

EXAMINATION REPORT OF  
SYMETRA NATIONAL LIFE INSURANCE COMPANY  
WEST DES MOINES, IOWA  
AS OF DECEMBER 31, 2020

West Des Moines, Iowa  
May 4, 2022

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

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

SYMETRA NATIONAL LIFE INSURANCE COMPANY

WEST DES MOINES, IOWA

AS OF DECEMBER 31, 2020

at its Statutory Home Office, 4125 Westown Parkway, Suite 102, West Des Moines, Iowa.

#### INTRODUCTION

Symetra National Life Insurance Company, hereinafter referred to as the “Company”, was last examined as of December 31, 2015. The examination reported herein was conducted as an examination of an insurance holding company group by the contracting firm, Risk & Regulatory Consulting, LLC. The Company’s parent, Symetra Life Insurance Company, and affiliates, Symetra Reinsurance Corporation and First Symetra National Life Insurance Company of New York, were 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, 2016, to close of business on December 31, 2020, 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 the Division 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's was incorporated as Safeco National Life Insurance Company under the laws of the State of Washington on September 4, 1979, and commenced business on September 5, 1979. Through subsequent amendments to the Articles of Incorporation, the following changes were made:

2004 – On August 2, 2004, a private investor group led by White Mountains Insurance Group, Ltd. and Berkshire Hathaway Inc. acquired Safeco Life and Investments from Safeco Corporation through an acquisition vehicle, Occum Acquisition Corp. Symetra Financial Corporation (“Symetra Financial” or “SFC”) was the resulting incorporated holding company entity formed, and the Company's name was changed to Symetra National Life Insurance Company. The Company is wholly owned by Symetra Life Insurance Company, which in turn, is a wholly owned subsidiary of Symetra Financial.

2010 - Symetra Financial became a public company and was traded on the New York Stock Exchange under the stock symbol SYA, until its acquisition by Sumitomo Life Insurance Company “Sumitomo Life” on February 1, 2016.

2014 - On July 1, 2014, the Company redomesticated from Washington to the State of Iowa following regulatory approvals from the Washington State Office of the Insurance Commissioner and Iowa Insurance Division.

2016 - On February 1, 2016, pursuant to the Agreement and Plan of Merger, dated August 11, 2015, by and among Symetra Financial, Sumitomo Life, a mutual company (*sougo kaisha*) organized under the laws of Japan and SLIC Financial Corporation, a Delaware corporation and wholly owned subsidiary of Sumitomo Life, SLIC Financial Corporation merged with and into Symetra Financial, with Symetra Financial surviving as a wholly owned subsidiary of Sumitomo Life.

## CAPITAL STOCK AND DIVIDENDS THEREON

The aggregate number of shares of stock the Company is authorized to issue is 20,000 shares of \$125 par value common stock. Issued and outstanding capital stock, as of December 31, 2020, consists of 20,000 shares with \$2,500,000 in common capital stock and \$4,500,000 in gross paid in and contributed surplus.

