

STATE OF CONNECTICUT

INSURANCE DEPARTMENT

ORDER ADOPTING REPORT OF EXAMINATION

I, Andrew N. Mais, Insurance Commissioner of the State of Connecticut, having fully considered and reviewed the Examination Report (the “Report”) of **American Maturity Life Insurance Company** (the “Company”) as of December 31, 2022 do hereby adopt the findings and recommendations contained therein based on the following findings and conclusions.

TO WIT:

1. I, Andrew N. Mais, Insurance Commissioner of the State of Connecticut and as such is charged with the duty of administering and enforcing the provisions of Title 38a of the Connecticut General Statutes (“C.G.S.”).
2. The Company is a domestic insurer authorized to transact the business of insurance in the State of Connecticut.
3. On June 21, 2024, the verified Report of the Company was filed with the Connecticut Insurance Department (the “Department”).
4. In accordance with C.G.S. §38a-14(e)(3), the Company was afforded a period of thirty (30) days within which to submit to the Department a written submission or rebuttal with respect to any matters contained in the Report.
5. On June 27, 2024, the Company notified the Department of certain responses and comments on certain items contained in the Report.
6. Following review of the Report, it was deemed necessary and appropriate to modify the Report. A copy of the Report is attached hereto and incorporated herein as Exhibit A.

NOW, THEREFORE, it is ordered as follows:

1. That the Report of the Company is hereby adopted as filed with the Department.
2. That the Company shall comply with the recommendations set forth in the Report, and that failure by the Company to so comply shall result in sanctions or administrative action as provided by Title 38a of the C.G.S.
3. Section 38a-14(e)(4)(A) of the C.G.S. requires that:

"The secretary of the Board of Directors or similar governing body of the entity shall provide a copy of the report or summary to each director and shall certify to the Commissioner, in writing, that a copy of the report or summary has been provided to each director."

Please address the certification to the Commissioner but send said certification to the care/attention of William Arfanis, Assistant Deputy Commissioner of the Financial Regulation Division.

4. Section 38a-14(e)(4)(B) of the C.G.S. requires that:

"Not later than one hundred twenty days after receiving the report or summary the chief executive officer or the chief financial officer of the entity examined shall present the report or summary to the entity's Board of Directors or similar governing body at a regular or special meeting."

This will be verified by the Insurance Department either through analysis or examination follow-up.

Dated at Hartford, Connecticut, this 27th day of June, 2024.



Andrew N. Mais
Insurance Commissioner

Exhibit A

EXAMINATION REPORT

OF THE

AMERICAN MATURITY LIFE INSURANCE COMPANY
(NAIC # 81213)

AS OF

DECEMBER 31, 2022

BY THE

CONNECTICUT INSURANCE DEPARTMENT



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June 21, 2024

The Honorable Andrew N. Mais
Insurance Commissioner
State of Connecticut Insurance Department
153 Market Street
Hartford, CT 06103

Dear Commissioner:

In compliance with your instructions and pursuant to the requirements of Section 38a-14 of the Connecticut General Statutes (CGS), the undersigned has conducted a financial examination of the condition and affairs of the

AMERICAN MATURITY LIFE INSURANCE COMPANY

(hereinafter referred to as the Company or AMLIC), a privately held capital stock corporation incorporated under the laws of the State of Connecticut and having its statutory home office located at One American Row, Hartford, CT. The report of such examination is submitted herewith.

AMERICAN MATURITY LIFE INSURANCE COMPANY

SCOPE OF EXAMINATION

The previous examination of the Company was conducted as of December 31, 2017. The current examination, which covers the subsequent five year period, through December 31, 2022, was conducted on a full scope, comprehensive basis, at the statutory home office of the Company, in accordance with the procedures outlined in the National Association of Insurance Commissioners (NAIC) Financial Examiners Handbook (the Handbook) by the Connecticut Insurance Department (the Department). Concurrent examinations were also conducted on Talcott Resolution Life Insurance Company (TLIC), Talcott Resolution Life and Annuity Insurance Company (TLAN), and Talcott Resolution International Life Reassurance Corporation (TILRe).

A multi-entity limited-scope examination of the Talcott Resolution Companies (the Group) was previously conducted by the Department, as of May 31, 2019, to review and assess its separation and stand-alone operations from The Hartford Financial Services Group, Inc. (HFSG) at the time to operate as an independent stand-alone entity. The Department concluded that the Group's progress was satisfactorily on track and noted no material concerns associated with the Group's corporate governance structure and was consistent with its most recent ORSA filing at that time.

