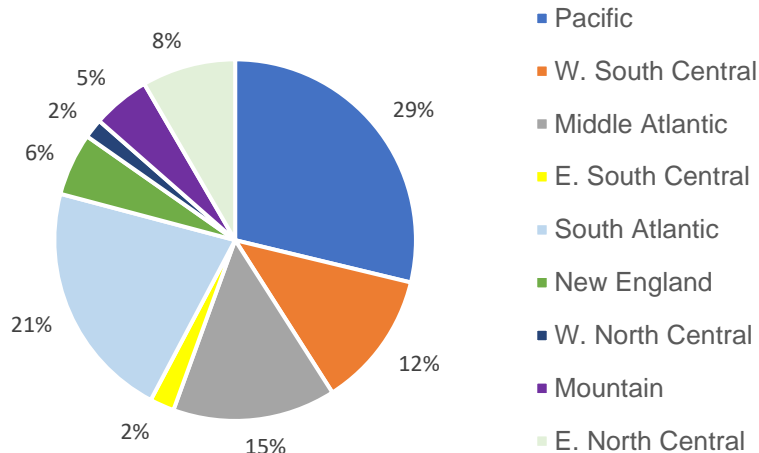
(in \$ 000s)	Carrying Value	% of Total Fixed Income
Banking	267,476	2.7%
Basic Industry	318,746	3.2%
Capital Goods	49,147	0.5%
Communications	269,317	2.7%
Consumer Cyclical	327,029	3.2%
Consumer Non-Cyclical	418,736	4.2%
Electric	144,068	1.4%
Energy	130,057	1.3%
Finance	182,897	1.8%
Insurance	168,527	1.7%
Natural Gas	91,172	0.9%
Real Estate	76,889	0.8%
Technology	177,279	1.8%
Transportation	93,150	0.9%
Mortgage-Backed Securities	1,121,368	11.1%
Asset-Backed Securities	3,327,086	33.0%
U.S. & State Government	2,523,804	25.0%
Foreign Government	281,274	2.8%
Other	117,541	1.2%
<b>Total Fixed Income</b>	<b>\$ 10,085,564</b>	<b>100.0%</b>

\* Based on carrying value

- Well diversified portfolio with an average commercial mortgage loan to value at 12/31/21 of 59.8%
- Have grown the portfolio by adding fixed rate mortgages, which tend to be for stabilized properties, as well as residential mortgages
- As of 12/31/21 there were two commercial mortgage loans under forbearance terms

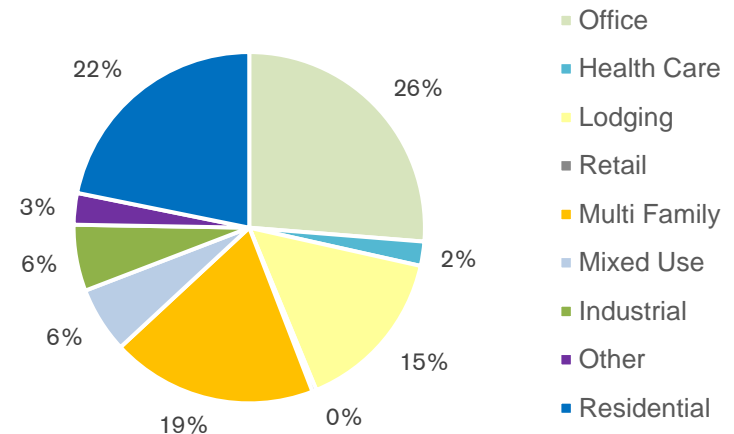
## Mortgages by Geographical Region

As of 12/31/21



## Mortgages by Property Type

As of 12/31/21



- A member of the Tokio Marine Group, a premier global financial services firm
- Explicit capital support from Tokio Marine to RSL
- Strong financial position
- Track record of consistent capital growth
- Growing and profitable retirement services business as well as attractive employee benefits niche market
- Diversified investment portfolio
- Well-positioned to weather continued COVID-19 impacts

