

EXAMINATION REPORT
OF
GAINBRIDGE LIFE INSURANCE COMPANY
AS OF
DECEMBER 31, 2023

TRINIDAD NAVARRO
COMMISSIONER



STATE OF DELAWARE
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION
OF
GAINBRIDGE LIFE INSURANCE COMPANY
AS OF
DECEMBER 31, 2023

The above-captioned report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the company as reflected in the report.

This report is hereby accepted, adopted and filed as an official record of this Department.

Trinidad Navarro
Insurance Commissioner

Dated this 23rd day of June, 2025

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May 29, 2025

Honorable Trinidad Navarro
Commissioner of Insurance
Delaware Department of Insurance
1351 West North Street, Suite 101
Dover, Delaware 19904

Dear Commissioner:

In compliance with instructions and pursuant to statutory provisions contained in Examination Certification No. 24.033, dated March 7, 2024, an examination has been made of the affairs, financial condition and management of

GAINBRIDGE LIFE INSURANCE COMPANY

hereinafter referred to as GLIC or the Company. The Company was incorporated under the laws of the State of Delaware as a stock company with its registered office located at 1209 Orange Street, Wilmington, Delaware 19801. The administrative offices of the Company are located at 10555 Group 1001 Way, Zionsville, Indiana 46077.

SCOPE OF EXAMINATION

We have performed our multi-state examination of the Company. The last examination was conducted as of December 31, 2019, by the Texas Department of Insurance and covered the period from January 1, 2016 through December 31, 2019. This examination was conducted by the Delaware Department of Insurance (Department) and covers the period of January 1, 2020 through December 31, 2023.

Our examination was performed as part of the coordinated examination of the Group 1001 Insurance Holdings Group of regulated entities (Group 1001) wherein Delaware is the lead state. Group 1001 operates four business units including Life & Annuity (L&A), Property & Casualty (P&C), Health and Specialty. The examination was conducted concurrently with that of the Company's Delaware domiciled L&A and Specialty affiliates as well as its P&C and Health affiliates domiciled in various states. Each business unit was examined as a standalone subgroup with a unique exam facilitator. To the fullest extent, the efforts, resources, project material and findings were coordinated and made available to all examination participants.

We conducted our examination in accordance with the *National Association of Insurance Commissioners* (NAIC) *Financial Condition Examiners Handbook* (Handbook) and generally accepted statutory insurance examination standards consistent with the Insurance Code and Regulations of the State of Delaware. The NAIC Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination, an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, pursuant to the General

Corporation Laws of the State of Delaware, as required by 18 *Del. C.* § 321, along with general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature, are not included within the examination report but separately communicated to other regulators and/or the Company.

During the course of this examination, consideration was given to work performed by the Company's external accounting firm, KPMG LLP (KPMG). Certain auditor work papers of the 2023 KPMG audit of the Company, and certain of its affiliates, have been incorporated into the work papers of the examiners. The work papers were utilized in determining the scope, areas of emphasis in conducting the examination and in the area of risk mitigation and substantive testing.

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant findings or material changes in financial statements as a result of this examination.

COMPANY HISTORY

The Company was originally incorporated and licensed as Clear Spring Life Insurance Company (CSLIC) in the State of Texas on January 30, 2015. CSLIC was a direct wholly owned subsidiary of Guggenheim Life and Annuity Company (GLAC). At that time, the ultimate controlling party of GLAC and CSLIC was Sammons Enterprises, Inc. Employee Stock Ownership Trust through its 100 percent ownership of Sammons Enterprises, Inc.

On February 5, 2021, Group 1001, Inc. and its wholly owned subsidiary, CSLIC Holdings, LLC (CSLIC Holdings), notified the Department of its intended acquisition of GLAC and its subsidiaries, including CSLIC, via a Form A filing. On November 3, 2021, the acquisition was approved. Effective November 12, 2021, GLAC became a wholly owned subsidiary of CSLIC Holdings and indirect subsidiary of Group 1001, Inc. GLAC's name was changed to Clear Spring

Life and Annuity Company (CSLAC) on May 31, 2022. On June 27, 2022, the Company was re-domesticated from the State of Texas to the State of Delaware. CSLIC's name was changed to Gainbridge Life Insurance Company on June 29, 2022. Group 1001, Inc. is ultimately controlled by Mark R. Walter.

