

EXAMINATION REPORT OF
AMERICAN EQUITY INVESTMENT LIFE INSURANCE COMPANY
WEST DES MOINES, IOWA
AS OF DECEMBER 31, 2023

West Des Moines, Iowa
June 6, 2025

HONORABLE DOUG OMMEN
Insurance Commissioner
State of Iowa
1963 Bell Avenue
Des Moines, Iowa 50315

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

AMERICAN EQUITY INVESTMENT LIFE INSURANCE COMPANY

WEST DES MOINES, IOWA

AS OF DECEMBER 31, 2023

at the Company's Home Office located at 6000 Westown Parkway, West Des Moines, Iowa 50266. The report of examination, containing applicable comments, explanations and financial data, is presented herewith.

INTRODUCTION

American Equity Investment Life Insurance Company, hereinafter referred to as the "Company or AEILIC", was last examined as of December 31, 2018. The examination reported herein was conducted as an examination of an insurance holding company group with the Iowa Insurance Division acting as the Lead State and the New York State Department of Financial Services participating in the holding company group examination. The examination was performed by the contract firm, Risk & Regulatory Consulting, LLC. The Company's subsidiary, Eagle Life Insurance Company, was also examined as part of the holding company group, with a separate examination report prepared for each entity.

SCOPE OF EXAMINATION

This is the regular comprehensive financial examination of the Company covering the intervening period from January 1, 2019, to the close of business on December 31, 2023, 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. The Handbook requires that we plan and perform the examination to evaluate the financial condition, 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 and general information about the insurer and its financial condition.

HISTORY

The Company was incorporated December 19, 1980 with the name Century Life Insurance Company. It was established as a legal reserve stock life insurance company under the provisions of Chapters 491 and 508 of the Iowa Code. Initial authorized capital was \$1,500,000 divided into 750,000 shares with a par value of \$2 per share.

On September 30, 1996, Century Life Insurance Company merged with American Equity Investment Life Insurance Company with the Company being the surviving entity. Century Life Insurance Company simultaneously changed its name to American Equity Investment Life Insurance Company. All the requisite approvals were received for the merger.

American Equity Investment Life Insurance Company was incorporated on December 28, 1995, under the provisions of Chapters 490 and 508 of the Iowa Code as a stock life insurance company and commenced business on December 28, 1995. At incorporation, the authorized capital consisted of 4,000,000 shares of common stock with a par value of \$1.00 per share and 500,000 shares of preferred stock with a par value of \$1.00 per share.

American Equity Investment Life Insurance Company acquired, on December 28, 1995, a block of group life and individual accident and health (mostly long-term disability and cancer) business from American Life and Casualty Insurance Company, Des Moines, Iowa. On January 1, 1996, the Company acquired a block of individual life business from the same company.

In March 2001, the Company contributed \$2,000,000 of capital and \$8,000,000 of additional paid-in surplus to form a wholly-owned subsidiary, American Equity Investment Life Insurance Company of New York ("American Equity of New York").

On December 9, 2003, American Equity Investment Life Holding Company ("AEL"), an insurance holding company domiciled in the state of Iowa and sole owner of the Company, completed an initial public offering of 18,700,000 shares of its common stock at a price of \$9.00 per share. An over-allotment option was granted to the underwriters in the offering, allowing them to purchase an additional 2,000,000 shares on December 29, 2003, and an additional 805,000 shares on January 7, 2004. Net proceeds from the initial public offering were approximately \$178 million, of which \$125 million was contributed to the Company to fund the future growth of the business.

On September 17, 2008, the Company formed an Iowa domiciled insurance company named Eagle Life Insurance Company ("Eagle Life"). The Company owns 100% of the outstanding stock of Eagle Life.

On September 8, 2021, the Company formed AEL Re Vermont Inc, a captive insurance company incorporated in Vermont. The Company owns all outstanding stock of AEL Re Vermont Inc.

On December 2, 2021, AEL formed AEL Re Bermuda Ltd., an insurance company incorporated in Bermuda. AEL owns all outstanding stock of AEL Re Bermuda Ltd.

On February 1, 2023, AEL acquired Langhorne Reinsurance (Arizona) Ltd. and changed the name from Langhorne Reinsurance (Arizona) Ltd. to Entrada Life Insurance Company. Entrada Life Insurance Company is an insurance company domiciled in Arizona.

On October 19, 2023, the Company formed AEL Re Vermont II, Inc, a captive insurance company incorporated in Vermont. The Company owns all outstanding stock of AEL Re Vermont II, Inc.

On May 2, 2024, American Equity Investment Life Holding Company, the ultimate parent, was acquired by Brookfield Wealth Solutions. See subsequent events for additional details.

CAPITAL STOCK AND DIVIDENDS

Authorized capital consists of 4,000,000 shares of common stock, par value of \$1 per share. As of December 31, 2023, 2,500,000 shares were issued and outstanding, resulting in common capital stock of \$2,500,000. The Company is authorized to issue 500,000 preferred shares. As of December 31, 2023, no preferred shares have been issued. Gross paid in and contributed surplus is \$1,619,100,037. The immediate parent of the Company, American Equity Investment Life Holding Company, owned all issued and outstanding shares as of December 31, 2023. The Company paid the following dividends to stockholders during the period under review:

<u>Year</u>	<u>Amount</u>
2021	\$250,000,000
2022	\$325,000,000

CAPITAL CONTRIBUTIONS

The Company received the following capital contributions during the exam period:

<u>Year</u>	<u>Contribution</u>
2019	\$ 50,000,000
2020	200,000,000
2023	22,871,025

