Financial Statements – Statutory-Basis

Reliance Standard Life Insurance Company

As of and for the Years Ended December 31, 2025 and 2024
with Report of Independent Auditors

RELIANCE STANDARD LIFE INSURANCE COMPANY
Financial Statements – Statutory-Basis
As of December 31, 2025 and 2024

Report of Independent Auditors

To the Board of Directors of Reliance Standard Life Insurance Company

Opinions

We have audited the accompanying statutory-basis financial statements of Reliance Standard Life Insurance Company (the "Company"), which comprise the statutory-basis statements of admitted assets, liabilities and capital and surplus as of December 31, 2025 and 2024, and the related statutory-basis statements of operations, changes in capital and surplus, and of cash flows for the years then ended, including the related notes (collectively referred to as the "financial statements").

Unmodified Opinion on Statutory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the admitted assets, liabilities and capital and surplus of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended, in accordance with the accounting practices prescribed or permitted by the Illinois Department of Insurance described in Note A.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2025 and 2024, or the results of its operations or its cash flows for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A to the financial statements, the financial statements are prepared by the Company on the basis of the accounting practices prescribed or permitted by the Illinois Department of Insurance, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices prescribed or permitted by the Illinois Department of Insurance. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of selected statutory-basis financial data, supplemental schedule of reinsurance disclosures, summary investment schedule and supplemental investment risks interrogatories (collectively referred to as the "supplemental schedules") of the Company as of December 31, 2025 and for the year then ended are presented to comply with the National Association of Insurance Commissioners' Annual Statement Instructions and Accounting Practices and Procedures Manual and for purposes of additional analysis and are not a required part of the financial statements. The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP
New York, New York
May 28, 2026

RELIANCE STANDARD LIFE INSURANCE COMPANY
STATEMENTS OF ADMITTED ASSETS, LIABILITIES,
AND CAPITAL AND SURPLUS – Statutory-Basis
(Dollars in Thousands)

	December 31, 2025	December 31, 2024
Admitted Assets:		
Bonds	$ 16,373,939	$ 13,611,023
Preferred stocks	55,452	30,987
Common stocks.	652,491	623,656
Mortgage loans	10,498,087	10,108,628
Real estate held for sale	323,273	191,478
Cash, cash equivalents and short-term investments	487,267	502,168
Contract loans	523	516
Derivatives	172,749	180,947
Other invested assets	1,253,105	962,746
Amounts due on investment sales, maturities or withdrawals	75,750	122,402
Total cash and invested assets	29,892,636	26,334,551
Investment income due and accrued	255,512	230,570
Uncollected premiums and agents' balances in course of collection	103,684	112,595
Deferred premiums and agents' balances deferred, not yet due.	88	95
Reinsurance receivables	5,777	6,812
Current federal and foreign income tax recoverable and interest thereon	55,754	26,057
Net deferred tax asset	158,909	148,308
Guaranty funds receivable or on deposit	8,256	8,809
Electronic data processing equipment	895	1,488
Receivable from parent, subsidiaries and affiliates	8,536	5,334
Miscellaneous accounts receivable	1,205	1,195
Separate accounts assets	354,725	316,196
Total admitted assets	$ 30,845,977	$ 27,192,010

(Continued)

The accompanying notes are an integral part of these statutory-basis financial statements.

RELIANCE STANDARD LIFE INSURANCE COMPANY
STATEMENTS OF ADMITTED ASSETS, LIABILITIES,
AND CAPITAL AND SURPLUS – Statutory-Basis (Continued)
(Dollars in Thousands, Except Par Value Amounts)

	December 31, 2025	December 31, 2024
Liabilities:		
Aggregate contract reserves:		
Life and annuities	$ 16,541,022	$ 14,953,041
Accident and health	1,458,014	1,385,989
Liability for deposit-type contracts	4,770,360	2,915,329
Contract claims:		
Life	131,366	135,893
Accident and health	360,224	343,526
Provision for experience rating funds	3,599	3,162
Accounts payable on reinsurance	327	1,088
Interest maintenance reserve	-	25,998
General expenses due and accrued	127,798	125,607
Taxes, licenses and fees due and accrued	1,026	5,798
Amounts withheld by company	4,748	2,536
Remittances and items not allocated	71,776	88,994
Dividends declared and unpaid	2,000	2,000
Asset valuation reserve	770,084	696,266
Funds held under reinsurance treaties with unauthorized reinsurers	1,291,273	1,834,077
Funds held under coinsurance	730,980	880,743
Derivatives	32,505	50,395
Amounts due to brokers	602,618	484,246
Retained asset program liability to claimants	7,247	8,314
Tender option bonds liabilities	198,799	98,398
Miscellaneous accounts payable, accrued expenses and other liabilities	15,780	21,327
Separate accounts liabilities	354,725	316,196
Total liabilities	27,476,271	24,378,923
Capital and surplus:		
Common stock, $4.50 par value; 2,000,000 shares authorized; 1,334,025 shares issued and outstanding	6,003	6,003
Preferred stock, $100.00 par value; 600,000 shares authorized; 500,000 shares issued and outstanding	50,000	50,000
Subordinated indebtedness certificate	100,000	100,000
Capital paid in excess of par value	824,876	502,876
Unassigned surplus	2,388,827	2,154,208
Total capital and surplus	3,369,706	2,813,087
Total liabilities and capital and surplus	$ 30,845,977	$ 27,192,010

The accompanying notes are an integral part of these statutory-basis financial statements.

RELIANCE STANDARD LIFE INSURANCE COMPANY
STATEMENTS OF OPERATIONS – Statutory-Basis
(Dollars in Thousands)

	Years Ended December 31, 2025	Years Ended December 31, 2024
Revenues:		
Premiums and annuity considerations	$ 4,361,346	$ 5,718,460
Considerations for supplementary contracts	4,464	7,715
Net investment income	1,605,305	1,579,277
Amortization of interest maintenance reserve	8,903	8,435
Commissions and expense allowances on reinsurance ceded	14,169	14,435
Income from fees associated with investment management administration and contract guarantees for separate accounts	2,302	2,104
	5,996,489	7,330,426
Benefits and Expenses:		
Death benefits	90,282	115,847
Annuity benefits	241,333	228,322
Disability benefits and benefits under accident and health contracts	708,833	659,689
Surrender benefits and other fund withdrawals	1,777,313	1,868,222
Interest on contract or deposit-type contract funds	292,191	227,316
Payments on supplementary contracts	3,708	3,485
Increase in aggregate reserves for life and accident and health contracts	1,660,443	2,986,188
Commissions	310,008	343,428
General insurance expenses and other expenses	374,824	344,253
Insurance taxes, licenses and fees	65,976	62,515
Transfers from separate account	(59)	(49)
	5,524,852	6,839,216
Net gains from operations before federal income tax expense and net realized capital (losses) gains	471,637	491,210
Federal income tax expense	103,037	212,604
Net gain from operations before net realized capital (losses) gains	368,600	278,606
Net realized capital (losses) gains (excluding gains transferred to the interest maintenance reserve) less capital gains expense of $7,510 and $7,219 (excluding income taxes of $10,539 and $5,206 transferred to the interest maintenance reserve, respectively)	(135,600)	35,307
Net income	$ 233,000	$ 313,913

The accompanying notes are an integral part of these statutory-basis financial statements.

RELIANCE STANDARD LIFE INSURANCE COMPANY
STATEMENTS OF CHANGES IN CAPITAL AND SURPLUS – Statutory-Basis
(Dollars in Thousands)

	Years Ended December 31,	
	2025	2024
Common stock	$ 6,003	$ 6,003
Preferred stock	$ 50,000	$ 50,000
Subordinated indebtedness certificate	$ 100,000	$ 100,000
Capital paid in excess of par value		
Beginning balance	$ 502,876	$ 302,876
Capital contribution	322,000	200,000
Ending balance	$ 824,876	$ 502,876
Unassigned surplus:		
Balance at January 1	$2,154,208	$2,031,246
Net income	233,000	313,913
Increase in net unrealized capital gains	19,797	2,828
Increase (decrease) in unrealized foreign exchange capital gains	72,769	(12,661)
Change in deferred income taxes	40,420	119,094
Increase in nonadmitted assets	(53,341)	(151,844)
Increase in asset valuation reserve	(73,818)	(144,713)
Dividends on preferred stocks	(4,000)	(4,000)
(Increase) decrease in pension and postretirement benefit liability	(208)	345
Balance at December 31,	$2,388,827	$2,154,208
Total capital and surplus	$ 3,369,706	$2,813,087

The accompanying notes are an integral part of these statutory-basis financial statements.

RELIANCE STANDARD LIFE INSURANCE COMPANY
STATEMENTS OF CASH FLOWS – Statutory-Basis
(Dollars in Thousands)

	Years Ended December 31,	
	2025	2024
Operating activities:		
Premiums and other sources of cash:		
Premiums and annuity considerations	$ 4,182,229	$ 5,499,564
Net investment income received	1,452,999	1,385,794
Miscellaneous income	16,461	16,532
	5,651,689	6,901,890
Benefits and expenses paid:		
Benefit and loss related payments	2,618,127	2,637,938
Net transfers from Separate Account	58	55
Commissions and expenses	755,678	769,440
Federal income taxes paid	121,303	201,844
	3,495,166	3,609,277
Net cash provided by operating activities	2,156,523	3,292,613
Investing activities:		
Proceeds from investments sold, matured or repaid:		
Bonds	4,712,569	3,438,365
Stocks	81,706	104,304
Mortgage loans	2,197,960	1,263,573
Real estate	22,829	3,428
Other invested assets	204,290	175,644
Net losses on cash and short-term investments	(1,972)	(1,944)
Miscellaneous sources	54,934	241,090
	7,272,316	5,224,460
Cost of investments acquired:		
Bonds	7,189,424	5,281,079
Stocks	122,845	59,348
Mortgage loans	2,896,226	2,839,674
Other invested assets	331,694	216,747
	10,540,189	8,396,848
Net increase (decrease) in contract loans	7	(32)
Net cash used in investing activities	(3,267,880)	(3,172,356)
Financing and miscellaneous activities:		
Cash provided by (used in):		
Capital and paid in surplus, less treasury stock	171,208	200,000
Borrowed funds	100,275	-
Net deposits (withdrawals) on deposit-type contracts and other insurance liabilities	874,647	(129,479)
Dividends to stockholders	(4,000)	(4,000)
Other	(45,674)	(124)
Net cash provided by financing and miscellaneous activities	1,096,456	66,397
Net (decrease) increase in cash, cash equivalents and short-term investments	(14,901)	186,654
Cash, cash equivalents and short-term investments, January 1	502,168	315,514
Cash, cash equivalents and short-term investments, December 31	$ 487,267	$ 502,168

The accompanying notes are an integral part of these statutory-basis financial statements.

RELIANCE STANDARD LIFE INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS
As of December 31, 2025 and 2024

Note A - Summary of Significant Accounting Policies

Organization and Basis of Presentation. Reliance Standard Life Insurance Company (the "Company") is domiciled in the State of Illinois and is a wholly-owned subsidiary of Reliance Standard Life Insurance Company of Texas ("RSL-Texas"). RSL-Texas is a wholly-owned subsidiary of Delphi Financial Group, Inc. ("DFG").

On December 21, 2011, the Company's ultimate parent, DFG, entered into an Agreement and Plan of Merger with Tokio Marine Holdings, Inc., a Japanese corporation ("Tokio Marine"), and TM Investment (Delaware) Inc. ("TM Sub"), a Delaware corporation which was wholly owned by Tokio Marine & Nichido Fire Insurance Co., Ltd.("TMNF"), an insurance company domiciled in Japan which is a subsidiary of Tokio Marine. After being approved by DFG's stockholders and by the relevant regulatory authorities in Japan and the U.S., the merger transaction closed on May 15, 2012, pursuant to which TM Sub was merged with and into DFG, the surviving corporation in the merger. As a result, DFG became a subsidiary of TMNF and Tokio Marine became DFG's ultimate parent.

The accompanying financial statements of the Company have been prepared in conformity with accounting practices prescribed by the Illinois Department of Insurance. Such practices differ in certain respects from accounting principles generally accepted in the United States ("GAAP") in determining financial position and results of operations. The Company has not determined the effects of these differences, but they are presumed to be material. The primary significant differences are as follows:

i. Certain assets, designated as nonadmitted, are excluded from the statutory-basis balance sheet by a direct charge to surplus. The principal non-admitted assets that have been charged to surplus in the accompanying financial statements are software, furniture, equipment, and deferred tax assets.

ii. Investments in bonds, short-term investments, asset-backed securities excluding residual tranches, and redeemable preferred stocks are reported at amortized cost or fair value based on their National Association of Insurance Commissioners ("NAIC") designation; such designations being assigned on a one through six scale, with one being the highest quality rating and six the lowest. See "Note A – Summary of Significant Account Policies – Investments" for additional statutory considerations. Under GAAP, such fixed maturity investments are designated at purchase as held-to-maturity, trading or available-for-sale. Fixed maturity investments classified as held-to-maturity are reported at amortized cost, and the remaining categories of fixed maturity investments are reported at fair value with unrealized gains and losses reported in operations for those designated as trading and as a separate component of shareholders' equity for those designated as available-for-sale.

iii. With respect to its insurance business, the Company (a) incurs certain contract issue expenses which are charged to operations in the period incurred under statutory requirements rather than being deferred and amortized in relation to the incidence of expected gross profits or over the premium-paying period of the related policies, (b) computes liabilities for future contract benefits based on modified reserve methods in accordance with statutory requirements, without consideration of estimated future experience, and (c) reports the asset valuation reserve ("AVR") and the interest maintenance reserve ("IMR") as liabilities in the statutory-basis financial statements.

Nature of Operations. The Company is a life and accident and health insurance company engaged in offering a diverse portfolio of group employee benefit products including long-term and short-term disability, life, travel accident, voluntary accidental death and dismemberment, dental and limited benefit health insurance. The Company also has a retirement services business which consists of fixed annuities marketed to individuals and groups and fixed and floating rate institutional funding agreements. The Company offers its insurance products in forty-nine states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam. The Company's two product categories are group employee benefit products and retirement services products, which represented approximately 34% and 66% and 25% and 75% respectively, of total insurance premiums and policyholder fees of $4,365.8 million and $5,726.2 million for the years ended December 31, 2025 and 2024, and 7% and 93% and 8% and 92%, respectively, of the Company's reserves and policyholder account balances of $22,769.4 million and $19,254.4 million as of December 31, 2025 and 2024, respectively.

Note A - Summary of Significant Accounting Policies - (Continued)

Use of Estimates. The preparation of financial statements in conformity with statutory accounting principles ("SAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Investments. Bonds and stocks held by the Company are carried at values prescribed by the NAIC. Issuer credit obligations are carried at amortized cost using the interest method; asset-backed securities are carried at the lower of amortized cost or fair value using the interest method including anticipated prepayments at the date of purchase and significant changes in estimated cash flows from the original purchase assumptions are accounted for using the prospective method. Prepayment assumptions for mortgage-backed and asset-backed securities were obtained from broker-dealer survey values or internal estimates. These assumptions are consistent with the current interest rate and economic environment. Short-term investments are carried at amortized cost, which approximates fair value, and consists of issuer credit obligations purchased with remaining maturities of twelve months or less. Cash and cash equivalents are carried at cost, which approximates fair value, and consist of money market mutual funds purchased with maturities of six months or less. Preferred stocks with NAIC designations of one through three are carried at amortized cost, and common stocks are carried at fair value, except common stocks of affiliates, which are valued as stated below. Bonds, asset-backed securities excluding residual tranches, and short-term investments with NAIC designations of six and preferred stocks with NAIC designations of four through six are valued at the lower of amortized cost or fair value. Unrealized appreciation or depreciation on bonds, asset-backed securities excluding residual tranches, and short-term investments with a NAIC designation of six, preferred stocks with NAIC designations of four through six and common stocks are credited or charged directly to surplus. Mortgage loans are stated at their amortized cost. Investments in real estate held for sale are carried at the lower of its carrying value or fair value. Other invested assets consist of investments in limited partnerships and limited liability companies, which are reflected on the equity method, with distributed earnings included in net investment income, investments in surplus debentures of affiliated and unaffiliated issuers, carried at amortized cost, using the interest method and residual tranches, which are carried at lower of amortized cost or fair value. Interest income on residual tranches is recorded under the effective yield method using the allowable earned yield, capped by the amount of cash income received. The Company also holds investments in low-income housing limited partnerships, which are initially recorded at cost and are carried by the Company at proportional amortized cost unless considered impaired.

Bonds and stocks held by the Company are assessed for impairment if the fair value is less than its carrying value or cost basis. An analysis is performed to determine whether the shortfall in fair value is temporary or other than temporary. If the fair value of a bond or an equity security declines in value below its carrying value or cost basis, respectively, and the Company intends to sell, or determines that it will more likely than not be required to sell, the security before recovery of its carrying value or cost basis, management considers the security to be other than temporarily impaired. Other than temporary impairment ("OTTI") losses are reported as realized capital losses in the statements of operations. The cost basis of bonds and stocks is reduced and the revised cost basis is not adjusted for subsequent recoveries in value.

If, however, the Company does not intend to sell the bond or equity security and it is not more likely than not that it will be required to sell the security before recovery, the Company reviews the security to determine if the security is expected to recover back to the amortized cost.

When a bond (other than asset-backed securities), preferred stock or common stock is deemed other-than-temporarily impaired, the difference between the investment's carrying value and its fair value is recognized as a realized loss and reported as a realized capital loss in the statement of operations if the loss is credit related.

Note A - Summary of Significant Accounting Policies - (Continued)

For asset-backed securities, the entire difference between a security's carrying value and its fair value is recognized in the statement of operations as an impairment when the Company has the intent to sell the security, or it does not have the intent and ability to hold the security to recovery. If neither of these two conditions exists, a realized loss is recognized in the statement of operations for the difference between the carrying value of the security and the net present value of projected future cash flows expected to be collected. The net present value is calculated by discounting the Company's best estimate of projected future cash flows at the effective interest rate implicit of the loan-backed or structured security prior to impairment.

The common stock of the Company's wholly-owned insurance subsidiary, First Reliance Standard Life Insurance Company ("FRSLIC"), which is domiciled in New York, is carried at an amount equal to FRSLIC's statutory capital and surplus. The Company's equity in the earnings of FRSLIC is included in unassigned surplus. As of December 31, 2025 and 2024, respectively, FRSLIC had assets totaling $326.6 million and $319.1 million, liabilities totaling $170.6 million and $165.1 million, and capital and surplus totaling $156.0 million and $154.0 million.