Group 1001 consists of the following brands: Delaware Life, Gainbridge®, Clear Spring Life and Annuity Company, Clear Spring Property and Casualty Group, Clear Spring Health and the RVI Group, among others. Group 1001's United States domiciled insurance companies operate in the life and annuity, property and casualty, health and specialty insurance markets.

Capitalization

The Company's Certificate of Incorporation authorizes the issue of 6,000,000 shares of common stock with a par value of \$1 per share. As of December 31, 2023, the Company had common shares issued and outstanding totaling \$3,000,000. All outstanding shares of the Company are owned by CSLAC. As of December 31, 2023, the Company reported gross paid in and contributed surplus of \$49,700,000.

Dividends

The Company declared and paid ordinary dividends to its parent totaling \$4.5 million during the examination period. The dividend was declared and paid in 2020. The dividend was authorized by the Company's Board of Directors (Board) and notice of the dividend was provided to the Texas Department of Insurance.

MANAGEMENT AND CONTROL

Directors

Pursuant to the General Corporation Laws of the State of Delaware, as implemented by the Company's Certificate of Incorporation and bylaws, the business and affairs of the Company must be managed by or under the direction of its Board. The Company's bylaws require the Board consist of not less than one and not more than five members. Further, the directors must be elected at the annual meeting of the shareholders and each director elected shall hold office for a term of one year or until his or her successor is duly elected and qualified. As of December 31, 2023, the members of the Board, together with their principal business affiliations, were as follows:

<u>Name</u>	<u>Principal Occupation</u>
Dennis Arthur Cullen Fort Myers, Florida	Retired Former Financial Executive
Curtis Paul Steger Lafayette, Indiana	Retired Former Chief Actuary
Michael Kevin Moran Bedford, Massachusetts	Retired Former Chief Accounting Officer

Officers

Officers were elected in accordance with the bylaws during the period under examination. The Company's bylaws require election of a Chief Executive Officer, President, Chief Operating Officer, Secretary, Treasurer, Chief Risk Officer and Chief Actuary. The Board may also elect one or more Vice Presidents, Assistant secretaries, Assistant Treasurers and other officers as may be appointed by the Board. All elected officers hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal. Any number of offices may be held by the same person. As of December 31, 2023, the Company's principal officers, together with their respective titles, were as follows:

<u>Name</u>	<u>Title</u>
Daniel J. Towriss	Chief Executive Officer and President
F. Linda Wang	Chief Financial Officer
Stephen M. Coons	Secretary
John J. Miceli, Jr.	Treasurer
Ryan T. Cloud	Chief Legal Officer and Assistant Secretary
Robert B. Stanton*	Chief Operating Officer
Andrew F. Kenney	Chief Investment Officer
Ellyn M. Nettleton	Chief Accounting Officer

*Officer was changed subsequent to the examination period.

Corporate Records

The recorded minutes of the shareholder and Board were reviewed for the period under examination. The recorded minutes of the Board adequately documented its meetings and approval of Company transactions and events, including approval of investment transactions as required by 18 *Del. C.* § 1304. In addition, a review of Company files found that written correspondence was submitted to the Department with regard to changes in certain principal officers and directors during the period under examination as required by 18 *Del. C.* § 4919.

