PROTECTIVE LIFE
REINSURANCE BERMUDA, LTD.

(an ultimate wholly owned subsidiary of Protective Life Corporation)

Financial Statements

As of and for the periods ended December 31, 2021 and 2020

PROTECTIVE LIFE REINSURANCE BERMUDA LTD.
(an ultimately wholly owned subsidiary of Protective Life Corporation)
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INDEPENDENT AUDITOR'S REPORT

To the Shareholder and Board of Directors of Protective Life Reinsurance Bermuda, Ltd.

Opinion

We have audited the financial statements of Protective Life Reinsurance Bermuda, Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, comprehensive income (loss), shareowner's equity, and cash flows for the periods then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the periods then ended in accordance with U.S. generally accepted accounting principles.

Basis for opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditor's 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 opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and 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 that the financial statements are available to be issued.

Auditor's 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 auditor's 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 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 GAAS, we:

- Exercise professional judgment and maintain professional scepticism 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.

KPMG Audit Limited

Chartered Professional Accountants
Hamilton, Bermuda
April 27, 2022

PROTECTIVE LIFE REINSURANCE BERMUDA LTD.
(an ultimate wholly owned subsidiary of Protective Life Corporation)
STATEMENTS OF INCOME
for the periods ended December 31, 2021 and 2020

	2021	2020
Revenues		
Policy fees	$ 73,779	$ 15,256
Net investment income	18,499,786	13,866,386
Realized gains (losses) on funds withheld asset	(12,605,462)	59,107,616
Other income	4,905,599	3,634,871
Total revenues	10,873,702	76,624,129
Benefits and expenses		
Benefits and settlement expenses	(1,273,690)	26,761,261
Amortization of deferred acquisition costs	16,404	1,100
Other operating expenses	933,551	522,203
Total benefits and expenses	(323,735)	27,284,564
Income before income tax	11,197,437	49,339,565
Income tax expense	2,351,461	10,361,310
Net income	$ 8,845,976	$ 38,978,255

PROTECTIVE LIFE REINSURANCE BERMUDA LTD.
(an ultimate wholly owned subsidiary of Protective Life Corporation)
STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
for the periods ended December 31, 2021 and 2020

	2021	2020
Net income	$ 8,845,976	$ 38,978,255
Other comprehensive income (loss):		
Change in net unrealized gains on investments, net of income tax: (2021 - ($227,751); 2020 - $443,082)	(856,776)	1,666,830
Reclassification adjustment for investment amounts included in net income, net of income tax: ($0)	—	—
Total other comprehensive income (loss)	(856,776)	1,666,830
Total comprehensive income	$ 7,989,200	$ 40,645,085

PROTECTIVE LIFE REINSURANCE BERMUDA LTD.
(an ultimate wholly owned subsidiary of Protective Life Corporation)
BALANCE SHEETS
as of December 31, 2021 and 2020

	2021	2020
Assets		
Fixed maturities, at fair value (amortized cost: 2021 - $16,981,092; 2020 - $15,978,626)	$ 18,006,477	$ 18,088,538
Short-term investments	818,416	1,256,795
Funds withheld asset, at fair value	523,662,502	522,964,004
Total investments	542,487,395	542,309,337
Cash	9,766	342,493
Accrued investment income	115,555	121,057
Deferred acquisition costs	107,689	121,871
Income tax receivable	994,766	—
Other assets	481,104	19,080,352
Total Assets	$ 544,196,275	$ 561,975,110
Liabilities		
Annuity contract liabilities, at fair value	466,589,124	493,033,731
Deferred income taxes	11,522,866	10,210,470
Accrued income taxes	—	593,921
Other liabilities	—	41,903
Total liabilities	478,111,990	503,880,025
Shareowner's equity		
Additional paid-in-capital	17,450,000	17,450,000
Retained earnings	47,824,231	38,978,255
Accumulated other comprehensive income:		
Net unrealized gains on investments, net of income tax: (2021 - $215,331; 2020 - $443,082)	810,054	1,666,830
Total shareowner's equity	66,084,285	58,095,085
Total liabilities and shareowner's equity	$ 544,196,275	$ 561,975,110

