

# 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 **General Re Life Corporation** (the "Company") as of December 31, 2020, do hereby adopt the findings and recommendations contained therein based on the following findings and conclusions,

#### TO WIT:

1. I, Andrew N. Mais, as the 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 ("CGS").
2. The Company is a domestic insurer authorized to transact the business of insurance in the State of Connecticut.
3. On January 10, 2022, the verified Report of the Company was filed with the Connecticut Insurance Department ("Insurance Department").
4. In accordance with Section 38a-14(e)(3) of the CGS, the Company was afforded a period of thirty (30) days within which to submit to the Insurance Department a written submission or rebuttal with respect to any matters contained in the Report.
5. On February 18, 2022, the Company notified the Insurance 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 hereby is adopted as filed with the Insurance Department.
2. That the Company shall comply with all of 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 CGS.
3. Section 38a-14(e)(4)(A) of the CGS 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[ing] to the care/attention of William Arfanis, Supervising Examiner, of the Financial Regulation Division.

4. Section 38a-14(e)(4)(B) of the CGS 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."*

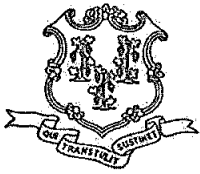
This will be verified by the Insurance Department either through analysis or examination follow-up.

Dated at Hartford, Connecticut, this 23 day of February, 2022.



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Andrew N. Mais  
Insurance Commissioner



**STATE OF CONNECTICUT**  
*INSURANCE DEPARTMENT*

**EXAMINATION REPORT**

**OF**

**GENERAL RE LIFE CORPORATION (NAIC #86258)**

**AS OF**

**DECEMBER 31, 2020**

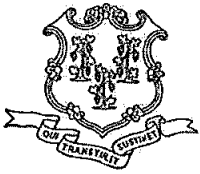
**IS A WHOLE, TRUE AND CORRECT COPY OF THE ORIGINAL DOCUMENT  
ON FILE WITH THE CONNECTICUT INSURANCE DEPARTMENT**

**IN WITNESS WHEREOF, I hereunto, set my  
hand and affix the official seal of the Insurance  
Commissioner of the State of Connecticut  
this 23 day of February 2022.**

A handwritten signature in black ink, appearing to read "A. Mais".

---

**ANDREW N. MAIS**  
**INSURANCE COMMISSIONER**



STATE OF CONNECTICUT  
INSURANCE DEPARTMENT

CERTIFIED COPY

I, ANDREW N. MAIS, INSURANCE COMMISSIONER OF  
THE STATE OF CONNECTICUT, HAVE COMPARED THE  
ANNEXED COPY WITH THE ORIGINAL RECORD ON FILE  
WITH THE DEPARTMENT OF INSURANCE AND DO HEREBY  
CERTIFY THAT IT IS A WHOLE, TRUE AND CORRECT  
COPY OF THE ORIGINAL RECORD.

WITNESS MY HAND AND SEAL OF THE INSURANCE  
COMMISSIONER OF THE STATE OF CONNECTICUT

THIS 23 DAY OF FEBRUARY, 2022.

A handwritten signature in black ink, appearing to read "A. Mais", written over a horizontal line.

ANDREW N. MAIS  
INSURANCE COMMISSIONER

Exhibit A

**EXAMINATION REPORT**

**OF**

**GENERAL RE LIFE CORPORATION  
(NAIC #86258)**

**AS OF**

**DECEMBER 31, 2020**

**BY THE**

**CONNECTICUT INSURANCE DEPARTMENT**



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January 10, 2022

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

Dear Commissioner Mais:

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

#### **GENERAL RE LIFE CORPORATION**

(hereinafter referred to as the Company or GRL), a corporation with capital stock, incorporated under the laws of the State of Connecticut and having its statutory home and main administrative office located at 120 Long Ridge Road, Stamford, Connecticut. The report of such examination is submitted herewith.

#### SCOPE OF EXAMINATION

The Financial Regulation Division of the Connecticut Insurance Department (the Department) conducted the previous examination of the Company as of December 31, 2015. The current examination which covers the subsequent five year period was conducted virtually.