SURPLUS NOTES

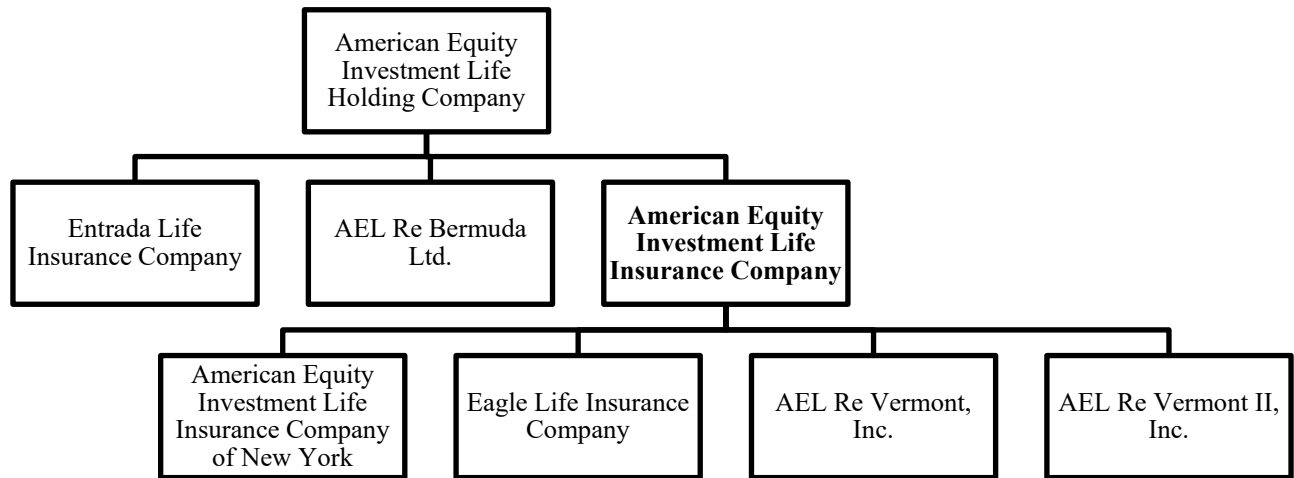
Five surplus notes have been issued to the Company's immediate parent, American Equity Investment Life Holding Company. The notes bear interest at eight percent annually, which will be paid quarterly. The notes have no maturity date. All principal and interest payments on the notes require permission for such payment from the Iowa Insurance Division. The following table summarizes the \$51,000,000 in outstanding surplus notes:

<u>Date Issued</u>	<u>Amount of Notes</u>
October 8, 1996	\$ 2,500,000
December 30, 1998	5,500,000
September 9, 1999	17,000,000
June 19, 2001	16,000,000
December 31, 2002	10,000,000

INSURANCE HOLDING COMPANY SYSTEM

The Company is a member of an Insurance Holding Company System as defined by Chapter 521A, Code of Iowa. The Company is a wholly-owned subsidiary of American Equity Investment Life Holding Company (“AEL”), an insurance holding company domiciled in the state of Iowa. AEL is the ultimate Parent Company for the group. An Insurance Holding Company System Registration Statement was filed with the Iowa Insurance Division for each year of the examination period.

An abbreviated organizational chart identifying the Company within the Holding Company System is as follows:



MANAGEMENT AND CONTROL

SHAREHOLDERS

The annual meeting of the stockholders, for the election of directors and for the transaction of such other business as may properly come before the meeting, may be held on the third Tuesday in May of each year at such place as may be designated from time to time by the Board of Directors (“Board”).

No proxy shall be valid for more than eleven months unless a longer period is expressly provided in the appointment form. A proxy may be revoked at any time by the stockholder who executed it. All proxies must be filed with the Secretary at least one day prior to an election or meeting at which they are to be used or such additional time as may be provided by the Bylaws.

Special meetings of the shareholders shall be held at the principal offices of the corporation, upon the call of the Chairman of the Board, President, a majority of the stockholders or a majority of the Board. Such call shall state the time, place and purposes of the meeting. Notwithstanding the previous, a meeting of the shareholders may be held in some other place in the county where the corporation has its principal place of business if notice is mailed at least twenty days prior to the meeting informing the shareholders of the place, time and hour of the meeting. Except as required in the Restated Articles of Incorporation, notice of every meeting of the shareholders and of the business to be acted on at such meeting shall be given personally or mailed by the Secretary or an Assistant Secretary, at least twenty days before the meeting, to each stockholder of record voting power and entitled to such notice. However, if a stockholder be present at a meeting, or in writing waives notice thereof, notice of the meeting to such stockholder shall be unnecessary.

At any meeting of the shareholders, holders of the stock of the corporation having a majority of the voting power present, in person or by proxy, shall constitute a quorum. Except as otherwise provided in the Restated Articles of Incorporation, the holders of a majority of the stock present and entitled to vote at a duly qualified meeting of stockholders shall have the power to act.

At every meeting of stockholders, each stockholder entitled to vote shall be entitled to one vote for each share of stock held by him. A stockholder may vote and otherwise act in person or by proxy, but no proxy shall be voted more than three years after its date unless such proxy provides for a longer period.

BOARD OF DIRECTORS

The number of directors of the corporation shall be not less than five nor more than fifteen, the exact number to be fixed from time-to-time by the Board pursuant to a resolution adopted by a majority of the entire Board. Any vacancies in the Board shall be filled by the affirmative vote of a majority of the remaining directors even though less than a quorum of the Board, or by a sole remaining director. The term of any director chosen to fill a vacancy shall expire at the next annual meeting of stockholders and until that director's successor shall be elected and qualified.

Meetings of the Board shall be held at any place or places within or out of the State of Iowa. A meeting may be held without notice immediately after the annual election. Meetings of the Board shall be held at the times fixed by resolution of the Board or upon the call of the Chairman of the Board, President, or any two of the directors. The Secretary or officer performing his duties shall give reasonable notice (which need not exceed two days) of all meetings and notice need not be given of regular meetings held at times fixed by resolution of the Board.

A majority of the directors then in office shall constitute a quorum of the Board. The act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board.

The Board may take action without a meeting and without notice if consent to such action is executed by all of the directors. The Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation therein shall constitute presence in person at such meeting.

The directors duly elected and serving on the Board as of December 31, 2023 were as follows:

<u>Name and Address</u>	<u>Principal Business Affiliation</u>	<u>Term Expires</u>
Axel Andre* Des Moines, Iowa	Executive Vice President, Chief Financial Officer American Equity Investment Life Holding Company	2024
Anant Bhalla* Des Moines, Iowa	Chief Executive Officer & President American Equity Investment Life Holding Company	2024
James Hamalainen* Des Moines, Iowa	Executive Vice President, Chief Investment Officer American Equity Investment Life Holding Company	2024
Jeffrey Lorenzen* Des Moines, Iowa	Executive Vice President, Chief Risk Officer American Equity Investment Life Holding Company	2024
Mark Reilly* Des Moines, Iowa	Senior Vice President, Head of Client Solutions American Equity Investment Life Holding Company	2024

* Prior to and as a result of the acquisition of AEL by Brookfield Wealth Solutions on May 2, 2024 as described in the Subsequent Events section, a significant number of resignations amongst executive management who serve on the Board of Directors took place. Resignations included all members apart from Jeff Lorenzen.

Compensation renumarated to the Directors for their services to the Company are found in Exhibit A immediately following the signature page of this report.

