

Best's Rating Report



**TEACHERS INSURANCE AND ANNUITY ASSOCIATION
OF AMERICA**

A++

TIAA-CREF LIFE INSURANCE COMPANY

A++

New York, New York



Best's Rating Report

Ultimate Parent: Teachers Insurance & Ann Assn of America

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA

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BEST'S CREDIT RATING

**Best's Financial Strength Rating: A++ Outlook: Stable
Best's Financial Size Category: XV**

RATING RATIONALE

The following text is derived from A.M. Best's Credit Report on TIAA Group (AMB# 070362).

Rating Rationale: The ratings of Teachers Insurance and Annuity Association of America (TIAA) and its wholly owned insurance subsidiary, TIAA-CREF Life Insurance Company (TIAA-CREF Life), collectively referred to as the TIAA Group, reflect its market-leading position in the higher education and not-for-profit pension market, solid net operating performance, strong risk-adjusted capitalization, stable liability profile and low-cost structure in addition to significant financial flexibility. Partially offsetting these strengths are the challenges to sustain and improve its overall net operating performance, ability to maintain its dominant position in the U.S. higher education pension market niche and manage its material investment exposure to the real estate markets relative to total capital.

TIAA and TIAA-CREF Life, together with their companion organization, the College Retirement Equities Fund (CREF), form one of the largest retirement systems in the United States. Together, they have a combined \$913 billion in total assets under administration as of year-end 2015. The group continues to maintain strong risk-adjusted capitalization as measured by Best's Capital Adequacy Ratio (BCAR). Risk-adjusted capitalization has been enhanced by its profitable operating performance that has more than offset investment losses in recent years, in addition to the issuance of surplus notes, several capital initiatives and regulatory capital relief. Furthermore, it continues to maintain considerable latitude in managing its capital base, particularly given its ability to adjust crediting rates on its interest-sensitive business and its conservative approach to valuing its statutory reserves. TIAA has a unique insurance liability structure as approximately seventy-five percent of its general account reserves are not cashable and can only be received as a death benefit or in the form of a periodic annuity payout, typically in the form of a ten-year annuity payout. Contract holders may also transfer funds from TIAA to CREF or to another employer-approved funding

vehicle. This long liability structure coupled with its low liquidity needs allows TIAA to take advantage of typically higher-yielding investments that are less liquid and of a longer duration. A.M. Best notes that TIAA does not provide living benefit guarantees on its insurance and pension businesses and has only a modest exposure to guaranteed minimum death benefits. The group's low expense structure, effective distribution networks, competitive product crediting rates and excellent customer service provide it with favorable competitive advantages. TIAA has also leveraged its investment expertise, its economies of scale, and unique business profile to expand into various activities that are complementary to its core pension businesses, such as asset management, mutual funds, trust services, state-sponsored tuition financing programs and planned giving services. TIAA's current financial leverage is prudent, with adequate interest coverage and modest use of operating leverage. A.M. Best also notes that TIAA's recent acquisition of Nuveen Investments Inc. (Nuveen), a diversified investment management company, has added scale to TIAA's existing asset management business with the expansion of products and services available to its customers and adds diversification to its current investment and distribution platforms. Furthermore, Nuveen has added additional earnings diversification for TIAA.

Despite TIAA's favorable net operating performance trends, A.M. Best notes that the majority of net earnings have been derived through active spread management of its core pension businesses. However, with the majority of its pension businesses having 3% minimum interest rate guarantees, A.M. Best believes the group may be challenged to sustain and improve upon its historical net operating performance as it navigates through this persistent low interest rate environment. To mitigate its exposure to these high minimum interest rate guarantees over the long term, the organization now utilizes an indexed minimum interest guarantee for new institutional and individual retirement accounts. TIAA continues to hold a dominant position in the U.S. higher education and not-for-profit pension markets. However, its dominance has been challenged in recent years by strong brand name, low-cost mutual fund firms offering a wide array of non-guaranteed investment options that compete with TIAA's dividend rates. While A.M. Best does not believe TIAA's existing customer relationships would be affected significantly, it does believe it could be challenged to attract new customers in this highly competitive market. In response, TIAA has implemented marketing strategies aimed at strengthening its brand awareness and customer reach. While A.M. Best considers TIAA's investment management capabilities to be extremely strong, it notes that the overall investment portfolio has generated moderate levels of investment losses over the years. Although A.M. Best believes any near-term asset impairments for TIAA will be more than offset by net operating gains, it remains concerned regarding the group's sizable exposure to real estate-related assets. A.M. Best believes the potential for material credit losses from its real estate holdings remains, should the global economic recovery stall or deteriorate. These concerns are somewhat mitigated as TIAA's direct commercial mortgage loan portfolio is well diversified by asset class and geographic region and thus far has performed reasonably well. Additionally, TIAA's CMBS portfolio is concentrated almost entirely in the highest-rated tranches, a majority in earlier vintages, well diversified both by asset class and geographic location and maintains a high degree of subordination. Finally, A.M. Best acknowledges that TIAA's unique liability structure allows it to hold these investments to recovery or maturity.

Best's Rating Report

Factors that could result in a negative rating action include a significant and sustained decline in risk-adjusted capitalization, as measured by Best's Capital Adequacy Ratio (BCAR), due to operating and investment losses; net operating performance that does not meet TIAA's historical operating performance over a period of time; or a regulatory change that adversely impacts TIAA's core pension business.

FIVE YEAR RATING HISTORY

Date	Best's FSR	Date	Best's FSR
06/08/16	A++	05/08/13	A++
06/05/15	A++	04/11/12	A++
05/21/14	A++		

KEY FINANCIAL INDICATORS (\$000)

Year	Assets	Total Capital				Net Invest Income	Net Income
		Capital Surplus Funds	Asset Valuation Reserve	Net Premiums Written	Net Income		
2011	225,931,548	27,130,896	2,825,322	11,084,625	10,770,487	2,358,893	
2012	237,037,712	29,308,980	3,423,855	10,431,717	10,924,963	2,041,827	
2013	250,494,215	30,779,125	4,633,285	12,580,187	11,128,974	1,751,466	
2014	262,634,190	33,919,944	5,020,051	11,185,673	11,070,478	984,254	
2015	270,094,422	34,735,498	3,910,350	11,950,939	11,069,347	1,254,017	

(*) Within several financial tables of this report, this company is compared against the Multiple Lines Composite.

(*) Data reflected within all tables of this report has been compiled from the company-filed statutory statement.

CORPORATE OVERVIEW

Teachers Insurance and Annuity Association of America (TIAA) was established in 1918 as a legal reserve life insurance company under the insurance laws of the State of New York by the Carnegie Foundation for the advancement of teaching. Under its charter, TIAA's purpose is to aid and strengthen non-profit educational and research organizations, governmental entities and other non-profit institutions by providing retirement and insurance benefits for their employees and their families and by counseling such organizations and their employees on benefit plans and other measures of economic security, all without profit to the corporation or its stockholders. Net earnings in excess of the amounts needed to provide for contractual benefits and to establish necessary asset valuation and contingency reserves are available for distribution to TIAA policyholders in the form of additional amounts, or remain available for purposes that the TIAA Board of Trustees determines can uphold TIAA's mission. Also, according to its charter, all of the outstanding common stock of TIAA is held by TIAA Board of Overseers. TIAA Board of Overseers is a Type B New York not-for-profit corporation incorporated in the state of New York, created for the purpose of holding the stock of TIAA. TIAA Board of Overseers elects the members of the TIAA Board of Trustees. TIAA Board of Trustees oversees the management of TIAA and, among other things, approves changes to TIAA's organizational documents. All policies and contracts issued by TIAA are non-participating.

TIAA operates in conjunction with its companion organization, the College Retirement Equities Fund (CREF), a separate entity formed in 1952 as a not-for-profit membership corporation under the laws of the state of New York to provide variable annuity contracts as alternatives to TIAA's fixed annuity contracts. CREF is registered as an open-end diversified management investment company. TIAA and CREF policyholders traditionally have been able to allocate their retirement annuity contributions between the TIAA fixed account and CREF's variable annuity accounts. With total assets under administration of \$913 billion as of year-end 2015, TIAA-CREF is a major financial services organization. Together, TIAA and CREF represent one of the largest retirement systems in the U.S.

An important provision of the TIAA system is that it provides full funding, immediate vesting and portability of pension funds, which enables educational or research professionals to change employer without forfeiting accrued pension rights. Today, TIAA and CREF serve approximately 5.0 million people across more than 16,000 colleges, universities, and related education and research institutions in the United States.

TIAA-CREF Life Insurance Company (TIAA-CREF Life) was incorporated and commenced business in 1996, as a stock company under the laws of the state of New York. It is a direct wholly-owned subsidiary of TIAA. TIAA-CREF Life sells life insurance and annuity products to the general public with a large focus on marketing its products to individuals who own retirement annuities or insurance policies issued by TIAA. TIAA-CREF Life also sells funding agreements and separate account guaranteed interest contracts (SAGIC). These funding agreements are issued directly to states in support of state sponsored 529 college savings and scholarship plans. SAGICs are unallocated, non-participating, deposit type contracts in the separate account and are designed as an investment vehicle offered to trustees and/or plan sponsors of stable value funds. The majority of the services required for its business operations are provided by TIAA and certain of its direct and indirect wholly-owned subsidiaries pursuant to various service, investment management, administrative, selling and distribution agreements.

CORPORATE STRUCTURE

AMB#	COMPANY NAME	DOMICILE	% OWN
007112	Teachers Ins & Annuity Assoc	NY	100.00
060222	TIAA-CREF Life Ins Co	NY	100.00

BUSINESS PROFILE

The following text is derived from A.M. Best's Credit Report on TIAA Group (AMB# 070362).

TIAA Group, directly and through its subsidiaries and affiliates, offers a wide array of financial services and products, including: fixed and variable annuities (directly and through separate accounts); mutual funds; wealth management advice; non-commissioned investment advice; education savings programs; life insurance; trust and banking services; planned giving and endowment services; brokerage services; and institutional third-party asset management. Several years ago, TIAA Group exited the group life and disability as well as the long-term care businesses, since they no longer fit its long-term objective and core strength. At year-end 2015, approximately 98%

Best's Rating Report

of the group's general account policy and contract reserves were attributable to pension and retirement annuities.

TIAA maintains the mission to aid and strengthen academic, medical, cultural, and research institutions by seeking to provide financial security suited to the needs of institutions, and their employees and their families. TIAA Group does not have a commissioned sales force to distribute its products (other than the TIAA-CREF Life operations) and premiums for pension annuity and mutual fund products are remitted directly by participating institutions. TIAA Group recognizes that its customers are looking for financial solutions that meet their needs at every life stage. TIAA Group's primary business is providing individually-owned retirement annuities to fund defined contribution pension plans at participating institutions. In 2015, TIAA Group provided retirement annuities and insurance coverage to approximately 5 million individuals at over 16,000 colleges, universities, primary and secondary schools (K-12), independent schools, government entities, hospitals, and other non-profit organizations across the U.S. All aspects of the institutional relationship, including product development and management, service, distribution and sales are offered.

TIAA policyholders are able to allocate their retirement annuity contributions between proprietary options, which include the group's general account and real estate separate account and various CREF accounts that cover a range of investment objectives and styles, including stock, money market, social choice, bond, and inflation-linked bond funds. Policyholders can also allocate these contributions to various proprietary mutual funds and lifecycle funds. Non-proprietary funds are also made available. TIAA and TIAA-CREF Brokerage Services, a wholly owned subsidiary, have enhanced their platform to a more flexible record-keeping platform providing a way to offer more proprietary products and a broader array of services. This platform offers clients both proprietary and non-proprietary mutual funds, and in conjunction with the platform, TIAA Group offers investment advice with respect to asset allocation and fund selections to retirement plan participants. Furthermore, the group believes that the record-keeping platform enables it to compete more effectively as the 403(b) market continues to move from a multiple full service provider model to a single record-keeping model with multiple investment managers. The pension and retirement part of TIAA Group does not employ soliciting agents and does not incur commission costs. From the individual client perspective, TIAA Group looks to offer advice, products and services related to fulfilling the client's long-term financial goals, while from the institutional perspective, TIAA Group offers efficient and cost-effective delivery of products and administration.

Scope of Operations: TIAA offers Retirement Annuities (RAs), Group Retirement Annuities (GRAs) and Retirement Choice Contracts (RCs) as part of an employee base retirement plan. TIAA also offers Supplemental Retirement Annuities (SRAs), Group Supplemental Retirement Annuities (GSRAs), Retirement Choice Plus contracts (RCPs) and individual retirement accounts (IRAs). SRAs, GSRAs, and RCPs enable participants to supplement their basic retirement savings by voluntarily setting aside a portion of their salaries to accumulate on a pre-tax basis. SRAs, GSRAs, and RCPs provide for lump-sum cash withdrawals. In 2012, TIAA ceased issuing new Keogh Plans but continues to service its existing Keogh Plan accounts. In 2013, TIAA replaced the Keogh Plan offerings with IRA products.

Because of the purpose of TIAA's annuities, TIAA participants typically can only withdraw their funds in the form of lifetime annuity income or as an annuity payable in ten annual installments. As of year-end 2015, 74% of TIAA's general account policy and contract reserves were not subject to discretionary withdrawal at the option of the policyholder. Annuitants receiving income under TIAA lifetime annuity contracts are given the option to transfer the actuarial present value of their remaining TIAA annuity income payments to CREF equity accounts over five years for the purchase of a variable annuity, payable under the same income option to the same first and second annuitant as the original TIAA annuity. As a result of this exceptionally stable liability structure; TIAA Group is able to maintain a long-term view toward its investment strategies, without exposing it to excessive volatility resulting from short-term market fluctuations. Additionally, the group has established several ancillary businesses to complement its focused pension, annuity, and insurance operations. These ventures join together with its target markets and strategic focus by capturing and retaining existing client's wealth as well as attracting new clients.

TIAA Group markets individual life insurance and annuity products through TIAA-CREF Life, a direct wholly-owned subsidiary of TIAA. TIAA-CREF Life sells its products to individuals who own retirement annuities or insurance policies issued by TIAA and to the general public. The life insurance portfolio includes term life insurance in the form of level term and annual renewable term, and permanent life insurance in the form of universal life insurance and variable universal life for both single and survivorship sales. The representatives that market variable insurance products are also registered representatives of TIAA Group's affiliated broker-dealer. TIAA-CREF Life's primary marketing efforts for term life insurance products involve direct mail and an internet website which is designed to direct potential policyholders to a call center staffed by licensed representatives. Universal life and variable universal life products are also sold through non-commissioned representatives. Assets associated with variable universal life insurance policies are held in various investment sub-accounts of TIAA-CREF Life's separate accounts, based on policyholder's investment allocations. TIAA-CREF Life also offers non-qualified individual annuities and insurance products to the general public.

In October 2012, TIAA-CREF Life and M Financial Group (M Financial) entered into an exclusive agreement to offer TIAA-CREF Life's life insurance products to M Financial's member firms and their clients. TIAA-CREF Life has access to M Financial's ultra-high net worth client base, significantly expanding its distribution network. As a result of this agreement, TIAA-CREF Life developed proprietary life insurance products to be distributed exclusively through M Financial and its affiliated licensed producers. In addition, TIAA-CREF Life provides a variety of dedicated resources to support M Financial's member firms, including sales and marketing support, underwriting, and policyholder service. Since entering the exclusive agreement, TIAA-CREF Life and M Financial have expanded their life portfolio to include two variable universal life products, a fixed universal life product designed for high net worth clients, both fixed and variable survivorship universal life products, and a term product. Today M Financial generates a third of TIAA-CREF Life's direct premiums.

