ANNUAL STATEMENT

OF THE

Athene Annuity & Life Assurance Company

TO THE

Insurance Department

OF THE

STATE OF

FOR THE YEAR ENDED
DECEMBER 31, 2022

[ ] LIFE, ACCIDENT AND HEALTH [ ] FRATERNAL BENEFIT SOCIETIES

2022

ASSETS

	Current Year 1 Assets	Current Year 2 Nonadmitted Assets	Current Year 3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	23,978,263,314		23,978,263,314	22,827,038,704
2. Stocks (Schedule D):				
2.1 Preferred stocks	283,533,101		283,533,101	268,908,861
2.2 Common stocks	2,090,899,907	38,522	2,090,861,385	1,305,010,889
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	4,295,408,912		4,295,408,912	4,393,822,811
3.2 Other than first liens	340,646,335		340,646,335	390,498,772
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $ .... encumbrances)				
4.2 Properties held for the production of income (less $ .... encumbrances)				
4.3 Properties held for sale (less $ .... encumbrances)				
5. Cash ($ 442,780,060 , Schedule E - Part 1), cash equivalents ($ 24,737,904 , Schedule E - Part 2) and short-term investments ($ 171,734,855 , Schedule DA)	639,252,819		639,252,819	791,284,624
6. Contract loans (including $ .... premium notes)	2,258,361		2,258,361	1,981,412
7. Derivatives (Schedule DB)	223,005,162		223,005,162	209,298,238
8. Other invested assets (Schedule BA)	1,002,480,977	1,386,423	1,001,094,554	2,019,938,948
9. Receivables for securities	16,048,049		16,048,049	13,744,812
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets	48,747,729		48,747,729	9,597,455
12. Subtotals, cash and invested assets (Lines 1 to 11)	32,920,544,667	1,424,945	32,919,119,722	32,231,125,525
13. Title plants less $ .... charged off (for Title insurers only)				
14. Investment income due and accrued	223,643,319	631,788	223,011,530	174,621,624
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ .... earned but unbilled premiums)				
15.3 Accrued retrospective premiums ($ ....) and contracts subject to redetermination ($ ....)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	82,191,363		82,191,363	83,760,657
16.2 Funds held by or deposited with reinsured companies	2,724,519,016		2,724,519,016	2,490,919,980
16.3 Other amounts receivable under reinsurance contracts	2,302,899,640		2,302,899,640	2,693,583,971
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	233,022,678	159,377,350	73,645,328	48,362,083
19. Guaranty funds receivable or on deposit	337,863		337,863	299,455
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	101,111,232		101,111,232	175,835,334
24. Health care ($ ....) and other amounts receivable	4,689,005		4,689,005	4,515,331
25. Aggregate write-ins for other than invested assets	1,782,458	965,196	817,262	954,045
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	38,594,741,241	162,399,280	38,432,341,961	37,903,978,004
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	13,668,240		13,668,240	17,777,982
28. Total (Lines 26 and 27)	38,608,409,481	162,399,280	38,446,010,201	37,921,755,987
DETAILS OF WRITE-INS				
1101. Derivative collateral asset	48,747,729		48,747,729	9,597,455
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	48,747,729		48,747,729	9,597,455
2501. Miscellaneous assets	1,782,458	965,196	817,262	954,045
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,782,458	965,196	817,262	954,045

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Aggregate reserve for life contracts $ 26,149,069,195 (Exh. 5, Line 9999999) less $ .... included in Line 6.3 (including $ 19,169,068,443 Modco Reserve)	26,149,069,195	24,433,619,871
2.	Aggregate reserve for accident and health contracts (including $ .... Modco Reserve)		
3.	Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including $ 80,379,737 Modco Reserve)	408,687,229	452,929,493
4.	Contract claims:		
	4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	121,255,307	68,446,062
	4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)		
5.	Policyholders' dividends/refunds to members $ .... and coupons $ .... due and unpaid (Exhibit 4, Line 10)		
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)	28,881	30,901
	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 (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14)		
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 $ 155,504,372 assumed and $ 1,868,871,967 ceded	2,024,376,339	1,996,937,529
	9.4 Interest maintenance reserve (IMR, Line 6)	54,238,208	58,689,555
10.	Commissions to agents due or accrued-life and annuity contracts $ 11,987 accident and health $ 232,688 and deposit-type contract funds $	244,675	437,670
11.	Commissions and expense allowances payable on reinsurance assumed	4,999,205	14,096,457
12.	General expenses due or accrued (Exhibit 2, Line 12, Col. 7)	1,080,535	1,017,695
13.	Transfers to Separate Accounts due or accrued (net) (including $ 59,512 accrued for expense allowances recognized in reserves, net of reinsured allowances)	59,512	30,550
14.	Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 6)	295,071	68,886
15.1	Current federal and foreign income taxes, including $ .... on realized capital gains (losses)	2,124,777	45,923,926
15.2	Net deferred tax liability		
16.	Unearned investment income	2,082,745	1,654,944
17.	Amounts withheld or retained by reporting entity as agent or trustee	277,649	143,550
18.	Amounts held for agents' account, including $ .... agents' credit balances		
19.	Remittances and items not allocated	9,058,597	14,335,214
20.	Net adjustment in assets and liabilities due to foreign exchange rates		
21.	Liability for benefits for employees and agents if not included above		
22.	Borrowed money $ .... and interest thereon $		
23.	Dividends to stockholders declared and unpaid		
24.	Miscellaneous liabilities:		
	24.01 Asset valuation reserve (AVR, Line 16, Col. 7)	167,993,482	459,746,049
	24.02 Reinsurance in unauthorized and certified ($ ....) companies		
	24.03 Funds held under reinsurance treaties with unauthorized and certified ($ ....) reinsurers	5,957,328,900	8,223,547,365
	24.04 Payable to parent, subsidiaries and affiliates	108,721,575	184,119,771
	24.05 Drafts outstanding		
	24.06 Liability for amounts held under uninsured plans		
	24.07 Funds held under coinsurance		
	24.08 Derivatives	140,647,832	57,479,278
	24.09 Payable for securities	1,605,017	28,520,247
	24.10 Payable for securities lending		
	24.11 Capital notes $ .... and interest thereon $		
25.	Aggregate write-ins for liabilities	979,781,875	257,684,919
26.	Total liabilities excluding Separate Accounts business (Lines 1 to 25)	36,133,956,603	36,299,459,930
27.	From Separate Accounts Statement	13,668,240	17,777,982
28.	Total liabilities (Lines 26 and 27)	36,147,624,843	36,317,237,912
29.	Common capital stock	2,500,000	2,500,000
30.	Preferred capital stock		
31.	Aggregate write-ins for other than special surplus funds		
32.	Surplus notes		
33.	Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	3,331,395,902	1,926,506,958
34.	Aggregate write-ins for special surplus funds		
35.	Unassigned funds (surplus)	(1,035,510,544)	(324,488,883)
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 $ .... in Separate Accounts Statement)	2,295,885,358	1,602,018,076
38.	Totals of Lines 29, 30 and 37 (Page 4, Line 55)	2,298,385,358	1,604,518,076
39.	Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	38,446,010,201	37,921,755,987
	DETAILS OF WRITE-INS		
2501.	Repurchase agreement liability	728,383,200	
2502.	Derivative collateral liability	182,232,000	194,816,000
2503.	Amount due reinsurers	42,321,917	25,539,205
2598.	Summary of remaining write-ins for Line 25 from overflow page	26,844,758	37,329,714
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	979,781,875	257,684,919
3101.			
3102.			
3103.			
3198.	Summary of remaining write-ins for Line 31 from overflow page		
3199.	Totals (Lines 3101 thru 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 thru 3403 plus 3498)(Line 34 above)		

SUMMARY OF OPERATIONS

		1 Current Year	2 Prior Year
1.	Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	605,040,513	839,575,769
2.	Considerations for supplementary contracts with life contingencies	47,532,350	60,597,275
3.	Net investment income (Exhibit of Net Investment Income, Line 17)	1,175,973,308	1,131,187,300
4.	Amortization of Interest Maintenance Reserve (IMR, Line 5)	14,983,553	61,037,618
5.	Separate Accounts net gain from operations excluding unrealized gains or losses		
6.	Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	148,528,097	375,848,728
7.	Reserve adjustments on reinsurance ceded	405,098,034	1,655,372,766
8.	Miscellaneous Income:		
	8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	445,408	447,755
	8.2 Charges and fees for deposit-type contracts		
	8.3 Aggregate write-ins for miscellaneous income	102,854,450	115,844,345
9.	Total (Lines 1 to 8.3)	2,500,455,713	4,239,911,555
10.	Death benefits	280,387	1,215,761
11.	Matured endowments (excluding guaranteed annual pure endowments)	5,000	
12.	Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	182,674,055	145,975,154
13.	Disability benefits and benefits under accident and health contracts		
14.	Coupons, guaranteed annual pure endowments and similar benefits		
15.	Surrender benefits and withdrawals for life contracts	535,221,465	499,794,814
16.	Group conversions		
17.	Interest and adjustments on contract or deposit-type contract funds	15,871,831	19,959,582
18.	Payments on supplementary contracts with life contingencies	17,916,389	17,613,938
19.	Increase in aggregate reserves for life and accident and health contracts	1,715,449,323	3,126,704,509
20.	Totals (Lines 10 to 19)	2,467,418,450	3,811,263,758
21.	Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	1,885,038	2,313,833
22.	Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	169,406,657	440,433,784
23.	General insurance expenses and fraternal expenses (Exhibit 2, Line 10, Cols. 1, 2, 3, 4 and 6)	25,661,713	26,645,208
24.	Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3 + 5)	2,018,412	543,637
25.	Increase in loading on deferred and uncollected premiums		
26.	Net transfers to or (from) Separate Accounts net of reinsurance	(525,470)	(835,755)
27.	Aggregate write-ins for deductions	89,185,187	169,089,827
28.	Totals (Lines 20 to 27)	2,755,049,988	4,449,454,292
29.	Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 minus Line 28)	(254,594,275)	(209,542,737)
30.	Dividends to policyholders and refunds to members	24,551	28,183
31.	Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 minus Line 30)	(254,618,826)	(209,570,920)
32.	Federal and foreign income taxes incurred (excluding tax on capital gains)	80,895,809	(30,806,232)
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)	(335,514,634)	(178,764,688)
34.	Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $ (5,533,026) (excluding taxes of $ 15,457,210 transferred to the IMR)	315,217,637	108,518,835
35.	Net income (Line 33 plus Line 34)	(20,296,997)	(70,245,853)
	CAPITAL AND SURPLUS ACCOUNT		
36.	Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	1,604,518,076	1,699,905,341
37.	Net income (Line 35)	(20,296,997)	(70,245,853)
38.	Change in net unrealized capital gains (losses) less capital gains tax of $ (106,612,116)	(882,003,928)	(539,951,505)
39.	Change in net unrealized foreign exchange capital gain (loss)	(105,198,596)	(49,409,358)
40.	Change in net deferred income tax	(19,508,467)	52,636,812
41.	Change in nonadmitted assets	(42,657,487)	(95,496,942)
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	291,752,567	51,958,610
45.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1)		
46.	Surplus (contributed to) withdrawn from Separate Accounts during period		
47.	Other changes in surplus in Separate Accounts Statement		
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	1,404,888,944	524,417,529
	51.2 Transferred to capital (Stock Dividend)		
	51.3 Transferred from capital		
	51.4 Change in surplus as a result of reinsurance	66,891,248	30,703,440
52.	Dividends to stockholders		
53.	Aggregate write-ins for gains and losses in surplus		
54.	Net change in capital and surplus for the year (Lines 37 through 53)	693,867,283	(95,387,266)
55.	Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	2,298,385,358	1,604,518,076
	DETAILS OF WRITE-INS		
08.301.	Funds withheld adjustment - assumed	102,789,605	115,195,459
08.302.	Miscellaneous income	64,845	648,885
08.303.			
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page		
08.399.	Totals (Lines 08.301 thru 08.303 plus 08.398)(Line 8.3 above)	102,854,450	115,844,345
2701.	Funds withheld adjustment - ceded	157,168,451	275,604,318
2702.	Transfer to IMR - ceded	(51,247,936)	(94,604,021)
2703.	Reserve adjustments on reinsurance assumed	(20,598,660)	(9,551,183)
2798.	Summary of remaining write-ins for Line 27 from overflow page	3,863,333	(2,359,287)
2799.	Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above)	89,185,187	169,089,827
5301.			
5302.			
5303.			
5398.	Summary of remaining write-ins for Line 53 from overflow page		
5399.	Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above)		

