

**EXAMINATION REPORT**  
**OF**  
**GENWORTH LIFE INSURANCE COMPANY**  
**AS OF**  
**DECEMBER 31, 2023**

TRINIDAD NAVARRO  
COMMISSIONER



STATE OF DELAWARE  
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION  
OF  
GENWORTH 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.

A handwritten signature in blue ink, reading "Trinidad Navarro", is positioned above a horizontal line.

Trinidad Navarro  
Insurance Commissioner

Dated this 6 day of June, 2025

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May 21, 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. 24.027, dated December 4, 2023, an examination has been made of the affairs, financial condition and management of

**GENWORTH LIFE INSURANCE COMPANY**

hereinafter referred to as the Company or GLIC and incorporated under the laws of Delaware as a stock company with its registered office located at 251 Little Falls Drive, Wilmington, Delaware 19808. In April 2024, the administrative office of the Company was relocated to 11011 West Broad Street, Glen Allen, Virginia 23060 from 6604 West Broad Street, Richmond, Virginia 23230.

**SCOPE OF EXAMINATION**

We have performed our full-scope risk-focused surveillance examination of GLIC. The last examination was conducted as of December 31, 2018, by the Delaware Department of Insurance (Department). This examination covered the period of January 1, 2019 through December 31, 2023. Our examination was performed as part of the multi-state coordinated

examination of insurance companies within the Genworth Financial, Inc. (GFI) holding company system, with the Commonwealth of Virginia as the lead state regulator. The coordinated examination also included the following companies with their respective state of domicile:

<u>State of Domicile</u>	<u>Entity</u>	<u>Acronyms</u>
VA	Genworth Life and Annuity Insurance Company	GLAIC
NY	Genworth Life Insurance Company of New York	GLICNY
DE	River Lake Insurance Company VI (Captive)	RLIC VI
VT	River Lake Insurance Company X (Captive)	RLIC X

The Delaware captive insurance company RLIC VI will be examined separately by the Department after the conclusion of this examination but was included in some of the testing performed during this examination. 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 Delaware Insurance Code and Regulations. 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 Delaware 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 audit of the Company have been incorporated into the work papers of the examiners and have been 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 named United Pacific Life Insurance Company (UPL) and incorporated as a stock life insurance company under the laws of the State of Washington on September 28, 1956. Pursuant to a Stock Purchase Agreement effective April 3, 1993, General Electric Capital Corporation (GECC), a subsidiary of General Electric Company (GE), acquired 100% of the capital stock of UPL and five (5) of its seven (7) wholly owned subsidiaries from Reliance Insurance Company and its parent, Reliance Group Holdings, Inc. The stock of the Company was assigned to GNA Corporation, subsequently named Genworth

Genworth Life Insurance Company

North America Corporation (GNA), an insurance holding company subsidiary of GECC. Effective April 1, 1994, the name of the Company was changed to General Electric Capital Assurance Company.

In May 2004, the Company became a controlled insurer of Genworth Holdings Inc. (Genworth Holdings), immediately prior to the initial public offering of Genworth Holdings' common stock, when its direct parent, GNA, was transferred to GFI by GE Financial Assurance Holdings, Inc. Effective January 1, 2006, the name of the Company was changed to Genworth Life Insurance Company and in April 2013, GFI became the ultimate parent of the Company following an internal reorganization.

#### Capitalization

The Company's Certificate of Incorporation authorizes the issue of 6,200,000 shares of common stock at \$1.00 per share par value, of which 4,561,258 shares were issued and outstanding as of December 31, 2023, for a reported common capital stock balance of \$4,561,258 as of December 31, 2023.

The Company also has 1,000,000 shares of preferred stock at \$1.00 per share par value authorized, of which 300,000 shares were issued and outstanding as of December 31, 2023, for a reported preferred capital stock balance of \$300,000 as of December 31, 2023.

#### Dividends

The Company did not declare or pay any dividends during the examination period.

### **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 property and affairs of the Company must

be managed by or under the direction of its Board of Directors (Board), which shall not have less than one (1) nor more than twelve (12) members.

Each director is elected annually by the stockholder and holds office until the next annual election and until their successors are elected and qualified except as removed for cause and the successor elected by a special meeting of the stockholder. Directors duly elected and serving as of December 31, 2023, are as follows:

<u>Name</u>	<u>Title</u>
Thomas Joseph McInerney	Chairman, President and Chief Executive Officer, GFI
Brian Keith Haendiges #	President and Chief Executive Officer, GLIC
James Joseph Buddle	Director
Scott Gordon Goodman	Vice President and Appointed Actuary, GLIC
Eleanor Lynne Kitzman	Director
Jose Daniel Saenz	Director
Kelly Alison Saltzgaber	Executive Vice President and Chief Investment Officer, GFI
Angela Rene Simmons	Senior Vice President and Chief Financial Officer, GLIC
Jerome Thomas Upton	Executive Vice President and Chief Financial Officer, GFI

# Mr. Haendiges retired effective close of business December 31, 2023. Jamala Murray Arland was elected as his replacement effective January 1, 2024.