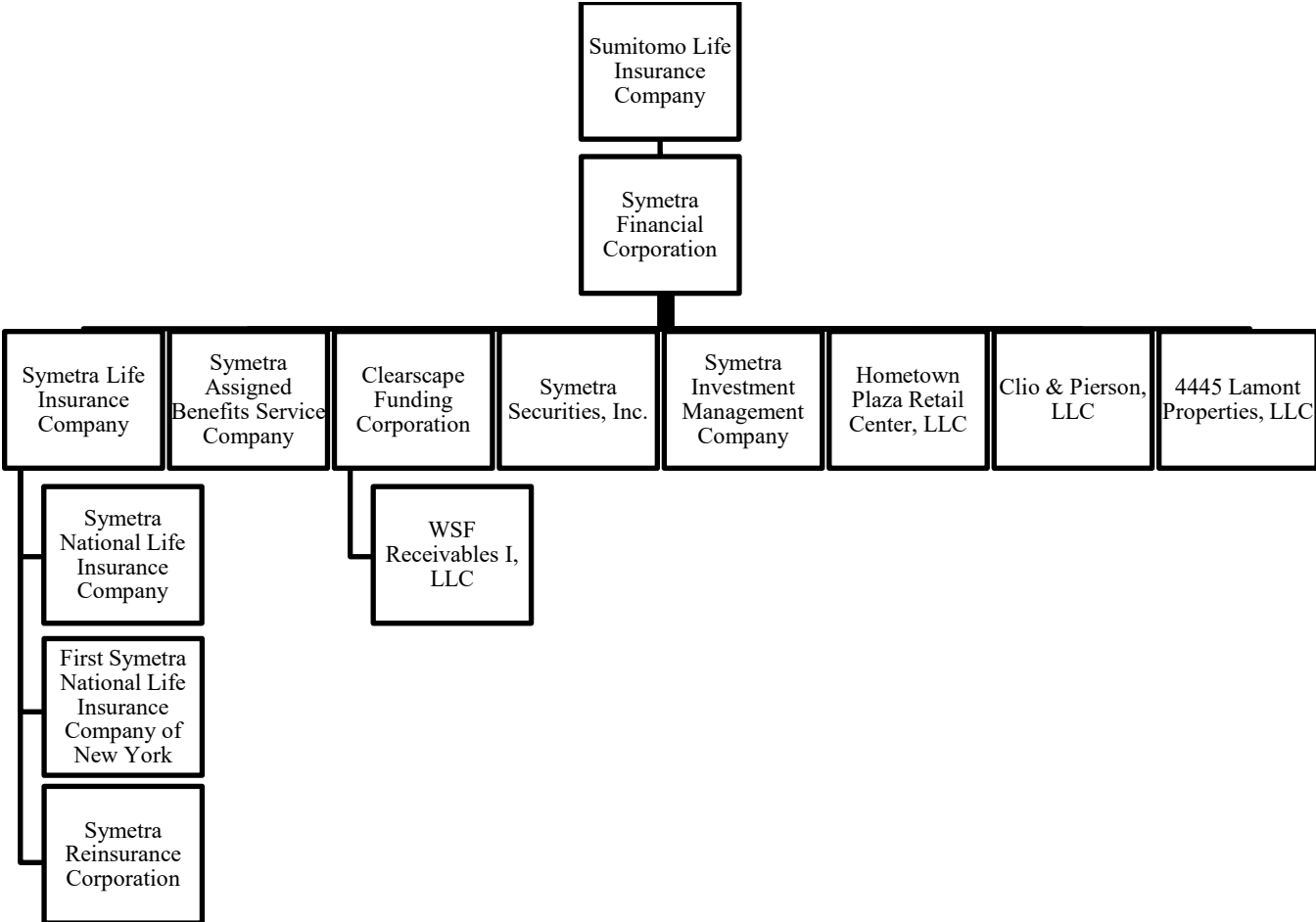
The Company did not pay any dividends during the period under examination.

## INSURANCE HOLDING COMPANY SYSTEM

The Company is a member of an Insurance Holding Company System as defined by Chapter 521A, Code of Iowa, and is wholly owned subsidiary of Symetra Life Insurance Company, which in turn is a wholly owned subsidiary of Symetra Financial Corporation, a Delaware corporation. The Company's ultimate parent is Sumitomo Life Insurance Company, a mutual life insurance company in Japan.

Symetra Financial Corporation is a financial services company in the life insurance industry that offers an array of employee benefits, annuities, and life insurance products through its direct and indirect subsidiaries.

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



MANAGEMENT AND CONTROL

SHAREHOLDERS

The annual meeting of the shareholders of the Company for the election of directors to succeed those whose terms expire, and for the transaction of such other business as may properly come before the meeting, shall be held at 1:30 o'clock in the afternoon on the last business day of April of each year or on such other day as may be designated by the President or the Board of Directors at the principal executive office of the Company, or at such place as may be designated by the President or the Board of Directors.

Special meetings of the shareholders, for the consideration of such matters as may be named in the call for such meetings, may be held at any time upon the call of the President or the Board of Directors, and shall be called by the Board of Directors upon the written demand, signed, dated and delivered to the Secretary, of the holders of at least ten (10) percent of all the votes entitled to be cast on any issue proposed to be considered at the meeting. Such written demand shall state the purpose or purposes for which such meeting is to be called. The time, date and place of any special meeting shall be determined by the Board of Directors or by the President.