Insurance Holding Company System

The Company is a member of an insurance holding company system, known as Group 1001, as defined under 18 *Del. C.* § 5001 (7) of the Delaware Insurance Code. The following is an abbreviated organizational chart of the insurance holding company system as of December 31, 2023:

<u>Company</u>	<u>Domicile</u>	<u>% Own</u>
Mark R. Walter (individual)		
DLICM, LLC	Delaware	100%
TWG Global Holdings, LLC	Delaware	72.92%
DLHPH Equity Participation Company, LLC	Delaware	100%
TWG Global Holdings, LLC	Delaware	27.08%
TWG Financial Holdings, LLC	Delaware	100%
Group 1001, Inc.	Delaware	91.89%
Group 1001 Capital, LLC	Delaware	100%
Evolution of Sports, Inc.	Delaware	82.76%
Group 1001 Finance Company, LLC	Delaware	100%
Group 1001 Investment Holdings, LLC	Delaware	100%
Group 1001 Equity Holdings, LLC	Delaware	100%
Group 1001 Insurance Holdings, LLC	Delaware	100%
DLIC Holdings, LLC	Delaware	100%
DLIC Sub-Holdings, LLC	Delaware	100%
Delaware Life Insurance Company	Delaware	100%
DL Reinsurance Company	Delaware	100%
Delaware Life and Annuity Company	Delaware	100%
Delaware Life Reinsurance (U.S.) Corp.	Oklahoma	100%
Clarendon Insurance Agency, Inc.	Massachusetts	100%
Ellendale Insurance Agency, LLC	Delaware	100%
EDIA Funding I, LLC	Delaware	100%
EDIA Funding III, LLC	Delaware	100%
EDIA Funding IV, LLC	Delaware	100%
EDL Holdings, LLC	Delaware	100%
ELND Collateral Company II, LLC	Delaware	100%
EDIA Funding II, LLC	Delaware	100%
EDL Holdings II, LLC	Delaware	100%
ELND Collateral Company Parent, LLC	Delaware	100%
Delaware Life 1099 Reporting Company, LLC	Delaware	100%
DLIC Real Estate, LLC	Delaware	100%
DL Investment Holdings 2016-1, LLC	Delaware	100%
DL Investment Holdings 2016-2, LLC	Delaware	100%
DL Private Placement Investment Company I, LLC	Delaware	100%
DL Service Holdings, LLC	Alaska	100%
IDF IX, LLC	Delaware	100%
McMillan Street, LLC	Delaware	100%

<u>Company</u>	<u>Domicile</u>	<u>% Own</u>
NCS Franklin Park, LLC	Delaware	100%
Clear Spring PC Holdings, LLC	Delaware	100%
Clear Spring PC Acquisition Corp.	Delaware	100%
Clear Spring Property and Casualty Company	Indiana	100%
Clear Spring Casualty Insurance Company	Indiana	100%
Clear Spring National Insurance Company	Indiana	100%
Clear Spring American Insurance Company	Indiana	100%
Delaware Life Reinsurance (Barbados) Corp.	Barbados	100%
Clear Spring Health Holdings, LLC	Delaware	100%
Clear Spring Health of Illinois, Inc.	Illinois	100%
Eon Health Plan, LLC	Delaware	100%
Clear Spring Health (GA), Inc.	Georgia	100%
Clear Spring Health (SC), Inc.	South Carolina	100%
Clear Spring Health Community Care, Inc.	Illinois	100%
Clear Spring Health (CO), Inc.	Colorado	100%
Clear Spring Health Insurance Company	Arizona	100%
Clear Spring Health (VA), Inc.	Virginia	100%
Clear Spring Health Management Services, LLC	Delaware	100%
Clear Spring Health Administrative Services, LLC	Delaware	100%
Advisor Advantage Marketing, LLC	Delaware	100%
Clear Spring Advisory Services, LLC	Delaware	100%
Healthcare Distribution Partners, LLC	Delaware	100%
Delaware Life Marketing, LLC	Delaware	100%
Daltonville Capital, LLC	Delaware	100%
Danetown Funding, LLC	Delaware	100%
Dansbury Capital, LLC	Delaware	100%
Delta Lane Funding, LLC	Delaware	100%
Dixon Canyon Capital, LLC	Delaware	100%
DLMF1, LLC	Delaware	100%
Dolomites Range Capital, LLC	Delaware	100%
Dovemont Capital, LLC	Delaware	100%
Drawford Holdings, LLC	Delaware	100%
Duststorm Road Capital, LLC	Delaware	100%
Dyewood Forest Capital, LLC	Delaware	100%
Armstrong STF IV, LLC	Delaware	100%
Wright STF III, LLC	Delaware	100%
Delaware Life (Bermuda) Holdings, Inc.	Delaware	100%
CSLIC Holdings, LLC	Delaware	100%
Clear Spring Life and Annuity Company	Delaware	100%
Gainbridge Life Insurance Company	Delaware	100%
Elsmere Insurance Agency, LLC	Delaware	100%
Efland Funding 2015-1, LLC	Delaware	100%