As a part of the examination planning procedures, the Department reviewed the following documentation submitted by the Company:

- The 2018 through 2022 statutory-basis audit reports by Deloitte & Touche, LLP (D&T), the Company's independent certified public accountants;
- Management's Discussion and Analysis for the years 2018 through 2022;
- The 2018 through 2022 Annual Statements filed with the Department;
- Documentation supporting internal control processes and/or testing in 2022, or earlier if applicable and available;
- Minutes of the Board of Directors (Board), Committees to the Board, custodial agreements, and other documents related to significant transactions that require prior approval, or requests for deviations from the NAIC Accounting Practices and Procedures Manual (Manual); and
- A review of the statutory audit opinions, which indicated no material concerns, with respect to financial condition or regulatory compliance issues.

A comprehensive review was made of the pre-examination memorandum and other documents provided by or submitted to the Financial Analysis Unit of the Department. Examination Jumpstart and other financial reports obtained from the NAIC database were also reviewed.

Work papers prepared by D&T, as of December 31, 2022, in connection with their annual statutory audits, were reviewed and relied upon to the extent deemed appropriate.

We conducted our examination in accordance with the Handbook. The Handbook requires that the Department plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company and evaluate information technology system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's

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surplus to be materially misstated, both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination, an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

Failure of items in the report to add to totals or for totals to agree with captioned amounts is due to rounding.

HISTORY

The Company was originally incorporated in 1972 as New Century Life Insurance Company. In 1988, it was renamed First Equicor Life Insurance Company (First Equicor).

In April 1994, Hartford Life and Accident Insurance Company (HLAC), the Company's immediate parent company and member of the ITT Hartford Group, Inc. purchased 100% of the common stock of California domiciled First Equicor from Connecticut General Life Insurance Company (Connecticut General). At the time of purchase, First Equicor was a non-operational insurance company since all inforce business had been ceded to Connecticut General entities.

In July of 1994, First Equicor was redomesticated to Connecticut and its name was changed to AMLIC.

On December 1, 1994, Pacific Mutual Life Insurance Company (Pacific Mutual) purchased 40% of the 5,000 outstanding common stock shares of AMLIC. AMLIC commenced writing business in the first quarter of 1995.

On October 31, 2001, HLAC purchased from Pacific Mutual, its 40% ownership of AMLIC. As a result of the purchase, HLAC owned 100% of the Company's issued and outstanding common stock.

On August 30, 2002, HFSG restructured the life insurance organization by forming Hartford Holdings Inc. (Hartford Holdings), a Delaware insurance holding company. As a result of the reorganization, the Company became wholly owned by HLAC, which was wholly owned by Hartford Life, Inc. which in turn, was wholly owned by Hartford Holdings. The ultimate parent was HFSG.

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On April 1, 2016, HLAC sold AMLIC to Hartford Life International Holding Company, a direct subsidiary of Hartford Life Insurance Company (HLIC) which resulted in HLIC owning AMLIC, Hartford Life and Annuity Insurance Company and Hartford International Reassurance Corporation. This group of companies became known as Talcott Resolution. The Company became 100% owned by Hartford Life, LTD. and is part of a holding company structure in which the ultimate parent company, HFSG is publicly traded.

On May 31, 2018, Talcott Resolution was acquired from HFSG by a consortium of private equity investors, led by Cornell Capital LLC, Atlas Merchant Capital LLC, TRB Advisors LP, Global Atlantic Financial Group Ltd., Pine Brook, and J. Safra Group. Prior to the sale, TLIC (formerly HLIC) directly wrote group life and disability insurance business, which was all ceded to HLAC.

On January 18, 2021, Talcott Resolution's indirect owners, Hopmeadow Holdings GP LLC, and Hopmeadow Holdings LP, entered into a definitive agreement to merge Hopmeadow Holdings LP with a subsidiary of Sixth Street, a global investment firm. The merger was subject to regulatory approvals and other customary closing conditions. The purchase and change in control, from Hopmeadow to Sixth Street investors occurred on June 30, 2021. As a result of the transaction, the Group had new indirect owners.