Notice of the place, date and times of all meetings of shareholders and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be communicated not fewer than ten (10) days nor more than sixty (60) days before the date of the meeting to each shareholder entitled to vote at such meeting. Notice may

be communicated in person, by mail, or other method of delivery, or by telephone, voice mail, or other electronic means (e.g. electronic mail).

A shareholders' meeting, duly called, can be organized for the transaction of business whenever a quorum is present. The presence, in person or by proxy, of the holders of a majority of the voting power of all shareholders shall constitute a quorum; and the shareholders present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

Each holder of stock shall at all times and for all purposes be entitled to one vote for each share of stock then of record in his name on the books of the Company. Every shareholder shall have the right to cast his vote either in person or by proxy. All voting at shareholders' meetings shall be viva voce, unless any qualified voter shall demand a vote by ballot. In the case of voting by ballot, each ballot shall state the name of the shareholder voting, the number of shares owned by him, and, in addition, if such vote be cast by proxy, it shall also state the name of the proxy.

### BOARD OF DIRECTORS

The Bylaws provide that the business affairs of the corporation shall be managed by a Board of not less than five (5) nor more than twenty-one (21) directors, as set forth from time to time by resolution of the Board of Directors, which directors need not be shareholders of the Company.

The directors shall be elected by the shareholders at each annual shareholders' meeting to hold office until the next annual shareholders' meeting and until their respective successors are elected and qualified or until his or her death, resignation or removal. In the event of failure to hold an election of directors at any annual shareholders' meeting, or in the event of failure to hold any annual shareholders' meeting as provided in the bylaws, election of directors may be held at a special meeting of the shareholders called for that purpose.

A majority of the members of the Board of Directors shall be necessary to constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time and the same may be held without further notice. When a quorum is present at any meeting, a majority vote of the members in attendance thereat shall decide any question brought before such meeting.

The first meeting of each newly elected Board of Directors shall be known as the annual meeting thereof. Notice of such meeting need not be given. Regular meetings of the Board of Directors shall be held at such place and at such times as the Board of Directors shall fix and determine from time to time. The President may call a special meeting of the Board of Directors at any time, and shall call such a meeting upon request of a majority of the members of the Board of Directors. Any and all business may be transacted at a special meeting that may be transacted at a regular meeting of the Board.

No director is required to be an officer, employee or shareholder of the Company or, unless otherwise required by Iowa insurance laws, to be a resident of the State of Iowa. A director shall not be required to manage the Company as his or her sole and exclusive function, and he or she may have other business interests and engage in activities in addition to those relating to the Company. Neither the Company, the shareholders, nor any other director shall have any right, by virtue of the bylaws, to share or participate in such other investments or activities of the directors, or in the income or proceeds derived therefrom.

The directors serving as of December 31, 2020, were as follows:

<u>Name and Address</u>	<u>Principal Occupation</u>	<u>Term Expires</u>
Margaret A. Meister Kirkland, WA	President Symetra Life Insurance Company	2021

Tommie D. Brooks Kirkland, WA	Executive Vice President, Chief Financial Officer Symetra Life Insurance Company	2021
<u>Name and Address</u>	<u>Principal Occupation</u>	<u>Term Expires</u>
Mark E. Hunt Bloomfield, CT	Executive Vice President, Chief Investment Officer Symetra Life Insurance Company	2021
Jon S. Stenberg Big Stone City, SD	Executive Vice President - Life Division Symetra Life Insurance Company	2021
Jacqueline M. Veneziani Seattle, WA	Senior Vice President, General Counsel & Secretary Symetra Life Insurance Company	2021

### COMMITTEES

The Board of Directors by resolution adopted by the affirmative vote of a majority of all of the directors then in office may create one or more committees, appoint members of the Board of Directors to serve on the committees and designate other members of the Board of Directors to serve as alternates. If the Company is required to have its own audit committee under the National Association of Insurance Commissioners' Audit Rule, the Board of Directors by the affirmative vote of a majority of all of the directors then in office may appoint members of the board of directors of the parent holding company, Symetra Financial, to serve on the audit committee.