On April 14, 2021, the Company entered into an agreement to acquire Standard Security Life Insurance Company of New York ("SSL"), a New York domiciled life insurer subsidiary of Independence Holding Company, which agreement was amended and restated on July 29, 2021, for a purchase price of $180.0 million, with such amount subject to upward or downward adjustment to the extent that SSL's statutory capital and surplus as of the closing date exceeded or was less than $57.0 million (such acquisition, the "SSL Acquisition"). The SSL Acquisition was consummated effective January 1, 2022, whereupon the Company acquired SSL for cash consideration of $196.6 million and SSL became a wholly-owned subsidiary of the Company. As of the acquisition date, SSL had admitted assets totaling $157.9 million, liabilities totaling $79.2 million and statutory capital and surplus totaling $78.7 million. The common stock of SSL is carried at an amount equal to SSL's statutory capital and surplus, adjusted for unamortized goodwill. The Company's equity in the earnings of SSL is included in unassigned surplus. As of December 31, 2025, and December 31, 2024, respectively, SSL had admitted assets totaling $190.0 million and $193.2 million, liabilities totaling $101.5 million and $103.2 million, and statutory capital and surplus totaling $88.5 million and $89.9 million.

The Company's investment in the common stock of its ultimate domestic parent, DFG, is calculated as the Company's reciprocal ownership of DFG's equity based on Statement of Statutory Accounting Principles No. 97, "Investments in Subsidiary, Controlled and Affiliated Entities" and is carried in accordance with the NAIC Securities Valuation Office ("SVO") Purposes and Procedures Manual ("SVO Manual").

Realized capital gains and losses, determined under the specific identification method, are included in income, net of applicable income taxes and transfers to the IMR. The IMR represents the net accumulated unamortized realized capital gains and losses, net of taxes, attributable to changes in the general level of interest rates on sales of fixed income investments, principally bonds. Such gains and losses are amortized into income, using the grouped method, over the remaining life of the security sold based on expected maturity. The AVR is determined by NAIC prescribed formulas and is reported as a liability rather than as a valuation allowance or an appropriation of surplus. The AVR represents a provision for possible credit-related investment losses on the value of bonds, equity securities, mortgage loans, real estate and other invested assets. Changes to the AVR are charged or credited directly to unassigned surplus. Investment transactions are recorded on a trade date basis. Therefore, at certain times, receivables or payables may arise until the transaction has settled and cash has been transferred.

Recently Issued Accounting Standards. Effective January 1, 2025, the NAIC adopted revisions to Statement of Statutory Accounting Principles No. 21 – Other Admitted Assets, Statement of Statutory Accounting Principles No. 26 – Bonds and Statement of Statutory Accounting Principles No. 43 – Asset-Backed Securities (collectively, the Principles-Based Bond Definition ("PBBD") project). PBBD establishes principles-based guidance for determining whether a security qualifies as a bond, emphasizing the substance of a security rather than its legal form.

Note A - Summary of Significant Accounting Policies - (Continued)

In general, under PBBD, a bond, which is reported on Schedule D-1, is a security that establishes a creditor relationship, features a fixed payment schedule and falls under the category of either an issuer credit obligation or asset-backed security, whereas securities that exhibit equity-like features or are essentially equivalent to ownership interests in the issuer's underlying assets are classified as other invested assets. The Company conducted a comprehensive evaluation to determine the impact of PBBD on the classification of its invested assets and no securities were reclassified from Schedule D-1 to other invested assets as a result of such evaluation. In addition, there were no changes in the measurement basis of securities or any surplus impact as a result of the adoption of PBBD.

Effective January 1, 2025, the NAIC adopted revisions to Statement of Statutory Accounting Principles No. 93 – Investments in Tax Credit Structures ("SSAP 93") to expand the scope of SSAP 93 beyond low-income housing tax credits to include all tax credit programs and tax investment structures. SSAP 93 also incorporates, with modifications, GAAP guidance for the proportional amortization method and introduces an admissibility test which requires an assessment of the Company's ability to utilize the future stream of tax credits to determine whether all or a portion of the tax credit investment will be non-admitted. The adoption of SSAP 93 did not have a material impact on the Company's statement of admitted assets, liabilities, and capital and surplus.

Goodwill. Goodwill is defined as the difference between the cost of acquiring an entity and the reporting entity's share of the book value of the acquired entity. Positive goodwill is limited in the aggregate to 10% of the acquiring entity's capital and surplus as required to be shown on the statutory balance sheet of its most recently filed statement with the domiciliary state commissioner, adjusted to exclude any net positive goodwill, electronic database processing equipment ("EDP equipment") and operating system software, and net deferred tax assets. Goodwill resulting from the purchase of a subsidiary, controlled and affiliated entity, joint ventures, partnerships or limited liability companies is amortized to unrealized capital gains and losses on investments over the period in which the acquiring entity benefits economically, not to exceed ten years. The Company reports goodwill in the book adjusted carrying value of the investment acquired.

Fair Value Measurements. The Company measures its assets and liabilities recorded at fair value in its balance sheet based on the framework set forth in Statement of Statutory Accounting Principles No. 100 – Fair Value Measurements ("SSAP 100"). This framework establishes a fair value hierarchy of three levels based upon the transparency and availability of information used in measuring the fair value of assets and liabilities as of the measurement date. The levels are categorized as follows:

Level 1- Valuation is based upon quoted prices for identical assets or liabilities in active markets. Level 1 fair value is not subject to valuation adjustments or block volume discounts.

Level 2 - Valuation is based upon quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar instruments in markets that are not active. In addition, a company may use various valuation techniques or pricing models that use observable inputs to measure fair value.

Level 3 - Valuation is generated from techniques in which one or more of the significant inputs for valuing such assets or liabilities are not observable. These inputs may reflect the Company's best estimates of the various assumptions that market participants would use in valuing the financial assets and financial liabilities.

For more information pertaining to fair value measurements, see Note J - Fair Values of Financial Instruments.

Premiums. Group insurance products consist primarily of short-duration contracts, and, accordingly, premiums for these products are earned over the contract period and recognized in proportion to the amount of insurance protection provided. The Company's group life, disability, and accident premium revenue is typically recognized monthly when billed, as this correlates to the amount of insurance protection provided. The liabilities for unearned premiums, which are included in aggregate contract reserves, represent the portion of premiums written which applies to the unexpired term of the policies in force. Premiums for annuity contracts are reported as earned when received. Funds received for funding agreements are included as a liability for deposit-type contracts rather than premiums, since these products do not involve mortality or morbidity risk.

Note A - Summary of Significant Accounting Policies - (Continued)

Claims and Benefits. The liability for contract claims includes amounts determined on an individual basis for reported losses and estimates of incurred but not reported losses developed on the basis of past experience. The liability for benefits reserves is calculated based on statutorily required interest and mortality assumptions rather than on estimated expected experience or actual account balances as required by GAAP. For individual life policies, liabilities are computed principally by using the Net Level Premium Method or the Commissioner's Reserve Valuation Method. The liabilities for annuity reserves are computed principally by using the Commissioner's Annuity Reserve Valuation Method. Valuation of individual life insurance and annuity policies assumes interest discount rates that do not exceed the statutory maximum. Discount rates ranged from 1.50% - 11.25%, with some rates grading to lower levels over time. The methods of making these estimates and establishing the resulting reserves are continually reviewed and updated, with any resulting adjustments reflected in earnings currently.

Deferred Income Taxes. The Company accounts for income taxes in accordance with Statement of Statutory Accounting Principles No. 101, Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10, ("SSAP No. 101"). This guidance provides that the deferred tax asset admissibility guidance is no longer elective, and the reversal and surplus limitation parameters in the admissibility tests are determined based on the risk-based capital level. It also requires gross deferred tax assets to be reduced by a statutory valuation allowance if it is more likely than not that some portion or all of the gross deferred tax assets will not be realized. Finally, this guidance sets a more likely than not threshold for the recording of contingent tax liabilities. As of December 31, 2025 and December 31, 2024, the Company recognizes a statutory valuation allowance totaling $80.5 million and $51.1 million, respectively, against its deferred tax asset. The Company's policy is to recognize any accruals for interest and penalties related to unrecognized tax benefits in income tax expense.

On August 16, 2022, President Biden signed into law the Inflation Reduction Act ("ACT"), which included a new corporate alternative minimum tax ("CAMT"). The ACT and CAMT is effective for tax years beginning after 2022. The Company has made an accounting policy election to disregard CAMT when evaluating the need for a valuation allowance for its non-CAMT deferred tax assets. See Note H – Income Taxes.

Reinsurance. Reinsurance premiums and claims and benefits are accounted for on bases consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts. Premiums, claims and benefits and the reserves for contract liabilities and unearned premiums are reported net, rather than gross, of reinsured amounts.

Separate Account. The separate account assets and liabilities represent funds invested in a separately administered variable life insurance product for which the policyholder, rather than the Company, bears the investment risk.

Cash Flow. The Company follows Statement of Statutory Accounting Principles No. 69, Statement of Cash Flow, which states that only cash transactions are to be included within the Statement of Cash Flows, with non-cash economic transactions to be included as disclosure within the financial statements. The Company's non-cash transactions during the years ended December 31, 2025 and 2024 are as follows:

	Years Ended December 31,	
	2025	2024
	(dollars in thousands)	
Non-cash acquisitions – invested asset exchanges	$ 437,442	$ 230,257
Non-cash proceeds – invested asset exchanges	436,701	230,257
Real estate acquired in satisfaction of debt	165,618	161,022
Securities acquired from parent as a capital contribution	149,408	-
Low-income housing tax credit acquisitions	137,978	214,141
Capitalization of mortgage loan interest	31,772	49,613
Capitalization of bond interest	20,064	20,261
Tax credit bond dispositions	4,694	9,536
Capitalization of interest on cash equivalents and short term investments	1,886	1,805

Note A - Summary of Significant Accounting Policies - (Continued)

Going Concern. Management has no substantial doubt about the Company's ability to continue as a going concern based on current capitalization levels, historical profitable operating results, significant operating cash flows, as well as the existence of a capital support agreement for the Company's benefit with TMNF.

Subsequent Events. The Company follows Statement of Statutory Accounting Principles No. 9, Subsequent Events, which establishes general standards of accounting for and disclosure of events that occur through the balance sheet date but before financial statements are issued or are available to be issued. Financial statements are considered available to be issued when they are complete in a form and format that complies with SAP and all approvals necessary for issuance have been obtained; for example, from management and/or the board of directors. The date through which an entity has evaluated subsequent events and the basis for that date should also be disclosed. The Company has evaluated subsequent events that have occurred for recognition or disclosure through May 28, 2026, the date the December 31, 2025, financial statements were available to be issued. See Note S for additional information on subsequent events.

Note B - Prescribed Statutory Accounting Practices

The Company's statutory-basis financial statements are prepared in accordance with accounting practices prescribed by the Illinois Department of Insurance. "Prescribed" statutory accounting practices include state laws, regulations and general administrative rules, as well as a variety of publications of the NAIC. The Company has no permitted practices that deviate from prescribed practices.

Note C – Business Combinations and Goodwill

The Company purchased 100% of the common stock of SSL effective January 1, 2022. SSL, a New York domiciled life insurer, is licensed in all 50 states, the District of Columbia, the Virgin Islands and Puerto Rico and primarily sells paid family leave insurance products and a statutory short-term disability insurance product in New York State.

The following table represents goodwill generated under the statutory purchase method of accounting (dollars in thousands):

Purchased Entity	Acquisition Date	Cost of Acquisition	Original Amount of Goodwill	Original Amount of Goodwill Admitted	Admitted Goodwill at December 31, 2025	Amortization for the Period December 31, 2025	Book Value December 31, 2025	Admitted Goodwill as a % of BACV, Gross of Admitted Goodwill
SSL	1/1/2022	$ 196,577	$ 117,921	$ 117,921	$ 70,753	$ 11,792	$ 88,466	80%

Note C – Business Combinations and Goodwill - (Continued)

As required under NAIC SAP, goodwill is limited in the aggregate to 10% of the acquiring entity's capital and surplus, adjusted to exclude any net positive goodwill, EDP equipment and operating system software, and net deferred tax assets. The table below shows the calculation of the Company's adjusted surplus for purposes of the goodwill admissibility calculation (dollars in thousands):

	Calculation of Limitation as of	
	September 2025	December 2025
Capital and surplus	$ 3,313,408	xxx
Less:		
Admitted positive goodwill	73,701	xxx
Admitted EDP equipment and operating system software	1,003	xxx
Admitted deferred taxes	162,108	xxx
Total adjustments	236,812	xxx
Adjusted capital and surplus	$ 3,076,596	xxx
Limitation on amount of goodwill (adjusted capital and surplus times 10%)	xxx	$ 307,660
Current period reported admitted goodwill	xxx	$ 70,753
Current period admitted goodwill as a % of prior period adjusted capital and surplus		2.30%

Note D – Investments

The carrying value and fair value of bonds are as follows:

	December 31, 2025			
	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(dollars in thousands)			
Corporate bonds	$ 3,829,778	$ 68,506	$ (205,731)	$ 3,692,553
Financial ABS – not self-liquidating	2,589	-	(254)	2,335
Financial ABS – self-liquidating	7,613,561	149,787	(81,408)	7,681,940
Government bonds	349,793	3,994	(22,301)	331,486
Municipal bonds	2,896,458	35,447	(139,085)	2,792,820
Non-Financial ABS – full analysis	1,707	14	(14)	1,707
Non-Financial ABS – practical expedient	77,496	187	(1,057)	76,626
Bank loans	1,602,557	20	(189)	1,602,388
Total bonds	$ 16,373,939	$ 257,955	$ (450,039)	$ 16,181,855

Note D - Investments - (Continued)

	December 31, 2024			
	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(dollars in thousands)			
U.S. governments	$ 1,086,842	$ 657	$ (38,868)	$ 1,048,631
All other governments	233,092	780	(20,424)	213,448
States, territories and possessions (direct and guaranteed)	99,907	1,496	(1,572)	99,831
Political subdivisions of states, territories and possessions (direct and guaranteed)	712,598	7,203	(35,728)	684,073
Special revenue & special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	2,143,426	12,668	(159,965)	1,996,129
Industrial & miscellaneous (unaffiliated)	9,235,485	129,297	(337,883)	9,026,899
Hybrid securities	99,673	1,464	(1,346)	99,791
Total bonds	$ 13,611,023	$ 153,565	$ (595,786)	$ 13,168,802

The gross unrealized losses and fair value of bonds, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, are as follows:

	December 31, 2025					
	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(dollars in thousands)					
Corporate bonds	$ 419,495	$ (13,265)	$1,188,740	$ (192,466)	$1,608,235	$(205,731)
Financial ABS - not self-liquidating	245	(28)	2,090	(226)	2,335	(254)
Financial ABS - self-liquidating	1,048,421	(9,193)	897,810	(72,215)	1,946,231	(81,408)
Government bonds	97,646	(5,196)	112,467	(17,105)	210,113	(22,301)
Municipal bonds	654,170	(24,029)	949,292	(115,056)	1,603,462	(139,085)
Non-financial ABS - full analysis	-	-	700	(14)	700	(14)
Non-financial ABS - practical expedient	2,225	(29)	12,400	(1,028)	14,625	(1,057)
Bank loans	550	(80)	202	(109)	752	(189)
Total bonds	$2,222,752	$(51,820)	$3,163,701	$ (398,219)	$ 5,386,453	$(450,039)

Note D - Investments - (Continued)

	December 31, 2024					
	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(dollars in thousands)					
U.S. governments	$647,347	$ (14,106)	$289,662	$ (24,762)	$ 937,009	$ (38,868)
All other governments	84,650	(3,989)	103,477	(16,435)	188,127	(20,424)
States, territories and possessions (direct and guaranteed)	37,209	(824)	13,293	(748)	50,502	(1,572)
Political subdivisions of states, territories and possessions (direct and guaranteed)	213,342	(6,296)	227,579	(29,432)	440,921	(35,728)
Special revenue & special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	741,493	(33,497)	804,875	(126,468)	1,546,368	(159,965)
Industrial & miscellaneous (unaffiliated)	1,518,563	(51,971)	1,848,229	(285,912)	3,366,792	(337,883)
Hybrid securities	44,639	(737)	7,672	(609)	52,311	(1,346)
Total bonds	$3,287,243	$ (111,420)	$3,294,787	$ (484,366)	$ 6,582,030	$ (595,786)

The gross unrealized losses and fair value of asset-backed securities (included within the preceding tables on page 13), aggregated by the length of time the individual securities have been in a continuous unrealized loss position, are as follows:

December 31, 2025					
Less Than 12 Months		12 Months or More		Total	
Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
(dollars in thousands)					
$1,050,891	$ (9,251)	$ 913,000	$ (73,483)	$ 1,963,891	$ (82,734)

December 31, 2024					
Less Than 12 Months		12 Months or More		Total	
Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
(dollars in thousands)					
$ 957,722	$ (26,210)	$ 961,698	$ (98,002)	$ 1,919,420	$ (124,212)

Note D - Investments - (Continued)

The Company regularly evaluates its investment portfolio for factors that may indicate that a decline in the fair value of an investment is other than temporary. Under this methodology, management evaluates whether and when the Company will recover an investment's carrying value, taking into account, among other things, the financial position and prospects of the issuer, conditions in the issuer's industry and geographic area, liquidity of the investment, the expected amount and timing of future cash flows from the investment, recent changes in credit ratings of the issuer by nationally recognized rating agencies and the length of time and extent to which the fair value of the investment has been lower than its carrying value to determine if and when a decline in the fair value of an investment below carrying value is other than temporary. In the case of asset-backed securities such as residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS") and collateralized debt obligations ("CDO"), the most significant factor in these evaluations is the expected amount and timing of the future cash flows from the investment. For fixed maturity securities, the Company must also consider whether it intends to hold the security until or will not be required to sell the security prior to, the anticipated recovery.

In the case of other than temporary impairments of asset-backed securities, the amount of the credit loss is determined by comparing such security's expected cash flows discounted at its effective interest rate against its fair value and amortized cost. The key inputs relating to such expected cash flows consist of the future scheduled payments on the underlying loans and the estimated frequency and severity of future defaults.

In the case of issuer credit obligations and equity securities, the key input utilized to establish the amount of credit loss arising from the impairment of the security is the market price. The Company obtains such market price from independent nationally recognized pricing services. The credit loss is determined to be equal to the excess of the Company's amortized cost over such market price, as measured at the time of the impairment. Declines in the fair value of investments that are considered in the judgment of management to be other than temporary are reported as realized losses, except for the non-interest related portion of other than the temporary decline in the fair value of asset-backed securities, which are charged directly to surplus.

As of December 31, 2025, 87% of the aggregate gross unrealized losses were attributable to fixed maturity securities rated investment grade by the NAIC's SVO and 13% of such losses were attributable to non-investment grade fixed maturity securities. Based on an evaluation of the factors described further above in Note D to the Financial Statements and in consideration with the Company's ability to retain the investments to allow for the anticipated recoveries in the investments' fair value and the fact that the Company had not made the decision to sell them, management determined that the unrealized losses in the tables above were temporary.

The gross unrealized losses and fair value of unaffiliated common stock positions, aggregated by the length of time the individual positions have been in a continuous temporarily impaired position, are as follows:

December 31, 2025					
Less Than 12 Months		12 Months or More		Total	
Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
(dollars in thousands)					
$ 9,894	$ (2,375)	$ 5,221	$ (1,490)	$ 15,115	$ (3,865)

Note D - Investments - (Continued)

December 31, 2024					
Less Than 12 Months		12 Months or More		Total	
Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
(dollars in thousands)					
$ 16,063	$ (1,541)	$ 957	$ (499)	$ 17,020	$ (2,040)

The Company experienced other-than-temporary impairments based on a) the Company's intent to sell or inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis and b) the present value of the cash flows expected to be collected from the security being less than the amortized cost basis of the security. The present value of cash flows expected to be collected used for impairment purposes is based upon expected future performance of underlying collateral or market indications of asset valuation. For the year ended December 31, 2025, the Company recognized $157.7 million of other-than temporary impairments, which included $105.0 million relating to mortgage loans, $28.9 million relating to fixed maturity securities, $15.7 million relating to other invested assets, and $4.0 million relating to common and preferred stock.