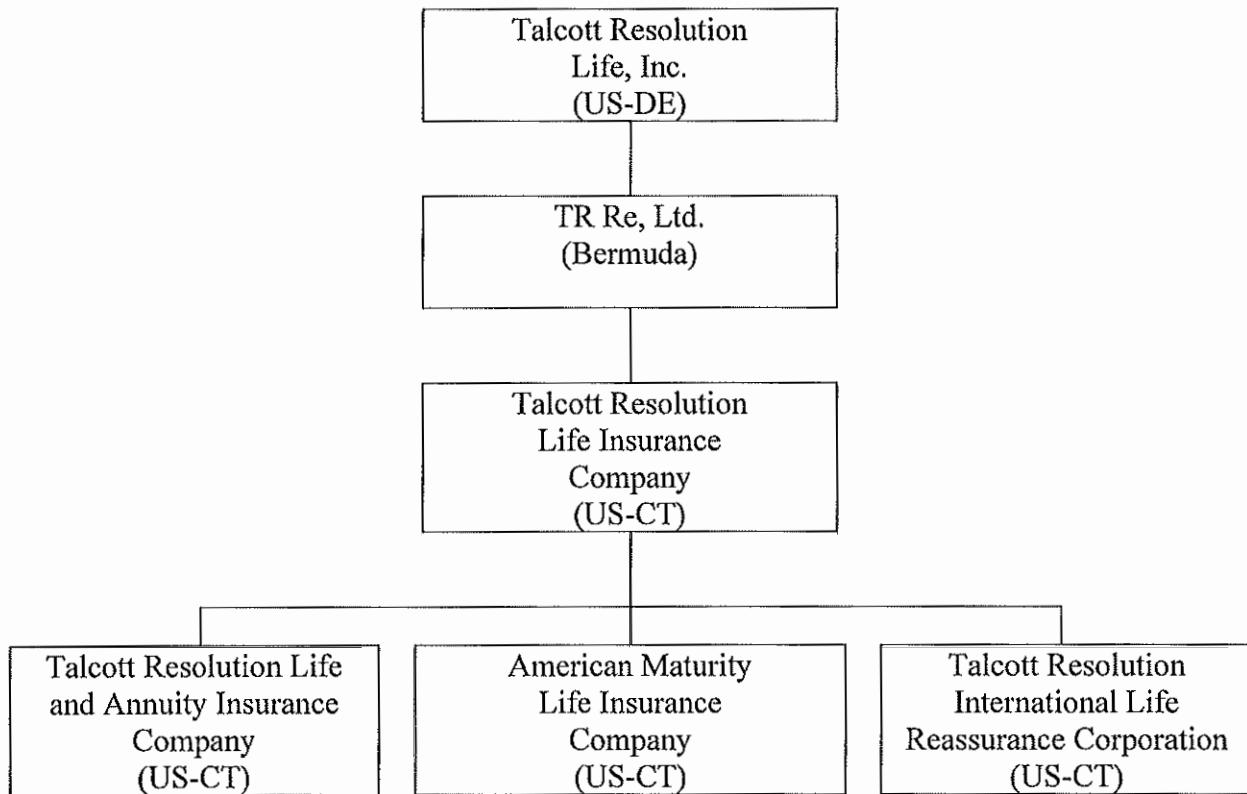
Pursuant to a restructuring on December 30, 2021, TR Re, Ltd. (TRRe) became the direct parent of TLIC, and indirect parent of TLAN, AMLIC, and TILRE, approved by the Department on November 18, 2021.

The Group's businesses now also include Talcott Life Re, Ltd. (TLR) and Talcott Life & Annuity Re, Ltd (TLAR), collectively Talcott Re, which are domiciled in Bermuda and the Cayman Islands, respectively. Talcott Re is the international reinsurer for the Talcott Financial Group. Talcott Resolution continues to be the U.S. focused arm of the Group.

AMERICAN Maturity LIFE INSURANCE COMPANY

ORGANIZATION CHART

The following is a partial organization chart of the Company, its parent, subsidiaries, and affiliates, as of December 31, 2022:



TRRe is the insurance company controlling entity through its 100% ownership of TLIC and is part of a holding company structure in which the ultimate parent company, Talcott Resolution Life, Inc. is owned by Sixth Street a global investement firm based in San Francisco, California.

MANAGEMENT AND CONTROL

The Company is a member of an insurance holding company system as defined in Section 38a-138.1 to 38a-138.1b of the Connecticut Insurance Regulations and Section 38a-135 of the CGS.