Each committee shall have two (2) or more members who shall, unless otherwise provided by the Board of Directors, serve at the pleasure of the Board of Directors. A committee may be authorized to exercise the authority of the Board of Directors, except that a committee may not do any of the following: (a) authorize distributions unless in accordance with a formula or method, or within limits, prescribed by the Board of Directors; (b) approve or propose to shareholders action that the Iowa Business Corporation Act requires to be approved by shareholders; (c) fill vacancies on the Board of Directors of the Company or on any of its committees; provided, however, in the absence or disqualification of a member of a committee, the member or members present at a meeting and not disqualified from voting may unanimously appoint another director to act in place of the absent director; or (d) adopt, amend or repeal bylaws. Unless otherwise provided by the Board of Directors in creating the committee, a committee may employ counsel, accountants and other consultants to assist it in the exercise of its authority.

SFC's Board of Directors are primarily responsible for governance and oversight of the Company's executive management and business operations. The SFC Board of Directors consists of six members from Sumitomo Life, the Company's chief executive officer, and five independent members. The size and composition of SFC's Board of Directors is reviewed to ensure that its members provide a sufficient but manageable level of diversity of opinion, independence, range of experience, and expertise.

The SFC Board of Directors has four standing committees that assist it in discharging its duties including: Audit, Compensation, Finance, and Nominating & Governance.

The committees and their membership as of December 31, 2020, are as follows:

Audit Committee

Sander M. Levy<sup>1</sup>, Chairperson  
 Sally Jewell<sup>1</sup>  
 Robert R. Lusardi<sup>1</sup>  
 Muneo Sasagawa  
 Robert Wolfe<sup>1</sup>

Compensation Committee

Robert Wolfe<sup>1</sup>, Chairperson  
 Takeshi Eimori  
 Sally Jewell<sup>1</sup>  
 Sander M. Levy<sup>1</sup>  
 Robert R. Lusardi<sup>1</sup>  
 Muneo Sasagawa  
 Shin Umehara

Finance Committee

Robert R. Lusardi<sup>1</sup>, Chairperson  
 Kohei Hashimoto  
 Sally Jewell<sup>1</sup>  
 Sander M. Levy<sup>1</sup>  
 Thomas Marra<sup>1</sup>  
 Margaret Meister  
 Tetsuya Sho  
 Shin Umehara  
 Robert Wolfe<sup>1</sup>

Nominating & Governance Committee

Sally Jewell<sup>1</sup>, Chairperson  
 Takeshi Eimori  
 Sander M. Levy<sup>1</sup>  
 Robert R. Lusardi<sup>1</sup>  
 Tetsuya Sho  
 Keisuke Uchiyama  
 Robert Wolfe<sup>1</sup>

<sup>1</sup> Denotes independent board member

OFFICERS

The officers of the corporation shall be a President, one or more Vice Presidents, a Secretary, one or more Assistant Secretaries, a Treasurer, and one or more Assistant Treasurers. The President shall be elected by the shareholders and the other officers shall be elected by the Board of Directors. Each officer shall hold for the term for which they are elected and until their successors are elected and qualified. Unless otherwise provided in the resolution of the Board of Directors electing an officer, the term of office of each officer shall extend to and expire at the meeting of the Board following the next annual meeting of shareholders. None of the officers of the corporation, except the President, needs be a director. Any two or more of the corporate officers may be combined in one person.

The principal officers serving at December 31, 2020 were as follows:

<u>Name</u>	<u>Title</u>
Margaret A. Meister	President
Tommie D. Brooks	Executive Vice President, Chief Financial Officer
Colleen M. Murphy	Senior Vice President, Treasurer
Jacqueline M. Veneziani	Senior Vice President, General Counsel & Secretary
Mark E. Hunt	Executive Vice President, Chief Investment Officer
Harry S. Monti Jr.	Executive Vice President - Benefits Division
Jon S. Stenberg	Executive Vice President - Life Division
Wesley W. Severin	Executive Vice President - Retirement
Chantel L. Balkovetz	Executive Vice President - Service and Operations
Joel C. Kneisley	Senior Vice President, Chief Information Officer
Anne-Marie Diouf	Senior Vice President, Chief Human Resources Officer
Trinity E. Parker	Senior Vice President - Marketing, Communication and Public Affairs

The salaries of the officers are shown in Exhibit A found immediately following the signature page of this report.

