

GUARANTY INCOME LIFE INSURANCE COMPANY

2017 SUMMARY ANNUAL REPORT

RECORD YEAR OF GROWTH

“After the acquisition of Guaranty Income Life Insurance Company (GILICO or the Company) by Kuvare, we are excited about GILICO’s results during our first full year of ownership and are committed to carrying on the outstanding legacy that the Foster family has instilled in the organization over the past ninety-two (92) years. We are thankful for our dedicated and hardworking employees, strategic partners and producers that allow our Company to deliver the consumer-oriented products and excellent service that have been a significant part of GILICO’s tradition. 2017 provided excellent financial results with sales, assets and surplus attaining historically high levels. These positive results have been recognized by our analysts during the year as A.M. Best increased our rating to B++ and Kroll Bond Rating Agency (KBRA) established our initial rating at A-. We plan for profitable growth to continue for many years in the future,” said Dhiren Jhaveri, Chairman of Kuvare and Guaranty Income Life Insurance Company.

PRESIDENT’S COMMENTS

Kuvare has added both financial and human capital to enhance future expansion into additional states with innovative products.

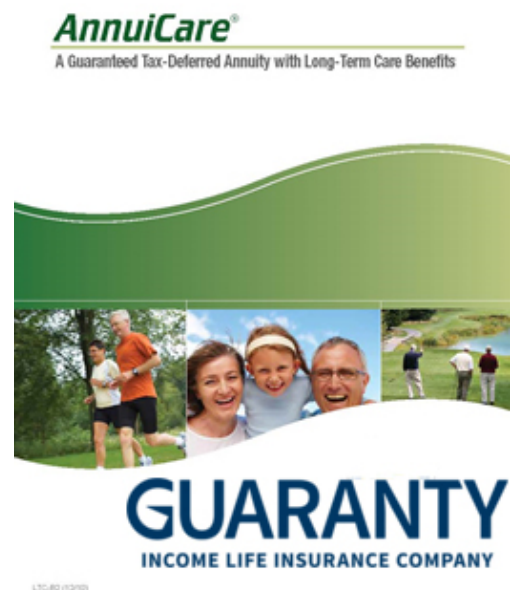
GILICO works with our Marketing Organizations to design a portfolio of products that offer unique risk protection, income payout options, and satisfaction to our policy owners. Our signature product, AnnuCare[®], is an annuity/long-term care “combo” that is among the most creative in the industry. AnnuCare[®] sales have increased in recent years as more producers and consumers find AnnuCare[®] to be much more efficient than traditional long-term care (LTC) products. AnnuCare[®], the original annuity combo product, has additional advantages which allow LTC premiums to be paid from untaxed annuity distributions and the LTC benefits paid remain tax free.

Kuvare and GILICO see future success by building on the Foster family history and proud tradition of caring for our policy owners, producers, and associates. GILICO is a nationally recognized competitor because of our products, easy to use web-based tools, producer training, and efficient, friendly service. We will continue to develop and deliver industry leading products to help provide security for families and the unique policies to maintain a successful retirement. Protecting wealth is our Guaranty.

John Lancaster, President and Chief Executive Officer

OPERATING RESULTS

Statutory direct premium revenue increased 153% to \$119 million in 2017 from \$47 million in 2016. Statutory Assets grew to \$665 million from \$504 million at December 31, 2016. Net investment income has remained strong in a challenging economic environment as we have diversified our investment portfolio with expert advisors in specific areas.



Statutory net income was \$3.9 million for 2017 compared to \$5.4 million in 2016. Operating income was \$3.0 million and \$5.0 million for the years ended December 31, 2017, and 2016, respectively. Positive operating earnings were driven by sustaining our overall interest spreads, continued strength in invested assets, positive first year profits from the mix of new business, and favorable claim activity in both the life and Annuicare® line.