The NAIC 5GI designation is assigned by the SVO to certain obligations when an insurer certifies: (1) that documentation necessary to permit a full credit analysis of a security does not exist, (2) the issuer or obligor is current on all contracted interest and principal payments and (3) the insurer has an actual expectation of ultimate repayment of all contracted interest and principal. This assignment of an NAIC 5GI designation is pursuant to the Special Reporting Instruction contained in Part Two, Section 5(b) of NAIC SVO Manual. The NAIC 5GI designation is also assigned to certain securities pursuant to policy decisions adopted by the Valuation of Securities Task Force. Securities with NAIC 5GI designations are deemed to possess the credit characteristics of securities assigned an NAIC 5 designation. Therefore, a security assigned an NAIC 5GI designation receives the same regulatory treatment associated with an NAIC 5 designation. The (GI) after the quality indicator 5 distinguishes the NAIC 5GI designation from the NAIC 5 designation that is only assigned by the SVO after a full credit analysis. In 2018, the NAIC 5GI designation was adopted to replace the NAIC 5* designation.

The following table presents the number of 5GI securities, by investment type, and the Book Adjusted/Carrying Value ("BACV") and fair value (dollars in thousands, number of securities in whole):

	Number of 5GI Securities		Aggregate BACV		Aggregate Fair Value	
Investment	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
1. ICO - AC	221	207	$ 270,836	$ 285,315	$ 271,757	$ 286,617
2. ABS - AC	37	38	18,910	17,449	22,886	21,257
3. Preferred Stock - AC	-	-	-	-	-	-
4. Preferred Stock - FV	12	2	12,550	6,527	12,550	6,527
5. Total (1+2+3+4)	270	247	$ 302,296	$ 309,291	$ 307,193	$ 314,401

AC- Amortized Cost
FV - Fair Value

Note D - Investments - (Continued)

The following table represents asset-backed securities held by the Company for which an OTTI was recognized during the year ended December 31, 2025 where the present value of expected cash flows to be collected are less than the amortized cost of the securities. (dollars in thousands)

CUSIP	Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized OTTI	Amortized Cost After OTTI	Fair Value	Financial Statement Date Where Reported
65444DAA6	$ 4,400	$ 3,869	$ (531)	$ 3,869	$ 3,658	3/31/2025
26248GAA9	2,424	2,187	(237)	2,187	2,187	3/31/2025
67591KAC3	1,566	1,391	(175)	1,391	1,098	3/31/2025
87250NAA1	1,680	1,519	(161)	1,519	551	3/31/2025
56578LAC1	184	41	(143)	41	29	3/31/2025
149421AC3	235	114	(121)	114	99	3/31/2025
87284PAA6	868	768	(100)	768	548	3/31/2025
26243FAA6	132	40	(92)	40	40	3/31/2025
26251MAE2	260	178	(82)	178	25	3/31/2025
738995004	7,618	5,859	(1,759)	5,859	4,875	6/30/2025
675934AA1	3,901	3,073	(828)	3,073	2,925	6/30/2025
87168DAC0	7,842	7,050	(792)	7,050	5,388	6/30/2025
14316UAC7	5,671	5,129	(542)	5,129	4,703	6/30/2025
12567GAA2	5,179	4,705	(474)	4,705	3,882	6/30/2025
75887TAC0	1,345	916	(429)	916	719	6/30/2025
61746WRU6	370	-	(370)	-	-	6/30/2025
12554SAA1	6,084	5,746	(338)	5,746	5,412	6/30/2025
65444DAA6	3,869	3,554	(315)	3,554	3,554	6/30/2025
09630CAC6	2,022	1,722	(300)	1,722	1,722	6/30/2025
12570AAA0	3,256	3,019	(237)	3,019	2,644	6/30/2025
97316HAA5	1,491	1,267	(224)	1,267	913	6/30/2025
87250KAA7	995	778	(217)	778	682	6/30/2025
86359DUZ8	3,812	3,595	(217)	3,595	3,572	6/30/2025
07134BAA7	1,383	1,205	(178)	1,205	939	6/30/2025
06761RAA4	1,758	1,584	(174)	1,584	1,341	6/30/2025
87284PAA6	755	594	(161)	594	550	6/30/2025
67592DAA2	882	722	(160)	722	324	6/30/2025
087592AA9	4,681	4,535	(146)	4,535	4,032	6/30/2025
67591KAC3	1,361	1,216	(145)	1,216	1,011	6/30/2025
87250NAA1	1,516	1,383	(133)	1,383	354	6/30/2025
87249HAA8	434	319	(115)	319	319	6/30/2025
26251MAE2	163	49	(114)	49	49	6/30/2025
144527AE8	5,377	5,271	(106)	5,271	4,947	6/30/2025
06760TAA1	1,309	1,204	(105)	1,204	1,137	6/30/2025
67592QAA3	1,622	1,517	(105)	1,517	1,223	6/30/2025
04018CAC9	1,422	1,339	(83)	1,339	1,052	6/30/2025
09629XAC3	957	894	(63)	894	876	6/30/2025
85817DAA3	466	410	(56)	410	208	6/30/2025
36253BAE3	298	291	(7)	291	291	6/30/2025

Note D - Investments - (Continued)

CUSIP	Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized OTTI	Amortized Cost After OTTI	Fair Value	Financial Statement Date Where Reported
40399AGM8	$ 1,436	$ 980	$ (456)	$ 980	$ 725	9/30/2025
PPEPAT699	389	1	(388)	1	1	9/30/2025
87168DAC0	6,908	6,544	(364)	6,544	4,838	9/30/2025
SAILN0350	4,202	3,849	(353)	3,849	3,325	9/30/2025
125879KD7	463	212	(251)	212	212	9/30/2025
85817DAA3	374	271	(103)	271	160	9/30/2025
67591WAC7	97	18	(79)	18	12	9/30/2025
67592JAA9	738	670	(68)	670	559	9/30/2025
85816GAA7	61	-	(61)	-	-	9/30/2025
67591KAC3	1,211	1,160	(51)	1,160	962	9/30/2025
61763MAX8	1,307	601	(706)	601	601	12/31/2025
087592AA9	4,278	3,807	(471)	3,807	3,215	12/31/2025
26248GAA9	2,108	1,765	(343)	1,765	1,765	12/31/2025
675934AA1	2,954	2,628	(326)	2,628	2,628	12/31/2025
12554SAA1	5,599	5,308	(291)	5,308	4,750	12/31/2025
67592QAA3	1,417	1,155	(262)	1,155	888	12/31/2025
07136QAA2	1,346	1,091	(255)	1,091	1,091	12/31/2025
12567GAA2	4,558	4,336	(222)	4,336	3,546	12/31/2025
278301AC0	1,388	1,191	(197)	1,191	889	12/31/2025
85817DAA3	249	58	(191)	58	26	12/31/2025
26246DAA8	1,941	1,783	(158)	1,783	1,575	12/31/2025
07134BAA7	1,050	895	(155)	895	554	12/31/2025
67592JAA9	620	472	(148)	472	152	12/31/2025
14316XAE7	1,964	1,827	(137)	1,827	1,799	12/31/2025
87250NAA1	1,383	1,248	(135)	1,248	679	12/31/2025
67591KAC3	1,151	1,017	(134)	1,017	838	12/31/2025
97316HAA5	1,222	1,109	(113)	1,109	728	12/31/2025
55819VAC0	1,061	957	(104)	957	914	12/31/2025
12570AAA0	2,907	2,825	(82)	2,825	2,735	12/31/2025
57643LHB5	1,841	1,764	(77)	1,764	1,641	12/31/2025
	$ 145,811	$ 128,595	$ (17,216)	$ 128,595	$ 109,687	

From time to time, the Company enters into repurchase agreements for the purpose of short-term financing. These transactions, which are bilateral in nature, involve the Company transferring debt securities (bonds) in exchange for cash; the cash is the collateral in the arrangements. The Company accounts for repurchase transactions as secured borrowings in accordance with Statement of Statutory Accounting Principles No. 103 – Transfers and Servicing of Financial Assets and Extinguishments of Liabilities ("SSAP 103"). The Company had no outstanding securities repurchase agreements at December 31, 2025, and December 31, 2024, respectively, on the statements of admitted assets, liabilities and capital and surplus.

The Company also utilizes tender option bond trust ("TOBT") structures to access low-cost financing available in the tax-exempt municipal bond market, which are accounted for as secured borrowings excluding repurchase transactions, in accordance with SSAP 103. As of December 31, 2025, the Company had $266.9 million of fixed-rate long-term municipal bonds having been deposited into a series of TOBTs. These municipal bonds are held as bonds on the statements of admitted assets, liabilities, and capital and surplus and are considered collateral.

Note D - Investments - (Continued)

The TOBTs have issued short-term floating rate interests to third-party investors which are accounted for as payables on the statements of admitted assets, liabilities, and capital and surplus in the amount of $198.8 million and $98.4 million as of December 31, 2025, and December 31, 2024, respectively. The municipal bonds are deemed to constitute collateral for these payables.

The carrying value and fair value of bonds as of December 31, 2025 by contractual maturity are shown below. Expected maturities will differ from contractual maturities because issuers may have the right to call or prepay obligations, with or without prepayment penalties.

	Carrying Value	Fair Value
	(dollars in thousands)	
Non-agency residential mortgage-backed securities	$ 976,041	$ 1,060,630
Agency residential mortgage-backed securities – long positions	65,911	64,798
Agency residential mortgage-backed securities – short positions	(11,050)	(11,093)
Commercial mortgage-backed securities	482,510	445,980
Other bonds:		
One year or less	308,072	308,742
Greater than 1, up to 5 years	2,109,446	2,116,446
Greater than 5, up to 10 years	2,996,956	3,007,556
Greater than 10, up to 20 years	4,049,315	3,949,978
Greater than 20 years	5,396,738	5,238,818
Total	$ 16,373,939	$ 16,181,855

Major categories of the Company's net investment income are summarized as follows:

	Years Ended December 31, 2025	2024
	(dollars in thousands)	
Income:		
U.S. Government bonds	$ 75,076	$ 47,380
Other bonds (unaffiliated)	928,366	848,080
Preferred stocks (unaffiliated)	2,282	348
Common stocks (unaffiliated)	8,675	7,261
Common stocks (affiliated)	34,325	30,348
Mortgage loans	727,362	710,605
Real estate…	22,101	4,458
Contract loans	14	23
Cash, cash equivalents and short-term investments	22,468	29,650
Derivative instruments	(17,248)	(32,517)
Other invested assets and miscellaneous	67,265	83,268
Total investment income	1,870,686	1,728,904
Expense:		
Investment expenses	256,497	140,306
Investment taxes, licenses and fees	383	360
Interest expense	8,501	8,961
Total investment expenses	265,381	149,627
Net investment income	$ 1,605,305	$ 1,579,277

Note D - Investments - (Continued)

Realized capital gains (losses) arose from the following:

	Year Ended December 31, 2025		
	Gross Realized Gains	Gross Realized Losses	Net Realized Gains (Losses)
	(dollars in thousands)		
Bonds - Issuer credit obligations	$ 21,067	$ (67,028)	$ (45,961)
Bonds - Asset backed securities	20,973	(7,206)	13,767
Preferred stocks	754	(2,043)	(1,289)
Common stocks	1,213	(3,325)	(2,112)
Options	141,332	(63,677)	77,655
Futures	3,710	(5,178)	(1,468)
Forwards	51,350	(97,010)	(45,660)
Mortgage loans	3,927	(130,425)	(126,498)
Cash, cash equivalents and short-term investments	1,202	(3,896)	(2,694)
Real estate	112	(11,105)	(10,993)
Foreign exchange	109,876	(122,539)	(12,663)
Investment receivable	-	(1,994)	(1,994)
Other	873	(19,239)	(18,366)
	$ 356,389	$ (534,665)	$ (178,276)

	Year Ended December 31, 2024		
	Gross Realized Gains	Gross Realized Losses	Net Realized Gains (Losses)
	(dollars in thousands)		
Bonds	$ 37,420	$ (86,612)	$ (49,192)
Preferred stocks	4,492	(459)	4,033
Common stocks	8,117	(2,015)	6,102
Futures	8,740	(6,415)	2,325
Options	332,573	(207,332)	125,241
Forwards	39,231	(36,689)	2,542
Interest rate swaps	3,008	-	3,008
Credit default swaps	26	(221)	(195)
Mortgage loans	10,637	(70,608)	(59,971)
Cash, cash equivalents and short-term investments	918	(3,080)	(2,162)
Real estate	97	(1,286)	(1,189)
Foreign exchange	15,795	(18,186)	(2,391)
Other	994	(11,412)	(10,418)
	$ 462,048	$ (444,315)	$ 17,733

Note D - Investments - (Continued)

Proceeds from sales of bonds totaled $3,211.6 million and $2,459.2 million during the years ended December 31, 2025 and 2024, respectively. Net unrealized gains for investment securities were $313.0 million and $220.4 million as of December 31, 2025 and 2024, respectively.

The portion of unassigned surplus represented by the change in net unrealized gains (losses) is shown below:

	Year Ended December 31,	
	2025	2024
	(dollars in thousands)	
Bonds	$ 95,703	$ (46,794)
Investments in limited partnerships and limited liability companies	7,091	(3,437)
Short term	241	(334)
Preferred stocks	1,722	310
Common stocks	1,423	15,648
Investment in residual bond tranches	3,197	4,851
Derivatives	7,604	12,543
Subtotal investments	116,981	(17,213)
Deferred income taxes	(24,415)	7,380
	$ 92,566	$ (9,833)

As of December 31, 2025 and December 31, 2024, approximately 5% and 6% of the Company's total invested assets were comprised of commercial and residential mortgage-backed securities, respectively. The Company also invests in certain non-investment grade securities. Non-investment grade securities included in bonds, SVO rated class "3" through class "6", had carrying values of $2,602.5 million and $2,450.6 million as of December 31, 2025, and December 31, 2024, respectively.

Mortgage loans held by the Company, which are typically underwritten on the Company's behalf by various third-party investment managers with specialized expertise in mortgage lending, are made to both commercial and residential borrowers, and are diversified by property type, location and borrower. Loans are issued at either a fixed rate or a variable rate of interest. The following table presents the distribution of the Company's mortgage loans among the indicated property types:

	December 31, 2025	December 31, 2024
	(dollars in thousands)	
Residential	$ 5,576,781	$ 4,178,777
Office	1,966,332	2,075,792
Apartment/Multi Family	1,334,606	1,899,535
Lodging	672,197	710,163
Industrial	363,314	358,989
Mixed Use	203,102	380,772
Other	198,801	255,562
Medical/Health Care	182,954	225,597
Retail	-	23,441
Total	$ 10,498,087	$ 10,108,628

Note D - Investments - (Continued)

The following table presents the distribution of the Company's mortgage loans among the indicated geographic regions:

	December 31, 2025	December 31, 2024
	(dollars in thousands)	
South Atlantic	$ 2,801,279	$ 2,659,402
Pacific	2,668,679	2,708,896
Middle Atlantic	1,256,949	1,238,923
West South Central	1,192,331	1,028,244
Mountain	939,060	1,064,777
New England	693,076	588,772
East North Central	542,637	442,610
East South Central	266,190	287,072
West North Central	137,886	89,932
Total	$ 10,498,087	$ 10,108,628

The maximum and minimum lending rates for commercial mortgage loans for 2025 were 27.0% and 0.0%. The maximum and minimum lending rates for residential mortgage loans for 2025 were 15.2% and 2.0%. The Company, with the assistance of its third-party investment managers, regularly evaluates and monitors the credit risk of its mortgage loans, beginning with the initial underwriting of the loan and continuing throughout the investment holding period. The Company's evaluation is performed on an individual loan basis, and monitors credit quality based on its evaluation of a number of key inputs related to the loan, including among others loan-to-value ratios. The maximum percentage of any one loan amount to the value of the underlying property at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages, was 183%. The Company monitors other information as it is received or credit events such as delinquency or a borrower's request for restructure that may cause management to believe that the Company's estimate of financial performance, fair value or the risk profile of the underlying loan has been impacted.

The following table represents the credit risk profile of the Company's mortgage loans based on loan-to-value ratio:

	December 31, 2025	December 31, 2024
	(dollars in thousands)	
Below 50%	$ 1,567,738	$ 1,487,868
50% to 75%	6,138,210	6,092,232
76% to 100%	2,792,139	2,528,528
Total	$ 10,498,087	$ 10,108,628

As of December 31, 2025 and December 31, 2024, the Company had recorded investments in impaired mortgage loans of $17.6 million and $39.6 million, respectively. Interest income on impaired mortgage loans is recognized in the period when cash is received by the Company. During the year ended December 31, 2025 and 2024, the Company recognized $3.5 million and $2.7 million, respectively, of income on impaired loans.

Note D - Investments - (Continued)

The following table represents the age analysis of the Company's mortgage loans:

	December 31, 2025	December 31, 2024
	(dollars in thousands)	
Recorded investment:		
Current	$ 9,319,277	$ 8,969,039
30-59 Days past due	303,482	173,927
60-89 Days past due	201,437	100,622
90-179 Days past due	76,667	96,278
180+ Days past due	597,224	768,762
Total	$ 10,498,087	$ 10,108,628

The Company had accrued interest on mortgage loans more than 180 days past due of $0.5 million and $1.2 million as of December 31, 2025 and December 31, 2024, respectively.

The gross, nonadmitted and admitted amounts for interest income due and accrued are as follows:

	December 31, 2025	December 31, 2024
	(dollars in thousands)	
Interest Income Due & Accrued:		
Gross	$ 255,963	$ 231,808
Nonadmitted	(451)	(1,238)
Admitted	$ 255,512	$ 230,570

The Company also includes paid-in-kind ("PIK") interest in the current principal balance. As of December 31, 2025 and December 31, 2024, the Company had $295.3 million and $267.3 million, respectively, in cumulative PIK interest included in the current principal balance.

As of December 31, 2025 and 2024, there were no mortgage loans actively on a forbearance agreement.

The Company may grant concessions related to borrowers experiencing financial difficulties which are classified as troubled debt restructurings. Generally, the types of concessions can include reduction of the contractual interest rate, extension of the maturity date at an interest rate lower than current market interest rates, and/or a reduction of accrued interest. The amount timing and extent of the concessions granted are considered in determining any impairment. As of December 31, 2025, the Company had six investments in restructured commercial mortgage loans as compared to five investments in restructured commercial mortgage loans as of December 31, 2024. These commercial mortgage loans, all of which were restructured with a reduction of their contractual interest rates, had an aggregate book adjusted carrying value of $150.0 million and $124.1 million, respectively. As of December 31, 2025, and December 31, 2024, the Company recognized $4.9 million and $22.9 million, respectively, of impairments on restructured commercial mortgage loans. As of December 31, 2025 and December 31, 2024, the Company had $15.9 million and $9.3 million, respectively, of aggregate contractual commitments to extend credit to debtors whose loans had been modified in troubled debt restructurings.