#### CONFLICT OF INTEREST STATEMENTS

The Company has a formal Code of Business Conduct policy and has implemented policies and procedures for disclosure and reporting of conflicts of interest in compliance with the Code of Business Conduct policy. The Code of Business Conduct policy applies to all directors, officers, and employees. All covered persons are required to complete a Certificate of Acknowledgement, Compliance and Disclosure form. Conflicts of interest are prohibited as a matter of Company policy, except under guidelines approved by the Symetra Financial Corporation Board of Directors or the Audit Committee.

#### CORPORATE RECORDS

There were no amendments to the Company's Articles of Incorporation during the examination period. The Company's Bylaws were amended on August 16, 2016, to delegate certain matters to the shareholder for resolution, including the election of the President. All other officers are to be elected by the Company's Board of Directors.

The minutes from the meetings of the shareholders, the Board of Directors and the committees of the Board were reviewed for the examination period.

The Examination Report prepared by the Iowa Insurance Division, as of December 31, 2015, was accepted as presented at the Board meeting held on June 1, 2017.

#### RELATED PARTY AGREEMENTS

##### Allocation of Payment of Federal Income Taxes Agreement

The Company entered into an Allocation of Payment of Federal Income Taxes Agreement with its affiliates under common ownership with Symetra Financial Corporation, whereby the parties elect to file a consolidated federal income tax return and allocate federal income tax payments. The method of allocation between the companies is subject to written agreement and is based upon separate return calculations, except that current credit for tax credits and net operating loss carryforwards are determined on the basis of the consolidated group.

##### Intercompany Short-Term Borrowing Agreement

The Company entered into an Intercompany Short-Term Borrowing Agreement with its affiliates under common ownership with Symetra Financial Corporation, whereby the agreement provides for a short-term borrowing capacity amongst affiliates with specified guidelines and limits.

##### Investment Management Agreement

The Company entered into an Investment Management Agreement with its affiliate, Symetra Investment Management Company, a subsidiary of Symetra Financial Corporation. The agreement provides for investment advisory services related to the Company's invested assets.

##### Services and Shared Expenses Agreement

The Company entered into a Services and Shared Expenses Agreement with its affiliates under common ownership with Symetra Financial Corporation, whereby the parties each agree to provide and receive from each other certain general services (related to sharing common management, personnel, and facilities) and to share the expenses thereof. These expenses include charges for rent, corporate overhead, data processing systems, payroll,



benefits, and other miscellaneous charges and are included in investment and general insurance expenses in the summary of operations.

#### FIDELITY BONDS AND OTHER INSURANCE

The Company and its affiliates were protected by a financial institution bond that covers all employees. The coverage limits for a single loss of liability for insuring clauses were \$20,000,000 per loss with a \$3,000,000 deductible and a shared aggregate loss limit of \$40,000,000. The coverage met the NAIC's stated suggested minimum amount of coverage.

The other interests of the Company appear to be adequately protected through coverages afforded by policies in force with admitted insurers.

#### EMPLOYEES' WELFARE

The Company has no employees.

#### REINSURANCE

##### ASSUMED

Effective April 1, 2018, the Company entered into an excess of loss reinsurance agreement with parent, Symetra Life Insurance Company. Under the terms of this agreement, the Company provides for payment of claims once actual experience, net of third-party reinsurance, exceeds 110% of expected claims up to a detachment point. The detachment point starts at 800% and reduces to 200% over 25 years. The reinsurance agreement provides for a 25-year recapture period that, if elected, returns 90% of accumulated profits to Symetra Life Insurance Company. The Company established a mortality reinsurance assumed reserve in life benefit reserves on the Company's balance sheet.

##### CEDED

The Company did not cede any business during the examination period.

#### STATUTORY DEPOSIT FOR LEGAL RESERVE

The book/adjusted carrying value of securities and assets, backing the Company's legal reserve, and vested to the Commissioner of the Iowa Insurance Division for the benefit of all policyholders, totaled \$13,476,216.

