

QUARTERLY STATEMENT

OF THE

Athene Annuity and Life Company

TO THE

Insurance Department

OF THE

STATE OF

**FOR THE QUARTER ENDED
JUNE 30, 2021**

☐ **LIFE, ACCIDENT AND HEALTH**

☐ **FRATERNAL BENEFIT SOCIETIES**

2021

STATEMENT AS OF JUNE 30, 2021 OF THE Athene Annuity and Life Company

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 – 2)	
1. Bonds	44,055,225,462		44,055,225,462	39,805,410,008
2. Stocks:				
2.1 Preferred stocks	295,451,676		295,451,676	218,269,833
2.2 Common stocks	590,596,936		590,596,936	586,370,677
3. Mortgage loans on real estate:				
3.1 First liens	9,107,502,201		9,107,502,201	7,521,955,314
3.2 Other than first liens.....	1,366,080,761		1,366,080,761	1,265,440,502
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)	9,388,542		9,388,542	9,388,542
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$1,988,215,399), cash equivalents (\$581,432) and short-term investments (\$2,967,411,837)	4,956,208,668		4,956,208,668	3,807,048,181
6. Contract loans (including \$ premium notes)	137,441,751	2,366,567	135,075,183	147,255,534
7. Derivatives	929,843,994		929,843,994	792,640,026
8. Other invested assets	3,754,091,086	1,189,920	3,752,901,166	2,626,686,740
9. Receivables for securities	541,523,668		541,523,668	70,904,845
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets	20,141,039		20,141,039	73,193,115
12. Subtotals, cash and invested assets (Lines 1 to 11)	65,763,495,785	3,556,487	65,759,939,298	56,924,563,316
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	486,265,054	12,779,629	473,485,425	462,340,191
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				5,497
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	6,907,966		6,907,966	6,741,197
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	261,265,120		261,265,120	230,176,940
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts	1,342,258,914	524,910	1,341,734,004	1,564,892,451
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				7,443,646
18.2 Net deferred tax asset	26,465,475		26,465,475	11,861,594
19. Guaranty funds receivable or on deposit	639,640		639,640	639,640
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	4,316,537		4,316,537	16,184,785
24. Health care (\$) and other amounts receivable	45,158,069	1,720,133	43,437,936	42,915,408
25. Aggregate write-ins for other than invested assets	439,741,079	18,800,950	420,940,130	412,514,528
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	68,376,513,639	37,382,109	68,339,131,530	59,680,279,192
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	19,939,843,497		19,939,843,497	16,875,242,438
28. Total (Lines 26 and 27)	88,316,357,137	37,382,109	88,278,975,027	76,555,521,630
DETAILS OF WRITE-INS				
1101. Derivative Collateral Asset	20,141,039		20,141,039	73,193,115
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	20,141,039		20,141,039	73,193,115
2501. Corporate Owned Life Insurance (COLI)	420,726,991		420,726,991	411,640,578
2502. Miscellaneous Assets	19,014,088	18,800,950	213,139	873,950
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	439,741,079	18,800,950	420,940,130	412,514,528

STATEMENT AS OF JUNE 30, 2021 OF THE Athene Annuity and Life Company

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$46,416,930,003 less \$ included in Line 6.3 (including \$37,143,838,859 Modco Reserve).....	46,416,930,003	46,015,816,240
2. Aggregate reserve for accident and health contracts (including \$1,251,555 Modco Reserve).....	2,614,153	2,752,032
3. Liability for deposit-type contracts (including \$9,099,823,983 Modco Reserve).....	9,165,746,477	2,107,173,943
4. Contract claims:		
4.1 Life.....	217,725,907	228,035,868
4.2 Accident and health.....	10,634	12,583
5. Policyholders' dividends/refunds to members \$ and coupons \$ due and unpaid.....		
6. Provision for policyholders' dividends, refunds to members and coupons payable in following calendar year - estimated amounts:		
6.1 Policyholders' dividends and refunds to members apportioned for payment (including \$ Modco).....		
6.2 Policyholders' dividends and refunds to members not yet apportioned (including \$ Modco).....		
6.3 Coupons and similar benefits (including \$ Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ accident and health premiums.....		4,180
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including the liability of \$ accident and health experience rating refunds of which \$ is for medical loss ratio rebate per the Public Health Service Act.....		
9.3 Other amounts payable on reinsurance, including \$ assumed and \$2,880,895,044 ceded.....	2,880,895,044	2,611,669,078
9.4 Interest Maintenance Reserve.....	112,545,712	102,912,038
10. Commissions to agents due or accrued-life and annuity contracts \$11,415,682 , accident and health \$ and deposit-type contract funds \$	11,415,682	8,498,379
11. Commissions and expense allowances payable on reinsurance assumed.....		
12. General expenses due or accrued.....	25,785,251	22,101,992
13. Transfers to Separate Accounts due or accrued (net) (including \$(627) accrued for expense allowances recognized in reserves, net of reinsured allowances).....	2,036,861,117	2,026,424,135
14. Taxes, licenses and fees due or accrued, excluding federal income taxes.....	662,400	662,400
15.1 Current federal and foreign income taxes, including \$31,069,171 on realized capital gains (losses).....	34,789,237	
15.2 Net deferred tax liability.....		
16. Unearned investment income.....	1,408,702	1,998,900
17. Amounts withheld or retained by reporting entity as agent or trustee.....	2,490,650	1,856,413
18. Amounts held for agents' account, including \$2,258,032 agents' credit balances.....	2,258,032	2,211,997
19. Remittances and items not allocated.....	106,289,567	153,461,203
20. Net adjustment in assets and liabilities due to foreign exchange rates.....		
21. Liability for benefits for employees and agents if not included above.....	84,733	104,155
22. Borrowed money \$ and interest thereon \$		
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve.....	1,126,071,854	940,517,699
24.02 Reinsurance in unauthorized and certified (\$) companies.....		
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$) reinsurers.....	1,303,680,305	1,323,388,253
24.04 Payable to parent, subsidiaries and affiliates.....	17,339,533	14,583,974
24.05 Drafts outstanding.....		
24.06 Liability for amounts held under uninsured plans.....		
24.07 Funds held under coinsurance.....		
24.08 Derivatives.....	162,386,251	151,442,636
24.09 Payable for securities.....	229,166,596	58,504,925
24.10 Payable for securities lending.....		
24.11 Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities.....	3,984,223,197	3,388,232,588
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	67,841,381,039	59,162,365,612
27. From Separate Accounts Statement.....	19,251,484,487	16,080,921,495
28. Total liabilities (Lines 26 and 27).....	87,092,865,526	75,243,287,107
29. Common capital stock.....	10,000,000	10,000,000
30. Preferred capital stock.....		
31. Aggregate write-ins for other than special surplus funds.....		
32. Surplus notes.....		
33. Gross paid in and contributed surplus.....	1,181,460,117	1,173,382,497
34. Aggregate write-ins for special surplus funds.....		
35. Unassigned funds (surplus).....	(5,350,616)	128,852,026
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$).....		
36.2 shares preferred (value included in Line 30 \$).....		
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$688,359,010 in Separate Accounts Statement).....	1,176,109,501	1,302,234,523
38. Totals of Lines 29, 30 and 37.....	1,186,109,501	1,312,234,523
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	88,278,975,027	76,555,521,630
DETAILS OF WRITE-INS		
2501. Derivative and Other Collateral Liability.....	3,088,018,302	2,568,159,698
2502. Repurchase Agreement Liability.....	598,027,085	598,358,554
2503. Miscellaneous Liability.....	132,617,626	79,009,651
2598. Summary of remaining write-ins for Line 25 from overflow page.....	165,560,184	142,704,685
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above).....	3,984,223,197	3,388,232,588
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page.....		
3199. Totals (Lines 3101 through 3103 plus 3198)(Line 31 above).....		
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page.....		
3499. Totals (Lines 3401 through 3403 plus 3498)(Line 34 above).....		