The directors duly elected and serving on the Board as of June 6, 2025 were as follows:

<u>Name and Address</u>	<u>Principal Business Affiliation</u>	<u>Term Expires</u>
Tara Banks Urbandale, Iowa	General Counsel, Corporate Secretary American Equity Investment Life Insurance Company	2026
Aaron Boushek Waukee, Iowa	Chief Financial Officer American Equity Investment Life Insurance Company	2026
Bereket Feyissa League City, TX	Chief Operating Officer American Equity Investment Life Insurance Company	2026
Jeffrey Lorenzen Des Moines, Iowa	Chief Executive Officer & President American Equity Investment Life Insurance Company	2026
Shari Wood West Des Moines, Iowa	Senior Vice President, Chief Administrative Officer American Equity Investment Life Insurance Company	2026

COMMITTEES

The Board may establish one or more committees, including an Executive Committee, each committee is to consist of two or more directors appointed by the Board. Any such committee shall serve at the will of the Board. Each committee shall have the powers and duties delegated to it by the Board.

At December 31, 2023, the committees established by the Board were as follows:

Investment Committee

James Hamalainen, Chairman
Anant Bhalla
Jeffrey Lorenzen

The Audit and Risk Committee and Nominating and Corporate Governance Committee at the upstream parent, AEL, also provided governance oversight for the Company.

Post acquisition by Brookfield Wealth Solutions as described in the Subsequent Events section, the Board has one committee, the Management Investment Committee. The Holding Company's Board Committees consisting of the Audit and Risk Management Committee and the Investment Committee provide governance oversight for the Company. The Audit and Risk Management Committee consist of Gregory Morrison and Anne Schaumburg. The Investment Committee consist of Jonathan Bayer and Sachin Shah.

OFFICERS

The officers of the Company shall be a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers as may from time-to-time be appointed by the Board. One person may hold the offices and perform the duties of any two or more of said offices. The officers shall be appointed annually by the Board at its annual meeting.

The President shall be the Chief Executive Officer of the Company unless otherwise designated by the Board. Subject to the provisions of the Bylaws and the direction of the Board, the President shall have the responsibility for the general management and control of the business and affairs of the Company. He or she shall have power to sign contracts and instruments of the Company which are authorized and shall have general supervision and direction of all the other officers, employees and agents of the Company.

In the absence, death or incapacitation of the President, the Vice President shall perform the duties of the President and when so acting shall have the power of and be subject to all the restrictions upon the President. The Vice President shall perform all duties incident to the office of President, as defined by the Bylaws, and shall perform such other duties and have such authority as from time-to-time may be assigned by the President or the Board.

The Secretary shall keep minutes of all shareholders and Board meetings, authenticate the records of the Company, attend to giving and serving notices, be custodian of the corporate seal, keep a stock record, and, in general, perform all duties incident to the office of the Secretary and all such other duties as from time-to-time may be assigned by the President or the Board.

The Treasurer shall have custody of and be responsible for all monies and securities of the Company, keep full and accurate records and accounts in books, deposit all its monies in Company depositories, prepare annual financial statements and, in general, perform all duties incident to the office of the Treasurer and all such other duties as from time-to-time may be assigned by the President or the Board.

The duly elected officers of the Company as of December 31, 2023 were:

<u>Name</u>	<u>Title</u>
Anant Bhalla*	Chief Executive Officer & President
Shari Wood	Senior Vice President, Chief of Staff and Head of Administrative Services and Secretary
Angelika Feng	Senior Vice President & Chief Corporate Actuary
Aaron Boushek	Vice President, Accounting and Controller

*Anant Bhalla resigned as Chief Executive Officer & President of the Company and AEL on May 2, 2024, related to the acquisition. Jeffrey Lorenzen replaced Anant Bhalla as Chief Executive Officer & President of the Company.

The duly elected officers of the Company as of June 6, 2025 were as follows:

<u>Name</u>	<u>Title</u>
Jeffrey Lorenzen	Chief Executive Officer & President
Aaron Boushek	Chief Financial Officer
Bereket Feyissa	Chief Operating Officer
Tara Banks	General Counsel, Corporate Secretary

<u>Name</u>	<u>Title</u>
Angelika Feng	Senior Vice President, Chief Corporate Actuary
Steven Schwartz	Treasurer
Shari Wood	Senior Vice President, Chief Administrative Officer

CONFLICT OF INTEREST

The Company has an established procedure for the annual disclosure to its Board of any material interest or affiliation on the part of the directors, officers, responsible employees and members of their immediate family, which is in conflict with, or is likely to be in conflict with the official duties of such person.

The Company was unable to provide conflict of interest forms for one or two members of management for the years 2021, 2022, and 2023. An examination review of the statements that were available indicated there were no conflicts found that would appear to interfere with that person's official duties.

CORPORATE RECORDS

The minutes of the meetings of the Shareholders, the Holding Company, the Board and the committees of the Board were reviewed for the examination period. All minutes were signed and properly attested.

In 2024, the Company failed to conduct its annual shareholder meeting timely as required by the Articles of Incorporation and Bylaws. The minutes did not evidence the review and adoption of the prior Report of Examination as of December 31, 2018 as required by Iowa Code 507.10-4a.

INTERCOMPANY AGREEMENTS

The following significant transactions were entered into with related parties and affiliates:

Effective March 19, 2001, the Company entered into a Management Services Agreement with American Equity of New York. Under this agreement, American Equity of New York reimburses the Company on a quarterly basis for actual costs incurred as arrived at in a fair and equitable manner.

Effective November 1, 2002, and as amended effective October 1, 2013, the Company entered into an Investment Advisory Agreement with AEL. Under this agreement, the Company pays an investment advisory fee. The Company also reimburses AEL for any custodial, brokerage or transaction expenses incurred. The agreement was terminated post-acquisition.

Effective December 31, 2021, the Company entered into a Master Affiliates Management Services Agreement with AEL, Eagle and AEL Re Bermuda, Ltd. Subsequently, AEL Re Vermont, Inc., AEL Re Vermont II, Inc., Entrada Life Insurance Company, and American Equity Investment Life Insurance Company of New York were added to the Agreement. Services provided include general administrative, sales, marketing, technical, intellectual property, licenses, insurance, product, and other. Charges for services to each company include all direct costs incurred, share of indirect costs and a fee if necessary to ensure charges are arm's length.

Effective January 1, 2021, the Company and its affiliates entered into an updated Tax Allocation Agreement with AEL. For each taxable period, the tax liability for AEL and each party to the agreement

shall be computed as if it filed separate federal income tax return(s) for taxable periods beginning on or after January 1, 2021. The agreement was terminated post-acquisition.

Effective February 8, 2013, the Company entered into an International Swaps and Derivatives Association, Inc. Master Agreement with Eagle Life. Under this agreement, the Company purchases options to fund Eagle life's index credits due to fixed indexed annuity ("FIA") contract holders on the contract anniversary date. At the same time, the Company writes an identical option facing Eagle Life and the Company collects a premium from Eagle Life equal to what was paid for such option.