A concurrent examination was also performed of IdeaLife Insurance Company (IdeaLife).

As part of the examination planning procedures, the Department reviewed the following information:

- Board of Director (Board) minutes from 2016 through 2021;
- Statutory audit reports completed by the Company's independent certified public accountants, Deloitte and Touche, LLP (D&T) from 2016 through 2020;
- Management's Discussion and Analysis from 2016 through 2020;
- Statements of Actuarial Opinion from 2016 through 2020;
- Documentation supporting Section 404 of the Sarbanes-Oxley Act of 2002;
- Annual Statements filed with the Department from 2016 through 2020; and
- Reports of the Internal Audit Department from 2016 through 2020.

## GENERAL RE LIFE CORPORATION

A comprehensive review was made of the financial analysis files and documents submitted to the Financial Analysis Unit of the Department as well as reports obtained from the National Association of Insurance Commissioners (NAIC) database.

Workpapers prepared by D&T in connection with its annual statutory audit were reviewed and relied on to the extent deemed appropriate.

We conducted our examination in accordance with the NAIC Financial Condition Examiners Handbook (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

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

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

The Department's actuaries conducted an assessment of the Company's reserving, pricing and underwriting, and retroceded reinsurance risks.

Examination Resources, LLC (ER) was engaged to assist the Department in conducting a general controls review of the Company's financially significant information technology (IT) systems.

Eide Bailly LLP (Eide Bailly) was engaged to provide an individual for staff support for the examination.

Comments in this report are generally limited to significant differences and to items considered to be of a material nature.

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

### HISTORY

GRL is incorporated under the laws of the State of Connecticut. On November 24, 2009, ownership of the Corporation was transferred to General Reinsurance Corporation (GRC) from Kolnische Ruckversicherungs-Gesellschaft AG (now General Reinsurance AG), an affiliated company. GRC currently holds all of the Company's capital stock.



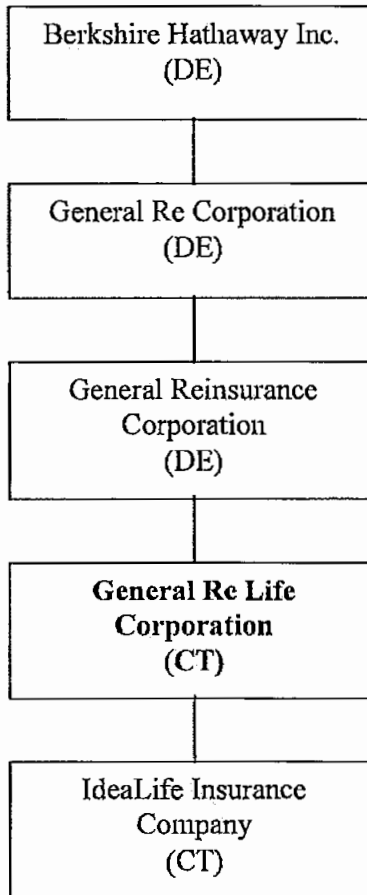
## GENERAL RE LIFE CORPORATION

GRL is a wholly owned subsidiary of GRC, a Delaware Corporation. GRL is an indirect wholly owned subsidiary of General Re Corporation (GRN) that is ultimately owned by Berkshire Hathaway Inc. (Berkshire). IdeaLife is a wholly owned subsidiary of the Company.

GRL targets life insurers in the U.S. and Canada as client companies. GRL actively diversifies its risks among operating divisions and clients. GRL also receives retrocession support from the Berkshire family and benefits from the additional capacity of the parent.

### ORGANIZATIONAL CHART

The following is a partial organizational chart that identifies the relationship of the Company and its parent and affiliates as of December 31, 2020:



GENERAL RE LIFE CORPORATION

MANAGEMENT AND CONTROL

The property and affairs of the Company are to be managed by a Board of not less than three nor more than twelve persons. None of the directors need be stockholders of the Company. Directors shall be elected at each annual meeting of the stockholders.