<u>Company</u>	<u>Domicile</u>	<u>% Own</u>
Efland Funding 2015-2, LLC	Delaware	100%
Efland Funding 2015-3, LLC	Delaware	100%
Efland Funding 2015-4, LLC	Delaware	100%
Efland Funding 2016-1, LLC	Delaware	100%
Efland Funding 2016-2, LLC	Delaware	100%
Efland Parent 2015-3, LLC	Delaware	100%
Efland Parent 2016-1, LLC	Delaware	100%
ELSL Funding V, LLC	Delaware	100%
ELSL Funding VI, LLC	Delaware	100%
ELSL Funding VII, LLC	Delaware	100%
Elsmere Renewable Energy, LLC	Delaware	100%
Saganaw Insurance Agency, LLC	Delaware	100%
Saganaw Receivables, LLC	Delaware	100%
CL Investment Holdings 2022-1, LLC	Delaware	100%
GLAC GBM Investco, LLC	Delaware	100%
CSLAC Investment Holdings, LLC	Delaware	100%
CSLAC Investment Holdings II, LLC	Delaware	100%
CSLAC Investment Holdings III, LLC	Delaware	100%
CSLAC Real Estate, LLC	Delaware	100%
Clear Spring Life 1099 Reporting Company, LLC	Delaware	100%
IDF I, LLC	Delaware	100%
IDF II, LLC	Delaware	100%
Paragon GBM Investco, LLC	Delaware	100%
Renewable Energy Investors, LLC	Delaware	100%
Retail Investors III, LLC	Delaware	100%
STFP Aggregator I, LLC	Delaware	100%
STFP Aggregator II, LLC	Delaware	100%
STFP Aggregator III, LLC	Delaware	100%
GL Acquisition Defeasance Co, LLC	Delaware	100%
Clear Spring Life Marketing, LLC	Delaware	100%
Cannonville Funding, LLC	Delaware	100%
Gallahan Funding, LLC	Delaware	100%
Geiger Funding, LLC	Delaware	100%
GLMF1, LLC	Delaware	100%
Grayson Road Capital, LLC	Delaware	100%
Groewood Funding, LLC	Delaware	100%
Group 1001 Distribution Holdings, LLC	Delaware	100%
Gainbridge Insurance Agency, LLC	Delaware	100%
Gainbridge Loyalty Services, LLC	Delaware	100%
Group 1001 Insurance Marketing, LLC	Delaware	100%
Gainbridge Risk Solutions, LLC	Delaware	100%
Gainbridge P&C Services, LLC	Delaware	100%