The Company, AEL and Eagle Life are party to an intercompany loan agreement effective May 20, 2022, which was amended to include Entrada Insurance Company. The companies party to the agreement have the ability to lend up to 3% of admitted assets without need for approval from the Iowa Insurance Division.

The Company is party to a net worth maintenance agreement. As part of the agreement, the Company has agreed to provide Eagle Life capital as needed for Eagle Life to maintain a risk-based capital ratio of 300%.

Per the Indemnification Agreement effective October 1, 2021, the Company guarantees payments to AEL Re Vermont, Inc. to ensure it can meet its future obligations. The Company guarantees payment of any excess of loss premiums due to reinsurers, make whole payments due to reinsurers, operating expenses, funds necessary to produce a desired RBC ratio and any fees, taxes, or other payment obligations owed by the guarantee party under the service agreement, management agreement or tax allocation agreement.

Per the Indemnification Agreement effective October 3, 2023, the Company guarantees payments to AEL Re Vermont II, Inc. to ensure it can pay its future obligations in the event AEL RE Vermont II, Inc. fails to satisfy its obligations under the Excess of Loss Agreement or the Company fails to satisfy certain of its obligations under the Reinsurance Agreement in a manner that adversely affects Canada Life Reinsurance.

Subsequent to the examination date, the Company entered into the following related party agreements (certain companies became affiliates post-acquisition):

Administration and Support Agreement

The Company became a party to Brookfield Reinsurance Ltd ("Brookfield Re") and affiliates' Administration and Support Agreement effective May 28, 2024. The original agreement was effective November 16, 2023. All the parties to the Administration and Support Agreement agree to provide to each other certain administrative and other services to support the operations of the parties and its insurance business, which may include, without limitation, evaluation of new business opportunities, strategic acquisition and investment opportunities and other similar opportunities, as well as support for the review and evaluation of such opportunities for such parties, including analytic, pricing and data support and coordinating broker relationships as well as ongoing support of the administration of such parties' insurance business, including data support, identification of and cooperation with third-party administrators, product design, asset allocation, hedging and risk management services; and such other services as may from time to time be agreed in writing by the Parties (with approval of the Iowa Insurance Division).

Master Investment Management Agreement

The Company entered into a Master Investment Management Agreement with Brookfield Asset Management Insurance Advisor, LLC ("BAMIA") on May 2, 2024. BAMIA was appointed the Company's

investment manager to invest the Company's general account investment portfolio in accordance with the Company's investment guidelines.

Tax Allocation Agreement

The Company and its subsidiaries entered into a Tax Allocation Agreement, effective May 3, 2024. For each taxable period, the tax liability for each Member shall be computed as if it filed separate federal income tax return(s) for taxable periods beginning on or after May 3, 2024.

FIDELITY BONDS AND OTHER INSURANCE

The Company is protected by a financial institution bond up to a single loss limit of \$5,000,000, and an aggregate loss limit of \$10,000,000, with a single loss deductible of \$50,000. The insurance coverage meets the NAIC's suggested minimum amount of coverage. The financial institution bond policy as well as other insurance policies under the AEL insurance program provide adequate coverage to protect the Company's assets and interests.

EMPLOYEES' WELFARE

The Company provides full-time employees with vacation, sick leave, group disability income and term life insurance benefits on a non-contributory basis. Benefits under the group health and dental coverages for qualified employees and a 401(k)-retirement plan are on a contributory basis.

REINSURANCE

All significant reinsurance agreements reviewed were noted to include an insolvency clause. Where required, all agreements have been filed with and approved by the Iowa Insurance Division. Agreements considered to be significant are described in more detail in the following.

Individual Life and Annuity Ceded – Non-Affiliated

Effective July 1, 2009, the Company entered into two annuity modified coinsurance funds withheld coinsurance agreements with Athene Life Re Ltd. ("Athene"), an unauthorized Bermuda life insurer. One agreement ceded 20% of certain indexed annuities issued from January 1, 2009 through December 31, 2009. The other agreement cedes 80% of the Company's multi-year rate guaranteed annuities issued on or after July 1, 2009 through December 31, 2013. As of December 31, 2023, the Company took a reserve credit of \$623,730,749.

Effective December 31, 2011, the Company entered into two coinsurance agreements with EquiTrust Life Insurance Company ("EquiTrust"). Under these agreements, the Company ceded 70% of certain fixed rate and fixed index annuities issued from August 1, 2001 through December 31, 2001; 40% of those contracts issued during calendar years 2002 and 2003; and 20% of those contracts issued from January 1, 2004 to July 31, 2004, when the agreement was suspended by mutual consent of the parties. As a result of the suspension, new business will no longer be ceded to EquiTrust unless the parties mutually agree to resume the coinsurance of new business. As of December 31, 2023, the Company took a reserve credit of \$270,482,744.

Effective July 1, 2021, the Company ceded to North End Re in-force liabilities for its Income Shield block of business, 2016-2017 Retirement Gold block of business and flow business related to its Income Shield block of business. The cessions were comprised of 70% of the liabilities on a modified coinsurance basis and 30% of the liabilities on a coinsurance basis, in each case, as such percentages may be adjusted

from time to time. The total cession was \$4.0 billion in statutory reserves as of June 30, 2021. The reinsurance agreement with North End Re was amended on August 2, 2022, to include reinsuring prospective policies related to a new in-force block. As of December 31, 2023, the Company took a reserve credit of \$3,436,304,416. Subsequent to this exam period, the Company is now affiliated with North End Re through Brookfield Wealth Solutions. Effective December 23, 2024, the Company recaptured business and paid a recapture payment of \$121,322,657 to North End Re.

Individual Life and Annuity Ceded – Affiliated

Effective January 1, 2010, the Company entered into a coinsurance agreement with Eagle Life covering 100% of certain fixed annuity policies issued by the Company on or after January 1, 2010 through December 31, 2020. In June of 2012, this coinsurance agreement was amended to eliminate the one percent marketing allowance paid by Eagle Life to the Company on the reinsured contracts for premiums received after July 1, 2012. Effective January 1, 2014, the assumption of new business by Eagle Life/ceding of new business by the Company ceased under this agreement. As of December 31, 2023, the Company took a reserve credit of \$111,852,720.

