

# Reliance Standard Life Insurance Company

## Funding Agreement-Backed Notes Program

Second Quarter 2022

# Notice to Potential Investors

RELIANCE STANDARD  
LIFE INSURANCE COMPANY



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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.

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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 April 22, 2022 (the “Base Offering Memorandum”) as supplemented by the offering memorandum supplements dated June 29, 2022 and September 28, 2022.

# 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 3/31/22 <sup>(1)</sup>	Net Assets at 3/31/22 <sup>(1)</sup>	FY21 Total Revenues <sup>(1)</sup>	FY21 Net Income <sup>(1)</sup>
\$223 billion	\$33 billion	\$50 billion	\$3.5 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 five fiscal years<sup>(2)</sup>**

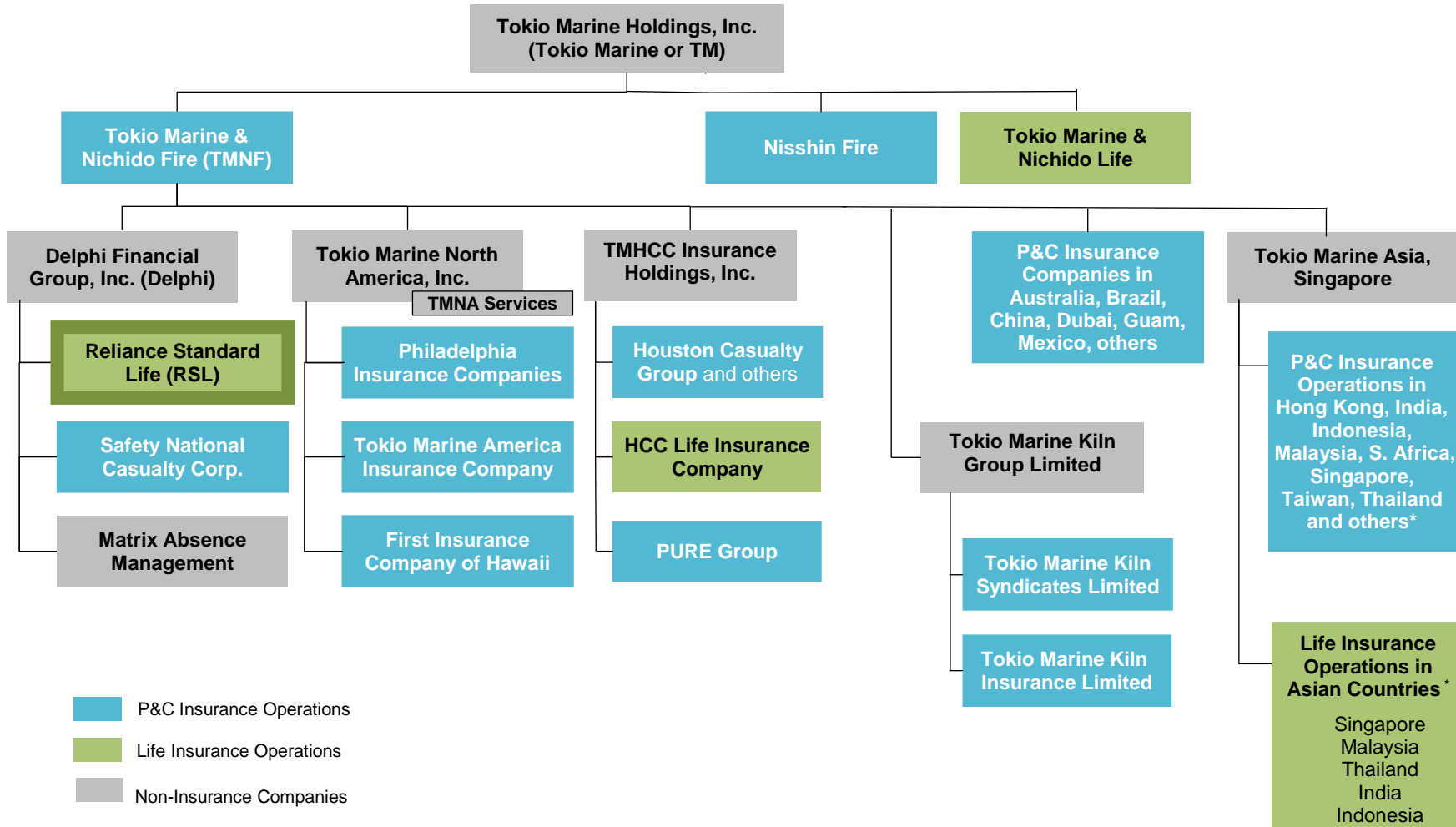
(in Yen billions)	FY17 Business	FY18 Business	FY19 Business	FY20 Business	FY21 Business
Company	Unit Profits	Unit Profits	Unit Profits	Unit Profits	Unit Profits
Delphi	¥ 73.0	¥ 58.5	¥ 76.5	¥ 45.6	¥ 92.4
TMHCC	45.1	45.3	41.9	25.3	59.9
Philadelphia	39.2	43.9	27.0	39.9	49.5
Asia/Oceania	13.7	12.0	16.6	(6.0)	24.4
S. & Central America	5.0	9.2	10.8	10.9	9.0
EMEA / Reinsurance	(33.4)	12.9	2.2	(11.8)	13.3