Regular meetings of the Board may be held without notice at such time and place as the Board may designate from time to time. A regular meeting shall be held as soon as practicable after each annual meeting of the stockholders of the purpose of electing officers and transacting such other business as may properly come before the meeting.

Special meetings of the Board may be called at any time by the President or by any director.

A quorum at any meeting of the Board shall be a majority of the number of directors then in office.

The officers of the Company shall be a President, a Secretary and a Treasurer, each of whom shall be elected by the Board at the regular meeting of the Board to be held as soon as practical after each annual meeting of the stockholders.

The Board may, by majority vote, designate an Executive Committee, a Finance Committee and other special committees, each of which shall have at least two members and shall consist of the President and such other members of the Board as may be designated from time to time by the Board with respect to each committee.

The members of the Board serving the Company at December 31, 2020, were:

<u>Name</u>	<u>Title and Principal Business Affiliation</u>
Vincent Anthony DeMarco	President and Chief Executive Officer, General Re Life Corporation
Edward Michael Nosenzo	Vice President and Treasurer, North America Chief Financial Officer, General Reinsurance Corporation
Michael James Lawler	Chairman, National Liability & Fire Insurance Company

The officers serving the Company at December 31, 2020, were:

<u>Name</u>	<u>Title and Principal Business Affiliation</u>
Vincent Anthony DeMarco	President and Chief Executive Officer
Christopher Robert Bello	Vice President, Senior Counsel and Secretary
Edward Michael Nosenzo	Vice President and Treasurer
Eric Scott Schwartz	Vice President and Appointed Actuary

## GENERAL RE LIFE CORPORATION

### RELATED PARTY AGREEMENTS

The following are the significant related party agreements in force with GRL during the period of examination:

GRC, parent of the Company, provides accounting, actuarial and administrative services to the Company. The cost of these services are apportioned to the Company and its subsidiary based upon time, number of employees, company assets, or square footage.

Effective August 1, 2014, substantially all of GRN's entities entered into a Master Service Agreement (MSA) which superseded all existing management and inter-company service agreements.

The Company entered into an investment management services agreement with an affiliate, New England Asset Management, Inc. (NEAM), effective December 15, 2004, which was subsequently amended on January 1, 2009.

As of December 31, 2020, the Company held a \$500M interest bearing note from Berkshire, the Company's ultimate parent company. The note matured on September 19, 2021.

On October 18, 2018, GRL entered into a ten year, \$75M Australian Dollar loan agreement with Marmon Crane Australia Pty Ltd, an affiliated Australian corporation whose ultimate parent is Berkshire. The loan is recorded as an Other Invested Asset.

On September 8, 2020, in exchange for other assets, GRL received an \$167.3M interest in a loan issued by the Union Underwear Co., an affiliate, whose ultimate parent is Berkshire. The loan matures in 2027.

The Company is a participant in a short-term investment pool which is governed by an agreement with affiliated companies, whereby participants pool funds and invest principally in discount notes.

GRL is a party to a Master Loan Agreement which created an intercompany short-term loan program to reduce each affiliate's level of short term investments, yet allows the affiliate to retain sufficient liquidity to pay current obligations by borrowing funds as needed. GRL has no loans outstanding as of December 31, 2020.

The Company joins with a group of approximately 800 affiliated companies in the filing of a consolidated federal income tax return by Berkshire, the common parent company of the Group. The consolidated tax liability is allocated among affiliates in the ratio that each affiliate's separate return tax liability bears to the sum of the separate return tax liabilities of all affiliates that are members of the consolidated group. No tax contingencies were recorded in 2020 and 2019.

## GENERAL RE LIFE CORPORATION

### INSURANCE COVERAGE

GRN maintains financial institution fidelity bond coverage through an affiliate, Berkshire Hathaway Specialty Insurance Company. This bond protects for a single loss liability limit of \$10,000,000 and an aggregate amount of \$20,000,000, with a single loss deductible amount of \$10,000,000 against loss resulting from dishonest or fraudulent acts of its directors, officers and employees. This exceeds the suggested minimum limits of insurance pursuant to the Handbook.

In addition to the fidelity bond insurance, GRN maintains various other insurance coverages.