PROTECTIVE LIFE REINSURANCE BERMUDA LTD.
(an ultimate wholly owned subsidiary of Protective Life Corporation)
STATEMENTS OF SHAREOWNER'S EQUITY
for the periods ended December 31, 2021 and 2020

	Additional Paid-In-Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareowner's Equity
Net income	—	38,978,255	—	38,978,255
Other comprehensive income	—	—	1,666,830	1,666,830
Capital contributions received	17,450,000	—	—	17,450,000
Balance, December 31, 2020	$ 17,450,000	$ 38,978,255	$ 1,666,830	$ 58,095,085
Net income	—	8,845,976	—	8,845,976
Other comprehensive (loss)	—	—	(856,776)	(856,776)
Balance, December 31, 2021	$ 17,450,000	$ 47,824,231	$ 810,054	$ 66,084,285

PROTECTIVE LIFE REINSURANCE BERMUDA, LTD.
(an ultimate wholly owned subsidiary of Protective Life Corporation)
STATEMENTS OF CASH FLOWS
for the periods ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Net income	$ 8,845,976	$ 38,978,255
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized (gains) losses	12,605,462	(59,107,616)
Deferred income tax	1,540,148	9,767,389
Accrued income tax	811,313	593,921
Change in funds withheld asset	(21,931,590)	17,104,660
Change in annuity contract liabilities	(26,444,607)	14,262,964
Change in other liabilities	(41,903)	(3,891,225)
Change in other assets	18,599,248	(19,080,353)
Other, net	6,245,440	1,498,453
Net cash provided by operating activities	229,487	126,448
Cash flows from investing activities		
Purchase of investments	(1,000,593)	(15,977,160)
Change in short-term investments, net	438,379	(1,256,795)
Net cash used in investing activities	(562,214)	(17,233,955)
Cash flows from financing activities		
Capital contributions	—	17,450,000
Net cash provided by financing activities	—	17,450,000
Change in cash	(332,727)	342,493
Cash at beginning of period	342,493	—
Cash at end of period	$ 9,766	$ 342,493

1. BASIS OF PRESENTATION

Nature of Operations

Protective Life Reinsurance Bermuda LTD. (the "Company") is a Bermuda exempted company, which was capitalized on November 8, 2019 and subsequently approved by the Bermuda Monetary Authority to operate as a Class C Insurer effective March 23, 2020, pursuant to Section 4 of the Insurance Act of 1978 of Bermuda. The Company is a wholly owned subsidiary of Protective Life Corporation ("PLC"), an insurance holding company, and is engaged in the reinsurance of fixed indexed and single premium deferred annuity business from its affiliate companies. PLC is a wholly owned subsidiary of Dai-ichi Life Holdings, Inc., ("Dai-ichi Life").

Effective April 1, 2020, the Company began reinsuring business related to fixed indexed annuities ("FIA") and single premium deferred annuities ("SPDA") with guaranteed living withdrawal benefit ("GLWB") riders from Protective Life Insurance Company ("PLICO") under coinsurance with funds withheld. The policies assumed under the agreement were in force on or before April 1, 2020. Refer to the *Reinsurance* section within *Note 2, Summary of Significant Accounting Policies* and *Note 10, Funds Withheld Asset* for more detail.

Basis of Presentation

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which differ in certain respects to those followed in reports to the Bermuda Monetary Authority ("BMA"), the Company's insurance regulatory authority (see also *Note 12*, *Statutory Reporting Practices and Other Regulatory Matters*).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 those estimates. The most significant estimates include those used in determining annuity contract balances, funds withheld asset, investment, and certain derivative fair values, and provision for income taxes.

