



**July 7, 2017**

We are very pleased to announce that A.M. Best has affirmed EMC National Life Company's (EMCNL's) financial strength rating of "A-" (Excellent) with a stable outlook. This solid rating is assigned to companies that have, in A.M. Best's opinion, an excellent ability to meet their ongoing obligations to policyholders.

According to Best's Rating Report, "The ratings of EMCNL reflect its strategic importance to its parent, EMCC, diversified product profile of life, annuity and workplace products, strong risk-adjusted capitalization...EMCNL's quality of surplus is considered strong by A.M. Best, and its risk-adjusted capitalization as defined by the Best Capital Adequacy Ratio is strong for its business, investment and insurance risks."

EMCNL demonstrates a strong financial standing with a total adjusted capital and surplus in excess of \$111.3 million and total assets of \$947.88 million at the end of 2016.

EMCNL is Reaching Success in 2017 with Focus, Discipline and Momentum as we execute our business plan and move forward with profitable and sustainable growth.

Bruce G. Kelley  
Chief Executive Officer

Jason R. Bogart  
President

Eric J. Faust  
Executive Vice President &  
Chief Operating Officer

Information in this letter is updated annually.

EMC National Life Company  
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Des Moines, IA 50306-9202  
800.232.5818  
[www.EMCNationalLife.com](http://www.EMCNationalLife.com)

*Taking Action*



# FINANCIAL HIGHLIGHTS

as of December 31, 2016

- Total assets of \$947.88 million at year-end 2016
- Record year-end total capital and surplus and asset valuation reserve (AVR) of \$111.30 million; the AVR supports EMCNL's long-term investment strategy by providing a cushion against potential equity and credit losses
- Total life insurance in force of \$12.98 billion
- EMCNL's investment yield on invested assets for 2016 was 4.61 percent, compared to 4.55 percent\* for the life insurance industry
- EMCNL's non-investment grade bonds at year-end were 0.70 percent of total bonds, compared to 6.08 percent for the life insurance industry as of Dec. 31, 2016; EMCNL's non-investment grade bonds have averaged 0.39 percent of total bonds over the last five years, compared to the life insurance industry average of 6.02 percent over the five-year period ending Dec. 31, 2016\*

\*Industry data from SNL Financial as of April 2017

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Investment Type	Book Value	Percent of Total
<b>Bonds</b>	\$ 788,055,472	87.7%
<b>Common &amp; Preferred Stock</b>	\$ 36,420,253	4.1%
<b>Mortgage Loans</b>	\$ 36,746,254	4.1%
<b>Real Estate</b>	\$ 1,419,741	0.2%
<b>Policy Loans</b>	\$ 19,879,143	2.2%
<b>Cash &amp; Short-Term Investments</b>	\$ 15,725,148	1.7%
<b>Total Invested Assets</b>	\$ 898,246,010	

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