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	652,572,863	900,173,044
2.	Net investment income	1,101,857,561	1,085,077,787
3.	Miscellaneous income	145,347,571	373,029,481
4.	Total (Lines 1 through 3)	1,899,777,995	2,358,280,312
5.	Benefit and loss related payments	(161,625,458)	(760,149,236)
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	(554,432)	(843,823)
7.	Commissions, expenses paid and aggregate write-ins for deductions	202,270,529	470,780,793
8.	Dividends paid to policyholders	26,571	30,819
9.	Federal and foreign income taxes paid (recovered) net of $ 55,808,911 tax on capital gains (losses)	134,619,141	41,853,010
10.	Total (Lines 5 through 9)	174,736,351	(248,328,437)
11.	Net cash from operations (Line 4 minus Line 10)	1,725,041,644	2,606,608,749
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	3,170,215,555	6,105,576,764
	12.2 Stocks	83,087,553	22,748,954
	12.3 Mortgage loans	1,169,170,380	800,204,443
	12.4 Real estate		
	12.5 Other invested assets	2,509,963,119	1,117,780,194
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	4,022,622	(20,583,592)
	12.7 Miscellaneous proceeds	70,903,903	189,165,390
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	7,007,363,132	8,214,892,153
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	4,763,489,226	8,842,742,310
	13.2 Stocks	19,178,032	405,169,620
	13.3 Mortgage loans	1,095,085,835	1,727,644,273
	13.4 Real estate		899,616
	13.5 Other invested assets	1,362,029,833	1,111,436,865
	13.6 Miscellaneous applications	68,368,741	716,312
	13.7 Total investments acquired (Lines 13.1 to 13.6)	7,308,151,667	12,088,608,997
14.	Net increase (decrease) in contract loans and premium notes	276,949	(142,441)
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(301,065,484)	(3,873,574,403)
	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		300,000,000
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	(44,242,264)	75,690,694
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	(1,531,765,701)	339,093,358
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(1,576,007,966)	714,784,052
	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)	(152,031,805)	(552,181,602)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	791,284,624	1,343,466,227
	19.2 End of year (Line 18 plus Line 19.1)	639,252,819	791,284,624

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

20.0001.	Security exchanges and asset in kind trades - bond proceeds (investing)	1,047,544,880	798,668,886
20.0002.	Security exchanges and asset in kind trades - bonds acquired (investing)	(1,047,544,880)	(798,668,886)
20.0003.	Security exchanges and asset in kind trades - other invested asset proceeds (investing)	84,730,324	23,685,108
20.0004.	Security exchanges and asset in kind trades - other invested asset acquired (investing)	(84,730,324)	(23,685,108)
20.0005.	Reinsurance activity settled in assets in kind (operating)	132,024,576	185,754,428
20.0006.	Ceded reinsurance activity settled in bonds (investing)	(132,024,576)	(186,744,428)
20.0007.	Capital contribution of stock compensation expense (financing)	29,594,495	22,202,198
20.0008.	Capital contribution of stock compensation expense (investing)	(23,853,573)	(15,707,346)
20.0009.	Capital contribution of stock compensation expense (operating)	(5,740,922)	(6,494,852)
20.0010.	Capital contribution - non-cash (financing)	1,275,294,449	27,215,331
20.0011.	Capital contribution - non-cash (investing)	(1,275,294,449)	(27,215,331)
20.0012.	Asset transfer bonds to stocks - proceeds (investing)	141,165,696	5,000,000
20.0013.	Asset transfer bonds to stocks - acquired (investing)	(141,165,696)	(5,000,000)

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

20.0014. Asset transfer mortgage to other invested assets - proceeds (investing)	1,002,937	
20.0015. Asset transfer mortgage to other invested assets - acquired (investing)	(1,002,937)	
20.0016. Asset transfer stocks to bonds - proceeds (investing)	21,527,835	
20.0017. Asset transfer stocks to bonds - acquired (investing)	(21,527,835)	
20.0018. Assumed reinsurance activity settled in bonds (investing)		990,000
20.0019. Asset transfer bonds to other invested assets - proceeds (investing)		69,200
20.0020. Asset transfer bonds to other invested assets - acquired (investing)		(69,200)

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of **Athene Annuity & Life Assurance 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 Delaware.

The Department of Insurance of the State of Delaware (the Department) recognizes only statutory accounting practices prescribed or permitted by the State of Delaware for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Delaware 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 Delaware. The Department has the right to permit other specific practices that deviate from prescribed practices.

Effective December 31, 2014, the Company received a permitted practice to use the standard scenario to determine the reserve on its variable annuity policies and thus did not calculate the stochastic scenario reserve as required under Actuarial Guideline 43. The Company does not believe this difference in valuation method has any impact on the calculated reserves. Therefore, the Company's net income and statutory surplus are not affected as a result of this permitted practice.

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

	SSAP #	F/S Page	F/S Line #	2022	2021
Net Income					
(1) State basis (Page 4, Line 35, Columns 1 & 2)	XXX	XXX	XXX	$ (20,296,997)	$ (70,245,853)
(2) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
(3) State permitted practices that are an increase / (decrease) from NAIC SAP:					
Standard scenario on variable annuities	51	3	1		
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	$ (20,296,997)	$ (70,245,853)
Surplus					
(5) State basis (Page 3, Line 38, Columns 1 & 2)	XXX	XXX	XXX	$ 2,298,385,358	$ 1,604,518,076
(6) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
(7) State permitted practices that are an increase / (decrease) from NAIC SAP:					
Standard scenario on variable annuities	51	3	1		
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	$ 2,298,385,358	$ 1,604,518,076

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. Actual results may differ from the estimates used in preparing the financial statements.

C. Accounting Policy

Life and accident and health premiums are recognized as income over the premium paying period of the related polices. Annuity considerations are recognized as revenue when received. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company's Board of Directors. The aggregate amount of policyholders' dividends is related to actual interest, mortality, morbidity, and expense experience for the year and to the appropriate level of statutory surplus to be retained by the Company.

In addition, the Company uses the following accounting policies, as applicable:

(1) Short-term investments are stated at amortized cost.

(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 are stated at market value except that investments in stocks of subsidiaries and affiliates in which the Company has an interest of 10% or more are carried on the equity basis. Federal Home Loan Bank (FHLB) stock is carried at fair value, which is presumed to be par because it can only be redeemed by the bank.

(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.

(5) Mortgage loans on real estate are stated at amortized cost.

(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) The Company carries investments in affiliated common stocks directly and indirectly owned at Statutory (insurance companies) or GAAP (non-insurance companies) net worth plus unamortized goodwill, if applicable, multiplied by the percent of the Company's ownership interest.

Notes to the Financial Statements

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

(8) Investments in joint ventures, partnerships, or limited liability companies are valued at the Company's proportionate share of US GAAP equity of the entity, adjusted for audited results upon receipt. Changes in US GAAP equity are recorded as an unrealized gain or loss in the Company's capital and surplus. These investments are valued based on the timeliness of information received, which ranges from recording timely to a lag of up to three months.

(9) Call option derivative assets that hedge the growth in interest credited to the hedged policy as a direct result of changes in the related indices are recorded at fair value. Derivatives instruments used in hedging transactions that meet the criteria of a highly effective hedge, and are designated in a hedge accounting relationship, are valued and reported in a manner that is consistent with the hedged assets. All other derivatives are carried at fair value.

(10) The Company does not have premium deficiency reserves for the accident and health business

(11) The Company has ceded 100% the liabilities for losses and loss/claim adjustment expenses for accident and health contracts.

(12) The Company has not modified its capitalization policy from the prior period.

(13) The Company does not have any pharmaceutical rebate receivables.

D. Going Concern

Management's assessment of the relevant conditions through February 27, 2023 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 - None

3. Business Combinations and Goodwill - None

4. Discontinued Operations - None

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

(1) The maximum and minimum lending rates for new mortgage loans acquired during 2022 were 11.65% and 2.3%, respectively.

(2) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was 89.38%.

(3) Taxes, assessments and any amounts advanced and not included in mortgage loan total - None

Notes to the Financial Statements

5. Investments (Continued)

(4) Age analysis of mortgage loans and identification of mortgage loans in which the insurer is a participant or co-lender in a mortgage loan agreement

		Residential		Commercial			
	Farm	Insured	All Other	Insured	All Other	Mezzanine	Total
a. Current Year							
1. Recorded Investment (All)							
(a) Current	$	$	$ 1,827,005,501	$	$ 2,352,000,408	$ 340,646,335	$ 4,519,652,243
(b) 30 - 59 days past due			47,408,038		5,701,376		53,109,414
(c) 60 - 89 days past due			11,354,933				11,354,933
(d) 90 - 179 days past due			15,057,934				15,057,934
(e) 180+ days past due			36,880,722				36,880,722
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded investment	$	$	$	$	$	$	$
(b) Interest accrued							
3. Accruing Interest 180+ Days Past Due							
(a) Recorded investment	$	$	$	$	$	$	$
(b) Interest accrued							
4. Interest Reduced							
(a) Recorded investment	$	$	$	$	$	$	$
(b) Number of loans							
(c) Percent reduced	%	%	%	%	%	%	%
5. Participant or Co-lender in a Mortgage Loan Agreement							
(a) Recorded investment	$	$	$	$	$	$	$
b. Prior Year							
1. Recorded Investment							
(a) Current	$	$	$ 1,688,604,543	$	$ 2,590,857,811	$ 354,155,401	$ 4,633,617,755
(b) 30 - 59 days past due			64,109,453		8,687,366		72,796,819
(c) 60 - 89 days past due			27,652,864			10,000,000	37,652,864
(d) 90 - 179 days past due			10,386,644				10,386,644
(e) 180+ days past due			29,867,501				29,867,501
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded investment	$	$	$	$	$	$	$
(b) Interest accrued							
3. Accruing Interest 180+ Days Past Due							
(a) Recorded investment	$	$	$	$	$	$	$
(b) Interest accrued							
4. Interest Reduced							
(a) Recorded investment	$	$	$	$	$	$	$
(b) Number of loans							
(c) Percent reduced	%	%	%	%	%	%	%
5. Participant or Co-lender in a Mortgage Loan Agreement							
(a) Recorded investment	$	$	$	$	$	$	$

(5) Investment in impaired loans with or without allowance for credit losses and impaired loans subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan - None

(6) Investment in impaired loans - average recorded investment, interest income recognized, recorded investment on nonaccrual status and amount of interest income recognized using a cash-basis method of accounting - None

(7) Allowance for credit losses

	2022	2021
a. Balance at beginning of period	$ 36,688,163	$ 19,526,872
b. Additions charged to operations	4,452,458	17,161,291
c. Direct write-downs charged against the allowances		
d. Recoveries of amounts previously charged off		
e. Balance at end of period (a+b-c-d)	$ 41,140,620	$ 36,688,163

Notes to the Financial Statements

5. Investments (Continued)

(8) Mortgage loans derecognized as a result of foreclosure

	2022
a. Aggregate amount of mortgage loans derecognized	$ 37,142,551
b. Real estate collateral recognized	37,142,551
c. Other collateral recognized	
d. Receivables recognized from a government guarantee of the foreclosed mortgage loan	

(9) The company recognizes interest income on impaired loans upon receipt. Cash receipts are applied first to interest and then to principal.