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

(1) Assumes 3/31/22 ending JPY/USD exchange rate for balance sheet items and average exchange rate for the fiscal year ended 3/31/22 for income statement items

(2) Source: Tokio Marine “FY2021 Results & FY2022 Projections” May 2022, and comparable reports for FY20, FY19, FY18 and FY17 in May 2021, 2020, 2019 and 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

RELIANCE STANDARD  
LIFE INSURANCE COMPANY



## Consolidated Balance Sheet

(Yen in millions)

	As of 3/31/21(YE)	As of 3/31/22
<b>Assets</b>		
Cash and bank deposits	¥ 812,011	¥ 848,819
Securities	18,741,600	19,288,018
Loans	1,626,615	2,008,708
Fixed assets	1,389,491	1,427,282
Other assets	3,195,646	3,673,018
<b>Total Assets</b>	<u>25,765,368</u>	<u>27,245,852</u>
<b>Liabilities</b>		
Insurance liabilities	18,020,554	19,246,028
Corporate bonds	230,597	219,795
Other liabilities	3,216,017	3,183,446
Net defined benefit liabilities	254,274	259,198
Deferred tax liabilities	321,141	264,754
<b>Total Liabilities</b>	<u>22,042,587</u>	<u>23,173,226</u>
<b>Net Assets</b>		
Shareholders' equity	1,915,553	2,091,265
Accumulated other comprehensive income	1,748,467	1,929,376
Stock acquisition rights	2,379	33
Non-controlling interests	56,380	51,949
<b>Total net assets</b>	<u>3,722,780</u>	<u>4,072,625</u>
<b>Total liabilities and net assets</b>	<u>25,765,368</u>	<u>27,245,852</u>

## Consolidated Statement of Income

(Yen in millions)

	Year Ended 3/31/21	Year Ended 3/31/22
<b>Ordinary income</b>		
Underwriting income	¥ 4,669,910	¥ 4,988,607
Investment income	661,414	738,186
Other ordinary income	129,870	136,976
<b>Total ordinary income</b>	<u>5,461,195</u>	<u>5,863,770</u>
<b>Ordinary expenses</b>		
Underwriting expenses	4,185,395	4,184,455
Investment expenses	79,552	88,364
Operating and general admin expenses	900,956	1,002,477
Other ordinary expenses	28,556	21,060
<b>Ordinary profit</b>	<u>266,735</u>	<u>567,413</u>
Net extraordinary gains/(losses)	(23,561)	(13,141)
<b>Income before income taxes &amp; non-controlling interests</b>	<u>243,174</u>	<u>554,272</u>
Income taxes	81,337	143,858
<b>Net income</b>	<u>161,837</u>	<u>410,414</u>
Net income (loss) attributable to non-controlling interests	35	(10,070)
<b>Net income attributable to owners of the parent</b>	<u>161,801</u>	<u>420,484</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

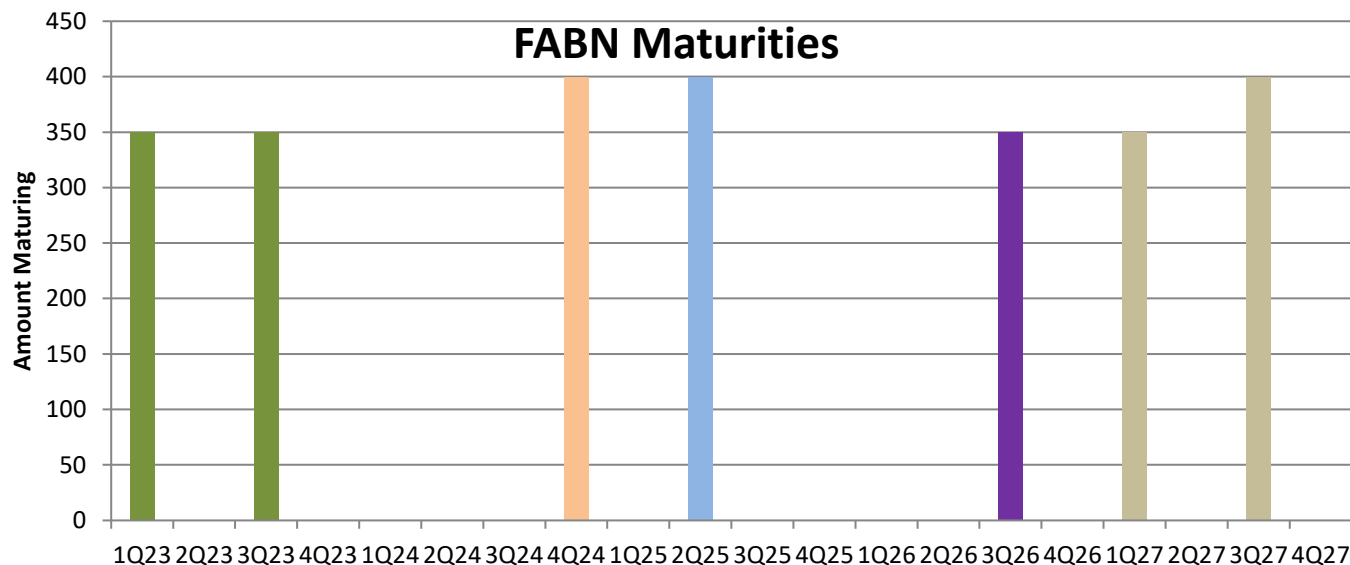
(1) Subject to termination in certain circumstances. See "Description of Business of RSLIC – Capital Support Agreement" in the Base Offering Memorandum.