<u>Company</u>	<u>Domicile</u>	<u>% Own</u>
Vesper Risk, LLC	Delaware	100%
Group 1001 Services, Inc.	Delaware	100%
Group 1001 IP Holdings, LLC	Delaware	100%
Group 1001 IP Properties, LLC	Delaware	100%
Group 1001 IP Lab, LLC	Delaware	100%
Group 1001 IP Development, LLC	Delaware	100%
Group 1001 IP Solutions, LLC	Delaware	100%
AxiaTP Holdings, LLC	Delaware	90%
Axia Technology Partners, LLC	Indiana	100%
DG Telecom, LLC	Indiana	100%
G1001 Innovations Group, LLC	Delaware	100%
G1001 Advisory Resources, LLC	Delaware	100%
PSA Realty Company	Pennsylvania	100%
Group 1001 Indiana Holdings, LLC	Indiana	100%
Group 1001 Portfolio Services, LLC	Delaware	100%
Group 1001 Resources, LLC	Delaware	100%
R.V.I. Manager, LLC	Delaware	100%
R.V.I. Holdings, LLC	Delaware	100%
R.V.I. Acquisition Holdings, LLC	Delaware	100%
R.V.I. Guaranty Co., Ltd.	Bermuda	100%
R.V.I. America Corporation	Delaware	100%
R.V.I. America Insurance Company	Delaware	100%
7109 Harvard Avenue, LLC	Ohio	100%
RVI Analytical Services, Inc.	Delaware	100%
R.V.I. Services Co., Inc.	Connecticut	100%
Transition Services, Inc.	Delaware	100%
Group One Thousand One Advisory Services, LLC	Delaware	100%
Insurance Management Services, LLC	Delaware	100%

Agreements with Affiliates – New or Amended

The following is a summary of the Company's significant affiliated agreements (excluding reinsurance agreements) that were entered into or amended during the examination period and in effect as of December 31, 2023:

Guarantees, Loans, Leases and Letter of Credit Facility Agreements

- CSLAC and the Company entered into a \$5 million Bilateral Loan Agreement dated September 14, 2022, as amended effective June 11, 2023, with interest at Secured Overnight Financing Rate (SOFR) plus 1.21% per annum.

Management, Administrative, and Services Agreements

- Effective November 15, 2021, GLIC entered into a Facilities Use Agreement with Group 1001 Resources, LLC (G1001 Resources), pursuant to which GLIC provides use of certain of its facilities to G1001 Resources, including the use of communications, processing, computing equipment, software programming and documentation, informational technology, bank accounts, intellectual property, business property, furniture and fixtures, third-party vendor contracts and licenses and support and maintenance services related to the use by G1001 Resources of the facilities.
- Effective November 15, 2021, GLIC entered into an Administrative Services Agreement with G1001 Resources, pursuant to which G1001 Resources provides services to GLIC, including professional staffing for financial, legal, compliance, investment, human resources, information technology, administrative and other operational support functions related to the maintenance and operation of business enterprises, as well as makes available to GLIC for its use certain property, equipment and facilities of G1001 Resources.
- Effective August 12, 2022, GLIC entered into an Agency and Distribution Services Agreement with Gainbridge Insurance Agency, LLC (GIA), pursuant to which GIA (i) serves as an agency of GLIC for the purposes of soliciting and procuring applications and facilitating consumer-directed sales of specified annuity or life insurance products issued by GLIC (Specified Products), (ii) provides certain design, implementation, administration and support services with respect to GIA's digital distribution and administration platforms and (iii) provides for all other aspects of the consumer-directed sales and distribution of Specified Products, including but not limited to, the support of one or more broker-dealers to jointly provide marketing support, distribution and sales services for the offer and sale

of Specified Products registered with the U.S. Securities and Exchange Commission (SEC) and such other services as specified in the Agreement. This Agreement was subsequently amended effective January 1, 2024.

- Effective September 1, 2023, GLIC entered into an Agency and Distribution Services Agreement with Group 1001 Insurance Marketing, LLC (GIM), pursuant to which GIM (i) serves as an agency of GLIC for the purposes of soliciting and procuring applications, identifying and recommending third-party businesses to provide or support distribution services under business-to-business (B2B) and business-to-business-to-consumer (B2B2C) distribution arrangements (B2B Arrangements) and facilitating B2B arrangements approved by GLIC for the specified products; (ii) provides certain design, implementation, administration and support services with respect to GIA's digital distribution and administration platforms for the transmission of information under B2B arrangements for specified products and (iii) provides for all other aspects of the B2B arrangements for specified products, including but not limited to the support of one or more broker-dealers to jointly provide marketing support, distribution and sales services for the offer and sale of specified products registered with the SEC and such other services as specified in the agreement.

