

**EXAMINATION REPORT**  
**OF**  
**CROWN GLOBAL INSURANCE COMPANY OF AMERICA**  
**AS OF**  
**DECEMBER 31, 2024**

TRINIDAD NAVARRO  
COMMISSIONER



STATE OF DELAWARE  
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION  
OF  
CROWN GLOBAL INSURANCE COMPANY OF AMERICA  
AS OF  
DECEMBER 31, 2024

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.

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Trinidad Navarro  
Insurance Commissioner

Dated this 11th day of March, 2026

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March 9, 2026

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. 25.035, an examination has been made of the affairs, financial condition and management of

**CROWN GLOBAL INSURANCE COMPANY OF AMERICA**

hereinafter referred to as Company or CGICOA. The Company is an incorporated association under the laws of the State of Delaware as a stock company with its main office located at 1000 North West Street, Suite 1200 Wilmington, DE US 19801.

**SCOPE OF EXAMINATION**

The Delaware Department of Insurance (Department) performed a risk-focused financial examination of the Company. The previous regulatory examination of the Company covered the five-year period from January 1, 2015 through December 31, 2019. This examination covered the five-year period from January 1, 2020 through December 31, 2024.

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 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 Law 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 Ernst & Young. Certain auditor work papers of the 2024 Ernst & Young 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 adjustments in the financial statements as a result of this examination.

## **COMPANY HISTORY**

The Company was incorporated on November 7, 2012, under the laws of the State of Delaware. The Company's principal lines of business are deferred variable annuities and variable universal life. CGICOA predominately writes variable annuities and variable universal life in the State of Delaware.

On March 4, 2024, the Company's parent, Crown Global Insurance Group, LLC (CGIG), underwent a change in control and is now owned by Crown Global International, Inc. (CGII). The change was approved by the Insurance Commissioner of Delaware.

### **Capitalization and Dividends**

The Company is authorized to issue five thousand (5,000) common shares, 3,000 share are outstanding, with a par value of \$233.34 per share. The Common stock is valued at \$ 700,020.

On December 29, 2017 the Company issued a surplus note to an affiliate, Crown Global Life Insurance Ltd. The proceeds from the note were used to maintain capital and surplus at a target level needed for the Registrant to begin doing business in Texas. The principal amount of the surplus note is \$750,000. The note provides for repayment of principal and interest at the end of five years and the rate of interest is 5%. The Registrant filed Form D on November 29, 2017, and approval to execute this transaction was received from the Department on December 1, 2017.

On July 13, 2022, the Company received approval from the Department of its request for a five-year extension of the surplus note with a maturity date of December 31, 2027. As part of the approved change of control, the Company repaid its outstanding surplus note principal and

interest for \$975,000 on January 17, 2024 and paid an extraordinary dividend of \$1,250,000 on March 1, 2024.

### **MANAGEMENT AND CONTROL**

Pursuant to the General Corporation Law of the State of Delaware, as implemented by the Company's Certificate of Incorporation and bylaws, all corporate powers and its business property and affairs are managed by, or under the direction of, its Board of Directors (Board). Directors shall be elected annually by the shareholders and the number of directors constituting the Board, shall be fixed from time to time by resolution passed by the majority of the Board. The directors shall hold office until the next Annual Shareholders Meeting or until their successors are elected or appointed.

#### **Directors**

The Directors elected and serving the Company as of December 31, 2024 were as follows:

<u>Name</u>	<u>Position/Title</u>
Perry Lerner	President of CGICA <i>Chairman and CEO of CGICA's direct parent, Crown Global Insurance Group, LLC</i>
Christopher Calise	Vice President and Treasurer of CGICA <i>President and CFO of CGICA's direct parent, Crown Global Insurance Group, LLC</i>
Damien Rios	Vice President and Secretary of CGICA <i>Senior Vice President &amp; General Counsel of CGICA's direct parent, Crown Global Insurance Group, LLC</i>

#### **Officers**

In accordance with its bylaws, officers serving the Company shall be a President, one or more Vice Presidents (as determined by the Board), a Treasurer, a Secretary and other officers as may from time to time be appointed by the Board. The Officers elected and serving the Company as of December 31, 2024 were as follows:

<u>Name</u>	<u>Position/Title</u>
Perry Lerner	Director, President
Christopher Calise	Director, Vice President and Treasurer
Damien Rios	Director, Vice President and Secretary
Michele D'Alto	Vice President
Matthew Monson	Vice President

Committees

The Company does not have any committees.