### Committees

Article III of the amended bylaws states that the Board may designate from among its members one or more committees, each committee consisting of one or more directors of the Company. The Audit, Compensation, and Nominating Committee (ACNC) of the Board was established in 2022 and is comprised of three (3) independent members of GLIC's Board. As of December 31, 2023, the following directors of the Company were members of the ACNC:

<u>Name</u>	<u>Title</u>
James Joseph Buddle	Chairman, Director of GLIC
Eleanor Lynne Kitzman	<u>Director, GLIC</u>
Jose Daniel Saenz	Director, GLIC

The examination found that as of December 31, 2023, the Company's ACNC was not in compliance with Delaware insurance regulations, as follows:

**The ACNC does not have interactions with, or presentations from, the Internal Audit Department regarding the annual Internal Audit plan and significant findings from the results of internal audits. Further, the ACNC does not review the Internal Audit authority and resources for adequacy. #**

*18 Del. Admin. Code § 301.14.3 - Requirements for Audit Committees* – The Audit committee of an insurer or Group of insurers shall be responsible for overseeing the insurer's Internal audit function and granting the person or persons performing the function suitable authority and resources to fulfill their responsibilities.

*18 Del. Admin. Code § 301.15.4 - Internal Audit Function Requirements – Reporting* – The head of the internal audit function shall report to the audit committee regularly, but no less than annually, on the periodic audit plan, factors that may adversely impact the internal audit function's independence or effectiveness, material finding from completed audits and the appropriateness of corrective actions implemented by management as a result of audit findings.

**# The examination team noted that the Company was in compliance with the Delaware insurance regulations above as of May 8, 2025.**

#### *Investment Committee*

The Genworth Investment Committee is applicable to the wholly owned insurance subsidiaries of GFI, including GLIC, whose respective Boards have appointed the members to serve as the Investment Committee to provide regular management and oversight of the Company's investment activities. The meetings of the Investment Committee shall be held as deemed necessary, but not less than quarterly. A quorum shall be a majority of the members of the Investment Committee and an agenda for each meeting shall be established in advance of the meeting. Minutes of all Investment Committee meetings shall be taken and approved at subsequent meetings and shall be submitted to the Board on a quarterly basis. As of December 31, 2023, the following individuals were appointed to serve as the Company's Investment Committee:

<u>Name</u>	<u>Title</u>
Thomas J. McInerney	President and Chief Executive Officer, GFI
Brian K. Haendiges #	President and Chief Executive Officer, GLIC
Kelly A. Saltzgaber	Executive Vice President and Chief Investment Officer, GFI
Blake M. Hodges	Executive Vice President and Chief Risk Officer, GFI
Jerome T. Upton	Executive Vice President and Chief Financial Officer, GFI
Gregory S. Karawan	Executive Vice President and General Counsel, GFI

# Mr. Haendiges retired effective close of business December 31, 2023. Jamala Murray Arland was elected as his replacement effective January 1, 2024.

### Officers

Officers were elected in accordance with the bylaws during the period under examination. The bylaws require election of a President, a Secretary, a Treasurer and any additional officers and assistant officers of the Company as determined by the Board. The primary officers serving as of December 31, 2023, were as follows:

<u>Name</u>	<u>Title</u>
Brian Keith Haendiges #	President and Chief Executive Officer
Vidal Joaquin Torres Jr.	Secretary
Lisa Jones Baldyga	Treasurer
Angela Rene Simmons	Senior Vice President and Chief Financial Officer
Keith Allen Willingham	Vice President and Controller

# Mr. Haendiges retired effective close of business December 31, 2023. Jamala Murray Arland was elected as his replacement effective January 1, 2024.