B. Debt Restructuring - None

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) - None

Notes to the Financial Statements

5. Investments (Continued)

(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) CUSIP	(2) Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	(3) Present Value of Projected Cash Flows	(4) Recognized OTTI	(5) Amortized Cost After OTTI	(6) Fair Value at Time of OTTI	(7) Date of Financial Statement Where Reported
12641TAS5	$ 6,611,550	$ 6,465,642	$ 145,908	$ 6,465,642	$ 6,361,021	03/31/2022
41161PVJ9	5,172,738	5,171,535	1,203	5,171,535	1,965,529	03/31/2022
46634FAJ2	723,622	715,326	8,296	715,326	641,750	03/31/2022
59023MAD2	2,933,149	2,929,814	3,334	2,929,814	2,829,037	03/31/2022
86360JAN1	1,367,576	1,179,160	188,416	1,179,160	1,179,160	03/31/2022
1248MBAF2	1,429,678	1,415,436	14,242	1,415,436	1,313,400	06/30/2022
12543WAA6	1,427,832	1,415,094	12,738	1,415,094	1,231,680	06/30/2022
12641TAS5	5,700,292	5,672,653	27,639	5,672,653	5,397,292	06/30/2022
12668BMY6	1,934,315	1,922,212	12,103	1,922,212	1,837,079	06/30/2022
126694NV6	658,011	623,717	34,294	623,717	610,761	06/30/2022
17309VAA1	1,258,381	1,252,677	5,704	1,252,677	1,179,113	06/30/2022
46627MED5	889,021	875,160	13,861	875,160	800,550	06/30/2022
46630RAY7	1,098,430	1,085,276	13,154	1,085,276	990,186	06/30/2022
59020UW27	4,138,335	3,546,276	592,059	3,546,276	3,166,507	06/30/2022
61758VAR8	5,481,427	5,190,457	290,970	5,190,457	4,694,503	06/30/2022
93935HAJ6	2,922,151	2,916,475	5,676	2,916,475	2,772,955	06/30/2022
12641TAS5	5,353,943	5,156,800	197,143	5,156,800	4,758,696	09/30/2022
32053EAA6	532,819	520,382	12,437	520,382	494,433	09/30/2022
61756VAG4	2,348,778	2,347,259	1,519	2,347,259	2,143,184	09/30/2022
126694NV6	569,364	562,069	7,295	562,069	517,692	09/30/2022
251510LF8	412,066	404,913	7,153	404,913	373,733	09/30/2022
362341FN4	1,709,367	1,686,673	22,694	1,686,673	1,475,782	09/30/2022
1248MBAF2	1,345,472	1,331,538	13,934	1,331,538	1,140,437	12/31/2022
00256DAB8	2,714,826	1,340,503	1,374,323	1,340,503	295,151	12/31/2022
05531QAB5	3,227,934	3,198,217	29,717	3,198,217	2,870,605	12/31/2022
05532GAF7	3,123,564	3,091,291	32,273	3,091,291	2,904,058	12/31/2022
05539DBE9	1,786,901	1,782,304	4,597	1,782,304	1,655,678	12/31/2022
05952HAD1	1,562,878	1,539,375	23,503	1,539,375	1,444,432	12/31/2022
07402FAC9	560,198	553,495	6,703	553,495	452,116	12/31/2022
12639MFA8	827,762	791,888	35,874	791,888	700,508	12/31/2022
12645QCN6	2,141,490	2,139,071	2,419	2,139,071	1,948,568	12/31/2022
12668BPY3	1,973,496	1,972,294	1,202	1,972,294	1,777,815	12/31/2022
12669GMU2	1,807,665	1,785,937	21,728	1,785,937	1,765,618	12/31/2022
16162WPZ6	1,978,366	1,969,444	8,922	1,969,444	1,867,674	12/31/2022
36185MEV0	5,016,428	4,973,027	43,401	4,973,027	2,650,480	12/31/2022
36245RAB5	499,012	484,592	14,420	484,592	433,258	12/31/2022
46629CAB3	2,614,154	2,611,852	2,302	2,611,852	2,310,411	12/31/2022
46631JAA6	2,445,111	2,443,693	1,418	2,443,693	1,918,015	12/31/2022
57643LLE4	1,136,821	1,036,943	99,878	1,036,943	1,036,943	12/31/2022
59025GAA9	811,304	805,879	5,425	805,879	730,475	12/31/2022
61756XAG0	5,917,991	5,879,125	38,866	5,879,125	4,973,252	12/31/2022
61763GEQ2	15,858,216	15,746,224	111,992	15,746,224	14,303,745	12/31/2022
74958TAB9	2,127,438	2,051,514	75,924	2,051,514	890,354	12/31/2022
94984NAA0	662,242	648,756	13,486	648,756	574,856	12/31/2022
000367AA0	7,554,640	6,159,016	1,395,624	6,159,016	507,126	12/31/2022
007037AD6	3,396,500	3,334,718	61,782	3,334,718	2,817,215	12/31/2022
058930AD0	2,718,093	2,700,421	17,672	2,700,421	2,414,808	12/31/2022
251510GR8	1,035,784	1,027,174	8,610	1,027,174	1,027,174	12/31/2022
251510LF8	382,311	372,622	9,689	372,622	346,981	12/31/2022
466247YH0	541,273	540,861	412	540,861	454,544	12/31/2022
863579B49	961,434	959,245	2,189	959,245	877,970	12/31/2022
0738794H8	256,704	229,747	26,957	229,747	229,747	12/31/2022
Total			$ 5,103,081			

Notes to the Financial Statements

5. Investments (Continued)

(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 December 31, 2022.

a.	The aggregate amount of unrealized losses:	
	1. Less than 12 months	$ 587,073,208
	2. 12 months or longer	437,960,234
b.	The aggregate related fair value of securities with unrealized losses:	
	1. Less than 12 months	$ 5,978,212,855
	2. 12 months or longer	2,900,654,280

(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)	NO	YES	YES	YES
b. Tri-Party (Yes/No)	NO	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		701,451,300	728,383,200	728,383,200
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		701,451,300	728,383,200	728,383,200

(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 December 31, 2022.

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

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. BACV	XXX	XXX	XXX	$ 888,960,382
2. Nonadmitted - Subset of BACV	XXX	XXX	XXX	$
3. Fair Value	$	$ 722,701,160	$ 722,701,160	$ 709,878,652
b. Ending Balance				
1. BACV	XXX	XXX	XXX	$ 888,960,382
2. Nonadmitted - Subset of BACV	XXX	XXX	XXX	$
3. Fair Value	$	$ 722,701,160	$ 692,658,339	$ 709,878,652

Notes to the Financial Statements

5. Investments (Continued)

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

	Ending Balance	(1) None	(2) NAIC 1	(3) NAIC 2	(4) NAIC 3	(5) NAIC 4	(6) NAIC 5	(7) NAIC 6	(8) Nonadmitted
a.	Bonds - BACV	$	$ 404,216,705	$ 470,244,666	$ 14,499,011	$	$	$	$
b.	Bonds - FV		320,357,882	379,816,428	9,704,342				
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	$	$ 404,216,705	$ 470,244,666	$ 14,499,011	$	$	$	$
q.	Total assets - FV	$	$ 320,357,882	$ 379,816,428	$ 9,704,342	$	$	$	$

(7) Collateral received - secured borrowing

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Cash	$	$ 701,451,300	$ 728,383,200	$ 728,383,200
2. Securities (FV)				
b. Ending Balance				
1. Cash	$	$ 701,451,300	$ 728,383,200	$ 728,383,200
2. Securities (FV)				

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

	Ending Balance	(1) None	(2) NAIC 1	(3) NAIC 2	(4) NAIC 3	(5) NAIC 4	(6) NAIC 5	(7) NAIC 6	(8) Does Not Qualify as Admitted
a.	Cash	$ 728,383,200	$	$	$	$	$	$	$
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)	$ 728,383,200	$	$	$	$	$	$	$

(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	728,383,200

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

	Amortized Cost	Fair Value
a. 30 Days or less	$ 728,383,200	$ 728,383,200
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		

Notes to the Financial Statements

5. Investments (Continued)

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

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Cash (Collateral - All)	$	$ 701,451,300	$ 728,383,200	$ 728,383,200
2. Securities Collateral (FV)				
b. Ending Balance				
1. Cash (Collateral - All)	$	$ 701,451,300	$ 728,383,200	$ 728,383,200
2. Securities Collateral (FV)				

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Repurchase Transaction - Cash Provider - Overview of Secured Borrowing Transactions

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

Included in short-term investments are amounts receivable under reverse repurchase agreements, which involves the purchase of investments from a seller with the agreement that the investments will be repurchased by the seller at a specified price, and at a specified date or within a specified period of time. The investments purchased, which represent collateral on a secured lending arrangement, are not reflected in the Company's balance sheets. Instead, the secured lending arrangement is reflected as a short-term investment for the principal amount loaned under the agreement.

(2) Type of repo trades used

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Bilateral (Yes/No)	YES	YES	YES	YES
b. Tri-Party (Yes/No)	NO	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		25,940,247	25,940,247	25,940,247
7. Over 1 year	25,940,247			
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		25,940,247	25,940,247	25,940,247
7. Over 1 year	25,940,247			

(4) Fair value of securities sold and/or acquired that resulted in default - None

(5) Fair value of securities acquired under repo - secured borrowing

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount	$ 25,940,247	$ 25,940,247	$ 25,940,247	$ 25,940,247
b. Ending Balance	$ 25,940,247	$ 25,940,247	$ 25,940,247	$ 25,940,247

Notes to the Financial Statements

5. Investments (Continued)

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

Ending Balance	(1) None	(2) NAIC 1	(3) NAIC 2	(4) NAIC 3	(5) NAIC 4	(6) NAIC 5	(7) NAIC 6	(8) Does Not Qualify as Admitted
a. Bonds - FV	$	$	$ 25,940,247	$	$	$	$	$
b. LB & SS - FV								
c. Preferred stock - FV								
d. Common stock								
e. Mortgage loans - FV								
f. Real estate - FV								
g. Derivatives - FV								
h. Other invested assets - FV								
i. Total assets - FV (Sum of a through h)	$	$	$ 25,940,247	$	$	$	$	$

(7) Collateral provided - secured borrowing

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Cash	$ 615,740,809	$ 615,740,809	$ 615,740,809	$ 117,630,607
2. Securities (FV)				
3. Securities (BACV)	XXX	XXX	XXX	XXX
4. Nonadmitted Subset (BACV)	XXX	XXX	XXX	XXX
b. Ending Balance				
1. Cash	$ 615,740,809	$ 615,740,809	$ 615,740,809	$ 117,630,607
2. Securities (FV)				
3. Securities (BACV)				
4. Nonadmitted Subset (BACV)				

(8) Allocation of aggregate collateral pledged by remaining contractual maturity - None

(9) Recognized receivable for return of collateral - secured borrowing

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Cash	$	$	$	$
2. Securities (FV)	25,940,247	25,940,247	25,940,247	25,940,247
b. Ending Balance				
1. Cash	$	$	$	$
2. Securities (FV)	25,940,247	25,940,247	25,940,247	25,940,247

(10) Recognized liability to return collateral - secured borrowing (total) - 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 - None

K. Low-Income Housing Tax Credits (LIHTC) - Not Applicable

Notes to the Financial Statements

5. Investments (Continued)

L. Restricted Assets

(1) Restricted assets (including pledged)

	Gross (Admitted & Nonadmitted) Restricted										
	Current Year							Current Year			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Separate Account (S/A) Activity	Total S/A Restricted Assets	S/A Assets Supporting G/A Activity	Total (1 + 3)	Total From Prior Year	Increase / (Decrease) (5 - 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5-8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets, %	Admitted Restricted to Total Admitted Assets, %
a. Subject to contractual obligation for which liability is not shown	$ —	$	$	$	$ —	$	$ —	$	$ —	— %	— %
b. Collateral held under security lending agreements	—				—		—		—	—	—
c. Subject to repurchase agreements	888,960,382				888,960,382		888,960,382		888,960,382	2.303	2.312
d. Subject to reverse repurchase agreements	25,940,247				25,940,247		25,940,247		25,940,247	0.067	0.067
e. Subject to dollar repurchase agreements	—				—		—		—	—	—
f. Subject to dollar reverse repurchase agreements	—				—		—		—	—	—
g. Placed under option contracts	—				—		—		—	—	—
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	—				—		—		—	—	—
i. FHLB capital stock	23,600,000				23,600,000	24,800,000	(1,200,000)		23,600,000	0.061	0.061
j. On deposit with states	6,191,045				6,191,045	7,052,798	(861,753)		6,191,045	0.016	0.016
k. On deposit with other regulatory bodies											
l. Pledged as collateral to FHLB (including assets backing funding agreements)	461,651,668				461,651,668	586,878,941	(125,227,273)		461,651,668	1.196	1.201
m. Pledged as collateral not captured in other categories	9,573,296,236				9,573,296,236	7,117,480,981	2,455,815,255		9,573,296,236	24.796	24.901
n. Other restricted assets	9,805,315				9,805,315	9,769,759	35,556		9,805,315	0.025	0.026
o. Total restricted assets (Sum of a through n)	$ 10,989,444,893	$	$	$	$ 10,989,444,893	$ 7,745,982,479	$ 3,243,462,414	$	$ 10,989,444,893	28.464 %	28.584 %

(2) Detail of assets pledged as collateral not captured in other categories (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate)

	Gross (Admitted & Nonadmitted) Restricted								Percentage	
	Current Year									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Description of Assets	Total General Account (G/A)	G/A Supporting Separate Account (S/A) Activity	Total S/A Restricted Assets	S/A Assets Supporting G/A Activity	Total (1 + 3)	Total From Prior Year	Increase/ (Decrease) (5 - 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets, %	Admitted Restricted to Total Admitted Assets, %
Secured Funding Agreements	$ 528,011,867	$	$	$	$ 528,011,867	$ 520,694,142	$ 7,317,725	$ 528,011,867	1.368 %	1.373 %
Reinsurance Trust	8,996,536,640				8,996,536,640	6,587,189,384	2,409,347,256	8,996,536,640	23.302	23.400
Derivative Collateral	48,747,729				48,747,729	9,597,455	39,150,274	48,747,729	0.126	0.127
Total	$ 9,573,296,236	$	$	$	$ 9,573,296,236	$ 7,117,480,981	$ 2,455,815,255	$ 9,573,296,236	24.796 %	24.901 %

Notes to the Financial Statements

5. Investments (Continued)

(3) Detail of other restricted assets (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate)

	Gross (Admitted & Nonadmitted) Restricted								Percentage	
	Current Year									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Description of Assets	Total General Account (G/A)	G/A Supporting Separate Account (S/A) Activity	Total S/A Restricted Assets	S/A Assets Supporting G/A Activity	Total (1 + 3)	Total From Prior Year	Increase/ (Decrease) (5 - 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets, %	Admitted Restricted to Total Admitted Assets, %
New York Tax Sharing Agreement Escrow	$ 9,805,315	$	$	$	$ 9,805,315	$ 9,769,759	$ 35,556	$ 9,805,315	0.025 %	0.026 %
Total	$ 9,805,315	$	$	$	$ 9,805,315	$ 9,769,759	$ 35,556	$ 9,805,315	0.025 %	0.026 %

(4) Collateral received and reflected as assets within the reporting entity's financial statements