#### TERRITORY AND PLAN OF OPERATION

The Company was authorized to transact business in the District of Columbia and all states, except for the following: Alaska, Hawaii, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, and Wyoming, as of December 31, 2020.

The Company has sold no new business since 1988. The Company services in-force blocks of individual life insurance business. The Company also reinsures a block of guaranteed universal life insurance policies from its parent, Symetra Life Insurance Company.

## GROWTH OF COMPANY

The following information was obtained from the office copies of the annual statements.

<u>Year</u>	<u>Admitted Assets</u>	<u>Capital and Surplus</u>	<u>Premium and Annuity Income</u>	<u>Net Income</u>	<u>Investment Income</u>
2016	\$17,134,704	\$10,660,277	\$ 212,263	\$244,094	\$517,283
2017	17,261,932	10,885,568	199,882	255,510	515,971
2018	18,878,429	11,638,845	1,908,906	541,059	527,977
2019	20,877,918	11,932,616	2,450,965	295,044	552,018
2020	22,676,985	12,083,316	2,388,249	144,780	522,248

## ACCOUNTS AND RECORDS

Trial balances were prepared for all years of the examination period. Amounts from the general ledger accounts were reconciled and found to agree with balances reported on the filed annual statements for assets, liabilities, income, or disbursements.

During the course of the examination, no material aggregate surplus difference was identified from the amount reflected in the financial statements, as presented in the annual statement as of December 31, 2020.

## SUBSEQUENT EVENTS

### COVID-19 Pandemic

In March 2020, the World Health Organization declared Coronavirus disease (COVID-19) a pandemic. As of the date of this report, there is significant uncertainty as to the impact the pandemic will have on the economy, insurance industry and the Company. In addition, this uncertainty has contributed to extreme volatility in the financial markets. As such, the Iowa Insurance Division will continue to monitor COVID-19 developments.

FINANCIAL STATEMENTS  
AND COMMENTS THEREON

NOTE: Except as otherwise stated, the financial statements immediately following reflect only the transactions for the period ending December 31, 2020, and the assets and liabilities as of this date. Schedules may not add or tie precisely due to rounding.

STATEMENT OF ASSETS AND LIABILITIES

ASSETS

	<u>Ledger</u>	Not <u>Admitted</u>	<u>Admitted</u>
Bonds	\$ 15,635,559	\$ -	\$ 15,635,559
Cash and cash equivalents	6,169,766	-	6,169,766
Contract loans	183,648	-	183,648
Receivables for securities	23	-	23
Investment income due and accrued	61,396	-	61,396
Uncollected premiums in course of collection	560,833	-	560,833
Deferred premiums booked and not yet due	19,380	-	19,380
Net deferred tax asset	1,418,141	1,373,267	44,874
Guaranty funds receivable or on deposit	288	-	288
Aggregate write-ins for other than invested assets	<u>1,218</u>	<u>-</u>	<u>1,218</u>
Total assets	<u>\$ 24,050,252</u>	<u>\$ 1,373,267</u>	<u>\$ 22,676,985</u>

LIABILITIES, SURPLUS AND OTHER FUNDS

Aggregate reserve for life contracts	\$ 10,383,339
Contract claims:	
Life	11,000
Premiums and annuity considerations for life and accident and health contracts received in advance	1,857
Interest maintenance reserve	4,308
Commissions to agents due or accrued-life and annuity contracts	15
Taxes, licenses, and fees due or accrued, excluding federal income taxes	2,913
Current federal and foreign income taxes	139,677
Unearned investment income	5,916
Amounts withheld or retained by reporting entity as agent or trustee	231
Remittances and items not allocated	455
Miscellaneous liabilities:	
Asset valuation reserve	26,090
Payable to parent, subsidiaries, and affiliates	17,802
Aggregate write-ins for liabilities	<u>66</u>
 Total liabilities	 <u>\$ 10,593,669</u>
 Common Capital Stock	 \$ 2,500,000
Gross Paid-In and Contributed Surplus	4,500,000
Unassigned funds (surplus)	<u>5,083,316</u>
 Capital and surplus	 <u>\$ 12,083,316</u>
 Total liabilities and surplus	 <u>\$ 22,676,985</u>