On October 1, 2021, the Company ceded 100% of LIBR claims after account value is exhausted for certain of its Fixed Indexed Annuity policies to AEL Re Vermont, Inc. under a coinsurance with funds withheld treaty. The cession included deferred FIAs issued by the Company from January 1, 2008 through June 30, 2021 (a) with a LIBR fee greater than zero at policy inception and (b) that are in force as of the Effective Date. All the policies subject to the reinsurance agreement require the policyholder to pay a fee for the option to exercise the LIBR benefit. The reserves ceded by the Company under this reinsurance agreement are equal to the difference between the statutory-basis reserves for the reinsured policies including the LIBR benefit and the statutory-basis reserves for the reinsured policies excluding the LIBR benefit. The difference between the statutory-basis reserves assumed and the initial FWA will be financed through an excess of loss (“XOL”) treaty between AEL Re Vermont, Inc. and Hannover Life Reassurance Company of America (“HLRA”) whereby HLRA will pay 100% of LIBR claims after exhaustion of the contract values and the FWA. The XOL coverage will be 25 years from the inception year of each yearly cohort (with extension to 30 years assuming the funds withheld account is continuously at least 80% of the target amount after 2031). As of December 31, 2023, the Company took a reserve credit of \$2,499,913,665.

Effective October 1, 2022, the Company recaptured from AEL Re Vermont, Inc. reserves related to policies issued in 2008, 2009 and 2010 and retroceded these liabilities to AeBe ISA Ltd.

Effective October 1, 2023, the Company ceded 100% of LIBR claims (after account value is exhausted) to AEL Re Vermont II, Inc. under a coinsurance with funds withheld treaty. All the policies covered by the reinsurance agreement require the policyholder to pay a LIBR fee for the option to exercise the benefit. On October 1, 2023, the Company ceded to AEL Re Vermont II, Inc., liabilities for Rider Claims for Riders that are in-force as of the Effective Date. As of December 31, 2023, the Company took a reserve credit of \$1,127,202,242.

The difference between the LIBR statutory-basis reserves assumed by AEL Re Vermont II, Inc. and the FWA/NA Final Balances (i.e. the “Unfunded LIBR Reserve”) is financed through an excess of loss (XOL) treaty between AEL Re Vermont II, Inc. and Canada Life Assurance Company (“CLRe”), subject to an XOL Cap as established in the XOL agreement. Per the XOL agreement, CLRe will pay 100% of LIBR claims after exhaustion of both the LIBR contract values and the FWA. This XOL coverage will remain for at least 20 years, with a contingent option (by AEL Re Vermont II, Inc.) to extend coverage one year at a time, up to 5 additional years.

Effective December 1, 2024, the Company now cedes 100% to AEL Vermont II, Inc. instead of 25% for two product types: IncomeShield with fee and Eagle Select Income Focus with fee.

On October 3, 2022, the Company ceded to AeBe ISA Ltd. in-force liabilities of \$4.3 billion related to certain fixed indexed annuity and fixed rate annuity policies issued from 2008–2010 and prospective policies related to certain fixed rate deferred annuities. The Company ceded the reinsured liabilities on a 75% funds withheld coinsurance basis and 25% on a coinsurance basis. As of December 31, 2023, the Company took a reserve credit of \$3,923,755,085. The agreement was amended, effective Feb. 8, 2023, wherein the Company will cede to AeBe “Reinsured Flow Policies”, i.e., any single premium deferred annuity contracts.

On December 31, 2021, the Company ceded to AEL Re Bermuda, Ltd, an affiliate, a 100% quota share of the liabilities for deferred FIAs and fixed annuities (inclusive of any riders) issued by the Company from January 1, 1997, through December 31, 2007. As of December 31, 2023, the Company took a reserve credit of \$2,557,586,172 for the agreements between the Company and AEL Re Bermuda, Ltd. Effective December 23, 2024, the Company recaptured the business and paid a recapture payment of \$6,931,908 to AEL Re Bermuda, Ltd.

Life and Annuity Business Assumed – Affiliated

Effective October 1, 2013 and subsequently amended, most recently as recently as July 1, 2016, the Company is party to a coinsurance agreement with Eagle Life. Under this agreement, the Company assumed 100% of the risk associated with MYGA contracts issued by Eagle Life on or after October 1, 2013 through January 1, 2014. The Company also assumed 80% of the FIAs issued by Eagle Life from January 1, 2014 to December 31, 2016, 50% of the FIAs issued by Eagle Life from January 1, 2017 to December 31, 2018 and 20% of the FIAs issued by Eagle Life on or after January 1, 2019. As of December 31, 2023, the Company assumed reserve liabilities of \$1,560,656,754. Note that 80% of the MYGA business and 100% of the FIA business ceded by Eagle Life to the Company is ceded by the Company to an unaffiliated entity.

On January 1, 2020, Eagle ceded to the Company 100% via Quota Share of all policies issued on or after January 1, 2020 for fixed index annuities and fixed rate annuities and riders for Eagle Select Focus and Life Income Benefit Riders (“LIBR”) and Life Income Benefit Rider Waivers (“LIBRW”) products. As of December 31, 2023, the Company assumed reserve liabilities of \$3,793,798,459. Subsequently, the Company and Eagle added the following four amendments to the January 1, 2020 agreement:

- Effective January 1, 2021, the first amendment to the quota share agreement added the following covered contracts: Eagle Guarantee Focus 3 and Focus 5. Also, the amendment included policies in force of \$862 million of statutory reserves as of December 31, 2020.
- Effective July 1, 2022, the second amendment to the quota share agreement added the following products Eagle Select Income Focus-2021 Filing Version with Riders: LIBR, LIBRW and EBR; Eagle Select Income Focus CA-California 2022 Filing Version Riders: LIBR. Eagle Select Income Focus-2021-22 Filing Versions issued on or after July 1, 2021 through June 30, 2022 with an estimated Account Value of \$100,000,000.
- Effective October 1, 2023, Eagle and the Company via third amendment to the quota share agreement incorporated all of the provisions in the original agreement and the amendments. Effective December 1, 2024, the agreement was amended to add Eagle Select Income Focus 9 (CA Only) and 10 Riders issued on or after September 18, 2024.

STATUTORY DEPOSIT

The book/adjusted carrying value of securities held in a custodial account and vested in the Iowa Commissioner of Insurance for the benefit of all policyholders as of December 31, 2023, totaled \$48,664,058,804, which met the minimum statutory requirement.

TERRITORY AND PLAN OF OPERATION

At December 31, 2023, the Company was authorized to transact business in the District of Columbia and all fifty states except New York. The Company offers fixed annuity and life insurance products, primarily focusing on fixed index and fixed rate annuities through independent insurance agents in the independent marketing organization distribution channel.

The five states with the largest amounts of direct premium writings in 2023 were:

<u>State</u>	<u>Direct Premium Collected</u>	<u>% of Total</u>
Florida	\$ 529,478,276	9.3%
Texas	482,245,725	8.5%
California	465,440,892	8.2%
Pennsylvania	296,464,787	5.2%
Michigan	257,222,226	4.5%
Total premium	\$5,690,776,350	100.0%

GROWTH OF COMPANY

The growth of the Company is reflected by the following significant data taken from office copies of the Company's filed annual statements for the years indicated. Admitted assets exclude separate accounts assets.