Further, certain estimates and assumptions include the direct and indirect impact of the COVID-19 pandemic on the Company's business, financial condition, and results of operations. The economic impact of the pandemic on the Company's business depends on its severity and duration, which in turn depend on highly uncertain factors such as the nature and extent of containment efforts and the timing and efficacy of vaccines. The high level of uncertainty regarding this economic impact means that management's estimates and assumptions, specifically those related to investments and certain derivatives fair values, the allowance for credit losses, and future policy benefits are subject to change - perhaps substantial change - as the situation develops and new information becomes available.

Significant Accounting Policies

Valuation of Investment Securities

The Company determines the appropriate classification of investment securities at the time of purchase and periodically re-evaluates such designations. Investment securities are classified as either trading, available-for-sale, or held-to-maturity securities. Investment securities classified as trading are recorded at fair value with changes in fair value recorded in realized gains (losses). Investment securities purchased for long term investment purposes are classified as available-for-sale and are recorded at fair value with changes in unrealized gains and losses, net of taxes, reported as a component of other comprehensive income (loss). Investment securities are classified as held-to-maturity when the Company has the intent and ability to hold the securities to maturity and are reported at amortized cost. Interest income on available-for-sale and held-to-maturity securities includes the amortization of premiums and accretion of discounts and is recorded in investment income. During the period presented, the Company held no investment securities classified as held-to-maturity or trading and all investments held were classified as available-for-sale.

The fair value of fixed maturity, short-term, and equity securities is determined by management after considering one of three primary sources of information; third party pricing services, non-binding independent broker quotations, or pricing matrices. Security pricing is applied using a "waterfall" approach whereby publicly available prices are first sought from third party pricing services, the remaining unpriced securities are submitted to independent brokers for non-binding prices, or lastly, securities are priced using a pricing matrix. Typical inputs used by these three pricing methods include, but are not limited to: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Based on the typical trading volumes and the lack of quoted market prices for available-for-sale and trading fixed maturities, third party pricing services derive the majority of security prices from observable market inputs such as recent reported trades for identical or similar securities making adjustments through the reporting date based upon available market observable information as outlined above. If there are no recent reported trades, the third party pricing services and brokers may use matrix or model processes to develop a security price where future cash flow expectations are developed based upon collateral performance and discounted at an estimated market rate. Included in the pricing of other asset-backed securities, collateralized mortgage obligations ("CMOs"), and mortgage-backed securities ("MBS") are estimates of the rate of future prepayments of principal and underlying collateral support over the remaining life of the securities. Such estimates are derived based on the characteristics of the underlying structure and rates of prepayments previously experienced at the interest rate levels projected for the underlying collateral. The basis for the cost of securities sold was determined at the Committee on Uniform Securities Identification Procedures ("CUSIP") level. The committee supplies a unique nine-character identification, called a CUSIP number, for each class of security approved for trading in the U.S., to facilitate clearing and settlement. These numbers are used when any buy and sell orders are recorded.

Allowance for Credit Losses – Fixed Maturity Investments

Each quarter the Company reviews investments with unrealized losses to determine whether such impairments are the result of credit losses. The Company analyzes various factors to make such determination including, but are not limited to: 1) actions taken by rating agencies, 2) default by the issuer, 3) the significance of the decline, 4) an assessment of the Company's intent to sell the security (including a more likely than not assessment of whether the Company will be required to sell the security) before recovering the security's amortized cost, 5) an economic analysis of the issuer's industry, and 6) the financial strength, liquidity, and recoverability of the issuer. Management performs a security by security review each quarter to evaluate whether a credit loss has occurred.