FINANCIAL STRENGTH

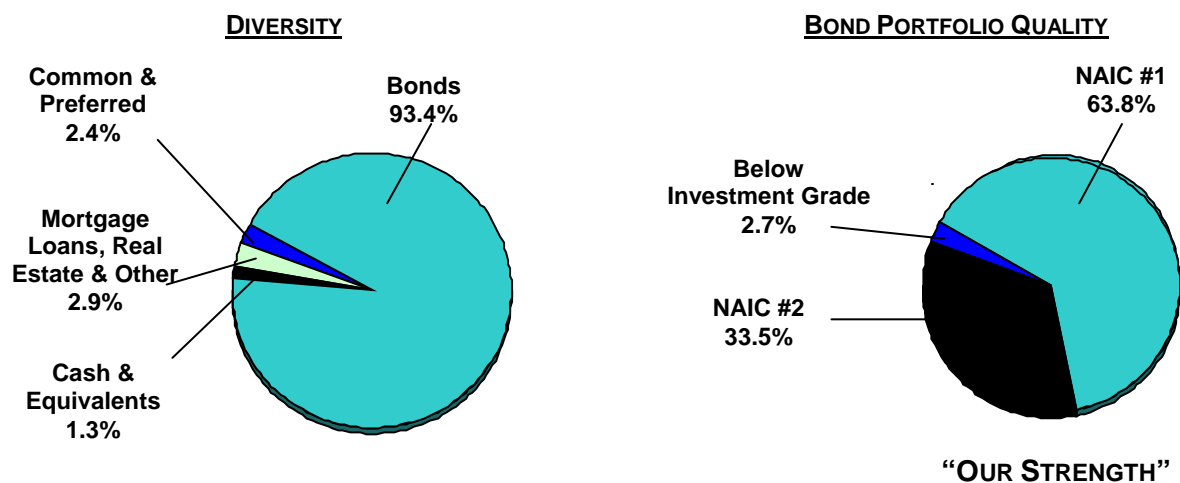
Adjusted Capital and Surplus, including Asset Valuation Reserve, grew 12% to \$62.7 million at December 31, 2017. This record level of capital for our Company was developed from strong earnings, quality asset management, and corporate support. As a result, our Risk-Based Capital (RBC) ratio was 850%. This strong RBC level is well above the standards set by the National Association of Insurance Commissioners and state regulators.

INVESTMENT RESULTS

GILICO's investment strategy is to optimize the return on invested assets with a diversified portfolio and an emphasis on high quality bonds, utilizing a combination of internal experience and the expertise of outside managers. Our investment philosophy is to maintain safety and security so we may provide our policy owners with a sound return on their funds. Our investment guidelines limit our exposure to any single issuer or a specific class of assets. Within this objective, we strive to generate the best returns available on a diverse, investment grade portfolio, while matching the cash flow of our product liabilities.

GILICO maintains one of the highest quality bond portfolios in the insurance industry with 97.3% of bonds rated investment grade at December 31, 2017. Thus, non-investment grade bonds represent just 2.7% of bond assets compared to an industry average estimated at 5.9% as of December 31, 2017.

2017 INVESTMENT PORTFOLIO



HIGH QUALITY PORTFOLIO WITH GREAT LIQUIDITY.