# 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 \$5.45 billion of three, five and seven-year fixed and floating rate notes with laddered maturities, with \$2.6 BN outstanding as of 9/28/22



**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 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 \$19.7 billion and statutory capital & surplus of \$1.95 billion as of 6/30/22**

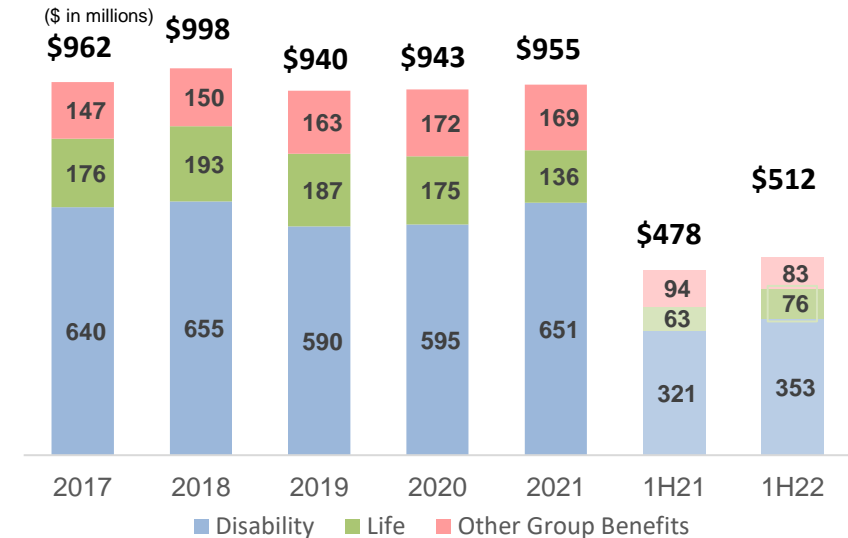


# Group Employee Benefits Segment Overview

## 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)

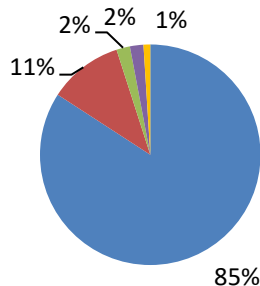
## Earned Premiums & Fees by Product



## Target Market:

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

## Case Size Breakdown by Number of Policies (at 12/31/21)



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

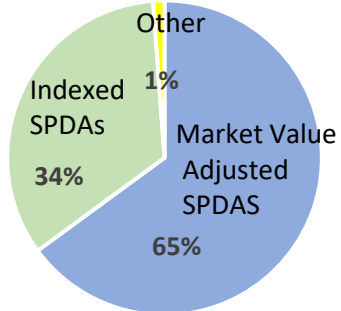
## Distribution:

Group employee benefit brokers and agents

# Retirement Services Segment Overview

## Products

**Individual Annuities**



**1H22 sales**

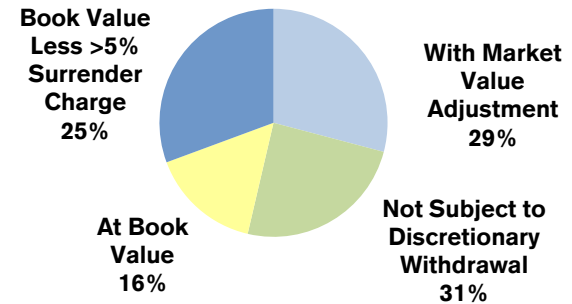
**Other Asset Accumulation**

- Institutional FABNs
- FHLB funding agreements

## Conservative Product Design

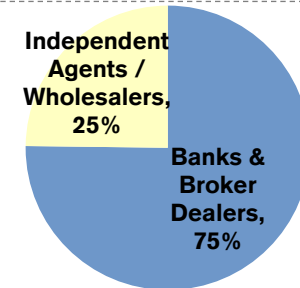
- “Plain vanilla” individual fixed annuities
- No variable annuities
- No living benefit or minimum withdrawal guarantees
- All new SPDA sales are structured with surrender penalties and/or market value adjustment features