TIAA-CREF Life's funding agreement segment focuses on providing non-participating flexible premium funding agreements issued from the

Best's Rating Report

general account to support education-related investment and/or savings programs sponsored by various states. Several states sponsor a 529 college savings plan and each plan is a tax-advantaged investment and savings program designed to encourage account owners to save for the future higher education expenses of a designated beneficiary. Some states offer a guaranteed option to those investing in the state's college savings plan. TIAA-CREF Life provides funding agreements to certain states to support their guaranteed option, which guarantees a return of account owners' principal, with interest. TIAA-CREF Life also makes available a funding agreement to any state that provides a state scholarship program for those seeking higher education.

TIAA also issues separate account guaranteed interest contracts (SAGIC). These contracts are generally issued to the trustees of stable value funds (commingled and custom single client funds) and represent one of the funding vehicles of such fund. These contracts may also be issued as a funding vehicle for the stable value option offered to the plan's participants.

Within the TIAA Group, TIAA-CREF Asset Management has leveraged its scale and low-cost structure by developing a broad offering of 85 proprietary mutual fund and annuity products. TIAA sponsors a family of 65 no-load mutual funds (35 individual strategy mutual funds, 12 Lifecycle funds, 12 Lifecycle Index funds, 5 Lifestyle funds, and 1 Managed Allocation fund with five classes of shares) under the TIAA-CREF Funds that are distributed to a wide array of customers including, retirement plans, financial intermediary platforms, retail customers, institutional investors and college saving programs. Participation in the sponsored mutual funds is generally available to members of the public, outside of TIAA's core eligible participant base. In addition, TIAA sponsors a family of 11 mutual funds under the TIAA-CREF Life Funds that are used as underlying investment options for certain of the variable annuity and variable insurance products issued by TIAA-CREF Life, and 9 single-tiered annuity products (CREF Accounts and TIAA Separate Account VA-1).

TIAA Group conducts its investment management and investment advisory business through TIAA Asset Management LLC (TAM), which holds controlling interests in TIAA-CREF Asset Management (TCAM) and TIAA-CREF Asset Management Finance Company (TAMF). Nuveen Investments, which was acquired in 2014 operates as a separate subsidiary under TAMF. Nuveen offers investment management capabilities across a diversified set of asset classes to provide investment solutions for a wide range of investor needs.

Demand for wealth transfer and other financial services among its traditional participants prompted TIAA Group to enter the trust services and banking markets through the TIAA-CREF Trust Company, FSB (TIAA-FSB). TIAA-FSB includes its institutional and individual trust businesses as well as its bank business. The focus of institutional trust services is on small endowment and foundation management, serving as trustee or investment manager for certain employee benefit plans and providing trust services to TIAA affiliates. The individual trust services allow clients to invest in professionally managed, customized portfolios. Personal consultants allow customized advice to the individual client, strong existing relationships with its clients, investment expertise of advisors and dedicated portfolio managers. TIAA-FSB offers trust and investment management services to TIAA participants and their families, education and research institutions and others.

TIAA has a regulatory commitment to keep TIAA-FSB "well capitalized" as defined by the regulations of the Office of Thrift Supervision (OTS) and its successor, the Office of the Comptroller of the Currency (OCC). Several years ago, the OTS approved TIAA-FSB's plans to further expand its banking services. The TIAA-FSB began offering lending and deposit products to the public. Lending products include fixed and adjustable rate products for both the purchasing and refinancing of a home as well as home equity lines of credit. Deposit products include checking, savings, and money market accounts as well as certificates of deposit.

Consistent with TIAA's higher education charter, the group established the TIAA-CREF Tuition Financing, Inc. (TFI), which is a direct wholly-owned subsidiary of TIAA. TFI provides certain plan management services for states that offer a state qualified tuition program (aka 529 plans). TFI's plan management services include investment recommendations, record-keeping for state 529 plan account owners and beneficiaries, calculating unit values, tax reporting, certain administrative services, and marketing. Each state 529 plan to which TFI provides services is offered by the state directly to individuals and includes a variety of investment options. As of year-end December 31, 2015, TFI provided services to ten state 529 plans.

Kaspick & Company, LLC (Kaspick) is a leading provider of planned gift management services for colleges, universities, and other not-for-profit organizations. The firm's planned giving services are designed to help clients achieve their primary goals of raising more valuable gifts, creating very satisfied donors, and reducing institutional risk by providing sophisticated asset management, high quality gift administration, expert program consulting, and comprehensive reporting. The firm also provides Outsourced Chief Investment Officer (OCIO) services for endowments, consulting with clients on spending rates, investment policy, and asset allocations decisions as well as overseeing manager selection, portfolio execution, and ongoing reporting. Kaspick became part of TIAA in 2006, and operates as an indirect wholly-owned subsidiary. The firm primarily serves large (\$20 million and above) planned giving programs and endowments of \$25 million or more.

In 2010, TIAA expanded its endowment management business with the launch of its wholly-owned subsidiary, Covariance Capital Management, Inc. (Covariance). Covariance provides comprehensive endowment management services to non-profit institutions with endowment assets of \$25 million or greater and provides clients access to third-party investment managers in traditional as well as alternative assets cases (private equity, real estate, commodities, and hedge funds). Covariance's endowment-investing style approach provides customized investment solutions designed to address the liquidity and risk/return profiles of nonprofit institutions.

TOTAL PREMIUM COMPOSITION & GROWTH ANALYSIS

Period	DPW		Reinsurance Prem Assumed	
	(\$000)	(% Chg)	(\$000)	(% Chg)
Ending				
2011	11,302,718	2.1	-204,095	-99.9
2012	10,445,848	-7.6	...	100.0
2013	12,594,756	20.6	...	...
2014	11,200,150	-11.1	...	...
2015	11,964,923	6.8	...	...
5-Yr CAGR	...	1.6	...	-99.9

Best's Rating Report

Period Ending	Reinsurance Prem Ceded		—NPW & Deposits—	
	(\$000)	(% Chg)	(\$000)	(% Chg)
2011	13,998	-12.8	11,369,331	0.1
2012	14,131	1.0	10,765,503	-5.3
2013	14,569	3.1	12,997,004	20.7
2014	14,477	-0.6	11,656,586	-10.3
2015	13,984	-3.4	12,414,928	6.5
5-Yr CAGR	...	-2.7	...	1.8

Territory: The company is licensed in the District of Columbia, Puerto Rico, U.S. Virgin Islands and all states.

Business Trends: Net cash flows into its non-insurance activities have increased steadily over the past several years. A.M. Best believes that these initiatives will allow the organization to maintain its overall scale of operation while better serving the needs of its customer base. The acquisition of Nuveen has expanded the organization's assets under management and expanded the customer base. Nevertheless, the pension and retirement segment continues to comprise a sizable majority of the organization's assets under management.

TIAA reported record net inflows in 2015 due to the strength of cash flows within the asset management. However, A.M. Best notes that the net inflows of \$16.5 billion was slightly below plan due to larger than expected outflows from Nuveen.

TIAA Group's net premiums written were \$12.7 billion compared to \$12.0 billion in 2014. Although all the core product lines of business increased, the majority of the 6.8% net premium written growth was driven by sales of its group variable annuity products.

2015 BY-LINE BUSINESS (\$000)

Product Line	—DPW—		Reinsurance Prem Assumed	
	(\$000)	(%)	(\$000)	(%)
Ordinary life	293,788	2.5	...	...
Individual annuities	5,823,125	48.7	...	...
Group annuities	5,834,204	48.8	...	...
Individual A&H	13,511	0.1	...	...
Group A&H	296	0.0	...	...
Total	11,964,923	100.0	...	...

Product Line	Reinsurance Prem Ceded		—NPW—	
	(\$000)	(%)	(\$000)	(%)
Ordinary life	181	1.3	293,608	2.5
Individual annuities	...	...	5,823,125	48.7
Group annuities	...	...	5,834,204	48.8
Individual A&H	13,508	96.6	3	0.0
Group A&H	296	2.1	...	...
Total	13,984	100.0	11,950,939	100.0

BY-LINE RESERVES (\$000)

Product Line	2015	2014	2013	2012	2011
Ordinary life	541,390	540,149	537,217	533,300	527,277
Supplementary contr	4,037,855	3,752,345	3,468,906	3,191,665	2,890,135
Individual annuities	153,456,314	152,387,830	150,741,061	147,725,575	145,541,706
Group annuities	34,336,869	31,769,743	29,775,596	27,316,226	25,203,312
Deposit type contracts	994,284	949,280	852,977	764,940	693,636
Individual A&H	17	16	16	20	21
Total	193,366,729	189,399,363	185,375,773	179,531,725	174,856,087

LIFE POLICIES STATISTICS

Year	-Ordinary Policies-		-Group Policies-		-Group Certificates-	
	Issued	In Force	Issued	In Force	Issued	In Force
2011	584	112,554	...	...	...	1,322
2012	666	104,229	...	...	...	1,192
2013	601	94,994	...	...	...	1,055
2014	453	86,762	...	...	...	948
2015	523	78,770	...	...	...	848

LIFE INSURANCE IN FORCE (\$000)

Year	Whole Life Endow. & Adds	Term	Credit	Group	Industrial	Total Insurance In Force
						In Force
2011	889,585	23,005,812	...	71,714	...	23,967,111
2012	916,284	21,272,294	...	65,092	...	22,253,670
2013	933,412	19,220,820	...	57,727	...	20,211,959
2014	939,398	17,425,540	...	51,528	...	18,416,466
2015	948,517	15,665,201	...	45,389	...	16,659,107

NEW LIFE BUSINESS ISSUED (\$000)

Year	Whole Life & Endow.	Term	Credit	Group	Industrial	Total Insurance Issued	Non-Par (%)	Par (%)
						In Force		
2011	49,846	...	...	...	...	49,846	100.0	...
2012	57,592	...	...	...	...	57,592	100.0	...
2013	49,321	...	...	...	...	49,321	100.0	...
2014	38,728	...	...	...	...	38,728	100.0	...
2015	46,388	...	...	...	...	46,388	100.0	...

ORDINARY LIFE STATISTICS

Year	Ord. Lapse Ratio	Renew Premium Persist	Average Ord. Policy (in dollars)		Avg Prem (\$/M)	Ist Yr Prem / Total Prem	Ist Yr Comm / Ist Yr Prem	Gen. Exp. / Policies In Force
			Issued	In Force				
2011	6.5	97.5	85,353	212,302	5.89	0.5	...	187.72
2012	6.8	97.3	86,474	212,883	15.21	0.6	...	185.74
2013	8.7	94.9	82,065	212,163	16.00	0.7	...	252.57
2014	8.4	95.8	85,492	211,670	16.94	0.7	...	315.67
2015	8.9	93.8	88,696	210,914	17.68	0.7	...	348.93

Best's Rating Report

Year	Number of Policies		First Year Premium (000)	Gen'l Exp/Reserves (%)	Return on Reserves (%)
	Issued	In Force			
2011	584	112,554	1,886	4.01	11.96
2012	666	104,229	2,183	3.63	6.83
2013	601	94,994	2,392	4.47	1.93
2014	453	86,762	2,187	5.07	7.43
2015	523	78,770	1,931	5.08	6.71

Note: Expenses are not affected by Federal Income taxes. The unusual proportion of term insurance causes a very low average premium.

INDIVIDUAL ANNUITY STATISTICS

Year	NPW (000)	Res (000)	Exp to Res(%)	Comm &	Benefits &	Benefits &
				Exp to NPW (%)	Wdrwls to NPW (%)	Wdrwls to Res (%)
2011	6,606,962	148,431,841	0.4	9.9	143.1	6.4
2012	5,654,588	150,917,240	0.5	12.4	170.7	6.4
2013	6,883,794	154,209,966	0.5	11.5	152.3	6.8
2014	5,651,577	156,140,175	0.7	19.3	194.3	7.0
2015	5,823,125	157,494,169	0.6	16.6	194.9	7.2

GROUP ANNUITY STATISTICS

Year	NPW (000)	Res (000)	Exp to Res (%)	Comm &	Benefits &	Benefits &
				Exp to NPW (%)	Wdrwls to NPW (%)	Wdrwls to Res (%)
2011	4,337,322	25,203,312	0.5	2.7	42.1	7.2
2012	4,439,983	27,316,226	0.5	2.8	45.3	7.4
2013	5,374,186	29,775,596	0.5	2.8	43.4	7.8
2014	5,223,356	31,769,743	0.1	0.6	51.5	8.5
2015	5,834,204	34,336,869	0.6	3.6	50.0	8.5

TOTAL ANNUITY ACTUARIAL RESERVES BY WITHDRAWAL CHARACTERISTICS

Year	Total Annuity Res (000)	Min or No Surrender Charge (%)	With	With	No
			Surrender Charge 5% or more (%)	MVA (%)	Surrender Allowed (%)
2011	173,635,153	29.4	...	...	70.6
2012	178,233,466	30.9	...	...	69.1
2013	183,985,563	33.0	...	...	67.0
2014	187,909,918	34.5	...	...	65.5
2015	191,831,038	35.7	...	...	64.3

SEPARATE ACCOUNT DATA

	2015	2014	2013	2012	2011
Sep Acct Assets	29,896,668	26,530,814	22,348,323	18,420,084	16,018,867
% Growth	12.7	18.7	21.3	15.0	24.1
S/A Assets/Adm Assets	11.1	10.1	8.9	7.8	7.1
Sep Acct Reserves	29,639,428	26,357,612	22,195,690	17,884,534	14,678,375
% Individual Annuities	65.5	66.8	67.9	69.6	71.0
% Group Annuities	34.5	33.2	32.1	30.4	29.0
Deposit Type Liabilities	12,429	8,705	7,085	5,362	4,333
Other Liabilities	230,887	155,444	139,854	176,892	141,661
Sep Acct Surplus	13,711	8,902	5,532	353,112	1,194,427
S/A Prens & Deposits	4,255,089	3,688,929	3,534,029	2,636,305	2,725,290
% Individual Annuities	55.5	56.9	59.2	59.9	66.7
% Group Annuities	...	43.1	40.8	40.1	33.3
% Other	44.5	...	...	...	...
Sep Acct Fees & Charges	210,058	186,628	162,924	149,217	131,329
% Individual Annuities	69.7	70.0	70.7	71.6	72.2
% Group Annuities	...	30.0	29.3	28.4	27.8
% Other	30.3	...	...	...	...
Fees & Chgs to Assets%	0.7	0.8	0.8	0.9	0.9
Sep Acct Ben & Wdrwls	2,814,491	2,267,543	1,973,213	1,417,757	1,462,546
% Individual Annuities	64.2	63.9	67.8	66.3	72.7
% Group Annuities	...	36.1	32.2	33.7	27.3
% Other	35.8	...	...	...	...
Ben & Wdrwl to Assets%	10.0	9.3	9.7	8.2	10.1

GEOGRAPHIC BREAKDOWN BY DIRECT PREMIUM WRITINGS (\$000)

	2015	2014	2013	2012	2011
New York	2,369,021	2,187,421	2,337,899	1,930,338	2,020,661
Pennsylvania	854,405	802,837	894,892	743,079	808,237
New Jersey	748,255	646,415	668,355	453,657	503,496
California	734,485	711,939	816,426	669,292	687,514
Massachusetts	598,822	587,741	701,864	577,742	627,793
Michigan	545,216	495,020	572,420	450,679	532,821
Illinois	424,791	415,024	454,879	409,308	437,010
Ohio	405,758	403,707	433,022	359,805	334,394
Texas	383,781	335,398	383,486	345,846	370,791
Maryland	350,808	332,174	379,996	322,643	339,899
All Other	4,736,649	4,496,797	5,131,908	4,324,053	4,749,724
Total	12,151,991	11,414,471	12,775,147	10,586,442	11,412,339

RISK MANAGEMENT

The following text is derived from A.M. Best's Credit Report on TIAA Group (AMB# 070362).