## SUMMARY OF OPERATIONS

Premiums and annuity considerations for life and accident and health contracts	\$ 2,388,249
Net investment income	522,248
Amortization of Interest Maintenance Reserve	3,889
Aggregate write-ins from miscellaneous income	<u>13</u>
Total	<u>\$ 2,914,399</u>
Death benefits	\$ 265,648
Disability benefits and benefits under accident and health contracts	1,797
Surrender benefits and withdrawals for life contracts	65,633
Interest and adjustments on contract or deposit-type contract funds	571
Increase in aggregate reserves for life and accident and health contracts	<u>1,671,141</u>
Totals	<u>\$ 2,004,790</u>
Commissions on premiums, annuity considerations, and deposit-type contract funds	231
General insurance expenses and fraternal expenses	161,545
Insurance taxes, licenses and fees, excluding federal income taxes	77,365
Increase in loading on deferred and uncollected premiums	<u>(3,145)</u>
Total	<u>\$ 2,240,786</u>
Net gain from operations before dividends to policyholders, refunds to members and before federal income taxes	\$ 673,613
Dividends to policyholders and refunds to members	<u>-</u>
Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes	\$ 673,613
Federal and foreign income taxes incurred	<u>528,833</u>
Net gain from operations after dividends to policyholders, refunds to members and Federal income taxes and before realized capital gains or (losses)	\$ 144,780
Net realized capital gains (losses)	<u>-</u>
Net income	<u><u>\$ 144,780</u></u>

## CAPITAL AND SURPLUS ACCOUNT

Capital and surplus, December 31, 2019	<u>\$ 11,932,616</u>
Net income	\$ 144,780
Change in net deferred income tax	388,090
Change in nonadmitted assets	(380,968)
Change in asset valuation reserve	<u>(1,202)</u>
Net change in capital and surplus for the year	<u>\$ 150,700</u>
Capital and surplus, December 31, 2020	<u><u>\$ 12,083,316</u></u>

## CASH FLOW STATEMENT

### Cash from Operations

Premiums collected net of reinsurance	\$ 2,409,430	
Net investment income	521,599	
Miscellaneous income	<u>10</u>	
Total		\$ 2,931,039
Benefit and loss related payments	\$ 333,673	
Commissions, expenses paid and aggregate write-ins	237,437	
Federal income taxes paid (recovered)	<u>533,681</u>	
Total		<u>\$ 1,104,791</u>
Net cash from operations		<u>\$ 1,826,248</u>

### Cash from Investments

Proceeds from investments sold, matured, or repaid:		
Bonds	<u>\$ 2,598,208</u>	
Total investment proceeds		\$ 2,598,208
Cost of investments acquired (long-term only):		
Miscellaneous applications	<u>\$ 23</u>	
Total investments acquired		<u>\$ 23</u>
Net increase (decrease) in contract loans and premium notes		<u>\$ 3,975</u>
Net cash from investments		<u>\$ 2,594,210</u>

### Cash from Financing and Miscellaneous Sources

Other cash provided (applied)	<u>\$ (16,504)</u>	
Net cash from financing and miscellaneous sources		<u>\$ (16,504)</u>

## RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

Net change in cash, cash equivalents and short-term investments	\$ 4,403,954
Cash, cash equivalents and short-term investments:	
Beginning of year	<u>1,765,812</u>
End of period	<u>\$ 6,169,766</u>

## CONCLUSION

The cooperation and assistance extended by the officers and employees of the Company is hereby acknowledged.

In addition to the undersigned, Jan Moenck, CFE, Darin Benck, CFE, CPA, CIA, David Crandall, CFE, CPA, CIA, Alan Griffith, CFE, CPA, Daniel Judge, CFE, Edward Toy, Patricia Matson, FSA, MAAA, Andy Rarus, ASA, MAAA, and Gerald Stein, FSA, MAAA, of Risk & Regulatory Consulting, LLC, participated in the examination and preparation of this report.

Respectfully submitted,

/s/ Joshua J. Johnson  
Joshua J. Johnson, CFE  
Examiner in Charge  
Risk & Regulatory Consulting, LLC  
On behalf of the Iowa Insurance Division

/s/ Daniel Mathis  
Daniel Mathis, CFE  
Chief Examiner  
Iowa Insurance Division