### Corporate Records

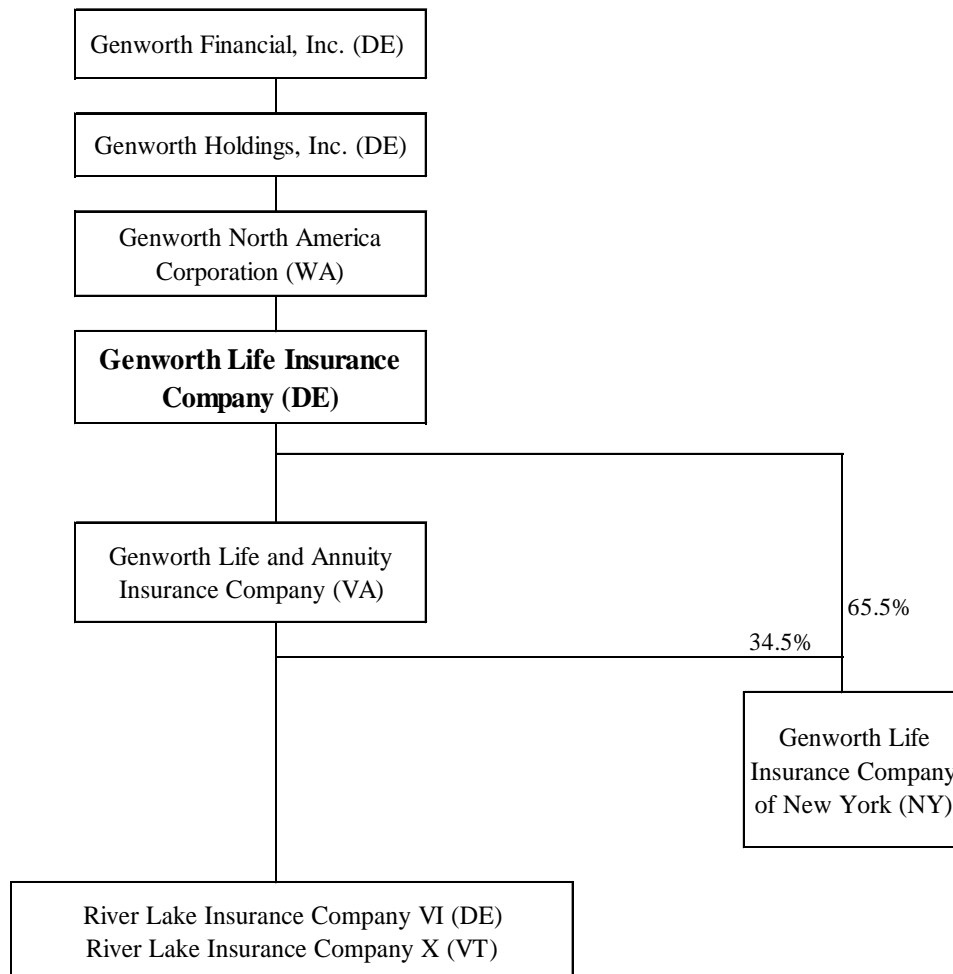
The recorded shareholder and Board minutes were reviewed for the period under examination. The recorded Board minutes adequately documented the Board's meetings and approval of Company transactions and events including approval of investment transactions in accordance with 18 *Del. C.* § 1304. In addition, a review of Company files indicated that written

correspondence was submitted to the Department with regards to the changes in officers and directors during the period under examination in compliance with 18 *Del. C.* § 4919.

Insurance Holding Company System

The Company is a member of an insurance holding company system as defined under 18 *Del. C.* § 5001 (7) of the Delaware Insurance Code. The ultimate controlling entity within the holding company system is GFI. The Company is a wholly owned subsidiary of GNA. GNA is a wholly owned subsidiary of Genworth Holdings, which is wholly owned by GFI.

The following abbreviated organizational chart depicts the Company's relationship within the holding company system as of December 31, 2023 (ownership of subsidiaries is 100% unless otherwise noted):



Agreements with Affiliates

*Amended and Restated Services and Shared Expenses Agreement*

Effective January 1, 2004, the Company, GLAIC, GNA, RLIC VI, RLIC X and Enact Mortgage Insurance Company continue to be parties to an Amended and Restated Services and Shared Expenses Agreement, which provides for certain management and general services and the sharing of joint expenses by and between each party and other such affiliated insurance companies who execute an Adoption Agreement. The total cost charged to the Company for these services in 2023 was \$408,047,198.

*Administrative Services Agreement*

Effective June 1, 2007, the Company became a party to an amended and restated Administrative Services Agreement, whereby the Company, along with GLAIC and GNA, collectively provide GLICNY with certain administrative services for day-to-day operations including, but not limited to, EDP processing of financial transactions, payroll, human resources, claims, underwriting and auditing services. GLIC provides GLICNY services pertaining to its Long-Term Care (LTC) business, with GLAIC providing services related to GLICNY's life and annuity business and GNA providing services for GLICNY's corporate functions. There were no expenses charged to GLICNY from the Company under this agreement in 2023.

*Master Services Agreement (CareScout)*

Effective April 1, 2005, GLIC and National Eldercare Referral Systems, Inc. (National Eldercare) became parties to a Master Services Agreement. National Eldercare was acquired by GFI in 2008 and subsequently renamed CareScout LLC (CareScout) in 2021. The agreement states that CareScout will provide care coordination and advocacy on behalf of the Company's LTC policyholders as well as design and conduct the annual Cost of Care Survey, which includes nursing homes, home health care agencies, assisted living facilities and adult day care facilities nationwide. The total cost charged for the services under this agreement in 2023 was \$10,326,154.

*Master Services Agreement (CareScout)*

Effective October 5, 2023, GLIC and CareScout continue to be parties to a Master Services Agreement that allows GLIC LTC insurance policyholders access to the CareScout Quality Network (CQN). CareScout is actively developing a nation-wide network of quality home health care, assisted living facilities and nursing facility providers to assist individuals with their long-term care needs. CQN providers have agreed to meet CareScout's quality standards and

commitment to Person Centered Care and agreed to special pricing through discounted rates. The total cost charged for the services under this agreement in 2023 was not significant.

*Collection Agent Services Agreement*

Effective November 15, 2006, the Company became a party to a Collection Agent Services Agreement, whereby GLICNY provides the Company and GLAIC a consolidation of eight (8) wire accounts for payments received in connection with certain products into a single New York based account maintained by GLICNY. The total cost charged for the services in 2023 was \$10,885.