STATEMENT AS OF JUNE 30, 2021 OF THE Athene Annuity and Life Company

SUMMARY OF OPERATIONS

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts	1,247,467,437	560,365,491	1,856,533,173
2. Considerations for supplementary contracts with life contingencies	811,490	5,550,428	6,324,154
3. Net investment income	2,100,775,278	1,202,408,436	2,723,670,342
4. Amortization of Interest Maintenance Reserve (IMR)	4,644,690	3,909,544	2,464,894
5. Separate Accounts net gain from operations excluding unrealized gains or losses	34,539,277	(431,503)	(25,005,130)
6. Commissions and expense allowances on reinsurance ceded	418,913,903	346,598,498	777,063,499
7. Reserve adjustments on reinsurance ceded	(1,762,977,742)	(878,255,435)	(1,464,523,487)
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	5,533,514	3,674,750	7,756,121
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income	13,674,129	9,422,456	28,269,570
9. Totals (Lines 1 to 8.3)	2,063,381,975	1,253,242,664	3,912,553,135
10. Death benefits	1,595,523	2,330,253	712,586
11. Matured endowments (excluding guaranteed annual pure endowments)	188	58,563	14,642
12. Annuity benefits	256,998,093	171,107,287	361,722,299
13. Disability benefits and benefits under accident and health contracts	221,735	187,693	394,195
14. Coupons, guaranteed annual pure endowments and similar benefits			
15. Surrender benefits and withdrawals for life contracts	394,346,988	352,962,848	709,214,824
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds	(187,624,946)	4,887,308	(55,934,440)
18. Payments on supplementary contracts with life contingencies	6,589,631	4,118,562	10,477,476
19. Increase in aggregate reserves for life and accident and health contracts	400,975,885	(1,352,452)	871,352,764
20. Totals (Lines 10 to 19)	873,103,096	534,324,061	1,897,954,347
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	266,883,174	233,446,812	526,257,181
22. Commissions and expense allowances on reinsurance assumed	271,327	755,538	1,086,162
23. General insurance expenses and fraternal expenses	218,563,008	164,562,107	335,322,925
24. Insurance taxes, licenses and fees, excluding federal income taxes	9,974,628	8,685,413	15,548,596
25. Increase in loading on deferred and uncollected premiums		1	1
26. Net transfers to or (from) Separate Accounts net of reinsurance	780,844,522	184,484,878	961,346,743
27. Aggregate write-ins for deductions	2,030,168	33,513,569	102,387,762
28. Totals (Lines 20 to 27)	2,151,669,924	1,159,772,380	3,839,903,718
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(88,287,948)	93,470,285	72,649,417
30. Dividends to policyholders and refunds to members		(292)	(292)
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 minus Line 30)	(88,287,948)	93,470,577	72,649,709
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	(28,420,461)	83,415,140	44,156,755
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(59,867,487)	10,055,437	28,492,954
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$46,814,525 (excluding taxes of \$12,656,026	118,826,651	(41,382,788)	(36,456,667)
35. Net income (Line 33 plus Line 34)	58,959,164	(31,327,351)	(7,963,713)
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year	1,312,234,523	1,208,647,744	1,208,647,744
37. Net income (Line 35)	58,959,164	(31,327,351)	(7,963,713)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$3,922,889	76,320,824	(86,686,446)	(37,681,657)
39. Change in net unrealized foreign exchange capital gain (loss)	(4,670,578)	16,684,228	43,241,719
40. Change in net deferred income tax	18,526,770	40,708,005	83,641,668
41. Change in nonadmitted assets	(12,117,815)	(731,931)	(15,403,773)
42. Change in liability for reinsurance in unauthorized and certified companies			
43. Change in reserve on account of change in valuation basis, (increase) or decrease			
44. Change in asset valuation reserve	(185,554,154)	88,513,838	(142,819,260)
45. Change in treasury stock			
46. Surplus (contributed to) withdrawn from Separate Accounts during period	107,611,111	(90,000,000)	(465,000,000)
47. Other changes in surplus in Separate Accounts Statement	(140,501,210)	87,661,813	445,969,752
48. Change in surplus notes			
49. Cumulative effect of changes in accounting principles			
50. Capital changes:			
50.1 Paid in			
50.2 Transferred from surplus (Stock Dividend)			
50.3 Transferred to surplus			
51. Surplus adjustment:			
51.1 Paid in	8,077,620	5,564,709	211,432,030
51.2 Transferred to capital (Stock Dividend)			
51.3 Transferred from capital			
51.4 Change in surplus as a result of reinsurance	(48,405,239)	138,662,737	(11,054,682)
52. Dividends to stockholders			
53. Aggregate write-ins for gains and losses in surplus	(4,371,514)	260,265	(775,304)
54. Net change in capital and surplus for the year (Lines 37 through 53)	(126,125,022)	169,309,866	103,586,779
55. Capital and surplus, as of statement date (Lines 36 + 54)	1,186,109,501	1,377,957,610	1,312,234,523
DETAILS OF WRITE-INS			
08.301. COLI Income	13,939,018	9,655,481	28,655,662
08.302. Miscellaneous Expense	(264,889)	(233,025)	(386,092)
08.303.			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page			
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	13,674,129	9,422,456	28,269,570
2701. Funds Withheld Adjustment - Ceded	34,619,232	51,006,149	88,531,370
2702. Transfer to IMR - Ceded	(21,741,821)	(11,514,494)	36,117,501
2703. Transfer to IMR - MVA Benefits	(11,590,579)	(6,170,756)	(22,689,439)
2798. Summary of remaining write-ins for Line 27 from overflow page	743,336	192,669	428,331
2799. Totals (Lines 2701 through 2703 plus 2798)(Line 27 above)	2,030,168	33,513,569	102,387,762
5301. Correction of Prior Period Error	(4,430,902)		(1,751,303)
5302. Athene Re IV Tax Sharing Agreement	59,388	260,265	975,999
5303.			
5398. Summary of remaining write-ins for Line 53 from overflow page			
5399. Totals (Lines 5301 through 5303 plus 5398)(Line 53 above)	(4,371,514)	260,265	(775,304)

STATEMENT AS OF JUNE 30, 2021 OF THE Athene Annuity and Life Company

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	1,248,275,029	566,008,506	1,863,430,649
2. Net investment income	2,030,193,514	1,157,530,631	2,603,841,709
3. Miscellaneous income	436,074,356	357,927,274	798,353,277
4. Total (Lines 1 to 3)	3,714,542,899	2,081,466,410	5,265,625,636
5. Benefit and loss related payments	1,718,133,034	1,394,469,385	2,350,411,730
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	770,407,540	(255,100,932)	692,992,891
7. Commissions, expenses paid and aggregate write-ins for deductions	482,195,801	396,976,804	891,078,745
8. Dividends paid to policyholders		(292)	(292)
9. Federal and foreign income taxes paid (recovered) net of \$ 23,261,529 tax on capital gains (losses)	(10,296,477)	167,589,896	81,768,057
10. Total (Lines 5 through 9)	2,960,439,898	1,703,934,861	4,016,251,130
11. Net cash from operations (Line 4 minus Line 10)	754,103,001	377,531,550	1,249,374,506
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	4,097,798,241	3,480,355,916	6,550,765,037
12.2 Stocks	105,847,585	15,531,903	52,361,435
12.3 Mortgage loans	809,781,405	2,539,056,735	3,233,345,637
12.4 Real estate		4,866	4,866
12.5 Other invested assets	548,643,641	170,584,098	416,633,206
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(21,367,878)	(4,002,393)	6,324,891
12.7 Miscellaneous proceeds	223,117,828	84,353,518	45,394,534
12.8 Total investment proceeds (Lines 12.1 to 12.7)	5,763,820,821	6,285,884,643	10,304,829,607
13. Cost of investments acquired (long-term only):			
13.1 Bonds	8,434,624,898	5,968,523,265	9,981,920,579
13.2 Stocks	160,828,824	39,298,310	150,309,588
13.3 Mortgage loans	2,483,445,668	1,289,115,928	1,982,627,468
13.4 Real estate			
13.5 Other invested assets	1,511,522,760	232,995,659	334,860,924
13.6 Miscellaneous applications	478,306,368	25,749,145	217,159,705
13.7 Total investments acquired (Lines 13.1 to 13.6)	13,068,728,517	7,555,682,307	12,666,878,263
14. Net increase (or decrease) in contract loans and premium notes	(12,180,351)	(13,300,274)	(18,110,168)
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(7,292,727,345)	(1,256,497,390)	(2,343,938,488)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			200,000,000
16.3 Borrowed funds		(50,144,194)	(50,144,194)
16.4 Net deposits on deposit-type contracts and other insurance liabilities	7,058,572,534	(23,051,913)	1,730,418,756
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	629,212,298	370,998,094	197,097,314
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	7,687,784,832	297,801,987	2,077,371,876
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	1,149,160,487	(581,163,854)	982,807,893
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	3,807,048,181	2,824,240,288	2,824,240,288
19.2 End of period (Line 18 plus Line 19.1)	4,956,208,668	2,243,076,434	3,807,048,181

