FOR IMMEDIATE RELEASE

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A.M. Best Revises Outlooks to Negative for Lincoln Benefit Life Company

OLDWICK, N.J., July 29, 2016—A.M. Best has revised the outlooks to negative from stable and affirmed the financial strength rating of A- (Excellent) and the issuer credit ratings (ICR) of "a-" of **Lincoln Benefit Life Company** (LBL) (Lincoln, NE). LBL's ratings recognize its status as a run-off business that contains life insurance and retirement products with an adequate invested assets portfolio. LBL became a direct, wholly owned subsidiary of Resolution Life, Inc. in April 2014.

Immediately prior to the closing of the acquisition by Resolution Life, LBL commuted a large part of the business previously reinsured to **Allstate Life Insurance Company** (ALIC), consisting primarily of all deferred annuity, long-term care and accident and health business, and life insurance business sold through LBL's independent life insurance business (the Retained Business). LBL now retains the liabilities for the Retained Business. This commutation resulted in approximately $12 billion of assets and liabilities being transferred to LBL, which will continue to reinsure the business produced by Allstate's dedicated agents with 100% coinsurance from ALIC. Resolution Life has an experienced management team which has successfully managed this particular type of run-off business previously, and further enhances LBL's business profile.

LBL reported profitable operations on both a GAAP and statutory net income basis with a future positive earnings profile driven in part by profitable investment performance. The company has had profitable operations since acquiring ALIC's closed block of life business. LBL has maintained adequate levels of risk-based capital

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since the acquisition, and has paid out dividends that are in-line with company projections.

The revised outlooks are driven by A.M. Best's expectation that capital levels over the next few years may decline due to a combination of dividend expectations, which is part of the business model of the company, and a revised view that earnings pressure related to the low interest rate environment will be more of a drag to the earnings profile of the company than originally anticipated. Partially mitigating these concerns is that the company has adequate capital to support the ratings at the current level, as defined by Best's Capital Adequacy Ratio (BCAR), and that this is sufficient to support its current business and insurance risks. A.M. Best further notes that the decline in risk-adjusted capitalization over the longer-term is expected to be mitigated, to some degree, by the release of reserves as the business runs-off. It is also noted that A.M. Best expects that the company's invested assets are to be managed very conservatively and that the company will not chase yield in favor of higher degrees of credit or liquidity risk.

This press release relates to rating(s) that have been published on A.M. 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 A.M. Best's Recent Rating Activity web page.

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