	(1)	(2)	(3)	(4)
Collateral Assets	Book/Adjusted Carrying Value (BACV)	Fair Value	% of BACV to Total Assets (Admitted and Nonadmitted)	% of BACV to Total Admitted Assets
General Account:				
a. Cash, cash equivalents and short-term investments	$ 182,232,000	$ 182,232,000	0.472 %	0.474 %
b. Schedule D, Part 1				
c. Schedule D, Part 2, Section 1				
d. Schedule D, Part 2, Section 2				
e. Schedule B				
f. Schedule A				
g. Schedule BA, Part 1				
h. Schedule DL, Part 1				
i. Other				
j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)	$ 182,232,000	$ 182,232,000	0.472 %	0.474 %
Separate Account:				
k. Cash, cash equivalents and short-term investments	$	$	%	%
l. Schedule D, Part 1				
m. Schedule D, Part 2, Section 1				
n. Schedule D, Part 2, Section 2				
o. Schedule B				
p. Schedule A				
q. Schedule BA, Part 1				
r. Schedule DL, Part 1				
s. Other				
t. Total Collateral Assets (k+l+m+n+o+p+q+r+s)	$	$	%	%

	(1)	(2)
	Amount	% of Liability to Total Liabilities
u. Recognized Obligation to Return Collateral Asset (General Account)	$ 182,232,000	0.504 %
v. Recognized Obligation to Return Collateral Asset (Separate Account)	$	%

M. Working Capital Finance Investments - None

N. Offsetting and Netting of Assets and Liabilities - None

O. 5GI Securities

	Number of 5GI Securities		Aggregate BACV		Aggregate Fair Value	
Investment	2022	2021	2022	2021	2022	2021
(1) Bonds - amortized cost	20	–	$ 24,539,201	$ –	$ 13,188,085	$ –
(2) LB & SS - amortized cost						
(3) Preferred stock - amortized cost						
(4) Preferred stock - fair value						
(5) Total (1+2+3+4)	20	–	$ 24,539,201	$ –	$ 13,188,085	$ –

P. Short Sales - None

Q. Prepayment Penalty and Acceleration Fees

	General Account	Separate Account
(1) Number of CUSIPs	41	
(2) Aggregate amount of investment income	$ 1,034,107	$

Notes to the Financial Statements

5. Investments (Continued)

R. Reporting Entity's Share of Cash Pool by Asset type - None

6. Joint Ventures, Partnerships and Limited Liability Companies

A. Investments in Joint Ventures, Partnerships or Limited Liability Companies that Exceed 10% of Admitted Assets - None

B. Impaired Investments in Joint Ventures, Partnerships and Limited Liability Companies

The Company recognized other-than-temporary impairments of $17.5 million and $0.2 million as of December 31, 2022 and 2021, respectively on partnerships and limited liability companies included in schedule BA. The impairments were based on an assessment that future cash flows of affected limited partnerships would be less than the cost basis of the limited partnership. Fair value is determined by statements received from the partnerships and limited liability companies.

7. Investment Income

A. Due and Accrued Income Excluded from Surplus

All investment income due and accrued with amounts over 90 days past due, with the exception of mortgage loans in default, was nonadmitted.

B. Total Amount Excluded

The total amount excluded was $0.6 million and $2.3 million as of December 31, 2022 and 2021, respectively.

8. Derivative Instruments

A. Derivatives under SSAP No. 86 - Derivatives

(1) The Company utilizes derivative instruments which may include the following:

Options: The Company has issued fixed indexed products. These contracts credit interest based on certain indices, primarily the Standard & Poor’s 500® Composite Stock Price Index. Over-the-counter (OTC) option contracts, call options and call spreads are purchased to hedge the growth in interest credited to the customer as a direct result of increases in the related indices. Upon exercise, the Company will receive the fair value of the call option. The parties with whom the Company enters into OTC option contracts are highly rated financial institutions where contracts are supported by collateral, which minimizes the credit risk associated with such contracts.

Swaptions: A swaption is an option to enter into a swap with a forward starting effective date. The Company uses swaptions to hedge the interest rate exposure associated with the minimum crediting rate. Increases in interest rates will generate losses on assets that are backing liabilities. In certain instances, the Company locks in the economic impact of existing purchased swaptions by entering into offsetting written swaptions. The Company pays a premium when it purchases the swaption. The Company utilizes these contracts in non-qualifying hedging relationships.

Interest Rate Swaps: The Company uses interest rate swaps to reduce market risks from changes in interest rates and to alter interest rate exposure arising from mismatches between assets and liabilities. Under interest rate swaps, the Company agrees with other parties to exchange, at specified intervals, the difference between fixed-rate and floating-rate interest amounts calculated by reference to an agreed notional principal amount. Generally, no cash is exchanged at the outset of the contract and neither party makes principal payments.

The interest rate swaps that qualify for hedge accounting in accordance SSAP No. 86, *Derivatives*, and are designated in a hedge accounting relationship, are recorded in a manner consistent with the hedged asset or liability. Qualifying interest rate swaps hedging liabilities, are carried at amortized cost. Cash which is exchanged as the difference between fixed and floating interest rates is recognized in the statements of operations through investment income. If the contract is terminated prior to maturity, a realized gain or loss is reported in the statements of operations for the amount of cash exchanged in order to close the contract.

Futures: Under exchange-traded futures contracts, the Company agrees to purchase a specified number of contracts with other parties and to post variation margin on a daily basis in an amount equal to the difference in the daily fair values of those contracts. Futures contracts are purchased to hedge the growth in interest credited to the customer as a direct result of increases in the related indices. The clearing brokers with whom the Company enters into exchange-traded futures are regulated futures commission merchants who are members of a trading exchange.

Futures are recorded at fair value of margin on deposit with the clearing broker and changes in this margin on deposit are recognized in the summary of operations through realized gain or loss.

Currency Swaps: The Company has certain foreign currency swaps to reduce the risk from fluctuations in foreign currency exchange rates associated with its assets denominated in foreign currencies. With a foreign currency swap transaction, the Company agrees with another party to exchange, at specified intervals, the difference between one currency and another at a forward exchange rate calculated by reference to an agreed upon principal amount. The principal amount of each currency is exchanged at the inception and termination of the currency swap by each party.

The currency swaps that qualify for hedge accounting in accordance with SSAP No. 86, *Derivatives*, and are designated in a hedge accounting relationship, are recorded in a manner consistent with the hedged asset or liability. The change in the value of the hedged item due to fluctuations in foreign exchange rates is recorded as unrealized capital gains or losses until the time of sale. As such, the qualifying currency swap also records the change in value associated with fluctuations in foreign currency exchange rates in unrealized capital gains and losses.

Forwards: The Company uses foreign exchange forward contracts to hedge certain invested assets against movement in foreign currency. Certain forwards are designated and accounted for as cash flow hedges. The price is agreed upon at the time of the contract and payment for such a contract is made at a specified future date. Foreign exchange forward contracts are utilized in non-qualifying hedging relationships.

Total Return Swaps: The Company purchases total return swaps to gain exposure and benefit from a reference asset without actually having to own it. Total return swaps are contracts in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of the underlying asset, which includes both the income it generates and any capital gains.

See Note 1 for further explanation of the accounting policy for derivatives.

(2) See part (1) above.

(3) See part (1) above.

Notes to the Financial Statements

8. Derivative Instruments (Continued)

(4) There were no derivative contracts with financing premiums.

(5) There were no gains or losses recognized in unrealized gains or losses during the reporting period representing the component of the derivative's instrument's gain or loss excluded from the assessment of hedge effectiveness.

(6) There were no net gains or losses recognized in unrealized gains or losses during the reporting period resulting from derivatives that no longer qualify for hedge accounting.

(7) There are no derivatives accounted for as cash flow hedges of a forecasted transaction.

(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

In August 2022, the US government enacted legislation commonly known as the Inflation Reduction Act of 2022 (Act). The Act imposes a corporate alternative minimum tax (CAMT) on certain large corporations based on adjusted financial statement income. The CAMT goes into effect for tax years beginning after December 31, 2022. It is unclear how the US Department of Treasury will implement the CAMT through regulation.

The controlled group of corporations of which the reporting entity is a member has not determined as of the reporting date whether they will be liable for CAMT in 2023. The 2022 financial statements do not include an estimated impact of the CAMT, because a reasonable estimate cannot be made.

A. Components of the Net Deferred Tax Asset/(Liability)

(1) Change between years by tax character

	2022			2021			Change		
	(1) Ordinary	(2) Capital	(3) Total (Col 1+2)	(4) Ordinary	(5) Capital	(6) Total (Col 4+5)	(7) Ordinary (Col 1-4)	(8) Capital (Col 2-5)	(9) Total (Col 7+8)
(a) Gross deferred tax assets	$ 321,228,423	$ 15,206	$ 321,243,629	$ 244,747,270	$ 15,206	$ 244,762,476	$ 76,481,153	$ —	$ 76,481,153
(b) Statutory valuation allowance adjustments									
(c) Adjusted gross deferred tax assets (1a - 1b)	321,228,423	15,206	321,243,629	244,747,270	15,206	244,762,476	76,481,153	—	76,481,153
(d) Deferred tax assets nonadmitted	159,377,350		159,377,350	97,556,946		97,556,946	61,820,404		61,820,404
(e) Subtotal net admitted deferred tax asset (1c - 1d)	$ 161,851,073	$ 15,206	$ 161,866,279	$ 147,190,324	$ 15,206	$ 147,205,530	$ 14,660,749	$ —	$ 14,660,749
(f) Deferred tax liabilities	15,441,656	72,779,295	88,220,951	92,171,874	6,671,573	98,843,447	(76,730,218)	66,107,722	(10,622,496)
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	$ 146,409,417	$ (72,764,089)	$ 73,645,328	$ 55,018,450	$ (6,656,367)	$ 48,362,083	$ 91,390,967	$ (66,107,722)	$ 25,283,245

(2) Admission calculation components SSAP No. 101

	2022			2021			Change		
	(1) Ordinary	(2) Capital	(3) Total (Col 1+2)	(4) Ordinary	(5) Capital	(6) Total (Col 4+5)	(7) Ordinary (Col 1-4)	(8) Capital (Col 2-5)	(9) Total (Col 7+8)
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	$	$	$	$	$	$	$	$	$
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation (lesser of 2(b)1 and 2(b)2 below)	73,645,328		73,645,328	48,362,083		48,362,083	25,283,245		25,283,245
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	73,645,328		73,645,328	48,362,083		48,362,083	25,283,245		25,283,245
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	318,711,004	XXX	XXX	233,423,399	XXX	XXX	85,287,605
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	88,205,745	15,206	88,220,951	98,828,241	15,206	98,843,447	(10,622,496)	—	(10,622,496)
(d) Deferred tax assets admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$ 161,851,073	$ 15,206	$ 161,866,279	$ 147,190,324	$ 15,206	$ 147,205,530	$ 14,660,749	$ —	$ 14,660,749

(3) Ratio used as basis of admissibility

	2022	2021
(a) Ratio percentage used to determine recovery period and threshold limitation amount	760.446 %	742.358 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	$ 4,021,749,689	$ 2,955,037,365

Notes to the Financial Statements

9. Income Taxes (Continued)

(4) Impact of tax-planning strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage

	2022		2021		Change	
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	Ordinary	Capital	Ordinary (Col. 1-3)	Capital (Col. 2-4)
1. Adjusted gross DTAs amount from Note 9A1(c)	$ 321,228,423	$ 15,206	$ 244,747,270	$ 15,206	$ 76,481,153	$ —
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	— %	— %	— %	— %	— %	— %
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	$ 161,851,073	$ 15,206	$ 147,190,324	$ 15,206	$ 14,660,749	$ —
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	— %	— %	— %	— %	— %	— %

(b) Use of reinsurance-related tax-planning strategies

Does the company's tax-planning strategies include the use of reinsurance? NO

B. Regarding Deferred Tax Liabilities That Are Not Recognized

As of December 31, 2022 and 2021, no unrecognized DTLs exist.

No unrecognized DTL exists for temporary differences related to investments in foreign subsidiaries or foreign corporate joint ventures that are essentially permanent in duration.

