EXAMINATION REPORT OF

ATHENE ANNUITY AND LIFE COMPANY

DES MOINES, IOWA

AS OF DECEMBER 31, 2021

Des Moines, Iowa
May 23, 2023

HONORABLE DOUG OMMEN
Commissioner of Insurance
State of Iowa
Des Moines, Iowa 50319

Commissioner:

In accordance with your authorization and pursuant to Iowa statutory provisions, an Examination has been made of the records, business affairs and financial condition of

ATHENE ANNUITY AND LIFE COMPANY

DES MOINES, IOWA

AS OF DECEMBER 31, 2021

at its Home Office located at 7700 Mills Civic Parkway, West Des Moines, Iowa.

INTRODUCTION

Athene Annuity and Life Company, hereinafter referred to as the "Company," was last examined as of December 31, 2017 as a member of the Athene USA group. The examination reported herein was conducted by the Iowa Insurance Division (the "Division").

SCOPE OF EXAMINATION

This is the regular comprehensive financial examination of the Company covering the period from January 1, 2018, to the close of business on December 31, 2021, including any material transactions and/or events occurring and noted subsequent to the examination period.

The examination was conducted in accordance with the National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition, identify current and prospective risks of a 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 and general information about the insurer and its financial condition.

HISTORY

The following is an abbreviated version of the Company's history:

The Company was incorporated as a mutual legal reserve life insurance company under the laws of the State of Iowa on February 15, 1896, and commenced business under the name Central Life Assurance Company of the United States on February 20, 1896. The corporate existence was then made perpetual by amendments to the Articles of Incorporation adopted July 28, 1950.

The Company was the surviving entity of a merger on January 1, 1982, with Wisconsin Life Insurance Company (WLIC) under which it acquired all of the business, assets and liabilities of WLIC.

The Company and American Mutual Life Insurance Company were merged into a single entity on December 31, 1994. The Company was the surviving entity but concurrently with the merger changed its name to American Mutual Life Insurance Company.

On October 27, 1995, a plan of reorganization was entered into which authorized a reorganization into a mutual insurance holding company structure and the Company became a stock life insurance company and wholly owned subsidiary of the American Mutual Holding Company. In conjunction with the reorganization, the name of the Company was changed to AmerUs Life Insurance Company.

On November 15, 2006, AmerUs Group, Co. was acquired by Aviva plc and effective November 1, 2007, the Company changed its name to Aviva Life and Annuity Company.

On September 30, 2008, Aviva Life Insurance Company and Indianapolis Life Insurance Company, both affiliates of the Company, were merged with and into the Company with the Company continuing as the surviving company.

Effective October 2, 2013, a stock purchase agreement was completed between Aviva plc and Athene Holding Ltd (AHL), a Bermuda exempted company. The agreement resulted in AHL acquiring 100% of the issued and outstanding capital stock of Aviva USA and acquiring control of certain Aviva USA insurance company subsidiaries, including the Company and its direct parent. Aviva USA was subsequently renamed Athene USA Corporation (AUSA). Effective December 5, 2013, the Company name was changed to its current name, Athene Annuity and Life Company.

On October 2, 2013, the Company sold 100% of the issued and outstanding capital stock of its direct subsidiary, Athene Life Insurance Company of New York (ALICNY), to Athene Annuity & Life Assurance Company of New York (AANY).

At December 31, 2019, the Company was a wholly owned subsidiary of Athene Annuity & Life Assurance Company (AADE), whose upstream parent is AHL. AHL had two classes of voting shares, Class A and Class B. Class A shares represented 55% of the aggregate voting power and were listed on the New York Stock Exchange. The Class B shares, representing 45% of the aggregate voting power, were controlled by AGM Management, LLC (AGM LLC) and its affiliates. AHL's By-laws included specific restrictions and adjustments to the voting power of the holders of Class A shares including that other than AGM LLC and certain of its affiliates, no one holder of Class A shares, together with its affiliates may control in excess of 9.9% of the total outstanding votes of AHL. Leon Black, Joshua Harris and Marc Rowan, as the upstream owners of AGM LLC, were the ultimate controlling persons.

AHL entered into a Transaction Agreement in 2019 which closed on February 28, 2020. Pursuant to this Transaction Agreement, AHL agreed to eliminate its multi-class structure leaving only Class A common shares as voting common stock. AHL also agreed to issue 35,534,942 new Class A shares that AHL or its subsidiaries would transfer to affiliates of AGM LLC that comprise the Apollo Operating Group or their subsidiaries (collectively AOG) in exchange for 29,154,519 equity interests of the AOG and $350 million in cash. The Transaction Agreement also granted AGM LLC or its affiliates the right to purchase additional Class A shares. Apollo Management Holdings, L.P. (AMH), an indirect subsidiary of AGM LLC, purchased additional shares bringing its ownership in AHL to approximately 28%. AHL also entered into a Shareholders Agreement which, among other items, gave AMH the right to vote the Class A Common Shares owned by the AOG, which brought the total voting percentage to approximately 35%. As part of the overall merger and transactions, no person or entity other than an indirect subsidiary of AGM LLC, had the right to vote 10% or more of AHL's total voting power.