In accordance with the Company's By-laws, amended and restated as of June 1, 2018, all meetings of the shareholders of the Company shall be held at such place or places, within or outside the state of Connecticut, as may be fixed by the Board from time to time or as shall be specified in the respective notices thereof. An annual meeting of shareholders shall be held at such place (within or outside the state of Connecticut), date and hour as shall be determined by the Board and designated in the notice thereof. At each annual meeting, the shareholders shall elect the members of the Board for the succeeding year.

AMERICAN MATURITY LIFE INSURANCE COMPANY

Special meetings of the shareholders may be called for any purpose or purposes by the Chairman, the President, the Secretary, or any Assistant Secretary, or by a majority of the entire Board.

A majority of the number of the votes entitled to be cast on a matter shall constitute a quorum for action on that matter.

The business and affairs of the Company shall be managed by or under the direction of the Board, which may exercise all the powers of the Company except such as are by applicable law, the Certificate of Incorporation, or by the By-laws.

The Board may hold its meetings, both regular and special, either within or outside of the State of Connecticut, at such places as from time to time may be determined by the Board or as may be designated in the respective notices or waivers of notice thereof. A majority of the number of Directors in office immediately before the meeting begins shall constitute a quorum for the transactions of business.

Members of the Board serving the Company at December 31, 2022, were as follows:

<u>Name</u>	<u>Title</u>
Matthew J. Poznar	Chief Investment Officer, TLIC
Peter F. Sannizzaro	Former President and Chief Executive Officer, TLIC
Robert R. Siracusa	Interim Co-President and Chief Financial Officer, TLIC

Committees:

The Board by resolution may designate individuals to serve on one or more Committees from among its members. One-third of the members of a Committee, but no less than two, will constitute a quorum. Any such Committee shall have and may exercise the powers of the Board in the management of the business, property and affairs of the Company, as shall be provided in the By-laws or as the Board may delegate to such Committees by resolution, consistent with applicable law, the Certificate and the By-laws.

On June 15, 2018, the Department acknowledged for the purposes of Sections 38a-54-1 through 38a-54-14 of the Connecticut Insurance Regulations, that the TLIC Audit Committee had elected for the TLIC audit committee to be deemed to be the audit committee of each of its subsidiaries, including TLAN, AMLIC, and TILRe.

Members of the Board serving the Company's Audit Committee at December 31, 2022, were as follows:

<u>Name</u>	<u>Title and Principal Business Affiliation</u>
Robert W. Stein	Former Global Actuarial Director, Ernst & Young, LLP
Ronald K. Tanemura	Former Goldman Sachs & Co, Participating Managing Director

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Company Officers:

The officers serving the Company at December 31, 2022, were as follows:

<u>Name</u>	<u>Title</u>
Lisa M. Proch	Interim Co-President, Chief Legal Officer and Chief Compliance Officer
Robert R. Siracusa	Interim Co-President & Chief Financial Officer
Michael R. Hazel	Vice President and Controller
Jeremy M. Billiel	Assistant Vice President and Treasurer
Zengdi Zhuang	Assistant Vice President and Appointed Actuary
Christopher B. Cramer	Senior Vice President and Corporate Secretary

RELATED PARTY AGREEMENTS

The Company is a party to several related party transaction agreements. The material agreements are as follows:

Services and Cost Allocation Agreement

Effective July 1, 2021, the Company entered into an Amended Services and Cost Allocation Agreement that authorizes affiliates of the Company to obtain operating services from each other to conduct business activities and provide fair and equitable compensation for the services provided. Expenses covered under the agreement are allocated based on a cost-plus basis.

Investment Advisory Services Agreement

Effective December 28, 2021, the Company entered into an Investment Management Agreement with Sixth Street Insurance Solutions, LP to provide investment management services, with discretionary authority and in connection with covered investment strategies, with respect to certain general account assets. The Company is charged a quarterly management fee based on a percentage of the average monthly portfolio market value attributable to each asset class set forth in the agreement. The investment objectives and a statement of the restrictions on the investment of the assets of the Company are included in the agreement.

Tax Allocation Agreement:

The Company and certain affiliates and subsidiaries are parties to a Tax Allocation Agreement, effective June 26, 2018, with TRRe to file a consolidated U.S. federal income tax return. The tax sharing allocation agreement provides that any subsidiary having taxable income will pay a tax liability equivalent to what that subsidiary would have paid if it had filed a separate federal income tax return for the year. A subsidiary that would result in a tax loss would receive the benefit resulting from such loss.

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INSURANCE COVERAGE

The Company is insured under a fidelity policy issued by Federal Insurance Company. Talcott Financial Group Investments LLC and its affiliates are listed as named insureds. The coverages include a single loss limit of liability of \$10 million and a single loss deductible of \$250,000. These limits exceed the suggested minimum as outlined in the Handbook.