C. Major Components of Current Income Taxes Incurred

Current income taxes incurred consist of the following major components:	(1) 2022	(2) 2021	(3) Change (1-2)
1. Current Income Tax			
(a) Federal	$ 80,895,809	$ (30,806,232)	$ 111,702,041
(b) Foreign			
(c) Subtotal (1a+1b)	$ 80,895,809	$ (30,806,232)	$ 111,702,041
(d) Federal income tax on net capital gains	9,924,184	112,020,700	(102,096,516)
(e) Utilization of capital loss carry-forwards			
(f) Other			
(g) Federal and foreign income taxes incurred (1c+1d+1e+1f)	$ 90,819,993	$ 81,214,468	$ 9,605,525

Notes to the Financial Statements

9. Income Taxes (Continued)

	(1) 2022	(2) 2021	(3) Change (1-2)
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses	$	$	$
(2) Unearned premium reserve			
(3) Policyholder reserves	186,342,607	165,647,279	20,695,328
(4) Investments	69,609,888	11,866,135	57,743,753
(5) Deferred acquisition costs	46,137,730	40,566,206	5,571,524
(6) Policyholder dividends accrual	6,065	6,489	(424)
(7) Fixed assets			
(8) Compensation and benefits accrual			
(9) Pension accrual			
(10) Receivables - nonadmitted		13,352	(13,352)
(11) Net operating loss carry-forward			
(12) Tax credit carry-forward			
(13) Other	19,132,133	26,647,809	(7,515,676)
(99) Subtotal (sum of 2a1 through 2a13)	$ 321,228,423	$ 244,747,270	$ 76,481,153
(b) Statutory valuation allowance adjustment			
(c) Nonadmitted	159,377,350	97,556,946	61,820,404
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	$ 161,851,073	$ 147,190,324	$ 14,660,749
(e) Capital			
(1) Investments	$ 15,206	$ 15,206	$ —
(2) Net capital loss carry-forward			
(3) Real estate			
(4) Other			
(99) Subtotal (2e1+2e2+2e3+2e4)	$ 15,206	$ 15,206	$ —
(f) Statutory valuation allowance adjustment			
(g) Nonadmitted			
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	15,206	15,206	—
(i) Admitted deferred tax assets (2d + 2h)	$ 161,866,279	$ 147,205,530	$ 14,660,749

	(1) 2022	(2) 2021	(3) Change (1-2)
3. Deferred Tax Liabilities			
(a) Ordinary			
(1) Investments	$ 33,193	$ 68,323,296	$ (68,290,103)
(2) Fixed assets			
(3) Deferred and uncollected premium			
(4) Policyholder reserves	15,408,463	21,100,393	(5,691,930)
(5) Other		2,748,185	(2,748,185)
(99) Subtotal (3a1+3a2+3a3+3a4+3a5)	$ 15,441,656	$ 92,171,874	$ (76,730,218)
(b) Capital			
(1) Investments	$ 72,779,295	$ 6,671,573	$ 66,107,722
(2) Real estate			
(3) Other			
(99) Subtotal (3b1+3b2+3b3)	$ 72,779,295	$ 6,671,573	$ 66,107,722
(c) Deferred tax liabilities (3a99 + 3b99)	$ 88,220,951	$ 98,843,447	$ (10,622,496)
4. Net deferred tax assets/liabilities (2i - 3c)	$ 73,645,328	$ 48,362,083	$ 25,283,245

The change in net deferred taxes is comprised of the following (this analysis is exclusive of the tax effect of unrealized capital gains (losses) as the deferred taxes on unrealized gains (losses) are reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	2022	2021	Change
Adjusted gross deferred tax assets	$ 321,243,629	$ 244,762,476	$ 76,481,153
Total deferred tax liabilities	(88,220,951)	(98,843,447)	10,622,496
Net deferred tax assets (liabilities)	$ 233,022,678	$ 145,919,029	$ 87,103,649
Tax effect of unrealized gains (losses)			(106,612,116)
Change in net deferred income tax			$ (19,508,467)

D. Among the More Significant Book to Tax Adjustments

The provision for Federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. Among the more significant book to tax adjustments were the following:

Notes to the Financial Statements

9. Income Taxes (Continued)

	2022	Effective Tax Rate
Provision computed at statutory rate	$ 11,563,815	21.000 %
Permanent differences		
IMR	2,311,231	4.197
Nontaxable Income	(496,546)	-0.902
Nondeductible expenses	6,538	0.012
Non-admitted assets	4,024,213	7.308
Affiliated expenses	199,923	0.363
Reinsurance adjustment A-791	(761,445)	-1.383
Unrealized gain (loss) - options	(14,932,390)	-27.117
Unrealized gain (loss) ceded	107,142,481	194.572
Specific reserves in surplus	(935,016)	-1.698
Prior year true-up and adjustments	2,205,656	4.005
Total	$ 110,328,460	200.358 %

	2022	Effective Tax Rate
Federal and foreign income tax incurred	$ 80,895,809	146.908 %
Realized capital gains (losses) tax	9,924,184	18.022
Change in net deferred income taxes	19,508,467	35.428
Total statutory income taxes	$ 110,328,460	200.358 %

E. Operating Loss and Tax Credit Carryforwards

(1) The Company has no tax attributes to carry forward at December 31, 2022.

(2) Income tax expense available for recoupment

	Total
2020	$ —
2021	79,146,165
2022	22,155,134

(3) There are no aggregate amount of deposits reported as admitted assets under Section 6603 of the Internal Revenue Code as of December 31, 2022 and 2021.

F. Consolidated Federal Income Tax Return

The Company is included in a consolidated federal income tax return with an affiliated company, Athene USA Corporation. The Company has a written agreement approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidation. Allocation of tax benefits is based on separate returns. Losses are paid at the time they can be used in the consolidated return or on a separate return basis. Intercompany tax balances are settled quarterly.

Under the tax sharing agreement, any tax period of the affiliated group must be calculated in accordance with NY Circular Letter 1979-33. The tax charge to each New York insurer under the agreement shall not be more than it would have paid if it had filed on a separate return basis. As a result, for any tax attributes a New York insurer can use on a separate return basis not currently utilized by the consolidated group, the future tax benefit of those tax attributes are transferred to the Company until such time they can be utilized by the consolidated group.

The following entities are included in the consolidated return:

Athene USA Corporation
Athene Annuity and Life Company
Athene Annuity & Life Assurance Company
Athene Annuity & Life Assurance Company of New York
Athene Annuity Re Ltd.
Athene Assignment Corporation
Athene Life Insurance Company of New York
Athene London Assignment Corporation
Athene Re USA IV, Inc.
Centralife Annuities Services, Inc
P.L. Assigned Services
Structured Annuity Reinsurance Company

G. Federal or Foreign Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total tax liability will significantly increase within 12 months of the reporting date.

H. Repatriation Transition Tax (RTT) - None

I. Alternative Minimum Tax (AMT) Credit - None

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

A.

The Company's various affiliated relationships, agreements and transactions are discussed within Notes 10A through 10F and the 2021 affiliated transactions are disclosed in Schedule Y, part 2. Investments in affiliated entities are disclosed in the investment schedules.

Notes to the Financial Statements

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

The Company cedes a quota share on multiple treaties of annuity and funding agreement business to Athene Annuity Re Ltd. (AARe), a Bermuda-domiciled affiliate. The Company also assumes a quota share of annuity business from its direct subsidiary Athene Annuity and Life Company (AAIA), indirect subsidiaries Athene Annuity & Life Assurance Company of New York (AANY) and Structured Annuity Reinsurance Company and from an affiliated entity, Venerable Insurance and Annuity Company (VIAC). See disclosures in Schedule S and Schedule Y, part 2.

At December 31, 2022, all outstanding shares of the Company were owned by Athene Annuity Re Ltd. (AARe). AARe is an indirect wholly owned subsidary of Athene Holding Ltd. (AHL), a Bermuda exempted company. On January 1, 2022 (the Merger Effective Date), the merger transaction pursuant to the Agreement and Plan of Merger, dated as of March 8, 2021 (the Merger Agreement), by and among AHL, Apollo Global Management Inc. (formerly known as Tango Holdings, Inc.), Apollo Asset Management, Inc. (AAM, formerly known as Apollo Global Management, Inc.), Blue Merger Sub, Ltd. (AHL Merger Sub), and Green Merger Sub, Inc. (AAM Merger Sub) was completed. Effective as of 1:00 a.m. Eastern Time on the Merger Effective Date, AAM Merger Sub merged with and into AAM (the AAM Merger), with AAM continuing as a direct subsidiary of AGM. Effective as of 1:01 a.m. Eastern Time on the Merger Effective Date, AHL Merger Sub merged with and into AHL (the AHL Merger and, together with the AAM Merger, the Mergers), with AHL continuing as a direct subsidiary of AGM. As a result of the Mergers, AAM and AHL became direct subsidiaries of AGM.

Some employees of Athene Employee Services LLC and Athene Annuity and Life Company (AAIA) participate in one or more Share Award Agreements (the Agreements) sponsored by AHL, for which the Company has no legal obligation. Salary expense of Athene Employee Services LLC and AAIA is allocated to the Company 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 $29.6 million and $22.2 million in 2022 and 2021, respectively, which includes amounts contributed by the Company to downstream insurance subsidiaries.

During February 2022, the Company received a $175.3 million capital contribution from its parent and paid a $175.3 million capital contribution to its wholly owned subsidiary, AAIA. The capital contribution was accrued at December 31, 2021 as a $175.0 million receivable from parent with a corresponding increase in gross paid-in and contributed surplus. The contribution to AAIA was accrued at December 31, 2021 as a $175.0 million payable to subsidiary with a corresponding increase to investment in affiliated common stock. In accordance with SSAP No. 72 *Surplus and Quasi-Reorganizations*, capital contributions receivable that are satisfied with the receipt of cash or marketable securities prior to the filing of the annual statement shall be treated as a Type I subsequent event and considered an admitted asset based on evidence of collection and approval of the domiciliary commissioner.

During 2022, the Company received $1,275 million of capital contributions from its parent, AARe, and the Company made $1,275 million of capital contributions to its wholly owned subsidiary, AAIA.

During February 2023, the Company received a $100 million capital contribution from its parent and paid a $100 million capital contribution to its wholly owned subsidiary, AAIA. The capital contribution was accrued at December 31, 2022 as a $100 million receivable from parent with a corresponding increase in gross paid-in and contributed surplus. The contribution to AAIA was accrued at December 31, 2022 as a $100 million payable to subsidiary with a corresponding increase to investment in affiliated common stock. In accordance with SSAP No. 72 *Surplus and Quasi-Reorganizations*, capital contributions receivable that are satisfied with the receipt of cash or marketable securities prior to the filing of the annual statement shall be treated as a Type I subsequent event and considered an admitted asset based on evidence of collection and approval of the domiciliary commissioner.

B. See part A above.

C. Transactions With Related Party Who Are Not Reported on Schedule Y

There are no related party transactions greater than ½ of 1% of total admitted assets individually or in the aggregate that require further disclosure.

D. As of December 31, 2022 and 2021, the Company reported $101.1 million and $175.8 million, respectively, receivable due from affiliates and $108.7 million and $184.1 million, respectively, payable due to affiliates. All intercompany balances shown as payable to or receivable from parent, subsidiaries and affiliates are settled within 45 days of their incurrence under the terms of the intercompany expense sharing agreements.

E. The Company is party to an investment management agreement with affiliate Apollo Insurance Solutions Group, LP (ISG), under which ISG agrees to provide asset management services in exchange for management fees. The Company pays ISG 30 basis points per annum on the Company's managed assets. The Company incurred expense on its general account assets of $84.5 million and $89.9 million in 2022 and 2021, respectively, under the agreement with ISG.

The Company participates in a Shared Services and Cost Sharing Agreement with certain other affiliated companies pursuant to which each party thereto agreed to provide certain financial, legal and other services to the other parties. The Company incurred related expenses under these agreements totaling $14.2 million and $15.4 million in 2022 and 2021, respectively.

F. Guarantees or Contingencies - None

G. The operating results and financial position of the Company as reported in these financial statements would not be significantly different from those that would have been obtained if the Company were autonomous.

H. Amount Deducted for Investment in Upstream Company - None

I. The Company does not hold an investment in a subsidiary, controlled or affiliated company (SCA) that exceeds 10% of admitted assets.

J. The Company did not recognize any impairment write downs for its investment in SCAs during the statement period.

K. The Company does not hold an investment in a foreign insurance subsidiary.

L. The Company does not hold an investment in a downstream noninsurance holding company.

Notes to the Financial Statements

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

M. All SCA Investments

(1) Balance sheet value (admitted and nonadmitted) all SCAs (except 8b(i) entities)

	SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a.	SSAP No. 97 8a Entities				
	Total SSAP No. 97 8a Entities	XXX	$	$	$
b.	SSAP No. 97 8b(ii) Entities				
	Total SSAP No. 97 8b(ii) Entities	XXX	$	$	$
c.	SSAP No. 97 8b(iii) Entities				
	P.L. Assigned Services, Inc.	100.000 %	$ 38,245	$	$ 38,245
	Total SSAP No. 97 8b(iii) Entities	XXX	$ 38,245	$	$ 38,245
d.	SSAP No. 97 8b(iv) Entities				
	Total SSAP No. 97 8b(iv) Entities	XXX	$	$	$
e.	Total SSAP No. 97 8b Entities (except 8b(i) entities) (b+c+d)	XXX	$ 38,245	$	$ 38,245
f.	Aggregate Total (a+e)	XXX	$ 38,245	$	$ 38,245

(2) NAIC filing response information

	SCA Entity	Type of NAIC Filing*	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received (Yes/No)	NAIC Disallowed Entities Valuation Method, Resubmission Required (Yes/No)	Code**
a.	SSAP No. 97 8a Entities						
	Total SSAP No. 97 8a Entities			$			
b.	SSAP No. 97 8b(ii) Entities						
	Total SSAP No. 97 8b(ii) Entities			$			
c.	SSAP No. 97 8b(iii) Entities						
	P.L. Assigned Services, Inc	S2	08/31/2020	$ –	YES	NO	I
	Total SSAP No. 97 8b(iii) Entities			$ –			
d.	SSAP No. 97 8b(iv) Entities						
	Total SSAP No. 97 8b(iv) Entities			$			
e.	Total SSAP No. 97 8b Entities (except 8b(i) entities) (b+c+d)			$ –			
f.	Aggregate Total (a+e)			$ –			

* S1 - Sub-1, S2 - Sub-2 or RDF - Resubmission of Disallowed Filing

** I - Immaterial or M - Material

As an audit is not conducted for P.L. Assigned Services, Inc. the investment is fully nonadmitted on the Company's balance sheet.