The mission of TIAA's Enterprise Risk Management (ERM) division is to protect TIAA's financial strength and reputation to help ensure that the organization delivers on its long-term promises and meets its strategic objectives. To achieve this mission, ERM promotes the proactive

Best's Rating Report

identification, measurement, assessment, and management of risks within the firm's risk appetite to drive risk-based business decisions and achieve better business outcomes.

ERM is an independent function reporting directly to TIAA's President and Chief Executive Officer. Board oversight is through a Risk and Compliance Committee. ERM operates a risk committee structure that includes integrated risk committees. The division provides risk oversight at the Enterprise and line of business level to support business and strategic objectives. The ERM teams include: TIAA Global Asset Management Risk, Institutional Financial Services Risk, Retail Financial Services Risk, ERM Governance Framework & Corporate Center Risk, Financial Risk, and Business Management. TIAA continues to strengthen its integration with Nuveen's including revising the organizational structure such that the Nuveen risk management organization is now reports to the Chief Risk Officer for TIAA Global Asset Management.

OPERATING PERFORMANCE

The following text is derived from A.M. Best's Credit Report on TIAA Group (AMB# 070362).

Operating Results: Overall, TIAA Group has demonstrated a generally consistent track record of strong net operating profitability, reflecting its extremely stable liability structure, lean expense structure, and favorable investment income trends that have continued to increase despite the challenges of the current low interest rate environment. TIAA Group's operating and administrative expenses are exceptionally low and compare favorably with those of mutual fund companies which typically have significantly lower cost infrastructures than most insurance companies. Distribution of traditional annuity products is conducted directly with its institutional clients. Pension and retirement products (other than products sold by TIAA-CREF Life) are offered to employees on a payroll deduction basis and, therefore, incur no commission costs. However, full administrative service and support is provided both to the institution and individual plan participants through the organization's staff. In addition to this low-cost distribution structure, the group's overall unit costs are further minimized by the scale of its operations and its effective administrative links with its institutional clients for payroll deduction, premium payment and servicing. TIAA Group has been strategically increasing infrastructure costs over the past several years to add to its technology platform and advertising expense in order to raise brand awareness.

The growth of the TIAA Group's general account share of premium income has been relatively modest, since premium deposits have been concentrated in the CREF variable annuities and mutual funds. Furthermore, the trends in revenues have been affected by fluctuations in internal transfers, resulting from the state of economic cycles and capital market conditions, in addition to premium allocations between TIAA, CREF and mutual funds. The organization enjoys a significant competitive advantage due to its extremely stable liability structure, which ensures long-term persistency of its policies in force and provides for considerable flexibility in its investment strategies. TIAA Group generates predictable and significant positive cash flow, and with approximately 75% of its general account reserves not cashable, the company can invest in opportunities - such as real estate or alternative investments - with long-term payback, a luxury not available to most of its competitors.

Some of the group's newer non-core businesses remain challenged to achieve meaningful profitability on a fully stand-alone basis due to the lack of critical mass and the impact of start-up costs. The group will continue to make modest investments in these activities over the next several years to build their infrastructure and position them to absorb projected growth. Over time, management will continue to evaluate these ventures and their ability to become profitable on a stand-alone basis, generate an acceptable return on investment and demonstrate synergies with TIAA Group's core pension operations.

TIAA Group has generated generally consistent net operating gains the past several years despite the challenges of the persistent low interest rate and volatile equity market environment. The majority of pension business has 3% guaranteed interest rates. In response, TIAA now utilizes an indexed minimum interest guarantee basis for new institutional and individual retirement accounts. As part of this strategy, new institutional clients are offered only an indexed guaranteed contract. Net operating earnings have been driven primarily by solid earnings from its core individual and group annuity segments enhanced by an active spread management process. The group's capital allocated to the non-insurance segments has also contributed meaningful earnings. The ordinary life segment's net operating performance has fluctuated in recent years dampened somewhat by expense strains associated with increased sales.

TIAA Group's statutory net gains from operations for 2015 were \$1.7 billion compared to \$1.3 billion the prior year. The higher statutory gain during the year was primarily attributable to lower annuity dividends paid out to policyholders relative to prior year. A.M. Best notes that TIAA recently decreased its credited interest rates on its Retirement Annuity and Group Retirement Annuity (down 4%) and on the Supplemental Retirement Annuity and Group Supplemental Retirement Annuity products (down 5%).

PROFITABILITY ANALYSIS (\$000)

Period	Company			
	Pre-tax Net Oper Income	Net Operating Gain	Net Income	Total Return
2011	2,663,601	2,802,465	2,358,893	2,839,930
2012	2,446,158	2,457,531	2,041,827	2,543,085
2013	2,140,263	2,168,458	1,751,466	2,989,915
2014	1,323,830	1,360,824	984,254	1,469,221
2015	1,658,327	1,740,832	1,254,017	93,036
5-Yr Total	10,232,179	10,530,110	8,390,457	9,935,186

Best's Rating Report

Period Ending	Company		Industry Composite	
	Operating ROR (%)	Operating ROE (%)	Operating ROR (%)	Operating ROE (%)
2011	11.2	10.7	5.6	10.5
2012	10.0	8.7	5.6	10.5
2013	7.9	7.2	6.1	9.5
2014	5.2	4.2	4.1	7.4
2015	6.5	5.1	6.9	11.3
5-Yr Avg	8.1	7.0	5.7	9.8

PROFITABILITY TESTS

Year	Comm & Dep				Operating Return on Equity	Net Yield	Pre-tax Invest Total Return
	Ben Paid to NPW	Exp to NPW	NOG to Tot Assets	NOG to Tot Rev			
2011	99.9	7.5	1.3	11.2	10.7	5.50	5.62
2012	109.2	8.6	1.1	10.0	8.7	5.33	5.51
2013	99.4	8.0	0.9	7.9	7.2	5.20	5.78
2014	118.0	12.7	0.5	5.2	4.2	4.97	4.89
2015	115.6	11.7	0.7	6.5	5.1	4.84	4.06
5-Year Avg	108.3	9.7	0.9	8.1	7.0	5.15	5.14

(* Pre-Tax Invest Total Return quarterly calculation based on more limited quarterly data - see Calculation Specifications.

NET OPERATING GAIN (\$000)

Product Line	2015	2014	2013	2012	2011
Ordinary life	36,330	40,125	10,357	36,447	63,048
Group life	...	...	0	-12	-32
Supplementary contr	-140,688	-144,222	-126,331	-109,136	-100,954
Individual annuities	1,356,033	994,937	386,976	761,655	992,433
Group annuities	504,696	605,207	217,159	279,669	357,403
Individual A&H	587	17	1,378	1,473	1,316
Group A&H	...	0	7	-13	-315
Other	-16,125	-135,240	1,678,912	1,487,448	1,489,566
Total	1,740,832	1,360,824	2,168,458	2,457,531	2,802,465

ACCIDENT & HEALTH STATISTICS (\$000)

Year	Net Premiums		Loss Ratio	Exp. Ratio	Underwriting Results
	Written	Earned			
2011	5	4	-99.9	999.9	-291
2012	4	4	118.2	999.9	-50
2013	3	5	256.1	361.5	-18
2014	2	1	999.9	-99.9	15
2015	2	3	163.6	-99.9	559
Current Year Experience:					
Guarant renew	...	...	...	...	12
Other	2	3	163.6	...	546

INVESTMENT GAINS (\$000)

Year	Company		Industry Composite
	Net Income	Realized Capital Gains	
2011	10,770,487	-443,572	481,038
2012	10,924,963	-415,704	501,258
2013	11,128,974	-416,992	1,238,449
2014	11,070,478	-376,569	484,967
2015	11,069,347	-486,816	-1,160,981
5-Year Total	54,964,249	-2,139,653	1,544,730

Year	Company			Industry Composite		
	Inv Inc Growth (%)	Inv Yield (%)	Return on Inv Assets (%)	Pre-tax Invest Total Return (%)	Inv Inc Growth (%)	Inv Yield (%)
2011	3.0	5.5	5.5	5.6	2.0	5.2
2012	1.4	5.3	5.4	5.5	0.2	5.0
2013	1.9	5.2	5.4	5.8	-2.2	4.8
2014	-0.5	5.0	4.8	4.9	0.3	4.8
2015	0.0	4.8	4.7	4.1	3.3	4.8
5-Yr Avg	1.1	5.2	5.1	5.1	0.7	4.9

(* Pre-Tax Invest Total Return quarterly calculation based on more limited quarterly data - see Calculation Specifications.

BALANCE SHEET STRENGTH

The following text is derived from A.M. Best's Credit Report on TIAA Group (AMB# 070362).

Capitalization: TIAA Group's consolidated risk-adjusted capitalization is strong for its current business and investment risks as measured by Best's Capital Adequacy Ratio (BCAR) model. The organization's unique organizational structure given its stable liabilities and its ability to adjust crediting and dividend rates have provided the group with significant financial flexibility.

TIAA Group's total capital has increased over the past several years as strong net operating gains, coupled with large unrealized investment gains primarily derived from its alternative asset portfolio, have more than offset realized investment losses generated primarily from its long-term bond portfolio. In 2014, the increase in total capital was enhanced by the issuance of \$2 billion in surplus notes to help fund the acquisition of Nuveen. However, total capital declined was down slightly in 2015 due to sizable increase in net unrealized losses for the year. Despite the decrease, the total capital five-year CAGR was almost 7%.

Current BCAR: 247

Best's Rating Report

CAPITAL GENERATION ANALYSIS (\$000)

Year	Source of Surplus Growth				Unrealized Capital Gains
	Pre-Tax Net Adjusted Gain	Realized Capital Gains	Income Taxes		
2011	2,663,601	-443,572	-138,865		481,038
2012	2,446,158	-415,704	-11,373		501,258
2013	2,140,263	-416,992	-28,195		1,238,449
2014	1,323,830	-376,569	-36,993		484,967
2015	1,658,327	-486,816	-82,505		-1,160,981
5-Yr Total	10,232,179	-2,139,653	-297,931		1,544,730

Year	Source of Surplus Growth				% Chg in C&S
	Change in AVR	Other Changes	Change in C&S		
2011	-802,063	-62,735	1,975,132		7.9
2012	-598,532	233,531	2,178,083		8.0
2013	-1,209,431	-310,338	1,470,146		5.0
2014	-386,765	2,058,363	3,140,819		10.2
2015	1,109,701	-387,183	815,554		2.4
5-Yr Total	-1,887,091	1,531,638	9,579,733		6.7

QUALITY OF SURPLUS (\$000)

Year	Surplus Notes	Other Debt	Contributed Capital	Unassigned Surplus
2011	2,000,000	...	3,050	25,127,846
2012	2,000,000	...	3,050	27,305,930
2013	2,000,000	...	3,050	28,776,075
2014	4,000,000	...	3,050	29,916,894
2015	4,000,000	...	3,050	30,732,448

Year	Year-End C&S	Asset Valuation Reserve	Adjusted C&S
2011	27,130,896	2,825,322	29,956,219
2012	29,308,980	3,423,855	32,732,835
2013	30,779,125	4,633,285	35,412,411
2014	33,919,944	5,020,051	38,939,995
2015	34,735,498	3,910,350	38,645,847

LEVERAGE ANALYSIS

Year	Company			Change in NPW & Dep (%)	-Industry Composite-	
	C&S to Liab(%)	Surplus Relief(%)	NPW & Dep to Total Capital		C&S to Liab(%)	Surplus Relief(%)
2011	16.5	...	0.4	0.1	12.1	...
2012	17.6	...	0.3	-5.3	12.2	...
2013	18.4	...	0.4	20.7	12.5	...
2014	19.7	...	0.3	-10.3	13.1	...
2015	19.2	...	0.3	6.5	13.1	...

CEDED REINSURANCE ANALYSIS

Year	Company						-Industry Composite-	
	Face Amount Reins Ceded	Affil Reins Rec/C&S	Unaffil Reins Rec/C&S	Total Reins Rec/C&S	Surplus Relief	Reins Leverage	Reins Rec/C&S	Reins Leverage
2011	144,303	...	0.0	0.0	...	1.7	4.3	76.6
2012	130,634	...	0.0	0.0	...	1.5	4.2	71.7
2013	116,094	...	0.0	0.0	...	1.4	4.0	84.2
2014	101,868	...	0.0	0.0	...	1.2	3.7	81.7
2015	86,494	...	0.0	0.0	...	1.2	3.7	79.7

The following text is derived from A.M. Best's Credit Report on TIAA Group (AMB# 070362).

Liquidity: TIAA Group has very strong liquidity with its high-quality, unleveraged balance sheet, solid earnings capacity, predictable cash flows and favorable liability structure. TIAA Group's long-term liability structure contains minimal disintermediation risk and enables the Group to manage its investment portfolio with a view toward long term performance, and to obtain the highest possible long term rates of return within reasonable risk parameters. Short term liquidity is not a major concern due to the long term liability structure, although any liquidity requirements are monitored carefully. TIAA maintains adequate levels of liquid investment holdings including publicly traded securities, cash, cash equivalents, short-term investments, and U.S. treasury securities to manage short term liquidity needs. TIAA expects total cash inflow to be adequate to meet withdrawal and benefit obligations for the foreseeable future.

TIAA has extended several guarantees in support of its subsidiaries and affiliates. TIAA has a financial support agreement with TIAA-CREF Life. Under the agreement, TIAA will provide support so that TIAA-CREF Life will have the greater of (a) capital and surplus of \$250 million, (b) the amount of capital and surplus needed to maintain TIAA-CREF Life's capital and surplus at a level not less than 150% of the NAIC Risk Based Capital model or (c) such other amounts as necessary to maintain TIAA-CREF Life's financial strength rating at least at the same or better than TIAA's rating at all times. This agreement has not been utilized in recent years.

TIAA provides a \$100 million unsecured revolving line of credit to TIAA-CREF Life. As of year-end 2015, \$30 million was maintained on a committed basis for which TIAA received a commitment fee on the undrawn committed amount. TIAA also provides a \$100 million unsecured revolving credit with Nuveen, of which all of the \$100 million is committed. A.M. Best notes that all draw-downs were repaid by year-end.

TIAA provides a \$1.0 billion uncommitted and unsecured line of credit to certain accounts of CREF and certain TIAA-CREF Funds. Loans under the revolving credit facility are for a maximum of 60 days and are made solely at the discretion of TIAA to fund shareholder redemption requests or other temporary or emergency needs of CREF and the TIAA-CREF Funds. It is the intent of TIAA, CREF and the TIAA-CREF Funds to use this facility as a supplement liquidity facility, which would be used only after the availability of the current \$1.5 billion committed credit facility that is maintained by a group of banks for the benefit of the TIAA-CREF Fund Complex (which includes CREF and the TIAA-CREF Funds) has been exhausted.

Best's Rating Report

The Company also provides a \$23.0 million committed line of credit to TIAA Charitable Inc. This line has an expiration date of June 28, 2047. As of December 31, 2015, \$23 million of this facility was maintained on a committed basis for which TIAA and TIAA Charitable agree that a separate commitment fee will not be charged. During the period ending December 31, 2015, there was \$5.5 million in outstanding draw-downs made under this line of credit arrangement.

The Company provides a \$300 million uncommitted 364-day revolving line of credit arrangement with TIAA-CREF Trust Company, FSB. This line has an expiration date of September 14, 2016. During the period ending December 31, 2015, there were no draw-downs made under this line of credit arrangement.

TIAA provides mortality, expense and liquidity guarantees to REA and is compensated for these guarantees. TIAA provides REA with a liquidity guarantee to ensure it has funds available to meet participant transfer or cash withdrawal requests. If REA cannot fund participant requests, TIAA's general account will fund them by purchasing accumulation units from REA. Pursuant to the liquidity guarantee obligation, TIAA's general account did not own any accumulation units at year-end 2015.