Agreements with Affiliates – Prior Periods

The following agreements were entered into prior to the period covered by this examination and remained in effect as of December 31, 2023:

Management, Administrative, and Services Agreements

- Effective January 30, 2015, as amended effective January 30, 2015 and July 16, 2018, CSLAC entered into an Administrative Services Agreement with GLIC, pursuant to which

CSLAC provides accounting, data processing, tax, auditing, actuarial, functional support, policyholder and collection support to GLIC. CSLAC also provides public relations, advertising and sales and marketing promotional services.

- Effective May 28, 2015, CSLAC entered into a Books and Records Under Administrative Services Agreement with GLIC, pursuant to which CSLAC agrees to maintain all books, records and accounts of GLIC.

Tax Allocation Agreement

- Effective August 20, 2015, with an Addendum thereto made effective August 20, 2015, the Company is party to a Tax Sharing Agreement between CSLAC and GLIC pursuant to which CSLAC, as part of an affiliated group, files U.S. federal income tax returns on a consolidated basis. CSLAC is required under the Code and Treasury Regulations as the parent corporation of the affiliated group to pay the U.S. federal income taxes shown as due on the consolidated return.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2023, the Company was licensed to transact insurance business in the District of Columbia and all states except the State of New York.

The Company reinsures a single block of fixed annuity business retroceded from its direct parent, CSLAC. During 2023, the Company began issuing annuity products through GIA, including a multi-year guaranteed annuity (MYGA) and a registered index-linked annuity through its direct-to-consumer model. Additionally, during 2023, the Company began offering a MYGA product through a B2B model through an affiliated digital agency, GIM.

REINSURANCE

The Company does not cede business to either affiliates or third parties. Effective May 1, 2015, the Company entered into a reinsurance treaty with CSLAC to assume annuity blocks of business on a 100% coinsurance with funds withheld basis. On April 20, 2016, the Company received assets from CSLAC, subsequently ending the funds withheld aspect of the reinsurance treaty. According to the reinsurance treaty, the Company pays CSLAC an expense allowance equal to the option budget for each fixed annuity policy that has an allocation to an indexed account. In exchange, CSLAC is committed to paying the Company a payoff (i.e. reinsurance recovery) equal to the quota share of index interest credited to each fixed annuity policy. CSLAC retains the index risk on the fixed index annuities and is responsible for purchasing the derivatives and performing the hedging activity.

FINANCIAL STATEMENTS

The following financial statements, as reported and filed by the Company with the Department, are reflected in the following:

- Statement of Assets as of December 31, 2023
- Statement of Liabilities, Surplus and Other Funds as of December 31, 2023
- Summary of Operations for the Year Ended December 31, 2023
- Reconciliation of Capital and Surplus for the Period from the Prior Examination as of December 31, 2019 to December 31, 2023
- Separate Account Statement of Assets, Liabilities and Surplus as of December 31, 2023

Statement of Assets
As of December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$ 149,242,407	\$ -	\$ 149,242,407
Cash and cash equivalents	13,878,458	-	13,878,458
Other invested assets	10,035,685	-	10,035,685
Receivables for securities	101	-	101
Subtotals, Cash and Invested Assets	<u>\$ 173,156,651</u>	<u>\$ -</u>	<u>\$ 173,156,651</u>
Investment income due and accrued	2,801,496	-	2,801,496
Reinsurance:			
Other amounts receivable under reinsurance contracts	369,374	-	369,374
Net deferred tax asset	2,040,231	1,171,138	869,093
Aggregate write-ins for other than invested assets	241,991	-	241,991
Total assets excluding Separate Accounts	<u>\$ 178,609,743</u>	<u>\$ 1,171,138</u>	<u>\$ 177,438,605</u>
From Separate Accounts	4,058	-	4,058
Total Assets	<u><u>\$ 178,613,801</u></u>	<u><u>\$ 1,171,138</u></u>	<u><u>\$ 177,442,663</u></u>