N. Investment in Insurance SCAs

The Company owns all of the outstanding capital stock of AAIA, a life insurance company domiciled in the State of Iowa. AAIA in turn owns all of the outstanding capital stock of Athene Re USA IV, Inc. (Athene Re IV), a special purpose financial captive life insurance company domiciled in the State of Vermont.

(1) In 2006, the Commissioner of the Iowa Insurance Division, Department of Commerce, of the State of Iowa (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. AAIA has elected to apply Bulletin 06-01 to its futures, variance swaps and total return swaps. Under NAIC SAP, changes in fair value of such derivative instruments would be recorded directly to surplus. Application of Bulletin 06-01 does not impact AAIA's statutory surplus.

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. AAIA has elected to apply IAC Section 191-97 to its over the counter (OTC) call options and reserve liabilities. Under NAIC SAP, derivative call options would be carried at fair value with changes in fair value recorded directly to surplus and the reserves would change in relation to the movements in fair value of the derivative call options with changes recorded through income.

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. AAIA has elected to use the Annuity 2000 Mortality Table for annuities issued between January 1, 2015 and December 31, 2015.

Athene Re IV, with the explicit permission of the Commissioner of the Vermont Department of Financial Regulation of the State of Vermont, has included as an admitted asset the value of a letter of credit serving as collateral for reinsurance credit taken by AAIA in connection with reinsurance agreements entered into between Athene Re IV and AAIA. Under NAIC SAP, the letter of credit would not otherwise be treated as an admitted asset.

Notes to the Financial Statements

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

(2) The monetary effect on net income and surplus

The monetary effect on net income and surplus as a result of using an accounting practice that differed from NAIC Statutory Accounting Practices and Procedures (NAIC SAP), the amount of the investment in the insurance SCA per audited statutory equity and amount of the investment if the insurance SCA had completed statutory financial statements in accordance with the AP&P Manual is as follows:

	Monetary Effect on NAIC SAP		Amount of Investment	
SCA Entity (Investments in Insurance SCA Entities)	Net Income Increase (Decrease)	Surplus Increase (Decrease)	Per Audited Statutory Equity	If the Insurance SCA had Completed Statutory Financial Statements*
Athene Annuity and Life Company	$(308,172,674)	$68,937,034	$2,067,261,385	$1,998,324,351
Athene Re USA IV, Inc.		111,940,868	43,499,407	

* Per AP&P Manual (without permitted or prescribed practices)

As of the issue date of this report, the 2022 statutory audits of Athene Annuity and Life Company and Athene Re IV have not been completed.

(3) If AAIA was not allowed to apply Bulletin 06-01, IAC 191-97, and IAC 43.3 (5), its risk-based capital would still have been in excess of regulatory requirements. If Athene Re IV had not been permitted to include the letter of credit in surplus, its risk-based capital would have been below Mandatory Control Level.

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 Delaware Department of Insurance. 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 was drawn under the Promissory Note by the Company during the year ended December 31, 2022, and as such, no interest expense has been incurred by the Company during the year ended December 31, 2022.

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 October 2021, the Company borrowed $80.0 million with an interest rate of 0.3% under the FHLB short-term arrangement. The borrowing was repaid during December 2021. The Company did not have any outstanding borrowings as of December 31, 2022 or December 31, 2021. The Company incurred no interest expense on short-term borrowings for the twelve months ended December 31, 2022, and less than $0.1 million for the year ended ended December 31, 2021.

The Company has issued funding agreements to the FHLB of Des Moines in exchange for cash resulting in a liability of $328 million as of December 31, 2022. 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.

(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	13,600,000	13,600,000	
(d) Excess stock			
(e) Aggregate total (a+b+c+d)	$ 23,600,000	$ 23,600,000	$
(f) Actual or estimated borrowing capacity as determined by the insurer	$ 400,000,000		
2. Prior Year-End			
(a) Membership stock - Class A	$	$	$
(b) Membership stock - Class B	10,000,000	10,000,000	
(c) Activity stock	14,800,000	14,800,000	
(d) Excess stock			
(e) Aggregate total (a+b+c+d)	$ 24,800,000	$ 24,800,000	$
(f) Actual or estimated borrowing capacity as determined by the insurer	$ 500,000,000		

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)
11B(2)a2(f) should be equal to or greater than 11B(4)a2(d)

Notes to the Financial Statements

11. Debt (Continued)

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

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

11B(2)b1 Current Year Total (Column 1) should equal 11B(2)a1(a) Total (Column 1)
11B(2)b2 Current Year Total (Column 1) should equal 11B(2)a1(b) Total (Column 1)

(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)	$ 415,948,153	$ 461,651,668	$ 340,000,000
2. Current year general account total collateral pledged	415,948,153	461,651,668	340,000,000
3. Current year separate accounts total collateral pledged			
4. Prior year-end total general and separate accounts total collateral pledged	587,138,320	586,878,941	370,000,000

(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)	$ 463,016,110	$ 485,138,422	$ 390,000,000
2. Current year general account maximum collateral pledged	463,016,110	485,138,422	390,000,000
3. Current year separate accounts maximum collateral pledged			
4. Prior year-end total general and separate accounts maximum collateral pledged	587,138,320	586,878,941	370,000,000

(4) Borrowing from FHLB

(a) Amount as of the reporting date

	(1) Total (2+3)	(2) General Account	(3) Separate Accounts	(4) Funding Agreements Reserves Established
1. Current Year				
(a) Debt	$	$	$	XXX
(b) Funding agreements	340,000,000	340,000,000		$ 328,018,244
(c) Other				XXX
(d) Aggregate total (a+b+c)	$ 340,000,000	$ 340,000,000	$	$ 328,018,244
2. Prior Year-end				
(a) Debt	$	$	$	XXX
(b) Funding agreements	370,000,000	370,000,000		$ 355,041,450
(c) Other				XXX
(d) Aggregate total (a+b+c)	$ 370,000,000	$ 370,000,000	$	$ 355,041,450

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

	(1) Total (2+3)	(2) General Account	(3) Separate Accounts
1. Debt	$	$	$
2. Funding agreements	390,000,000	390,000,000	
3. Other			
4. Aggregate total (Lines 1+2+3)	$ 390,000,000	$ 390,000,000	$

Notes to the Financial Statements

11. Debt (Continued)

(c) FHLB - Prepayment obligations

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

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans - None

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

A. At December 31, 2022, the Company has authorized and issued 5,000 shares of $500 par common stock which are outstanding and owned by AUSA.

B. Dividend Rate of Preferred Stock - None

C. Delaware insurance law states that the maximum dividend payment over a 12-month period may not, without prior approval from the Insurance Commissioner, be paid from a source other than earned surplus or exceed the greater of the prior year's net statutory gain from operations or 10% of policyholders' surplus.

In 2012, Athene Holding Ltd. (AHL), the Company's indirect parent, entered into a Net Worth Maintenance Agreement to provide capital support to the Company such that AHL is obligated to maintain the Company's capital and surplus in an amount sufficient to maintain the Company's Total Adjusted Capital to be at least 200% of Company Action Level Risk Based Capital as those terms are defined in the insurance laws of Delaware as of October 1, 2012. The agreement also provides that the Company will not pay any dividends if such dividends would cause the Company Action Level Risk Based Capital ratio to fall below 200% unless approved by the Delaware Department of Insurance.

D. No dividends were paid by the Company during 2022 or 2021.

E. Within the limitations presented in item C above, based on December 31, 2022 results, the maximum dividend that may be paid without prior approval in 2023 is $0.

F. The unassigned surplus is held for the benefit of the Company's shareholder.

G. Surplus Advances - None

H. Stock Held for Special Purposes - None

I. Changes in Special Surplus Funds - None

J. Unassigned Funds (Surplus)

The portion of the unassigned funds (surplus) represented or reduced by unrealized gains and (losses), net of capital gains tax is ($882.0) million at December 31, 2022

K. Company-Issued Surplus Debentures or Similar Obligations - None

L. Impact of Any Restatement Due to Prior Quasi-Reorganizations - None

M. Effective Date(s) of Quasi-Reorganizations in the Prior 10 Years - None

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

Effective January 30, 2020, the Company entered into a Capital Maintenance Agreement to provide capital support to its wholly-owned subsidiary Athene Annuity and Life Company (AAIA), in an amount sufficient to satisfy the insurance laws of the State of New Jersey, in order to obtain authority for AAIA to issue registered index-linked annuities in New Jersey. The agreement will remain in effect for ten years. Given the current capital level of AAIA, the likelihood of payment by the Company under the terms of this agreement is remote. No liability has been recognized as the guarantee is for a wholly owned subsidiary. No payments have been made by the Company.

As of December 31, 2022, the Company has unfunded commitments to invest in SCA entities, joint ventures, partnerships or limited liability companies of $28 million.

As of December 31, 2022, the Company has unfunded commitments to invest in certain bonds and mortgage loans of $1,379.0 million.

(2) Nature and circumstances of guarantee

(1) Nature and Circumstances of Guarantee and Key Attributes	(2) Liability Recognition of Guarantee	(3) Ultimate Financial Statement Impact if Action Under the Guarantee is Required	(4) Maximum Potential Amount of Future Payments (Undiscounted) the Guarantor Could be Required to Make Under the Guarantee	(5) Current Status of Payment or Performance Risk of Guarantees
Guarantee of minimum capital levels for AAIA (a) (b)	$	Common Stocks (Page 2, Line 2.2)	$	No payments required since inception
Total	$		$	

(a) Liability recognition is not required as guarantee is made to or on behalf of wholly owned insurance subsidiary
(b) No limitation on the maximum potential future payments under the guarantee

Notes to the Financial Statements

14. Liabilities, Contingencies and Assessments (Continued)

(3) Aggregate compilation of guarantee obligations

No liability has been recognized by the Company as the guarantees are for a wholly owned insurance subsidiary. There is no limit on the maximum potential future payments under these guarantees.

B. Assessments

(1) Based on the 2022 National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) Report, the Company has identified insolvencies. The Company fulfilled premium-based guaranty funds assessments of $0.1 million during the current period. It is expected that the identified insolvencies will result in retrospective premium-based guaranty fund assessments against the Company. During 2022, future estimated costs to be assessed against the Company from identified insolvencies from the NOLHGA Report were increased by less than $0.1 million, which has been charged to operations in the current period and the liability increased.

(2) Assets (Liabilities) recognized from paid and accrued premium tax offsets and policy surcharges

a.	Assets recognized from paid and accrued premium tax offsets and policy surcharges, prior year-end	$ 299,455
b.	Decreases current year:	
	Paid premium tax offset applied	$ 90,139
c.	Increases current year:	
	Change in accrued premium tax offset	$ 128,547
d.	Assets recognized from paid and accrued premium tax offsets and policy surcharges, current year-end	$ 337,863

(3) Guaranty fund liabilities and assets related to long-term care insolvencies - None

C. Gain Contingencies - None

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

E. Joint and Several Liabilities - None

F. All Other Contingencies

Corporate-owned Life Insurance (COLI) Matter - In 2000 and 2001, two insurance companies which were subsequently merged into AAIA, purchased broad based variable COLI policies from American General Life Insurance Company (American General). In January 2012, the COLI policy administrator delivered to AAIA 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, AAIA 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 the 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 was 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 proceeded 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 were to have been deemed effective, the purported changes to the policies could have impaired AAIA's ability to access the value of guarantees associated with the policies. The parties engaged in discovery as well as discussions concerning whether the matter could be resolved without further litigation, and, at the request of the parties, on August 11, 2021, the court entered an Amended Scheduling Order setting the trial date for June 2023. On December 27, 2021, the parties agreed in principle to a settlement, pursuant to which we will be able to surrender the policies at any time and receive proceeds within six months. During the year ended December 31, 2021, we recorded an impairment of the COLI asset of $52.6 million, and an adjustment to deferred tax liabilities of $46.9 million, to reflect the terms of the settlement. The Superior Court formally dismissed the matter on December 28, 2022. AAIA surrendered the policies effective December 30, 2022.

Fiduciary or Best Interest 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.

In 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 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 heightened requirements for broker-dealers and investment advisers apply to recommendations and sales of variable and other registered insurance and annuity products. The Company believes the Regulation and the interpretations of the Regulation may impact the distribution of 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 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. On February 13, 2020, the SAT was amended 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 consumer 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, may impact 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 amended SAT that includes a best interest standard. On July 22, 2018, separate and apart from the NAIC, the NYDFS issued amendments to its SAT regulation to incorporate a "best interest" standard with respect to the suitability of life insurance and annuity sales. The amendments made by NYDFS are currently the subject of litigation. Other states, including California, could also adopt a "best interest" or other standard separate from the NAIC's SAT. Future changes in such laws and regulations, including those that impose a "best interest" standard, may impact the way the Company and its subsidiaries market and sell annuity products.