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001. Capital contribution of stock compensation expense (financing)	8,077,620	5,564,709	11,432,030
20.0002. Capital contribution of stock compensation expense (investing)	(438,509)	(296,126)	(688,688)
20.0003. Capital contribution of stock compensation expense (operating)	(7,639,111)	(5,268,583)	(10,743,342)
20.0004. Security exchanges and asset in kind trades – bond proceeds (investing)	392,662,353	1,345,547,298	2,460,700,005
20.0005. Security exchanges and asset in kind trades – bonds acquired (investing)	(392,662,353)	(1,345,547,298)	(2,460,700,005)
20.0006. Reinsurance activity settled in bonds (operating)	131,464,402	137,774,149	79,294,017
20.0007. Reinsurance activity settled in bonds (investing)	(131,464,402)	(137,774,149)	(79,294,017)
20.0008. Security exchanges and asset in kind trades – other invested asset proceeds (investing)	43,000,000		374,297,159
20.0009. Security exchanges and asset in kind trades – other invested asset acquired (investing)	(43,000,000)		(374,294,863)
20.0010. Interest capitalization (operating)		3,263,590	8,050,361

STATEMENT AS OF JUNE 30, 2021 OF THE Athene Annuity and Life Company

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0011. Interest capitalization (investing) .....	.....	.....(3,263,590)	(8,050,361)
20.0012. Security exchanges and asset in kind trades – stocks acquired (investing) .....	.....	.....(1,714,400)	(1,716,696)
20.0013. Security exchanges and asset in kind trades – stock proceeds (investing) .....	.....	.....1,714,400	1,714,400
20.0014. Transfer from Schedule B to Schedule BA – proceeds (investing) .....	.....	.....1,370,903	218,610,865
20.0015. Transfer from Schedule B to Schedule BA – acquired (investing) .....	.....	.....(1,370,903)	(218,610,865)

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of **Athene Annuity and Life Company** (the Company) have been prepared in conformity with the accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the State of Iowa.

The Insurance Division, Department of Commerce, of the State of Iowa (the Division) recognizes only statutory accounting practices prescribed or permitted by the State of Iowa for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Iowa Insurance Law. The NAIC's *Accounting Practices & Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Iowa. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

Among the products issued by the Company are indexed universal life insurance and indexed annuities. These products allow a portion of the premium to earn interest based on certain indices, such as the Standard & Poor's 500 Composite Stock Price Index. Call options, futures, variance swaps and total return swaps are purchased to hedge the growth in interest credited to the customer as a direct result of increases in the related indices. In 2006, the Commissioner of the Division issued Bulletin 06-01, *Accounting for Derivative Instruments Used to Hedge the Growth in Interest Credited for Index Products*, which prescribes that an insurer may elect to recognize changes in the fair value of derivative instruments purchased to hedge indexed products in the statement of operations. The Company has elected to apply Bulletin 06-01 to its futures, variance swaps and total return swaps. Application of Bulletin 06-01 does not impact the Company's statutory surplus amounts.

In 2009, the Commissioner of the Division promulgated Iowa Administrative Code (IAC) Section 191-97, *Accounting for Certain Derivative Instruments Used to Hedge the Growth in Interest Credited for Indexed Insurance Products and Accounting for the Indexed Insurance Products Reserve*, which prescribes that an insurer may elect (i) to use an amortized cost method to account for certain derivative instruments, such as call options, purchased to hedge the growth in interest credited to the customer on indexed insurance products and (ii) to utilize an indexed annuity reserve calculation methodology under which call options associated with the current index interest crediting term are valued at zero. IAC Section 191-97 does not apply to products that do not guarantee a minimum interest accumulation, such as our variable and index-linked deferred annuities. The Company has elected to apply IAC Section 191-97 to its eligible over the counter (OTC) call options and reserve liabilities.

The NAIC requires annuities issued by life insurance companies on or after January 1, 2015, to use the 2012 Individual Annuity Reserving (IAR) Mortality Table. In 2015, the Division promulgated IAC Section 43.3(5), which set an elective alternative effective date of January 1, 2016 for adoption of the 2012 IAR Mortality Table. The Company chose to use the Annuity 2000 Mortality Table for all annuities issued in 2015.

A reconciliation of the Company's net income and statutory surplus between practices prescribed or permitted by the State of Iowa and NAIC SAP is shown below:

	SSAP #	F/S Page	F/S Line #	06/30/2021	12/31/2020
Net Income					
(1) State basis (Page 4, Line 35, Columns 1 & 3)	XXX	XXX	XXX	\$ 58,959,164	\$ (7,963,713)
(2) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
Derivative Instruments Bulletin 06-01	86	4	38	(19,893)	4,966,262
Derivative Instruments and Equity Indexed Reserves IAC 191-97	86, 51	2, 3	7, 1	(20,326,260)	19,584,793
2012 IAR Mortality Table for Annuities Issued in 2015 IAC 43.3(5)	51	3	1	694,250	370,839
(3) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$ 78,611,067</u>	<u>\$ (32,885,607)</u>
Surplus					
(5) State basis (Page 3, Line 38, Columns 1 & 2)	XXX	XXX	XXX	\$ 1,186,109,501	\$ 1,312,234,523
(6) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
Derivative Instruments and Equity Indexed Reserves IAC 191-97	86, 51	2, 3	7, 1	(106,107,846)	(83,808,046)
2012 IAR Mortality Table for Annuities Issued 2005 IAC 43.3(5)	51	3	1	5,993,301	5,299,051
(7) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$ 1,286,224,046</u>	<u>\$ 1,390,743,518</u>

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with NAIC SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the period. There are material risks and uncertainties surrounding the spread of the Coronavirus Disease of 2019 (COVID-19), which has resulted in significant volatility in the financial markets. Our estimates may vary as more information about the extent to which COVID-19 and the resulting impact on economic conditions and the financial markets become known. Actual results may differ from the estimates used in preparing the financial statements.

C. Accounting Policy

- (1) Short-term investments - No Significant Changes
- (2) Bonds, other than loan-backed and structured securities, are stated at amortized cost or fair value based on their rating by the NAIC. Bonds held at amortized cost are amortized using the scientific interest method on a yield-to-worst basis.
- (3) Common stocks - No Significant Changes
- (4) Effective January 1, 2021, the Company adopted the revised guidance in SSAP No. 32R, *Preferred Stock*, which requires perpetual preferred stock to be carried at fair value, not to exceed any currently effective call price. Prior to 2021, perpetual preferred stock with an NAIC designation 1-3 was valued at cost, and perpetual preferred stock with an NAIC designation 4-6 was valued at the lower of cost or fair value. The impact at adoption did not have a material effect on the Company's financial statements.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern (Continued)

- (5) Mortgage loans - No Significant Changes
- (6) Loan-backed and structured securities are stated at amortized cost or fair market value based on their rating by the NAIC. Changes to estimated cash flows on the securities are accounted for retrospectively for securities that are highly rated at the time of purchase and in which the security cannot be contractually prepaid or settled in such a way that the Company would not recover substantially all of the recorded investment. The prospective method is used for those securities where an other than temporary impairment has been taken, the security is not highly rated at the time of purchase, securities where receipt of all contractual principal cash flows is not expected, or those securities that can be contractually prepaid or settled in such a way that the Company would not recover substantially all of the recorded investment. Loan-backed and structured securities stated at amortized cost are amortized or accreted using the scientific interest method.
- (7) Investments in subsidiaries, controlled and affiliated entities - No Significant Changes
- (8) Investments in joint ventures, partnerships and limited liability entities - No Significant Changes
- (9) Derivatives - No Significant Changes
- (10) Investment income as a factor in the premium deficiency calculation - No Significant Changes
- (11) Liabilities for losses and loss/claim adjustment expenses - No Significant Changes
- (12) Changes in capitalization policy - No Significant Changes
- (13) Pharmaceutical rebate receivables - No Significant Changes

D. Going Concern

Management’s assessment of the relevant conditions through August 12, 2021 does not give rise to substantial doubt of the Company's ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors

During the current year’s financial statement preparation, the Company was notified by Accordia Life and Annuity Company of certain life insurance policies novated by them in error. This resulted in an overstatement of the Company's A-791 amortization in prior Annual Statements. After consideration of materiality and in accordance with SSAP No. 3 *Accounting Changes and Correction of Errors*, the correction was recorded directly to surplus. The impact of the correction of A-791 amortization represented a reclassification of \$4.4 million between income and surplus, with no net impact to surplus.