On March 8, 2021, AHL entered into an Agreement and Plan of Merger (Merger Agreement), by and among AHL, AGM LLC, and other primary owners to effect an all-stock merger transaction to combine the respective businesses through a series of mergers. As a result of these mergers the new AGM LLC changed its name to Apollo Global Management, Inc. (AGM) in 2021. The agreement ultimately resulted in AHL becoming a direct, wholly-owned subsidiary of AGM once the Merger Agreement closed (the Merger Agreement did not close until 2022). The overall changes would not result in a change to the ultimate controlling persons of Leon Black, Joshua Harris and Marc Rowan.

CAPITAL STOCK AND DIVIDENDS

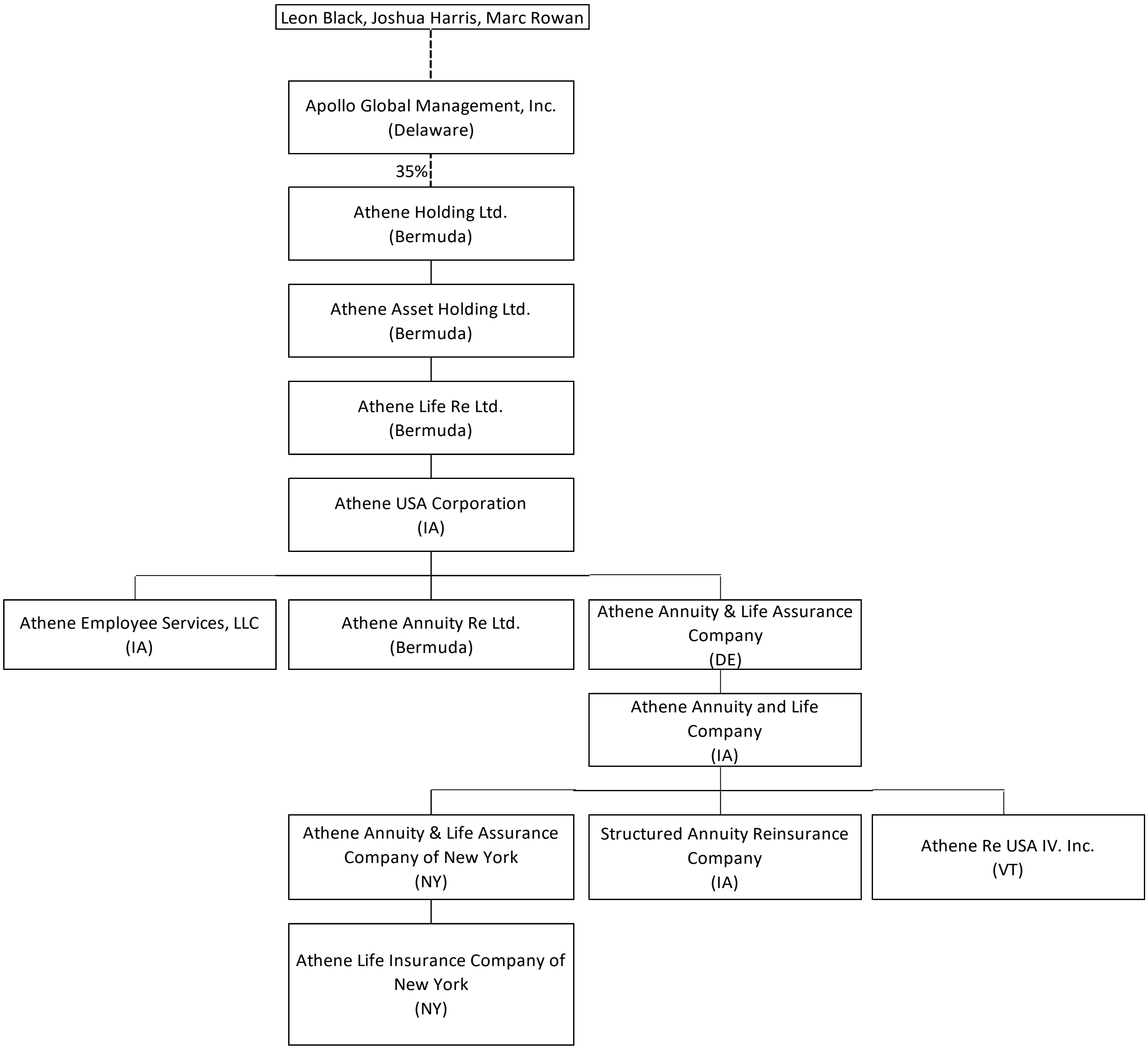
The Articles of Incorporation provide for authorized capital in the amount of $10,000,000, consisting of 10,000,000 shares of common capital stock with a par value of $1 per share. Issued and outstanding common shares were $10,000,000 as of December 31, 2021, with no change in the number of shares issued or direct ownership of the Company during the period under review.

As of December 31, 2021, the Company reported a balance of gross paid-in and contributed surplus of $1,691,305,174, an increase of $763,325,849 from January 1, 2018 through December 31, 2021. Changes related to 1) capital contributions from its parent, AADE, totaling $690,000,000, primarily related to facilitating organic growth of the pension group annuity line of business, 2) capital contributions of $46,110,518 representing stock compensation expense allocable to the Company (or its subsidiaries) but for which no actual repayment is expected or will be made and which were therefore required to be recorded as capital contributions pursuant to SSAP No. 104R Share-Based Payments, and 3) a contribution as indemnification from AUSA of $27,215,331 related to a tax settlement.