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 to reinstate the pre-2016 regulatory definition of fiduciary advice on December 15, 2020. In the preamble to Prohibited Transaction Exemption (PTE) 2020-02, however, the DOL announced a new interpretation of parts of the regulation that 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 or from an IRA to another IRA. For this purpose, "IRA" includes individual retirement annuities. This guidance reverses an earlier DOL interpretation suggesting that rollover advice by someone who was not already a fiduciary to a plan did not constitute investment advice giving rise to a fiduciary relationship. In connection with the broadened application of the fiduciary definition, the DOL's PTE 2020-02 allows 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, a participant in the ERISA Plan, or an IRA owner. The DOL has indicated they intend to issue further guidance or regulations with regards to these types of annuity sales. The Company and its subsidiaries continue to monitor the situation and will be reviewing whatever is issued 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 other 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

1. Face Amount of the Company's Financial Instruments with Off-Balance-Sheet Risk

The table below summarizes the face amount of the Company's financial instruments with off-balance-sheet risk:

	Assets		Liabilities	
	2022	2021	2022	2021
a. Swaps	$ 873,703,533	$ 1,585,873,722	$ 2,266,120,374	$ 1,577,017,397
b. Futures	737	849		
c. Options	3,392,870,097	3,767,585,610	1,639,355	2,319,998
d. Total (a+b+c)	$ 4,266,574,367	$ 5,353,460,181	$ 2,267,759,730	$ 1,579,337,395

2. The Company's futures, swaps, options, and forwards have off-balance sheet risk. See Note 8 for information regarding the Company's derivative instruments.

3. The Company is exposed to credit-related losses in the event of nonperformance by counterparties on derivative instruments. The Company does not anticipate non-performance by any of these counterparties. Purchasing instruments from financial institutions with high credit ratings minimizes the credit risk associated with such instruments. The amount of exposure is represented by the fair value (market value) at the reporting date less any posted collateral. Collateral support documents are negotiated to further reduce this exposure where deemed necessary. Exchange-traded derivatives are affected through a regulated exchange and positions are marked to market daily.

4. The counterparty may be required to post collateral for any derivative contracts that are entered. The amount of collateral that is required is determined by the market value and credit threshold of the counterparty.

   The current credit exposure of the Company's derivative contracts is limited to the fair value at the reporting date less collateral held. Credit risk is managed by entering into transactions with creditworthy counterparties and obtaining collateral where appropriate and customary. The Company also attempts to minimize its exposure to credit risk through the use of various credit monitoring techniques. 100% of the net credit exposure for the Company from derivative contracts is with investment-grade counterparties.

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

Notes to the Financial Statements

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: Corporates	$	$ 3,215,207	$ 512,400	$	$ 3,727,607
	Bonds: RMBS		442,032	2,704,589		3,146,621
	Preferred stocks	10,160,400	260,172,701	13,200,000		283,533,101
	Common stocks	–	23,600,000	–		23,600,000
	Derivative assets: Currency Swaps	–	9,978,329	–		9,978,329
	Derivative assets: Interest Rate	97,178	–	–		97,178
	Derivative assets: Options		33,677,553			33,677,553
	Derivative assets: Futures	1,555,922	–			1,555,922
	Derivative assets: FX Forwards	–	122,104,168			122,104,168
	Separate account assets: Variable products		13,668,240			13,668,240
	Total assets at fair value/NAV	$ 11,813,500	$ 466,858,230	$ 16,416,989	$	$ 495,088,719
b.	Liabilities at fair value					
	Derivative liabilities: Currency Swaps	$	$ 76,790,051	$	$	$ 76,790,051
	Derivative liabilities: Options		64,808			64,808
	Derivative liabilities: FX Forwards		39,456,908			39,456,908
	Separate account liabilities: Variable products		13,727,752			13,727,752
	Total liabilities at fair value	$	$ 130,039,519	$	$	$ 130,039,519

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

Description	Beginning balance as of 01/01/2022	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 at 12/31/2022
a. Assets										
Bonds: Corporates	$ –	$ 512,400	$ –	$ 28,364	$ (28,364)	$ –	$ –	$ –	$ –	$ 512,400
Bonds: RMBS	3,225,939	–	–	(19,508)	(106,865)	–	–	–	(394,977)	2,704,589
Preferred stocks	51,141,438	15,003,750	(5,246,894)	–	(775,001)	–	–	(44,839,761)	(2,083,532)	13,200,000
Common stocks	71,130	–	–	138	(70,263)	–	–	(1,005)	–	–
Total assets	$ 54,438,507	$ 15,516,150	$ (5,246,894)	$ 8,994	$ (980,493)	$ –	$ –	$ (44,840,766)	$ (2,478,509)	$ 16,416,989
b. Liabilities										
Total liabilities	$	$	$	$	$	$	$	$	$	$

Transfers into and out of Level 3 represent securities 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. Transfers into and out of Level 3 may occur due to changes in valuation sources, or changes in the availability of market observable inputs.

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

(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.

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

Notes to the Financial Statements

20. Fair Value Measurements (Continued)

(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	$ 21,258,624,911	$ 23,978,263,314	$ 19,701,143	$ 18,206,988,783	$ 3,031,934,985	$	$
Assets - Preferred stocks	283,533,101	283,533,101	10,160,400	260,172,701	13,200,000		
Assets - Common stock	23,600,000	23,600,000	—	23,600,000	—		
Assets - Mortgage loans - first liens	4,023,477,672	4,295,408,912	—	—	4,023,477,672		
Assets - Mortgage loans - other than first liens	324,420,873	340,646,335	—	—	324,420,873		
Assets - Cash and short-term investments	640,079,052	639,252,819	447,820,158	166,318,647	25,940,247		
Assets - Policy loans	2,258,361	2,258,361		2,258,361			
Assets - Derivative assets	257,743,978	223,005,162	(24,482,524)	282,226,502	—		
Assets - Derivative collateral assets	48,747,729	48,747,729	48,747,729	—	—		
Assets - Other invested assets	994,449,554	1,001,094,554	—	60,115,578	180,642,508	753,691,468	
Assets - Separate account: variable products	13,668,240	13,668,240		13,668,240			
Liabilities - Repurchase agreements	728,383,200	728,383,200	—	728,383,200			
Liabilities - Derivative liabilities	119,608,184	140,647,832	—	119,608,184	—		
Liabilities - Derivative and other collateral	182,232,000	182,232,000	182,232,000	—	—		
Liabilities - Deposit type contracts	422,736,880	408,687,229			422,736,880		

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 is 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.

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, credit 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 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 separate account assets accrue directly to the policyowners and are not included in the Company's revenues and expenses or surplus.

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

Deposit-type contracts – Deposit-type contracts are classified as Level 3 include single premium immediate annuities (SPIA), supplemental contracts, and group pension contracts. Fair value of SPIA, supplemental contracts, and group pension are calculated by discounting best estimate cash flows based on market interest rate assumptions.

D. Not Practicable to Estimate Fair Value - None

Notes to the Financial Statements

20. Fair Value Measurements (Continued)

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 net asset value (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 December 31, 2022, the Company has $106.1 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 - None

D. Business Interruption Insurance Recoveries - None

E. State Transferable and Non-Transferable Tax Credits

(1) Carrying value of transferable and non-transferable state tax credits gross of any related tax liabilities and total unused transferable and non-transferable state tax credits by state and in total

Description of State Transferable and Non-transferable Tax Credits	State	Carrying Value	Unused Amount
Guaranty Fund Assessment Credits	Various	$ 337,863	$ 337,863
Total		$ 337,863	$ 337,863

(2) Method of estimating utilization of remaining transferable and non-transferable state tax credits

The Company estimates the utilization of the remaining transferable and non-transferable state tax credits by projecting future premium taking into account policy growth and rate changes, projecting future tax liability based on projected premium, tax rates and tax credits, and comparing projected future tax liability to the availability of remaining tax credits.

(3) Impairment loss - None

(4) State tax credits admitted and nonadmitted

	Total Admitted	Total Nonadmitted
a. Transferable	$	$
b. Non-transferable	$ 337,863	$

F. Subprime-Mortgage-Related Risk Exposure

(1) The Company engages in direct lending to the subprime markets. The Company's exposure to subprime risk is primarily limited to whole mortgage loans and investments within the fixed maturity investment portfolio in the form of securities collateralized by mortgages that have characteristics of subprime lending.

The Company generally defines subprime whole mortgage loans as borrowers with impaired credit history and lower FICO scores. In 2022 and 2021, the Company invested in residential whole loans which consisted of borrowers with lower FICO scores. The price paid for the residential loans factored in the consideration of the borrower's ability to repay along with the overall credit profile of the loan. The Company will continue to monitor the performance of the subprime residential mortgage loans along with performance expectations.

The Company's portfolio also contains residential mortgage backed securities that include subprime mortgage exposure. The risk of such defaults is generally higher in the case of subprime mortgages. The acquisition value of these residential mortgage backed securities factored in the consideration of that default risk. Quarterly, we monitor and evaluate the undiscounted expected future cash flows associated with these residential mortgage backed securities based on updates to key assumptions.

(2) Direct exposure through investments in subprime mortgage loans

	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Value of Land and Buildings	Other-Than-Temporary Impairment Losses Recognized	Default Rate
a. Mortgages in the process of foreclosure	$ 8,406,526	$ 8,505,652	$ 19,901,700	$	%
b. Mortgages in good standing	137,040,012	118,696,573	331,744,003		
c. Mortgages with restructured terms					
d. Total (a+b+c)	$ 145,446,538	$ 127,202,225	$ 351,645,703	$	XXX

Notes to the Financial Statements

21. Other Items (Continued)

(3) Direct exposure through other investments

	Actual Cost	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	$ 68,493,088	$ 72,173,321	$ 73,367,177	$ 28,177
b. Commercial mortgage-backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investment in SCAs				
f. Other assets				
g. Total (a+b+c+d+e+f)	$ 68,493,088	$ 72,173,321	$ 73,367,177	$ 28,177

* These investments comprise 0% of the company's invested assets.

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage - None

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 - None

22. Events Subsequent

Subsequent events have been considered through February 27, 2023 for the statutory statement dated December 31, 2022.

23. Reinsurance

Gains on cession of in-force blocks of business are to be accounted for in accordance with Appendix A-791 of the NAIC Accounting Practices and Procedures Manual which requires that any increase in surplus (net of federal income tax) resulting from reinsurance agreements entered into or amended which involve the reinsurance of business issued prior to the effective date of the agreements shall be identified separately as a surplus item by the ceding company. Subsequent recognition of the surplus increase as income shall be reflected on a net of tax basis as earnings emerge from the business reinsured. As a result of the historical cession of business to Protective, the Company previously recorded a deferred gain at inception through surplus. Based on the emergence of earnings from the reinsured business in 2022 and 2021, $3.6 million and $3.9 million, respectively, was amortized into income.

The Company entered into a coinsurance agreement on January 1, 2018 with AAIA, pursuant to which it assumes from AAIA a 50% quota share of certain annuity business issued between January 1, 2018 and December 31, 2021. The Company has recognized a reserve of $12,916.8 million as of December 31, 2022 for this block. Effective January 1, 2022 AAIA recaptured the payout annuities ceded to the Company under this reinsurance agreement. Coinsurance reserves for the payout annuities recaptured by AAIA were $135.4 million as of January 1, 2022.

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes ( ) No (X)

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?

Yes ( ) No (X)

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes (X) No ( )

a If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. $

b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? $ 130,237

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( ) No (X)

Notes to the Financial Statements

23. Reinsurance (Continued)

Section 3 – Ceded Reinsurance Report – Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. $

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes ( ) No (X)

B. Uncollectible Reinsurance - None

C. Commutation of Reinsurance Reflected in Income and Expenses - None

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - None

E. Reinsurance of Variable Annuity Contracts with an Affiliated Captive Reinsurer - None

F. Reinsurance Agreement with an Affiliated Captive Reinsurer - None

G. Ceding Entities That Utilize Captive Reinsurers to Assume Reserves Subject to the XXX/AXXX Captive Framework - None

H. Reinsurance Credit - None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate - Not Applicable

B. Method Used to Record - Not Applicable

C. Amount and Percent of Net Retrospective Premiums - Not Applicable

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act - Not Applicable

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 - Not Applicable

(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 - Not Applicable

(4) Roll-forward of risk corridors asset and liability balances by program benefit year - Not Applicable

(5) ACA risk corridors receivable as of reporting date - Not Applicable

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

As of December 31, 2022 and 2021, less than 1% of life policies were participating. The method of accounting for policyholder dividends is based upon dividends credited annually to policyholders on their policy anniversary date plus the change from the prior period on one year's projected dividend liability on policies in force at the statement date. Source data is produced from the Company's policy administration system. The amount of dividend expense incurred was less than $0.1 million for the years ended December 31, 2022 and December 31, 2021. There was no additional income allocated to participating policyholders.

30. Premium Deficiency Reserves - None

31. Reserves for Life Contracts and Annuity Contracts

1. The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium for the period beyond the date of death. Reserves for these benefits are included in Exhibit 5, Life Insurance. Reserve for surrender values in excess of reserves, if any, as legally computed are reported in Exhibit 5, Life Reserves.

2. Extra premiums are charged according to underwriting classifications. For Debit-Ordinary substandard policies, reserves are calculated using the same interest rate as for standard policies but using multiples of standard rates of mortality. For regular Ordinary substandard policies, reserves are calculated by computing the regular reserve for the plan and adding one-half of the extra premium charge for the year to that reserve.