(USD and 000's omitted)

<u>Year</u>	<u>Total Admitted Assets</u>	<u>Total Liabilities</u>	<u>Capital and Surplus</u>	<u>Life Insurance In Force</u>	<u>Aggregate Life Reserves</u>
2019	\$57,673,180	\$54,182,984	\$3,490,195	\$6,739	\$50,501,387
2020	57,643,547	53,914,815	3,728,731	6,234	50,820,143
2021	60,422,420	56,343,888	4,078,531	5,852	48,808,006
2022	58,992,338	55,299,736	3,692,601	5,224	44,731,059
2023	59,829,070	56,098,130	3,730,939	4,806	45,861,272

<u>Year</u>	<u>Aggregate A&H Reserves</u>	<u>Life Claims Reserves</u>	<u>A&H Premium</u>	<u>Direct Annuity Premium</u>	<u>Life Premium</u>
2019	\$623	\$121,806	\$0	\$4,077,828	\$3,040
2020	551	145,464	0	2,420,595	2,892
2021	501	181,496	0	3,661,383	2,737
2022	452	186,255	0	2,765,603	2,551
2023	369	172,875	0	5,688,294	2,482

ACCOUNTS AND RECORDS

Trial balances of the Company's general ledgers were taken for each year under the examination and were found to be in agreement with the office copies of the filed annual statements for those years.

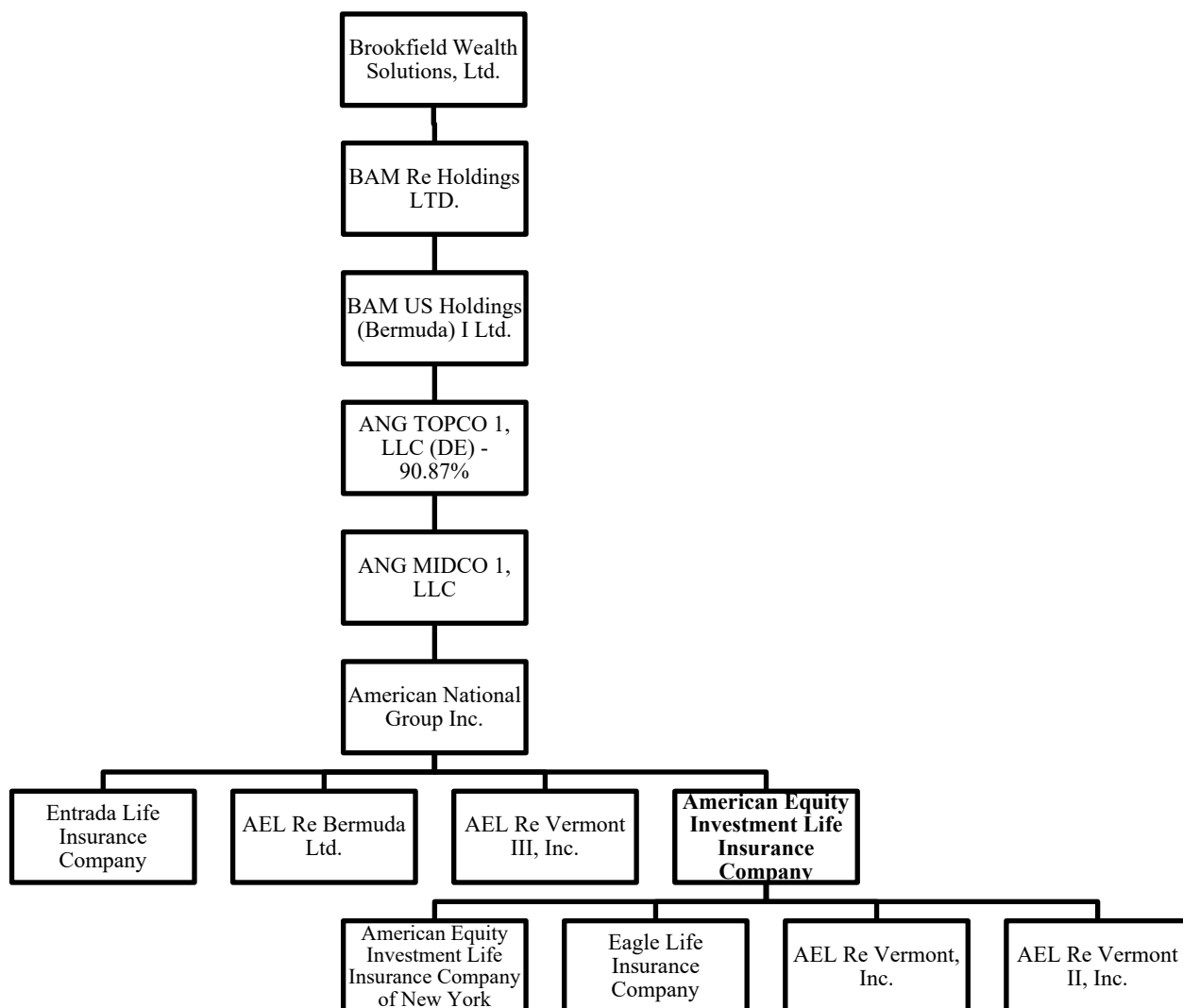
During the course of the examination no statutory violations or material differences with the amounts reflected in the financial statements, as presented in the annual statement at December 31, 2023, were identified.

SUBSEQUENT EVENTS

Acquisition by Brookfield Wealth Solutions

On May 2, 2024, AEL, an Iowa corporation merged with and into Arches Merger Sub Inc. ("Merger Sub"), an indirect wholly-owned subsidiary of Brookfield Wealth Solutions Ltd. ("Brookfield Wealth Solutions"), with AEL surviving and becoming an indirect wholly-owned subsidiary of Brookfield Wealth Solutions (the "Merger"). In connection with the Merger, each issued and outstanding share of AEL's common stock was converted into the right to receive cash and Class A limited voting shares of Brookfield Asset Management Ltd. ("BAM"). AEL became a privately traded company. On May 7, 2024, American National Group, LLC ("American National"), an indirect, wholly-owned subsidiary of Brookfield Wealth Solutions, merged with and into AEL, with AEL surviving as an indirect, wholly-owned subsidiary of Brookfield Wealth Solutions ("the Post Effective Merger"). Subsequently, AEL discontinued its existence as an Iowa Corporation and continued its existence as a corporation incorporated in the State of Delaware (the "Reincorporation"). In connection with the Reincorporation, AEL changed its name to American National Group Inc. ("ANGI"). ANGI is an indirect, wholly owned subsidiary of Brookfield Wealth Solutions. On September 4, 2024, Brookfield Wealth Solutions changed its name from Brookfield Reinsurance Ltd. to Brookfield Wealth Solutions Ltd. and, on September 6, 2024, changed its trading symbol from "BNRE" to "BNT". The Company remained a subsidiary of ANGI.