3. Business Combinations and Goodwill - No Significant Changes

4. Discontinued Operations - None

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans - No Significant Changes
- B. Debt Restructuring - No Significant Changes
- C. Reverse Mortgages - None
- D. Loan-Backed Securities
 - (1) Prepayment assumptions for loan-backed bonds and structured securities were obtained from broker dealer survey values or internal estimates.
 - (2) Loan-backed and structured securities with a recognized other-than-temporary impairment (OTTI)

No other-than-temporary impairment was recognized on loan-backed securities due to the intent to sell or inability or lack of intent to retain the investment for a period of time sufficient to recover the amortized cost basis.
 - (3) Securities held that were other-than-temporarily impaired due to the present value of cash flows expected to be collected was less than the amortized cost of securities

(1)	(2)	(3)	(4)	(5)	(6)	(7)
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized OTTI	Amortized Cost After OTTI	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
...007037AB0...	\$..... 2,222,762	\$..... 2,186,681	\$..... 36,081	\$..... 2,186,681	\$..... 2,140,833	03/31/2021.....
...61748HVVH1.....	 2,308,833	 2,275,891	 32,943	 2,275,891	 2,139,886	03/31/2021.....
...885220DS9.....	 787,329	 715,083	 72,245	 715,083	 634,565	03/31/2021.....
...41161PWC3.....	 2,002,754	 1,973,691	 29,063	 1,973,691	 1,924,030	03/31/2021.....
...46628BCC2.....	 1,299,208	 1,247,887	 51,321	 1,247,887	 1,246,060	06/30/2021.....
...61763DAN0.....	 1,790,742	 1,762,696	 28,046	 1,762,696	 1,684,261	06/30/2021.....
...65539KAF5.....	 6,488,961	 6,442,484	 46,477	 6,442,484	 6,419,855	06/30/2021.....
...12641TCC8.....	 4,448,175	 4,402,380	 45,795	 4,402,380	 4,308,026	06/30/2021.....
...65539LAF3.....	 4,500,552	 4,464,799	 35,753	 4,464,799	 4,327,676	06/30/2021.....
Total			<u>\$..... 377,725</u>			

- (4) All impaired securities for which an OTTI has not been recognized in earnings as a realized loss

The following table shows the gross unrealized losses and fair values of loan-backed securities, which have not been impaired to fair value, aggregated by length of time that individual securities have been in a continuous unrealized loss position as of June 30, 2021:

Notes to the Financial Statements

5. Investments (Continued)

- a. The aggregate amount of unrealized losses:

1. Less than 12 months.....

\$ 48,581,867

2. 12 months or longer.....

67,567,542
- b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 months.....

\$ 4,688,857,762

2. 12 months or longer.....

1,696,292,189

(5) A full analysis of all relevant qualitative considerations was completed in reaching the conclusion that the impairments were not other-than-temporary, including the intent and ability to hold the investment for a period of time sufficient to allow for a recovery in value. Specific events that may influence the operations of the issuer and impaired earnings potential are reviewed in addition to length of time and extent to which the fair value has been less than cost.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions - None

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Repurchase Transaction - Cash Taker - Overview of Secured Borrowing Transactions

(1) Information regarding the company policy or strategies for engaging in repo programs, policy for requiring collateral

The Company participates in repurchase agreements with unaffiliated financial institutions. Under these agreements, the Company lends bonds and receives cash as collateral. The Company monitors the estimated fair value of the collateral and the securities loaned throughout the duration of the contract and contributes additional collateral as necessary. Securities loaned under these agreements may be sold or re-pledged by the transferee.

(2) Type of repo trades used

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Bilateral (Yes/No).....	YES	YES		
b. Tri-Party (Yes/No).....	NO	NO		

(3) Original (flow) & residual maturity

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Open - No maturity.....	\$	\$	\$	\$
2. Overnight.....				
3. 2 days to 1 week.....				
4. Over 1 week to 1 month.....				
5. Over 1 month to 3 months.....				
6. Over 3 months to 1 year.....				
7. Over 1 year.....	598,651,804	598,651,804		
b. Ending Balance				
1. Open - No maturity.....	\$	\$	\$	\$
2. Overnight.....				
3. 2 days to 1 week.....				
4. Over 1 week to 1 month.....				
5. Over 1 month to 3 months.....				
6. Over 3 months to 1 year.....				
7. Over 1 year.....	598,651,804	598,027,085		

(4) Fair value of securities sold and/or acquired that resulted in default

The Company did not have any securities sold or outstanding for which the repurchase agreement defaulted as of June 30, 2021.

(5) Securities "sold" under repo - secured borrowing

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. BACV.....	XXX	XXX	XXX	\$
2. Nonadmitted - Subset of BACV.....	XXX	XXX	XXX	\$
3. Fair Value.....	\$... 716,793,655	\$... 716,793,655	\$	\$
b. Ending Balance				
1. BACV.....	XXX	XXX	XXX	\$
2. Nonadmitted - Subset of BACV.....	XXX	XXX	XXX	\$
3. Fair Value.....	\$... 716,793,655	\$... 628,011,511	\$	\$

Notes to the Financial Statements

5. Investments (Continued)

(6) Securities sold under repo - secured borrowing by NAIC designation

Ending Balance	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	None	NAIC 1	NAIC 2	NAIC 3	NAIC 4	NAIC 5	NAIC 6	Nonadmitted
a. Bonds - BACV	\$	\$.. 206,693,768	\$.. 357,721,090	\$	\$	\$	\$	\$
b. Bonds - FV		229,586,823	398,424,688					
c. LB & SS - BACV								
d. LB & SS - FV								
e. Preferred stock - BACV								
f. Preferred stock - FV								
g. Common stock								
h. Mortgage loans - BACV								
i. Mortgage loans - FV								
j. Real estate - BACV								
k. Real estate - FV								
l. Derivatives - BACV								
m. Derivatives - FV								
n. Other invested assets - BACV								
o. Other invested assets - FV								
p. Total assets - BACV	\$	\$.. 206,693,768	\$.. 357,721,090	\$	\$	\$	\$	\$
q. Total assets - FV	\$	\$.. 229,586,823	\$.. 398,424,688	\$	\$	\$	\$	\$
p = (a+c+e+g+h+j+l+n)								
q = (b+d+f+g+i+k+m+o)								

(7) Collateral received - secured borrowing

		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount					
1. Cash	\$.. 598,651,804	\$.. 598,651,804	\$	\$	
2. Securities (FV)					
b. Ending Balance					
1. Cash	\$.. 598,651,804	\$.. 598,027,085	\$	\$	
2. Securities (FV)					

(8) Cash & non-cash collateral received - secured borrowing by NAIC designation

Ending Balance	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	None	NAIC 1	NAIC 2	NAIC 3	NAIC 4	NAIC 5	NAIC 6	Does Not Qualify as Admitted
a. Cash	\$.. 598,027,085	\$	\$	\$	\$	\$	\$	\$
b. Bonds - FV								
c. LB & SS - FV								
d. Preferred stock - FV								
e. Common stock								
f. Mortgage loans - FV								
g. Real estate - FV								
h. Derivatives - FV								
i. Other Invested Assets - FV								
j. Total collateral assets - FV (sum of a through i)	\$.. 598,027,085	\$	\$	\$	\$	\$	\$	\$

(9) Allocation of aggregate collateral by remaining contractual maturity

	Fair Value
a. Overnight and continuous	\$
b. 30 Days or less	
c. 31 to 90 Days	
d. More than 90 days	598,027,085

Notes to the Financial Statements

5. Investments (Continued)

(10) Allocation of aggregate collateral reinvested by remaining contractual maturity

	Amortized Cost	Fair Value
a. 30 Days or less.....	\$ 598,027,085	\$ 598,027,085
b. 31 to 60 Days		
c. 61 to 90 Days		
d. 91 to 120 Days		
e. 121 to 180 Days		
f. 181 to 365 Days		
g. 1 to 2 Years		
h. 2 to 3 Years		
i. More than 3 years		

(11) Liability to return collateral - secured borrowing (total)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Cash (Collateral - All)	\$... 598,651,804	\$... 598,651,804	\$	\$
2. Securities Collateral (FV)				
b. Ending Balance				
1. Cash (Collateral - All)	\$... 598,651,804	\$... 598,027,085	\$	\$
2. Securities Collateral (FV)				

- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - None
- H. Repurchase Agreements Transactions Accounted for as a Sale - None
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - None
- J. Real Estate - No Significant Changes
- K. Low-Income Housing Tax Credits (LIHTC) - None
- L. Restricted Assets - No Significant Changes
- M. Working Capital Finance Investments - None
- N. Offsetting and Netting of Assets and Liabilities - None
- O. 5GI Securities - No Significant Changes
- P. Short Sales - None
- Q. Prepayment Penalty and Acceleration Fees - No Significant Changes
- R. Reporting Entity's Share of Cash Pool by Asset type - None

6. Joint Ventures, Partnerships and Limited Liability Companies - No Significant Changes

7. Investment Income - No Significant Changes

8. Derivative Instruments

- A. Derivatives under SSAP No. 86 - Derivatives
 - (1) Discussion - No Significant Changes
 - (2) Description of objectives - No Significant Changes
 - (3) Description of accounting policies - No Significant Changes
 - (4) Derivative contracts with financing premiums - No Significant Changes
 - (5) Net gain or loss recognized - No Significant Changes
 - (6) Net gain or loss recognized from derivatives no longer qualifying for hedge accounting - No Significant Changes
 - (7) Derivatives accounted for as cash flow hedges of a forecasted transaction - No Significant Changes
 - (8) Premium Cost for Derivative Contracts - None
- B. Derivatives under SSAP No. 108 - Derivative Hedging Variable Annuity Guarantees (Life/Fraternal Only) - None