TERRITORY AND PLAN OF OPERATION

The Company is authorized to write life non-participating, variable annuities and accident and health insurance policies. The Company is licensed to transact business in all states and the District of Columbia.

The Company had offered annuities exclusively to members of the AARP. On April 12, 1999, the Company's Board suspended the marketing and acceptance of new applications for the annuity program. On January 2, 2001, following regulatory approval, the Company finalized reinsurance agreements with Allstate Life Insurance Company (Allstate), whereby Allstate reinsured 100% of the Company's non-New York General Account policy liabilities based on coinsurance arrangements and 100% of non-New York Separate Account policy liabilities based on coinsurance and modified coinsurance arrangements. The Company no longer actively markets or writes new business.

Talcott Resolution was formed to oversee the life insurance and annuity run-off segment, to manage risk, maximize capital efficiency, and optimize profitability. As a result, the Company, its parent TLIC, and its affiliates TLAN and TILRe are all in run-off and do not write new business.

REINSURANCE

Reinsurance Assumed

The Company had no assumed reinsurance.

Reinsurance Ceded

The majority of the Company's direct written insurance premiums consists of group annuities, which is nearly 100 % ceded, on a coinsurance and modified coinsurance basis, to Everlake Life Insurance Company, formerly Allstate Life Insurance Company.

INFORMATION TECHNOLOGY CONTROLS

Jennan Enterprises, LLC. (Jennan) was engaged by the Department to perform a risk-based assessment and review of IT General Controls (ITGC's) in accordance with NAIC requirements as outlined in the Handbook. The guidance and direction used to perform the review of the ITGC's was derived from Exhibit C Part One – Information Technology Planning Questionnaire (ITPQ) and Exhibit C - Part Two – Information Technology Work Program (collectively Exhibit C). The Company's responses to the ITPQ were evaluated, and certain controls within the IT environment

AMERICAN MATURITY LIFE INSURANCE COMPANY

were tested to assess whether the selected controls were designed effectively and were functioning properly.

The evaluation of IT controls focused on the following areas: management and organizational governance; data processing infrastructure; program change controls; system development controls; logical and physical security; and business continuity plans.

Based upon the risk-based assessment and review, the IT general controls were determined to be effective.

ACCOUNTS AND RECORDS

The Company reports all financial accounting transactions in Fusion, an Oracle ERP system. Fusion is the official book of record for the Company's financial accounting operations, which is a cloud-based ledger system. The Company converted from Horizon, a PeopleSoft, Inc. general ledger system, to Fusion in 2019.

The Company uses Sovos Wings software package (Wings) to assist in the preparation of its annual statements. The Company converted from Book and The Complete Package software program to Wings during the first quarter of 2021.

General ledger account balances were reconciled and traced to appropriate asset, liability, and income statement lines on the Annual Statement for 2021 and 2022.

FINANCIAL STATEMENTS

The following statements represent the Company's financial position, as filed by the Company, as of December 31, 2022. No adjustments were made to surplus as a result of the examination.

AMERICAN MATURITY LIFE INSURANCE COMPANY

ASSETS

	Assets	Non-admitted Assets	Net Admitted Assets
Bonds	\$50,500,327		\$50,500,327
Cash, cash equivalents and short-term investments	1,119,662		1,119,662
Investment income due and accrued	91,327		91,327
Reinsurance:			
Other amounts receivable under reinsurance contracts	1,348		1,348
Net deferred tax asset	120,506	\$63,458	57,048
Interest Maintenance Reserve	6,807	6,807	0
Total assets excluding Separate Accounts, Segregated accounts and Protected Cell Accounts	51,839,977	70,265	51,769,712
From Separate Accounts, Segregated Accounts and Protected Cell Accounts	12,514,302		12,514,302
Total	<u>\$64,354,279</u>	<u>\$70,265</u>	<u>\$64,284,014</u>

LIABILITIES, SURPLUS AND OTHER FUNDS

Aggregate reserve for life contracts	\$547,453
General expenses due or accrued	1,640
Transfers to Separate Accounts due or accrued	(144,641)
Current federal and foreign income taxes	30,376
Remittances and items not allocated	1,915
Miscellaneous liabilities:	
Payable to parent, subsidiaries and affiliates	20,688
Total liabilities excluding Separate Accounts	457,431
From Separate Accounts Statement	12,514,302
Total liabilities	12,971,733
Common capital stock	2,500,000
Gross paid in and contributed surplus	57,481,154
Unassigned funds (surplus)	(8,668,873)
Surplus	48,812,281
Total surplus and other funds	51,312,281
Total liabilities and surplus	<u>\$64,284,014</u>