## Appendix

# FA-Backed Notes Program Structure

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<b>Issuer of Notes</b>	Reliance Standard Life Global Funding II, a Delaware statutory trust
<b>Type</b>	144A / Reg S
<b>Program size</b>	\$4 billion
<b>Issuer of Funding Agreement</b>	Reliance Standard Life Insurance Company, an Illinois-domiciled insurance company
<b>Additional features</b>	Coupon increase of 50 bps if RSL is downgraded by S&P or Moody's because of an adverse change to, or termination of, the Capital Support Agreement
<b>RSL ratings (FSR)</b>	A.M. Best: A++ (Stable) / Moody's: A2 (Stable) / S&P A+ (Stable)
<b>TMNF ratings (FSR)</b>	A.M. Best: A++ (Stable) / Moody's: Aa3 (Stable) / S&P A+ (Stable) / Fitch AA- (Stable)

# Experienced Management Team

## Reliance Standard Life

## Years at RSL/Delphi

Chris Fazzini (President, CEO Group Benefits)	37
Tom Burghart (EVP, CEO Retirement Services)	41
Tom Lutter (CFO and CRO)	5
Mark Marsters (COO, Group Benefits)	4
John Albanese (SVP, Chief Information Officer)	5
Scott Boutin (SVP, Chief Claims Officer)	4
Luce Giroux (SVP, Chief Pricing Officer)	8
Todd Elliott (SVP, Group Sales)	19
Robin Harris (SVP, Chief HR Officer)	5
David Shaw (SVP, Chief Underwriting Officer)	4
Dave Whitehead (SVP, Retirement Services)	38

## Delphi Financial Group

Donald Sherman (President & CEO)	20*
Stephan Kiratsous (EVP and CFO)	9
Chad Coulter (SVP, General Counsel & Secretary)	30
Nita Savage (SVP, Finance & Operations)	17
Vincent Kok (Chief Investment Officer)	11

\* Includes service on Delphi's Board of Directors prior to joining as President

# Financial Summary

RELIANCE STANDARD  
LIFE INSURANCE COMPANY



(\$s in millions)

	2017	2018	2019	2020	2021
<b>Income Statement Data:</b>					
Premiums and Annuity Considerations	\$ 2,202.8	\$ 3,160.5	\$2,356.0	\$ 2,291.9	\$ 2,057.3
Net Investment Income	595.9	700.0	779.6	749.1	785.6
Other	29.6	29.9	23.6	23.7	29.6
<b>Total Revenues</b>	<b>2,828.2</b>	<b>3,890.4</b>	<b>3,159.2</b>	<b>3,064.8</b>	<b>2,872.4</b>
Net A/T Gain from Operations, before Realized Capital Gains/(Losses)	131.1	227.7	240.1	165.9	131.7
<b>Net Income</b>	<b>\$ 118.3</b>	<b>\$ 245.1</b>	<b>\$ 220.5</b>	<b>84.3</b>	<b>289.8</b>
<b>Balance Sheet Data:</b>					
(as of 12/31)					
Invested Assets	\$11,732.5	\$ 13,424.9	\$ 15,436.1	\$ 17,021.5	\$ 18,370.2
Total Assets	12,172.5	13,875.0	15,902.9	17,528.5	18,943.6
Total Liabilities	11,020.5	12,596.8	14,385.7	15,951.3	17,100.5
Capital and Surplus	\$ 1,152.0	\$ 1,278.3	\$ 1,517.1	\$ 1,577.2	\$ 1,843.1
Cap. & Surplus + Asset Val. Reserve	1,314.3	1,440.5	1,817.1	1,899.8	2,309.8
Operating Leverage Ratio*	8.39x	8.74x	7.92x	8.40x	7.40x
RBC Ratio**	386%	361%	421%	376%	434%

(\*) The operating leverage ratio is calculated by dividing total liabilities by Capital+Surplus+AVR

(\*\*) The risk based capital ratio is calculated annually by dividing total adjusted capital by 200% of the authorized control level risk-based capital



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