9. Income Taxes - No Significant Changes

Notes to the Financial Statements

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A. On March 8, 2021, Athene Holding Ltd. (AHL), an indirect parent of the Company, entered into an Agreement and Plan of Merger (Merger Agreement), by and among AHL, Apollo Global Management, Inc., a Delaware corporation (AGM), Tango Holdings, Inc., a Delaware corporation and a direct wholly owned subsidiary of AGM (HoldCo), Blue Merger Sub, Ltd., a Bermuda exempted company and a direct wholly owned subsidiary of HoldCo (AHL Merger Sub), and Green Merger Sub, Inc., a Delaware corporation and a direct, wholly owned subsidiary of HoldCo (AGM Merger Sub). AHL and AGM have agreed, subject to the terms and conditions of the Merger Agreement, to effect an all-stock merger transaction to combine the respective businesses by: (1) AGM merging with AGM Merger Sub, with AGM surviving such merger as a direct wholly owned subsidiary of HoldCo (AGM Merger), (2) AHL merging with AHL Merger Sub, with AHL surviving such merger as a direct, wholly owned subsidiary of HoldCo (AHL Merger and, together with the AGM Merger, Mergers), and (3) as of the effective time of the Mergers, changing the name of HoldCo to be Apollo Global Management, Inc. At the effective time of the Mergers, each AHL Class A common share, subject to certain exceptions, will be converted automatically into the right to receive 1.149 shares of HoldCo common stock. The Mergers are expected to close in January 2022, subject to shareholder and regulatory approvals and other customary closing conditions.

Some employees of the Company and Athene Employee Services LLC participate in one or more Share Award Agreements (the Agreements) sponsored by AHL for which the Company has no legal obligation. Salary expense of the Company and of Athene Employee Services LLC is allocated through the Shared Services Agreement. Under SSAP No. 104R, *Share-Based Payments*, the stock compensation expense associated with the Agreements that would have been allocated to the Company is required to be recorded as a capital contribution to the reporting entity. The Company has allocated the stock compensation expense associated with the Agreements based on the same methodology as the Shared Services Agreement. In accordance with SSAP No. 104R, the Company incurred expense and recorded a capital contribution under the Agreements totaling \$8.1 million and \$11.4 million for the six months ended June 30, 2021 and for the year ended December 31, 2020, respectively, which includes amounts contributed by the Company to downstream insurance subsidiaries.

- B. Detail of Related Party Transactions - No Significant Changes
- C. Transactions With Related Party Who Are Not Reported on Schedule Y - No Significant Changes
- D. Amounts Due To or From Related Parties - No Significant Changes
- E. Management Service Contracts and Cost Sharing Arrangements - No Significant Changes
- F. Guarantees or Contingencies - No Significant Changes
- G. Nature of Relationships that Could Affect Operations - No Significant Changes
- H. Amount Deducted for Investment in Upstream Company - None
- I. Detail of Investments in Affiliates Greater Than 10% of Admitted Assets - No Significant Changes
- J. Write-Down for Impairments of Investments in Subsidiary Controlled or Affiliated Companies - No Significant Changes
- K. Foreign Subsidiary Value Using CARVM - No Significant Changes
- L. Downstream Holding Company Value Using Look-Through Method - No Significant Changes
- M. All SCA Investments - No Significant Changes
- N. Investment in Insurance SCAs - No Significant Changes
- O. SCA and SSAP No. 48 Entity Loss Tracking - None

11. Debt

- A. Effective May 1, 2021, the Company entered into an unsecured revolving promissory note (the Promissory Note), with Athene USA (AUSA) and certain of AUSA's other subsidiaries, pursuant to which the Company and other borrower parties thereto may borrow up to \$200 million from AUSA. The Promissory Note has a 5 year term and was approved by the Iowa Insurance Division. Interest shall accrue on the principal balance from time to time outstanding at a rate per annum equal to 2.085%. The Company shall pay such interest in arrears quarterly on the last day of each March, June, September and December, on any day any portion of the principal balance is repaid or prepaid. No amount has been drawn under the Promissory Note by the Company during the six months ended June 30, 2021, and as such, no interest expense has been incurred by the Company during the six months ended June 30, 2021.

- B. FHLB (Federal Home Loan Bank) Agreements

- (1) The Company is a member of the FHLB of Des Moines. Through its membership, the Company is eligible to borrow under variable rate short-term federal fund arrangements to provide additional liquidity. These borrowings are accounted for as borrowed money under SSAP No. 15, *Debt and Holding Company Obligations*. During April 2021, the Company borrowed \$470.0 million with an interest rate of 0.3% under the FHLB short-term arrangement. The borrowing was repaid during April 2021. The Company did not have any outstanding borrowings as of June 30, 2021 or December 31, 2020. The Company incurred interest expense on short-term borrowings of \$0.1 million and \$2.7 million in the general and separate account for the six months ended June 30, 2021 and for the year ended December 31, 2020, respectively.

The Company has issued separate account funding agreements to the FHLB of Des Moines in exchange for cash resulting in a liability of \$1,924.1 million as of June 30, 2021. The Company uses these funds in an investment spread strategy, consistent with its other investment spread operations. As such, the Company applies SSAP No. 52, *Deposit-Type Contracts*, accounting treatment to these funds, consistent with its other deposit-type contracts. It is not part of the Company's strategy to utilize these funds for operations, and any funds obtained from the FHLB of Des Moines for use in general operations would be accounted for consistent with SSAP No. 15 as borrowed money.

The Company must provide appropriate collateral to borrow under the arrangements described above. The borrowing capacity available to the Company under these agreements is largely a factor of the Company's ability to post eligible collateral, as well as internal limits such as single-holder exposure limits (10% of the entity's balance sheet liabilities) and NAIC capital requirements.

The tables below indicate the amount of FHLB of Des Moines stock purchased, collateral pledged, assets and liabilities related to the agreements with FHLB of Des Moines.

Notes to the Financial Statements

11. Debt (Continued)

(2) FHLB capital stock

(a) Aggregate totals

	(1) Total (2+3)	(2) General Account	(3) Separate Accounts
1. Current Year			
(a) Membership stock - Class A	\$	\$	\$
(b) Membership stock - Class B	10,000,000	10,000,000	
(c) Activity stock	80,048,000	80,048,000	
(d) Excess stock			
(e) Aggregate total (a+b+c+d)	\$ 90,048,000	\$ 90,048,000	\$
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 3,400,000,000		
2. Prior Year-End			
(a) Member stock - Class A	\$	\$	\$
(b) Membership stock - Class B	10,000,000	10,000,000	
(c) Activity stock	80,048,000	80,048,000	
(d) Excess stock			
(e) Aggregate total (a+b+c+d)	\$ 90,048,000	\$ 90,048,000	\$
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 3,200,000,000		

(b) Membership stock (class A and B) eligible and not eligible for redemption

	(1) Current Year Total (2+3+4+5+6)	(2) Not Eligible for Redemption	Eligible for Redemption			
			(3) Less Than 6 Months	(4) 6 Months to Less Than 1 Year	(5) 1 to Less Than 3 Years	(6) 3 to 5 Years
Membership Stock						
1. Class A	\$	\$	\$	\$	\$	\$
2. Class B	\$ 10,000,000	\$ 10,000,000	\$	\$	\$	\$

(3) Collateral pledged to FHLB

(a) Amount pledged as of reporting date

	(1) Fair Value	(2) Carrying Value	(3) Aggregate Total Borrowing
1. Current year total general and separate accounts total collateral pledged (Lines 2+3)	\$ 2,770,827,326	\$ 2,700,871,736	\$ 2,001,200,000
2. Current year general account total collateral pledged	2,770,827,326	2,700,871,736	
3. Current year separate accounts total collateral pledged			2,001,200,000
4. Prior year-end total general and separate accounts total collateral pledged	3,074,082,334	2,931,251,265	2,001,200,000

(b) Maximum amount pledged during reporting period

	(1) Fair Value	(2) Carrying Value	(3) Amount Borrowed at Time of Maximum Collateral
1. Current year total general and separate accounts maximum collateral pledged (Lines 2+3)	\$ 3,074,082,334	\$ 2,931,251,265	\$ 2,001,200,000
2. Current year general account maximum collateral pledged	3,074,082,334	2,931,251,265	
3. Current year separate accounts maximum collateral pledged			2,001,200,000
4. Prior year-end total general and separate accounts maximum collateral pledged	3,074,082,334	2,931,251,265	2,001,200,000