FIVE YEAR HISTORICAL INFORMATION

Guaranty Income Life Insurance

Statutory Financial Information

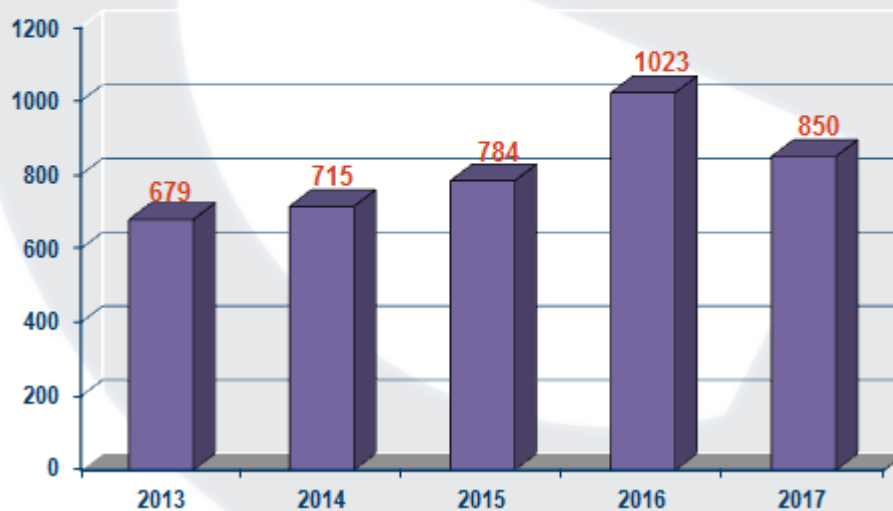
(In Millions)

	2013	2014	2015	2016	2017
Total Assets	\$477.9	\$479.5	\$483.4	\$503.7	\$664.5
Adj. Capital & Surplus	\$34.9	\$39.2	\$43.1	\$55.9	\$62.7
Direct Premiums	\$29.0	\$35.0	\$39.3	\$46.9	\$118.7
Operating Earnings	\$3.1	\$4.1	\$4.6	\$5.0	\$3.0
Net Income	\$5.2	\$5.4	\$4.8	\$5.4	\$3.9

Guaranty Income Life Insurance

Risk-Based Capital Ratios

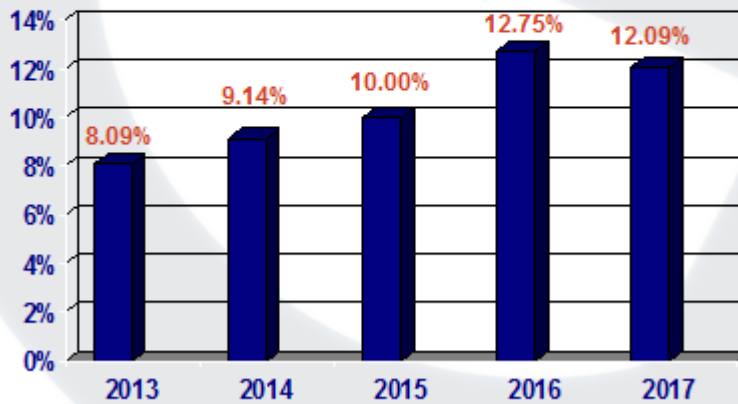
(Authorized Control Level)



Guaranty Income Life Insurance

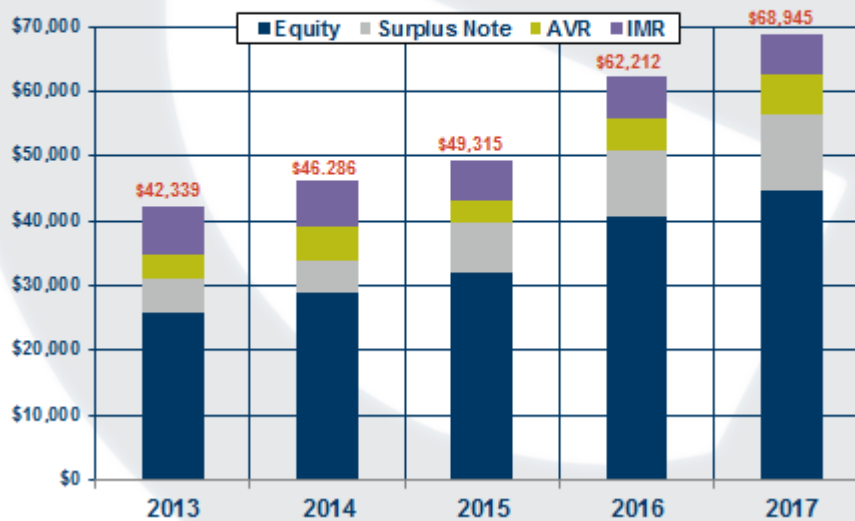
Statutory Ratios

(Adjusted Capital (AVR) to Insurance Reserves)