An abbreviated organizational chart, as of June 6, 2025 identifying the Company within the Holding Company System is as follows (all companies wholly owned unless indicated):



Bylaws

On May 2, 2024, the Board adopted new Bylaws, which were updated as needed given the acquisition noted previously.

Capital Contributions

The Company received capital contributions of \$2,608,541 from ANGI in 2024.

In 2024, the Company provided capital contributions to its subsidiaries as follows:

<u>Company Name</u>	<u>Capital Contributed Received</u>
Eagle Life Insurance Company	\$40,317,899
AEL Re Vermont Inc.	50,000,000
AEL Re Vermont II Inc.	78,000,000
AEL Re Vermont III Inc.	60,294,546

On February 18, 2025, the Company's Board approved a capital contribution to be paid from the Company to AEL Re Vermont II, Inc.

Dividends to Stockholders

The Company declared on January 2, 2024 and paid on January 16, 2024, dividends to stockholders of \$320 million.

Loan to Brookfield

Per the Loan Agreement dated June 28, 2024, the Company committed and loaned to Brookfield Securitization CFO Inc. \$415,300,000. Interest is paid to the Company quarterly at a rate that increases annually as outlined per the written terms. The loan matures on June 28, 2034, with terms that allow for repayment before the maturity date.

Per the Senior Secured Credit Agreement effective December 30, 2024, the Company loaned to BIP REU Holdings (2016) LP \$165,000,000. Brookfield Corporation is the guarantor of the loan and Brookfield Asset Management Credit and Insurance Solutions Advisor LLC acts as the Administrative Agent and Collateral Agent. The loan matures on April 30, 2025, but can be extended as outlined per terms in the written agreement.

Change in Appointed External Auditor and Actuary

On July 22, 2024, Deloitte was appointed as the external auditor replacing Ernst & Young.

On October 24, 2024, Danny Purcell retired and Dan Rueschhoff of Milliman, was appointed by the Board as external appointed actuary.

Captive Formation and Reinsurance

On October 21, 2024, the Company formed a captive, AEL Re Vermont III, Inc. AEL Re Vermont III, Inc. was organized to facilitate financing of a portion of the AEL business previously assumed by North End Re (Cayman) SPC (NER) under an agreement between the Company and NER dated October 8, 2021. A coinsurance agreement was entered into effective December 1, 2024, between AEL Re Vermont III, Inc. and the Company for both an in-force (previously assumed by NER) and ongoing flow of Lifetime Income Benefit reserves.

Effective December 1, 2024, the Company entered into a modified coinsurance agreement with Freestone Re Ltd., an affiliated Bermuda reinsurer wholly owned by the Holding Company to reinsure 50%

quota share of in-force fixed, fixed indexed, and payout annuities and a 70% quota share of ongoing flow fixed and fixed indexed annuities at 70%.

Pension Risk Transfer Business

On March 10, 2025, the Board approved the Company for pension risk transfer business. The Company will jointly market this business, with its affiliate, American National Insurance Company as early as third quarter 2025.

FINANCIAL STATEMENTS
AND COMMENTS THEREON

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, 2023.

STATEMENT OF ASSETS AND LIABILITIES

ASSETS

	<u>Ledger</u>	<u>Not Admitted</u>	<u>Admitted</u>
Bonds	\$ 37,602,643,077		\$ 37,602,643,077
Preferred Stocks	53,135,162		53,135,162
Common Stocks	458,358,865		458,358,865
Mortgage Loans	8,174,076,782		8,174,076,782
Real Estate	6,542,843		6,542,843
Cash and cash equivalents	8,107,789,793		8,107,789,793
Short-term investments	1,563,295,819		1,563,295,819
Contract loans	726,556		726,556
Derivatives	478,989,064		478,989,064
Other invested assets	1,788,937,031	257,575	1,788,679,456
Receivables for securities	29,962,679		29,962,679
Investment income due and accrued	461,261,425	9,284,877	451,976,548
Uncollected premiums and agents balances in the course of collection	1,669,977	1,601,824	68,153
Deferred Premiums	892,276		892,276
Other amounts receivables under reinsurance contracts	718,639,904	305,243,115	413,396,789
Net deferred tax asset	267,669,128	44,028,415	223,640,713
Electric data processing equipment and software	40,132,741	39,393,133	739,607
Furniture and equipment	1,474,428	1,474,428	
Receivables from parent, subsidiaries and affiliates	32,502,063		32,502,063
COLI	404,598,274		404,598,274
Negative IMR	32,058,198		32,058,198
Prepaid assets	3,641,831	3,641,831	
Other assets	12,672		12,672
Miscellaneous receivables	<u>5,967,505</u>	<u>982,577</u>	<u>4,984,928</u>
Total	<u>\$ 60,234,978,092</u>	<u>\$ 405,907,776</u>	<u>\$ 59,829,070,316</u>

LIABILITIES, SURPLUS AND OTHER FUNDS

Aggregate reserve for life contracts	\$ 45,861,272,813
Aggregate reserve for accident and health contracts	369,954
Liability for deposit-type contracts	173,659,698
Life claims	172,875,615
Accident and health claims	6,000
Premiums and annuity considerations received in advance	18,165
Commissions to agents due or accrued	28,803,510
General expenses due or accrued	41,451,932
Taxes, licenses and fees due or accrued	(883,665)
Current federal and foreign income taxes	92,546,346
Unearned investment income	187,053
Amounts withheld or retained by company as agent or trustee	29,638,291
Remittances and items not allocated	65,281,910
Asset valuation reserve	539,767,507
Reinsurance in authorized companies	62,283,321
Funds held under reinsurance treaties with unauthorized reinsurers	6,524,863,287
Payable to parent, subsidiaries and affiliates	9,833,573
Funds held under coinsurance	1,035,003,274
Payable for securities	16,632,480
Amount due reinsurers	216,336,953
Interest rate derivative collateral	<u>1,228,182,768</u>
 Total liabilities	 <u>\$ 56,098,130,785</u>
 Common capital stock	 2,500,000
Surplus notes	51,000,000
Gross paid in and contributed surplus	1,619,100,037
Unassigned funds	<u>2,058,339,494</u>
 Total Capital and Surplus	 <u>3,730,939,531</u>
 Total Liabilities, Capital and Surplus	 <u>\$ 59,829,070,316</u>