During the period under examination the only dividend paid out by the Company occurred in June, 2019, in the amount of $409,420, which was paid to AADE and related to the distribution of 100% of the Company's interest in Athene Securities, LLC. This dividend was an ordinary dividend and was paid in accordance with Chapter 521A.5(3)c, Code of Iowa.

HOLDING COMPANY SYSTEM

The Company is a member of an insurance holding company system as defined by Chapter 521A, Code of Iowa. A simplified organizational chart as of December 31, 2021, reflecting the ultimate controlling persons and holding company system, is shown below:



All ownership is 100% unless otherwise indicated. The ultimate controlling persons are Leon Black, Joshua Harris and Marc Rowan (Individuals). Other significant affiliated organizations with whom the companies transact business include Apollo Insurance Solutions Group.

As of December 31, 2021, there were approximately 5,165 U.S. and international legal entities comprising the AHL holding company system.

MANAGEMENT AND CONTROL

Shareholders

The annual meeting of the shareholder for the election of directors and for the transaction of such other business as may properly come before the meeting, shall be held at such place, date and hour as shall be designated in notice thereof, except that, to the extent permitted by applicable law, no annual meeting need be held if all actions, including the election of directors, required by the Iowa Business Corporation Act to be taken at a shareholders' annual meeting are taken by written consent in lieu of a meeting.

Special meetings of the shareholder may be called by the Board, Chairman of the Board, the President or a shareholder or shareholders holding of record at least 10% of all shares of the Corporation.

Notice of each meeting of the shareholders shall be given not less than 10 days or more than 60 days before the date of the meeting to each shareholder. The notice shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. In addition, the notice shall state the means of remote communications, by which shareholders and proxy holders may be deemed present in person and vote at the meeting.

At each meeting of the shareholders, shareholders holding a majority of shares of the Corporation issued, outstanding and entitled to be voted at the meeting shall be present in person or by proxy in order to constitute a quorum for the transaction of business.

At each meeting of the shareholders, each holder of voting shares of the Corporation shall be entitled to one vote either in person or by proxy.

Board of Directors

The business and affairs of the Company shall be managed under the direction of the Board of Directors. The directors shall be elected at the annual meeting and the number to be elected, shall be not less than five (5) nor more than fifteen (15). The Board of Directors shall be fixed from time to time by shareholders holding at least the number of shares required to elect directors.

Each director shall hold office until his or her term expires and until his or her successor is elected and qualified or until his or her death or until his or her earlier resignation or removal.

At each meeting of the shareholders for the election of the directors at which a quorum is present, the persons receiving the greatest number of votes, up to the number of directors to be elected, shall be the directors. Election of the directors of the Corporation need not be by written ballot.

Any director may resign at any time by giving notice in writing or by electronic transmission to the Chairman of the Board, the President or the Secretary of the Corporation. A director may be removed, either with cause or without cause, at any time by vote of a majority in voting interest of the shareholders. Any vacancy occurring on the Board for any reason may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director or by the shareholders holding at least the number of shares required to elect directors.

As soon as practicable after each annual election of directors, the Board shall meet for the purpose of organization and the transaction of other business.

Regular meetings of the Board shall be held at such times and places as the Board shall determine.

Special meetings of the Board shall be held whenever called by the Chairman of the Board or the President or a majority of the directors then in office.

A quorum of the Board of Directors consists of a majority of the total number of directors then in office and present in person at the meeting of the Board. In the absence of a quorum of any Board meeting, the majority of the director's present may adjourn such meeting until a quorum shall be present.

The directors duly elected and serving as of December 31, 2021 were as follows:

Name and Address	Principal Business Affiliation	Term Expires
Mitra O'Neill New York, NY	Executive Vice President, General Counsel Revlon, Inc.	2022
Martin Klein Richmond, VA	Executive Vice President and Chief Financial Officer Athene Holdings Ltd	2022
Grant Kvalheim Princeton, NJ	Chief Executive Officer – Athene USA Corporation Chief Executive Officer, President – AAIA	2022
Lawrence Ruisi Armonk, NY	Retired President and Chief Executive Officer Lowes Cineplex Entertainment Corporation	2022
Francis Sabatini Killingworth, CT	Independent Consultant Sabatini Advisory Services, LLC	2022
Hope Taitz Armonk, NY	Chief Executive Officer ELY Capital; Aequi Acquisition Corporation	2022
Christopher Welp Clive, IA	Executive Vice President, Insurance Operations Athene USA	2022

Committees

The Board of Directors may, by resolution passed by a majority of the whole board, designate one or more committees, including an executive committee, from among the members of the whole board. Each committee must have two or more members. Any such committee, to the extent provided in the resolution of the whole board, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Company. The procedures to be followed by such committees with respect to notice, quorum, voting, action without meeting and other such matters shall be the same as those specified for meetings of directors.

The Company has designated the Audit Committee of the Board of Directors of AADE to act as its Audit Committee for purposes of the Iowa Model Audit Rule.