### Withdrawal Characteristics of Annuity Reserves and Deposit Liabilities (6/30/22)



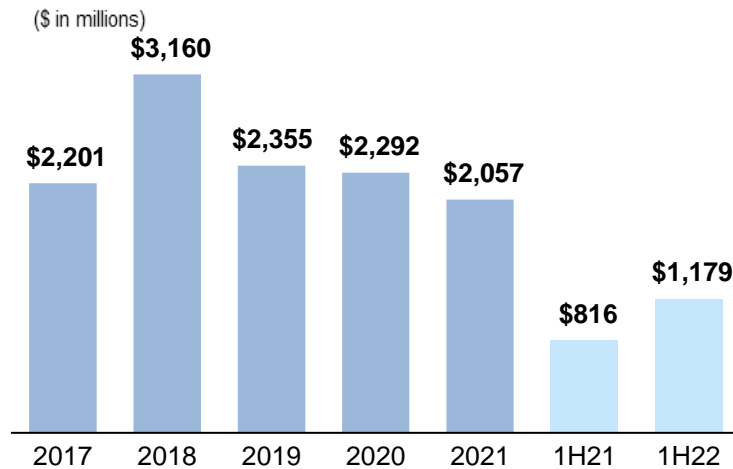
**Annuities Target Market:** Middle income individuals planning for retirement

**1H22 Annuities Distribution:**

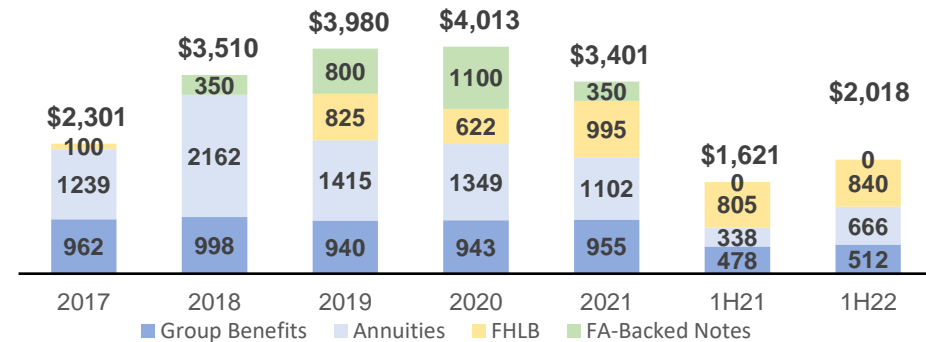


# Steady Revenues

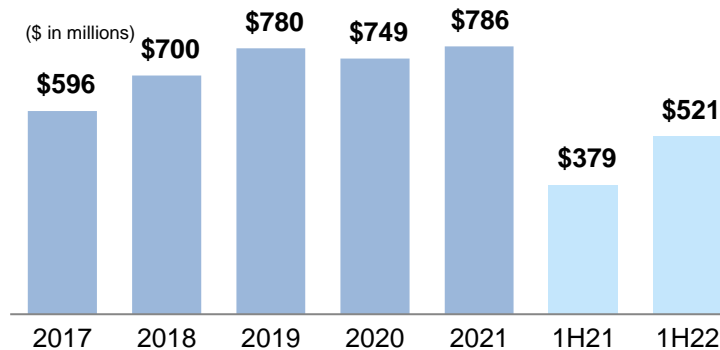
## Premiums and Annuity Considerations\*



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



## Net Investment Income



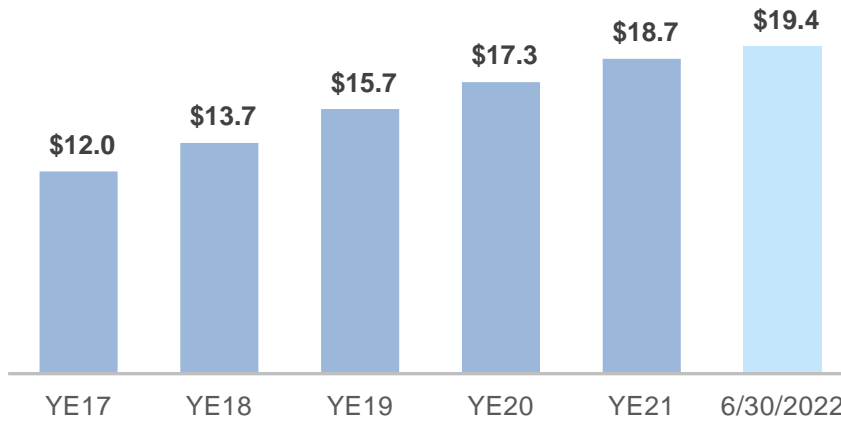
\* Excluding individual life insurance

\*\* 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.