Notes to the Financial Statements

11. Debt (Continued)

- (4) Borrowing from FHLB
- (a) Amount as of the reporting date

	(1)	(2)	(3)	(4)
	Total (2+3)	General Account	Separate Accounts	Funding Agreements Reserves Established
1. Current Year				
(a) Debt	\$	\$	\$	XXX
(b) Funding agreements	2,001,200,000		2,001,200,000	\$ 1,924,058,576
(c) Other				XXX
(d) Aggregate total (a+b+c)	<u>\$ 2,001,200,000</u>	<u>\$</u>	<u>\$ 2,001,200,000</u>	<u>\$ 1,924,058,576</u>
2. Prior Year-end				
(a) Debt	\$	\$	\$	XXX
(b) Funding agreements	2,001,200,000		2,001,200,000	\$ 1,914,668,450
(c) Other				XXX
(d) Aggregate total (a+b+c)	<u>\$ 2,001,200,000</u>	<u>\$</u>	<u>\$ 2,001,200,000</u>	<u>\$ 1,914,668,450</u>

- (b) Maximum amount during reporting period (current year)

	(1)	(2)	(3)
	Total (2+3)	General Account	Separate Accounts
1. Debt	\$ 470,000,000	\$ 470,000,000	\$
2. Funding agreements	2,001,200,000		2,001,200,000
3. Other			
4. Aggregate total (Lines 1+2+3)	<u>\$ 2,471,200,000</u>	<u>\$ 470,000,000</u>	<u>\$ 2,001,200,000</u>

11B(4)b4 (Columns 1, 2 and 3) should be equal to or greater than 11B(4)a1(d) (Columns 1, 2 and 3 respectively)

- (c) FHLB - Prepayment obligations

	Does the company have prepayment obligations under the following arrangements (YES/NO)?
1. Debt	NO
2. Funding agreements	YES
3. Other	NO

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans - No Significant Changes

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations - No Significant Changes

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

- (1) Commitments or contingent commitment(s) to an SCA entity, joint venture, partnership, or limited liability company

As of June 30, 2021, the Company has unfunded commitments to invest in certain bonds, mortgage loans, and partnership interests. The total unfunded commitments of the general and separate accounts are \$4,829.3 million.

- (2) Nature and circumstances of guarantee - No Significant Changes

- (3) Aggregate compilation of guarantee obligations - No Significant Changes

B. Assessments - No Significant Changes

C. Gain Contingencies - None

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - None

E. Joint and Several Liabilities - None

Notes to the Financial Statements

14. Liabilities, Contingencies and Assessments (Continued)

F. All Other Contingencies

Corporate-owned Life Insurance (COLI) Matter - In 2000 and 2001, two insurance companies which were subsequently merged into the Company, purchased broad based variable COLI policies from American General Life Insurance Company (American General) that, as of June 30, 2021, had an asset value of \$420.7 million, and is included as an admitted asset on the balance sheets. In January 2012, the COLI policy administrator delivered to the Company a supplement to the existing COLI policies and advised that American General and ZC Resource Investment Trust (ZC Trust) had unilaterally implemented changes set forth in the supplement that if effective, would: (1) potentially negatively impact the crediting rate for the policies and (2) change the exit and surrender protocols set forth in the policies. In March 2013, the Company filed suit against American General, ZC Trust, and ZC Resource LLC in Chancery Court in Delaware, seeking, among other relief, a declaration that the changes set forth in the supplement were ineffectual and in breach of the parties' agreement. The parties filed cross motions for judgment as a matter of law, and the court granted defendants' motion and dismissed without prejudice on ripeness grounds. The issue that negatively impacts the crediting rate for one of the COLI policies has subsequently been triggered and on April 3, 2018, we filed suit against the same defendants in Chancery Court in Delaware seeking substantially similar relief. Defendants moved to dismiss and the Court heard oral arguments on February 13, 2019. The Court issued an opinion on July 31, 2019 that did not address the merits, but found that Chancery Court did not have jurisdiction over our claims and directed us to either amend our complaint or transfer the matter to Delaware Superior Court. The matter has been transferred to the Delaware Superior Court. Defendants renewed their motion to dismiss and the Superior Court heard oral arguments on December 18, 2019. The Superior Court issued an opinion on May 18, 2020 in which it granted in part and denied in part defendants' motion. The Superior Court denied defendants' motion with respect to the issue that negatively impacts the crediting rate for one of the COLI policies, which issue will proceed to discovery. The Superior Court granted defendants' motion and dismissed without prejudice on ripeness grounds claims related to the exit and surrender protocols set forth in the policies, and dismissed defendant ZC Resource LLC. If the supplement is ultimately deemed to be effective, the purported changes to the policies could impair the Company's ability to access the value of guarantees associated with the policies. The parties are currently engaged in discovery and on August 11, 2021, the Court entered an Amended Scheduling Order setting the trial date for June 2023. The value of the guarantees included within the asset value reflected above is \$194.5 million as of June 30, 2021.

Regulatory Matters - The Company and certain of its insurance subsidiaries have experienced increased complaints related to the conversion and administration of the block of life insurance business acquired in connection with Athene Holding Ltd.'s acquisition of Aviva USA Corporation (Aviva USA) and reinsured to affiliates of Global Atlantic Financial Group Ltd. The life insurance policies included in this block have been and are currently being administered by AllianceOne, a subsidiary of DXC Technology Company, which was retained by such Global Atlantic affiliates to provide third party administration services on such policies. AllianceOne also administers a small block of annuity policies that were on Aviva USA's legacy policy administration systems that were also converted in connection with the acquisition of Aviva USA and have experienced similar service and administration issues, but to a lesser degree.

As a result of the difficulties experienced with respect to the administration of such policies, the Company and its subsidiary, Athene Life Insurance Company of New York (ALICNY), have received notifications from several state regulators, including but not limited to the New York State Department of Financial Services (NYDFS), the California Department of Insurance (CDI) and the Texas Department of Insurance (TDI), indicating, in each case, that the respective regulator planned to undertake a market conduct examination or enforcement proceeding of the Company or one of its subsidiaries, as applicable, relating to the treatment of policyholders subject to the Company's reinsurance agreements with affiliates of Global Atlantic and the conversion of the life and annuity policies, including the administration of such blocks by AllianceOne. The Company and ALICNY have entered into consent orders with regulators of several states, including the NYDFS, the CDI, and the TDI, to resolve the underlying matters in the respective states. All fines and costs, including those associated with remediation plans, paid in connection with the consent orders were subject to indemnification by Global Atlantic or affiliates of Global Atlantic.

In addition to the examinations and proceedings initiated to date, it is possible that other regulators may pursue similar formal examinations, inquiries or enforcement proceedings and that any examinations, inquiries and/or enforcement proceedings may result in fines, administrative penalties and payments to policyholders. The Company is not currently able to estimate the amount of any such fines, penalties or payments arising from these matters with reasonable certainty, but it is possible that such amounts may be material.

Pursuant to the terms of the reinsurance agreements between the Company and the relevant affiliates of Global Atlantic, the applicable affiliates of Global Atlantic have financial responsibility for the ceded life block and are subject to significant administrative service requirements, including compliance with applicable law. The agreements also provide for indemnification to the Company, including for administration issues.

Fiduciary Standards - The U.S. Securities and Exchange Commission (SEC), Department of Labor (DOL), NAIC, and several states have taken action or are exploring options around a fiduciary standard or best interest standard that may impact the Company and its subsidiaries. If these rules do not align, the distribution of products by the Company and its subsidiaries could be further complicated.

On June 5, 2019, the SEC adopted a rulemaking package designed to enhance the quality and transparency of retail investors' relationships with investment advisers and broker-dealers. The rule package is effective on September 10, 2019 with a compliance date of June 30, 2020. The rulemaking package included: Regulation Best Interest - the Broker-Dealer Standard of Conduct; the new Form CRS Relationship Summary; and two separate interpretations under the Investment Advisers Act of 1940. The Company believe the Regulation may impact the distribution of the Company's and its subsidiaries' products through third party broker-dealers that distribute the products to retail customers, the impact of which is still being determined.

The NAIC has adopted the Suitability in Annuity Transactions Model Regulation (SAT), which places responsibilities upon issuing insurance companies with respect to the suitability of annuity sales, including responsibilities for training agents. Many states, including Athene Domiciliary States, have already enacted laws and/or regulations based on SAT, thus imposing suitability standards with respect to sales of FIAs. The NYDFS issued a circular letter emphasizing insurers' obligations under laws and regulations based on SAT when replacing a deferred annuity contract with an immediate annuity contract. On July 22, 2018, the NYDFS issued amendments to its regulation based on SAT to incorporate a "best interest" standard with respect to the suitability of life insurance and annuity sales, which amendments took effect on August 1, 2019 with respect to annuity contracts and became effective on February 1, 2020 with respect to life insurance policies. Future changes in such laws and regulations, including those that impose a "best interest" standard could adversely impact the way we market and sell our annuity products. On February 13, 2020, the NAIC adopted amendments to the SAT to incorporate a "best interest" or similar standard with respect to the suitability of annuity sales. The amendments include a requirement for producers to act in the "best interest" of a retail customer when making a recommendation of an annuity. A producer is considered to have acted in the best interest of the customer if they have satisfied certain prescribed obligations regarding care, disclosure, conflict of interest and documentation. State adoption of these revisions, and any future changes in such laws and regulations, could adversely affect the way our US insurance subsidiaries market and sell their annuity products. Several states, including Iowa, have adopted or are in the process of adopting a version of the revised SAT that includes a best interest concept.