The membership of the Audit Committee as of December 31, 2021 was as follows:

Name	Position
Lawrence Ruisi	Chair
Francis Sabatini	Member
Mitra O'Neill	Member
Hope Taitz	Observer

Board governance functions are also provided to the Company through the following committees of its upstream parent, AHL:

AHL Board Committees

- Executive Committee
- Risk Committee
- Conflicts Committee
- Legal and Regulatory Committee
- Audit Committee
- Compensation Committee
- Nominating and Governance Committee

The Compensation Committee and the Nominating & Governance Committee were in place through December 31, 2021, but were eliminated in conjunction with the merger which occurred subsequently in 2022. In conjunction with the merger, the responsibility for establishing the compensation elements and benefit plans and programs of executives in senior roles and risk and control function holders was delegated to the Compensation Committee of the Apollo Group Management Board of Directors.

The delegation of board committee governance functions was noted to be in compliance with Chapter 521A.5(4)e, Code of Iowa.

Officers

The By-Laws provide that the officers of the Corporation shall be a President, who may but need not also be the Chief Executive Officer, a Treasurer and a Secretary, and such Vice Presidents, Assistant Secretaries, Assistant Treasurers or other officers as may be appointed by the Board of Directors. Any two or more offices may be held by the same person. Officers need not be shareholders of the Corporation or citizens or residents of the United States of America. All officers may be elected by the Board, except that the Board may from time to time authorize any officer to appoint and remove any other such officer and to prescribe such person's authority and duties. Each officer shall hold office until the next annual meeting of the Board and until his or her successor is elected or until his or her earlier death or until his or her earlier resignation or removal in the manner hereinafter provided. Any offices may be held by one individual simultaneously.

If additional officers are elected or appointed during the year, each of them shall hold office until the next annual meeting of the Board at which officers are regularly elected or appointed and until his or her successor is elected or appointed or until his or her earlier death or until his or her earlier resignation or removal in the manner hereinafter provided.

The officers duly elected and serving as of December 31, 2021, were as follows:

Name	Office
Grant Kvalheim	President, Chief Executive Officer
Blaine Doerrfeld	Secretary, Senior Vice President and Senior Counsel
Travis Tweed	Treasurer, Vice President and Controller
Sean Brennan	Executive Vice President, Head of PRT and Reinsurance
Kristi Burma	Executive Vice President, Human Resources
Katie Daly	Executive Vice President, Corporate Development
Michael Downing	Executive Vice President, Chief Actuary
Randall Epright	Executive Vice President, Chief Information Officer
John Golden	Executive Vice President, Legal
Christopher Grady	Executive Vice President, Retail Sales
Douglas Niemann	Executive Vice President, Chief Risk Officer
Shailendra Panchal	Senior Vice President, Asset Risk
Christopher Welp	Executive Vice President, Insurance Operations

CONFLICT OF INTEREST STATEMENTS

The Company has a Code of Business Conduct and Ethics Policy, which addresses conflicts of interest and is acknowledged by key employees on an annual basis. The review of the questionnaire responses disclosed that there were no significant conflicts of interest reported.

CORPORATE RECORDS

The minutes of the shareholder and Board meetings were reviewed for the period under examination. The meeting minutes of the Board appeared to adequately document its meetings and approval of Company transactions and events. The Report of Examination as of December 31, 2017 by the Iowa Insurance Division was presented at the June 13, 2019 meeting of the Board.

The Company's Amended and Restated Articles of Incorporation (Articles) and Bylaws were not amended during the examination period.

INTERCOMPANY AGREEMENTS

The Company is a party to several agreements with its affiliates. Where required, all agreements have been filed with and approved by the Division. Agreements considered to be significant are described in more detail as follows:

Shared Services and Cost Sharing Agreement (Non-New York Companies)

Effective January 1, 2020, the Company, along with an additional ten affiliates (all non-New York domiciled companies) entered into an agreement whereby the Company and Athene Employee Services (AES) are to provide various services to the parties under the agreement. Services provided include executive, strategic and operations management, financial services and accounting, treasury, reinsurance and underwriting, human resources, legal, IT, sales, market development, tax, audit services, risk management, printing and supplies, and other listed services. Fees are reimbursed on a cost basis, with indirect expenses to be allocated using time, usage, proportion of revenue, or other reasonable methodology. Expenses are reimbursed monthly on an estimated basis, with a true-up prepared and settled quarterly. The agreement may be terminated by any party, for that party, with at least thirty days written notice.

Shared Services and Cost Sharing Agreement (New York Companies)

Effective January 1, 2020, the Company and AES entered into an agreement with the following New York domiciled affiliates: P.L. Assigned Services, Inc (PLAS), AANY, and ALICNY. Services provided under this agreement include executive, strategic and operations management, financial services and accounting, treasury, reinsurance and underwriting, human resources, legal, IT, sales, market development, tax, audit services, risk management, printing and supplies, and other listed services. Fees are reimbursed on a cost basis, with indirect expenses to be allocated using time, usage, proportion of revenue, or other reasonable methodology. Expenses are reimbursed monthly on an estimated basis, with a true-up prepared and settled quarterly. The agreement may be terminated by any party for that party with at least thirty days written notice.

Investment Management Agreement

Effective October 2, 2013, the Company and Apollo Insurance Solutions Group, LLC (ISG), entered into an investment management agreement under which ISG has discretionary authority to manage the Company's funds and assets, subject to restrictions and limitations within investment guidelines attached to the agreement. The Company pays ISG a management fee, as scheduled in the agreement, based on the month-end net asset value of the funds and assets, to be paid monthly in arrears. This agreement may be terminated by any party at the end of any quarter with at least thirty days prior written notice.