### TERRITORY AND PLAN OF OPERATION

GRL specializes in life, health and disability reinsurance services in the North American market.

The Company is licensed and/or authorized to transact business in all fifty states, the District of Columbia and in the Dominion of Canada. GRL targets life & health insurers as client companies in the U.S. and Canada. The Company offers reinsurance products on Individual Life, Medicare Supplement, Individual Disability Income, Group Life, and Critical Illness. Long Term Care (LTC) and Workers' Compensation are closed blocks of business.

### REINSURANCE

The Company is in the reinsurance business and therefore assumes business from a number of direct writers of life and accident and health insurance business. In the normal course of business, the Company seeks to limit its exposure to loss by ceding reinsurance to affiliated and non-affiliated retrocessionaires.

Effective October 1, 2017, GRL entered into a coinsurance with funds withheld reinsurance agreement ceding 100% of its net statutory LTC liabilities up to an aggregate limit of \$5B to National Indemnity Co. (NICO), an affiliate. The Company's gross liabilities relating to its LTC book of business was \$2B as of December 31, 2020, and as a result of this agreement, the net liabilities were zero.

The Company has a retrocessional agreement with General Reinsurance AG (GRAG), an affiliate, which provides coverage on its individual life business and retains the first \$10M of individual policy risk with the balance of these risks being retroceded to GRAG. Business previously ceded under contract, which no longer meets the retention, will be recaptured over a ten year period on the 11<sup>th</sup> anniversary date of each respective risk since the effective date. Effective December 1, 2018, this agreement was terminated for new business. Reinsurance in force under this agreement will continue to be governed by the previous terms and conditions.

The Runoff Division reinsures workers' compensation and special risk products through excess reinsurance.

## GENERAL RE LIFE CORPORATION

The Company assumes business from various affiliated entities and assumes certain closed block individual life business from Idealife, its subsidiary

On July 1, 2020, GRL entered into an assumed aggregate mortality stop loss reinsurance agreement with GRAG, an affiliated German domiciled reinsurance company. For the year ended December 31, 2020, GRL recognized \$27M of assumed premium under this agreement.

On November 1, 2017, GRL assumed a closed block of life and accident and health business from General Re Life Australia, Ltd, an affiliate.

Effective September 1, 2011, GRL entered into a coinsurance reinsurance agreement which covered certain health risks with Central States Indemnity Company of Omaha, an affiliate.

### INFORMATION TECHNOLOGY CONTROLS

ER performed a risk-based assessment and review of the Company's ITGCs in accordance with NAIC requirements as outlined in the Handbook. The guidance and direction used to perform the review of the Company's ITGCs was derived from Exhibit C Part 1 – Information Technology Planning Questionnaire (ITPQ) and Exhibit C Part 2 – Information Technology Work Program (collectively Exhibit C). The Company's responses to the ITPQ were evaluated, and certain controls within the IT control environment were tested to assess whether the selected controls were designed effectively and functioning properly.

ERs objectives were to obtain reasonable assurance about whether:

- the Company had a process in place to effectively identify, mitigate and manage its IT risks;
- the Company's control structure policies and procedures were suitably designed to achieve the control objectives specified in Exhibit C; and
- the Company's policies and procedures were in place during the examination period.

The objectives above were achieved through a combination of reviewing the Company's policies and procedures; testing in key areas related to Exhibit C, interviewing the Company's IT senior management, and reviewing IT risk assessment processes.

Based upon the risk-based assessment and review, the Company's ITGCs were determined to be effective.

## GENERAL RE LIFE CORPORATION

### ACCOUNTS AND RECORDS

The Company utilizes the SAP general ledger system, NEAM for investments and third party administrators for certain policy and claims management.

General ledger account balances were reconciled and traced to the amounts reported in the Annual Statement for 2020. Further detail analyses were performed on the individual accounts throughout the examination.

### FINANCIAL STATEMENTS

The following statements represent the Company's financial position, as filed by the Company as of December 31, 2020. No adjustments were made to surplus as a result of the examination.