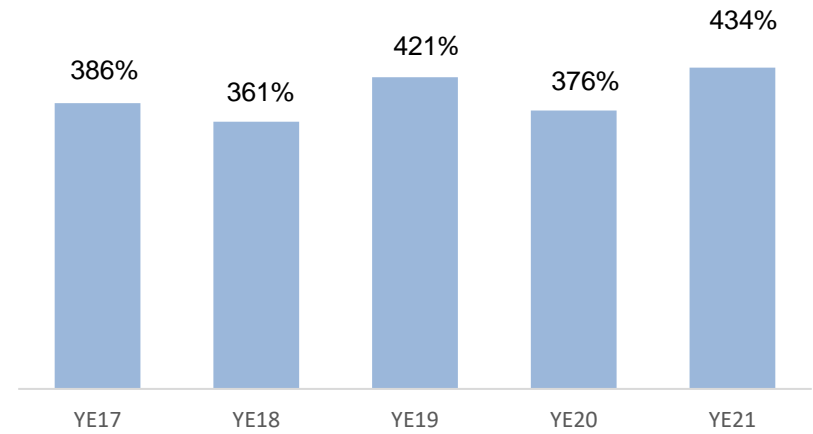
# Strong Capital Position

## Total Admitted Assets\*

(\$ in billions)

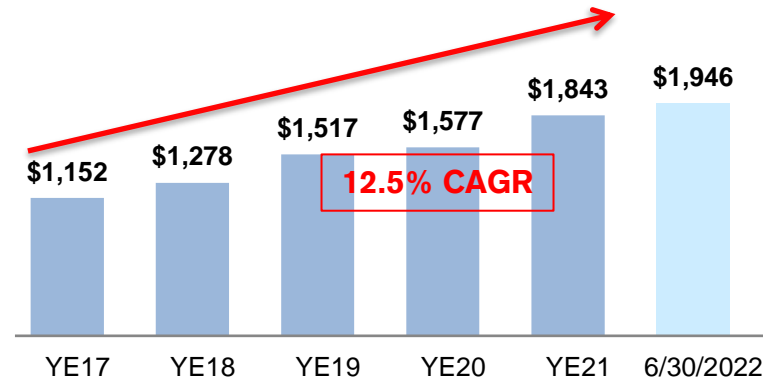


## RBC Ratio (Company Action Level)



## Capital & Surplus

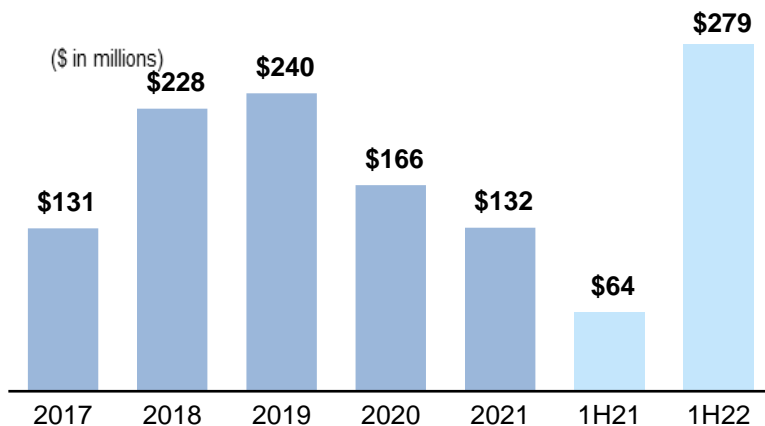
(\$ in millions)



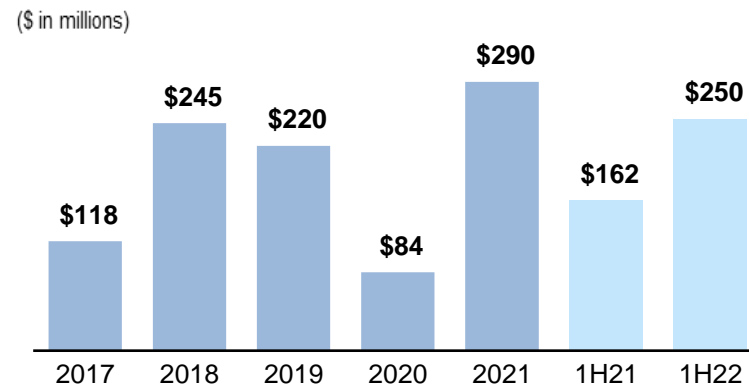
\* Excluding separate accounts

RSL produced strong earnings in 1H22, as COVID-related group life claims moderated, annuity sales increased year-over-year and investment income grew

### RSL Net Gain From Operations\*



### RSL Net Income



### 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

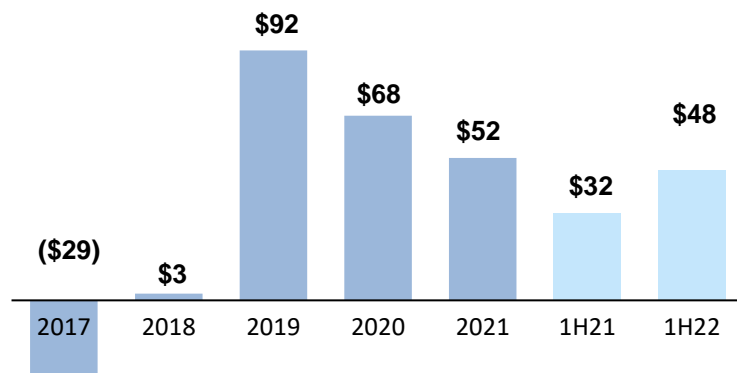


After several years of COVID-related group life claims reducing earnings in the Group Benefits segment, those claims declined the second quarter of 2022, which coupled with good results in other product lines produced an uptick in earnings for the segment

