

MARKET CONDUCT
EXAMINATION REPORT OF
VENERABLE INSURANCE AND ANNUITY COMPANY
DES MOINES, IOWA
AS OF DECEMBER 31, 2020

Des Moines, Iowa
April 14, 2021

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, a market conduct examination has been made of the records, business affairs and marketing practices of

VENERABLE INSURANCE AND ANNUITY COMPANY

DES MOINES, IOWA

AS OF DECEMBER 31, 2020

at its Home Office located at 699 Walnut Street, Suite 1350, Des Moines, Iowa.

INTRODUCTION

This market conduct examination report, containing applicable comments, explanations and findings, is presented herein. In general, this is a report by exception. Comments regarding practices and procedures reviewed during the examination have been omitted from the report if no improprieties were found. All unacceptable or noncomplying practices may not have been identified. The failure to identify specific company practices does not constitute acceptance of these practices.

SCOPE OF EXAMINATION

This risk-focused, market conduct examination of Venerable Insurance and Annuity Company, herein referred to as the "Company", covers the period from January 1, 2016 through December 31, 2020. The risk-focused examination reviews internal policies, procedures, and control structures for compliance with applicable Iowa statutes and administrative rules. The examination then focuses on the Company's compliance with those policies, procedures, and control structures.

HISTORY

The Company was incorporated on January 2, 1973, under the laws of the State of Minnesota as the St. Paul Life Insurance Company and commenced business on October 1, 1973. On December 31, 1987, its parent, the St. Paul Group, changed the name of the Company to Golden American Life Insurance Company (Golden). On December 21, 1993, Golden filed with the appropriate officials and redomesticated from the State of Minnesota to the State of Delaware. The State of Delaware approved the new certificate on January 7, 1994. On May 3, 1996, Golden was sold to Equitable of Iowa Companies (Equitable), an Iowa holding company.

On October 24, 1997, PFHI Holdings, Inc. (PFHI), a Delaware corporation and wholly owned subsidiary of ING Group N.V. (ING), acquired all of the outstanding capital stock of Equitable pursuant to an Agreement and Plan of Merger between Equitable, PFHI, and ING. ING was a global financial service holding company based in the Netherlands.

On January 1, 2004, Equitable Life Insurance Company of Iowa, USG Annuity and Life Company, and United Life and Annuity Insurance Company merged with and into the Company and the Company redomesticated from Delaware to Iowa. Immediately after the merger, the Company changed its name from Golden to ING USA Annuity and Life Insurance Company. At the time of the mergers, within ING's U.S. insurance operations (Group), Voya Holdings Inc., a subsidiary of Voya Financial, Inc. (Voya Financial), became the Company's immediate parent company and ING became the Company's ultimate parent.

On October 26, 2009, ING submitted a corporate restructuring plan to the European Commission whereby ING agreed to separate its banking and insurance businesses by 2013. On April 9, 2009, ING announced plans to divest itself of all or part of the Company.