Corporate Records

The recorded minutes of the 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 the 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 any 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. CGICOA is owned 100 percent by CGIG. CGIG is owned by CGII.

The examiner has reviewed the Company's most recently filed Form B Insurance Holding Company Registration Statement. Based on that review, it appears that the Company has disclosed all intercompany arrangements and in turn has filed the applicable information/agreements with the Department.

## Agreements with Affiliates

### *Expense Sharing Agreement*

Effective October 24, 2012, the Company entered into an Expense Sharing Agreement with Crown Global Holdings Ltd., a wholly-owned subsidiary of the Group. The agreement provides services including but not limited to: the employment of persons; the engagement of consultants and advisors; the operation and maintenance of office space, vehicles and equipment, whether owned or leased; the acquisition and use of supplies; communications equipment and services and travel expenses and related charges.

### *Corporate Service Agreement*

Effective April 1, 2013, this agreement was entered into by and between CGIG, (Together with its affiliates and subsidiaries) and Crown Global Management Inc. (CGMI). Under the terms of this agreement, CGMI provides general business management, financial, legal, tax, accounting, marketing and related services to the Company.

## **TERRITORY AND PLAN OF OPERATION**

### Territory

CGICOA, a Delaware domestic, issues group variable deferred annuity, individual variable deferred annuity, and individual immediate annuity products, without guaranteed values and variable life insurance policies, also without guaranteed values. CGICOA began writing variable life insurance at the end of 2017. The Company is currently licensed in Delaware, South Dakota and Texas.

### Plan of Operation

The Company operates within the framework of the group. The group insurance subsidiaries existing distribution strategy is based on providing its services through direct contacts

and in partnership with private banks, registered investment advisers, lawyers and other financial intermediaries. The insurance subsidiaries have the ability to recognize each country's own distinctive culture, language and legal framework. Through this understanding, the insurance subsidiaries are able to provide country-specific solutions that comply with local tax and legal regulations and are tailored to meet the unique requirements of each client.

Lines of Business

CGICOA issues private placement life insurance policies to accredited investors and qualified purchases. The Company generally retains \$50,000 of net amount at risk per insured life and per reinsurer. The ceded reinsurers include Hannover Life Reassurance Co of America, Swiss Re Life & Health America Inc., General Re Life Corp, Arch Reinsurance Ltd and Munich Reinsurance Company of Canada. Excess net amount at risk is ceded to highly rated counterparties under yearly renewable term reinsurance treaties.

The Company reported the following distribution of net premiums written for 2024:

<u>Line of Business</u>	<u>Direct Premiums</u> <u>Written (Net)</u>	<u>% of Total</u>
Individual Annuities	\$ 2,505,000	5.46%
Individual Life	14,988,217	32.68%
Group Annuities	<u>28,368,826</u>	<u>61.86%</u>
Total	<u>\$ 45,862,043</u>	<u>100.00%</u>
Direct Group Annuities	\$ 28,368,826	
Direct Individual Annuities	2,505,000	
Direct Individual Life	14,988,217	
Reinsurance ceded to non-affiliates (Life)	<u>(2,564,016)</u>	
Net premiums written	<u>\$ 43,298,027</u>	

**REINSURANCE**

The Company engages in reinsurance agreements to reduce exposure to certain death benefits on variable universal life policies. The exposure retained by the Company under the reinsurance agreements is generally \$50,000 per life, per reinsurer covering the life, up to a maximum retained exposure of \$150,000 per life. The ceding of risk does not relieve the Company from its primary obligation to the policyholder.