Tax Allocation Agreement

Effective January 1, 2019, the Company along with an additional ten affiliates entered into an agreement with AUSA to file a consolidated federal tax return. AUSA, as the parent of the group, is responsible for all filings and settlements due under the federal tax return. AUSA calculates a separate tax liability for each tax filing, including estimated payments, for each party, and each party agrees to settle its portion of the tax liability required. Amounts payable by each entity will be equal to that which would be payable had the entity filed a separate income tax return. Parties may agree to terminate the agreement for one or more members with thirty days prior written notice.

Unsecured Revolving Promissory Note

Effective May 1, 2021, AUSA entered into an agreement with the Company, AADE, and AES establishing an unsecured revolving promissory note arrangement. Under the terms of this agreement AUSA may advance up to an aggregate of $200,000,000 to one or more of the entities under a promissory note for up to five-years from the effective date of this agreement. Interest accrues at a rate per annum equal to 2.085%, which rate will increase after the final date of May 1, 2026 by an additional 5%. The entities may borrow or re-borrow up to this principal amount until this final date. Each entity is only responsible under this agreement for any principal and interest on amounts borrowed by that specific entity.

FIDELITY BONDS AND OTHER INSURANCE

The Company's upstream parent, AHL, maintains a Comprehensive Crime policy with fidelity bond coverage up to $20,000,000, with a $5,000,000 deductible, which adequately covers the suggested minimum amount of coverage for the Company and overall group as recommended by the NAIC. The Company is identified as a named insured in the policy.

Also maintained are Commercial Property and General Liability, Workers' Compensation, Directors and Officers Liability, and Errors and Omissions Liability policies, other specialized policies and a Commercial Umbrella Liability providing overall coverage in the base amount of $25,000,000 with additional excess layers of coverage.

EMPLOYEES' WELFARE

Employees of the Company, whether compensated directly or through AES, are eligible for basic core benefits such as Life insurance, Accidental Death & Dismemberment, Short- and Long-term disability, and other benefits. Employees are also eligible to participate in optional benefits such as medical, dental, vision and other similar options.

In addition to their salary, employees may also participate in a 401(k) savings plan and other forms of compensation.

REINSURANCE

General

The Company's overall reinsurance program is primarily designed to mitigate and limit its risk exposure from mortality-related liabilties and to provide liquidity.

All significant reinsurance agreements reviewed were noted to include an insolvency clause that is in compliance with Chapter 521.B, Code of Iowa. In addition, treaty terms were reviewed to ensure that contract provisions allowed for the proper transfer of risk. Where required, reinsurance agreements with unauthorized insurers were approved by the Division and the Company has adequately secured reserve credits with unauthorized companies. Reinsurance agreements with affiliates were also determined to have been filed with the Division.

Assumed

The Company continues to assume certain life and disability business through long-held agreements with twenty-six non-affiliated entities, with the most recent such agreement entered into in 2001. The Company received $10.5 million in premiums and carried $187.9 million in reserves for the related assumed business as of December 31, 2021.

Ceded

As of December 31, 2021, the Company reported total life and annuity reserves ceded (both General and Separate Account) of $93.9 billion. Reinsurance ceded to the Company's affiliates accounted for 97% of the total reserve credits taken.

Annuity and Contract

The Company reinsures its policy and contract related liabilities for its retail annuity, pension risk transfer and funding arrangement business to affiliated reinsurers. Effective in 2018, AARe, a Bermuda domiciled affiliate, was established and became a primary reinsurer for the Company's business. In conjunction with the establishment of this new entity, in 2018, the Company recaptured all of its previously reinsured business with Athene Life Re Ltd. (ALRe) and subsequently ceded it to AARe, under modified coinsurance or coinsurance on a funds withheld basis. Many of these agreements were subsequently amended and restated during the examination period to combine types of business or to differentiate business for retrocession purposes. The primary agreements in effect as of December 31, 2021, are described below.

- Effective October 21, 2021, the Company entered into separate amended and restated agreements under which the Company cedes a quota share of the contract liabilities with respect to the pension risk transfer business, net of any liabilities ceded under third party agreements, to AARe on a Modified Coinsurance (ModCo) basis. Cessions are made under two separate agreements, one involving retrocession to Athene Co-Invest Reinsurance Affiliate 1B Ltd. ("ACRA") and one in which ACRA does not participate..

- Effective June 1, 2020, the Company entered into separate agreements under which the Company cedes a quota share of the contract liabilities with respect to the funding agreement backed note (FABN) business to AARe, on a ModCo basis. Cessions are made under two separate agreements, one involving retrocession to ACRA and one in which ACRA does not participate.

- Effective June 1, 2018, the Company entered into a reinsurance agreement with AADE, under which the Company cedes a quota share, on a ModCo basis, of the retained contract liabilities with respect to the Non-Fixed spread and Index-Linked Deferred Annuity business, net of any liabilities ceded under third party agreements.

- Effective July 1, 2020, the Company entered into an amended and restated agreement under which the Company cedes a quota share of the contract liabilities with respect to the Non-Fixed spread and Index-Linked Deferred Annuity business, net of any liabilities ceded under third party agreements to AARe on a ModCo basis.

- Effective June 1, 2018, the Company entered into a reinsurance agreement with AARe, under which the Company cedes a quota share, on a ModCo basis, of the retained contract liabilities with respect to the Fixed Spread business, net of any liabilities ceded under third party agreements.