Note D - Investments - (Continued)

The Company acquired real estate properties with an aggregate value of $163.5 million pursuant to foreclosures upon commercial and residential mortgage loans during the year ended December 31, 2025. During the year ended December 31, 2024, the Company acquired real estate properties with an aggregate value of $161.0 million pursuant to foreclosures upon commercial and residential mortgage loans.

The Company's other invested assets consist of investments in funds organized as limited partnerships and limited liability companies, surplus debentures issued by affiliates and non-affiliates, and investments in residual bond tranches. Investments in such limited partnerships and limited liability companies, excluding low-income housing limited partnerships, are reflected in the Company's financial statements under the equity method. The Company had investments in residual bond tranches with an aggregate statement value totaling $185.5 million and $202.2 million as of December 31, 2025 and December 31, 2024, respectively.

The Company had investments in limited partnerships and limited liability companies, including low-income housing limited partnerships, with an aggregate statement value totaling $872.2 million and $588.7 million, as of December 31, 2025 and December 31, 2024, respectively. The Company had commitments to contribute capital to limited partnerships and limited liability companies totaling $587.3 million and $243.6 million as of December 31, 2025, and December 31, 2024, respectively. The Company had investments in surplus debentures with an aggregate statement value totaling $195.4 million and $171.8 million, as of December 31, 2025 and December 31, 2024, respectively. Investments in such surplus debentures are reflected in the Company's financial statements at amortized cost, using the interest method.

The Company has invested in various low-income housing tax credit ("LIHTC") partnerships that generate tax credits and other tax benefits. In connection with these investments, the Company is entitled to federal tax credits as well as tax benefits associated with operating losses and/or depreciation relating to the underlying properties in the structure.

The Company recognized $12.8 million of tax credits and other tax benefits relating to these LIHTC partnership investments during the year ended December 31, 2025. There were no unused credits as of December 31, 2025. During the year ended December 31, 2025, the Company has recognized $9.4 million of investment amortization relating to these investments, which was calculated using the proportional amortization method and is recognized as an expense within net investment income. The Company's LIHTC partnership investments had an aggregate unconditional capital commitment of $390.7 million as of December 31, 2025, of which $21.5 million has been funded. The Company has aggregate contingent commitments related to LIHTC partnership investments totaling $116.6 million that are scheduled to be funded during the 2026 – 2029 years. These LIHTC investments are not presently subject to any regulatory review.

The Company did not recognize any impairments on LIHTC partnership investments during the year ended December 31, 2025. The table below represents the aggregate schedule of tax credits projected to be generated for the years below (dollars in thousands):

	Aggregate Tax Credits
Years Ending December 31,	
2026	$ 26,615
2027	39,751
2028	42,225
2029	41,614
2030	40,375
Total	$ 190,580

The amount of future tax credits and other tax benefits relating to LIHTC partnership investments to be realized by the Company is subject to projected property/operating losses, property construction progress and future contingent capital contributions, among other factors.

Note D - Investments - (Continued)

A currency forward is an agreement to buy or sell a foreign currency, in return for U.S. dollars, at an exchange rate agreed upon at the agreement date, to settle on a specific future date. All of the Company's forward contracts are traded over-the-counter, which exposes the Company to counterparty risk to the extent there are unrealized gains on open positions. To minimize counterparty risk, the Company evaluates all counterparties based on credit ratings and maintains master agreements with collateral requirements and netting provisions.

An option is an agreement that gives the buyer the right to buy (call option) or sell (put option) a financial instrument at a specified price within a specified time period. The buyer of an option pays a premium to the seller on the settlement date. This premium is the buyer's only cash requirement and represents the maximum amount at risk. The seller (or writer) of an option receives a premium from the buyer on the settlement date.

An interest rate futures contract is an agreement to buy or sell U.S. Treasury Bonds to settle on a specific future date. All of the Company's futures contracts are exchange traded, which minimizes counterparty risk. The Company satisfies the margin requirements with cash.

Interest rate swaps are used by the Company to reduce market risks from changes in interest rates and to protect against variability in future cash flows. In an interest rate swap, the Company agrees with another party to exchange, at specific intervals, the difference between fixed rate and floating rate interest amounts as calculated based upon an agreed upon notional amount.

Credit default swaps are used by the Company to reduce risks against credit-related changes in the value of the Company's investments. In a credit default swap, the Company agrees with another party to pay, at specific intervals, a premium to minimize credit risk. If a credit event as defined by the contract occurs, the contract may be cash settled or it may be settled gross by the delivery of par quantities of the referenced investment equal to the specified swap notional in exchange for the payment of cash amounts by the counterparty equal to the par value of the investments surrendered.

Under U.S. regulations, certain interest rate swap and credit default swap agreements are required to be cleared through a central clearing house. These transactions are contractual agreements that require initial and variation margin collateral postings and are settled daily through a clearing house. As such, they reduce the credit risk exposure in the event of default by a counterparty.

The Company elected not to obtain hedge accounting and therefore accounted for derivatives at fair value and the related changes in fair values during the holding period are recorded as unrealized gains and losses. The Company uses options to economically hedge its indexed annuity business. The Company uses currency forward contracts to minimize the currency risk inherent in certain bond investments denominated in foreign currencies. The Company also uses interest rate swaps and futures contracts to minimize the adverse movements of interest rates related to certain bond investments. The Company's derivative acquisitions and dispositions are reported net as miscellaneous applications or proceeds in the cash from investments section in the statements of cash flows. During the year ended December 31, 2025 and 2024, the Company recognized realized gains on derivatives of $30.5 million and $132.9 million, respectively. The portion of unassigned surplus represented by cumulative net unrealized gains on derivatives totaled $27.6 million and $20.0 million as of December 31, 2025, and 2024, respectively.

Note D - Investments - (Continued)

The table below provides a summary of the notional amount, book adjusted/carrying value and fair value by type of derivative held as of December 31, 2025 and 2024, respectively (dollars in thousands):

	December 31,		December 31,			
			2025		2024	
	2025	2024	Carrying Value	Fair Value	Carrying Value	Fair Value
	Notional Amounts					
Assets:						
Options	$ 3,860,116	$ 3,745,603	$ 170,396	$ 170,396	$ 160,058	$ 160,058
Interest rate swaps	850,000	-	1,456	1,456	-	-
Foreign currency forwards	50,923	575,675	503	503	20,606	20,606
Futures	9,018	6,396	393	393	283	283
Total assets			$ 172,748	$ 172,748	$ 180,947	$ 180,947
Liabilities:						
Interest rate swaps	$ 960,000	$ 1,410,000	$ (22,322)	$ (22,322)	(46,999)	(46,999)
Foreign currency forwards	1,147,312	113,466	(10,183)	(10,183)	(3,396)	(3,396)
Total Liabilities			$ (32,505)	$ (32,505)	$ (50,395)	$ (50,395)

The table below provides a summary of the Company's derivative instruments and the effects of offsetting and netting as of December 31, 2025 and 2024, respectively (dollars in thousands):

	December 31, 2025			December 31, 2024		
	Gross Amount Recognized	Amount Offset	Net Amount Presented on Financial Statements	Gross Amount Recognized	Amount Offset	Net Amount Presented on Financial Statements
Assets:						
Options	$ 300,701	$ (130,305)	$ 170,396	$ 269,600	$ (109,542)	$ 160,058
Swaps	1,456	-	1,456	-	-	-
Forwards	503	-	503	20,606	-	20,606
Futures	393	-	393	283	-	283
	$ 303,053	$ (130,305)	$ 172,748	$ 290,489	$ (109,542)	$ 180,947

	Gross Amount Recognized	Amount Offset	Net Amount Presented on Financial Statements	Gross Amount Recognized	Amount Offset	Net Amount Presented on Financial Statements
Liabilities:						
Options	$ 130,305	$ (130,305)	$ -	$ 109,542	$ (109,542)	$ -
Swaps	22,322	-	22,322	46,999	-	46,999
Forwards	10,183	-	10,183	3,396	-	3,396
	$ 162,810	$ (130,305)	$ 32,505	$ 159,937	$ (109,542)	$ 50,395

Note D - Investments - (Continued)

The table below provides a summary of restricted assets, all of which are included within the General Account, at book/adjusted carrying value at December 31, 2025 and December 31, 2024 (dollars in thousands):

	December 31, 2025			December 31, 2024		
	Total Pledged & Restricted Assets	% of Total Assets	% of Total Admitted Assets	Total Pledged & Restricted Assets	% of Total Assets	% of Total Admitted Assets
FHLB capital stock………………………………………	$ 91,250	0.3%	0.3%	$ 64,045	0.2%	0.2%
On deposit with states…………………………………	13,879	0.1%	0.1%	13,752	0.1%	0.1%
Pledged collateral to FHLB						
(including assets backing funding agreements)……..	9,704,602	31.0%	31.5%	8,027,149	29.1%	29.5%
Pledged collateral not captured in other categories:						
Reinsurance collateral………………………………	106,933	0.3%	0.3%	122,207	0.4%	0.4%
Derivatives collateral…………………………………	107,627	0.3%	0.3%	74,745	0.3%	0.3%
Tender option bonds collateral………………………	266,943	0.9%	0.9%	137,217	0.5%	0.5%
Other restricted assets………………………………	4,988	0.0%	0.0%	90,713	0.3%	0.4%
Total pledged and restricted assets……………………	$ 10,296,222	32.9%	33.4%	$ 8,529,828	30.9%	31.4%

Note E - Deferred and Uncollected Premiums

Deferred and uncollected life insurance premiums and annuity considerations are as follows:

	December 31, 2025		December 31, 2024	
	Gross	Net of Loading	Gross	Net of Loading
	(dollars in thousands)			
Ordinary life - renewal...	$ 187	$ 146	$ 183	$ 133
Group life…...	37,928	32,547	42,600	36,762
	$ 38,115	$ 32,693	$ 42,783	$ 36,895

Note F - Aggregate Contract Reserves

Aggregate contract reserves consist of the following:

	December 31, 2025	December 31, 2024
	(dollars in thousands)	
Life and Annuity:		
Ordinary life	$ 50,149	$ 54,178
Group life	126,102	114,865
Individual annuities	15,674,456	13,932,363
Group annuities	755,914	916,670
Supplementary contracts	25,333	26,230
	16,631,954	15,044,306
Reinsurance ceded	(90,932)	(91,265)
Total life and annuity reserves	$ 16,541,022	$14,953,041

	December 31, 2025	December 31, 2024
	(dollars in thousands)	
Accident and Health:		
Unearned premium reserve	$ 3,867	$ 6,149
Present value of amounts not yet due on claims	1,527,529	1,451,764
	1,531,396	1,457,913
Reinsurance ceded	(73,382)	(71,924)
Total accident and health reserves	$ 1,458,014	$ 1,385,989

The withdrawal characteristics of annuity reserves and deposit liabilities are as follows:

	December 31, 2025		December 31, 2024	
	(dollars in thousands)			
Individual Annuities:				
Subject to discretionary withdrawal:				
With market value adjustment	$ 11,071,858	70%	$ 9,178,866	66%
At book value less surrender charge	1,665,442	11	1,737,394	12
At book value (without adjustment)	2,935,148	19	3,014,035	22
Not subject to discretionary withdrawal	27,341	-	28,298	-
	$ 15,699,789	100%	$ 13,958,593	100%
Reinsurance ceded	(32,604)		(32,239)	
Total Individual annuities	$ 15,667,185		$13,926,354	

Note F - Aggregate Contract Reserves – (Continued)

	December 31, 2025		December 31, 2024	
	(dollars in thousands)			
Group Annuities:				
Subject to discretionary withdrawal:				
With market value adjustment	$ 436,968	58%	$ 582,460	64%
At book value less surrender charge	2,385	-	3,489	-
At book value (without adjustment)	295,344	39	308,754	34
Not subject to discretionary withdrawal	21,217	3	21,967	2
	$ 755,914	100%	916,670	100%
Reinsurance ceded	-		-	
Total Group annuities	$ 755,914		$ 916,670	

	December 31, 2025		December 31, 2024	
	(dollars in thousands)			
Deposit-Type Contracts (no life contingencies):				
Not subject to discretionary withdrawal	$ 6,713,892	100%	$ 5,551,659	100%
	6,713,892	100%	5,551,659	100%
Reinsurance ceded	(1,943,532)		(2,636,330)	
Total Deposit-type contracts	$ 4,770,360		$ 2,915,329	
Total annuity reserves and deposit liabilities	$ 21,193,459		$17,758,353	

Total annuity actuarial reserves and deposit fund liabilities by withdrawal characteristics, as shown above, are included within Aggregate contract reserves and Liabilities for deposit-type contracts on the balance sheet as of December 31, 2025 and December 31, 2024 (dollars in thousands):

	December 31, 2025	December 31, 2024
Annuities	$ 16,397,766	$ 14,816,794
Supplementary Contracts with Life Contingencies	25,333	26,230
Deposit – Type Contracts	4,770,360	2,915,329
Total	$ 21,193,459	$ 17,758,353

Note F - Aggregate Contract Reserves – (Continued)

The withdrawal characteristics of life actuarial reserves are as follows:

	December 31, 2025	December 31, 2024
	(dollars in thousands)	
Subject to discretionary withdrawal:		
Term policies with cash values	$ 27,777	$ 29,052
Universal life	14,350	16,659
Other permanent cash value life insurance	3,162	3,313
Variable universal life – nonguaranteed separate accounts	353,805	315,623
Not subject to discretionary withdrawal:		
Term policies without cash value	9,589	9,328
Accidental death benefits	3	3
Disability – Active lives	46	46
Disability – Disabled lives	118,398	107,563
Miscellaneous reserves	2,926	3,079
	530,056	484,666
Reinsurance ceded	(58,328)	(59,026)
Total life reserves	$ 471,728	$ 425,640

Total life actuarial reserves by withdrawal characteristics, as shown above, are included within aggregate contract reserves and separate account liabilities on the balance sheet as of December 31, 2025 and December 31, 2024 (dollars in thousands):

	December 31, 2025	December 31, 2024
General Account:		
Life Insurance	$ 11,599	$ 13,159
Disability- Disabled Lives	105,664	96,178
Miscellaneous Reserves	660	680
	117,923	110,017
Separate Accounts:		
Variable Universal Life Insurance	353,805	315,623
Total	$ 471,728	$ 425,640

The cash value of life insurance contracts are as follows:

	December 31, 2025	December 31, 2024
	(dollars in thousands)	
Subject to discretionary withdrawal:		
Term policies with cash values	$ 27,073	$ 28,272
Universal life	15,949	18,360
Other permanent cash value life insurance	2,865	2,995
Variable universal life insurance – nonguaranteed separate account	353,805	315,623
	399,692	365,250
Reinsurance ceded	(43,022)	(44,927)
Total Life insurance contracts	$ 356,670	$ 320,323

Note F - Aggregate Contract Reserves – (Continued)

The account value of life insurance contracts are as follows:

	December 31, 2025	December 31, 2024
	(dollars in thousands)	
Subject to discretionary withdrawal:		
Universal life	$ 15,799	$ 18,217
Variable life insurance- nonguaranteed separate accounts	353,805	315,623
	369,604	333,840
Reinsurance ceded	(15,799)	(16,512)
Total Life insurance contracts	$ 353,805	$ 317,328

The Company waives deduction of fractional premiums upon death of insureds and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of legally computed reserves. Extra premiums are charged for substandard lives plus the gross premium for the true age. Mean reserves are computed by calculating the regular mean reserve for the plan at the true age and holding in addition one-half of the extra premium charge for the year. As of December 31, 2025 and December 31, 2024, the Company did not have insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by Illinois. Reserves to cover the insurance described above totaled $0 at both December 31, 2025 and December 31, 2024. Tabular interest, tabular less actual reserves released and tabular cost have been determined by formula in accordance with the NAIC Annual Statement Instructions.

Note G - Accident and Health Aggregate Contract Reserves and Contract Claims

The following table provides a reconciliation of the beginning and ending accident and health aggregate contract reserves and contract claims liabilities:

	Year Ended December 31, 2025	Year Ended December 31, 2024
	(dollars in thousands)	
Balance at beginning of year, net of reinsurance	$1,727,447	$1,649,690
Add:		
Provisions for contract claims incurred in the current year, net of reinsurance	811,765	792,178
Decrease in estimated contract claims incurred in prior years, net of reinsurance	(28,351)	(66,314)
Incurred claims during the current year, net of reinsurance	783,414	725,864
Deduct contract claims paid, net of reinsurance, occurring during:		
Current year	309,333	296,252
Prior years	382,726	351,855
	692,059	648,107
Balance at the end of the period, net of reinsurance	$ 1,818,802	$ 1,727,447

Incurred claims related to the 2025 loss year as of December 31, 2025 were $19.6 million higher than incurred claims related to the 2024 loss year as of December 31, 2024. This increase is due to higher accident and health business volume. Prior loss year development as of December 31, 2025 was favorable by $28.4 million as compared to December 31, 2024. The development is due to favorable claim termination experience in comparison to the underlying assumptions for reserves partially offset by the accretion of discount.

Note G - Accident and Health Aggregate Contract Reserves and Contract Claims – (Continued)

Incurred claims related to the 2024 loss year as of December 31, 2024 were $134.2 million higher than incurred claims related to the 2023 loss year as of December 31, 2023. This increase is due to higher accident and health business volume. Prior loss year development as of December 31, 2024 was favorable by $66.3 million as compared to December 31, 2023. The development is due to favorable claim termination experience in comparison to the underlying assumptions for reserves partially offset by the accretion of discount.

Note H – Income Taxes

A. The components of the net deferred tax asset/(liability) are as follows: (dollars in thousands)

1.