### ASSETS

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$52,208,550		\$52,208,550
Preferred stocks	203,389,680		203,389,680
Common stocks	14,570,878		14,570,878
Cash, cash equivalents and short-term investments	3,272,708,825		3,272,708,825
Contract loans	76,779		76,779
Other invested assets	755,302,124		755,302,124
Subtotals, cash and invested assets	4,298,256,836		4,298,256,836
Investment income due and accrued	18,083,993	\$30,910	18,053,083
Premiums and considerations:			
Uncollected premiums and agents' balances in course of collections	226,731,429	771,462	225,959,967
Reinsurance:			
Amounts recoverable from reinsurers	5,459,341		5,459,341
Funds held by or deposited with reinsurance contracts	235,286,467		235,286,467
Other amounts receivable under reinsurance contracts	3,805,942		3,805,942
Current federal and foreign income tax recoverable and interest thereon	2,568,664		2,568,664
Net deferred tax asset	41,313,238	1,038,144	40,275,094
Electronic data processing equipment and software	1,012,967	1,012,967	
Furniture and equipment	14,594	14,594	
Receivables from parent, subsidiaries and affiliates	24,241		24,241
Aggregate write-ins for other than invested assets	26,913,366	4,943,287	21,970,079
Totals	<u>\$4,859,471,078</u>	<u>\$7,811,364</u>	<u>\$4,851,659,714</u>

GENERAL RE LIFE CORPORATION

LIABILITIES, SURPLUS AND OTHER FUNDS

Aggregate reserve for life contracts	\$1,559,235,178
Aggregate reserve for accident and health contracts	500,947,728
Liability for deposit-type contracts	984,358
Contract claims:	
Life	429,009,131
Accident and health	237,046,543
Contract liabilities not included elsewhere:	
Provision for experience rating refunds	3,852,741
Other amounts payable on reinsurance	6,101,192
Interest Maintenance Reserve	3,536,618
Commissions or expense allowances payable on reinsurance assumed	23,087,049
General expenses due or accrued	6,014,341
Taxes, licenses and fees due or accrued	151,766
Remittances and items not allocated	55,871,075
Net adjustment in assets and liabilities due to foreign exchange	2,611,072
Miscellaneous liabilities:	
Asset valuation reserve	12,209,734
Reinsurance in unauthorized and certified companies	3,096,092
Payable to parent, subsidiaries and affiliates	2,731,921
Funds held under coinsurance	1,049,068,863
Aggregate write-ins for liabilities	909,365
Total liabilities	3,896,464,767
Common capital stock	108,750,000
Gross paid in and contributed surplus	1,086,429,507
Unassigned funds (surplus)	(239,984,560)
Surplus	846,444,947
Total capital and surplus	955,194,947
Total liabilities and surplus	<u>\$4,851,659,714</u>

GENERAL RE LIFE CORPORATION

SUMMARY OF OPERATIONS

Premiums and annuity considerations for life and accident and health products	\$1,335,059,343
Net investment income	86,365,721
Amortization of Interest Maintenance Reserve	1,939,999
Commissions and expense allowances on reinsurance ceded	16,891,739
Reserve adjustments on reinsurance ceded	458,460
Miscellaneous income:	
Aggregate write-ins for miscellaneous income	1,048,008
Totals	1,441,763,270
Death benefits	884,736,186
Matured endowments	102,193
Annuity benefits	24,284
Disability benefits and benefits under accident and health contracts	291,904,397
Surrender benefits and withdrawals for life contracts	1,236,421
Interest and adjustments on contract or deposit-type contract funds	3,134,549
Payments on supplementary contracts with life contingencies	9,015
Increase in aggregate reserves for life and accident and health contracts	44,921,161
Totals	1,226,068,206
Commissions and expense allowances on reinsurance assumed	135,934,393
General insurance expenses	44,338,413
Insurance taxes, licenses and fees	210,443
Aggregate write-ins for deductions	46,041,807
Totals	1,452,593,262
Net gain from operations before dividends to policyholders and federal income taxes	(10,829,992)
Dividends to policyholders	0
Net gain from operations after dividends to policyholders and before federal income taxes	(10,829,992)
Federal and foreign income taxes incurred	(12,620,517)
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses)	1,790,525
Net realized capital gains or (losses) less capital gains tax	320,912,805
Net income	<u>\$322,703,330</u>