The Retirement Services segment's net gain from operations rebounded sharply in 1H22, driven by higher investment yields, increased annuity sales and the statutory accounting treatment of options used to hedge indexed annuities

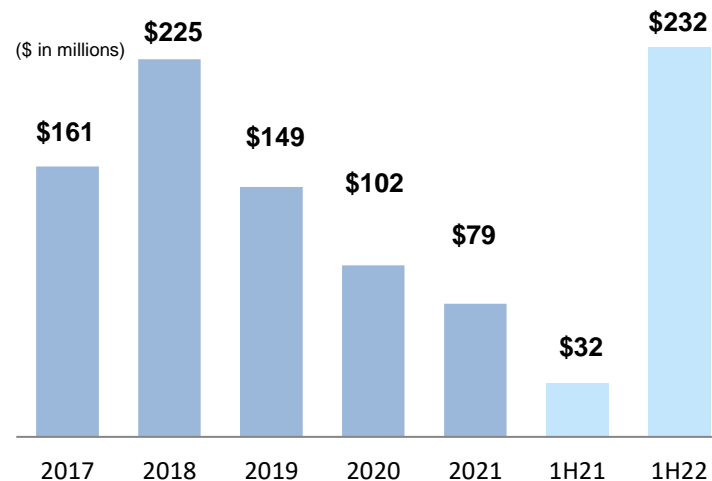
**Group Employee Benefits Segment  
Net Gain from Operations**

(\$ in millions)



**Retirement Services Segment  
Net Gain from Operations**

(\$ in millions)



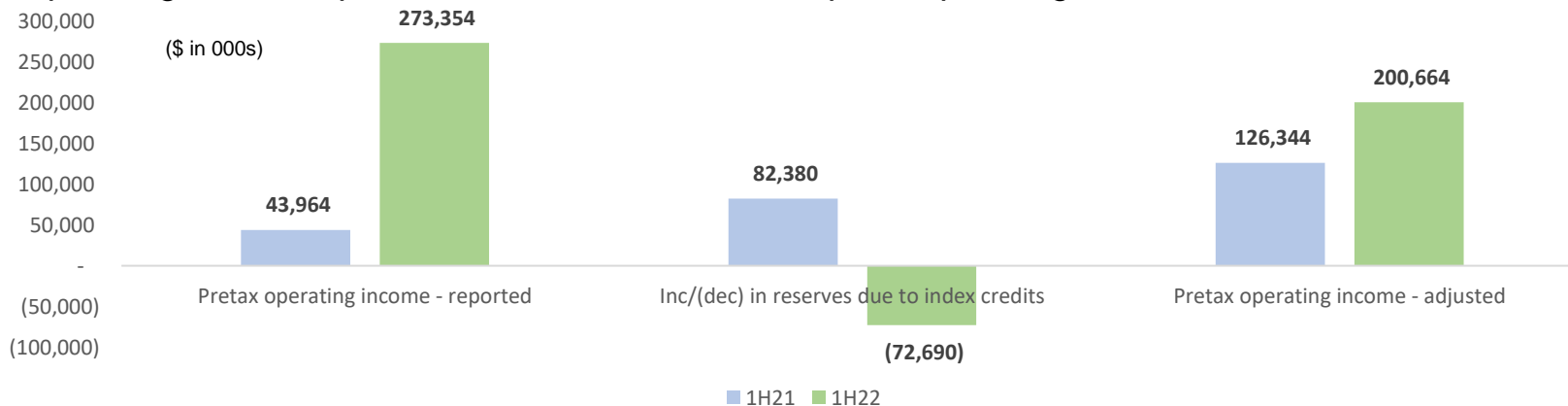
# Retirement Services Earnings Differential

## 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

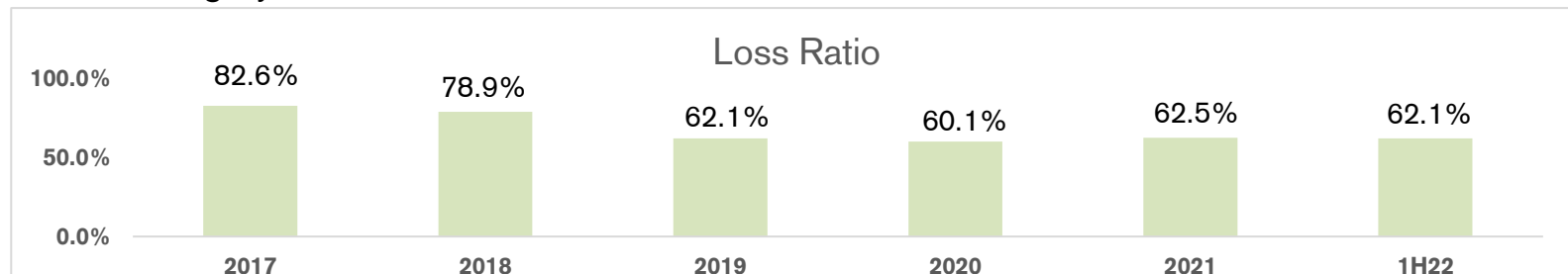
- Reported statutory pretax operating income for Retirement Services for 2021 was \$113 million, down from \$135 million for 2020, but adjusting for the impact of the index credits resulted in a pretax gain from operations of \$264 million in 2021 vs. \$224 million in 2020
- In 1H22, equity market losses lowered the index credits by \$73 million, resulting in adjusted pretax gain from operations of \$201 million vs. reported pretax gain of \$273 million