Notes to the Financial Statements

14. Liabilities, Contingencies and Assessments (Continued)

In April 2016, the DOL issued regulations expanding the definition of “investment advice” and broadening the circumstances under which distributors and manufacturers of insurance and annuity products could be considered “fiduciaries” and subject to certain standards in providing advice. These regulations were vacated effective June 2018. Thereafter, the DOL issued proposed regulatory action to address the vacated definition and issued final regulatory action on December 15, 2020. The DOL’s final guidance confirms the reinstatement of the definition of “investment advice” that applied prior to 2016 but broadens the circumstances under which producers, including insurance producers, could be considered fiduciaries under ERISA in connection with recommendations to “rollover” assets from a qualified retirement plan to an IRA. This guidance reverses an earlier DOL interpretation suggesting that rollover advice did not constitute investment advice giving rise to a fiduciary relationship. In connection with the final regulatory action, the DOL issued a prohibited transaction class exemption that would allow fiduciaries to receive compensation in connection with providing investment advice, including advice about rollovers, that would otherwise be prohibited as a result of their fiduciary relationship to the ERISA Plan. We are reviewing the final guidance to determine how it might apply to and impact our business.

In addition to the cases previously discussed, the Company is routinely involved in litigation and other proceedings, reinsurance claims and regulatory proceedings arising in the ordinary course of its business. At present, no contingencies related to pending litigation and regulatory matters are considered material in relation to the financial position of the Company.

15. Leases - None

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk - No Significant Changes

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities - None

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans - None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators - None

20. Fair Value Measurements

A. Fair Value Measurement

(1) Fair value measurements at reporting date

	Description for each class of asset or liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
a.	Assets at fair value					
	Bonds: CMBS	\$	\$ 5,583,712	\$ 448,392	\$	\$ 6,032,104
	Bonds: RMBS		13,517,393			13,517,393
	Preferred stocks: unaffiliated		134,455,700			134,455,700
	Preferred stocks: affiliated			56,826,959		56,826,959
	Common stocks: unaffiliated	36,447,531	90,049,409	21,653,922		148,150,862
	Common stocks: affiliated			2,780		2,780
	Derivative assets: Options		121,269,125			121,269,125
	Derivative assets: Currency Swaps		5,428,244			5,428,244
	Derivative assets: Interest Rate Swaps	17,022				17,022
	Derivative assets: Total Return Swaps		3,111,094			3,111,094
	Derivative assets: Futures	39,685,709				39,685,709
	Derivative assets: Forwards		32,083,339			32,083,339
	Separate account assets: Variable products		32,908,424			32,908,424
	Total assets at fair value/NAV	\$ 76,150,262	\$ 438,406,440	\$ 78,932,053	\$	\$ 593,488,755
b.	Liabilities at fair value					
	Derivative liabilities: Options	\$	\$ 20,260,165	\$	\$	\$ 20,260,165
	Derivative liabilities: Interest Rate Swaps	125,266	1,533,753			1,659,019
	Derivative liabilities: Total Return Swaps		47,329			47,329
	Derivative liabilities: Forwards		964,378			964,378
	Separate account liabilities: Variable products		32,907,797			32,907,797
	Total liabilities at fair value	\$ 125,266	\$ 55,713,422	\$	\$	\$ 55,838,688

(2) Fair value measurements in Level 3 of the fair value hierarchy

Description	Ending balance as of 03/31/2021	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance for 06/30/2021
a. Assets										
Bonds: Corporate	\$ 578,865	\$	\$ (643,183)	\$ 1,704	\$ 62,614	\$	\$	\$	\$	—
Bonds: CMBS	447,509			11,634	(10,751)					448,392
Preferred stocks: affiliated	61,595,235				(3,850,054)			(918,222)		56,826,959
Common stocks: unaffiliated	14,272,705			114,472	7,266,745					21,653,922
Common stocks: affiliated	2,780									2,780
Total assets	\$ 76,897,094	\$	\$ (643,183)	\$ 127,810	\$ 3,468,554	\$	\$	\$ (918,222)	\$	\$ 78,932,053
b. Liabilities										
Total liabilities	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

Transfers into and out of Level 3 represent securities which are carried at lower of cost or fair value resulting in periodic transfers into and out of Level 3 financial instruments which are characterized as carried at fair value. Preferred stock transfers into Level 3 are due to the adoption of revised guidance in SSAP No. 32R, which requires perpetual preferred stock to be carried at fair value.

(3) Transfers between fair value hierarchy levels are recognized at the end of the period in which the transfer occurs.

Notes to the Financial Statements

20. Fair Value Measurements (Continued)

- (4) The following discussion describes the valuation methodologies and inputs used for assets and liabilities measured and disclosed at fair value. The techniques utilized in estimating the fair values of financial instruments are reliant on the assumptions used.

Fair value estimates are based on quoted market prices when available. When quoted market prices are not available, the Company utilizes commercially available pricing vendors that utilize observable market inputs, like recent trading activity, to derive fair value. When vendor prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality (matrix pricing). In instances where there is little or no market activity for the same or similar instruments, the Company estimates the fair value using methods, models and assumptions that management believes market participants would use to determine a current transaction price. These valuation techniques involve some level of management estimation and judgment which becomes significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect risk inherent in a particular methodology, model or input employed.

The Company’s financial assets and liabilities carried at estimated fair value have been classified, for disclosure purposes, based on a hierarchy defined by current accounting guidance. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset’s or a liability’s classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

The levels of the fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in an active market.
- Level 2 - Quoted prices for inactive markets or valuation techniques that require observable direct or indirect inputs for substantially the full term of the asset or liability.

Level 2 inputs include the following:
1. Quoted prices for similar assets or liabilities in active markets,
2. Observable inputs other than quoted market prices, and
3. Observable inputs derived principally from market data through correlation or other means.
- Level 3 - Prices or valuation techniques with unobservable inputs significant to the overall fair value estimate. These valuations use critical assumptions not readily available to market participants. Level 3 valuations are based on market standard valuation methodologies, including discounted cash flows, matrix pricing, or other similar techniques.

Assets and liabilities are valued as discussed below in part C.

- (5) See parts (1) through (4) above.

B. Other Fair Value Disclosures - None

C. Fair Values for All Financial Instruments by Level 1, 2 and 3

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Assets - Bonds	\$ 47,395,256,652	\$ 44,055,225,462	\$..... 4,347,165	\$ 43,248,904,089	\$.. 4,142,005,398	\$.....	\$.....
Assets - Preferred stocks	307,201,282	295,451,676	.....	243,351,823	 63,849,459	.....	.....
Assets - Common stocks unaffiliated	148,153,641	148,153,641	 36,447,531	 90,049,409	 21,656,701	.....	.....
Assets - Mortgage loans - first liens.....	9,382,538,151	9,107,502,201	.....	.....	..... 9,382,538,151	.....	.....
Assets - Mortgage loans - other than first liens	1,368,283,834	1,366,080,761	.....	.....	..... 1,368,283,834	.....	.....
Assets - Policy loans	135,075,183	135,075,183	.....	135,075,183	.....	.....	.....
Assets - Cash and short-term investments	4,956,238,550	4,956,208,668	 4,933,244,348	 22,994,202	.....	.....	.....
Assets - Derivative assets	3,228,831,529	929,843,994	 39,702,731	 3,189,128,798	.....	.....	.....
Assets - Derivative collateral assets	20,141,039	20,141,039	 20,141,039	.....	.....	.....	.....
Assets - Other invested assets	3,862,521,472	3,752,901,166	.....	..... 541,712,661	 1,538,099,326	 1,782,709,485	.....
Assets - Separate account: variable products	32,908,424	32,908,424	.....	32,908,424	.....	.....	.....
Assets - Separate account: group annuity	19,479,586,101	18,546,918,903	 737,248,112	 16,352,336,296	 2,153,605,248	 236,396,445	.....
Assets - Separate account: index-linked products	435,239,819	432,943,521	 75,530,339	 355,676,135	 4,033,346	.....	.....
Liabilities - Deposit-type contracts	9,570,208,110	9,165,746,477	.....	..... 9,198,776,736	 371,431,374	.....	.....
Liabilities - Repurchase agreements	598,027,085	598,027,085	.....	..... 598,027,085	.....	.....	.....
Liabilities - Derivative liabilities	122,842,176	162,386,251	 125,266	 118,649,429	 4,067,481	.....	.....
Liabilities - Derivative and other collateral	3,088,076,939	3,088,018,302	 3,088,076,939	.....	.....	.....	.....
Liabilities - Separate account: group annuity deposit-type contracts	3,044,524	3,220,082	.....	.....	..... 3,044,524	.....	.....
Liabilities - Separate account: funding agreements	2,053,856,084	1,924,058,602	.....	..... 2,053,856,084	.....	.....	.....