For the year ending December 31, 2024 the Company's ceded premiums by reinsurer were as follows:

<u>Direct Business</u>		<u>% of Total</u>
Individual Annuities	\$ 2,505,000	5.46%
Individual Life	14,988,217	32.68%
Group Annuities	<u>28,368,826</u>	<u>61.86%</u>
Total Direct	<u>\$ 45,862,043</u>	<u>100.00%</u>
<u>Ceded Premium</u>		
Individual Annuities	\$ -	0.00%
Individual Life	2,564,016	100.00%
Group Annuities	<u>-</u>	<u>0.00%</u>
Total Ceded	<u>\$ 2,564,016</u>	<u>100.00%</u>
Total Net Premiums Written	<u>\$ 43,298,027</u>	

Hannover Life Reassurance Co of America - \$203,995

Swiss Re Life & Health America Inc - \$194,805

General Re Life Corp - \$173,123

Munich Reins Co of Canada - \$1,498,758

Arch Reins Ltd - \$493,335

**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, 2024
- Liabilities, Surplus and Other Funds as of December 31, 2024
- Summary of Operations for the year ended December 31, 2024
- Reconciliation of Capital and Surplus for the Period from the Prior Examination December 31, 2020 to December 31, 2024

Assets  
As of December 31, 2024

	Ledger Assets	Non-admitted Assets	Net Admitted Assets	Notes
Bonds	\$ 510,243	\$ -	\$ 510,243	
Cash, cash equivalents and short-term investments	1,073,416		1,073,416	
Subtotals, Cash and Invested Assets	\$ 1,583,659	\$ -	\$ 1,583,659	
Investment income due and accrued	4,897		4,897	
Current federal and foreign income tax recoverable	66,709		66,709	
Net deferred tax asset	1,372,047	1,211,983	160,064	
Receivables from parent, subsidiaries and affiliates	30,837		30,837	
Aggregate write-ins for other than invested assets	251,964	163,566	88,398	
Total Assets excluding Separate Accounts	<u>\$ 3,310,113</u>	<u>\$ 1,375,549</u>	<u>\$ 1,934,564</u>	
Separate Accounts	<u>1,093,553,990</u>	<u>-</u>	<u>1,093,553,990</u>	1
Total Assets	<u><u>\$ 1,096,864,103</u></u>	<u><u>\$ 1,375,549</u></u>	<u><u>\$ 1,095,488,554</u></u>	

Liabilities, Surplus and Other Funds  
As of December 31, 2024

Other amounts payable on reinsurance	\$ 522,286	Notes
Commissions to agents or due or accrued-life and annuity contracts	130,150	
General expenses due and accrued	89,573	
Transfers to separate accounts due or accrued	(40,876)	1
Asset valuation reserve	6,271	
Total liabilities excluding separate accounts	<u>\$ 707,404</u>	
Separate accounts	<u>1,093,553,990</u>	1
Total Liabilities	<u><u>\$ 1,094,261,394</u></u>	
Common capital stock	\$ 700,020	
Gross paid in and contributed surplus	799,980	
Unassigned funds (surplus)	(272,840)	
Surplus as regards policyholders	<u>\$ 1,227,160</u>	
Total Liabilities and Surplus	<u><u>\$ 1,095,488,554</u></u>	

Statement of Operations  
For the Year Ended December 31, 2024

Premiums and annuity considerations for life and accident and health contracts	\$ 43,298,027
Net investment income	(91,315)
Amortization of Interest Maintenance Reserve	(55,170)
Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	3,382,656
Totals	<u>\$ 46,534,198</u>
Surrender benefits and withdrawals for life contracts	\$ 40,615,481
Commissions on premiums, annuity considerations, and deposit-type contract funds	1,454,945
General insurance expenses	1,914,487
Insurance taxes licenses and fees, excluding federal income taxes	97,361
Net transfers to or from separate accounts, net of reinsurance	2,062,768
Totals	<u>\$ 46,145,042</u>
Net gain from operations before dividends to policyholders, refunds to member and federal income tax	\$ 389,157
Dividends to policyholder	-
Net gain from operations after dividends to policyholders refunds to members and before federal income tax	389,157
Federal and foreign income taxes incurred (excluding capital gains)	(10,454)
Net gain from operations after dividends to policyholders refunds to members and after federal income tax and before realized capital gains (losses)	<u>\$ 399,611</u>
Net Income	<u><u>\$ 399,611</u></u>

