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"), the Florida Office of Insurance Regulation ("Florida OIR") 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. On October 28, Atlantic Coast Life Insurance Company and Southern Atlantic Re, Inc. announced ongoing discussions regarding a potential acquisition of Atlantic Coast Life and Southern Atlantic by a South Carolina-based investor group organized by Palmetto Heritage.

- **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 and we have filed a motion to dismiss the petition. Atlantic Coast Life remains willing to work constructively with the SC DOI to resolve the outstanding issues.

- **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 are working in good faith to resolve the Florida OIR matter expeditiously.** On September 30, 2026, the Florida OIR entered an order suspending Atlantic Coast Life Insurance's Certificate of Authority in Florida. This means that Atlantic Coast Life is currently unable to solicit or accept new or renewal business in Florida. ACL continues to service existing policies and meet obligations to policyholders. ACL is challenging the Florida OIR order.

- **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 November 2, 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 parties attempted to mediate, but notified the court they had reached an impasse, meaning the parties were unable to reach an agreement.

What happens next with Atlantic Coast Life and the South Carolina DOI given the impasse?

- With mediation reaching an impasse, the SC DOI's petition will return to the court for further proceedings.
- Atlantic Coast Life remains willing to work constructively with the DOI to resolve the outstanding issues.

Will Atlantic Coast Life refile its litigation against Director Wise?

- While we originally dismissed our lawsuit against SC DOI Director Michael Wise as a courtesy while mediation moved forward, we can refile it any time.

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?

- No. Atlantic Coast Life remains financially sound and continues to service existing policies.

Will my claims continue to be paid?

- Claims are being paid, surrenders are being honored, and all in-force business is being serviced.

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.
- On October 28, Atlantic Coast Life Insurance Company and Southern Atlantic Re, Inc. announced ongoing discussions regarding a potential acquisition of Atlantic Coast Life and Southern Atlantic by a South Carolina-based investor group organized by Palmetto Heritage

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.

Does the suspension by the Florida OIR affect active Florida policies?

- No. Active policies remain in force under their existing terms.
- Claims continue to be paid, and surrender and withdrawal requests continue to be processed under the terms of each contract.
- Atlantic Coast Life remains financially sound and continues to service all in-force business.

If I am in Florida, can I submit new applications? What happens to pending applications?

- Please hold off on submitting new applications or renewals while the suspension is in effect.
- We will not be able to accept l pending applications during the suspension. Any pending applications or tendered premium will be returned to the agent or applicant Atlantic Coast Life Insurance Company - www.aclico.com.

How long will the Florida suspension last?

- We are working with Florida regulators to resolve the matter as quickly as possible and will update this page when we can resume writing new policies and processing renewals.

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.

This FAQ is current as of November 2, 2026 and will be updated as material developments occur.