



*This message is being sent on behalf of Bill Lowe, President of Sammons Institutional Group<sup>SM</sup>*

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The past several weeks have brought challenging news for the entire life insurance and annuity industry. The coronavirus (COVID-19) outbreak has dominated the headlines. First and foremost, we recognize the toll this has taken on so many people. Our thoughts are with those who are impacted by this virus either directly or indirectly.

Efforts to control the spread of the coronavirus through quarantines and travel restrictions have significantly impacted industries which rely on manufacturing or supplies from Asia, as well as the broader travel industry. This economic disruption is reflected in the financial markets with broad equity market volatility and U.S. Treasury rates declining sharply to historic lows.

Despite the challenges posed by the coronavirus and the macroeconomic and financial market reactions to it, we want to make one thing perfectly clear: **Sammons Financial has prepared for the challenges created by low interest rates.** Like all life and annuity insurers, our business is certainly impacted by market volatility and low interest rates. However, working closely with our asset managers, we have been positioning our investment portfolio with a higher-quality, lower-risk strategy for several years. In short, **we have been preparing for this.**

Long before the coronavirus was a part of our lexicon, we had teams of employees working on identifying and managing risks presented by prolonged low interest rates. We have also been working closely with industry groups and regulators to tackle the challenges low interest rates pose to our industry. Through this work, we have implemented targeted strategies, which will help ensure we will continue to offer valuable financial solutions to our customers, while maintaining our enduring financial strength.

We've created our products to be uniquely positioned to help consumers weather times like these. For example, our LiveWell<sup>®</sup> Mutual Fund IRA allows for reallocations and liquidity as markets change. And our comprehensive lineup of fixed rate, fixed index, and variable annuities can provide consumers comfort in uncertain times. **It's solutions like these that allow us to remain competitive despite current challenges.**

Many companies in our industry have faced difficult headwinds over the past few weeks, particularly as economic forces have decreased market values across the board. That said, **not all companies are created equal.** At Sammons Financial, our strength remains being a private ESOP-owned company with a focus on making disciplined decisions for long-term growth, rather than reacting to short-term investor demands. It's too early to know whether the current market correction is a short-term disruption or will grow into a recession. Either way, we believe that markets and the economy will eventually return to normal in due course. In the meantime, as we navigate through this financial turbulence, our focus remains

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on maintaining our strong relationships with our distribution partners, preserving our ratings and financial strength, making strategic decisions and taking advantage of opportunities amid the chaos.

I can't predict how the current economic disruption will shake out, but I am confident that we have the right combination of people, culture, and strategy to navigate these economic challenges. I appreciate your partnership and commitment to this industry—and we look forward to the opportunity to continue to earn your business, no matter what comes next.

***“Confidence comes from being prepared.” - John Wooden***

**NOTE: We remain open for business.** We have plans in place to ensure the safety of our employees, all while continuing to provide quality service for financial professionals and their customers.

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