



A Message to Our Policyholders and Agents

We want our policyholders and agents to hear directly from us about recent developments involving the South Carolina Department of Insurance ("SC DOI") and AM Best.

Here is what you need to know:

- **Atlantic Coast Life Insurance Company remains financially sound.** Nothing has changed operationally. We continue to service all existing policies and meet our obligations to policyholders. Claims are being paid, surrenders honored, and all in-force business serviced in the ordinary course.
- **We are working with SC DOI to resolve the disputes.** On September 15, 2026, the SC DOI asked a South Carolina court to place Atlantic Coast Life and Southern Atlantic Re, Inc. into rehabilitation. We strongly disagree with these allegations and do not believe they are supported by the facts. No rehabilitation order has been entered. We filed a motion to dismiss the petition and a separate lawsuit against SC DOI Director Michael Wise. Since filing the lawsuit, we have reached an agreement with the SC DOI to mediate the matter. We intend to use the mediation to resolve the disputes and address outstanding regulatory matters.
- **We disagree with AM Best's rating action.** The South Carolina regulatory matter was among the factors cited by AM Best in its recent action downgrading the credit ratings of Atlantic Coast Life. We disagree with AM Best's rating action and believe it does not fully reflect a number of important developments now underway -- including a pending capital raise and corporate restructuring initiatives at our parent company, A-CAP, which AM Best itself acknowledged in connection with its review.
- **We have a long track record.** Atlantic Coast Life has served policyholders for more than a century, through numerous economic and market cycles, and remains focused on completing these initiatives and meeting our obligations to policyholders.
- **We are committed to keeping you informed.** Please review the FAQs below for more information.

This statement is current as of September 30, 2026. We will provide updates as material developments occur.

Frequently Asked Questions

What is happening with Atlantic Coast Life and the South Carolina Department of Insurance (“SC DOI”)?

- The SC DOI filed a petition asking a court to place Atlantic Coast Life and Southern Atlantic Re into rehabilitation — this would give the Department authority to oversee the companies’ operations.
- We strongly disagree with the Department’s allegations and believe they are unsupported by the facts.
- The SC DOI has since agreed to mediate the matter, working toward a comprehensive resolution.

Are Atlantic Coast Life and Southern Atlantic Re in rehabilitation now?

- No. The court has not granted the Department’s request, and no rehabilitation order has been entered.

Has a court made any findings against the companies?

- No. The Department’s petition contains allegations only — the court has not determined that rehabilitation is warranted.

Does the rating change affect my policy? Will my claims continue to be paid?

- No. Atlantic Coast Life remains financially sound and continues to service existing policies.
- Claims are being paid, surrenders are being honored, and all in-force business is being serviced in the ordinary course.

Does Atlantic Coast Life’s parent company have \$1.3B of exposure to the 777 Partners bankruptcy, as alleged by the SC DOI?

- Some of the Department’s allegations relate to the valuation of assets connected to a bankruptcy proceeding involving another company.
- Those assets are no longer held on Atlantic Coast Life’s books.
- If the Company recovers any value through that proceeding, it would only improve – not weaken – its financial position.

Is my money safe? Is the Company financially sound?

- We do not agree with the Department’s characterization of our financial condition.
- Atlantic Coast Life remains financially sound and continues to meet its obligations to policyholders.

- If you have a specific question about your policy or account, please contact us using the information below.

Are Atlantic Coast Life and Southern Atlantic Re being taken over by the State of South Carolina?

- No. The Department asked a court to place the companies into rehabilitation, which the court has not granted.
- The SC DOI has since agreed to proceed to mediation with Atlantic Coast Life and Southern Atlantic Re.

Are you confident that the mediation will resolve all outstanding issues?

- We believe the decision to pursue mediation is a constructive step toward resolving the issues, and we intend to use the mediation to resolve the disputes and address outstanding regulatory matters.
- We have dismissed without prejudice our lawsuit against SC DOI Director Michael Wise as a courtesy while mediation moves forward, but we can refile it any time.

What does “rehabilitation” mean?

- Rehabilitation is a court-supervised process under state insurance law in which a regulator may seek authority to oversee an insurer’s operations.
- The SC DOI requested rehabilitation here, but the court has not determined it is appropriate, and the parties are now proceeding to mediation.

Do I need to do anything right now?

- No action is required as a result of these developments.
- We will communicate directly with you if there is any development that affects your policy or requires you to take action.

Who can I contact with questions?

- Policyholders and agents with questions about a specific policy, claim, or transaction should contact the below, Monday–Friday, 7:00 AM – 7:00 PM CST.
 - Annuity: AnnuityPolicyService@illumifin.com, 1-844-442-3847
 - Life and Health: LifeAndHealthPolicyService@illumifin.com, 1-844-442-3847
- We will make sure any question we cannot answer directly is routed to the appropriate person.

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