LIQUIDITY ANALYSIS

Year	Company				Non-Inv Grade Bonds to Capital	Delinq & Foreclsd Mtg to Capital
	Operating Cash Flow (\$000)	Quick Liquidity	Current Liquidity			
2011	8,378,974	51.7	92.3	46.0	...	
2012	8,091,861	52.1	93.0	40.1	...	
2013	7,923,581	52.0	93.1	34.3	...	
2014	5,166,180	49.9	90.5	31.4	...	
2015	5,344,078	47.4	89.6	35.6	...	

Year	Company		Industry Composite	
	Mtg & Cred Ten Lns & RE to Cap	Affil Invest to Capital	Quick Liquidity	Current Liquidity
2011	49.2	40.4	44.2	81.7
2012	44.5	42.9	44.5	82.7
2013	45.3	44.1	43.5	82.3
2014	45.1	57.4	42.4	81.0
2015	54.3	57.5	42.8	80.5

The following text is derived from A.M. Best's Credit Report on TIAA Group (AMB# 070362).

Investments: TIAA Group's total admitted assets are allocated approximately 87% to its general account with the remainder allocated to its separate accounts. The majority of the group's general account invested assets is in long-term bonds that currently represent about 78% of total general account invested assets. The remainder of TIAA Group's general account invested assets consist of alternative assets (Schedule BA), direct mortgage loans, preferred and common stocks, real estate assets, contract loans, cash balances, short-term securities, and derivative instruments. A.M. Best notes TIAA does not engage in derivative financial instrument transactions for speculative purposes.

TIAA Group currently maintains three non-guaranteed separate accounts that have been established to fund variable annuities in its non-pension and pension lines of business. A fourth separate account was established to fund a flexible fixed annuity contract offered to employer sponsored defined pension plans principally in the 403(b) market. The separate account assets increased during 2015 driven by net inflows and market appreciation.

TIAA Group benefits from an unusually stable and long-maturity liability structure, as the majority of its insurance reserves are comprised of annuities that are not subject to discretionary withdrawal at the option of the policyholder. This unique structure provides the group with a significant degree of flexibility in its investment strategy. TIAA Group has used a well-balanced mix of long-maturity corporate bonds - including public and private, direct commercial mortgages, structured securities, treasuries and other alternative investment classes that include private equity and real estate to support its liabilities. The group also uses derivative instruments for economic hedging, income generation, and asset replication purposes. As a result of its stable liability structure, the company has historically been able to take a higher degree of credit risk and, to some extent, liquidity and interest rate risk, in its investment portfolio when compared to other insurers. Nonetheless, policyholders have benefited from TIAA Group's ability to translate this incremental risk into above-average investment performance that has contributed to enhanced policyholder dividends compared to its peers. Policyholders also benefit from the significant economies of scale in TIAA's operations, resulting in lower investment expenses and higher net investment yields.

INVESTMENT YIELDS

Year	Net Yield	Bonds	Stocks	Mortgages	Cash & Short- Term	Real Estate		Invest. Exp. Ratio
						Gross	Net	
2011	5.50	5.74	0.73	6.05	0.36	15.93	4.05	4.87
2012	5.33	5.49	2.29	6.10	0.23	15.17	3.95	4.99
2013	5.20	5.19	1.96	5.67	0.47	11.84	3.15	4.65
2014	4.97	5.01	1.20	5.27	0.12	11.59	3.40	4.79
2015	4.84	4.88	2.43	4.88	0.30	12.07	4.15	5.82

Investments - Bond Portfolio: TIAA Group holds more than three-quarters of its invested assets in fixed maturities. The group's fixed income investment expertise is reflected in the historical performance of its general account portfolio. The long-term bond portfolio is primarily investment grade securities with the majority in NAIC class 1 securities. Private placement instruments comprise about one-quarter of the total long-term bond portfolio and are a combination of 144A issues and "true" private placements and are generally of lower credit quality than the public portfolio, but with greater covenant protection in order to generate incremental investment yield. A.M. Best notes that the group's exposure to below investment grade bonds relative to capital has remained consistent over the past three years and remains well below industry averages.

The long-term bond portfolio is well-diversified being invested in publicly traded corporate obligations, structured securities, and U.S. and foreign government debt and is currently in a sizable net unrealized gain position. However, A.M. Best notes that the group does have some exposure to the energy sector that remains below book value. A.M. Best also notes that the

Best's Rating Report

group has European financial exposure, but it remains modest and concentrated primarily in senior debt holdings of the United Kingdom, Netherlands and France, with a minimal allocation to GIIPS's (.024% of assets).

Total structured securities that are represented primarily by residential mortgage-backed, commercial mortgage-backed and asset-backed securities account for about one-third of the total long-term bond portfolio and have structures that are well suited to TIAA Group's liability profile. The majority of TIAA Group's residential mortgage-backed structured securities (RMBS) are investment grade and consist principally of government agency-backed and non-agency prime RMBSs that have specific prepayment and maturity profiles. The majority of TIAA Group's commercial mortgage-backed structured (CMBS) securities are investment grade. The CMBSs are typically originated by single or multiple issuers, which are collateralized by mortgage loans secured by income producing commercial properties such as office buildings, multi-family dwellings, industrial, retail, hotels and other property types. The asset-backed securities have some modest exposure to the subprime residential mortgage market and collateralized debt obligations.

INVESTMENTS - SECURITIES

Current Year Distribution of Bonds By Maturity

	Years					Yrs-Avg Maturity
	0-1	1-5	5-10	10-20	20+	
Government	0.1	1.4	2.4	4.6	15.6	20
Gov't Agencies & Muni	0.0	0.1	0.7	4.3	5.3	19
Industrial & Misc	3.1	13.8	25.9	10.2	11.5	11
Hybrid Securities	...	0.0	...	0.1	0.3	21
Affiliated	0.1	0.3	0.1	...	...	4
Total	3.3	15.7	29.2	19.2	32.6	14

	2015	2014	2013	2012	2011
Bonds (000)	181,246,840	180,086,454	181,120,885	173,954,031	167,931,236
US Government	21.4	21.8	22.7	23.8	24.8
Foreign Government	2.7	2.4	2.2	2.1	1.9
Foreign - All Other	11.9	11.7	11.5	11.3	10.5
State/Special Revenue - US	10.4	10.9	11.0	12.1	12.5
Industrial & Misc - US	52.7	51.6	51.0	48.7	48.2
Hybrid Securities	0.4	0.5	0.6	0.8	1.2
Affiliated	0.5	1.1	1.0	1.2	1.0
Private Issues	25.5	24.3	23.3	22.5	21.3
Public Issues	74.5	75.7	76.7	77.5	78.7

Bond Quality (%)	2015	2014	2013	2012	2011
Class 1	68.9	70.7	70.0	69.7	70.6
Class 2	23.5	22.5	23.3	22.8	21.2
Class 3	4.7	4.1	4.1	4.8	5.2
Class 4	2.3	2.1	1.8	2.0	2.2
Class 5	0.5	0.5	0.6	0.7	0.6
Class 6	0.1	0.2	0.2	0.1	0.2

Investments - Equity Portfolio: TIAA Group maintains a modest allocation to preferred and common stocks. Although equity holdings have increased the past two years, preferred and common stock holdings are minimal relative to the group's total capital. The preferred stock portfolio is comprised of public, non-public, and REIT securities with the majority of the returns coming from dividends. The common portfolio is comprised of unaffiliated securities, mutual fund investments, and investments in affiliated wholly-owned subsidiaries including real estate properties, life insurance and annuity operations, investment advisory and banking and trust services.

INVESTMENTS - EQUITIES

	2015	2014	2013	2012	2011
Stocks (000)	3,270,433	3,003,852	2,723,715	3,532,979	3,664,649
Unaffiliated Common	38.2	44.8	45.1	33.3	31.2
Affiliated Common	55.9	51.9	53.1	65.6	66.5
Unaffiliated Preferred	6.0	3.3	1.8	1.1	2.2

Investments - Mortgage Loans and Real Estate: TIAA Group maintains a manageable level of direct commercial and residential mortgage loans relative to total capital (49% in 2015 compared to 40% the prior year). As of year-end 2015, direct mortgage loans represent roughly 8% of invested assets compared to 7% the prior year. The growth in mortgage loans during the year reflects the organization's investment strategy to increase both commercial and residential mortgage loans.

TIAA Group originates mortgage loans that are primarily collateralized by first mortgage liens on completed, income-producing commercial properties with the majority in shopping centers, office and industrial buildings and apartments. The group does not underwrite or hold any direct subprime mortgages in its commercial mortgage portfolio and has only minimal indirect subprime exposure. A.M. Best notes that the majority of the mortgage loan portfolio are fixed rate loans and are geographically well diversified. Additionally, the mortgage loan portfolio has performed well with no delinquencies, foreclosures or restructured loans over the past several years.

TIAA Group invests in commercial real estate directly, through its wholly-owned subsidiaries and through real estate limited partnerships. At year-end 2015, the majority of the group's directly owned real estate was in properties held for production of income primarily in office and industrial buildings.

INVESTMENTS - MORTGAGE LOANS & REAL ESTATE

	2015	2014	2013	2012	2011
Mortgages (000)	19,045,703	15,612,848	14,246,132	12,956,051	13,132,931
Commercial	95.5	97.8	98.1	100.0	100.0
Residential	4.5	0.6	0.0	0.0	0.0
Farm	...	1.7	1.9	...	...
Real Estate (000)	1,938,424	1,966,221	1,811,569	1,623,255	1,595,164
Property Occupied by Co	10.0	10.1	11.1	12.7	13.5
Property Held for Inc	90.0	89.9	88.9	85.4	86.5
Property Held for Sale	...	...	...	1.9	...

Best's Rating Report

Investments - Other Invested Assets: A large portion of TIAA Group's alternative assets (Schedule BA) consists of unaffiliated private equity funds and real estate related holdings. A majority of the other invested assets is represented by a diversified portfolio of affiliated entities that invest in agricultural products for the production of income, financial instruments that include fixed income securities, timber harvesting in addition to mortgage loans, investments in real estate related holdings, operating subsidiaries, investment advisory subsidiaries and fund investments.

During 2014, this portfolio increased through increases in affiliated investments, including a meaningful investment in TIAA Asset Management, LLC to fund the acquisition of Nuveen. As of year-end 2015, Schedule BA Assets comprise more the one-tenth of the total invested assets. These represents represent 67% of total capital, which is considerably higher than the industry average. A.M. Best notes that the percentage of Schedule BA assets for 2015 is slightly less than prior year. While these investments enhance the company's spread management strategy, they could adversely affect operating performance and financial strength should the worldwide economic recovery stall or deteriorate.

INVESTMENTS - OTHER INVESTED ASSETS

	2015	2014	2013	2012	2011
<u>Other Inv Assets (000)</u>	29,216,561	29,946,930	22,946,406	21,108,581	18,296,011
Cash	1.7	4.9	4.7	5.4	2.7
Short-Term	0.1	0.2	1.2	2.6	0.6
Schedule BA Assets	88.9	86.8	87.0	88.4	88.4
All Other	9.3	8.1	7.0	7.3	8.3

HISTORY

Date Incorporated: 03/04/1918

Date Commenced: 05/17/1918

Domicile: NY

MANAGEMENT

Officers: President and Chief Executive Officer, Roger W. Ferguson, Jr.; Chief Information Officer and Executive Vice President, Rahul Merchant; Executive Vice President and Chief Financial Officer, Virginia M. Wilson; Executive Vice President and Chief Risk Officer, Stephen B. Gruppo; Executive Vice President and Chief Marketing Officer, Constance Weaver; Executive Vice President and Chief Legal Officer, J. Keith Morgan; Executive Vice President and Chief Human Resource Officer, Otha T. Spriggs; Executive Vice Presidents, Kathie Andrade (CEO, Retail Financial Services), Scott Blandford, Brian Bohaty, Douglas Chittenden (Head of Individual Business), Carol Deckbar, Alice Hocking, Jeffery Hickling, Robert G. Leary (CEO, TIAA Global Asset Management), Ronald R. Pressman (CEO, Institutional Financial Service), Glenn Richter, Paul Van Heest; Senior Vice President and Chief Actuary, Sue A. Collins; Senior Vice President and Controller, Phillip Goff; Secretary and Managing Director, Phillip T. Rollock.

Directors: Jeffrey R. Brown, James R. Chambers, Robert C. Clark, Roger W. Ferguson, Jr., Lisa W. Hess, Edward M. Hundert, Lawrence H. Linden, Maureen O'Hara, Donald K. Peterson, Sidney A. Ribeau, Dorothy K.

Robinson, Kim M. Sharan, David L. Shedlarz, Ronald L. Thompson (Chair), Marta Tienda.

REGULATORY

An examination of the financial condition was made as of December 31, 2013, by the insurance department of New York. The 2015 annual independent audit of the company was conducted by PricewaterhouseCoopers, LLP. The annual statement of actuarial opinion is provided by John Esch, Vice President and Senior Actuary.

Reserve basis: (Current ordinary business): 2001 CSO 3.5%; CRVM valuation. (Current 2015 qualified annuity business): a-2000 (9,9), (10,10) 3%-2.5% and A-2000 + SETBACK dynamic interest (5 year CMT less 125 BP) (deferred), A-2000 (4,4) 2.50% (immediate).

FINANCIAL INFORMATION BALANCE SHEET (\$000) - YE 2015

Assets		Liabilities	
Total bonds	181,246,840	+Net policy reserves	192,372,445
Total preferred stocks	194,797	Policy claims	689,869
Total common stocks	3,075,635	Deposit type contracts	994,284
Mortgage loans	19,045,703	Interest maint reserve	1,926,603
Real estate	1,938,424	Comm taxes expenses	1,335,373
Contract loans	1,590,614	Asset val reserve	3,910,350
Cash & short-term inv	532,862	Other liabilities	4,247,042
Other invested assets	25,980,347		
Premis and consids due	63,125	Tot liab w/o sep accts	205,475,967
Accrued invest income	1,765,239	Separate account bus	29,882,957
Other assets	4,764,168		
		Total liabilities	235,358,925
Tot assets w/o sep accts	240,197,754	Common stock	2,500
Separate account bus	29,896,668	Surplus notes	4,000,000
		Paid in & contrib surpl	550
		Contingency reserve	30,732,448
Assets	270,094,422	Total	270,094,422

+Analysis of reserves; Life \$445,012; annuities \$187,792,573; supplementary contracts with life contingencies \$4,037,855; disability active lives \$5,618; disability disabled lives \$62,845; miscellaneous reserves \$28,526; accident & health \$17.

Best's Rating Report

SUMMARY OF OPERATIONS (\$000)

Premiums:		Death benefits	71,718
Ordinary life	293,608	Matured endowments	157
Individual annuities	5,823,125	Annuity benefits	7,512,030
Group annuities	5,834,204	Disability benefits	7,173
Acc & health other	3	Surrender benefits	6,598,226
Total premiums	11,950,939	Acc & health benefits	4
Supplementary contracts	691,956	Int on policy funds	27,143
Net investment income	11,069,347	Supplementary contracts	130,682
Amort interest maint res	265,861	Incr life reserves	3,922,361
Net gain from sep acct	4,809	Incr a & h reserves	1
Other income	2,873,562	Insur taxes lic & fees	58,000
		General ins expenses	1,400,892
		Net transf to sep acct	1,724,888
		Misc operating expense	410,572
Total	26,856,474	Total	21,863,845
Gain from operations before FIT & div to policyholders.....			4,992,629
Dividends to policyholders: life.....			3,334,302
Gains from operations after dividends to policyholders.....			1,658,327
Federal income taxes incurred.....			-82,505
Net gain from operations after FIT and dividends.....			1,740,832

CASH FLOW ANALYSIS (\$000)

Funds Provided		Funds Applied	
Gross cash from oper	24,723,184	Benefits paid	14,211,017
Long-term bond proceeds	22,144,960	Comm, taxes, expenses	1,756,188
Other invest proceeds	6,229,498	Long-term bonds acquired	23,439,776
Other cash provided	468,033	Other invest acquired	11,576,458
Deer cash & short-term	1,008,965	Other cash applied	3,591,201
Total	54,574,640	Total	54,574,640



Ultimate Parent: Teachers Insurance & Ann Assn of America

TIAA-CREF LIFE INSURANCE COMPANY

730 Third Avenue
New York, NY 10017-3206
Web: www.tiaa.org

Tel.: 800-223-1200
AMB#: 060222
Ultimate Parent#: 007112

Fax: 800-842-5916
NAIC#: 60142
FEIN#: 13-3917848

BEST'S CREDIT RATING

Best's Financial Strength Rating: A++ **Outlook:** Stable
Best's Financial Size Category: XV

RATING RATIONALE

Rating Rationale: The ratings of Teachers Insurance and Annuity Association of America (TIAA) have been extended to TIAA-CREF Life Insurance Company (TIAA-CREF Life), as it remains a strategic part of TIAA's current and future business strategies. TIAA-CREF Life maintains solid stand-alone risk-adjusted capitalization further enhanced by a financial support agreement with its parent, TIAA. TIAA-CREF Life is fully integrated with TIAA through its investment management, back-office operations and corporate oversight. TIAA-CREF Life markets individual annuities, life insurance, funding agreements and separate account guaranteed interest contracts. Its life insurance and individual annuity products are available to the general public as well as individuals who own retirement annuities or insurance policies issued by TIAA.