Bonds and short-term investments – The Company obtains the fair value for most marketable, public bonds without an active market from several commercial pricing services. These are classified as Level 2 assets. The pricing services incorporate a variety of market observable information in their valuation techniques, including benchmark yields, broker-dealer quotes, credit quality, issuer spreads, bids, offers, and other reference data. If the Company cannot value a public bond with a commercial pricing vendor, the Company obtains broker quotes (or utilizes an internally-developed model) and are considered to be Level 3. The Company values privately placed bonds based on the credit quality and duration of comparable marketable securities, which may be securities of another issuer. In some instances, the Company uses a matrix-based pricing model. These models consider the current level of risk-free interest rates, corporate spreads, credit quality of the issuer, and cash flow characteristics of the security. Privately placed fixed maturity securities are classified as Level 2 or 3.

Notes to the Financial Statements

20. Fair Value Measurements (Continued)

Preferred stocks and common stocks unaffiliated – The Company values equity securities, typically private equities or equity securities not traded on an exchange, using several commercial pricing services or an internal model. The securities priced by a commercial pricing service are classified as Level 2 and the securities priced by an internal model are classified as Level 3. In addition, unaffiliated common stocks include FHLB stock, which is carried at fair value, which is presumed to be par because it can only be redeemed by the bank and is classified as Level 2.

Mortgage loans – The Company estimates mortgage loans on a monthly basis using discounted cash flow analysis and rates being offered for similar loans to borrowers with similar credit ratings. Loans with similar characteristics are aggregated for purposes of the calculations. The discounted cash flow model uses unobservable inputs, including estimates of discount rates and loan prepayments. Mortgage loans are classified as Level 3.

Policy loans – The fair value of policy loans classified as Level 2 is equal to the carrying value of the loans, which are collateralized by the cash surrender value of the associated insurance contracts.

Derivatives – Derivative contracts can be exchange traded or over-the-counter. Over-the-counter derivatives are valued using valuation models or an income approach using third-party broker valuations. Valuation models require a variety of inputs, including contractual terms, market prices, yield curves, measures of volatility, prepayment rates, and correlation of the inputs. The Company considers and incorporates counterparty credit risk in the valuation process through counterparty credit rating requirements and monitoring of overall exposure. The Company also evaluates and includes its own nonperformance risk in valuing derivatives. The majority of the Company's derivatives trade are in liquid markets; therefore, the Company can verify model inputs and model selection does not involve significant management judgment and are classified within Level 2. If the Company cannot verify model inputs and model selection does involve significant management judgment, the derivatives are classified as Level 3.

Other invested assets – Within other invested assets, partnerships are valued based on net asset value information provided by the general partner or related asset manager. These partnership interests usually include multiple underlying investments for which either observable market prices or other valuation methods are used to determine the fair value. These investments are reported in the Net Asset Value (NAV) column. Other than partnerships, other invested assets may include surplus notes and other investments with bond or stock characteristics and the Company attempts to value these using several commercial pricing services, which would be classified as Level 2 assets. If the Company cannot value with a commercial pricing vendor, the Company obtains broker quotes (or utilizes an internally-developed model) and are considered to be Level 3 assets.

Separate account assets (variable products) – Separate account assets classified as Level 2 are valued based on the fair value of the underlying funds. Fair values and changes in the fair values of the underlying funds accrue directly to the policy owners and are not included in the Company's revenues and expenses or surplus.

Separate account assets (group annuity) – Financial instruments within this separate account classified as Level 2 and 3 or included in the NAV column are valued using the same fair value assumptions and methods utilized in the general account.

Repurchase agreements - The carrying value of the repurchase agreements liability approximates fair value and is reported as level 2.

Deposit-type contracts (including separate account group annuity and funding agreements) – Deposit-type contracts classified as Level 3 include single premium immediate annuities (SPIA) and supplemental contracts. Fair value of SPIA and supplemental contracts are calculated by discounting best estimate cash flows based on mortality and market interest rate assumptions. Fair value of funding agreements are calculated by discounting future cash flows using market rates on the valuation date, and are classified as Level 2.

D. Not Practicable to Estimate Fair Value - None

E. Nature and Risk of Investments Reported at NAV

The Company invests in certain non-fixed income, alternative investments in the form of limited partnerships (investment funds) which are reported at NAV. Adjustments to the carrying amount reflect the Company's pro rata ownership percentage of the operating results as indicated by NAV in the investment fund financial statements. The NAV from the investment fund financial statements can be on a lag of up to three months when investee information is not received in a timely manner. These investments are listed in the NAV column of the fair value tables above as this is the primary method for reporting fair value for these investments.

As of June 30, 2021, the Company's general and separate accounts have \$861.4 million unfunded commitments to invest in these investment funds.

21. Other Items

A. Unusual or Infrequent Items - None

B. Troubled Debt Restructuring - None

C. Other Disclosures

During 2021, the Company novated a net 2,285 policies with statutory policy reserves of \$145.7 million to Accordia Life and Annuity Company (Accordia). These policies were previously 100% ceded to Accordia through a coinsurance agreement entered into in 2013, and therefore the novation had no impact on the Company's balance sheet, income or capital and surplus position.

D. Business Interruption Insurance Recoveries - None

E. State Transferable and Non-Transferable Tax Credits - No Significant Changes

F. Subprime-Mortgage-Related Risk Exposure - No Significant Changes

G. Retained Assets - None

H. Insurance-Linked Securities (ILS) Contracts - None

I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy - No Significant Changes

22. Events Subsequent

Subsequent events have been considered through August 12, 2021 for the statutory statement dated June 30, 2021.

The Company did not write any accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act.

23. Reinsurance - No Significant Changes

Notes to the Financial Statements

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. Method Used to Estimate - None
- B. Method Used to Record - None
- C. Amount and Percent of Net Retrospective Premiums - None
- D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act - None
- E. Risk-Sharing Provisions of the Affordable Care Act (ACA)
 - (1) Accident and health insurance premium subject to the Affordable Care Act risk-sharing provisions

Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions?
NO
 - (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year - None
 - (3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance - None
 - (4) Roll-forward of risk corridors asset and liability balances by program benefit year - None
 - (5) ACA risk corridors receivable as of reporting date - None

25. Change in Incurred Losses and Loss Adjustment Expenses - None

26. Intercompany Pooling Arrangements - None

27. Structured Settlements - None

28. Health Care Receivables - None

29. Participating Policies - No Significant Changes

30. Premium Deficiency Reserves - None

31. Reserves for Life Contracts and Annuity Contracts - No Significant Changes

32. Analysis of Annuity Actuarial Reserves and Deposit Type Contract Liabilities by Withdrawal Characteristics - No Significant Changes

33. Analysis of Life Actuarial Reserves by Withdrawal Characteristics - No Significant Changes

34. Premiums and Annuity Considerations Deferred and Uncollected - No Significant Changes

35. Separate Accounts

In accordance with a 2019 consent order entered into with the NYDFS, during 2020, the Company began the process of transferring to AANY, its subsidiary, primary responsibility for New York residents entitled to payments under certain existing PRT transactions. On October 22, 2020, the Company entered into an Assignment Agreement with AANY pursuant to which the Company assigned all rights and obligations related to certain individuals entitled to annuity payments from existing PRT business and transferred net invested assets with a carrying value of \$32.0 million in 2020 and \$119.1 million in 2021. In connection with the transfer of its primary obligations to AANY, the Company released statutory reserves of \$25.8 million in 2020 and \$102.8 million in 2021. After considering the affects of reinsurance, the Company's separate accounts recognized an aggregate net loss of \$1.2 million in 2020 and \$3.3 million in 2021. In the remote scenario and only to the extent AANY is unable to perform its obligations to New York residents entitled to payments under the existing assigned PRT transactions, the Company will be required to satisfy any of the remaining obligations.

During April 2021, the Texas Group Annuity Commingled Separate Account repaid \$100 million of seed money plus \$7.6 million of interest to the Company's general account.

- A. Separate Account Activity - No Significant Changes
- B. General Nature and Characteristics of Separate Accounts Business - No Significant Changes
- C. Reconciliation of Net Transfers To or (From) Separate Accounts - No Significant Changes

36. Loss/Claim Adjustment Expenses - None