AMERICAN MATURITY LIFE INSURANCE COMPANY

SUMMARY OF OPERATIONS

Premiums and annuity considerations for life and accident and health contracts	\$3,608
Net investment income	727,862
Amortization of Interest Maintenance Reserve (IMR)	722
Reserve adjustment on reinsurance ceded	(1,341,351)
Miscellaneous income:	
Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	117,600
Aggregate write-ins for miscellaneous income	(8,260)
Total	(499,819)
Annuity benefits	5,247
Surrender benefits and withdrawals for life contracts	204,369
Increase in aggregate reserves for life and accident and health contracts	3,763
Totals	213,379
General insurance expenses	1,661
Insurance taxes, licenses and fees, excluding federal income tax	91,157
Net transfers to or (from) Separate Accounts net of reinsurance	(1,485,803)
Aggregate write-ins for deductions	5,258
Totals	(1,174,348)
Net gain from operations before dividends to policyholders, refunds to members and federal income taxes	674,529
Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes	674,529
Federal and foreign income taxes incurred	96,902
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses)	577,627
Net realized gains (losses) transferred to the IMR less capital gains tax	(1,139)
Net income	<u>\$576,488</u>

CAPITAL AND SURPLUS ACCOUNT

Capital and surplus, December 31, prior year	\$50,748,994
Net income	576,488
Change in net deferred income tax	(43,459)
Change in nonadmitted assets	30,258
Net change in capital and surplus for the year	563,287
Capital and surplus, December 31, current year	<u>\$51,312,281</u>

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SEPARATE ACCOUNTS

The Company has established separate accounts to which it allocates certain amounts received under variable life and variable annuity business. The Company, through its general and separate accounts, offered individual and group variable life insurance and individual variable annuity products. Compensation is earned in the form of investment management fees, investment margin and asset value expense charges.

The financial statement of the separate accounts as of December 31, 2022, was as follows:

INSULATED

ASSETS

	General Account Basis	Fair Value Basis	Total
Common stocks		\$11,050,177	\$11,050,177
Cash and cash equivalents		1,319,179	1,319,179
Subtotals-cash and invested assets		\$12,369,356	\$12,369,356
Total		<u>\$12,369,356</u>	<u>\$12,369,356</u>

LIABILITIES AND SURPLUS

	General Account Basis	Fair Value Basis	Total
Aggregate reserve for life, annuity and accident and health contracts		\$12,405,442	\$12,405,442
Other transfers to general account due or accrued		(36,086)	(36,086)
Total liabilities		12,369,356	12,369,356
Totals		<u>\$12,369,356</u>	<u>\$12,369,356</u>

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NON-INSULATED

ASSETS

	General Account Basis	Fair Value Basis	Total
Bonds		\$97,020	\$97,020
Cash and cash equivalents		47,707	47,707
Subtotals-cash and invested assets		\$144,727	\$144,727
Investment income due and accrued		220	220
Total		<u>\$144,947</u>	<u>\$144,947</u>

LIABILITIES AND SURPLUS

	General Account Basis	Fair Value Basis	Total
Other transfers to general account due or accrued		\$144,947	\$144,947
Total liabilities		144,947	144,947
Totals		<u>\$144,947</u>	<u>\$144,947</u>

INVESTMENTS

The Department engaged Risk & Regulatory Consulting, LLC to conduct an evaluation of the Group's investment holdings. Based upon the review no material findings were noted that affected the investment holdings of the Group. However, based upon the review, the following improvements were noted to enhance compliance with Section 38a-54-11 of the CGS for the Group:

Enhancements to Board Governance Over Investments

While the Talcott Financial Group Investments, LLC Board includes independent Directors with investment experience, the only Directors with sufficient investment background experience to properly monitor and manage investment risks on the Company's Board are Officers of the Company.

It is recommended that the Company authorize a committee of TLIC's Board that includes at least one independent Director with sufficient investment expertise to review the investments and investment practices of the Company and its affiliated insurance entities, TLIC, TLAN, and TILRe and to oversee investment strategic decisions for the Company with regular reporting to each affiliated board of directors. It is also recommended that reporting to this committee include detailed analysis by asset class along with detailed risk components and attributes on a legal entity basis.