The following text is derived from A.M. Best's Credit Report on TIAA Group (AMB# 070362).

The ratings of Teachers Insurance and Annuity Association of America (TIAA) and its wholly owned insurance subsidiary, TIAA-CREF Life Insurance Company (TIAA-CREF Life), collectively referred to as the TIAA Group, reflect its market-leading position in the higher education and not-for-profit pension market, solid net operating performance, strong risk-adjusted capitalization, stable liability profile and low-cost structure in addition to significant financial flexibility. Partially offsetting these strengths are the challenges to sustain and improve its overall net operating performance, ability to maintain its dominant position in the U.S. higher education pension market niche and manage its material investment exposure to the real estate markets relative to total capital.

TIAA and TIAA-CREF Life, together with their companion organization, the College Retirement Equities Fund (CREF), form one of the largest retirement systems in the United States. Together, they have a combined \$913 billion in total assets under administration as of year-end 2015. The group continues to maintain strong risk-adjusted capitalization as measured by Best's Capital Adequacy Ratio (BCAR). Risk-adjusted capitalization has been enhanced by its profitable operating performance that has more than offset investment losses in recent years, in addition to the issuance of surplus notes, several capital initiatives and regulatory capital relief. Furthermore, it continues to maintain considerable latitude in managing its capital base, particularly given its ability to adjust crediting rates on its interest-sensitive business and its conservative approach to valuing its statutory reserves. TIAA has a unique insurance liability structure as approximately seventy-five percent of its general account reserves are not cashable and can only be received as a death benefit or in the form of a periodic annuity payout, typically in the form of a ten-year annuity payout. Contract holders may also transfer funds from TIAA to CREF or to another employer-approved funding vehicle. This long liability structure coupled with its low liquidity needs

Best's Rating Report

allows TIAA to take advantage of typically higher-yielding investments that are less liquid and of a longer duration. A.M. Best notes that TIAA does not provide living benefit guarantees on its insurance and pension businesses and has only a modest exposure to guaranteed minimum death benefits. The group's low expense structure, effective distribution networks, competitive product crediting rates and excellent customer service provide it with favorable competitive advantages. TIAA has also leveraged its investment expertise, its economies of scale, and unique business profile to expand into various activities that are complementary to its core pension businesses, such as asset management, mutual funds, trust services, state-sponsored tuition financing programs and planned giving services. TIAA's current financial leverage is prudent, with adequate interest coverage and modest use of operating leverage. A.M. Best also notes that TIAA's recent acquisition of Nuveen Investments Inc. (Nuveen), a diversified investment management company, has added scale to TIAA's existing asset management business with the expansion of products and services available to its customers and adds diversification to its current investment and distribution platforms. Furthermore, Nuveen has added additional earnings diversification for TIAA.

Despite TIAA's favorable net operating performance trends, A.M. Best notes that the majority of net earnings have been derived through active spread management of its core pension businesses. However, with the majority of its pension businesses having 3% minimum interest rate guarantees, A.M. Best believes the group may be challenged to sustain and improve upon its historical net operating performance as it navigates through this persistent low interest rate environment. To mitigate its exposure to these high minimum interest rate guarantees over the long term, the organization now utilizes an indexed minimum interest rate guarantee for new institutional and individual retirement accounts. TIAA continues to hold a dominant position in the U.S. higher education and not-for-profit pension markets. However, its dominance has been challenged in recent years by strong brand name, low-cost mutual fund firms offering a wide array of non-guaranteed investment options that compete with TIAA's dividend rates. While A.M. Best does not believe TIAA's existing customer relationships would be affected significantly, it does believe it could be challenged to attract new customers in this highly competitive market. In response, TIAA has implemented marketing strategies aimed at strengthening its brand awareness and customer reach. While A.M. Best considers TIAA's investment management capabilities to be extremely strong, it notes that the overall investment portfolio has generated moderate levels of investment losses over the years. Although A.M. Best believes any near-term asset impairments for TIAA will be more than offset by net operating gains, it remains concerned regarding the group's sizable exposure to real estate-related assets. A.M. Best believes the potential for material credit losses from its real estate holdings remains, should the global economic recovery stall or deteriorate. These concerns are somewhat mitigated as TIAA's direct commercial mortgage loan portfolio is well diversified by asset class and geographic region and thus far has performed reasonably well. Additionally, TIAA's CMBS portfolio is concentrated almost entirely in the highest-rated tranches, a majority in earlier vintages, well diversified both by asset class and geographic location and maintains a high degree of subordination. Finally, A.M. Best acknowledges that TIAA's unique liability structure allows it to hold these investments to recovery or maturity.

Factors that could result in a negative rating action include a significant and sustained decline in risk-adjusted capitalization, as measured by Best's Capital Adequacy Ratio (BCAR), due to operating and investment losses; net operating performance that does not meet TIAA's historical operating performance over a period of time; or a regulatory change that adversely impacts TIAA's core pension business.

FIVE YEAR RATING HISTORY

Date	Best's FSR	Date	Best's FSR
06/08/16	A++	05/08/13	A++
06/05/15	A++	04/11/12	A++
05/21/14	A++		

KEY FINANCIAL INDICATORS (\$000)

Year	Assets	Total Capital				Net Invest Income	Net Income
		Capital Surplus Funds	Asset Valuation Reserve	Net Premiums Written	Net Income		
2011	4,250,093	398,385	10,594	223,785	131,639	29,505	
2012	5,656,327	412,931	14,164	282,508	145,499	18,143	
2013	7,988,639	373,833	17,937	480,855	148,804	-29,328	
2014	9,803,159	354,575	27,305	675,516	161,035	-17,526	
2015	10,774,241	362,518	33,643	713,351	180,964	-39,793	

(*) Within several financial tables of this report, this company is compared against the Individual Annuity Composite.

(*) Data reflected within all tables of this report has been compiled from the company-filed statutory statement.

BUSINESS PROFILE

The following text is derived from A.M. Best's Credit Report on TIAA Group (AMB# 070362).

TIAA Group, directly and through its subsidiaries and affiliates, offers a wide array of financial services and products, including: fixed and variable annuities (directly and through separate accounts); mutual funds; wealth management advice; non-commissioned investment advice; education savings programs; life insurance; trust and banking services; planned giving and endowment services; brokerage services; and institutional third-party asset management. Several years ago, TIAA Group exited the group life and disability as well as the long-term care businesses, since they no longer fit its long-term objective and core strength. At year-end 2015, approximately 98% of the group's general account policy and contract reserves were attributable to pension and retirement annuities.

TIAA maintains the mission to aid and strengthen academic, medical, cultural, and research institutions by seeking to provide financial security suited to the needs of institutions, and their employees and their families. TIAA Group does not have a commissioned sales force to distribute its products (other than the TIAA-CREF Life operations) and premiums for pension annuity and mutual fund products are remitted directly by participating institutions. TIAA Group recognizes that its customers are looking for financial solutions that meet their needs at every life stage. TIAA

Best's Rating Report

Group's primary business is providing individually-owned retirement annuities to fund defined contribution pension plans at participating institutions. In 2015, TIAA Group provided retirement annuities and insurance coverage to approximately 5 million individuals at over 16,000 colleges, universities, primary and secondary schools (K-12), independent schools, government entities, hospitals, and other non-profit organizations across the U.S. All aspects of the institutional relationship, including product development and management, service, distribution and sales are offered.

TIAA policyholders are able to allocate their retirement annuity contributions between proprietary options, which include the group's general account and real estate separate account and various CREF accounts that cover a range of investment objectives and styles, including stock, money market, social choice, bond, and inflation-linked bond funds. Policyholders can also allocate these contributions to various proprietary mutual funds and lifecycle funds. Non-proprietary funds are also made available. TIAA and TIAA-CREF Brokerage Services, a wholly owned subsidiary, have enhanced their platform to a more flexible record-keeping platform providing a way to offer more proprietary products and a broader array of services. This platform offers clients both proprietary and non-proprietary mutual funds, and in conjunction with the platform, TIAA Group offers investment advice with respect to asset allocation and fund selections to retirement plan participants. Furthermore, the group believes that the record-keeping platform enables it to compete more effectively as the 403(b) market continues to move from a multiple full service provider model to a single record-keeping model with multiple investment managers. The pension and retirement part of TIAA Group does not employ soliciting agents and does not incur commission costs. From the individual client perspective, TIAA Group looks to offer advice, products and services related to fulfilling the client's long-term financial goals, while from the institutional perspective, TIAA Group offers efficient and cost-effective delivery of products and administration.

Scope of Operations: TIAA offers Retirement Annuities (RAs), Group Retirement Annuities (GRAs) and Retirement Choice Contracts (RCs) as part of an employee base retirement plan. TIAA also offers Supplemental Retirement Annuities (SRAs), Group Supplemental Retirement Annuities (GSRAs), Retirement Choice Plus contracts (RCPs) and individual retirement accounts (IRAs). SRAs, GSRAs, and RCPs enable participants to supplement their basic retirement savings by voluntarily setting aside a portion of their salaries to accumulate on a pre-tax basis. SRAs, GSRAs, and RCPs provide for lump-sum cash withdrawals. In 2012, TIAA ceased issuing new Keogh Plans but continues to service its existing Keogh Plan accounts. In 2013, TIAA replaced the Keogh Plan offerings with IRA products.

Because of the purpose of TIAA's annuities, TIAA participants typically can only withdraw their funds in the form of lifetime annuity income or as an annuity payable in ten annual installments. As of year-end 2015, 74% of TIAA's general account policy and contract reserves were not subject to discretionary withdrawal at the option of the policyholder. Annuitants receiving income under TIAA lifetime annuity contracts are given the option to transfer the actuarial present value of their remaining TIAA annuity income payments to CREF equity accounts over five years for the purchase of a variable annuity, payable under the same income option to the same first and second annuitant as the original TIAA annuity. As a result of this exceptionally stable liability structure; TIAA Group is able to maintain a

long-term view toward its investment strategies, without exposing it to excessive volatility resulting from short-term market fluctuations. Additionally, the group has established several ancillary businesses to complement its focused pension, annuity, and insurance operations. These ventures join together with its target markets and strategic focus by capturing and retaining existing client's wealth as well as attracting new clients.

TIAA Group markets individual life insurance and annuity products through TIAA-CREF Life, a direct wholly-owned subsidiary of TIAA. TIAA-CREF Life sells its products to individuals who own retirement annuities or insurance policies issued by TIAA and to the general public. The life insurance portfolio includes term life insurance in the form of level term and annual renewable term, and permanent life insurance in the form of universal life insurance and variable universal life for both single and survivorship sales. The representatives that market variable insurance products are also registered representatives of TIAA Group's affiliated broker-dealer. TIAA-CREF Life's primary marketing efforts for term life insurance products involve direct mail and an internet website which is designed to direct potential policyholders to a call center staffed by licensed representatives. Universal life and variable universal life products are also sold through non-commissioned representatives. Assets associated with variable universal life insurance policies are held in various investment sub-accounts of TIAA-CREF Life's separate accounts, based on policyholder's investment allocations. TIAA-CREF Life also offers non-qualified individual annuities and insurance products to the general public.

In October 2012, TIAA-CREF Life and M Financial Group (M Financial) entered into an exclusive agreement to offer TIAA-CREF Life's life insurance products to M Financial's member firms and their clients. TIAA-CREF Life has access to M Financial's ultra-high net worth client base, significantly expanding its distribution network. As a result of this agreement, TIAA-CREF Life developed proprietary life insurance products to be distributed exclusively through M Financial and its affiliated licensed producers. In addition, TIAA-CREF Life provides a variety of dedicated resources to support M Financial's member firms, including sales and marketing support, underwriting, and policyholder service. Since entering the exclusive agreement, TIAA-CREF Life and M Financial have expanded their life portfolio to include two variable universal life products, a fixed universal life product designed for high net worth clients, both fixed and variable survivorship universal life products, and a term product. Today M Financial generates a third of TIAA-CREF Life's direct premiums.

TIAA-CREF Life's funding agreement segment focuses on providing non-participating flexible premium funding agreements issued from the general account to support education-related investment and/or savings programs sponsored by various states. Several states sponsor a 529 college savings plan and each plan is a tax-advantaged investment and savings program designed to encourage account owners to save for the future higher education expenses of a designated beneficiary. Some states offer a guaranteed option to those investing in the state's college savings plan. TIAA-CREF Life provides funding agreements to certain states to support their guaranteed option, which guarantees a return of account owners' principal, with interest. TIAA-CREF Life also makes available a funding agreement to any state that provides a state scholarship program for those seeking higher education.

Best's Rating Report

TIAA also issues separate account guaranteed interest contracts (SAGIC). These contracts are generally issued to the trustees of stable value funds (commingled and custom single client funds) and represent one of the funding vehicles of such fund. These contracts may also be issued as a funding vehicle for the stable value option offered to the plan's participants.

Within the TIAA Group, TIAA-CREF Asset Management has leveraged its scale and low-cost structure by developing a broad offering of 85 proprietary mutual fund and annuity products. TIAA sponsors a family of 65 no-load mutual funds (35 individual strategy mutual funds, 12 Lifecycle funds, 12 Lifecycle Index funds, 5 Lifestyle funds, and 1 Managed Allocation fund with five classes of shares) under the TIAA-CREF Funds that are distributed to a wide array of customers including, retirement plans, financial intermediary platforms, retail customers, institutional investors and college saving programs. Participation in the sponsored mutual funds is generally available to members of the public, outside of TIAA's core eligible participant base. In addition, TIAA sponsors a family of 11 mutual funds under the TIAA-CREF Life Funds that are used as underlying investment options for certain of the variable annuity and variable insurance products issued by TIAA-CREF Life, and 9 single-tiered annuity products (CREF Accounts and TIAA Separate Account VA-1).

TIAA Group conducts its investment management and investment advisory business through TIAA Asset Management LLC (TAM), which holds controlling interests in TIAA-CREF Asset Management (TCAM) and TIAA-CREF Asset Management Finance Company (TAMF). Nuveen Investments, which was acquired in 2014 operates as a separate subsidiary under TAMF. Nuveen offers investment management capabilities across a diversified set of asset classes to provide investment solutions for a wide range of investor needs.