	December 31, 2025		
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	$ 404,395	$ 135,793	$ 540,188
(b) Statutory Valuation Allowance Adjustments	-	80,478	80,478
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	404,395	55,315	459,710
(d) Deferred Tax Assets Nonadmitted	200,714	-	200,714
(e) Subtotal Net Admitted Deferred Tax Asset (1c-1d)	203,681	55,315	258,996
(f) Deferred Tax Liabilities	44,772	55,315	100,087
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)(1e-1f)	$ 158,909	$ -	$ 158,909

	December 31, 2024		
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	$ 377,046	$ 102,249	$ 479,295
(b) Statutory Valuation Allowance Adjustments	-	51,146	51,146
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	377,046	51,103	428,149
(d) Deferred Tax Assets Nonadmitted	195,253	-	195,253
(e) Subtotal Net Admitted Deferred Tax Asset (1c-1d)	181,793	51,103	232,896
(f) Deferred Tax Liabilities	33,485	51,103	84,588
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)(1e-1f)	$ 148,308	$ -	$ 148,308

	Change		
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	$ 27,349	$ 33,544	$ 60,893
(b) Statutory Valuation Allowance Adjustments	-	29,332	29,332
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	27,349	4,212	31,561
(d) Deferred Tax Assets Nonadmitted	5,461	-	5,461
(e) Subtotal Net Admitted Deferred Tax Asset (1c-1d)	21,888	4,212	26,100
(f) Deferred Tax Liabilities	11,287	4,212	15,499
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)(1e-1f)	$ 10,601	$ -	$ 10,601

Note H – Income Taxes – (Continued)

2. Admission Calculation Components SSAP No. 101

	December 31, 2025		
	Ordinary	Capital	Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks..	$ -	$ -	$ -
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) Above) After Application of The Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	158,909	-	158,909
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date................	158,909	-	158,909
2. Adjusted Gross Deferred Tax Assets Allow Limitation Threshold..	XXXXX	XXXXX	470,872
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) Above) Offset by Gross Deferred Tax Liabilities	44,772	55,315	100,087
(d) Deferred Tax Assets Admitted As The Result of Application of SSAP No. 101. Total (2(a)+2(b)+2(c)).	$ 203,681	$ 55,315	$ 258,996

	December 31, 2024		
	Ordinary	Capital	Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks..	$ -	$ -	$ -
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) Above) After Application of The Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	148,308	-	148,308
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date................	148,308	-	148,308
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold..	XXXXX	XXXXX	387,112
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) Above) Offset by Gross Deferred Tax Liabilities	33,485	51,103	84,588
(d) Deferred Tax Assets Admitted As The Result of Application of SSAP No. 101. Total (2(a)+2(b)+2(c)).	$ 181,793	$ 51,103	$ 232,896

Note H – Income Taxes – (Continued)

		Change		
		Ordinary	Capital	Total
(a)	Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	$ -	$ -	$ -
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount of Deferred Tax Assets From 2(a) Above) After Application of The Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	10,601	-	10,601
	1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date	10,601	-	10,601
	2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXXXX	XXXXX	83,760
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) Above) Offset by Gross Deferred Tax Liabilities	11,287	4,212	15,499
(d)	Deferred Tax Assets Admitted As The Result of Application of SSAP No. 101. Total (2(a)+2(b)+2(c))	$ 21,888	$ 4,212	$ 26,100

3.

		December 31, 2025	December 31, 2024
(a)	Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	826%	799%
(b)	Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above	$ 3,136,201	$2,580,745

B. The Company has not used any tax planning strategies in the determination of its admissible deferred tax assets.

As of December 31, 2025 and December 31, 2024, the Company has not recorded any unrecognized tax benefit for uncertain tax positions that if recognized, would affect the effective tax rate.

Note H – Income Taxes –(Continued)

C. Current income taxes incurred consist of the following major components:

	December 31, 2025	December 31, 2024	Change
1. Current Income Tax:			
(a) Federal	$ 103,037	$ 212,604	$ (109,567)
(b) Federal income tax on net capital gains (losses)	7,510	7,219	291
(c) Federal income taxes incurred	$ 110,547	$ 219,823	$ (109,276)

2. Deferred Tax Assets:

(a) Ordinary	December 31, 2025	December 31, 2024	Change
(1) Discounting of unpaid losses	$ 239,072	$ 218,056	$ 21,016
(2) Deferred acquisition costs	77,162	68,436	8,726
(3) Fixed assets	48,323	53,599	(5,276)
(4) Compensation and benefits accrual	12,981	12,014	967
(5) Investments	21,267	20,864	403
(6) Other (including items <5% of total ordinary assets)	5,590	4,077	1,513
Subtotal	404,395	377,046	27,349
(b) Nonadmitted	200,714	195,253	5,461
(c) Admitted ordinary deferred tax assets (2a-2b)	203,681	181,793	21,888
(d) Capital			
(1) Bonds	$ 56,410	$ 61,200	$ (4,790)
(2) Net capital loss carry-forward	71,344	32,907	38,437
(3) Other (including items <5% of total ordinary assets)	8,039	8,142	(103)
Subtotal	135,793	102,249	33,544
(e) Statutory valuation allowance adjustment	80,478	51,146	29,332
(f) Admitted capital deferred tax assets (2d-2e)	55,315	51,103	4,212
(g) Admitted deferred tax assets (2c+2f)	$ 258,996	$ 232,896	$ 26,100

Note H – Income Taxes –(Continued)

3. Deferred Tax Liabilities:

	December 31, 2025	December 31, 2024	Change
(a) Ordinary			
(1) Investments	$ 34,940	$ 16,149	$ 18,791
(2) Fixed assets	4,409	5,461	(1,052)
(3) Reserves	2,782	9,102	(6,320)
(4) Other (including items <5% of total ordinary tax liabilities)	2,641	2,773	(132)
Subtotal	44,772	33,485	11,287
(b) Capital			
(1) Investments	$ 39,141	$ 35,728	$ 3,413
(2) Other (including items <5% of total ordinary tax liabilities)	16,174	15,375	799
Subtotal	55,315	51,103	4,212
(c) Deferred tax liabilities (3a+3b)	100,087	84,588	15,499
Net deferred tax assets/liabilities (2g-3c)	$ 158,909	$ 148,308	$ 10,601

As of December 31, 2025 and December 31, 2024, the Company recorded a statutory valuation allowance against its capital deferred tax assets. The application of SSAP 101 requires the Company to evaluate the recoverability of deferred tax assets and establish a valuation allowance, if necessary, to reduce the deferred tax asset to an amount that is more likely than not to be realized. Significant judgment is required to determine whether a valuation allowance is necessary and the amount of such valuation allowance, if appropriate. It was determined as of December 31, 2025 that the Company did not have sufficient sources of income available to realize its capital deferred tax assets.

The change in net deferred income taxes between December 31, 2025 and December 31, 2024 is composed of the following (this analysis is exclusive of nonadmitted DTAs as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

4. Reconciliation Between Deferred Inventory and the Change in Net Deferred Income Taxes

	December 31, 2025	December 31, 2024	Change
(a) Total deferred tax assets	$ 540,188	$ 479,295	$ 60,893
(b) Total deferred tax liabilities	100,087	84,588	15,499
(c) Net deferred tax assets/liabilities	440,101	394,707	45,394
(d) Statutory valuation allowance adjustment	80,478	51,146	29,332
(e) Net deferred tax assets/liabilities after SVA	$ 359,623	$ 343,561	16,062
(f) Tax effect of unrealized gains/(losses)			24,413
(g) Minimum pension liability			(55)
(h) Intra-period allocation of deferred tax movement			-
(i) Change in net deferred income taxes			$ 40,420

Note H – Income Taxes –(Continued)

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate:

Among the more significant book tax adjustments were the following:

	December 31, 2025	
	Income Tax Expense	Effective Tax Rate (%)
Provision computed at statutory rate	$ 72,145	21.0%
Tax-exempt interest	(5,321)	-1.5
Amortization of interest maintenance reserve	(1,870)	-0.5
Change in nonadmitted assets	(5,319)	-1.5
Low Income housing tax credit	(7,658)	-2.2
Current Year permanent differences	(7,508)	-2.2
Provision to return adjustments - Permanent differences	(3,674)	-1.1
Statutory Valuation Allowance	29,332	8.4
Total	$ 70,127	20.4%
Federal income taxes incurred	$ 115,267	33.5%
Provision to return adjustments - Permanent differences	(12,230)	-3.6
Realized capital gains (losses) tax	10,539	3.1
Provision to return adjustments - Capital	(3,029)	-0.9
Change in net deferred income taxes	(40,420)	-11.7
Total statutory income taxes	$ 70,127	20.4%

	December 31, 2024	
	Income Tax Expense	Effective Tax Rate (%)
Provision computed at statutory rate	$ 112,084	21.0 %
Tax-exempt interest	(3,627)	(0.7)
Amortization of interest maintenance reserve	(1,771)	(0.3)
Change in nonadmitted assets	(11,997)	(2.2)
Current Year permanent differences	(6,514)	(1.2)
Provision to Return Adjustment - permanent differences	(2,084)	(0.4)
Statutory Valuation Allowance	14,638	2.7
Total	$ 100,729	18.9%
Federal income taxes incurred	$ 210,269	39.3%
Provision to Return Adjustment	2,335	0.4
Realized capital gains (losses) tax	5,189	1.0
Provision to Return Adjustment - Capital	2,030	0.4
Change in net deferred income taxes	(119,094)	-22.2
Total statutory income taxes	$ 100,729	18.9%

Note H – Income Taxes –(Continued)

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits:

As of December 31, 2025, the Company had net capital loss carryforwards of $339.7 million, which expire between 2027 and 2030.

The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses.

	Amount of Tax		
	Ordinary	Capital	Total
December 31, 2025	$ -	$ -	$ -
December 31, 2024	$ -	$ -	$ -
December 31, 2023	$ -	$ -	$ -

F. The Company consolidates its federal income tax return with the return of its ultimate domestic parent, DFG. DFG and all of its direct and indirect subsidiaries are members of the consolidated tax group. The members of the consolidated tax group are listed below.

- Delphi Financial Group, Inc.
  - Reliance Standard Life Insurance Company of Texas
    - Reliance Standard Life Insurance Company
      - First Reliance Standard Life Insurance Company
      - Standard Security Life Insurance Company of New York
  - SIG Holdings, Inc.
    - Safety National Casualty Corporation
      - Safety First Insurance Company
      - Midlands Management Corporation
        - Midlands Claim Administrators, Inc.
        - Midlands Management of Texas, Inc.
      - Safety National Re SPC
        - Safety National Re PIC 1, LTD.
      - Safety Specialty Insurance Company
      - Insurance Data Services Corporation
    - Matrix Absence Management, Inc.
      - Matrix Payroll Services, Inc.
  - Delphi Capital Management, Inc.
  - Acorn Advisory Capital, L.P.

The method of allocation between the companies is subject to a written tax allocation agreement approved by the Company's Board of Directors. The agreement requires the Company to accrue federal taxes based on the amount of tax it would have paid or received if it had filed on a separate return basis with the Internal Revenue Service ("IRS") with the exception of operating losses which are reimbursed by the parent company. Intercompany tax balances are settled within 15 days after filing a tax return or receipt of a refund. If the amount of federal income taxes paid by the Company to DFG exceeds the amount of federal income taxes paid by DFG to the Internal Revenue Service, the excess of the amount will be placed in an escrow account. Escrow assets may be released to DFG from the escrow account when the permissible period for loss carryback has elapsed. Tax years 2013 and subsequent remain subject to audit by the IRS.

G. Federal or Foreign Income Tax Loss Contingencies

The Company does not have tax loss contingencies for which it is reasonably possible that the total liabilities will significantly increase within twelve months of the reporting date.

H. Reparation Transition Tax ("RTT")

Note H – Income Taxes –(Continued)

As of December 31, 2025, the Company had no liability for RTT.

I. Inflation Reduction Act - CAMT

The ACT was enacted on August 16, 2022. The Act included a new CAMT. The Act and CAMT are effective for tax years beginning after 2022. The DFG United States Federal tax return filing group, of which the Company is a member, meets the average "adjusted financial statement income" threshold and is required to perform CAMT calculations in 2025. The Company, which is included in DFG's consolidated tax return, is an applicable reporting entity. The Company has determined as of December 31, 2025, that it does not expect to be liable for CAMT in 2025 and does not recognize any CAMT credit deferred tax asset.

The Company has made an accounting policy election to disregard CAMT when evaluating the need for a valuation allowance for its non-CAMT DTAs.

Note I - Borrowed Money and Related Party Transactions

In 2013, the Company and TMNF entered into a capital support agreement, which was amended in 2014, whereby TMNF agreed to take such action as may be appropriate and necessary to cause the Company to maintain its capital and surplus at a level that is at least 300% of its Company Action Level Risk Based Capital ("RBC"). No fundings by TMNF were required pursuant to this agreement during the years ended December 31, 2025 and 2024, respectively.

During 2014, the Company's parent, RSL-Texas, issued various funding agreements in an aggregate principal amount of $300.0 million to the FHLB Dallas, the liabilities under which have been ceded by RSL-Texas to the Company under an indemnity reinsurance agreement. As of December 31, 2025, no aggregate principal amount under the funding agreements remained outstanding.

The Company is a member of the Federal Home Loan Bank of Chicago ("FHLB Chicago"). Pursuant to the requirements of the FHLB Chicago, the Company purchased shares of FHLB Chicago capital stock. The Company owns shares of FHLB Chicago capital stock with a book/adjusted carrying value of $91.3 million as of December 31, 2025. The stock is carried at cost, as the resale of the securities is restricted only to the FHLB Chicago.

The following table represents unused commitments and lines of credit for financing arrangements (dollars in thousands):

	December 31, 2025		December 31, 2024	
	Unused Commitments	Unused Lines of Credit	Unused Commitments	Unused Lines of Credit
Short-Term (contracts terminating in 12 months or less)…….	$ -	$ -	$ -	$ -
Long-Term (contracts terminating in more than 12 months)…	3,711,494	300,000	4,347,003	300,000
Total……………………………………………………………	$ 3,711,494	$ 300,000	$ 4,347,003	$ 300,000

During 2025, the Company issued twenty-four funding agreements to the FHLB Chicago in an aggregate principal amount of $9,425.0 million and repaid twenty-four funding agreements previously issued to the FHLB Chicago in an aggregate principal amount of $7,876.0 million. During 2024, the Company issued eleven funding agreements to the FHLB Chicago in an aggregate principal amount of $3,925.0 million and repaid twelve funding agreements previously issued to the FHLB Chicago in an aggregate principal amount of $3,850.0 million. The Company's liability for outstanding funding agreements issued to the FHLB Chicago, gross of reinsurance, totaled $4,010.2 million as of December 31, 2025. The Company's liability for funding agreements is included in the liability for deposit-type contracts caption on the statements of admitted assets, liabilities, and capital and surplus.

Note I - Borrowed Money and Related Party Transactions – (Continued)

The Company has entered into various agreements with affiliates to share certain facilities, management and other services. The agreements generally provide that expenses are allocated by company by specific identification, or, if undeterminable, by formulas specified in the agreements which are intended to approximate the actual costs incurred by the affiliates. Net expenses incurred under these agreements were $27.1 million and $20.9 million for the years ended December 31, 2025 and 2024, respectively.

On April 14, 2021, the Company entered into an agreement to acquire SSL, which agreement was amended and restated on July 29, 2021, for a purchase price of $180.0 million, with such amount subject to upward or downward adjustment to the extent that SSL's statutory capital and surplus as of the closing date exceeded or was less than $57.0 million (such acquisition, the "SSL Acquisition"). The SSL Acquisition was consummated effective January 1, 2022, whereupon the Company acquired SSL for cash consideration of $196.6 million and SSL became a wholly-owned subsidiary of the Company.

On June 24, 2025, the Company received a contribution to its surplus from its immediate parent, RSL-Texas, in the amount of $322.0 million, which consisted of $171.2 million in cash and publicly traded securities with an aggregate book adjusted carrying value, including accrued interest, of $150.8 million. In accordance with SSAP 69, the non-cash contribution of securities was excluded from the statement of cash flows. On June 27, 2024, the Company received a contribution to its surplus from RSL-Texas which consisted of $200.0 million in cash.

In May 2015, the Company, along with certain of its affiliated insurers, entered into commercial mortgage loan investment management agreements for floating rate loans with ACORE Capital, LP ("ACORE"), a subsidiary of DFG which is a Securities and Exchange Commission registered investment adviser, and since such time, these agreements have been amended, from time to time. Most recently, amendments and restatements of such agreements were implemented in December 2025 to among other things, increase the aggregate capital commitment of the Company and its affiliates thereunder. Fees payable under these agreements include a commitment fee, a management fee and a performance-based fee. In April 2019, the Company, along with certain of its affiliated insurers, entered into new and separate investment management agreements with ACORE pursuant to which the Company, together with such affiliates, agreed to invest, during a five-year investment period, up to $2.0 billion in fixed-rate commercial real estate loans with ACORE. Under such agreements, a management fee is payable to ACORE that is determined by reference to the spread income received on the loans under management.

In October 2020 and thereafter, the Company, along with certain of its affiliated insurers, have made capital commitments to various private investment funds focusing primarily on commercial real estate debt and equity whose general partners are ACORE-related entities, pursuant to which investments in such funds will be made by the Company and such affiliated insurers from time to time. For the services rendered to the Company under the aforementioned investment management agreements during the year ended December 31, 2025, the total fees payable to ACORE amounted to $46.2 million.

On December 15, 2015, the Company issued a 5.0% fixed rate subordinated indebtedness certificate with a principal amount of $100.0 million to Safety National Casualty Corporation ("SNCC") in exchange for cash. The certificate will mature on January 4, 2036. Interest is paid semiannually on July 15 and January 15. The Company paid $5.1 million in interest relating to this note for each of the year ended December 31, 2025 and 2024, respectively. The certificate has the following repayment conditions and restrictions: any payment of principal or interest on the surplus note may be made only with the prior written approval of the Director of the Division of Insurance of the State of Illinois, with the approval of the Company's Board of Directors and only out of the Company's surplus in excess of the minimum amount required under Illinois law. The Company's obligation under the certificate is subordinate to all claims of policyholders and general creditors of the Company, other than any future holder of subordinated indebtedness certificate or surplus note of the Company or of indebtedness which is expressly subordinated to such obligation.

During the second quarter of 2023, the Company made an investment in PEMZ 1, LLC, an affiliated entity. The book adjusted carrying value of this investment is $52.1 million as of December 31, 2025.

During the second quarter of 2023, the Company made an investment in PEMZ 2, LLC, an affiliated entity. The book adjusted carrying value of this investment is $54.3 million as of December 31, 2025.

Note I - Borrowed Money and Related Party Transactions – (Continued)

On October 1, 2015, the Company received a contribution to its surplus from its immediate parent company, RSL-Texas, of 36 shares of common stock of DFG which had an admitted value of $62.9 million. As of December 31, 2025, the market value of the DFG common stock was $297.7 million, which in accordance with the SVO Manual was reduced by $103.6 million to account for the reciprocal ownership percentage, resulting in an admitted value of $194.1 million.

During 2018, the Company entered into a reinsurance agreement with Tokio Marine RSL Re PIC, Ltd. ("TM RSL Re"), a Cayman Islands portfolio insurance company controlled by Safety National Re SPC, a Cayman Islands exempted company which is a wholly-owned subsidiary of SNCC, under which the Company ceded to TM RSL Re, on a quota share indemnity coinsurance with funds withheld basis, funding agreements previously issued by the Company on various dates in connection with the Company's funding agreement-backed note program. On August 31, 2023, the Company recaptured the $350.0 million funding agreement and ceded liabilities under an in-force funding agreement in the aggregate principal amount of $500.0 million related to a prior issuance under the Company's funding agreement-backed note program.

On October 2, 2024, the Company recaptured the $400.0 million funding agreement and ceded liabilities under an in-force funding agreement in the aggregate principal amount of $450.0 million related to a prior issuance under the Company's funding agreement-backed note program. On December 23, 2025, the Company recaptured $536.5 million of ceded liabilities under various in-force funding agreements issued under the Company's funding agreement-backed note program. As of December 31, 2025, the Company has ceded funding agreements in an aggregate principal amount of $2,050.0 million to TM RSL Re under this agreement, which had been ceded on a 47.0% quota share basis. The Company also established a funds withheld liability (as "Funds held under reinsurance treaties") in a corresponding amount as of such dates.

