

PROSPERITYSM

Prosperity Life Insurance Group Announces Sale to Investor Group

Prosperity to maintain its current management, strategy, distribution and employee base, while obtaining access to significant additional capital and resources to accelerate organic and inorganic growth

New York, NY – March [●], 2018 – Prosperity Life Insurance Group, LLC (“Prosperity” or the “Company”), today announced that its current majority shareholders, including funds managed by Reservoir Capital Group, LLC (“Reservoir”) and Black Diamond Capital Partners (“Black Diamond”) have entered into a definitive agreement to sell 100% of their ownership interests in Prosperity to an investment partnership funded by affiliated entities of Elliott Management Corporation (collectively, “Elliott”); operating principals of Wand Partners, Inc. (“Wand”), an insurance-focused private investment firm; and Anurag Chandra, current CEO of Prosperity. The transaction is expected to be completed in the third quarter of 2018, subject to customary regulatory approvals.

Prosperity, through its member companies, Shenandoah Life Insurance Company (“Shenandoah”), SBLI USA Life Insurance Company, Inc. (“SBLI USA”) and S.USA Life Insurance Company, Inc. (“S.USA”), is a leading provider of protection, supplemental and asset accumulation products distributed through banks, independent marketing organizations, managing general agencies, career and worksite channels. Prosperity’s insurance operating subsidiaries have an A- (Excellent) financial strength rating by A.M. Best.

“This transaction is a testament to the exceptional strategic and financial transformation that the Company has achieved under the leadership of Prosperity’s Board of Directors and management team”, said Anurag Chandra, Chief Executive Officer of Prosperity. “As the Company seeks to build on its strong momentum and further accelerate the implementation of its organic and inorganic growth strategy, this ownership transition to another experienced investor group with a long-term investment horizon and significant financial resources will serve as a key source of competitive advantage,”.

Matt Popoli, Chairman of Prosperity and Senior Managing Director of Reservoir, said, “As the founding investor and the sponsor of Prosperity, it has been exciting to see the Company achieve numerous significant milestones since its inception in 2009, when Reservoir and Black Diamond partnered to form the business and build it through the sponsored demutualizations of Shenandoah in 2012 and SBLI USA in 2014. I believe that Elliott and Wand will be great partners to continue the Company’s positive momentum,”.

“We are very pleased to have reached agreement to acquire Prosperity and look forward to backing this entrepreneurial and successful management team,” said Jonathan Pollock, Partner and Co-Chief Executive of Elliott, and leader of this initiative. “Elliott and Wand have partnered on insurance investments since 2009 and have a successful track record of supporting incumbent management teams with access to significant capital resources to strengthen the financial profile of the businesses and accelerate their growth. We look forward to building on Prosperity’s sound platform for stability and growth.”

Barclays has acted as exclusive financial advisor and Debevoise & Plimpton LLP has acted as legal advisor to Prosperity in the transaction. Greenberg Traurig and Akin Gump Strauss Hauer & Feld LLP have acted as legal advisors and Ernst & Young has acted as accounting and tax advisors to Elliott and Wand.

About Prosperity Life Insurance Group, L.L.C.

Prosperity Life Insurance Group, L.L.C. is a leading insurance organization, which provides financial security to individuals and their families through innovative protection, supplemental insurance and asset accumulation products. Its principal operating subsidiaries are Shenandoah, SBLI USA and S.USA.

About Wand Partners

Since its inception in 1985, Wand Partners has been focused primarily on specialty financial services, particularly insurance. Over the years, Wand has successfully sponsored and invested in thirteen platform businesses in the insurance industry.

About Elliott Management Corporation

Elliott Management Corporation manages two multi-strategy funds which combined have more than \$34 billion of assets under management. Its flagship fund, Elliott Associates, L.P., was founded in 1977, making it one of the oldest funds of its kind under continuous management. The Elliott funds’ investors include pension plans, sovereign wealth funds, endowments, foundations, funds-of-funds, high net worth individuals and families, and employees of the firm.

About Reservoir Capital Group, L.L.C.

Reservoir Capital Group, L.L.C. is a privately held investment firm with a flexible, opportunistic investment approach. Reservoir invests directly in securities and structured private investments, builds platform companies with industry specialists, and creates new hedge funds and private equity firms in which the Reservoir funds hold ownership or other economic interests. Reservoir currently has approximately \$3.8 billion of capital under management.

About Black Diamond Capital Partners I, L.P.

Black Diamond Capital Partners I, L.P. is a private equity fund focused on investments in the insurance industry. The principals have extensive insurance industry experience and have worked closely with Reservoir on insurance transactions for over a decade.