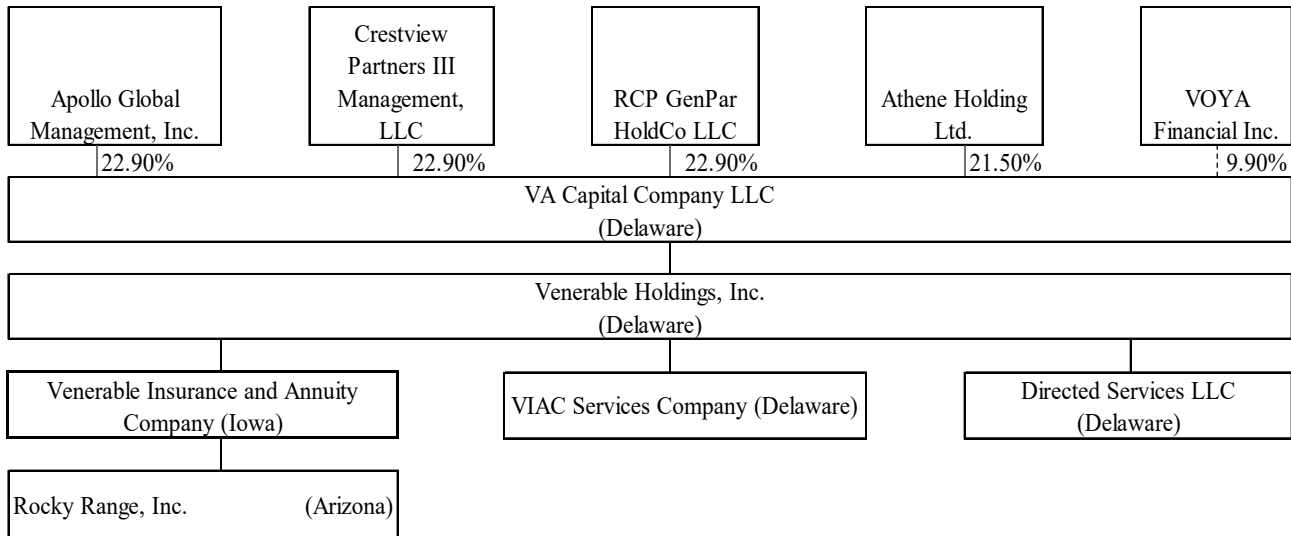
On May 7, 2013, the initial public offering (IPO) of the common stock of Voya Financial was completed through primary and secondary offerings of the stock directly by Voya Financial (primary) as well as its immediate parent ING Insurance International B.V. (III) (secondary). After the closing of the primary and secondary offerings of the IPO, III held approximately 71% of the outstanding shares of the common stock of Voya Financial and the Company's ultimate controlling person remained ING.

On September 30, 2013, the ownership of Voya Financial was restructured through a series of in-kind dividend transactions between holding company affiliates ultimately transferring III's 71% legal ownership interest in Voya Financial to ING. Subsequent to the restructuring, the Company changed its name to Voya Insurance and Annuity Company effective September 1, 2014, and ING completed a series of public offerings of the shares of common stock of Voya Financial. On March 9, 2015, ING completed the sale of its remaining shares of Voya Financial making Voya Financial the ultimate controlling entity of the Company.

On December 20, 2017, Voya Financial entered into a Master Transaction Agreement with VA Capital Company LLC (VA Capital), a Delaware limited liability company and Athene Holdings Ltd. (Athene), a Bermuda limited company, whereby VA Capital's wholly owned subsidiary, Venerable Holdings, Inc. (VHI) would acquire certain assets of Voya Financial including all of the shares of the Company's common stock. The acquisition of the Company by VHI was completed on June 1, 2018. As a result of the acquisition, the Company changed its name to Venerable Insurance and Annuity Company which was approved by the Division effective September 1, 2019.

INSURANCE 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, 2020, 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)

TERRITORY AND PLAN OF OPERATIONS

The Company is authorized to transact life and accident and health business in forty-nine states and the District of Columbia.

The Company does not issue any new life or annuity products. Life and accident and health policies are currently in run-off and closed blocks of fixed annuities are all 100% ceded. The Company now focuses on managing its closed blocks of variable annuities.

TREATMENT OF POLICYHOLDERS

Claim Practices

The Examiners reviewed the Company's claim handling policies and procedures. The Examiners then reviewed a sample of 106 paid claims to verify timeliness of settlement and adherence to claim policies and procedures. No issues of non-compliance were found.

Complaints

The Company has formalized complaint handling policies and procedures. Complaints are all reviewed and addressed by the Compliance Department. Examiners found the complaint register to be in compliance with

applicable state statutes. Examiners also reviewed a sample of forty (40) consumer complaints, all were handled in accordance with applicable regulations.

Underwriting

The Company does not issue any new life or annuity products.

MARKETING AND SALES

The Company does not issue any new life or annuity products.

PRODUCER LICENSING

The Company does not issue any new life or annuity products.

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 Iowa Insurance Division Examiner participated in the examination and preparation of this report: Jan Jones, Examiner Senior.

Respectfully submitted,

/s/ Amanda Theisen
AMANDA THEISEN, CFE, PIR, MCM
Examiner in-Charge
Insurance Division
State of Iowa