**Reconciliation of Capital and Surplus  
For the Period from the Prior Examination  
December 31, 2020 to December 31, 2024**

		Common Capital Stock	Gross Paid-in and Contributed Surplus	Unassigned Funds (Surplus)	Surplus Notes	Dividends to Stockholders	Total
12/31/2020	(2)	\$ 700,020	\$ 799,980	\$ (20,848)	\$ 750,000	\$ -	\$ 2,229,152
12/31/2021	(1)			160,221			160,221
12/31/2022	(1)			550,174			550,174
12/31/2023	(1)			163,196			163,196
12/31/2024	(1)			124,417			124,417
12/31/2024	(3)				(750,000)		(750,000)
12/31/2024	(4)					(1,250,000)	(1,250,000)
		<u>\$ 700,020</u>	<u>\$ 799,980</u>	<u>\$ 977,160</u>	<u>\$ -</u>	<u>\$ (1,250,000)</u>	<u>\$ 1,227,160</u>

- (1) Represents net income, change in unrealized capital gains/(losses), change in net unrealized foreign exchange capital gain, change in net deferred income tax, change in non-admitted assets, change in provision for reinsurance, aggregate write-ins for gains and losses in surplus.
- (2) Capital contribution
- (3) Surplus note repayment to an affiliate, Crown Global Life Insurance Ltd.
- (4) Payment of an extraordinary dividend to Crown Global International, Inc.

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

There were no financial adjustments to the Company’s financial statements as a result of this examination.

**COMMENTS ON FINANCIAL STATEMENT ITEMS**

Note 1:

Separate Accounts Assets	\$1,093,553,990
Separate Accounts Liabilities	\$1,093,553,990
Transfer to Separate Accounts Due or Accrued (net)	(\$40,876)

The Company has insurance separate accounts to support certain Deferred Variable Annuities (DVA) and Variable Universal Life (VUL) products that they offer. For the year ended December 31, 2024, the Company reported separate account assets and liabilities from the following product lines:

<u>Product</u>	<u>Amounts</u>
Variable Annuities	\$ 839,572,230
Variable Universal Life	<u>253,940,884</u>
Total Products	<u>\$ 1,093,513,114</u>

The assets and liabilities of the separate accounts are clearly identified and distinct from the other assets and liabilities of the Company. Assets and liabilities of the separate accounts are stated primarily at the market value of the underlying investments and corresponding contract owner obligations.

The examination liabilities for the aforementioned captioned items are the same as those balances reported by the Company as of December 31, 2024. The examination analysis of DVA and VUL reserves was conducted in accordance with Generally Accepted Actuarial Principles and Statutory Accounting Principles, including NAIC Accounting Practices and Procedures Manual, Statements of Statutory Accounting Principle No. 51, 52, and 54 (SSAPs No. 51, 52, and 54).

**SUBSEQUENT EVENTS**

There are no subsequent events noted as a result of this examination.

**COMPLIANCE WITH PRIOR EXAMINATION RECOMMENDATIONS**

There were no recommendations contained in the prior Examination Report.

**SUMMARY OF RECOMMENDATIONS**

There were no recommendations noted as result of this examination. The assistance and cooperation from the Company's outside audit firm, Ernst & Young and the Company's management and staff were appreciated and are acknowledged.

Respectfully submitted,



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Madison Browne, AFE  
Examiner-In-Charge  
State of Delaware



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Albert M. Piccoli, Sr., CFE, ACI  
Supervising Examiner  
State of Delaware

I, Madison Browne, AFE, 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. 25.035.

*Madison Browne*

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Madison Browne, AFE  
Examiner-In-Charge  
Delaware Department of Insurance