*Master Services and Shared Expenses Agreement*

Effective October 1, 2013, GLIC and GLAIC continue to be parties to a Master Services and Shared Expenses Agreement with two affiliates, GMIC and Genworth Financial India Private, Ltd. (GFIPL), whereby the parties benefit from centralized functions and processes by pooling their purchasing power by entering separate Statements of Work (SOW), which provide specifics of each service to be provided. There were no costs charged for the services under this agreement in 2023.

*Statements of Work (SOW)*

Effective November 1, 2013, GLIC and GFIPL continue to be parties to separate SOW (numbered SOW 1, SOW 3 and SOW 4), whereby GFIPL provides technical production support, maintenance and offshore leadership to GLIC's third party suppliers.

Effective March 15, March 1 and May 1, 2014, respectively, GLIC and GFIPL continue to be parties to separate SOW (numbered SOW 5, SOW 6 and SOW 7), whereby GFIPL will provide technical production support, maintenance and offshore leadership to GLIC's third party suppliers. There were no charges for the services under the SOW agreements in 2023.

*Master Services and Shared Expenses Agreement*

Effective September 29, 2011, GLIC and GLAIC continue to be parties to separate Agency Contracts with an affiliate, Genworth Financial Agency, Inc. (GFA), whereby GFA distributes certain Medicare supplemental insurance products offered by GLAIC and GLIC and in return GFA receives standard commissions paid by GLAIC and GLIC. There were no charges for the services under this agreement in 2023.

*Tax Allocation Agreement*

As amended May 14, 2021, effective January 1, 2021, GLIC and certain life and non-life insurance affiliates continue to be parties to an Amended and Restated Tax Allocation Agreement, whereby the parties agree to the method of allocation of consolidated federal income tax liabilities for each tax period. The tax allocation methodology is based on the separate return liabilities with offsets for losses and credits utilized to reduce the current consolidated tax liability as allowed by applicable law and regulation. All subsequent parties to this agreement have executed individual Tax Adoption Agreements.

**TERRITORY AND PLAN OF OPERATION**

As of December 31, 2023, the Company is licensed to conduct life and health business in the District of Columbia, the U.S. Virgin Islands, Puerto Rico and all fifty states except New York. The Company's principal insurance products are LTC, life insurance and fixed deferred and immediate annuities.

On March 7, 2016, the Company suspended sales of its traditional life insurance and fixed annuity products, and as of March 2019, the Company no longer distributes its individual LTC products through independent producers. The Company currently offers individual LTC policies to customers who contact it directly (subject to state availability); however, it no longer accepts

applications for new group LTC policies but will accept new applications and issue new coverage certificates on current open group cases on certain group policy forms. Other insurance products that are not actively sold include: variable annuities (includes a guaranteed minimum death benefit), corporate-owned life insurance and funding agreements. The Company does however continue to service its existing retained and reinsured blocks of business.

*Rate Actions and Other Initiatives*

Included in GFI's plan of operation is pursuing premium rate increases and associated benefit reductions on its in-force policies; product refinements; refining underwriting requirements; managing expense levels; actively exploring additional reinsurance strategies; executing investment strategies targeting higher returns; enhancing financial and actuarial analytical capabilities; and considering other actions to improve the performance of its overall business.

As part of GFI's strategy for its LTC business, GLIC has requested premium rate increases on newer blocks of business and as of June 30, 2019, GLIC suspended LTC sales in Hawaii, Massachusetts, New Hampshire, Vermont and Montana, and will consider taking similar actions in other states where they are unable to obtain satisfactory rate increases on in-force policies.

The approval process for in-force premium rate increases varies by state and the amount approved may be phased in over time. After approval, insureds are provided with written notice of the increase and increases are generally applied on the insured's next policy anniversary date.

**REINSURANCE**

The Company reported the following distribution of premiums earned for the years ended December 31, 2023, and the prior examination date of December 31, 2018:

	<u>2023</u>	<u>2018</u>
Direct premiums earned	\$ 2,667,482,308	\$ 2,777,490,354
Assumed premiums (from affiliates)	55,294,706	67,693,805
Assumed premiums (from non-affiliates)	<u>233,308,664</u>	<u>263,548,273</u>
Gross premiums earned	\$ 2,956,085,678	\$ 3,108,732,432
Ceded premiums (to affiliates)	196,199,360	251,759,011
Ceded premiums (to non-affiliates)	<u>488,976,186</u>	<u>569,175,188</u>
Net premiums earned	<u>\$ 2,270,910,132</u>	<u>\$ 2,287,798,233</u>

The Company maintains many reinsurance agreements ceding Life, Annuity, and LTC liabilities. The net cost of reinsurance was reflected in cash flow testing (CFT) results. Models are built net of coinsurance and reflected Yearly Renewable Term (YRT) and Monthly Renewable Term (MRT) reinsurance coverage. The GLIC LTC CFT also models the third-party administration fee reimbursements received, related to the Travelers Insurance Company (Travelers) block of business assumed from Brighthouse Life Insurance Company (Brighthouse) and retroceded to Union Fidelity Life Insurance Company (UFLIC). GLIC's major reinsurance arrangements that impact CFT results by product include the following:

*Long-Term Care Reinsurance*

Effective June 1, 1989, AMEX Life Assurance (which was also merged into GLIC) assumed 50% of a block of LTC business written by RiverSource Life Insurance Company (RiverSource). RiverSource also reinsured a block of Single Premium Whole Life (SPWL) reserves with the Company. A merger in 1996 with AMEX Assurance Company (AMEX) also brought a small block of Long-Term Disability claims to GLIC. From the merger, GLIC acquired all the non-New York LTC business of AMEX.