For securities which the Company does not intend to sell and does not expect to be required to sell before recovering the security's amortized cost basis, analysis of expected cash flows is used to measure the amount of the credit loss. To the extent the amortized cost basis of the security exceeds the present value of future cash flows expected to be collected, this difference represents a credit loss. Credit losses are recorded in realized investment gains (losses) with a corresponding adjustment to the allowance for credit losses, except that the credit loss recognized cannot exceed the difference between the book value and fair value of the security as of the date of the analysis. In future periods, recoveries in the present value of expected cash flows are recorded as a reversal of the previously recognized allowance for credit losses with an offsetting adjustment to realized gains (losses). The Company considers contractual cash flows and all known market data related to cash flows when developing its estimates of expected cash flows. The Company uses the effective interest rate implicit in the security at the date of acquisition to discount expected cash flows. For floating rate securities, the Company's policy is to lock in the interest rate at the first instance of an impairment. Estimates of expected cash flows are not probability-weighted but reflect the Company's best estimate based on past events, current conditions, and reasonable and supportable forecasts of future events. Debt securities that the Company intends to sell or expects to be required to sell before recovery are written down to fair value with the change recognized in realized investment gains (losses).

The Company presents accrued interest receivable separately from other components of the amortized cost basis of its fixed maturity investments and has made an accounting policy election not to measure an allowance for credit losses for accrued interest receivable. The Company's policy is to write off uncollectible accrued interest receivables through a reversal of interest income in the period in which a credit loss is identified.

The Company did not record any credit impairments during the periods ended December 31, 2021 and 2020.

Reinsurance

The Company assumes insurance contracts under coinsurance with funds withheld. The Company follows reinsurance accounting for transactions that provide indemnification against loss or liability relating to insurance risk (risk transfer). To meet risk transfer requirements, a reinsurance agreement must include insurance risk consisting of underwriting, investment, timing risk, and any other significant risks.

The Company's reinsurance contracts are subject to requirements under the Accounting Standard Codification ("ASC" or "Update") Financial Services-Insurance Topic and the recognition of the impact of reinsurance costs on the Company's financial statements are in line with the requirements of that standard. Assets and liabilities assumed under funds withheld agreements are presented gross on the balance sheet. The total return on funds withheld is presented in net investment income on the statement of income (loss). Assumed surrender charges on the underlying annuity contracts are included in the policy fees line of the statement of income. The Company capitalizes ceding commissions on premium received after initial cession of the contracts to the Company. These capitalized costs are included in "deferred acquisition costs" on the balance sheet. Amortization of capitalized ceding commissions is based on future estimated gross profits. Assumptions regarding mortality, lapses, and interest rates are continuously reviewed and may be periodically changed. These changes will result in "unlocking" that changes the balances of the assets and can affect the amortization/accretion thereof.

We periodically compare actual and anticipated experience to the assumptions used to establish reinsurance assets and liabilities. Refer to *Note 4*, *Deferred Acquisition Costs.*

In accordance with the provisions of ASC 825-10-15-4, the Company has elected to carry assets and liabilities associated with reinsurance contracts at fair value. This election is made on a contract-by-contract basis. For those contracts for which this election is made, assets and liabilities associated with the reinsurance contract are carried at fair value with the change in the fair value of the assets and the liabilities being recorded in ""realized gains on funds withheld asset" and "benefits and settlement expenses" on the statement of income (loss). The reinsurance contract assets are carried at fair value within "funds withheld asset" on the balance sheet. The reinsurance contract liabilities are carried at fair value within "annuity contract liabilities" on the balance sheet.

Cash

Cash includes all demand deposits reduced by the amount of outstanding checks and drafts. The Company has deposits with certain financial institutions which, at times, exceed federally insured limits. The Company has reviewed the creditworthiness of these financial institutions and believes there is minimal risk of a material loss.

Income Taxes

The Company made an election under IRC §953(d) to be taxed as a U.S. taxpayer. The election is effective starting with the tax year ended December 31, 2020. The Company is required to file a separate U.S. income tax return for the first five tax years, and can join in the consolidated U.S. income tax return of Protective Life Corporation and Subsidiaries in 2025.

