



**Phil Gass**  
Chairman and Chief Executive Officer

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October 29, 2021

Dear Valued Producer,

I wanted to let you know that we are changing the policy dividend scale for 2022 for all closed block participating policies purchased before the June 2001 demutualization of Phoenix Life Insurance Company (now Nassau Life Insurance Company). The 2022 scale will incorporate a dividend interest rate reduction of 0.20% (20 bps) across all products, which we are making in response to the prolonged low interest rate environment.

As a result, most policyholders will see a decrease to the dividend paid in 2022 compared to the dividend paid in 2021. In some cases, growth in the value of their policy may offset the decrease.

The average dividend interest rate will be 4.40% in 2022, with a policyholder's actual dividend interest rate subject to specific policy terms. There are no adjustments to dividend mortality.

As always, the amount of dividend paid is based on a number of factors including product type, age at issue, length of time the policy has been in force, gender, and health when the policy was issued. Some policyholders with direct recognition loan methods will also see a change as their dividends are further adjusted based on their loan balance and the spread between their loan rate and their specific dividend interest rate. In addition, a policy's 2022 dividend will be at least equal to 75% of the 2021 dividend, prior to loan adjustments.

We are also changing the dividend scale for the small number of participating policies in the open block (purchased after demutualization).

We will notify policyholders that the dividend scale is being changed on their policy anniversary statements, which we mail to policyholders approximately a month prior to the policy anniversary date. We also posted new information to the Service section of our website, [nfg.com](http://nfg.com), as well as on SalesNet.

Our relationship with you is very important to us, and we are here to support you in any way we can. If you have any questions, please call the Nassau Service Center Team at 1-800-628-1936.

Sincerely,

Phil Gass  
Chairman and Chief Executive Officer