Two blocks of LTC policies were ceded to Munich American Reassurance Company on a YRT basis with effective dates of November 1, 1998, and July 1, 2002. This YRT provides coverage for claims on those policies incurred within 15 years after policy issue. That period has now expired for all reinsured policies. The only amounts remaining under the reinsurance arrangement relate to policies that went on claims prior to the expiration of the 15-year reinsurance period. The statutory reserve credit totaled \$44.8 million, as of December 31, 2023.

For the Choice II, MFMP and Flex Products, issued since 2003, the Company has entered into Coinsurance agreements with RGA Reinsurance Company (RGA) and General Re Life Corporation (Gen Re) which cede approximately between 10% and 40% of certain portions of those blocks on a quota-share basis, depending on specific issue year and Product. Additionally, RGA assumes approximately 20% of certain Choice I Products depending on specific issue year and state. Certain RGA agreements continue to be subject to various security trust agreements. The statutory reserve credit totaled \$1.6 billion and \$0.5 billion for RGA and Gen Re, respectively, as of December 31, 2023.

GLIC assumed a large block of LTC policies (Travelers block) purchased by MetLife Insurance Company of Connecticut (now Brighthouse) and subsequently transferred 100% of those LTC policy risks to UFLIC. In 2000, the Company assumed a block of Individual LTC product liabilities from Travelers on a 90% Coinsurance basis. As part of the original 2000 assumption of the Travelers block, the coinsurance percentage increased from 90% to 100% on the eighth anniversary of the original transaction date, which was July 1, 2008. The coinsurance increase for the Travelers block was settled on December 12, 2008, effective July 1, 2008.

On January 1, 2004, the Company retroceded the Travelers block to UFLIC on a 100% coinsurance basis, effective December 31, 2003. The Company continues to cede 100% of all the assumed Travelers block to UFLIC on a 100% coinsurance basis as of December 31, 2023.

### *Life Reinsurance*

All traditional life reinsurance was modeled in the cash flow projections. The Company's retention amount on traditional life business is \$5,000,000, which increased from a \$1,000,000 retention on January 1, 2007. Traditional life business is ceded on both a coinsurance and a YRT basis. Universal Life (UL) reinsurance is ceded as coinsurance of the Net Amount at Risk, as modified coinsurance, and on a YRT basis. Reinsurance was modeled for CFT, where reinsurance ceded transactions could be a significant cash flow item for traditional life and UL policies.

During 2004, GLIC reinsured a large portion of its directly written traditional life business written in 2001 to 2004 on a coinsurance basis to affiliate GLAIC. Also, during 2009, GLIC reinsured a portion of the in force and newly issued UL policies to GLAIC, such as Colony Term UL. The agreement was later amended and restated, effective as of April 1, 2011, to reflect the merger of First Colony Life Insurance Company (FCL) with GLAIC and to implement certain other changes including the inclusion of certain new products, both in force and new business, and clarified that all future fully underwritten new products written on direct basis by GLIC would be covered automatically. Furthermore, effective April 1, 2017, GLIC ceded certain life risks to GLAIC on a coinsurance basis.

In 2013, the Company entered into a YRT reinsurance agreement with SCOR Global Life Americas Reinsurance Company to reinsure term policies issued between 1998 and 2000 and term

policies assumed from GLAIC that had been issued in 2000. The face amount ceded is 100% of the in-force amount not already ceded to another company.

Effective April 1, 2017, if not exceeding GLAIC maximum retention limits, the Company ceded to GLAIC: 1) certain term business with an initial premium of \$68.9 million and received a ceding commission of \$48.6 million; 2) certain UL business with an initial premium of \$101.0 million, and received a ceding commission of \$4.9 million and 3) certain SPWL business with an initial premium of \$134.5 million and received a ceding commission of \$2.8 million.

#### *Annuity Reinsurance*

In 2004, GLIC ceded on a coinsurance basis to UFLIC 100% of its structured settlement annuity (SSA) contracts as of December 31, 2003. These SSA contracts account for \$3.4 billion of \$3.99 billion ceded reserve credits taken for UFLIC as of December 31, 2023.

Additionally, GLIC cedes a small block of single premium immediate annuity (SPIA) contracts, on a 100% coinsurance basis, to Partnership Life Assurance Company, LTD. As of December 31, 2023, the reinsurance reserve credit was \$495,154.