Other significant annuity-related agreements included:

- Effective October 1, 2017, the Company entered into a reinsurance agreement with STAR, under which the Company cedes a quota share of its closed block of structured annuities issued to the contractholder Aviva London Assignment Corp., on a Coinsurance with Funds Withheld basis.

- Effective October 1, 2016, the Company entered into a reinsurance agreement with Hannover Life Reinsurance Company of America, under which the Company cedes 80% of the guaranteed lifetime withdrawal benefit riders on sales from 2016 through December 31, 2021, of certain fixed indexed annuity products. In 2021, AAIA took reserve credits of $661 million related to the business ceded under this agreement.

Life

Effective December 15, 2011, the Company entered into a Coinsurance with Funds Withheld Agreement with Athene Re IV, a captive reinsurer. The agreement provides for a 100% cession of all policy liabilities under the "AmerUs Life Closed Block", a regulatory closed block of the former AmerUs Life Insurance Company, a predecessor of the Company. The AmerUs Life Closed Block was formed on June 30, 1996, for the protection of dividend interests on dividend-paying policies and is comprised of participating whole life insurance, term life insurance, and dividend-paying universal life insurance. The Company has taken a reserve credit of $1.38 billion for this agreement as of December 31, 2021. Funds held under reinsurance with unauthorized reinsurers for this agreement was $1.29 billion.

Effective October 1, 2013, the Company entered into a Coinsurance agreement with Accordia Life and Annuity Company (Accordia). The agreement provides for a 100% cession of all open block life insurance contract liabilities (with the exception of Enhanced Guarantee universal life insurance products) issued by the Company while under its former name of Aviva Life and Annuity Company. The agreement also provides for the Company to act as a backstop to the AmerUs Life Closed Block, such that if the business is no longer reinsured under the agreement described above with Athene ReIV then 100% of the AmerUs Life Closed Block will be ceded to the Company. The Company also cedes through a separate agreement with Accordia 100% of the policy liabilities of the former Indianapolis 5 Life Insurance Company regulatory closed book. The Company has taken a reserve credit of $1.73 billion for these agreements as of December 31, 2021. As all of the AmerUs Life Closed Block was ceded under the agreement with Athene ReIV, no amounts were ceded to Accordia related to that business.

The Company also maintains a number of older agreements with other third-party reinsurers under which any remaining life insurance business remains ceded.

STATUTORY DEPOSIT

As of December 31, 2021, the book/adjusted carrying value of securities that were held as special deposits in the States of Arkansas, Florida, Georgia, Massachusetts, Nevada, New Hampshire, New Mexico, North Carolina, South Carolina, Virginia, and the territory of Puerto Rico totaled $7,124,063. The $54,145,258,962 deposit with the State of Iowa represents amounts on deposit pursuant to Chapter 511.8(16), Code of Iowa, and are held for the benefit of all policyholders.

TERRITORY AND PLAN OF OPERATIONS

The Company is authorized to transact life and annuity business in forty-nine states in the United States and in the District of Columbia (not licensed in the state of New York) as well as in the territory of Puerto Rico. There were no changes made to the jurisdictions in which the Company was licensed to write business during the period under examination.

Lines of Business

The Company offers retirement solutions through sales of retail annuities and pension group annuities. Retail annuities include fixed indexed annuities, registered index-linked annuities, fixed rate annuities, and payout annuities along with income riders and withdrawal options, all offered on an individual basis. Pension group annuity transactions generally involve a single premium group annuity contract issued to an employer group to discharge related pension plan liabilities, with deferred or immediate annuity certificates issued to the underlying current or retired employees covered under the pension.

The Company also issues funding agreements, primarily to investors with whom an agreement has been negotiated. The funding agreements are designed to provide the agreement holder with a guaranteed return of principal and periodic interest payments, offering the investor competitive yields and predictable returns. The principal is then available to the Company for investment opportunities.

GROWTH OF COMPANY

A summary of significant financial data (*000's*) for the past four years is presented below (Separate Accounts are excluded):

Year	Total Admitted Assets	Aggregate Life Reserves	Capital and Surplus	Life and Annuity Premium	A&H Premium	Deposit Type Funds	Life Insurance In-Force
2018	$ 52,967,778	$ 44,937,658	$ 1,234,164	$ 1,272,279	$ 263	$ 435,598	$ 22,606
2019	55,495,875	45,144,174	1,208,648	1,696,162	219	376,755	17,775
2020	59,680,279	46,015,816	1,312,235	1,856,320	213	2,107,174	15,380
2021	76,258,554	47,441,977	1,278,852	3,650,786	178	12,744,715	13,536
						-	

The changes in Deposit Type Funds in 2020 results from growth in the pension group annuity business.

ACCOUNTS AND RECORDS

The Company's accounting records were maintained on a computerized system. The Company's balance sheet accounts were verified with the line items of the annual statement submitted to the Division.

During the course of the examination, no statutory compliance issues were noted nor were there material aggregate surplus differences identified from the amounts reflected in the financial statements, as presented in the annual statement as of December 31, 2021.