On June 18, 2020, the Company, as borrower, entered into a Master Securities Loan Agreement with Philadelphia Indemnity Insurance Company ("PIIC"), an affiliate of the Company, as lender. Under such agreement, the Company may, from time to time, borrow certain securities as described therein, with the aggregate principal amount of the securities borrowed at any one time being limited to $700.0 million. he terms of each loan made thereunder are to be agreed upon by the Company and PIIC. On February 17, 2022, the Company borrowed securities with an aggregate market value of $103.1 million and pledged securities collateral securing such borrowing having a market value of $106.8 million. On November 16, 2022, the Company returned the borrowed securities to PIIC and the collateral pledged for these borrowings was returned to the Company. There were no outstanding loans under this agreement as of December 31, 2025 and December 31, 2024, respectively.

The Company has entered into two revolving loan agreements with DFG. Under the first of these agreements, the Company can obtain loans from Delphi from time to time in a total amount of up to $150.0 million and under the second agreement, Delphi can obtain loans from the Company from time to time in the same amount. Both of these loan agreements were amended and restated during 2016 to increase the maximum borrowing capacity from $100.0 million to $150.0 million and to extend the termination date to December 31, 2026. During 2019, the terms of the first agreement were further amended to increase the maximum borrowing capacity thereunder from $150.0 million to $300.0 million. During January 2023, the terms of the second agreement were further amended to increase the maximum borrowing capacity thereunder from $150.0 million to $300.0 million and to extend the termination date to December 31, 2032. Under these loan agreements, early repayment may be made without penalty. Interest is payable monthly at a variable SOFR-based interest rate, in the case of loans obtained by the Company from DFG, and at a variable rate based upon 3-month Term SOFR plus 1.0%, in the case of loans obtained by DFG from the Company. The revolving loan agreements do not contain any collateral requirements or financial or debt covenants. Borrowings under each agreement are used to address short-term liquidity requirements of the Company and DFG, and the amounts of the borrowings outstanding under the agreements vary from time to time. As of December 31, 2025 and December 31, 2024, respectively, there were no outstanding loans under the agreement in which the Company is the borrower. As of December 31, 2025 and December 31, 2024, respectively, there were no outstanding loans under the agreement in which the Company is the lender. During the years ended December 31, 2025 and 2024, the Company received $2.5 million and $1.8 million, respectively, of interest income related to such agreements.

Note I - Borrowed Money and Related Party Transactions – (Continued)

On June 27, 2025, the Company received a common stock dividend of $19.3 million from SSL. On June 12, 2024, the Company received a common stock dividend of $30.3 million from SSL.

On December 30, 2025, the Company received a common stock dividend of $15.0 million from FRSLIC. During the year ended December 31, 2024, the Company did not receive any common stock dividends from FRSLIC.

During the years ended December 31, 2025, and 2024 the Company did not receive any common stock dividends from DFG.

The Company had no reverse repurchase agreements outstanding as of December 31, 2025, and December 31, 2024, respectively.

Pursuant to a consulting agreement, the Company pays to Acorn Advisory Capital L.P., a subsidiary of DFG which is a SEC-registered investment adviser (“Acorn Advisory”), certain fees associated with the formulation of the Company’s business and investment strategies. On December 30, 2020, DFG acquired Acorn Advisory. Acorn Advisory has continued to perform the same consulting services for the Company and DFG as it performed prior to the acquisition. The Company’s expenses under the Acorn Advisory consulting agreement totaled $27.2 million and $24.7 million for the years ended December 31, 2025 and 2024, respectively.

The following table represents the investments in Subsidiary, Controlled, and Affiliated Entities (dollars in thousands):

1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs

	SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a.	SSAP No. 97 8a Entities	Not applicable.			
b.	SSAP No. 97 8b(ii) Entities	Not applicable.			
c.	SSAP No. 97 8b(iii) Entities				
Delphi Financial Group, Inc		3.200	$ 194,130	$ 194,130	$ -
	Total SSAP No. 97 8b(iii) Entities	XXX	$ 194,130	$ 194,130	$ -
d.	SSAP No. 97 8b(iv) Entities	Not applicable.			
e.	Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	$ 194,130	$ 194,130	$ -
f	Aggregate Total (a+e)	XXX	$ 194,130	$ 194,130	$ -

Note I - Borrowed Money and Related Party Transactions – (Continued)

2) NAIC Filing Response Information

SCA Entity	Type of NAIC Filing*	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N	Code **
a. SSAP No. 97 8a Entities	Not applicable.					
b. SSAP No. 97 8b(ii) Entities	Not applicable.					
c. SSAP No. 97 8b(iii) Entities						
Delphi Financial Group, Inc	S2	8/18/2025	$ 182,086	Y	N	
Total SSAP No. 97 8b(iii) Entities	XXX	XXX	$ 182,086	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities	Not applicable.					
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	XXX	$ 182,086	XXX	XXX	XXX
f Aggregate Total (a+e)	XXX	XXX	$ 182,086	XXX	XXX	XXX

* S1 – Sub-1, S2 – Sub-2 or RDF – Resubmission of Disallowed Filing
** I – Immaterial or M – Material

Note J - Fair Values of Financial Instruments

The methodologies and valuation techniques used by the Company to value those of its assets, which are measured at fair value, are described below.

Instruments included in issuer credit obligations include corporate securities, U.S. Treasury and other U.S. government guaranteed securities, securities issued by U.S. government-sponsored enterprises, and obligations of U.S. states and municipalities. Instruments included in asset-backed securities include residential and commercial mortgage-backed securities. The market liquidity of each security is taken into consideration in the valuation technique used to value such security. For securities where market transactions involving identical or comparable assets generate sufficient relevant information, the Company employs a market approach to valuation. If sufficient information is not generated from market transactions involving identical or comparable assets, the Company uses an income approach to valuation. The majority of the instruments included as bonds are valued utilizing observable inputs; accordingly, they are categorized in either Level l or Level 2 of the fair value hierarchy. However, in instances where significant inputs utilized are unobservable, such as yield curves, issuer provided information and material event notices in cash flow models, the securities are categorized in Level 3 of the fair value hierarchy.

The inputs used in the valuation techniques employed by the Company are provided by nationally recognized pricing services, external investment managers and internal resources. To assess these inputs, the Company's review process includes, but is not limited to, quantitative analysis including benchmarking, initial and ongoing evaluations of methodologies used by external parties to calculate fair value, and ongoing evaluations of fair value estimates based on the Company's knowledge and monitoring of market conditions.

Investments held at fair value primarily consist of common stock, derivatives and separate account. Unaffiliated common stocks are primarily valued at quoted active market prices and are therefore categorized in Level 1 of the fair value hierarchy. Derivative securities primarily consist of options and forwards. The Company maintains positions in options and forwards for which the primary purposes are to economically hedge its indexed annuity business and foreign exchange exposure, respectively. Forwards are valued using models that utilize actively quoted or observable market inputs from external market data providers, third-party pricing vendors and/or recent trading activity and options utilize non-binding broker quotes as the key inputs which are generally unobservable. Based on the pricing source, forwards and options are categorized within Level 2 and Level 3 of the fair value hierarchy, respectively.

Note J - Fair Values of Financial Instruments – (Continued)

Assets held in the separate accounts represent funds invested in a separately administered variable life insurance product for which the policyholder, rather than the Company, bears the investment risk. These assets have historically been invested in interests in a limited liability company that invests in funds that trade in various financial instruments. This limited liability company, all of whose interests are owned by one of the Company's separate accounts, utilizes the financial statements furnished by the funds to determine the values of its investments in such funds and the carrying value of each such investment, which is based on its proportionate interest in the relevant fund as of the balance sheet dates. As such, these funds' financial statements constitute the key input in the Company's valuation of its investment in this limited liability company. The Company concluded that the value calculated using the equity method of accounting with respect to its investment in this limited liability company was reflective of the fair market value of such investment.

The Company's variable life policyholders have investment options for their policies, which are effectuated through individual sub-accounts of a separate account established by the Company. Each of these sub-accounts relates to an investment in a designated third-party investment fund whose interests are available for purchase only by insurance companies for the purpose of funding variable life insurance and variable annuity contracts, and these funds include both private investment funds and mutual funds registered under the Investment Company Act of 1940. The Company concluded that the value calculated using the equity method of accounting with respect to the private investment funds was reflective of the fair market value of such investment and are categorized in Level 3 of the fair value hierarchy. The mutual funds registered under the Investment Company Act of 1940 are valued at quoted active market prices and therefore categorized in Level 1 of the fair value hierarchy.

The investment portfolios of the funds in which the fund investments are maintained vary from fund to fund, but are generally comprised of liquid, publicly traded securities that have readily determinable market values and which are carried at fair value on the financial statements of such funds, substantially all of which are audited annually. The amount that an investor is entitled to receive upon the redemption of its investment from the applicable fund is determined by reference to such security values. These investments are included in Level 3 of the fair value hierarchy.

Assets and Liabilities measured at fair value are summarized below:

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
	(dollars in thousands)			
Assets:				
Bonds:				
Issuer credit obligations	$ -	$ 6,048	$ -	$ 6,048
Asset-backed securities	-	57,286	-	57,286
Common Stock:				
Industrial and miscellaneous	7,931	-	44,033	51,964
Preferred Stock:				
Industrial and miscellaneous	41,323	-	13,639	54,962
Other long- term invested assets	-	95,812	363	96,175
Derivatives	393	1,960	170,396	172,749
Other Assets:				
Separate account assets	138,485	-	216,240	354,725
Total Assets at Fair Value	$ 188,132	$ 161,106	$ 444,671	$ 793,909
Liabilities:				
Derivatives	$ -	$ (32,505)	$ -	$ (32,505)
Total Liabilities at Fair Value	$ -	$ (32,505)	$ -	$ (32,505)

Note J - Fair Values of Financial Instruments – (Continued)

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
	(dollars in thousands)			
Assets:				
Bonds:				
Industrial and miscellaneous	$ -	$ 54,500	$ 2	$ 54,502
Common Stock:				
Industrial and miscellaneous	9,535	-	41,519	51,054
Preferred Stock:				
Industrial and miscellaneous	370	-	6,527	6,897
Other long term assets	-	113,549	974	114,523
Derivatives	283	20,606	160,058	180,947
Other Assets:				
Separate account assets	116,109	-	200,087	316,196
Total Assets at Fair Value	$ 126,297	$ 188,655	$ 409,167	$ 724,119
Liabilities:				
Derivatives	$ -	$ (50,395)	$ -	$ (50,395)
Total Liabilities at Fair Value	$ -	$ (50,395)	$ -	$ (50,395)

The following tables provide reconciliations for Level 3 assets measured at fair value for the year ended December 31, 2025 and 2024, respectively. Transfers into and out of Level 3 are recognized as of the end of the period. The assets transferred out of Level 3 are no longer measured at fair value and are now measured at amortized cost. There were no significant transfers between Level 1 and Level 2.

	As of December 31, 2025 (dollars in thousands)							
Level 3 Rollforward	Balance at January 1, 2025	Total gains /(losses) included in income	Total gains /(losses) included in surplus	Purchases	Sales	Transfer to Level 3	Transfer out of Level 3	Balance at December 31, 2025
Assets:								
Bonds:								
Issuer credit obligations	$ 2	$ (2)	$ 7	$ -	$ (7)	$ -	$ -	$ -
Asset backed securities	-	-	-	-	-	-	-	-
Common Stock:								
Industrial & Miscellaneous	41,519	(2,840)	1,918	5,780	(2,344)	-	-	44,033
Preferred Stock	6,527	(1,349)	1,307	6,782	(4)	376	-	13,639
Other long-term invested assets	974	(123)	253	360	(427)	13	(687)	363
Derivatives	160,058	77,654	8,423	112,387	(188,126)	-	-	170,396
Separate account	200,087	17,635	-	25,105	(26,587)	-	-	216,240
Total Assets	$ 409,167	$ 90,975	$ 11,908	$ 150,414	$ (217,495)	$ 389	$ (687)	$ 444,671

Note J - Fair Values of Financial Instruments – (Continued)

Level 3 Rollforward	Balance at January 1, 2024	Total gains and (losses) included in income	Total gains and (losses) included in surplus	Purchases	Sales	Transfer to Level 3	Transfer out of Level 3	Balance at December 31, 2024
	As of December 31, 2024 (dollars in thousands)							
Assets:								
Bonds								
Industrial & Miscellaneous	$ 5	$ -	$ (4)	$ 1	$ -	$ -	$ -	$ 2
Common Stock								
Industrial & Miscellaneous	30,489	(342)	1,358	13,530	(3,941)	425	-	41,519
Preferred Stock	811	2,520	(807)	7,460	(3,457)	-	-	6,527
Other long term assets	7,527	(83)	386	974	-	-	(7,830)	974
Derivatives	154,946	125,242	(1,916)	110,472	(228,686)	-	-	160,058
Separate account	184,312	21,013	-	10,093	(15,331)	-	-	200,087
Total Assets	$ 378,090	$ 148,350	$ (983)	$ 142,530	$ (251,415)	$ 425	$ (7,830)	$ 409,167

Transfers into or out of Level 3 are presented in the table. Assets and liabilities are transferred into Level 3 when a significant input cannot be corroborated with market observable data. This occurs when market activity decreases significantly and underlying inputs cannot be observed, current prices are not available and/or when there are significant variances in quoted prices, thereby affecting transparency. Assets and liabilities are transferred out of Level 3 when circumstances change such that a significant input can be corroborated with market observable data. This may be due to a significant increase in market activity, a specific event or one or more significant input(s) becoming observable.

The carrying values and estimated fair values of certain of the Company's financial instruments not recorded at fair value in the statement of admitted assets, liabilities, and capital and surplus are shown below. Because fair values for all balance sheet items are not required to be disclosed, the aggregate fair value amounts presented below are not reflective of the underlying value of the Company.

Type of Financial Instrument	Aggregate Fair Value	Statement Value	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
	As of December 31, 2025 (dollars in thousands)					
Assets:						
Bonds – Issuer Credit Obligations	$ 8,413,199	$8,672,538	$ 84,870	$6,650,239	$1,678,090	$ -
Bonds – Asset-Backed Securities..............	7,705,322	7,638,067	-	6,207,273	1,498,049	-
Common Stock..	91,250	91,250	-	-	-	91,250
Preferred Stock..	504	490	504	-	-	-
Mortgage Loans	10,498,121	10,498,087	-	-	10,498,121	-
Real Estate...	323,273	323,273	-	-	323,273	-
Cash, Cash Equivalents & Short-Term Investments	487,268	487,267	469,990	1,750	15,528	-
Other Invested Assets................................	311,702	284,726	-	265,979	5,723	40,000
Total Assets	$ 27,830,639	$27,995,698	$ 555,364	$13,125,241	$14,018,784	$ 131,250
Liabilities:						
Policyholder Account Balances.................	$ 21,114,955	$21,193,459	$ -	$ -	$21,114,955	$ -
Separate Account	354,725	354,725	138,485	-	216,240	-
Total Liabilities..	$ 21,469,680	$ 21,548,184	$ 138,485	$ -	$ 21,331,195	$ -

Note J - Fair Values of Financial Instruments – (Continued)

	As of December 31, 2024 (dollars in thousands)					
Type of Financial Instrument	Aggregate Fair Value	Statement Value	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Assets:						
Bonds	$13,114,301	$13,556,521	$ 82,285	$10,713,752	$2,318,264	$ -
Common Stock	64,045	64,045	-	-	-	64,045
Preferred Stock	24,122	24,090	23,746	-	376	-
Mortgage Loans	10,108,459	10,108,628	-	-	10,108,459	-
Real Estate	191,478	191,478	-	-	191,478	-
Cash, Cash Equivalents & Short-Term Investments	502,156	502,168	449,066	44,058	9,032	-
Other Invested Assets	263,429	259,493	-	223,302	127	40,000
Total Assets	$ 24,267,990	$24,706,423	$ 555,097	$10,981,112	$12,627,736	$ 104,045
Liabilities:						
Policyholder Account Balances	$17,386,973	$17,758,353	$ -	$ -	$17,386,973	$ -
Separate Account Liabilities	316,196	316,196	116,109	-	200,087	-
Total Liabilities	$17,703,169	$18,074,549	$ 116,109	$ -	$17,587,060	$ -

The fair values for bonds, preferred and common stocks and other invested assets have been primarily obtained from broker-dealers, external asset managers, and from nationally recognized pricing services. The carrying values for loans approximate fair values because these investments are primarily either short-term in duration or have an underlying interest rate that is variable. The Company has assessed the fair value of the loans based on a representative sample and determined that any remaining difference between the fair value and carrying value of loans is not material. There are no quoted market prices available for the Company's investment in affiliated surplus notes and FHLB Chicago common stock. Fair values for policyholder account balances were determined by deducting an estimate of the future profits to be realized from the business, discounted at a current interest rate, from the adjusted carrying values. Separate account liabilities are recorded at the amount credited to the contract holder, which reflects the fair value of the corresponding separate account assets, and therefore, carrying value approximates fair value.

Note K - Commitments and Contingencies

In the course of its business, the Company is a party to litigation and other proceedings, primarily involving its insurance operations. In some cases, these proceedings entail claims against the Company for punitive damages and similar types of relief. The ultimate disposition of such pending litigation and proceedings is not expected to have a material adverse effect on the Company's results of operations, liquidity or financial position.

Note L – Reinsurance

The Company assumes and cedes reinsurance on a coinsurance, modified coinsurance and a risk premium basis. The Company obtains reinsurance for amounts above certain retention limits which vary with age, plan of insurance and underwriting classification. Amounts of standard risks in excess of those limits are reinsured. Indemnity reinsurance treaties do not provide absolute protection to the Company since the ceding insurer remains responsible for contract claims to the extent the reinsurer fails to pay such claims.

To reduce this risk, the Company monitors the financial condition of its reinsurers, including, among other things, the companies' financial ratings, and in certain cases receives collateral security from the reinsurer or enters funds withheld arrangements. Also, certain of the Company's reinsurance agreements require the reinsurer to set up trust arrangements for the Company's benefit in the event of certain ratings downgrades. As of December 31, 2025, all of the Company's significant reinsurers were either rated "A" (Excellent) or higher by A.M. Best Company or had supplied collateral in an amount sufficient to support the amounts receivable.

As of December 31, 2016, the Company entered into a reinsurance agreement with RGA Reinsurance Company (Barbados) Ltd. ("RGA") under which the Company ceded to RGA, on an indemnity coinsurance with funds withheld basis, 90% of the Company's liabilities under an in-force funding agreement in the principal amount of $300.0 million issued under the Company's funding agreement-backed note program. In December 2018, the Company recaptured this funding agreement and ceded liabilities under an in-force funding agreement in the aggregate principal amount of $350.0 million issued under the Company's funding agreement-backed note program. In September 2021, the Company recaptured the funding agreement ceded in December 2018 and ceded to RGA 78.75% of the Company's liabilities under an in-force funding agreement in the principal amount of $400.0 million issued under the Company's funding agreement-backed note program. In November 2024, the Company recaptured the funding agreement ceded in September 2021 and ceded to RGA 78.75% of the Company's liabilities under an in-force funding agreement in the principal amount of $400.0 million issued under the Company's funding agreement-backed note program. The Company also established a funds withheld liability (as "Funds held under reinsurance treaties") in a corresponding amount as of such date.