**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 and 1H22**

**As predicted, COVID has impacted the Employee Benefits segment mostly in the group life line of business**

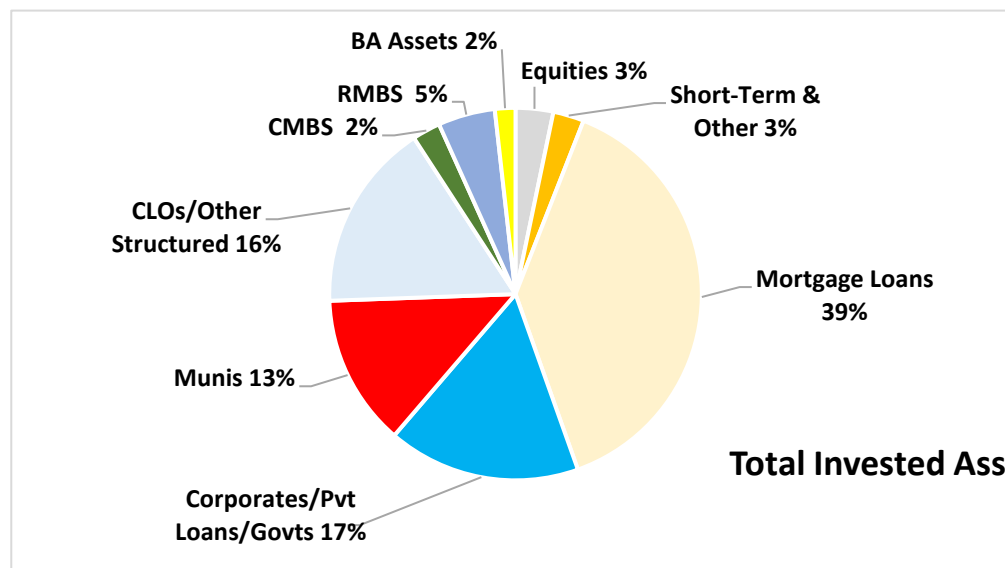
- Group life COVID claims leveled off in 2Q22 after being elevated throughout 2021 and 1Q22 (\$85.6 million in incurred COVID group life claims in 2021, \$38.5 million 1H22)
- As expected, there has been little direct impact on long term disability claims (\$3.0 million in COVID claims in 2021, \$2.8 million 1H22)
- Short term disability claims from COVID have come in within the anticipated range (\$4.6 million in 2021, \$2.3 million 1H22), 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 have been on plan

## Portfolio Composition by Asset Class (at 6/30/22)



Total Invested Assets: \$19.1 billion

## Pre-tax Investment Results

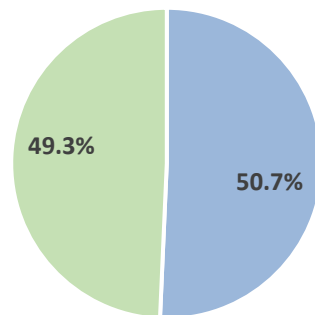
(\$s in millions)	2018	2019	2020	2021	6/30/22
<b>Avg. Net Invested Assets</b>	\$12,604	\$14,098	\$16,054	\$17,269	\$18,651
<b>Net Investment Income</b>	700	780	749	786	521
<b>Weighted Avg. Annual Yield</b>	5.55%	5.53%	4.67%	4.55%	5.59%
<b>Total Return Annualized Yield*</b>	5.45%	5.81%	3.94%	5.15%	5.17%

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

## Portfolio Composition by Rating\*

NAIC Rating	% of Total Investments 6/30/2022	% of Total Investments 12/31/2020	Equivalent Ratings	
			Moody's	S&P
1	22.5%	28.5%	Aaa to A3	AAA to A-
2	19.6%	18.5%	Baa1 to Baa3	BBB+ to BBB-
3	4.4%	5.2%	Ba1 to Ba3	BB+ to BB-
4	5.0%	3.9%	B1 to B3	B+ to B-
5	0.8%	1.2%	Caa1 to Caa3	CCC
6	1.4%	1.0%	Ca to C	CC to D