Demand for wealth transfer and other financial services among its traditional participants prompted TIAA Group to enter the trust services and banking markets through the TIAA-CREF Trust Company, FSB (TIAA-FSB). TIAA-FSB includes its institutional and individual trust businesses as well as its bank business. The focus of institutional trust services is on small endowment and foundation management, serving as trustee or investment manager for certain employee benefit plans and providing trust services to TIAA affiliates. The individual trust services allow clients to invest in professionally managed, customized portfolios. Personal consultants allow customized advice to the individual client, strong existing relationships with its clients, investment expertise of advisors and dedicated portfolio managers. TIAA-FSB offers trust and investment management services to TIAA participants and their families, education and research institutions and others. TIAA has a regulatory commitment to keep TIAA-FSB "well capitalized" as defined by the regulations of the Office of Thrift Supervision (OTS) and its successor, the Office of the Comptroller of the Currency (OCC). Several years ago, the OTS approved TIAA-FSB's plans to further expand its banking services. The TIAA-FSB began offering lending and deposit products to the public. Lending products include fixed and adjustable rate products for both the purchasing and refinancing of a home as well as home equity lines of credit. Deposit products include checking, savings, and money market accounts as well as certificates of deposit.

Consistent with TIAA's higher education charter, the group established the TIAA-CREF Tuition Financing, Inc. (TFI), which is a direct wholly-owned

subsidiary of TIAA. TFI provides certain plan management services for states that offer a state qualified tuition program (aka 529 plans). TFI's plan management services include investment recommendations, record-keeping for state 529 plan account owners and beneficiaries, calculating unit values, tax reporting, certain administrative services, and marketing. Each state 529 plan to which TFI provides services is offered by the state directly to individuals and includes a variety of investment options. As of year-end December 31, 2015, TFI provided services to ten state 529 plans.

Kaspick & Company, LLC (Kaspick) is a leading provider of planned gift management services for colleges, universities, and other not-for-profit organizations. The firm's planned giving services are designed to help clients achieve their primary goals of raising more valuable gifts, creating very satisfied donors, and reducing institutional risk by providing sophisticated asset management, high quality gift administration, expert program consulting, and comprehensive reporting. The firm also provides Outsourced Chief Investment Officer (OCIO) services for endowments, consulting with clients on spending rates, investment policy, and asset allocations decisions as well as overseeing manager selection, portfolio execution, and ongoing reporting. Kaspick became part of TIAA in 2006, and operates as an indirect wholly-owned subsidiary. The firm primarily serves large (\$20 million and above) planned giving programs and endowments of \$25 million or more.

In 2010, TIAA expanded its endowment management business with the launch of its wholly-owned subsidiary, Covariance Capital Management, Inc. (Covariance). Covariance provides comprehensive endowment management services to non-profit institutions with endowment assets of \$25 million or greater and provides clients access to third-party investment managers in traditional as well as alternative assets cases (private equity, real estate, commodities, and hedge funds). Covariance's endowment-investing style approach provides customized investment solutions designed to address the liquidity and risk/return profiles of nonprofit institutions.

TOTAL PREMIUM COMPOSITION & GROWTH ANALYSIS

Period Ending	DPW		Reinsurance Prem Assumed	
	(\$000)	(% Chg)	(\$000)	(% Chg)
2011	265,032	2.7	...	...
2012	339,158	28.0	...	...
2013	598,958	76.6	...	...
2014	800,611	33.7	...	...
2015	839,105	4.8	...	...
5-Yr CAGR	...	26.6	...	...
Period Ending	Reinsurance Prem Ceded		NPW & Deposits	
	(\$000)	(% Chg)	(\$000)	(% Chg)
2011	41,247	5.0	981,497	118.3
2012	56,650	37.3	1,741,640	77.4
2013	118,103	108.5	2,605,899	49.6
2014	125,095	5.9	2,266,902	-13.0
2015	125,754	0.5	1,860,982	-17.9
5-Yr CAGR	...	26.2	...	32.9

Best's Rating Report

Territory: The company is licensed in the District of Columbia and all states.

Business Trends: Net cash flows into its non-insurance activities have increased steadily over the past several years. A.M. Best believes that these initiatives will allow the organization to maintain its overall scale of operation while better serving the needs of its customer base. The acquisition of Nuveen has expanded the organization's assets under management and expanded the customer base. Nevertheless, the pension and retirement segment continues to comprise a sizable majority of the organization's assets under management.

TIAA reported record net inflows in 2015 due to the strength of cash flows within the asset management. However, A.M. Best notes that the net inflows of \$16.5 billion was slightly below plan due to larger than expected outflows from Nuveen.

TIAA Group's net premiums written were \$12.7 billion compared to \$12.0 billion in 2014. Although all the core product lines of business increased, the majority of the 6.8% net premium written growth was driven by sales of its group variable annuity products.

2015 BY-LINE BUSINESS (\$000)

Product Line	DPW		Reinsurance —Prem Assumed—	
	(\$000)	(%)	(\$000)	(%)
Ordinary life	357,032	42.5	...	...
Group life	131,564	15.7	...	...
Individual annuities	343,907	41.0	...	...
Individual A&H	6,601	0.8	...	...
Total	839,105	100.0	...	...

Product Line	Reinsurance Prem Ceded		NPW	
	(\$000)	(%)	(\$000)	(%)
Ordinary life	60,859	48.4	296,173	41.5
Group life	58,293	46.4	73,271	10.3
Individual annuities	...	...	343,907	48.2
Individual A&H	6,601	5.2	...	...
Total	125,754	100.0	713,351	100.0

BY-LINE RESERVES (\$000)

Product Line	2015	2014	2013	2012	2011
Ordinary life	971,281	702,356	430,845	252,653	170,892
Group life	296,465	207,555	116,241	17,399	...
Supplementary contr	2,476	1,712	1,762	1,826	1,418
Individual annuities	1,342,193	1,334,760	1,348,130	1,305,083	1,276,146
Deposit type contracts	2,503,805	2,298,473	2,013,451	1,859,466	1,515,775
Total	5,116,219	4,544,856	3,910,429	3,436,428	2,964,230

LIFE POLICIES STATISTICS

Year	-Ordinary Policies-		-Group Policies-		-Group Certificates-	
	Issued	In Force	Issued	In Force	Issued	In Force
2011	4,302	56,880	...	...	...	...
2012	7,996	63,603	...	...	96	96
2013	7,916	69,449	...	...	484	575
2014	7,296	74,676	...	...	476	1,041
2015	7,093	79,558	...	...	421	1,446

LIFE INSURANCE IN FORCE (\$000)

Year	LIFE INSURANCE IN FORCE (\$000)					Total Insurance In Force
	Whole Life Endow. & Adds	Term	Credit	Group	Industrial	
2011	1,636,365	24,633,524	...	...	...	26,269,889
2012	2,048,109	27,597,764	...	292,854	...	29,938,728
2013	3,075,074	30,222,093	...	2,143,689	...	35,440,856
2014	4,532,938	33,034,053	...	3,502,093	...	41,069,084
2015	6,058,677	35,656,136	...	4,694,988	...	46,409,801

NEW LIFE BUSINESS ISSUED (\$000)

Year	NEW LIFE BUSINESS ISSUED (\$000)					Total Insurance Issued	Non- Par (%)	Par (%)
	Whole Life & Endow.	Term	Credit	Group	Industrial			
2011	281,010	1,856,342	...	...	...	2,137,352	100.0	...
2012	466,305	3,370,687	...	291,155	...	4,128,147	100.0	...
2013	1,084,354	3,395,722	...	1,875,434	...	6,355,510	100.0	...
2014	1,500,968	3,641,612	...	1,391,197	...	6,533,777	100.0	...
2015	1,644,785	3,475,073	...	1,218,247	...	6,338,105	100.0	...

ORDINARY LIFE STATISTICS

Year	Ord. Lapse Ratio %	Renew Premium Persist %	Average		Avg Prem (\$/M)	1st Yr Prem / Total	1st Yr Comm / Prem	Gen. Exp. / Policies In Force
			Ord. Policy (in dollars) Issued	In Force				
2011	1.9	72.1	496,828	461,848	3.55	43.3	...	568.03
2012	1.6	63.1	479,864	466,108	4.64	57.3	1.4	761.07
2013	2.4	51.3	565,952	479,448	6.98	69.6	2.8	882.37
2014	2.2	35.9	704,849	503,066	8.78	74.7	3.3	955.71
2015	2.2	32.1	721,818	524,332	8.56	70.4	2.5	999.90

Year	Number of Policies		First Year Premium (000)	Gen'l Exp/ Reserves (%)	Return on Reserves (%)
	Issued	In Force			
2011	4,302	56,880	40,428	18.91	-6.88
2012	7,996	63,603	78,787	19.16	-11.72
2013	7,916	69,449	161,758	14.22	-13.91
2014	7,296	74,676	246,369	10.16	-15.55
2015	7,093	79,558	251,275	8.83	-7.95

Best's Rating Report

INDIVIDUAL ANNUITY STATISTICS

Year	NPW (000)	Res (000)	Exp to Res(%)	Comm & Exp to NPW (%)	Benefits & Wdrwls to NPW (%)	Benefits & Wdrwls to Res (%)
2011	165,762	1,277,563	1.1	8.5	73.0	9.5
2012	172,328	1,306,910	1.6	12.2	72.6	9.6
2013	222,943	1,349,892	2.1	12.5	49.5	8.2
2014	340,038	1,336,472	2.7	10.6	48.5	12.3
2015	343,907	1,344,668	2.8	11.1	44.2	11.3

TOTAL ANNUITY ACTUARIAL RESERVES BY WITHDRAWAL CHARACTERISTICS

Year	Total Annuity Res (000)	Min or No Surrender Charge (%)	With Surrender Charge 5% or more (%)	With MVA (%)	No Surrender Allowed (%)
2011	1,277,563	96.1	0.0	1.6	2.3
2012	1,306,910	97.0	0.0	1.2	1.9
2013	1,349,892	97.6	0.0	0.8	1.6
2014	1,336,472	98.2	0.0	0.5	1.3
2015	1,344,668	98.0	...	0.4	1.5

SEPARATE ACCOUNT DATA

	2015	2014	2013	2012	2011
Sep Acct Assets	5,222,661	4,851,892	3,668,669	1,789,814	867,988
% Growth	7.6	32.3	105.0	106.2	2.3
S/A Assets/Adm Assets	48.5	49.5	45.9	31.6	20.4
Sep Acct Reserves	1,903,488	1,666,395	1,348,852	1,008,156	837,873
% Ordinary Life	7.0	6.5	6.3	6.2	5.5
% Individual Annuities	89.8	91.0	91.8	93.5	94.5
% Group Life	3.2	2.6	1.9	0.3	...
Deposit Type Liabilities	3,289,626	3,127,104	2,277,342	732,916	3,820
Other Liabilities	8,387	44,142	13,994	17,219	48
Sep Acct Surplus	18,949	13,685	29,928	29,325	26,248
S/A Prens & Deposits	487,415	1,177,110	1,786,292	877,901	121,284
% Ordinary Life	7.6	2.6	1.7	4.4	17.4
% Individual Annuities	62.8	25.6	9.4	12.4	82.6
% Group Annuities	23.6	70.0	86.2	82.6	...
% Group Life	5.9	1.9	2.7	0.6	...
Sep Acct Fees & Charges	22,781	18,175	12,249	6,306	4,070
% Ordinary Life	4.0	4.0	4.3	5.5	6.7
% Individual Annuities	32.7	34.8	41.5	65.8	93.3
% Group Annuities	55.2	54.4	48.5	28.3	...
% Group Life	8.1	6.8	5.6	0.5	...
Fees & Chgs to Assets%	0.5	0.4	0.4	0.5	0.5
Sep Acct Ben & Wdrwls	118,716	136,068	119,637	108,528	96,315
% Ordinary Life	7.9	8.3	17.4	25.8	15.3
% Individual Annuities	85.7	87.6	61.6	72.0	84.7
% Group Life	6.5	4.0	21.0	2.2	...
Ben & Wdrwl to Assets%	2.4	3.2	4.4	8.2	11.2

GEOGRAPHIC BREAKDOWN BY DIRECT PREMIUM WRITINGS (\$000)

	2015	2014	2013	2012	2011
North Carolina	425,072	274,650	542,008	17,317	14,674
California	301,041	263,400	231,802	190,107	522,521
Michigan	191,143	166,147	156,409	275,367	67,636
New York	121,803	109,104	73,118	46,062	43,825
Connecticut	93,508	76,322	79,740	71,201	67,605
Georgia	72,043	72,524	54,469	56,139	24,471
Minnesota	68,079	178,211	30,466	26,107	26,737
Pennsylvania	58,892	405,219	799,317	17,703	11,906
Wisconsin	58,781	47,878	49,262	96,932	3,610
Florida	50,443	65,766	33,883	23,765	20,075
All Other	539,481	720,913	667,764	967,927	213,163
Total	1,980,285	2,380,134	2,718,237	1,788,626	1,016,223

RISK MANAGEMENT

The following text is derived from A.M. Best's Credit Report on TIAA Group (AMB# 070362).

The mission of TIAA's Enterprise Risk Management (ERM) division is to protect TIAA's financial strength and reputation to help ensure that the organization delivers on its long-term promises and meets its strategic objectives. To achieve this mission, ERM promotes the proactive identification, measurement, assessment, and management of risks within the firm's risk appetite to drive risk-based business decisions and achieve better business outcomes.

ERM is an independent function reporting directly to TIAA's President and Chief Executive Officer. Board oversight is through a Risk and Compliance Committee. ERM operates a risk committee structure that includes integrated risk committees. The division provides risk oversight at the Enterprise and line of business level to support business and strategic objectives. The ERM teams include: TIAA Global Asset Management Risk, Institutional Financial Services Risk, Retail Financial Services Risk, ERM Governance Framework & Corporate Center Risk, Financial Risk, and Business Management. TIAA continues to strengthen its integration with Nuveen's including revising the organizational structure such that the Nuveen risk management organization is now reports to the Chief Risk Officer for TIAA Global Asset Management.

OPERATING PERFORMANCE

Operating Results: Historically, TIAA-CREF Life's net operating performance had been profitable, but fluctuating. However, the company incurred large net operating losses during the past three years. These net operating losses were triggered principally by statutory expense strains associated with strong sales growth in its ordinary life segment coupled with reserve strengthening as a consequence of cash-flow testing results. A.M. Best expects for these net operating losses to continue in near term as TIAA continues to grow its ordinary life business.

TIAA-CREF Life's overall net premiums have increased rapidly the past four years. The ordinary life segment has generated strong growth due principally to solid sales of both its fixed and variable universal life products. Ordinary life sales have been enhanced by its partnership with the M Financial

Best's Rating Report

Group. The company's individual annuity production has also increased in each of the past four years aided by solid sales of its variable annuity products. The increase in variable annuity sales have been driven by participant behavior in response to the overall increase in equity markets and the continuing low interest rate environment. A.M. Best notes TIAA-CREF Life's deposit-type contracts have increased significantly the past several years due primarily to funding agreements issued from the general account to support education-related investment and/or savings programs sponsored by various states. A.M. Best notes that in 2015, deposits related to funding agreements and its SAGIC product totaled over \$1.1 billion.

The following text is derived from A.M. Best's Credit Report on TIAA Group (AMB# 070362).

Overall, TIAA Group has demonstrated a generally consistent track record of strong net operating profitability, reflecting its extremely stable liability structure, lean expense structure, and favorable investment income trends that have continued to increase despite the challenges of the current low interest rate environment. TIAA Group's operating and administrative expenses are exceptionally low and compare favorably with those of mutual fund companies which typically have significantly lower cost infrastructures than most insurance companies. Distribution of traditional annuity products is conducted directly with its institutional clients. Pension and retirement products (other than products sold by TIAA-CREF Life) are offered to employees on a payroll deduction basis and, therefore, incur no commission costs. However, full administrative service and support is provided both to the institution and individual plan participants through the organization's staff. In addition to this low-cost distribution structure, the group's overall unit costs are further minimized by the scale of its operations and its effective administrative links with its institutional clients for payroll deduction, premium payment and servicing. TIAA Group has been strategically increasing infrastructure costs over the past several years to add to its technology platform and advertising expense in order to raise brand awareness.