AMERICAN MATURITY LIFE INSURANCE COMPANY

Enhancements to Management Oversight, Validation of Investment Manager Reporting, and Controls Assessment and Servicing

The Company relies substantially on its investment managers' control environment and reporting. The Company's investment team does not perform sufficient independent assessments to determine reliance of the reporting received from its investment managers or review, in coordination with Internal Audit (IA), the controls testing provided by the investment manager.

It is recommended that the Company conduct independent assessments of its investment managers, enhance management oversight of investment manager reporting, controls, and service assessments by actively monitoring investment managers' performance, analyze strategy updates, assess adherence to investment guidelines, and regularly review portfolio asset allocation decisions, and how those allocation decisions impact the risk profile.

Enhancements over Internal Audit Testing

The Company relies substantially on its investment managers' controls and reporting. Accordingly, the Company's independent assessment of reporting received from investment managers, including assessment by IA, should be further developed to improve the validation process and control testing.

It is recommended that the Company, in coordination with IA, enhance investment manager oversight by strengthening operational and information technology testing methodologies, ensuring transparent and complete data is received from investment managers, and align controls review with industry standards to sufficiently assess the operating effectiveness of controls at its investment managers.

Use of Third-Party Investment Managers

The Company relies substantially on its investment managers' controls and reporting. Accordingly, the Company's independent assessment of reporting received from investment managers, including assessment by IA, should be further developed to improve the validation process and control testing.

It is recommended that the Company perform a detailed review of available SOC reports from its investment managers. Where a SOC report is not available, it is recommended that the Company perform an independent assessment over the controls at the investment manager to assess reliance on the operating effectiveness of those controls and reporting.

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AGGREGATE RESERVE FOR LIFE CONTRACTS

\$547,453

The Department engaged Claire Thinking Consultants (Claire Thinking) to assist in the review and assessment of the Company's actuarial computed loss reserves, liquidity, asset/liability matching, and significant assumed and ceded reinsurance treaties as of December 31, 2022.

Consistent with the risk focused surveillance approach to the examination, the Department reviewed and relied upon analyses and tests documented by the Company, Claire Thinking and the Company's independent auditors. Reviews of the Company's primary lines of business were conducted by Claire Thinking and the Department to determine whether the Company's reserves were established in accordance with minimum standards for the valuation of liabilities specified in the Actuarial Guidelines and applicable Actuarial Standards of Practice. In performing the reserve review and analysis, the Department conducted the following:

- Reviewed and analyzed statutory Annual Statements from 2018 through 2022;
- met with Company management to gather an understanding of the Company's business, its procedures governing actuarial calculations, its approach to risk management, and its likely areas of financial and business risk;
- reviewed tests performed by the Company's actuaries and D&T, and performed independent supplemental reserve calculations;
- reviewed experience study information compiled and provided by the Company in support of the major assumptions used in the asset to liability analysis; and
- reviewed and analyzed the Company's Statement of Actuarial Opinion and Actuarial Memorandum for the years covered under the examination.

Assessment of Reserve Risk

The Department conducted a review to form a conclusion regarding the risk that actual losses or other contractual payments reflected in the corresponding reserves were greater than the carried liabilities. For some products or exposures, this risk includes a consideration that reserves plus future revenue, less expenses, will be insufficient to pay future benefits. The Department conducted a review of internal controls regarding the claim liability and reserving processes. Various tests were performed to verify the appropriateness of the processes and the actual calculations for the policy reserves, claim reserves and the contract claims liabilities. The Department verified that the reported reserves and liabilities are consistent with those calculated by the Company's actuaries, and the results of their analysis show that the reported liability is sufficient to cover the expected future claims.

Assessment of Reinsurance Arrangements

A review of key reinsurance treaties and other related Company descriptions of its significant reinsurance agreements was performed and compared to Schedule S of the Company's annual statement. The review also included an evaluation of reinsurance reserve implications. Reinsurance agreements providing significant coverage and material reserve credits were evaluated to ensure compliance with risk transfer requirements.

AMERICAN MATURITY LIFE INSURANCE COMPANY

Assessment of Liquidity Risk

The Department conducted testing to form a conclusion regarding the ability of the Company to meet contractual obligations as they become due because of an inability to liquidate assets or obtain adequate funding without incurring unacceptable losses. This may arise with the occurrence of an event such that the insurer will not have enough cash resources or liquid assets to meet its cash obligations. Based on a review of the Actuarial Memorandum and other analysis of the Company's assets and liabilities, the Department concluded that liquidity risk does not appear to be a major concern for the Company.