3. As of December 31, 2022, the Company had $675.7 million of insurance in force for which the gross premiums are less than the net premiums according to the standard of valuation set by the State of Delaware. Reserves to cover the above shortfall in premium totaled $6.5 million at December 31, 2022, are calculated annually, and were included in reserves on Page 3, Line 1 (Exhibit 5, Miscellaneous Reserves).

4. The tabular interest at December 31, 2022, (Page 7, Line 4), tabular less actual reserve released (Page 7, Line 5) and tabular cost (Page 7, Line 9) have been determined by formula as described in the NAIC instructions for Page 7.

5. The tabular interest on Deposit-type Contracts is the amount actually credited or accrued to the funds during the year.

Notes to the Financial Statements

31. Reserves for Life Contracts and Annuity Contracts (Continued)

6. Details for Other Changes

The significant changes in reserves shown on the Other Increases (net) line on Page 7, Line 7, and the significant changes in the Other net change in reserves line on Exhibit 7, Line 4 as of December 31, 2022 are as follows:

			Ordinary			Credit Life	Group	
Item	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Group and Individual	Life Insurance	Annuities
Exhibit 7 - Funding agreement Day 1 Discounted Cash Flow Gain	$ (21,983,118)	$	$	$ (21,983,118)	$	$	$	$
Exhibit 7 - Funding agreement foreign currency translation adjustment	(100,159,126)			(100,159,126)				
Total	$ (122,142,244)	$	$	$ (122,142,244)	$	$	$	$

32. Analysis of Annuity Actuarial Reserves and Deposit Type Contract Liabilities by Withdrawal Characteristics

A. Individual Annuities

		General Account	Separate Account With Guarantees	Separate Account Nonguaranteed	Total	Percent of Total
(1)	Subject to discretionary withdrawal					
a.	With market value adjustment	$ 18,085,856,791	$	$	$ 18,085,856,791	69.411 %
b.	At book value less current surrender charge of 5% or more	1,811,777,637			1,811,777,637	6.953
c.	At fair value		3,485,232		3,485,232	0.013
d.	Total with market value adjustment or at fair value (total of a through c)	19,897,634,428	3,485,232		19,901,119,660	76.378
e.	At book value without adjustment (minimal or no charge or adjustment)	5,331,963,360			5,331,963,360	20.463
(2)	Not subject to discretionary withdrawal	823,111,275			823,111,275	3.159
(3)	Total (gross: direct + assumed)	$ 26,052,709,063	$ 3,485,232	$	$ 26,056,194,295	100.000 %
(4)	Reinsurance ceded	5,874,482			5,874,482	
(5)	Total (net) (3 - 4)	$ 26,046,834,581	$ 3,485,232	$	$ 26,050,319,813	
(6)	Amount included in A(1)b above that will move to A(1)e for the first time within the year after the statement date:	$ 108,487,247	$	$	$ 108,487,247	

B. Group Annuities

		General Account	Separate Account With Guarantees	Separate Account Nonguaranteed	Total	Percent of Total
(1)	Subject to discretionary withdrawal					
a.	With market value adjustment	$ 31,837,142	$	$	$ 31,837,142	31.305 %
b.	At book value less current surrender charge of 5% or more	4,328			4,328	0.004
c.	At fair value					
d.	Total with market value adjustment or at fair value (total of a through c)	31,841,470			31,841,470	31.310
e.	At book value without adjustment (minimal or no charge or adjustment)	10,104,822			10,104,822	9.936
(2)	Not subject to discretionary withdrawal	59,752,582			59,752,582	58.754
(3)	Total (gross: direct + assumed)	$ 101,698,874	$	$	$ 101,698,874	100.000 %
(4)	Reinsurance ceded	1,932,131			1,932,131	
(5)	Total (net) (3 - 4)	$ 99,766,743	$	$	$ 99,766,743	
(6)	Amount included in B(1)b above that will move to B(1)e for the first time within the year after the statement date:	$	$	$	$	

Notes to the Financial Statements

32. Analysis of Annuity Actuarial Reserves and Deposit Type Contract Liabilities by Withdrawal Characteristics (Continued)

C. Deposit-Type Contracts (no life contingencies)

			General Account	Separate Account With Guarantees	Separate Account Nonguaranteed	Total	Percent of Total
(1)	Subject to discretionary withdrawal						
	a.	With market value adjustment	$	$	$	$	%
	b.	At book value less current surrender charge of 5% or more					
	c.	At fair value					
	d.	Total with market value adjustment or at fair value (total of a through c)					
	e.	At book value without adjustment (minimal or no charge or adjustment)	13,239,557			13,239,557	0.208
(2)	Not subject to discretionary withdrawal		6,353,785,317			6,353,785,317	99.792
(3)	Total (gross: direct + assumed)		$ 6,367,024,874	$	$	$ 6,367,024,874	100.000 %
(4)	Reinsurance ceded		5,958,337,646			5,958,337,646	
(5)	Total (net) (3 - 4)		$ 408,687,228	$	$	$ 408,687,228	
(6)	Amount included in C(1)b above that will move to C(1)e for the first time within the year after the statement date:		$	$	$	$	

D. Reconciliation of Total Annuity Actuarial Reserves and Deposit Fund Liabilities Amounts

		Amount
Life & Accident & Health Annual Statement		
(1)	Exhibit 5, Annuities Section, Total (net)	$ 25,838,547,025
(2)	Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	308,054,301
(3)	Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	408,687,228
(4)	Subtotal (1+2+3)	$ 26,555,288,554
Separate Accounts Annual Statement		
(5)	Exhibit 3, Line 0299999, Column 2	3,485,232
(6)	Exhibit 3, Line 0399999, Column 2	
(7)	Policyholder dividend and coupon accumulations	
(8)	Policyholder premiums	
(9)	Guaranteed interest contracts	
(10)	Other contract deposit funds	
(11)	Subtotal (5+6+7+8+9+10)	$ 3,485,232
(12)	Combined Total (4+11)	$ 26,558,773,786

33. Analysis of Life Actuarial Reserves by Withdrawal Characteristics

A. General Account

			Account Value	Cash Value	Reserve
(1)	Subject to discretionary withdrawal, surrender values or policy loans:				
	a.	Term Policies with Cash Value	$	$ 1,365,103	$ 1,869,216
	b.	Universal Life	543,609,466	553,046,451	572,276,786
	c.	Universal Life with Secondary Guarantees	–	–	–
	d.	Indexed Universal Life	1,091,241	1,041,051	1,091,241
	e.	Indexed Universal Life with Secondary Guarantees	–	–	–
	f.	Indexed Life	–	–	–
	g.	Other Permanent Cash Value Life Insurance	1,080,245	643,188,209	714,243,977
	h.	Variable Life	–	–	–
	i.	Variable Universal Life	1,380,710	1,380,710	1,380,710
	j.	Miscellaneous Reserves			13,338
(2)	Not subject to discretionary withdrawal or no cash values				
	a.	Term Policies without Cash Value	XXX	XXX	148,095,575
	b.	Accidental Death Benefits	XXX	XXX	3,189,256
	c.	Disability – Active Lives	XXX	XXX	4,851,967
	d.	Disability – Disabled Lives	XXX	XXX	9,008,201
	e.	Miscellaneous Reserves	XXX	XXX	6,619,764
(3)	Total (gross: direct + assumed)		547,161,662	1,200,021,524	1,462,640,031
(4)	Reinsurance Ceded		544,891,000	1,197,750,862	1,460,172,163
(5)	Total (net) (3) - (4)		$ 2,270,662	$ 2,270,662	$ 2,467,868

B. Separate Account with Guarantees - None

Notes to the Financial Statements

33. Analysis of Life Actuarial Reserves by Withdrawal Characteristics (Continued)

C. Separate Account Nonguaranteed

		Account Value	Cash Value	Reserve
(1)	Subject to discretionary withdrawal, surrender values or policy loans:			
a.	Term Policies with Cash Value	$	$	$
b.	Universal Life			
c.	Universal Life with Secondary Guarantees			
d.	Indexed Universal Life			
e.	Indexed Universal Life with Secondary Guarantees			
f.	Indexed Life			
g.	Other Permanent Cash Value Life Insurance			
h.	Variable Life			
i.	Variable Universal Life	10,279,848	10,279,848	10,242,520
j.	Miscellaneous Reserves			
(2)	Not subject to discretionary withdrawal or no cash values			
a.	Term Policies without Cash Value	XXX	XXX	
b.	Accidental Death Benefits	XXX	XXX	
c.	Disability – Active Lives	XXX	XXX	
d.	Disability – Disabled Lives	XXX	XXX	
e.	Miscellaneous Reserves	XXX	XXX	
(3)	Total (gross: direct + assumed)	10,279,848	10,279,848	10,242,520
(4)	Reinsurance Ceded			
(5)	Total (net) (3) - (4)	$ 10,279,848	$ 10,279,848	$ 10,242,520

D. Reconciliation of Total Life Insurance Reserves

		Amount
	Life & Accident & Health Annual Statement:	
1.	Exhibit 5, Life Insurance Section, Total (net)	$ 2,467,869
2.	Exhibit 5, Accidental Death Benefits Section, Total (net)	
3.	Exhibit 5, Disability – Active Lives Section, Total (net)	
4.	Exhibit 5, Disability – Disabled Lives Section, Total (net)	
5.	Exhibit 5, Miscellaneous Reserves Section, Total (net)	
6.	Subtotal (1+2+3+4+5)	$ 2,467,869
	Separate Accounts Annual Statement:	
7.	Exhibit 3, Line 0199999, Column 2	10,242,520
8.	Exhibit 3, Line 0499999, Column 2	
9.	Exhibit 3, Line 0599999, Column 2	
10.	Subtotal (7+8+9)	$ 10,242,520
11.	Combined Total (6+10)	$ 12,710,389

34. Premiums and Annuity Considerations Deferred and Uncollected - None

35. Separate Accounts

A. Separate Account Activity

(1) The Company utilizes separate accounts to record and account for assets and liabilities from the variable universal life and variable annuity product lines.

(2) Separate account assets legally insulated from the general account claims

In accordance with the products recorded within the separate account, all assets are considered legally insulated from the general account claims. The assets legally insulated from the general account as of December 31, 2022 are attributed to the following products:

Product/Transaction	Legally Insulated Assets	Separate Account Assets (Not Legally Insulated)
Variable Universal Life Insurance	$ 10,242,516	$
Variable Annuities	3,425,724	
Total	$ 13,668,240	$

(3) Separate account products that have guarantees backed by the general account

The Company currently has two products that guarantee a minimum death benefit. The Company's general account has not paid towards the separate account guarantees for the past five years. The separate account has not paid risk charges for the past five years.

(4) There are no securities lending transactions in the separate account.

B. General Nature and Characteristics of Separate Accounts Business

Separate accounts are utilized to record and account for two lines of business - Variable Annuities and Variable Universal Life.

Notes to the Financial Statements

35. Separate Accounts (Continued)

The Company previously sold variable annuity and variable universal life products with a non-guaranteed return. The Company stopped marketing these products at the beginning of 2009. The net investment experience of these separate accounts is credited directly to the policyholder and can be positive or negative. The assets and liabilities of these accounts are carried at fair market value. This business is included in non-guaranteed separate accounts in the following table.

Information regarding the Separate Accounts of the Company is as follows. All amounts are for separate accounts as of or for the year ended December 31, 2022.

	Indexed	Nonindexed Guarantee Less than/equal to 4%	Nonindexed Guarantee More than 4%	Nonguaranteed Separate Accounts	Total
(1) Premiums, considerations or deposits for period ending 12/31/2022	$	$	$	$ 333,001	$ 333,001
(2) Reserves at 12/31/2022 for accounts with assets at:					
a. Fair value		3,485,232		10,242,520	13,727,752
b. Amortized cost					
c. Total reserves (a+b)	$	$ 3,485,232	$	$ 10,242,520	$ 13,727,752
(3) By withdrawal characteristics:					
a. Subject to discretionary withdrawal:					
1. With market value adjustment	$	$	$	$	$
2. At book value without market value adjustment and with current surrender charge of 5% or more					
3. At fair value		3,485,232		10,242,520	13,727,752
4. At book value without market value adjustment and with current surrender charge less than 5%					
5. Subtotal (1+2+3+4)	$	$ 3,485,232	$	$ 10,242,520	$ 13,727,752
b. Not subject to discretionary withdrawal					
c. Total (a+b)	$	$ 3,485,232	$	$ 10,242,520	$ 13,727,752
(4) Reserves for asset default risk in lieu of AVR	$	$	$	$	$

C. Reconciliation of Net Transfers To or (From) Separate Accounts

(1) Transfers as reported in the Summary of Operations of the Separate Accounts Statement

a. Transfers to Separate Accounts (Page 4, Line 1.4)	$ 333,001
b. Transfers from Separate Accounts (Page 4, Line 10)	858,471
c. Net transfers to or (from) Separate Accounts (a - b)	$ (525,470)

(2) Reconciling adjustments - None

(3) Transfers as reported in the Summary of Operations of the Life, Accident & Health Annual Statement

(1c + 2) = (Page 4, Line 26)	$ (525,470)

36. Loss/Claim Adjustment Expenses - None