CAPITAL AND SURPLUS ACCOUNT

Capital and surplus, December 31, prior year	\$802,518,687
Net income	322,703,330
Change in net unrealized capital gains (losses)	(217,071,312)
Change in net unrealized foreign exchange gains (losses)	(5,015,504)
Change in net deferred income taxes	(81,778,216)
Change in nonadmitted assets	25,619,398
Change in liability for reinsurance in unauthorized and certified companies	(3,042,786)
Change in reserve on account of change in valuation basis (increase) or decrease	(10,402,836)
Change in asset valuation reserve	121,664,186
Net change in capital and surplus for the year	152,676,260
Capital and surplus, December 31, current year	<u>\$955,194,947</u>



GENERAL RE LIFE CORPORATION

<u>AGGREGATE RESERVE FOR LIFE CONTRACTS</u>	<u>\$1,559,235,178</u>
<u>AGGREGATE RESERVE FOR ACCIDENT AND</u>	
<u>HEALTH CONTRACTS</u>	<u>\$500,947,728</u>
<u>LIABILITY FOR DEPOSIT-TYPE CONTRACTS</u>	<u>\$984,358</u>
<u>CONTRACT CLAIMS: LIFE</u>	<u>\$429,009,131</u>
<u>CONTRACT CLAIMS: ACCIDENT and HEALTH</u>	<u>\$237,046,543</u>

Department actuaries performed a risk-focused actuarial analysis of reserving, pricing and underwriting, and retroceded reinsurance risk to ensure that:

- the life and health reserves computations were performed correctly and the selected estimates were reasonable;
- the assumptions and methodologies used were accurate and appropriate;
- the computation of ceded reinsurance credits were performed correctly;
- the workers' compensation runoff business was recorded properly; and
- pricing and/or underwriting practices were sufficiently established for risks assumed.

Information provided by the Company included the following:

- 2020 Annual Statement;
- 2020 Actuarial Memorandum;
- 2020 VM-31 PBR Report;
- 2020 Regulatory Asset Adequacy Issues Summary;
- assumption documentation and experience studies;
- model documentation and model validation documentation for selected models;
- 2020 year-end reserve calculation and documentation files;
- 2020 D&T workpapers;
- pricing documentation and supporting analyses; and
- interviews with Company staff and subsequent Company feedback on meeting notes.

Reserving Risk

Reserving risk analysis included:

- interviews with Company staff responsible for reserving and asset adequacy analysis;
- review of the actuarial opinion and memorandum regarding cash flow testing, asset adequacy analysis, assumptions, and methodologies provided by the Company;
- review of the VM-31 Principle-Based Reserving (PBR) Report and supporting documents;
- review of internal and external experience studies;
- review of audit files detailing sample testing, reserve reporting trails and reserve reasonableness;
- review of subject expert analysis within the Department;
- calculation and output review of Company reserve models; and
- review of model controls.

## GENERAL RE LIFE CORPORATION

### Pricing and Underwriting Risk

Pricing and underwriting analysis included:

- interviews with Company staff responsible for pricing and underwriting practices;
- review of select pricing data and processes;
- review of audit files detailing data quality and data reporting trails; and
- review of subject expert analysis within the Department;

### Ceded Reinsurance Risk

Retroceded reinsurance analysis included a review of ceded reserve credit information reported by the Company and confirmation that credits were consistent with information reported by the assuming company.

### Conclusion

Based upon the risk-focused assessment and review, no material findings were noted which affect the Company's reserving, pricing and underwriting, or retroceded reinsurance risks.