The growth of the TIAA Group's general account share of premium income has been relatively modest, since premium deposits have been concentrated in the CREF variable annuities and mutual funds. Furthermore, the trends in revenues have been affected by fluctuations in internal transfers, resulting from the state of economic cycles and capital market conditions, in addition to premium allocations between TIAA, CREF and mutual funds. The organization enjoys a significant competitive advantage due to its extremely stable liability structure, which ensures long-term persistency of its policies in force and provides for considerable flexibility in its investment strategies. TIAA Group generates predictable and significant positive cash flow, and with approximately 75% of its general account reserves not cashable, the company can invest in opportunities - such as real estate or alternative investments - with long-term payback, a luxury not available to most of its competitors.

Some of the group's newer non-core businesses remain challenged to achieve meaningful profitability on a fully stand-alone basis due to the lack of critical mass and the impact of start-up costs. The group will continue to make modest investments in these activities over the next several years to build their infrastructure and position them to absorb projected growth. Over time,

management will continue to evaluate these ventures and their ability to become profitable on a stand-alone basis, generate an acceptable return on investment and demonstrate synergies with TIAA Group's core pension operations.

TIAA Group has generated generally consistent net operating gains the past several years despite the challenges of the persistent low interest rate and volatile equity market environment. The majority of pension business has 3% guaranteed interest rates. In response, TIAA now utilizes an indexed minimum interest guarantee basis for new institutional and individual retirement accounts. As part of this strategy, new institutional clients are offered only an indexed guaranteed contract. Net operating earnings have been driven primarily by solid earnings from its core individual and group annuity segments enhanced by an active spread management process. The group's capital allocated to the non-insurance segments has also contributed meaningful earnings. The ordinary life segment's net operating performance has fluctuated in recent years dampened somewhat by expense strains associated with increased sales.

TIAA Group's statutory net gains from operations for 2015 were \$1.7 billion compared to \$1.3 billion the prior year. The higher statutory gain during the year was primarily attributable to lower annuity dividends paid out to policyholders relative to prior year. A.M. Best notes that TIAA recently decreased its credited interest rates on its Retirement Annuity and Group Retirement Annuity (down 4%) and on the Supplemental Retirement Annuity and Group Supplemental Retirement Annuity products (down 5%).

PROFITABILITY ANALYSIS (\$000)

Period Ending	Company			
	Pre-tax Net Oper Income	Net Operating Gain	Net Income	Total Return
2011	30,860	20,315	29,505	32,228
2012	21,746	20,503	18,143	18,271
2013	-22,342	-29,291	-29,328	-29,014
2014	-13,629	-20,496	-17,526	-17,472
2015	-31,711	-35,254	-39,793	-39,503
5-Yr Total	-15,076	-44,223	-39,000	-35,490

Period Ending	Company		Industry Composite	
	Operating ROR (%)	Operating ROE (%)	Operating ROR (%)	Operating ROE (%)
2011	5.5	5.3	1.9	5.5
2012	4.4	5.1	7.6	19.7
2013	-4.0	-7.4	8.4	21.6
2014	-2.2	-5.6	5.8	17.8
2015	-3.5	-9.8	5.5	14.4
5-Yr Avg	-1.3	-2.3	5.8	15.8

Best's Rating Report

PROFITABILITY TESTS

Year	Ben Paid to NPW & Dep	Comm & Exp to NPW	NOG to Tot Assets	NOG to Tot Rev	Operating Return on Equity	Net Yield	Pre-tax Invest Total Return	Company		-Industry Composite-				
								Inv Inc Growth (%)	Inv Yield (%)	Return on Inv Assets (%)	Pre-tax Invest Total Return (%)	Inv Inc Growth (%)	Inv Yield (%)	
2011	15.4	4.8	0.5	5.5	5.3	4.44	4.27	2.3	4.4	4.8	4.3	4.7	5.4	
2012	9.1	4.3	0.4	4.4	5.1	4.13	3.98	10.5	4.1	4.1	4.0	0.6	5.2	
2013	5.6	4.3	-0.4	-4.0	-7.4	3.79	3.75	2.3	3.8	3.8	3.8	6.1	5.3	
2014	9.1	5.8	-0.2	-2.2	-5.6	3.65	3.61	2014	8.2	3.7	3.6	3.6	3.2	5.2
2015	11.0	8.1	-0.3	-3.5	-9.8	3.54	3.33	2015	12.4	3.5	3.3	3.3	1.4	5.0
5-Year Avg	9.1	5.4	-0.1	-1.3	-2.3	3.85	3.73	5-Yr Avg	7.3	3.9	3.9	3.7	3.1	5.2

(* Pre-Tax Invest Total Return quarterly calculation based on more limited quarterly data - see Calculation Specifications.

Year	Inv Inc Growth (%)	Inv Yield (%)	Return on Inv Assets (%)	Pre-tax Invest Total Return (%)	Inv Inc Growth (%)	Inv Yield (%)	Company		-Industry Composite-	
							Inv Inc Growth (%)	Inv Yield (%)	Return on Inv Assets (%)	Pre-tax Invest Total Return (%)	Inv Inc Growth (%)	Inv Yield (%)
2011	2.3	4.4	4.8	4.3	4.7	5.4				
2012	10.5	4.1	4.1	4.0	0.6	5.2				
2013	2.3	3.8	3.8	3.8	6.1	5.3				
2014	8.2	3.7	3.6	3.6	3.2	5.2				
2015	12.4	3.5	3.3	3.3	1.4	5.0				
5-Yr Avg	7.3	3.9	3.9	3.7	3.1	5.2				

(* Pre-Tax Invest Total Return quarterly calculation based on more limited quarterly data - see Calculation Specifications.

NET OPERATING GAIN (\$000)

Product Line	2015	2014	2013	2012	2011
Ordinary life	-77,260	-109,193	-59,949	-29,621	-11,766
Group life	8,305	1,055	-544	-742	...
Supplementary contr	-7,782	-13,706	-5,003	-2,050	-759
Individual annuities	-24,632	17,945	-18,355	11,951	9,856
Group annuities	66,320	83,142	29,215	20,573	8,655
Individual A&H	-204	262	-38	-36	-9
Other	...	...	25,383	20,428	14,338
Total	-35,254	-20,496	-29,291	20,503	20,315

ACCIDENT & HEALTH STATISTICS (\$000)

Year	Net Premiums Written	Net Premiums Earned	Loss Ratio	Exp. Ratio	Underwriting Results
2011	-14
2012	-38
2013	-29
2014	174
2015	-183
Current Year Experience: Guarant renew	-183

INVESTMENT GAINS (\$000)

Year	Net Inv Income	Company		Unrealized Capital Gains
		Realized Capital Gains	Unrealized Capital Gains	
2011	131,639	9,190	2,723	
2012	145,499	-2,360	129	
2013	148,804	-37	314	
2014	161,035	2,969	54	
2015	180,964	-4,539	290	
5-Year Total	767,940	5,222	3,510	

BALANCE SHEET STRENGTH

Capitalization: TIAA-CREF Life's stand-alone risk-adjusted capitalization as measured by Best's Capital Adequacy Ratio (BCAR) model remains satisfactory for its current business and investment risks despite total capital being relatively flat over the past three years. TIAA-CREF Life's risk-adjusted capitalization is enhanced by a high quality fixed-income investment portfolio and capital support from its financially strong parent. In 2015, total capital increased due to a \$50 million capital contribution made from TIAA offsetting the statutory loss resulting from significant statutory new business expense strain associated with higher life insurance sales. The significant increase in life sales is a direct result of TIAA-CREF Life's on-going distribution agreement with the M Financial Group. A.M. Best notes that in addition to the capital contribution in 2015, TIAA-CREF Life's total capital was enhanced by a \$70 million capital infusion made by TIAA in 2009.

TIAA-CREF Life has a financial support agreement with TIAA, and, under this agreement, TIAA will provide financial support, if necessary, so that capital and surplus is maintained at the greater of \$250 million, the amount necessary to maintain a 150% risk-adjusted capital ratio as measured by the NAIC Risk Based Capital model, or the amount necessary to maintain its financial strength rating at the same level as TIAA.

The following text is derived from A.M. Best's Credit Report on TIAA Group (AMB# 070362).

TIAA Group's consolidated risk-adjusted capitalization is strong for its current business and investment risks as measured by Best's Capital Adequacy Ratio (BCAR) model. The organization's unique organizational structure given its stable liabilities and its ability to adjust crediting and dividend rates have provided the group with significant financial flexibility.

Best's Rating Report

TIAA Group's total capital has increased over the past several years as strong net operating gains, coupled with large unrealized investment gains primarily derived from its alternative asset portfolio, have more than offset realized investment losses generated primarily from its long-term bond portfolio. In 2014, the increase in total capital was enhanced by the issuance of \$2 billion in surplus notes to help fund the acquisition of Nuveen. However, total capital declined was down slightly in 2015 due to sizable increase in net unrealized losses for the year. Despite the decrease, the total capital five-year CAGR was almost 7%.

Year	Year-End C&S	Asset Valuation Reserve	Adjusted C&S
2011	398,385	10,594	408,979
2012	412,931	14,164	427,095
2013	373,833	17,937	391,771
2014	354,575	27,305	381,881
2015	362,518	33,643	396,162

Current BCAR: 247

CAPITAL GENERATION ANALYSIS (\$000)

Year	Source of Surplus Growth			
	Pre-Tax Net Adjusted Gain	Realized Capital Gains	Income Taxes	Unrealized Capital Gains
2011	30,860	9,190	10,545	2,723
2012	21,746	-2,360	1,243	129
2013	-22,342	-37	6,949	314
2014	-13,629	2,969	6,867	54
2015	-31,711	-4,539	3,543	290
5-Yr Total	-15,076	5,222	29,147	3,510

Year	Source of Surplus Growth			% Chg in C&S
	Change in AVR	Other Changes	Change in C&S	
2011	-2,789	-1,635	27,804	7.5
2012	-3,570	-155	14,546	3.7
2013	-3,773	-6,311	-39,098	-9.5
2014	-9,368	7,582	-19,258	-5.2
2015	-6,338	53,784	7,943	2.2
5-Yr Total	-25,838	53,266	-8,063	-0.4

QUALITY OF SURPLUS (\$000)

Year	Surplus Notes	Other Debt	Contributed Capital	Unassigned Surplus
2011	360,000	38,385
2012	360,000	52,931
2013	360,000	13,833
2014	360,000	-5,425
2015	410,000	-47,482

LEVERAGE ANALYSIS

Year	Company				-Industry Composite-	
	C&S to Liab(%)	Surplus Relief(%)	NPW & Dep to Total Capital	Change in NPW & Dep(%)	C&S to Liab(%)	Surplus Relief(%)
2011	13.6	2.1	2.4	118.3	11.1	4.8
2012	12.3	3.1	4.1	77.4	11.1	4.5
2013	9.9	7.9	6.7	49.6	10.9	5.1
2014	8.3	8.3	5.9	-13.0	11.2	4.9
2015	7.7	7.8	4.7	-17.9	10.8	5.2

CEDED REINSURANCE ANALYSIS

Year	Company						-Industry Composite-	
	Face Amount Reins Ceded	Affil Reins Rec/C&S	Unaffil Reins Rec/C&S	Total Reins Rec/C&S	Surplus Relief	Reins Leverage	Total Reins Rec/C&S	Total Reins Leverage
2011	20,044,674	...	2.7	2.7	2.1	92.7	4.0	186.6
2012	22,522,415	...	3.1	3.1	3.1	102.0	4.2	211.9
2013	25,760,308	...	4.4	4.4	7.9	130.8	4.3	215.0
2014	29,089,774	...	6.0	6.0	8.3	148.7	4.1	206.7
2015	32,205,126	...	3.3	3.3	7.8	152.0	4.5	211.6

Liquidity: A significant portion of TIAA-CREF Life's general account investments consist of investment grade publicly-traded long-term bonds which can be readily converted to cash. TIAA-CREF Life carefully reviews its liquidity position on an ongoing basis. TIAA-CREF Life maintains a \$100 million unsecured revolving line of credit with TIAA. There were no outstanding borrowing on this line of credit as of year-end 2015. TIAA-CREF Life has no material off-balance sheet arrangements for financing or other purposes.

The following text is derived from A.M. Best's Credit Report on TIAA Group (AMB# 070362).

TIAA Group has very strong liquidity with its high-quality, unleveraged balance sheet, solid earnings capacity, predictable cash flows and favorable liability structure. TIAA Group's long-term liability structure contains minimal disintermediation risk and enables the Group to manage its investment portfolio with a view toward long term performance, and to obtain the highest possible long term rates of return within reasonable risk parameters. Short term liquidity is not a major concern due to the long term liability structure, although any liquidity requirements are monitored carefully. TIAA maintains adequate levels of liquid investment holdings including publicly traded securities, cash, cash equivalents, short-term investments, and U.S. treasury securities to manage short term liquidity needs.

Best's Rating Report

TIAA expects total cash inflow to be adequate to meet withdrawal and benefit obligations for the foreseeable future.

TIAA has extended several guarantees in support of its subsidiaries and affiliates. TIAA has a financial support agreement with TIAA-CREF Life. Under the agreement, TIAA will provide support so that TIAA-CREF Life will have the greater of (a) capital and surplus of \$250 million, (b) the amount of capital and surplus needed to maintain TIAA-CREF Life's capital and surplus at a level not less than 150% of the NAIC Risk Based Capital model or (c) such other amounts as necessary to maintain TIAA-CREF Life's financial strength rating at least at the same or better than TIAA's rating at all times. This agreement has not been utilized in recent years.

TIAA provides a \$100 million unsecured revolving line of credit to TIAA-CREF Life. As of year-end 2015, \$30 million was maintained on a committed basis for which TIAA received a commitment fee on the undrawn committed amount. TIAA also provides a \$100 million unsecured revolving credit with Nuveen, of which all of the \$100 million is committed. A.M. Best notes that all draw-downs were repaid by year-end.

TIAA provides a \$1.0 billion uncommitted and unsecured line of credit to certain accounts of CREF and certain TIAA-CREF Funds. Loans under the revolving credit facility are for a maximum of 60 days and are made solely at the discretion of TIAA to fund shareholder redemption requests or other temporary or emergency needs of CREF and the TIAA-CREF Funds. It is the intent of TIAA, CREF and the TIAA-CREF Funds to use this facility as a supplement liquidity facility, which would be used only after the availability of the current \$1.5 billion committed credit facility that is maintained by a group of banks for the benefit of the TIAA-CREF Fund Complex (which includes CREF and the TIAA-CREF Funds) has been exhausted.

The Company also provides a \$23.0 million committed line of credit to TIAA Charitable Inc. This line has an expiration date of June 28, 2047. As of December 31, 2015, \$23 million of this facility was maintained on a committed basis for which TIAA and TIAA Charitable agree that a separate commitment fee will not be charged. During the period ending December 31, 2015, there was \$5.5 million in outstanding draw-downs made under this line of credit arrangement.

The Company provides a \$300 million uncommitted 364-day revolving line of credit arrangement with TIAA-CREF Trust Company, FSB. This line has an expiration date of September 14, 2016. During the period ending December 31, 2015, there were no draw-downs made under this line of credit arrangement.

TIAA provides mortality, expense and liquidity guarantees to REA and is compensated for these guarantees. TIAA provides REA with a liquidity guarantee to ensure it has funds available to meet participant transfer or cash withdrawal requests. If REA cannot fund participant requests, TIAA's general account will fund them by purchasing accumulation units from REA. Pursuant to the liquidity guarantee obligation, TIAA's general account did not own any accumulation units at year-end 2015.