In 2001, GLIC also assumed, on a coinsurance basis, SPIA contracts from Fidelity Investments Life Insurance Company (Fidelity). Fidelity recaptured this block in 2022.

#### *Current Reinsurance Updates*

Employers Reassurance Corporation (ERAC) and Scottish Re YRT and coinsurance blocks were recaptured effective September 1, 2023, and September 30, 2023, respectively. During the fourth quarter of 2023, American United Life Insurance Company (AUL) YRT was also recaptured effective November 1, 2023. A new reinsurance treaty with RGA went into effect on December 31, 2023, to replace the YRT coverage previously with ERAC, Scottish Re and AUL.

An assessment was made of the financial strength of the Company's reinsurers, accounting for nearly 100% of reserve credits taken. The assessment determined that all of the reinsurers have adequate financial strength to cover the risks ceded through the reinsurance contracts. One former non-performing reinsurer, Scottish Re, has now officially gone through liquidation. The Company's reinsurance treaties do not have any extraordinary provisions or limitations that may be construed to limit the Company's ability to recover amounts it is due from its reinsurance counterparties. The only stop-loss reinsurance is aggregate stop-loss, or catastrophe coverage, which covers risks that are more than moderately adverse and, thus, not modeled for CFT purposes.

*Travelers LTC Block Reinsurance*

GLIC is a party to two coinsurance agreements which, when taken together, transfer 100% of the LTC policy risk of certain LTC policies originally issued by Travelers and subsequently purchased by MetLife (now Brighthouse), to UFLIC, which in turn is supported by a Capital Maintenance Agreement from GECC. UFLIC currently has all of the exposure of GLIC to the economic risk of these LTC products, with GLIC only performing certain administrative services on behalf of UFLIC. UFLIC owns all the assets and reserves relating to this business and has the Capital Maintenance Agreement with GECC to maintain minimum levels of RBC. GLIC, and any domestic regulators as identified in the agreement, may enforce UFLIC's rights under the Capital Maintenance Agreement directly against GECC.

Travelers ceded this business to GE Capital Life Assurance Company (now GLIC) in 2000 via a 90% coinsurance treaty, which was subsequently amended to a 100% quota-share treaty in 2008. This treaty is supported by a Trust (GLIC Trust) held for the benefit of Travelers, and now Brighthouse. In preparation of Genworth's Initial Public Offering in 2004, GLIC retroceded these

LTC policies to UFLIC via a 100% indemnity retrocession agreement that was also supported by a separate trust (UFLIC Trust) held for the benefit of GLIC.

The GLIC Trust and UFLIC Trust agreements are similar in nature, but with different fund level requirements. As part of both reinsurance arrangements, the ceding companies are granted access to the assets in the Trusts if the reinsurer fails to make policy payments.

### **FINANCIAL STATEMENTS**

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

- Assets as of December 31, 2023
- 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, 2018 to December 31, 2023

Assets  
As of December 31, 2023

	Assets	Assets Nonadmitted	Net Admitted Assets
Bonds	\$ 28,682,280,025	\$ -	\$ 28,682,280,025
Preferred stocks	32,981,000		32,981,000
Common stocks	1,333,852,742	18,051	1,333,834,691
Mortgage loans on real estate, first liens	4,643,159,178		4,643,159,178
Cash, cash equivalents, short-term investments	429,929,288		429,929,288
Contract loans	1,755,323,765	1,584,317	1,753,739,448
Derivatives	2,615,990		2,615,990
Other invested assets	3,160,895,111		3,160,895,111
Receivables for securities	30,665,806	1,021,344	29,644,462
Subtotals, cash and invested assets	\$ 40,071,702,905	\$ 2,623,712	\$ 40,069,079,193
Investment income due and accrued	429,423,614		429,423,614
Uncollected premiums and agents' balances in the course of collection	93,139,674	649,139	92,490,535
Deferred premiums, agents' balances and installments booked but deferred and not yet due	79,663,652	56,231	79,607,421
Amounts recoverable from reinsurers	48,534,917		48,534,917
Funds held by or deposited with reinsured companies	13,881,243		13,881,243
Other amounts receivable under reinsurance contracts	17,760,466		17,760,466
Net deferred tax asset	582,299,249	457,382,484	124,916,765
Guaranty funds receivable or on deposit	22,196,379		22,196,379
Electronic data processing equipment and software	1,846,748	1,846,748	-
Receivables from parent, subsidiaries and affiliates	252,441		252,441
Aggregate write-ins for other than invested assets:			
Prepaid expenses	52,135,458	52,135,458	-
Commissions receivable	2,104,970	2,104,970	-
Premium tax receivable	4,173,896		4,173,896
Miscellaneous receivable	13,122,000	470,605	12,651,395
State tax receivable	1,350,121		1,350,121
Total, excluding Separate Accounts	\$ 41,433,587,733	\$ 517,269,347	\$ 40,916,318,386
From Separate Accounts	8,657,811		8,657,811
Total	\$ 41,442,245,544	\$ 517,269,347	\$ 40,924,976,197