SUBSEQUENT EVENTS

Apollo/Athene Transaction

Effective January 1, 2022, AGM and AHL effected a business combination of Apollo Asset Management, Inc., a Delaware corporation formerly known as Apollo Global Management, Inc., and AHL, a Bermuda corporation. As a result of the merger, the combined entity AGM has two principal subsidiaries: Apollo Asset Management, its alternative asset management business, and AHL, its retirement services business. Following the transaction, AGM is now the publicly traded entity, with approximately 600 million shares of a single class of voting stock entitled to one vote per share. Ultimate control of the Company remained unchanged as prior to the business combination, AGM voted approximately 35% of AHL's outstanding shares.

Additionally, following the completion of the mergers, AUSA contributed its 100% ownership in AADE to its direct wholly-owned subsidiary, AARe; as a result, AADE became a direct wholly-owned subsidiary of AARe.

F I N A N C I A L S T A T E M E N T S

A N D C O M M E N T S T H E R E O N

Note: The following financial statements are based on the statutory financial statements filed by the Company with the Iowa Insurance Division and present the financial condition of the Company for the period ending December 31, 2021.

ASSETS

	Assets	Nonadmitted Assets	Admitted Assets
Bonds	$ 47,312,106,902	$ -	$ 47,312,106,902
Preferred stocks	284,442,236		284,442,236
Common stocks	597,816,934		597,816,934
Mortgage loans on real estate:			
First liens	12,384,264,080		12,384,264,080
Other than firtst liens	1,587,365,315		1,587,365,315
Properties held for production of income	9,388,542		9,388,542
Cash ($2,528,615,282), and short-term investments ($2,461,656,433)	4,990,271,715		4,990,271,715
Contract Loans	130,214,239	730,929	129,483,310
Derivatives	1,256,947,383		1,256,947,383
Other Invested Assets	4,495,435,892	140,483	4,495,295,409
Receivables for securities	171,703,103		171,703,103
Derivative Collateral	8,907,540		8,907,540
Subtotals, cash and invested assets	$ 73,228,863,881	$ 871,412	$ 73,227,992,469
Investment income due and accrued	467,728,608	5,424,095	462,304,513
Deferred premiums, agents' balances in the course of collection	6,531,967		6,531,967
Reinsurance:			-
Amounts recovered from reinsurers	205,427,382		205,427,382
Other amounts receivable under reinsurance contracts	1,684,966,911	609,083	1,684,357,828
Net deferred tax asset	180,616,551	103,904,154	76,712,397
Guaranty funds receivable or on deposit	658,553		658,553
Receivables from parent subsidiaries and affiliates	193,480,834		193,480,834
Healthcare and other amounts receivable	24,974,443	2,599,159	22,375,284
Aggregate write-ins for other than invested assets			-
Corporate Owned Life Insurance (COLI)	378,713,210		378,713,210
Miscellaneous Assets	28,422,888	28,422,888	-
Total assets excluding separate accounts	$ 76,400,385,228	$ 141,830,791	$ 76,258,554,437
Separate accounts	30,036,769,045		30,036,769,045
Totals	$ 106,437,154,273	$ 141,830,791	$ 106,295,323,482

LIABILITIES, SURPLUS AND OTHER FUNDS

Aggregate reserve for life contracts		$ 47,441,976,603
Aggregate reserve for accident and health contracts		2,398,147
Liability for deposit-type contracts		12,744,714,746
Contract claims:		
Life		230,675,427
Accident and health		7,434
Other amounts payable on reinsurance including $0 assumed and $3,229,793,598 ceded		3,229,793,598
Interest maintenance reserve		194,149,421
Commissions to agents due or accrued-life and annuity contracts $14,410,868 and accident and health $0		14,410,868
General expenses due or accrued		19,502,704
Transfers to Separate Accounts due or accrued (net)		2,415,584,012
Taxes, licenses and fees due or accrued, excluding federal income taxes		7,399,283
Current federal and foreign income taxes, including $31,539,127 on realized capital gains		101,980,537
Unearned investment income		3,367,181
Amounts withheld or retained by company as agent or trustee		505,365
Amounts held for agents' account, including $3,441,049 agents' credit balances		3,441,049
Remittances and items not allocated		146,469,795
Liability for benefits for employees and agents		116,199
Miscellaneous liabilities:		
Asset valuation reserve		1,313,954,239
Funds held under reinsurance treaties with unauthorized and certified ($0) reinsurers		1,294,044,178
Payable to parent, subsidiaries and affiliates		17,208,245
Derivatives		268,646,333
Payable for securities		110,440,563
Aggregate write-ins for liabilities:		
Derivative and other collateral		3,226,404,126
Repurchase Agreement liability		2,608,679,474
Miscellaneous liability		440,463,601
Total liabilities excluding Separate Accounts business		$ 75,836,333,128
From Separate Accounts statement		29,180,138,653
Total liabilities		$ 105,016,471,781
Common capital stock	$ 10,000,000	
Gross paid in and contributed surplus	1,691,305,174	
Unassigned funds (surplus)	(422,453,474)	
Surplus as regards policyholders		$ 1,278,851,700
Total Liabilities, Capital and Surplus		$ 106,295,323,481