LIQUIDITY ANALYSIS

Year	Company				
	Operating Cash Flow (\$000)	Quick Liquidity	Current Liquidity	Non-Inv Grade Bonds to Capital	Delnq & Foreclsd Mtg to Capital
2011	161,191	76.7	110.7	10.8	...
2012	162,033	71.6	109.5	12.9	...
2013	316,931	70.4	107.2	16.6	...
2014	338,781	65.8	105.8	19.3	...
2015	356,325	65.8	104.8	14.8	...

Year	Company		Industry Composite	
	Mtg & Cred Ten Lns & RE to Cap	Affil Invest to Capital	Quick Liquidity	Current Liquidity
2011	3.4	0.3	51.0	88.8
2012	...	0.3	49.0	88.0
2013	...	0.3	47.8	86.9
2014	...	0.3	47.0	87.5
2015	...	0.3	45.5	87.2

Investments: TIAA-CREF Life's total admitted assets are allocated approximately 52% to the general account with the remainder allocated to its separate accounts. A.M. Best notes the company's separate account assets have been increasing rapidly in recent years primarily due to discretionary contract-holder activity, investment performance, and increased deposits on the SAGIC product. The majority of TIAA-CREF Life's general account invested assets are long-term bonds that currently represent more than ninety-six percent of the total general account invested assets. The remainder of the company's general account invested assets are allocated to short-term securities, cash balances, contract loans and other invested assets (Schedule BA) consisting primarily of surplus debentures. As a result of maturities, scheduled principal payments and unscheduled redemptions, the company no longer holds direct mortgage loans. The company has no current plans to invest in additional direct mortgage loans going forward.

TIAA-CREF Life's long-term bond portfolio is almost entirely investment grade with slightly more than nineteen percent of the portfolio in private placements that are well diversified across industry sectors. A.M. Best notes the company's exposure to below investment grade bonds relative to capital is modest. The total long-term bond portfolio is currently in a net unrealized gain position. The long-term bond portfolio is well-diversified in publicly traded corporate obligations, public utility holdings, structured securities, and U.S. and foreign government debt. A.M. Best notes the company's exposure to structured securities is minimal representing approximately eleven percent of the total long-term bond portfolio. The structured securities consist of residential and commercial mortgage-backed structured (CMBS) securities and asset-backed structured securities.

Separate accounts that support TIAA-CREF Life's variable businesses are registered with the Securities and Exchange Commission as unit investment trusts, and their assets are invested in corresponding portfolios of the TIAA-CREF Life funds or in other, non-proprietary funds. The variable annuities do not offer any living benefit riders.

Best's Rating Report

The following text is derived from A.M. Best's Credit Report on TIAA Group (AMB# 070362).

TIAA Group's total admitted assets are allocated approximately 87% to its general account with the remainder allocated to its separate accounts. The majority of the group's general account invested assets is in long-term bonds that currently represent about 78% of total general account invested assets. The remainder of TIAA Group's general account invested assets consist of alternative assets (Schedule BA), direct mortgage loans, preferred and common stocks, real estate assets, contract loans, cash balances, short-term securities, and derivative instruments. A.M. Best notes TIAA does not engage in derivative financial instrument transactions for speculative purposes.

TIAA Group currently maintains three non-guaranteed separate accounts that have been established to fund variable annuities in its non-pension and pension lines of business. A fourth separate account was established to fund a flexible fixed annuity contract offered to employer sponsored defined pension plans principally in the 403(b) market. The separate account assets increased during 2015 driven by net inflows and market appreciation.

TIAA Group benefits from an unusually stable and long-maturity liability structure, as the majority of its insurance reserves are comprised of annuities that are not subject to discretionary withdrawal at the option of the policyholder. This unique structure provides the group with a significant degree of flexibility in its investment strategy. TIAA Group has used a well-balanced mix of long-maturity corporate bonds - including public and private, direct commercial mortgages, structured securities, treasuries and other alternative investment classes that include private equity and real estate to support its liabilities. The group also uses derivative instruments for economic hedging, income generation, and asset replication purposes. As a result of its stable liability structure, the company has historically been able to take a higher degree of credit risk and, to some extent, liquidity and interest rate risk, in its investment portfolio when compared to other insurers. Nonetheless, policyholders have benefited from TIAA Group's ability to translate this incremental risk into above-average investment performance that has contributed to enhanced policyholder dividends compared to its peers. Policyholders also benefit from the significant economies of scale in TIAA's operations, resulting in lower investment expenses and higher net investment yields.

INVESTMENT YIELDS

Year	Net Yield	Bonds	Stocks	Mortgages	Cash & Short-Term	—Real Estate—		Invest. Exp. Ratio
						Gross	Net	
2011	4.44	4.61	6.61	3.03	0.53	...	...	1.66
2012	4.13	4.25	7.52	...	0.45	...	...	1.91
2013	3.79	3.88	5.23	...	0.03	...	...	2.52
2014	3.65	3.70	8.72	...	0.03	...	...	2.70
2015	3.54	3.67	...	...	0.04	...	...	2.09

Investments - Bond Portfolio: TIAA Group holds more than three-quarters of its invested assets in fixed maturities. The group's fixed income investment expertise is reflected in the historical performance of its general account portfolio. The long-term bond portfolio is primarily investment grade

securities with the majority in NAIC class 1 securities. Private placement instruments comprise about one-quarter of the total long-term bond portfolio and are a combination of 144A issues and "true" private placements and are generally of lower credit quality than the public portfolio, but with greater covenant protection in order to generate incremental investment yield. A.M. Best notes that the group's exposure to below investment grade bonds relative to capital has remained consistent over the past three years and remains well below industry averages.

The long-term bond portfolio is well-diversified being invested in publicly traded corporate obligations, structured securities, and U.S. and foreign government debt and is currently in a sizable net unrealized gain position. However, A.M. Best notes that the group does have some exposure to the energy sector that remains below book value. A.M. Best also notes that the group has European financial exposure, but it remains modest and concentrated primarily in senior debt holdings of the United Kingdom, Netherlands and France, with a minimal allocation to GIIPS's (.024% of assets).

Total structured securities that are represented primarily by residential mortgage-backed, commercial mortgage-backed and asset-backed securities account for about one-third of the total long-term bond portfolio and have structures that are well suited to TIAA Group's liability profile. The majority of TIAA Group's residential mortgage-backed structured securities (RMBS) are investment grade and consist principally of government agency-backed and non-agency prime RMBSs that have specific prepayment and maturity profiles. The majority of TIAA Group's commercial mortgage-backed structured (CMBS) securities are investment grade. The CMBSs are typically originated by single or multiple issuers, which are collateralized by mortgage loans secured by income producing commercial properties such as office buildings, multi-family dwellings, industrial, retail, hotels and other property types. The asset-backed securities have some modest exposure to the subprime residential mortgage market and collateralized debt obligations.

INVESTMENTS - SECURITIES

Current Year Distribution of Bonds By Maturity

	Years					Yrs-Avg Maturity
	0-1	1-5	5-10	10-20	20+	
Government	3.2	2.5	2.5	1.7	0.2	6
Gov't Agencies & Muni	0.0	1.4	2.3	2.1	0.6	11
Industrial & Misc	6.5	22.1	28.2	6.3	20.3	11
Hybrid Securities	...	...	...	...	0.1	25
Total	9.7	26.0	33.0	10.1	21.2	10

Best's Rating Report

	2015	2014	2013	2012	2011
Bonds (000)	5,242,138	4,743,873	4,105,952	3,684,513	3,182,147
US Government	7.0	7.0	6.8	5.6	4.4
Foreign Government	0.4	1.4	0.5	...	...
Foreign - All Other	16.7	16.9	18.1	17.0	14.7
State/Special Revenue - US	6.7	8.7	9.1	11.2	10.5
Industrial & Misc - US	69.0	65.9	65.3	66.0	70.0
Hybrid Securities	0.1	0.2	0.2	0.2	0.4

Private Issues	19.1	17.5	16.1	16.3	12.7
Public Issues	80.9	82.5	83.9	83.7	87.3

Bond Quality (%)	2015	2014	2013	2012	2011
Class 1	58.9	64.1	62.1	64.5	64.6
Class 2	40.0	34.4	36.3	34.1	34.0
Class 3	0.9	1.3	1.5	1.3	0.8
Class 4	0.2	0.3	...	0.2	0.3
Class 5	0.0	0.0	0.1	0.0	0.3
Class 6	...	...	...	...	0.0

Investments - Equity Portfolio: TIAA Group's maintains a modest allocation to preferred and common stocks. Although equity holdings have increased the past two years, preferred and common stock holdings are minimal relative to the group's total capital. The preferred stock portfolio is comprised of public, non-public, and REIT securities with the majority of the returns coming from dividends. The common portfolio is comprised of unaffiliated securities, mutual fund investments, and investments in affiliated wholly-owned subsidiaries including real estate properties, life insurance and annuity operations, investment advisory and banking and trust services.

INVESTMENTS - EQUITIES

	2015	2014	2013	2012	2011
Stocks (000)	1,062	790	3,044	2,742	7,506
Unaffiliated Common	82.8	76.9	18.8	9.9	2.2
Unaffiliated Preferred	17.2	23.1	81.2	90.1	97.8

Investments - Mortgage Loans and Real Estate: TIAA Group maintains a manageable level of direct commercial and residential mortgage loans relative to total capital (49% in 2015 compared to 40% the prior year). As of year-end 2015, direct mortgage loans represent roughly 8% of invested assets compared to 7% the prior year. The growth in mortgage loans during the year reflects the organization's investment strategy to increase both commercial and residential mortgage loans.

TIAA Group originates mortgage loans that are primarily collateralized by first mortgage liens on completed, income-producing commercial properties with the majority in shopping centers, office and industrial buildings and apartments. The group does not underwrite or hold any direct subprime mortgages in its commercial mortgage portfolio and has only minimal indirect subprime exposure. A.M. Best notes that the majority of the mortgage loan portfolio are fixed rate loans and are geographically well diversified.

Additionally, the mortgage loan portfolio has performed well with no delinquencies, foreclosures or restructured loans over the past several years.

TIAA Group invests in commercial real estate directly, through its wholly-owned subsidiaries and through real estate limited partnerships. At year-end 2015, the majority of the group's directly owned real estate was in properties held for production of income primarily in office and industrial buildings.

INVESTMENTS - MORTGAGE LOANS & REAL ESTATE

	2015	2014	2013	2012	2011
Mortgages (000)	13,726
Commercial	100.0

Investments - Other Invested Assets: A large portion of TIAA Group's alternative assets (Schedule BA) consists of unaffiliated private equity funds and real estate related holdings. A majority of the other invested assets is represented by a diversified portfolio of affiliated entities that invest in agricultural products for the production of income, financial instruments that include fixed income securities, timber harvesting in addition to mortgage loans, investments in real estate related holdings, operating subsidiaries, investment advisory subsidiaries and fund investments.

During 2014, this portfolio increased through increases in affiliated investments, including a meaningful investment in TIAA Asset Management, LLC to fund the acquisition of Nuveen. As of year-end 2015, Schedule BA Assets comprise more the one-tenth of the total invested assets. These represents represent 67% of total capital, which is considerably higher than the industry average. A.M. Best notes that the percentage of Schedule BA assets for 2015 is slightly less than prior year. While these investments enhance the company's spread management strategy, they could adversely affect operating performance and financial strength should the worldwide economic recovery stall or deteriorate.

INVESTMENTS - OTHER INVESTED ASSETS

	2015	2014	2013	2012	2011
Other Inv Assets (000)	194,351	117,431	138,122	107,885	123,550
Cash	46.9	74.5	24.8	73.2	16.5
Short-Term	38.5	2.5	58.3	8.3	69.7
Schedule BA Assets	5.0	9.2	9.2	11.9	10.4
All Other	9.6	13.7	7.6	6.6	3.4

HISTORY

Date Incorporated: 11/20/1996

Date Commenced: 12/18/1996

Domicile: NY

MANAGEMENT

Officers: President and Chief Executive Officer, David M. Anderson; Vice President and Chief Financial Officer, Larkin W. Fields; Secretary, Cherita L. Thomas; Treasurer, Jorge Gutierrez.

Best's Rating Report

Directors: David M. Anderson (Chairman), Rashmi Badwe, Elizabeth D. Black, Sue Collins, Eric T. Jones, Christopher McGeown, Russell G. Noles, Ajay Sawhney.

REGULATORY

An examination of the financial condition was made as of December 31, 2013, by the insurance department of New York. The 2015 annual independent audit of the company was conducted by PricewaterhouseCoopers, LLP. The annual statement of actuarial opinion is provided by John Esch, Vice President and Senior Actuary.

Reserve basis: (Current ordinary business): (Current ordinary business): 2001 CSO 3.5% CRVM valuation. (Current 2015 annuity business): AG43 Non-Qual Annuities (DEF, NFI), 2012 IAR 4.50%, CARVM (immediate).

FINANCIAL INFORMATION BALANCE SHEET (\$000) - YE 2015

Assets		Liabilities	
Total bonds	5,242,138	+Net policy reserves	2,612,414
Total preferred stocks	183	Policy claims	5,727
Total common stocks	879	Deposit type contracts	2,503,805
Contract loans	18,683	Interest maint reserve	1,218
Cash & short-term inv	166,031	Comm taxes expenses	1,524
Premis and consids due	16,480	Asset val reserve	33,643
Accrued invest income	47,860	Other liabilities	49,680
Other assets	59,326		
		Tot liab w/o sep accts	5,208,011
Tot assets w/o sep accts	5,551,580	Separate account bus	5,203,712
Separate account bus	5,222,661		
		Total liabilities	10,411,723
		Common stock	2,500
		Paid in & contrib surpl	407,500
		Unassigned surplus	-47,482
Assets	10,774,241	Total	10,774,241

+Analysis of reserves; Life \$1,222,457; annuities \$1,327,193; supplementary contracts with life contingencies \$2,476; disability active lives \$7,456; disability disabled lives \$1,123; miscellaneous reserves \$51,710.

SUMMARY OF OPERATIONS (\$000)

Premiums:		Death benefits	9,031
Ordinary life	296,173	Annuity benefits	44,464
Individual annuities	343,907	Disability benefits	44
Group life	73,271	Surrender benefits	120,012
Total premiums	713,351	Int on policy funds	30,105
Supplementary contracts	1,544	Supplementary contracts	162
Net investment income	180,964	Incr life reserves	366,031
Amort interest maint res	577	Commissions	33,930
Net gain from sep acct	1,823	Insur taxes lic & fees	13,332
Comm & exp reins ceded	28,376	General ins expenses	131,788
Res adj on reins ceded	51,598	Net transf to sep acct	259,745
Other income	23,038	Misc operating expense	24,338
Total	1,001,269	Total	1,032,981
Gain from operations before FIT & div to policyholders.....			-31,711
Federal income taxes incurred.....			3,543
Net gain from operations after federal income taxes.....			-35,254

CASH FLOW ANALYSIS (\$000)

Funds Provided		Funds Applied	
Gross cash from oper	929,097	Benefits paid	105,002
Long-term bond proceeds	473,426	Comm, taxes, expenses	204,007
Other cash provided	227,539	Transfer to sep account	256,944
		Long-term bonds acquired	979,161
		Other cash applied	9,425
		Incr cash & short-term	75,524
Total	1,630,062	Total	1,630,062

Best's Rating Report

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A Best's Rating Report from the A.M. Best Company showcases the **opinion** from the leading provider of insurer ratings of a company's financial strength and ability to meet its obligations to policyholders, as well as its relative credit risk.

The A.M. Best Company is the oldest, most experienced rating agency in the world and has been reporting on the financial condition of the insurance companies since 1899.

A Best's Financial Strength Rating is an **independent opinion** of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations.

The Financial Strength Rating **opinion** addresses the relative ability of an insurer to meet its ongoing insurance policy and contract obligations. The rating is not assigned to specific insurance policies or contracts and does not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. The rating is **not a recommendation** to purchase, hold or terminate any insurance

policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information.

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