Effective as of December 18, 2019, the Company entered into a reinsurance agreement with Oceanview Life and Annuity Company ("Oceanview") under which the Company ceded to Oceanview, on an indemnity coinsurance with funds withheld basis, 100% of the Company's liabilities under funding agreements issued to the FHLB Chicago in the aggregate principal amount of $500.0 million. On October 30, 2020, the Company amended its reinsurance agreement with Oceanview in order to cede, on an indemnity coinsurance with funds withheld basis, 100% of the Company's liabilities under a funding agreement issued to the FHLB Chicago in the principal amount of $151.0 million. On May 26, 2022, the Company further amended its reinsurance agreement with Oceanview in order to cede, on an indemnity coinsurance with funds withheld basis, 100% of the Company's liabilities under additional funding agreements issued to the FHLB Chicago in the aggregate principal amount of $150.0 million. The Company also established an additional funds withheld liability (as "funds held under coinsurance") as of such date. On February 16, 2024, pursuant to a further amendment to the Company's reinsurance agreement with Oceanview, a $57.8 million cash contribution was made from Oceanview to the Company's funds withheld account. On December 18, 2024, the Company recaptured the funding agreements ceded in December 2019 and ceded to Oceanview 100% of the Company's liabilities under a funding agreement issued to the FHLB Chicago in the principal amount of $500.0 million.

A summary of reinsurance activity follows:

	Year Ended December 31, 2025	Year Ended December 31, 2024
	(dollars in thousands)	
Premium and considerations assumed	$ 390	$ 3,868
Premium and considerations ceded	439,191	444,418
Deposits received on funding agreements ceded	-	1,157,011
Deposits received on supplemental contracts with life contingencies assumed	1,046	206
Benefits and claims ceded [(1)]	389,237	1,557,022
Funds held under reinsurance treaties	2,022,253	2,714,820

Note L – Reinsurance – (Continued)

[1] Benefits and claims ceded during the year ended December 31, 2025, include the recapture a portion of funding agreement liabilities ceded to TM RSL Re. This recapture resulted in a $536.5 million reduction in deposit-type contract reserves. Benefits and claims ceded during the year ended December 31, 2024, include the recapture of funding agreements with aggregate principal amounts of $500.0 million ceded to Oceanview in October 2019, $400.0 million ceded to TM RSL Re in October 2019 and $400.0 million ceded to RGA in September 2021.

There would be no material reduction of surplus as of December 31, 2025 if all reinsurance agreements were terminated as of such date.

Note M - Dividend Restrictions and Capital and Surplus

Dividends to the Company's parent are subject to regulatory restrictions and are generally limited for a twelve-month period, in the absence of regulatory approval, to the greater of 10% of statutory policyholders' surplus at the end of the prior year or net income for the prior year. Policyholders' surplus as of December 31, 2025 was $3,369.7 million and net income for the year ended December 31, 2025 was $233.0 million. Accordingly, during 2026, the Company anticipates that it will be permitted without prior regulatory approval to make dividend payments totaling $337.0 million.

On January 2, 2025, and 2024, the Company paid preferred stock dividends of $2.0 million. On July 1, 2025, and 2024, the Company paid preferred stock dividends of $2.0 million. On December 19, 2025, the Company declared a dividend to stockholders on its preferred stock totaling $2.0 million. This dividend was paid on January 2, 2026. The Company did not pay any common stock dividends during the years ended December 31, 2025, and 2024, respectively.

The portions of unassigned surplus represented by cumulative net unrealized gains were $313.0 million and $220.4 million as of December 31, 2025 and 2024, respectively. The Company's unassigned surplus was reduced by non-admitted assets of $492.1 million and $438.7 million as of December 31, 2025 and 2024, respectively.

The NAIC has established RBC requirements to help state regulators monitor the financial strength and stability of life insurers by identifying those companies that may be inadequately capitalized. Under the NAIC's requirements, each insurer must maintain its total capital above a calculated threshold or take corrective measures to achieve the threshold. The threshold for adequate capital is calculated by applying factors to various asset, premium, claim, expense and reserve items. As of December 31, 2025 and December 31, 2024, the Company's capital and surplus exceeds the threshold RBC action level requirements.

Note N – Preferred Stock

The Company's outstanding shares of preferred stock are each entitled to a cumulative annual dividend of $8 per share, as declared by the Board of Directors, and have a liquidation value equal to $100 per share plus all accumulated and unpaid dividends. The preferred stock has no voting rights. DFG, RSL-Texas and SNCC own 200,000 shares, 50,000 shares and 250,000 shares, respectively, of the Company's preferred stock. The preferred stock may be redeemed at the option of the holder, subject to the capital and surplus of the Company exceeding the minimum statutory requirement for the conduct of business in Illinois immediately after such redemption.

Note O – Separate Accounts

The Company established the separate accounts for the purpose of funding variable life insurance contracts issued by the Company. The assets of the separate accounts are comprised of private investment funds, mutual funds registered under the Investment Company Act of 1940 and interests in a limited liability company. The values of the private investment funds and the interests in the limited liability company are calculated using the equity method of accounting, which approximates fair value. The mutual funds registered under the Investment Company Act of 1940 are valued at quoted active market. The Company collected no premiums, considerations or deposits for separate accounts business during the year ended December 31, 2025 and 2024, respectively.

Reserves for nonguaranteed separate accounts assets valued at fair value and subject to discretionary withdrawal were $353.8 million and $315.6 million as of December 31, 2025 and December 31, 2024, respectively. As of December 31, 2025, the Company did not have any seed money in the surplus of the separate accounts.

Note P – Leases

The Company leases office space and office equipment under noncancelable operating lease agreements that expire through December 2031. The office space lease agreements contain escalation clauses considered ordinary for these types of agreements. The amount of the annual escalation is not material. Rental expense for 2025 and 2024 were approximately $8.8 million and $8.7 million, respectively

The minimum aggregate rental commitments for operating leases are as follows (dollars in thousands):

Years Ending December 31,	
2026	$ 8,854
2027	8,412
2028	7,986
2029	7,629
2030	7,127
Total	$ 40,008

The Company does not have any material sales-leaseback transactions.

Note Q – Managing General Agents and Third Party Administrators

The Company does not have any managing general agents (“MGA’s”). The Company does have third party administrators ("TPA's"), however no TPA had direct written premiums that were greater than 5% of surplus for the year ended December 31, 2025.

Note R – Accounting Changes and Corrections of Errors

The Company did not have any material change in accounting principles during the years ended December 31, 2025, and 2024.

No material errors occurred, or were required to be corrected, during the years ended December 31, 2025, and 2024.

Note S – Subsequent Events

The Company has evaluated subsequent events that have occurred for recognition or disclosure through May 28, 2026, the date December 31, 2025 financial statements were available to be issued.

As of the date of these financial statements, the Company has issued eight new funding agreements after December 31, 2025, to the FHLB Chicago in an aggregate principal amount of $4,500.0 million. The proceeds of these issuances were utilized to, among other things, fund investment activity and repay funding agreements previously issued by the Company to FHLB Chicago in an aggregate principal amount of $3,550.0 million upon their maturity.

On January 31, 2026, the Company further amended its reinsurance agreement with TM RSL Re to recapture two funding agreements and ceded liabilities under in-force funding agreements in the aggregate principal amount of $800.0 million related to prior issuances under the Company’s funding agreement-backed note program and to increase the quota share reinsurance percentage of the remaining ceded funding agreements from 47% to 78%.

On February 2, 2026, the Company repaid a fixed rate funding agreement at its maturity in an aggregate principal amount of $450.0 million, resulting in a corresponding repayment of the funding agreement-backed notes.

On May 12, 2026, the Company received a common stock dividend of $19.4 million from FRSLIC.

On May 12, 2026, the Company received a common stock dividend of $17.6 million from SSL.

OTHER FINANCIAL INFORMATION

RELIANCE STANDARD LIFE INSURANCE COMPANY
SUPPLEMENTAL SCHEDULE OF SELECTED
STATUTORY-BASIS FINANCIAL DATA
December 31, 2025

Note - Basis of Presentation

The accompanying schedules present selected statutory-basis financial data as of December 31, 2025 and for the year then ended for purposes of complying with paragraph 9 of the Annual Audited Financial Reports section of the National Association of Insurance Commissioners' Annual Statement Instructions and the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual and agrees to or is included in the amounts reported in the Company’s 2025 Statutory Annual Statement as filed with the Illinois Department of Insurance.

RELIANCE STANDARD LIFE INSURANCE COMPANY
SUPPLEMENTAL SCHEDULE OF SELECTED
STATUTORY-BASIS FINANCIAL DATA
December 31, 2025
(dollars in thousands)

The following is a summary of certain financial data included in other exhibits and schedules subjected to audit procedures by independent auditors and utilized by actuaries in the determination of reserves.

Investment Income Earned:	
U.S. Government bonds	$ 75,076
Other bonds (unaffiliated)	928,366
Preferred stocks (unaffiliated)	2,282
Common stocks (unaffiliated)	8,675
Common stocks (affiliated)	34,325
Mortgage loans	727,362
Real Estate	22,101
Contract loans	14
Cash, cash equivalents and short-term investments	22,468
Derivative instruments	(17,248)
Other invested assets and miscellaneous	67,265
Gross investment income	$ 1,870,686
Real Estate Owned - Book Value less Encumbrances	$ 323,273
Mortgage Loans - Book Value:	
Commercial mortgages	$ 4,379,550
Residential mortgages	$ 5,576,781
Mezzanine loans	$ 541,756
Total Mortgage Loans	$ 10,498,087
Mortgage Loans By Standing - Book Value:	
Good standing	$ 9,674,172
Good standing with restructured terms	$ 150,024
Overdue interest more than 90 days, not in foreclosure	$ 442,092
In process of foreclosure	$ 231,799
Total Mortgage Loans	$ 10,498,087
Other Long-Term Assets - Statement Value	$ 1,253,105
Bonds and Stocks of Parents, Subsidiaries and Affiliates - Book Value:	
Bonds	$ -
Common Stocks	$ 509,277

RELIANCE STANDARD LIFE INSURANCE COMPANY
SUPPLEMENTAL SCHEDULE OF SELECTED
STATUTORY-BASIS FINANCIAL DATA (Continued)
December 31, 2025
(dollars in thousands)

Bonds and Short-Term Investments by Class and Maturity:	
Non-agency residential mortgage-backed securities	$ 976,041
Commercial mortgage-backed securities	482,510
Agency residential mortgage-backed securities	54,861
Other Bonds and Short-Term Investments by Maturity - Statement Value:	
Due within one year or less	325,349
Over 1 year through 5 years	2,109,446
Over 5 years through 10 years	2,996,957
Over 10 years	9,446,053
Total	$ 16,391,217
Bonds by NAIC Designation - Statement Value:	
NAIC 1	$ 8,893,043
NAIC 2	4,880,109
NAIC 3	892,671
NAIC 4	1,011,248
NAIC 5	558,859
NAIC 6	155,287
Total by NAIC Designation	$ 16,391,217
Total Bonds Publicly Traded	$ 9,836,673
Total Bonds Privately Traded	$ 6,554,544
Preferred Stocks - Statement Value	$ 55,452
Common Stocks - Market Value	$ 652,491
Short-Term Investments - Book Value	$ 17,277
Cash Equivalents	$ 428,357
Options, Caps & Floors Owned – Statement Value	$ 170,396
Collar, Swap & Forward Agreements Open – Statement Value	$ 1,960
Future Contracts Open – Current Value	$ 393
Cash on deposit	$ 41,633
Life Insurance In Force (gross of reinsurance ceded):	
Industrial	$ 2,008
Ordinary	$ 167,861
Group Life	$ 361,866
Amount of Accidental Death Insurance In Force Under Ordinary Policies	$ 6,370
Life Insurance Policies with Disability Provisions In Force:	
Ordinary	$ 7,060
Group Life	$ 289,710,964

RELIANCE STANDARD LIFE INSURANCE COMPANY
SUPPLEMENTAL SCHEDULE OF SELECTED
STATUTORY-BASIS FINANCIAL DATA (Continued)
December 31, 2025
(dollars in thousands)

Supplementary Contracts In Force:	
Ordinary - Not Involving Life Contingencies	
Amount on deposit	$ 101,131
Amount of income payable	$ 2,985
Ordinary - Involving Life Contingencies:	
Amount of income payable	$ 2,389
Annuities:	
Ordinary:	
Immediate - amount of income payable	$ 115
Deferred - fully paid account balance	$ 15,532,160
Deferred - not fully paid - account balance	$ 50,786
Group:	
Immediate - amount of income payable	$ 1,079
Deferred - fully paid account balance	$ 736,062
Deferred - not fully paid - account balance	$ 18,183
Accident and Health Insurance - Premiums In Force:	
Group	$ 1,216,034
Deposit Funds and Dividend Accumulations:	
Deposit Funds – Account Balance	$ 4,643,832
Dividend Accumulations	$ -
Claim Payments:	
Group Accident and Health - Years Ended December 31,	
2025	$ 309,333
2024	$ 162,868
2023	$ 47,362
2022	$ 24,758
2021	$ 16,818
Prior	$ 130,471

RELIANCE STANDARD LIFE INSURANCE COMPANY
SUPPLEMENTAL SCHEDULE OF REINSURANCE DISCLOSURES
December 31, 2025

The following information regarding reinsurance contracts is presented to satisfy the disclosure requirements in SSAP No. 61R, *Life, Deposit-Type and Accident and Health Reinsurance*, which apply to reinsurance contracts entered into, renewed or amended on or after January 1, 1996.

1. Has the Company reinsured any risk with any other entity under a reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) that is subject to Appendix A-791, *Life and Health Reinsurance Agreements*, and includes a provision that limits the reinsurer's assumption of significant risks identified in Appendix A-791?

   Examples of risk-limiting features include provisions such as a deductible, a loss ratio corridor, a loss cap, an aggregate limit or similar effect. Yes ☐ No X

   If yes, indicate the number of reinsurance contracts to which such provisions apply: __________

   If yes, indicate if deposit accounting was applied for all contracts subject to Appendix A-791 that limit significant risks.

   Yes ☐ No ☐ N/A ☐

2. Has the Company reinsured any risk with any other entity under a reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) that is not subject to Appendix A-791, for which reinsurance accounting was applied and includes a provision that limits the reinsurer's assumption of risk?

   Examples of risk-limiting features include provisions such as a deductible, a loss ratio corridor, a loss cap, an aggregate limit or other provisions that result in similar effects.

   Yes ☐ No X

   If yes, indicate the number of reinsurance contracts to which such provisions apply: __________

   If yes, indicate whether the reinsurance credit was reduced for the risk-limiting features.

   Yes ☐ No ☐ N/A ☐

3. Does the Company have any reinsurance contracts (other than reinsurance contracts with a federal or state facility) that contain one or more of the following features which result in delays in payment in form or in fact:

   (a) Provisions that permit the reporting of losses to be made less frequently than quarterly;
   (b) Provisions that permit settlements to be made less frequently than quarterly;
   (c) Provisions that permit payments due from the reinsurer to not be made in cash within ninety (90) days of the settlement date (unless there is no activity during the period); or
   (d) The existence of payment schedules, accumulating retentions from multiple years, or any features inherently designed to delay timing of the reimbursement to the ceding entity.

   Yes ☐ No X

4. Has the Company reflected reinsurance accounting credit for any contracts that are not subject to Appendix A-791 and not yearly renewable term reinsurance, which meet the risk transfer requirements of SSAP No. 61R?

Type of contract:	**Response:**	**Identify reinsurance contract(s):**	**Has the insured event(s) triggering contract coverage been recognized?**
Assumption reinsurance – new for the reporting period[1]	Yes No X		N/A
Non-proportional reinsurance, which does not result in significant surplus relief	Yes No X		Yes No N/A

5. Has the Company ceded any risk in a reinsurance agreement that is not subject to Appendix A-791 and not yearly renewable term reinsurance, under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statements, and either:

(a) Accounted for that contract as reinsurance under statutory accounting principles (SAP) and as a deposit under generally accepted accounting principles (GAAP); or

Yes □ No X N/A □

(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes □ No X N/A □

If the answer to item (a) or item (b) is yes, include relevant information regarding GAAP to SAP differences to explain why the contract(s) is treated differently for GAAP and SAP below:

[1] This disclosure relates to ceding companies with assumption reinsurance agreements (paragraph 60 of SSAP 61R) entered into during the current year for which indemnity reinsurance is being applied for policyholders who have not yet agreed to the transfer to the new insurer or for which the regulator has not yet approved the novation to the new insurer.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	2 Percentage of Column 1 Line 14	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage of Column 5 Line 14
1. Issuer credit obligations (Schedule D, Part 1, Section 1):						
1.01 U.S. government obligations	92,181,026	0.308	92,181,026	0	92,181,026	0.308
1.02 Other U.S. government obligations	4,958,339	0.017	4,958,339	0	4,958,339	0.017
1.03 Non-U.S. sovereign jurisdiction securities	252,653,914	0.845	252,653,914	0	252,653,914	0.845
1.04 Municipal bonds – general obligations (direct & guaranteed)	715,162,993	2.392	715,162,993	0	715,162,993	2.392
1.05 Municipal bonds – special revenue	2,181,295,140	7.297	2,181,295,140	0	2,181,295,140	7.297
1.06 Project finance bonds issued by operating entities	0	0.000	0	0	0	0.000
1.07 Corporate bonds	3,784,744,528	12.661	3,784,744,528	0	3,784,744,528	12.661
1.08 Mandatory convertible bonds	0	0.000	0	0	0	0.000
1.09 Single entity backed obligations	44,732,987	0.150	44,732,988	0	44,732,988	0.150
1.10 SVO-Identified bond exchange traded funds – fair value	0	0.000	0	0	0	0.000
1.11 SVO-Identified bond exchange traded funds – systematic value	0	0.000	0	0	0	0.000
1.12 Bonds issued by funds representing operating entities	300,000	0.001	300,000	0	300,000	0.001
1.13 Bank loans - issued	0	0.000	3,304,412	0	3,304,412	0.011
1.14 Bank loans - acquired	1,602,557,058	5.361	1,599,252,646	0	1,599,252,646	5.350
1.15 Mortgages loans that qualify as SVO-Identified credit tenant loans	0	0.000	0	0	0	0.000
1.16 Certificates of deposit	0	0.000	0	0	0	0.000
1.17 Other issuer credit obligations	0	0.000	0	0	0	0.000
1.18 Total issuer credit obligations	8,678,585,986	29.033	8,678,585,986	0	8,678,585,986	29.033
2. Asset-backed securities (Schedule D, Part 1, Section 2):						
2.01 Financial asset-backed securities – self-liquidating	7,613,561,128	25.470	7,613,561,128	0	7,613,561,128	25.470
2.02 Financial asset-backed securities – not self-liquidating	2,589,470	0.009	2,589,470	0	2,589,470	0.009
2.03 Non-financial asset-backed securities	79,202,569	0.265	79,202,569	0	79,202,569	0.265
2.04 Total asset-backed securities	7,695,353,167	25.743	7,695,353,167	0	7,695,353,167	25.743
3. Preferred stocks (Schedule D, Part 2, Section 1):						
3.01 Industrial and miscellaneous (unaffiliated)	55,452,225	0.186	55,452,225	0	55,452,225	0.186
3.02 Parent, subsidiaries and affiliates	0	0.000	0	0	0	0.000
3.03 Total preferred stocks	55,452,225	0.186	55,452,225	0	55,452,225	0.186
4. Common stocks (Schedule D, Part 2, Section 2):						
4.01 Industrial and miscellaneous - publicly traded (unaffiliated)	9,030,495	0.030	13,804,711	0	13,804,711	0.046
4.02 Industrial and miscellaneous - other (unaffiliated)	132,990,843	0.445	128,216,627	0	128,216,627	0.429
4.03 Parent, subsidiaries and affiliates - publicly traded	0	0.000	0	0	0	0.000
4.04 Parent, subsidiaries and affiliates - other	509,277,461	1.704	509,277,461	0	509,277,461	1.704
4.05 Mutual funds	1,192,500	0.004	1,192,500	0	1,192,500	0.004
4.06 Unit investment trusts	0	0.000	0	0	0	0.000
4.07 Closed-end funds	0	0.000	0	0	0	0.000
4.08 Exchange traded funds	0	0.000	0	0	0	0.000
4.09 Total common stocks	652,491,299	2.183	652,491,299	0	652,491,299	2.183
5. Mortgage loans (Schedule B):						
5.01 Farm mortgages	0	0.000	0	0	0	0.000
5.02 Residential mortgages	5,576,780,860	18.656	5,576,780,859	0	5,576,780,859	18.656
5.03 Commercial mortgages	4,379,549,653	14.651	4,379,549,653	0	4,379,549,653	14.651
5.04 Mezzanine real estate loans	541,756,312	1.812	541,756,312	0	541,756,312	1.812
5.05 Total valuation allowance	0	0.000	0	0	0	0.000
5.06 Total mortgage loans	10,498,086,825	35.119	10,498,086,824	0	10,498,086,824	35.119
6. Real estate (Schedule A):						
6.01 Properties occupied by company	0	0.000	0	0	0	0.000
6.02 Properties held for production of income	499	0.000	0	0	0	0.000
6.03 Properties held for sale	323,272,912	1.081	323,272,912	0	323,272,912	1.081
6.04 Total real estate	323,273,411	1.081	323,272,912	0	323,272,912	1.081
7. Cash, cash equivalents and short-term investments:						
7.01 Cash (Schedule E, Part 1)	41,632,920	0.139	41,632,920	0	41,632,920	0.139
7.02 Cash equivalents (Schedule E, Part 2)	428,356,937	1.433	428,356,937	0	428,356,937	1.433
7.03 Short-term investments (Schedule DA)	17,277,387	0.058	17,277,387	0	17,277,387	0.058
7.04 Total cash, cash equivalents and short-term investments	487,267,244	1.630	487,267,244	0	487,267,244	1.630
8. Contract loans	523,040	0.002	523,040	0	523,040	0.002
9. Derivatives (Schedule DB)	172,748,506	0.578	172,748,506	0	172,748,506	0.578
10. Other invested assets (Schedule BA)	1,253,104,516	4.192	1,253,104,516	0	1,253,104,516	4.192
11. Receivables for securities	75,750,553	0.253	75,750,553	0	75,750,553	0.253
12. Securities Lending (Schedule DL, Part 1)	0	0.000	0	XXX	XXX	XXX
13. Other invested assets (Page 2, Line 11)	0	0.000	0	0	0	0.000
14. Total invested assets	29,892,636,772	100.000	29,892,636,273	0	29,892,636,273	100.000

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SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For The Year Ended December 31, 2025
(To Be Filed by April 1)

Of The Reliance Standard Life Insurance Company

ADDRESS (City, State and Zip Code) Philadelphia , PA 19103

NAIC Group Code 3098 NAIC Company Code 68381 Federal Employer's Identification Number (FEIN) 36-0883760

The Investment Risks Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.

Answer the following interrogatories by reporting the applicable U.S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. $ 30,491,252,146

2. Ten largest exposures to a single issuer/borrower/investment.

	1 Issuer	2 Description of Exposure	3 Amount	4 Percentage of Total Admitted Assets
2.01	PEGASUS FUNDING CORPORATION	BONDS	$ 915,824,667	3.0 %
2.02	VARAGON TRUST II NOTES	BONDS	$ 460,552,435	1.5 %
2.03	DELPHI FINANCIAL GROUP, INC.	COMMON STOCKS	$ 194,129,702	0.6 %
2.04	USB LIHTC FUND 2024-7, L.P.	LIHTC	$ 189,662,914	0.6 %
2.05	STANDARD SECURITY LIFE INSURANCE COMPANY OF NEW YORK	COMMON STOCKS	$ 159,219,069	0.5 %
2.06	FIRST RELIANCE STANDARD LIFE INSURANCE COMPANY	COMMON STOCKS	$ 155,928,690	0.5 %
2.07	2222 MARKET ST	MORTGAGE LOANS	$ 135,303,299	0.4 %
2.08	NATIONAL PLACE	MORTGAGE LOANS	$ 94,144,596	0.3 %
2.09	CHICAGO O'HARE INTERNATIONAL AIRPORT	BONDS	$ 92,519,923	0.3 %
2.10	FEDERAL HOME LOAN BANK OF CHICAGO	COMMON STOCKS	$ 91,250,000	0.3 %

3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC designation.

	Bonds	1	2		Preferred Stocks	3	4
3.01	NAIC 1	$ 8,893,043,001	29.2 %	3.07	NAIC 1	$ 0	0.0 %
3.02	NAIC 2	$ 4,880,109,231	16.0 %	3.08	NAIC 2	$ 26,543,068	0.1 %
3.03	NAIC 3	$ 892,671,240	2.9 %	3.09	NAIC 3	$ 15,163,364	0.0 %
3.04	NAIC 4	$ 1,011,248,018	3.3 %	3.10	NAIC 4	$ 1,195,929	0.0 %
3.05	NAIC 5	$ 558,858,451	1.8 %	3.11	NAIC 5	$ 12,549,864	0.0 %
3.06	NAIC 6	$ 155,286,599	0.5 %	3.12	NAIC 6	$ 0	0.0 %

4. Assets held in foreign investments:

4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets? Yes [ ] No [X]

If response to 4.01 above is yes, responses are not required for interrogatories 5 - 10.

4.02	Total admitted assets held in foreign investments	$ 2,882,992,666	9.5 %
4.03	Foreign-currency-denominated investments	$ 1,120,124,475	3.7 %
4.04	Insurance liabilities denominated in that same foreign currency	$ 0	0.0 %

5. Aggregate foreign investment exposure categorized by NAIC sovereign designation:

			1	2
5.01	Countries designated NAIC-1	$	2,192,644,334	7.2 %
5.02	Countries designated NAIC-2	$	521,775,790	1.7 %
5.03	Countries designated NAIC-3 or below	$	168,572,542	0.6 %

6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign designation:

			1	2
	Countries designated NAIC - 1:			
6.01	Country 1: IRELAND	$	846,554,553	2.8 %
6.02	Country 2: UNITED KINGDOM	$	242,446,473	0.8 %
	Countries designated NAIC - 2:			
6.03	Country 1: MEXICO	$	339,199,070	1.1 %
6.04	Country 2: PERU	$	46,813,474	0.2 %
	Countries designated NAIC - 3 or below:			
6.05	Country 1: BRAZIL	$	46,862,790	0.2 %
6.06	Country 2: COLOMBIA	$	44,706,158	0.1 %

			1	2
7.	Aggregate unhedged foreign currency exposure	$	23,964,681	0.1 %

8. Aggregate unhedged foreign currency exposure categorized by NAIC sovereign designation:

			1	2
8.01	Countries designated NAIC-1	$	2,882,740	0.0 %
8.02	Countries designated NAIC-2	$	10,471,801	0.0 %
8.03	Countries designated NAIC-3 or below	$	10,610,141	0.0 %

9. Largest unhedged foreign currency exposures by country, categorized by the country's NAIC sovereign designation:

			1	2
	Countries designated NAIC - 1:			
9.01	Country 1: AUSTRALIA	$	1,434,262	0.0 %
9.02	Country 2: GERMANY	$	586,249	0.0 %
	Countries designated NAIC - 2:			
9.03	Country 1: MEXICO	$	10,471,801	0.0 %
9.04	Country 2:	$	0	0.0 %
	Countries designated NAIC - 3 or below:			
9.05	Country 1: BRAZIL	$	10,610,141	0.0 %
9.06	Country 2:	$	0	0.0 %

10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:

	1 Issuer	2 NAIC Designation		3	4
10.01	CHESTNUT FUND LTD.	1	$	81,250,000	0.3 %
10.02	CVC CORDATUS LOAN FUND III DESIGNATED ACTIVITY COMPANY	1FE, 2FE	$	46,803,825	0.2 %
10.03	ORBIA ADVANCE CORPORATION, S.A.B. DE C.V.	2FE, 3FE	$	35,279,197	0.1 %
10.04	CVC CORDATUS LOAN FUND VII DESIGNATED ACTIVITY COMPANY	1FE, 2FE	$	28,188,000	0.1 %
10.05	BBVA MÉXICO, S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO BBVA MÉXICO	3FE	$	24,414,556	0.1 %
10.06	GTL TRADE FINANCE INC.	2FE	$	23,413,995	0.1 %
10.07	SUZANO AUSTRIA GMBH	2FE	$	22,237,207	0.1 %
10.08	SOUND POINT EURO CLO 14 FUNDING DESIGNATED ACTIVITY COMPANY	1FE, 2FE	$	21,171,599	0.1 %
10.09	NEUBERGER BERMAN LOAN ADVISERS CLO 51, LTD.	2FE	$	20,975,000	0.1 %
10.10	LLOYDS BANKING GROUP PLC	1FE, 2FE	$	20,547,139	0.1 %

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 11.01 is yes, detail is not required for the remainder of interrogatory 11.

		1	2
11.02	Total admitted assets held in Canadian investments	$ 0	0.0 %
11.03	Canadian-currency-denominated investments	$ 0	0.0 %
11.04	Canadian-denominated insurance liabilities	$ 0	0.0 %
11.05	Unhedged Canadian currency exposure	$ 0	0.0 %

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions:

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

	1	2	3
12.02	Aggregate statement value of investments with contractual sales restrictions	$ 0	0.0 %
	Largest three investments with contractual sales restrictions:		
12.03		$ 0	0.0 %
12.04		$ 0	0.0 %
12.05		$ 0	0.0 %

13. Amounts and percentages of admitted assets held in the ten largest equity interests:

13.01 Are assets held in equity interests less than 2.5% of the reporting entity's total admitted assets? Yes [ ] No [X]

If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.

	1 Issuer	2	3
13.02	DELPHI FINANCIAL GROUP, INC.	$ 194,129,702	0.6 %
13.03	USB LIHTC FUND 2024-7, L.P.	$ 189,662,914	0.6 %
13.04	STANDARD SECURITY LIFE INSURANCE COMPANY OF NEW YORK	$ 159,219,069	0.5 %
13.05	FIRST RELIANCE STANDARD LIFE INSURANCE COMPANY	$ 155,928,690	0.5 %
13.06	FEDERAL HOME LOAN BANK OF CHICAGO	$ 91,250,000	0.3 %
13.07	USB LIHTC FUND 2025-3, L.P.	$ 80,310,843	0.3 %
13.08	GOLDEN ROAD IT 2, LLC	$ 71,661,995	0.2 %
13.09	AMERICAN TAX CREDIT FUND 2023-B, LLC	$ 69,133,215	0.2 %
13.10	PEMZ 2, LLC	$ 54,304,813	0.2 %
13.11	PEMZ 1 LLC	$ 52,050,786	0.2 %

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? Yes [ ] No [X]

If response to 14.01 above is yes, responses are not required for 14.02 through 14.05.

	1	2	3
14.02	Aggregate statement value of investments held in nonaffiliated, privately placed equities	$ 888,578,002	2.9 %
	Largest three investments held in nonaffiliated, privately placed equities:		
14.03	USB LIHTC FUND 2024-7, L.P.	$ 189,662,914	0.6 %
14.04	FEDERAL HOME LOAN BANK OF CHICAGO	$ 91,250,000	0.3 %
14.05	USB LIHTC FUND 2025-3, L.P.	$ 80,310,843	0.3 %

Ten largest fund managers:

	1 Fund Manager	2 Total Invested	3 Diversified	4 Nondiversified
14.06	DREYFUS TRS OBS CM INST	$ 428,221,937	$ 428,221,937	$ 0
14.07	USB LIHTC FUND 2024-7, L.P.	$ 189,662,914	$ 189,662,914	$ 0
14.08	USB LIHTC FUND 2025-3, L.P.	$ 80,310,843	$ 80,310,843	$ 0
14.09	GOLDEN ROAD IT 2, LLC	$ 71,661,995	$ 71,661,995	$ 0
14.10	AMERICAN TAX CREDIT FUND 2023-B, LLC	$ 69,133,215	$ 69,133,215	$ 0
14.11	PEMZ 2, LLC	$ 54,304,813	$ 54,304,813	$ 0
14.12	PEMZ 1 LLC	$ 52,050,786	$ 52,050,786	$ 0
14.13	BLUE ASH INVESTMENT TRUST	$ 47,682,439	$ 47,682,439	$ 0
14.14	USA INSTITUTIONAL TANDEM TAXCREDIT FUND CXLVIII LP	$ 42,060,515	$ 42,060,515	$ 0
14.15	FRB-WESTLAKE MANAGEMENT, LLC	$ 36,697,066	$ 36,697,066	$ 0

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? Yes [ ] No [X]

If response to 15.01 above is yes, responses are not required for the remainder of Interrogatory 15.

	1	2	3
15.02	Aggregate statement value of investments held in general partnership interests	$ 872,203,424	2.9 %
	Largest three investments in general partnership interests:		
15.03	USB LIHTC FUND 2024-7, L.P.	$ 189,662,914	0.6 %
15.04	USB LIHTC FUND 2025-3, L.P.	$ 80,310,843	0.3 %
15.05	GOLDEN ROAD IT 2, LLC	$ 71,661,995	0.2 %

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets? Yes [ ] No [X]

If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

	1 Type (Residential, Commercial, Agricultural)	2	3
16.02	COMMERCIAL	$ 135,303,299	0.4 %
16.03	COMMERCIAL	$ 94,144,596	0.3 %
16.04	COMMERCIAL	$ 89,827,496	0.3 %
16.05	COMMERCIAL	$ 87,323,703	0.3 %
16.06	COMMERCIAL	$ 85,504,352	0.3 %
16.07	COMMERCIAL	$ 85,000,000	0.3 %
16.08	COMMERCIAL	$ 83,755,866	0.3 %
16.09	COMMERCIAL	$ 82,357,077	0.3 %
16.10	COMMERCIAL	$ 78,443,904	0.3 %
16.11	COMMERCIAL	$ 77,928,734	0.3 %

Amount and percentage of the reporting entity's total admitted assets held in the following categories of mortgage loans:

		Loans	
16.12	Construction loans	$ 102,905,371	0.3 %
16.13	Mortgage loans over 90 days past due	$ 442,091,821	1.4 %
16.14	Mortgage loans in the process of foreclosure	$ 235,395,644	0.8 %
16.15	Mortgage loans foreclosed	$ 163,544,636	0.5 %
16.16	Restructured mortgage loans	$ 150,023,552	0.5 %

17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:

		Residential		Commercial		Agricultural	
	Loan to Value	1	2	3	4	5	6
17.01	above 95%	$ 58,006,735	0.2 %	$ 65,015,821	0.2 %	$ 0	0.0 %
17.02	91 to 95%	$ 47,714,967	0.2 %	$ 83,367,616	0.3 %	$ 0	0.0 %
17.03	81 to 90%	$ 648,590,811	2.1 %	$ 302,482,250	1.0 %	$ 0	0.0 %
17.04	71 to 80%	$ 2,364,754,883	7.8 %	$ 1,013,126,136	3.3 %	$ 0	0.0 %
17.05	below 70%	$ 2,457,713,463	8.1 %	$ 3,457,314,142	11.3 %	$ 0	0.0 %

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:

18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.

Largest five investments in any one parcel or group of contiguous parcels of real estate.

	Description 1	2	3
18.02		$ 0	0.0 %
18.03		$ 0	0.0 %
18.04		$ 0	0.0 %
18.05		$ 0	0.0 %
18.06		$ 0	0.0 %

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans:

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 19.01 is yes, responses are not required for the remainder of Interrogatory 19.

	1	2	3
19.02	Aggregate statement value of investments held in mezzanine real estate loans:	$ 0	0.0 %
	Largest three investments held in mezzanine real estate loans:		
19.03		$ 0	0.0 %
19.04		$ 0	0.0 %
19.05		$ 0	0.0 %

20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

		At Year End 1	At Year End 2	At End of Each Quarter 1st Quarter 3	2nd Quarter 4	3rd Quarter 5
20.01	Securities lending agreements (do not include assets held as collateral for such transactions)	$ 0	0.0 %	$ 0	$ 0	$ 0
20.02	Repurchase agreements	$ 0	0.0 %	$ 0	$ 0	$ 0
20.03	Reverse repurchase agreements	$ 0	0.0 %	$ 0	$ 0	$ 0
20.04	Dollar repurchase agreements	$ 0	0.0 %	$ 0	$ 0	$ 0
20.05	Dollar reverse repurchase agreements	$ 0	0.0 %	$ 0	$ 0	$ 0

21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floors:

		Owned 1	Owned 2	Written 3	Written 4
21.01	Hedging	$ 0	0.0 %	$ 0	0.0 %
21.02	Income generation	$ 0	0.0 %	$ 0	0.0 %
21.03	Other	$ 0	0.0 %	$ 0	0.0 %

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

		At Year End 1	At Year End 2	At End of Each Quarter 1st Quarter 3	2nd Quarter 4	3rd Quarter 5
22.01	Hedging	$ 19,037,463	0.1 %	$ 13,489,041	$ 13,442,912	$ 19,381,314
22.02	Income generation	$ 0	0.0 %	$ 0	$ 0	$ 0
22.03	Replications	$ 0	0.0 %	$ 0	$ 0	$ 0
22.04	Other	$ 0	0.0 %	$ 0	$ 0	$ 0

23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:

		At Year End 1	At Year End 2	At End of Each Quarter 1st Quarter 3	2nd Quarter 4	3rd Quarter 5
23.01	Hedging	$ 392,883	0.0 %	$ 770,399	$ 1,385,939	$ 1,015,360
23.02	Income generation	$ 0	0.0 %	$ 0	$ 0	$ 0
23.03	Replications	$ 0	0.0 %	$ 0	$ 0	$ 0
23.04	Other	$ 0	0.0 %	$ 0	$ 0	$ 0