Statement of Liabilities, Surplus and Other Funds
As of December 31, 2023

		Note
Aggregate reserves for life contracts	\$ 95,893,237	1
Liability for deposit type contracts	15,572,334	1
Contract liabilities not included elsewhere:		
Other amounts payable on reinsurance	2,413,568	
Commissions to agents due or accrued	750	
General expenses	107,929	
Transfers to Separate Accounts	32,053	
Current federal and foreign income taxes	327,507	
Remittances and items not allocated	452,500	
Asset valuation reserve	1,949,607	
Payable to parent, subsidiaries, and affiliates	647,959	
Total liabilities excluding Separate Accounts	<u>\$ 117,397,444</u>	
From Separate Accounts Statement	<u>4,058</u>	
Total Liabilities	<u><u>\$ 117,401,502</u></u>	
Common capital stock	\$ 3,000,000	
Surplus notes		
Gross paid in and contributed surplus	49,700,000	
Aggregate write-ins for special surplus funds	241,991	
Unassigned funds (surplus)	7,099,170	
Total Capital and Surplus	<u>\$ 60,041,161</u>	
Total Liabilities, Surplus and Other Funds	<u><u>\$ 177,442,663</u></u>	

Summary of Operations
For the Year Ended December 31, 2023

Premiums and annuity considerations for life and accident and health contracts	\$ 9,128,643
Net investment income	9,471,834
Amortization of Interest Maintenance Reserve	(568,781)
Total revenue and other policyholder adjustments	<u>\$ 18,031,696</u>
Annuity benefits	\$ 5,650,678
Surrender benefits and withdrawals for life contracts	19,124,783
Interest and adjustments on contract or deposit type contract funds	(4,988,472)
Increase in aggregate reserves for life and accident and health contracts	(8,834,055)
Total benefits and policyholder adjustments	<u>\$ 10,952,934</u>
Commissions on premiums, annuity considerations and deposit type contract funds	\$ 231,662
Commissions and expense allowances on reinsurance assumed	305,025
General insurance expenses	3,158,752
Insurance taxes, licenses and fees	176,596
Net transfers to/(from) Separate Accounts net of reinsurance	36,111
Total selling general and other expenses	<u>\$ 14,861,080</u>
Net gain from operations before dividends to policyholders and federal income taxes	\$ 3,170,616
Dividends to policyholders	-
Net gain from operations after dividends to policyholders and before federal income taxes	\$ 3,170,616
Federal and foreign income taxes incurred	1,176,896
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains/(losses)	\$ 1,993,720
Net realized capital gains/(losses)	(285,356)
Net Income	<u><u>\$ 1,708,364</u></u>

Reconciliation of Capital and Surplus
For the Period from the Prior Examination
As of December 31, 2019 to December 31, 2023

	Common Capital Stock	Paid In & Contributed Surplus	Unassigned Funds (Surplus)	Aggregate Write-in for Special Surplus Funds	Total
Balance at December 31, 2019	\$ 3,000,000	\$ 49,700,000	\$ 4,587,127	\$ -	\$ 57,287,127
Net Income	-	-	1,265,192	-	1,265,192
Other Changes ¹	-	-	477,865	-	477,865
Dividend to Stockholder	-	-	(4,500,000)	-	(4,500,000)
Balance at December 31, 2020	<u>\$ 3,000,000</u>	<u>\$ 49,700,000</u>	<u>\$ 1,830,184</u>	<u>\$ -</u>	<u>\$ 54,530,184</u>
Net Income	-	-	1,907,456	-	1,907,456
Other Changes ¹	-	-	1,701,902	-	1,701,902
Balance at December 31, 2021	<u>\$ 3,000,000</u>	<u>\$ 49,700,000</u>	<u>\$ 5,439,542</u>	<u>\$ -</u>	<u>\$ 58,139,542</u>
Net Income	-	-	1,306,488	-	1,306,488
Other Changes ¹	-	-	(1,761,277)	-	(1,761,277)
Balance at December 31, 2022	<u>\$ 3,000,000</u>	<u>\$ 49,700,000</u>	<u>\$ 4,984,753</u>	<u>\$ -</u>	<u>\$ 57,684,753</u>
Net Income	-	-	1,708,364	-	1,708,364
Other Changes ¹	-	-	648,044	-	648,044
Admitted Disallowed Interest Maintenance Reserve	-	-	(241,991)	241,991	-
Balance at December 31, 2023	<u>\$ 3,000,000</u>	<u>\$ 49,700,000</u>	<u>\$ 7,099,170</u>	<u>\$ 241,991</u>	<u>\$ 60,041,161</u>