Guaranty Income Life Insurance

Adjusted Capital (with IMR)



GUARANTY INCOME LIFE INSURANCE COMPANY
2017 FINANCIAL RESULTS
(\$ IN THOUSANDS)

SUMMARY OF FINANCIAL POSITION

(STATUTORY BASIS)

YEAR ENDED DECEMBER 31:	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
INVESTED ASSETS	\$ 654,353	\$ 496,426	\$ 478,383	\$ 475,243
OTHER ASSETS	<u>10,173</u>	<u>7,274</u>	<u>4,993</u>	<u>4,271</u>
TOTAL ASSETS	<u>664,526</u>	<u>503,700</u>	<u>483,376</u>	<u>479,514</u>
POLICY RESERVES	508,292	438,090	431,336	428,669
INTEREST MAINTENANCE RESERVE	6,243	6,337	6,238	7,085
OTHER LIABILITIES	<u>87,288</u>	<u>3,397</u>	<u>2,725</u>	<u>4,559</u>
TOTAL LIABILITIES (LESS AVR)	<u>601,823</u>	<u>447,824</u>	<u>440,299</u>	<u>440,313</u>
ASSET VALUATION RESERVE (AVR)	6,094	5,054	3,390	5,199
SURPLUS	<u>56,609</u>	<u>50,822</u>	<u>39,687</u>	<u>34,002</u>
TOTAL SURPLUS AND AVR	<u>62,703</u>	<u>55,876</u>	<u>43,077</u>	<u>39,201</u>
TOTAL LIABILITIES AND SURPLUS	<u>\$ 664,526</u>	<u>\$ 503,700</u>	<u>\$ 483,376</u>	<u>\$ 479,514</u>

SUMMARY OF OPERATIONS

(STATUTORY BASIS)

YEAR ENDED DECEMBER 31:	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
NET PREMIUMS	\$ 116,895	\$ 44,828	\$ 37,091	\$ 32,764
NET INVESTMENT INCOME	22,964	21,256	21,708	21,869
OTHER INCOME	<u>507</u>	<u>361</u>	<u>544</u>	<u>423</u>
TOTAL REVENUE	<u>140,366</u>	<u>66,445</u>	<u>59,343</u>	<u>55,056</u>
POLICY BENEFITS AND RESERVES	127,099	55,008	48,713	45,067
COMMISSIONS	4,385	2,546	2,433	2,355
EXPENSES AND DIVIDENDS	<u>5,840</u>	<u>3,928</u>	<u>3,609</u>	<u>3,569</u>
TOTAL BENEFITS AND EXPENSES	<u>137,324</u>	<u>61,482</u>	<u>54,755</u>	<u>50,991</u>
OPERATING INCOME	3,032	4,963	4,588	4,066
INCOME TAX	0	(403)	(468)	(427)
NET REALIZED GAINS	<u>855</u>	<u>875</u>	<u>704</u>	<u>1,755</u>
NET INCOME	<u>\$ 3,887</u>	<u>\$ 5,436</u>	<u>\$ 4,824</u>	<u>\$ 5,394</u>

These Summary Financials have been extracted from the Company's statutorily filed financial statements, which are prepared on the Statutory Basis of Accounting.

Guaranty Income Life Insurance Company was founded in 1926 and is a Legal Reserve Insurance Company which is required to maintain reserves equal to or greater than guaranteed surrender values. Guaranty is currently licensed in 31 states. In addition to cost-effective life insurance, long-term care, and annuity programs, Guaranty Income offers products and services to help families meet their financial needs of wealth protection and wealth creation today and in the future.