SUMMARY OF OPERATIONS

Premiums and annuity considerations for life and accident and health contracts	$	3,650,964,224
Considerations for supplementary contracts		1,110,860
Net investment income		4,203,228,198
Amortization of Interest Maintenance Reserve		10,330,918
Separate Accounts net gain from operations excluding unrealized gains and losses		17,684,601
Commissions and expense allowances on reinsurance ceded		940,180,121
Reserve adjustments on reinsurance ceded		(2,946,559,689)
Miscellaneous Income:		
Income from fees associated with investment management, administration and contract guarantees from Separate Accounts		13,278,201
Aggregate write-ins for miscellaneous income		38,289,686
Total	$	5,928,507,120
Death benefits		2,226,977
Matured endowments (excluding guaranteed annual pure endowments)		188
Annuity benefits		504,171,876
Disability benefits and benefits under accident and health contracts		376,152
Surrender benefits and withdrawals for life contracts		805,192,568
Interest and adjustments on contract or deposit-type contract funds		(228,604,788)
Payments on supplementary contracts with life contingencies		10,376,790
Increase in aggregate reserves for life and accident and health contracts		1,425,806,478
Total	$	2,519,546,241
Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)		629,962,330
Commissions and expense allowances on reinsurance assumed		517,783
General insurance expenses		432,795,319
Insurance taxes, licenses and fees, excluding federal income taxes		18,938,453
Net transfers to or (from) Separate Accounts net of reinsurance		2,611,821,213
Aggregage write-ins for deductions		(126,169,639)
Total	$	6,087,411,700
Net gain from operations before dividends to policyholders and federal income taxes	$	(158,904,580)
Dividends to policyholders		8
Net gain from operations after dividends to policyholders and before federal income taxes	$	(158,904,588)
Federal and foreign income taxes incurred (excluding tax on capital gains)		70,441,410
Net gain from operations after dividends to policyholders and federal income tax and before realized capital gains or (losses)	$	(229,345,998)
Net realized capital gains or (losses)		47,797,534
Net income	$	(181,548,464)

CAPITAL AND SURPLUS ACCOUNT

Policyholders surplus, per examination December 31, 2020			$	1,312,234,523
GAINS AND (LOSSES) IN SURPLUS				
Net income, 2021	$	(181,548,464)		
Change in net unrealized capital gains or (losses)		217,747,574		
Change in net unrealized foreign exchange capital gain (loss)		(44,605,989)		
Change in net deferred income tax		162,912,649		
Change in nonadmitted assets		(116,566,497)		
Change in asset valuation reserve		(373,436,540)		
Surplus contributed to Separate Accounts		(131,023,889)		
Other changes in surplus in Separate Accounts statement		44,624,848		
Surplus changes:				
Paid in		517,922,677		
Changes in surplus as a result of reinsurance		(124,802,413)		
Aggregate write-ins for gains and losses in surplus		(4,606,780)		
Change in surplus as regards policyholders for the year				(33,382,824)
Surplus as regards policyholders, December 31, 2021			$	1,278,851,699

CASH FLOW

Cash from Operations		
Premiums collected net of reinsurance	$ 3,652,458,801	
Net investment income	4,096,080,027	
Miscellaneous income	794,252,090	
Total		$ 8,542,790,918
Benefit and loss related payments	2,855,893,219	
Net transfers to Separate Accounts	2,222,661,336	
write-ins for deductions	1,057,840,843	
Dividends paid to policyholders	8	
Federal and foreign income taxes paid	136,733,491	
Total		6,273,128,897
Net cash from operations		$ 2,269,662,021
Cash from Investments		
Proceeds from investments sold, matured, or repaid:		
Bonds	$ 15,369,230,503	
Stocks	210,311,998	
Mortgage loans	1,691,136,137	
Other invested assets	1,832,662,958	
Net gains or (losses) on cash, cash equivalents and short-term investments	8,491,245	
Miscellaneous proceeds	116,132,798	
Total investment proceeds		19,227,965,639
Cost of investments acquired (long-term only):		
Bonds	23,265,210,928	
Stocks	256,089,372	
Mortgage loans	6,886,906,198	
Other invested assets	3,449,432,752	
Miscellaneous applications	138,371,714	
Total investments acquired		33,996,010,964
Net increase (decrease) in contract loans and premium notes		(19,407,862)
Net cash from investments		$ (14,748,637,463)
Cash from Financing and Miscellaneous Sources		
Cash provided (applied):		
Capital and paid in surplus	$ 300,000,000	
Net deposits on deposit-type contracts and other insurance liabilities	10,637,540,803	
Other cash applied	2,724,658,171	
Net Cash from Financing and Miscellaneous sources		$ 13,662,198,974

CASH FLOW (continued)

RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS

Net change in cash, cash equivalents and short-term investments	$	1,183,223,532
Cash and short-term investments:		
Beginning of year		3,807,048,181
End of year	$	4,990,271,713

CONCLUSION

Acknowledgment is hereby made of the cooperation and assistance extended by the officers and employees of the Company during this examination.

In addition to the undersigned, the following examiners from INS Regulatory Insurance Services, Inc., assisted the Iowa Insurance Division:

Sarah Lucibello, CFE	Field Manager
Mary Rodack, CFE	Financial Regulation Senior Specialist
Sophie Evans	Staff Examiner
John Smolak	Staff Examiner

A review of the information technology system was performed under the direction of David Gordon, of INS Services, Inc.

A review of the Company's reserves was performed under the direction of Carl Harris, FSA, MAAA of Insurance Strategies Consulting, LLC.

Respectfully submitted,

/s/ Robert J Rodack
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/s/ Amanda Theisen
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