¹ Other Changes in Unassigned Funds (Surplus) for each year may include: change in net unrealized capital gains/(losses); change in net deferred income tax; change in nonadmitted assets and change in asset valuation reserve.

Separate Account Statement of Assets, Liabilities and Surplus
As of December 31, 2023

	Total
Cash and cash equivalents	\$ 4,058
Subtotals - Cash and Invested Assets	<u>\$ 4,058</u>
Investment income due and accrued	\$ -
Total Assets	<u><u>\$ 4,058</u></u>
Aggregate reserves for life, annuity and accident and health contracts	\$ 36,111
Other transfers to General Account	<u>(32,053)</u>
Total Liabilities	<u>\$ 4,058</u>
Unassigned funds	<u>-</u>
Total Liabilities and Surplus	<u><u>\$ 4,058</u></u>

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE EXAMINATION

There were no changes made to the Company's financial statements as reported in its 2023 NAIC Annual Statement as a result of this examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

Note 1:

Aggregate reserve for life contracts	\$95,893,237
Liability for deposit-type contracts	15,572,334

The examination liability for the aforementioned captioned items of \$95,893,237 and \$15,572,334 are the same as reported by the Company as of December 31, 2023. The Department retained the actuarial services of INS Consultants Inc. (Consulting Actuary) to perform a risk-focused review of the Company's significant reserving and pricing activities. The Consulting Actuary assisted in reviewing the inherent risks, management oversight and other mitigating controls over the Company's actuarial processes and procedures. The Consulting Actuary performed an independent reserve analysis including an assessment of the Company's reserves for compliance with standard valuation laws, applicable NAIC Actuarial Guidelines and Model Regulations. The Consulting Actuary also reviewed the Company's asset adequacy analysis filed in accordance with the Actuarial Opinion Memorandum Regulation for the year ended December 31, 2023.

SUBSEQUENT EVENTS

Subsequent events were evaluated through the date that this examination report was available to be issued. Based on this evaluation, the following transactions were deemed material for disclosure in this examination report.

Significant Transactions

Effective January 1, 2024, the Second Amended and Restated Agency and Distribution

Agreement between the Company and GIA was amended.

As of December 31, 2024, the Company recorded a capital contribution receivable of \$15 million from CSLAC. The capital contribution was received in cash on February 13, 2025.

Changes in Key Personnel

Martin B. Woll became Chief Operating Officer in 2024, replacing Robert B. Stanton.

SUMMARY OF RECOMMENDATIONS

There were no recommendations as a result of this examination.

The assistance and cooperation of examiners representing the states on the coordinated examination is acknowledged. In addition, the assistance of the Consulting Actuary, the consulting information systems specialist firm, INS Services, Inc., Investment Specialist, Rutter and Associates, LLC, the Company's outside audit firm, KPMG, and the Company's management and staff was appreciated and is acknowledged.

Respectfully submitted,



Craig Jackson, CPA, CFE
Examiner In-Charge
State of Delaware



Richard Palmatary, CPA, CFE
Supervising Examiner
State of Delaware

I, Craig Jackson, hereby verify and attest, under penalty of perjury, that the above is a true and correct copy of the examination report and findings submitted to the Delaware Department of Insurance pursuant to examination authority 24.033.

A handwritten signature in black ink, appearing to read "Craig Jackson", is positioned above a horizontal line.

Craig Jackson, CPA, CFE