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

		<u>Notes</u>
Aggregate reserves for life contracts	\$ 5,800,711,927	1
Aggregate reserves for accident and health contracts	29,036,224,142	1
Liability for deposit type contracts	157,453,692	
Contract claims:		
Life	3,334,841	
Accident and health	332,092,214	
Premiums and annuity considerations for life and accident and health contracts received in advance	71,356,389	
Contract liabilities not included elsewhere:		
Other amounts payable on reinsurance	67,800,086	
Interest maintenance reserve	727,107,363	
Commissions to agents due or accrued	4,813,512	
Commissions and expense allowances payable on reinsurance assumed	532,344	
General expenses due or accrued	260,321,587	
Transfers to Separate Accounts due or accrued	(2,386,010)	
Taxes, licenses and fees	25,976,644	
Current federal and foreign income taxes	2,571,082	
Unearned investment income	305,806	
Amounts withheld or retained by company as agent or trustee	72,427,653	
Remittances and items not allocated	24,665,880	
Miscellaneous liabilities:		
Asset valuation reserve	944,078,449	
Payable to parent, subsidiaries and affiliates	26,522,073	
Derivatives	544,500	
Payable for securities	264,858	
Aggregate write-ins for liabilities:		
Derivatives interest payable	128,288	
Derivatives collateral	300,000	
Total liabilities excluding Separate Accounts	<u>\$ 37,557,147,320</u>	
From Separate Accounts Statement	<u>8,657,811</u>	
Total Liabilities	<u>\$ 37,565,805,131</u>	
Common capital stock	4,561,258	
Preferred capital stock	300,000	
Gross paid-in and contributed surplus	3,978,715,795	
Unassigned funds	(563,123,186)	
Less treasury stock, at cost: shares common	61,282,801	
Capital and Surplus	<u>\$ 3,359,171,066</u>	
Total Liabilities, Capital and Surplus	<u><u>\$ 40,924,976,197</u></u>	

Summary of Operations  
For the Year Ended December 31, 2023

Premiums and annuity considerations for life and A&H contracts	\$ 2,270,910,132
Consideration for supplementary contracts with life contingencies	11,676,707
Net investment income	1,805,951,993
Amortization of interest maintenance reserve	69,275,755
Commissions and expenses allowances on reinsurance ceded	113,157,357
Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	53,205
Charges and fees for deposit-type contracts	1,010
Aggregate write-ins for miscellaneous income	825,798
Totals	<u>\$ 4,271,851,957</u>
Death benefits	92,729,288
Annuity benefits	287,201,630
Disability benefits and benefits under A&H contracts	2,573,887,712
Surrender benefits and withdrawals for life contracts	418,229,586
Interest and adjustments on contract or deposit-type contract funds	9,355,087
Payments on supplementary contracts with life contingencies	26,378,005
Increase in aggregate reserves for life and A&H contracts	(244,892,303)
Totals	<u>\$ 3,162,889,005</u>
Commissions on premiums, annuity considerations and deposit-type contract funds	159,345,367
Commissions and expense allowances on reinsurance assumed	24,241,951
General insurance expenses	701,025,715
Insurance, taxes, licenses and fees, excluding federal income taxes	60,465,296
Increase in loading on deferred and uncollected premiums	2,885,646
Net transfers to or (from) Separate Accounts	(1,467,471)
Totals	<u>\$ 4,109,385,509</u>
Net gain from operations before dividends to policyholders and federal income taxes	\$ 162,466,448
Dividend to policyholders	<u>-</u>
Net gain from operations after dividends to policyholders and before federal income taxes	\$ 162,466,448
Federal and foreign income taxes	<u>18,432,331</u>
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses)	\$ 144,034,117
Net realized capital gains (losses)	<u>(38,382,616)</u>
Net Income	<u>\$ 105,651,501</u>

Reconciliation of Capital and Surplus  
For the Period from the Prior Examination  
As of December 31, 2018 to December 31, 2023

	Common Capital Stock	Preferred Capital Stock	Gross Paid-in and Contributed Surplus	Unassigned Surplus	Less: Treasury Stock	Total
12/31/18	\$ 4,561,258	\$ 300,000	\$ 3,978,715,795	\$ (2,051,286,223)	\$ 61,282,801	\$ 1,871,008,029
12/31/19 (1)				89,045,378		89,045,378
12/31/19 (2)				230,256,505		230,256,505
12/31/19 (3)				(10,494,793)		(10,494,793)
12/31/20 (1)				432,665,754		432,665,754
12/31/20 (2)				(482,523,646)		(482,523,646)
12/31/20 (3)				(6,972,024)		(6,972,024)
12/31/21 (1)				828,807,058		828,807,058
12/31/21 (2)				(7,950,674)		(7,950,674)
12/31/21 (3)				(6,707,500)		(6,707,500)
12/31/22 (1)				281,251,368		281,251,368
12/31/22 (2)				(136,768,706)		(136,768,706)
12/31/22 (3)				(8,410,411)		(8,410,411)
12/31/23 (1)				105,651,501		105,651,501
12/31/23 (2)				186,543,956		186,543,956
12/31/23 (3)				(6,230,729)		(6,230,729)
	<u>\$ 4,561,258</u>	<u>\$ 300,000</u>	<u>\$ 3,978,715,795</u>	<u>\$ (563,123,186)</u>	<u>\$ 61,282,801</u>	<u>\$ 3,359,171,066</u>

(1) Net income

(2) Change in net unrealized capital gains or (losses), change in net unrealized foreign exchange capital gains or (losses), change in net deferred income tax, change in nonadmitted assets, and change in asset valuation reserve

(3) Change in surplus as a result of reinsurance

**ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE EXAMINATION**

There were no changes made to the Financial Statements as a result of this Examination.