SUMMARY OF OPERATIONS

Premiums and annuity considerations for life and accident and health contracts	\$ 3,953,239,558
Considerations for supplementary contracts with life contingencies	6,229,749
Net investment income	2,429,591,194
Amortization of interest maintenance reserve	(4,077,345)
Commissions and expense allowances on reinsurance ceded	403,345,222
Reserve adjustment on reinsurance ceded	616,169,733
Miscellaneous income	(8,425,995)
Conversion-PLM	(2,321,706)
Total	<u>\$ 7,393,750,409</u>
Death benefits	2,388,387
Annuity benefits	1,274,253,984
Disability benefits and benefits under accident and health contracts	65,251
Surrender benefits and withdrawals for life contracts	3,469,859,552
Interest and adjustments on contract or deposit-type contracts	4,331,198
Payments on supplementary contracts with life contingencies	15,953,681
Increase in aggregate reserves for life and accident and health contracts	<u>1,136,490,179</u>
Total	<u>\$ 5,903,342,603</u>
Commission on premiums, annuity considerations, and deposit type funds	668,632,961
Commissions and expense allowances on reinsurance assumed	74,346,401
General insurance expenses	209,394,452
Insurance taxes, licenses and fees	24,393,039
Increase in loading on deferred and uncollected premiums	(3,612)
Income on funds held under reinsurance treaties with unauthorized reinsurers	157,907,093
Interest on surplus notes	4,080,000
Deferral of reinsurance gain and transfer of IMR – Ithaca	184,563,262
Deferral of reinsurance gain and transfer IMR – AEL Re Vermont	35,445,009
Deferral of reinsurance gain and transfer IMR – AEL Re Bermuda	7,816,174
Deferral of reinsurance gain and transfer IMR – Brookfield	(3,730,050)
Deferral of reinsurance gain and transfer IMR – AEL Re II VT	892,551
Reinsurance expense – Ithaca	1,325,646
Sundry general expense	31,260
Settlement - SC	4,306
Total	<u>\$ 7,268,441,095</u>
Net gain from operations after dividends to policyholders and before federal income taxes	125,309,315
Federal and foreign income taxes	<u>169,625,983</u>
Net gain from operations after dividends to policyholders and federal income taxes	\$ (44,316,669)
Net realized capital losses	<u>(48,689,877)</u>
Net income	<u>\$ (93,006,546)</u>

CAPITAL AND SURPLUS

Capital and surplus, December 31, 2022	<u>\$ 3,692,601,781</u>
Net income	(93,006,546)
Change in net unrealized capital losses	(52,887,090)
Change in net deferred income tax	106,933,266
Change in net admitted assets	(173,124,759)
Change in liability for reinsurance in unauthorized and certified companies	(3,042,873)
Change in asset valuation reserve	(26,768,351)
Surplus paid in	22,871,025
AEL Re Vermont II reinsurance transaction	363,251,430
AEL Re Vermont reinsurance transaction	(73,472,971)
Brookfield reinsurance transaction	(22,843,309)
Ithaca reinsurance transaction	(10,653,383)
Valuation system conversion	6,360,000
AEL Re Bermuda reinsurance transaction	<u>(5,278,688)</u>
Net change in capital and surplus for the year	<u>\$ 38,337,750</u>
Capital and surplus, December 31, 2023	<u>\$ 3,730,939,531</u>

CASH FLOW

Cash from Operations

Premiums collected net of reinsurance	\$ 3,038,370,776
Net investment income	2,464,063,409
Miscellaneous income	<u>403,345,222</u>
Total	\$ 5,895,779,407
Benefit and loss related payments	4,170,419,225
Commissions, expenses paid and aggregate write-ins for deductions	1,351,045,276
Federal and foreign income taxes paid	<u>281,128,422</u>
Net cash from operations	<u>\$ 93,186,484</u>

Cash from Investments

Proceeds from investments sold, matured or repaid:	
Bonds	\$ 12,178,714,645
Stocks	47,486,172
Mortgage loans	1,472,034,448
Real estate	709,031
Other invested assets	451,725,165
Net gains on cash and cash equivalents and short-term investments	349,089
Miscellaneous proceeds	<u>672,561,179</u>
Total investment proceeds	\$ 14,823,579,759
Cost of investments acquired:	
Bonds	\$ 5,462,252,137
Stocks	77,016,856
Mortgage loans	2,008,213,609
Real estate	3,103,487
Other invested assets	808,598,931
Miscellaneous applications	<u>474,817,307</u>
Total investments acquired	\$ 8,834,002,327
Net decrease in contract loans and premium notes	<u>(7,006)</u>
Net cash from investments	<u>\$ 5,989,584,438</u>

Cash from Financing and Miscellaneous Sources

Capital and paid in surplus	22,871,025
Net deposits on deposit-type contracts	(326,991,938)
Other cash applied	<u>1,376,244,070</u>
Net cash from financing and miscellaneous sources	<u>\$ 1,072,123,157</u>

Reconciliation of Cash and Cash Equivalents

Net change in cash and cash equivalents	\$ 7,154,894,079
Cash and cash equivalents:	
Beginning of year	<u>\$ 2,516,191,533</u>
End of year	<u>\$ 9,671,085,612</u>

CONCLUSION

The cooperation and assistance extended by the officers and employees of the Company during the course of this examination is hereby acknowledged.

In addition to the undersigned, Jan Moenck, CFE, CIA, CBA, CFSA, CISA; LeeAnne Creevy, CPA, CISA, CITP, CRMA, MCM; Tricia Matson, FSA, MAAA; Alan Griffith, CFE, CPA; Sara Schumacher, CFE, CPA, CIE, CPCU, MCM; Andy Rarus, ASA, MAAA; Lisa Parker, ASA, MAAA; Brian Kaul, ASA, CERA, MAAA; Stephen Skenyon, CISA, CPA, CIA; Ras Sowers, CISA, CRISC, CDPSE, CISSP, HCISPP, CIA, and CRMA; Crystal Brown of Risk & Regulatory Consulting, LLC; and Joseph Prakash of JP Consulting LLC participated of in the examination and the preparation of this report.

Risk & Regulatory Consulting, LLC also completed the Information Security and actuarial portion of this examination.

Respectfully submitted,

/s/ Sara Schumacher
Sara Schumacher, CFE, CPA, CIE, CPCU MCM
Examiner-In-Charge
Risk & Regulatory Consulting, LLC on behalf of the
Iowa Insurance Division
State of Iowa

/s/ Amanda Theisen
Amanda Theisen, CFE
Assistant Chief - Examinations
Iowa Insurance Division