### CAPITAL AND SURPLUS

\$955,194,947

The reconciliation of surplus for the period under examination, January 1, 2016, through December 31, 2020, was as follows:

Surplus, as of December 31, 2015	\$594,451,245
Net income	(30,262,431)
Change in net unrealized capital gains (losses)	(66,029,730)
Change in net unrealized foreign exchange gains (losses)	14,418,973
Change in net deferred income tax	(8,275,619)
Change in nonadmitted assets and related items	(510,120)
Change in liability for reinsurance	4,170,426
Change in asset valuation reserve	51,261,138
Change in reserve on account of changes in valuation basis	(315,028,935)
Surplus adjustment, paid in	775,000,000
Dividends to stockholders	(64,000,000)
Surplus, December 31, 2020	<u>\$955,194,947</u>

In 2017, the Company received two capital contributions from GRC totaling \$775M.

In 2019, the Company recorded \$366M directly to surplus, due to a change in valuation basis. The decrease of surplus due to a change in reserve resulted from changes in valuation primarily driven by certain assumed life treaties with guaranteed rates beyond one year.

## GENERAL RE LIFE CORPORATION

### CONCLUSION

As of December 31, 2020, the Company reported admitted assets of \$4,851,659,714, liabilities of \$3,896,464,767, and capital and surplus of \$955,194,947. During the period under examination, admitted assets increased \$1,499,806,147, liabilities increased \$1,139,062,445 and capital and surplus increased \$360,743,702.

### SUBSEQUENT EVENTS

- The COVID-19 pandemic has continued to develop throughout 2020 and 2021, with significant uncertainty remaining regarding the full effect of COVID-19 on the U.S. and global insurance and reinsurance industry. At the time of releasing this report, the examination team noted no significant financial impact to the Company as result of COVID – 19. The Department has been in communication with the Company regarding the impact of COVID-19 on its business operations and financial position including its Pandemic Plan. The Department will continue to closely monitor the impact of the pandemic on the Company and will take necessary action if a solvency concern arises.
- On May 13, 2021, the Company communicated to the Department that GRL's CEO Vincent DeMarco was planning to retire effective May 2022. Charles Shamieh (GRN Chairman of the Board) appointed Noel Harewood, an industry executive with 22 years of experience, to assume the CEO responsibilities. Mr. DeMarco resigned on the GRL and IdeaLife Board of Directors effective November 4, 2021, and Mr. Harewood was appointed his replacement.
- William Casill, Senior Vice President, Chief Actuary announced his retirement effective January 2022.
- Effective April 1, 2021, GRL entered into a 100% quota share retrocession agreement with GRAG to cover certain risks assumed in Canada.

GENERAL RE LIFE CORPORATION

SIGNATURE

In addition to the undersigned: William Arfanis, CFE; Ellen McCarthy, AFE; Chiffon King, AFE; Dawn Cormier, CPA; Robin Roberts, CFE; Wanchin Chou, FCAS, MAAA, CPCU; Lei Rao Knight, FSA, MAAA; Manual Hildago, FSA, MAAA, CFA; and the consulting firms of ER and Eide Bailly, participated in the examination.

I, Kevin Beaudoin, CFE, do solemnly swear that the foregoing report of examination is hereby represented to be a full and true statement of the condition and affairs of the subject insurer as of December 31, 2020, to the best of my information, knowledge and belief.

Respectfully submitted,

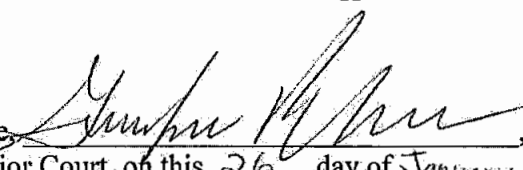


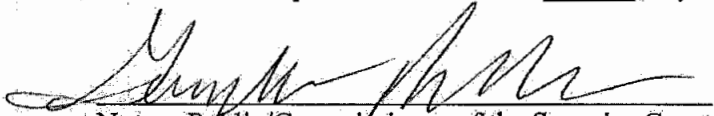
Kevin Beaudoin, CFE  
Examiner In-Charge  
Insurance Certified Financial Examiner  
State of Connecticut  
Insurance Department

State of Connecticut

ss

County of Hartford

Subscribed and sworn to before me, , Notary  
Public/Commissioner of the Superior Court, on this 26, day of January, 2022.

  
Notary Public/Commissioner of the Superior Court

My commission expires June 30, 2026