## Fixed/Floating Portfolio Breakout\* (at 6/30/22)



■ Fixed Rate  
■ Floating Rate

## Fixed Income Composition by Industry (at 6/30/22)

(in \$ 000s)	Carrying Value	% of Total Fixed Income
Banking	254,606,377	2.5%
Basic Materials	308,920,876	3.0%
Capital Goods	55,043,531	0.5%
Consumer, Cyclical	412,181,299	4.0%
Consumer, Non-Cyclical	405,256,776	3.9%
Communications	271,206,955	2.6%
Electric	133,734,333	1.3%
Energy	120,180,436	1.2%
Finance	192,138,080	1.9%
Insurance	176,853,054	1.7%
Natural Gas	96,548,666	0.9%
Real Estate	65,959,157	0.6%
Technology	231,893,044	2.3%
Transportation	83,278,538	0.8%
Mortgage-Backed Securities	1,397,335,737	13.6%
Asset-Backed Securities	3,157,971,002	30.8%
U.S. & State Government	2,551,247,459	24.9%
Foreign Government	249,855,625	2.4%
Other	101,216,772	1.0%
<b>Total Fixed Income</b>	<b>\$ 10,265,427,708</b>	<b>100.0%</b>

\* Based on carrying value

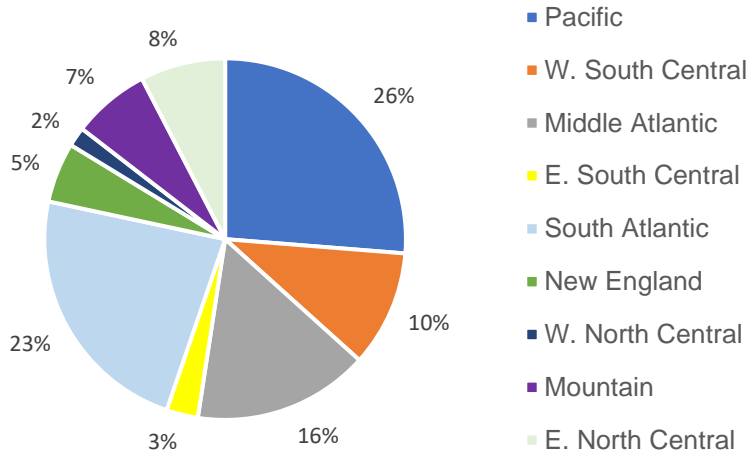


# Mortgage Portfolio

- Well diversified portfolio with an average commercial mortgage loan to value at 6/30/22 of 59.6%
- Have grown the portfolio by adding fixed rate mortgages, which tend to be for stabilized properties, as well as residential mortgages
- As of 6/30/22 there was one commercial mortgage loan under forbearance terms

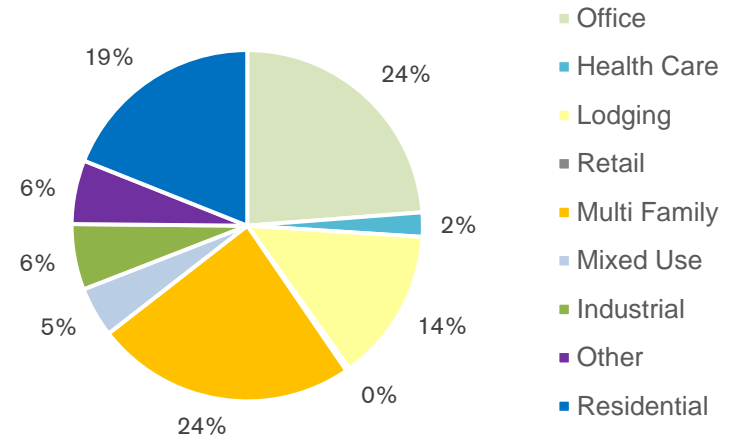
## Mortgages by Geographical Region

As of 6/30/22



## Mortgages by Property Type

As of 6/30/22



- 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	1H21	1H22
<b>Income Statement Data:</b>							
Premiums and Annuity Considerations	\$ 2,202.8	\$ 3,160.5	\$ 2,356.0	\$ 2,291.9	\$ 2,057.3	815.8	\$ 1,178.5
Net Investment Income	595.9	700.0	779.6	749.1	785.6	379.5	521.1
Other	29.6	29.9	23.6	23.7	29.6	13.6	19.3
<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>	<b>1,208.9</b>	<b>1,718.9</b>
Net A/T Gain from Operations, before Realized Capital Gains/(Losses)	131.1	227.7	240.1	165.9	131.7	63.8	279.2
<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>\$ 161.9</b>	<b>\$ 249.9</b>
<b>Balance Sheet Data:</b>							
(as of 12/31)							(as of 6/30)
Invested Assets	\$11,732.5	\$ 13,424.9	\$ 15,436.1	\$ 17,021.5	\$ 18,370.2		\$ 19,132.3
Total Assets	12,172.5	13,875.0	15,902.9	17,528.5	18,943.6		19,655.2
Total Liabilities	11,020.5	12,596.8	14,385.7	15,951.3	17,100.5		17,708.7
Capital and Surplus	\$ 1,152.0	\$ 1,278.3	\$ 1,517.1	\$ 1,577.2	\$ 1,843.1		\$ 1,946.4
Cap. & Surplus + Asset Val. Reserve	1,314.3	1,440.5	1,817.1	1,899.8	2,309.8		2,307.2
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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