**COMMENTS ON FINANCIAL STATEMENT ITEMS**

Note 1:

Aggregate reserve for life contracts	\$ 5,800,711,927
Aggregate reserve for accident and health contracts	\$ 29,036,224,142

For the examination team to gain an adequate comfort level with the Company's aggregate reserve estimates, the Department retained the actuarial services of INS Consultants, Inc. (INS) to perform a review of the Company's reserving and pricing activities. Based on the review and analysis performed by INS, the examination team obtained sufficient evidence to support the conclusion that the Company's net aggregate reserve estimates are reasonably stated as of December 31, 2023.

As part of their review, the INS actuarial team was tasked with reviewing the GLIC reserves for compliance with standard valuation laws and applicable NAIC Actuarial Guidelines and Model Regulations. LTC reserves comprise most of the reserves held by GLIC, and these reserves are subject to Actuarial Guideline LI (AG 51). AG 51 is intended to provide uniform guidance and clarification of requirements for the appropriate support of certain assumptions for the Asset Adequacy Testing applied to a company's LTC block of contracts. INS concluded that the LTC rate increase assumption impact on the AG 51 test of the adequacy of the LTC reserves carried by GLIC was fairly stated and consistent with actuarial practices they see applied in practice. INS reviewed the methodologies used to arrive at the future rate increase assumptions and generally found such methodologies to be reasonable.

#### **SUBSEQUENT EVENTS**

On March 19, 2025, upon recommendation from the GFI Board's Nominating and Corporate Governance Committee, the size of GFI's Board was increased to ten (10) directors and elected Steven C. Van Wyk to serve as a new director. GFI's Board has determined that Mr. Van Wyk is an independent director within the meaning of the listing standards of the New York Stock Exchange and the Securities Exchange Act of 1934, as amended.

On January 1, 2024, Jamala M. Arland was elected to serve as the President and Chief Executive Officer and Director of the Company. Ms. Arland replaced Brian K. Haendiges who retired effectively at the close of business December 31, 2023.

### **SUMMARY OF RECOMMENDATIONS**

To ensure the Company complies with 18 *Del. Admin Code* § 301.14.3 and 18 *Del. Admin. Code* § 301.15.4, the following were recommended:

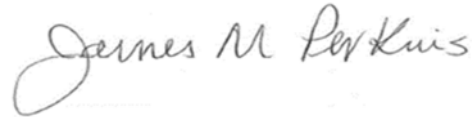
- 1) At least annually, the Company's ACNC should evaluate the authority and resources of the Internal Audit function for adequacy in fulfilling their responsibilities.
- 2) The Chief Internal Auditor should meet with the Company's ACNC on at least an annual basis, in accordance with the meeting cadence of the ACNC, to review internal audit plans and audit findings pertaining to the Company.

The examination noted that the Company's ACNC and the Chief Internal Auditor have appropriately addressed these recommendations based on the ACNC meeting held on May 8, 2025. There was evidence provided from the ACNC meeting agenda and presentations that the ACNC has an oversight of the Internal Audit function and that the ACNC will ensure adequate resources are provided to Internal Audit to fulfil their responsibilities.

At the ACNC meeting, Jason Fitzke, the Chief Internal Auditor, gave a presentation outlining the 2025 15-month Internal Audit Plan, which was approved by the ACNC and key business leaders of the Company. Mr. Fitzke also presented the status of all current audit findings. Additionally, updates to the Internal Audit Charter were approved by the ACNC.

The assistance and cooperation of examiners representing the states on the coordinated examination is acknowledged. In addition, the assistance of the consulting actuarial firm, INS, the consulting information systems specialist firm, INS Services, Inc., the Company's outside audit firm, KPMG, and the Company's management and staff were appreciated and is acknowledged.

Respectfully submitted,



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James M. Perkins, CFE  
Examiner-In-Charge  
State of Delaware

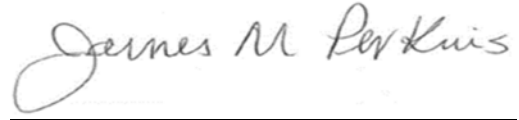


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Richard E. Palmatary, CPA, CFE  
Supervising Examiner  
State of Delaware

Genworth Life Insurance Company

I, James M. Perkins, 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 Certification No. 24.027.

A handwritten signature in cursive script that reads "James M. Perkins". The signature is written in dark ink and is positioned above a solid horizontal line.

James M. Perkins, CFE  
Examiner-In-Charge  
State of Delaware