Assessment of Underwriting and Premium Pricing Risk:

The Department conducted testing to form a conclusion regarding the development and update of underwriting manuals, premium pricing development rationale, credits and other offsets were adequate, and analysis conducted on claim development supports premium rate changes among products and industries.

Conclusion

Based upon the risk focused assessment and review, no material findings were noted which affected the Company's reserving, liquidity, reinsurance, and underwriting and premium pricing risks.

COMMON CAPITAL STOCK \$2,500,000

As of December 31, 2022, the Company had 15,000 shares of common capital stock authorized and 12,500 shares issued and outstanding, with a par value of \$200. All shares are owned by TLIC, which in turn is owned by TRRe. Sixth Street is the ultimate parent company.

The Company paid no dividends to its parent during the examination period.

GROSS PAID IN AND CONTRIBUTED SURPLUS \$57,481,154

The balance of the account did not change during the current period under review.

UNASSIGNED FUNDS (SURPLUS) \$(8,668,873)

The following exhibit reflects the balance of this account during the period under review:

2021	\$ (9,232,160)
2020	\$ (9,652,255)
2019	\$(10,344,155)
2018	\$(11,066,239)

AMERICAN MATURITY LIFE INSURANCE COMPANY

SUMMARY OF RECOMMENDATIONS

Pg.

13 Investments

It is recommended procedures are adopted to enhance compliance with Section 38a-54-11c of the CGS for the Group. These are detailed in the body of the examination report section captioned “Enhancements to Board Governance Over Investments”, “Enhancements to Management Oversight, Validation of Investment Manager Reporting, and Controls Assessment and Servicing”, Enhancements over Internal Audit Testing” and “Use of Third-Party Investment Managers”.

SUBSEQUENT EVENTS

- On July 17, 2023, Talcott announced the appointment of Michael Smith as Executive Chairman of Talcott Financial Group.
- As of October 2023, Imran Siddiqui was appointed Chief Executive Officer of Talcott Financial Group and will lead the U.S. leadership team. Under the newly formed group alignment, Lisa Proch will resume her duties as the Insurance Companies (Companies) Chief Legal Officer and Chief Compliance Officer and Robert Siracusa (formerly, Interim Co-President & Chief Financial Officer) has retired. The group functional organizational structure will not include a Chief Financial Officer at the Company level as the Group Finance Organization will be led by Adam Laing, who will provide finance services to the Companies.
- On December 7, 2023, and pursuant to Section 538a-85(g) of the CGS and Section 38a-88-4b of the Connecticut Insurance Regulations, the Department recognized TRRe as a Reciprocal Jurisdiction Reinsurer (RJR) in the State of Connecticut for insurance lines of life and annuities. The RJR status in Connecticut is in effect from January 1, 2024 to December 31, 2024.

CONCLUSION

The results of this examination disclosed that, as of December 31, 2022, the Company reported admitted assets of \$64,284,014, liabilities of \$12,971,733, and surplus of \$51,312,281. During the period under examination, admitted assets increased \$1,799,730, liabilities decreased \$1,167,292, and surplus as regards policyholders increased \$2,967,022.

AMERICAN MATURITY LIFE INSURANCE COMPANY

SIGNATURE

In addition to the undersigned, the following members of the Department participated in the examination: William Arfanis, CFE, Cecilia Arnold, CFE; Wanchin Chou, FCAS, MAAA, CPCU, CSPA; Ellen McCarthy, AFE, Brandon Ormsby, Lei Rao-Knight, FSA, MAAA, Tahjma Roberson, Kenneth Roulier, AFE, AES, CISA; and the professional services firms of Claire Thinking, Jennan and Risk & Regulatory Consulting, LLC.

I, Thomas H. Corrigan, CFE, solemnly swear that the foregoing report on examination is hereby represented to be a full and true statement of the condition and affairs of the subject insurer as of December 31, 2022, to the best of my information, knowledge and belief.

Respectfully submitted,

Thomas H. Corrigan, CFE
Examiner-In-Charge
State of Connecticut
Insurance Department

State of Connecticut

ss. Hartford

County of Hartford

Subscribed and sworn to before me, Stephen M. M. M.
Notary Public on this 30 day of May, 2024.

Stephen M. M.
Notary Public

My Commission Expires June 30, 2026