The Company uses the asset and liability method of accounting for income taxes. Generally, most items in pretax book income are also included in taxable income in the same year. However, some items are recognized for book purposes and for tax purposes in different years or are never recognized for either book or tax purposes. Those differences that will never be recognized for either book or tax purposes are permanent differences (e.g., investment income not subject to tax). As a result, the effective tax rate reflected in the financial statements may differ from the statutory rate reflected in the tax return. Those differences that are reported in different years for book and tax purposes are temporary and will reverse over time (e.g., the valuation of future policy benefits). These temporary differences are accounted for in the intervening periods as deferred tax assets and liabilities. Deferred tax assets generally represent revenue that is taxable before it is recognized in financial income and expenses that are deductible after they are recognized in financial income. Deferred tax liabilities generally represent revenues that are taxable after they are recognized in financial income or expenses or losses that are deductible before they are recognized in financial income. Components of accumulated other comprehensive income (loss) ("AOCI") are presented net of tax, and it is the Company's policy to use the aggregate portfolio approach to clear the disproportionate tax effects that remain in AOCI as a result of tax rate changes and certain other events. Under the aggregate portfolio approach, disproportionate tax effects are cleared only when the portfolio of investments that gave rise to the deferred tax item is sold or otherwise disposed of in its entirety.

The Company is required to evaluate the recoverability of the Company's deferred tax assets and establish a valuation allowance, if necessary, to reduce the Company's deferred tax assets to an amount that is more likely than not to be realized. Considerable judgment is required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance the Company may consider many factors, including: (1) the nature of the deferred tax assets and liabilities; (2) whether they are ordinary or capital; (3) in which tax jurisdictions they were generated and the timing of their reversal; (4) taxable income in prior carryback years as well as projected taxable earnings exclusive of reversing temporary differences and carryforwards; (5) the length of time that carryovers can be utilized in the various taxing jurisdictions; (6) any unique tax rules that would impact the utilization of the deferred tax assets; and (7) any tax planning strategies that the Company would employ to avoid a tax benefit from expiring unused. Although realization is not assured, management believes it is more likely than not that the deferred tax assets will be realized.

Other Income

Other income consists entirely of rider charges associated with guaranteed benefits on annuity contracts assumed from PLICO.

Annuity Contract Liabilities

The Company records its annuity contract liabilities at fair value in the balance sheet in "annuity contract liabilities". The Company reports changes in the fair value in "benefits and settlement expenses" on the statement of income. For additional information, see *Note 13, Fair Values of Financial Instruments*.

Statement of Cash Flows

Withdrawals from the Company's funds withheld asset are based on statutory levels of the associated assets and liabilities. The excess (shortfall) under these agreements is settled on a quarterly basis. The Company presents activity within the funds withheld asset as well as activities related to the reinsurance arrangement as operating cash flows as this is the best representation of the Company's operations and business.

Accounting Pronouncements Recently Adopted

ASU No. 2019-12 – Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes. The amendments in this Update remove certain exceptions to the general principles in Topic 740 related to intraperiod tax allocations, interim tax calculations, and outside basis differences. The amendments also clarify and amend guidance in certain other areas of Topic 740 in order to eliminate diversity in practice. The amendments in this Update became effective for public business entities in fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. This Update did not have a material impact on the Company's operations and financial results.

Accounting Pronouncements Not Yet Adopted

ASU No. 2018-12 - Financial Services - Insurance (Topic 944): Targeted Improvements to Accounting for Long-Duration Contracts. The amendments in this Update are designed to make improvements to the existing recognition, measurement, presentation, and disclosure requirements for certain long-duration contracts issued by an insurance company. The new amendments require insurance entities to provide a more current measure of the liability for future policy benefits for traditional and limited-payment contracts by regularly refining the liability for actual past experience and updated future assumptions. This differs from current requirements where assumptions are locked-in at contract issuance for these contract types. In addition, the updated liability will be discounted using an upper-medium grade (low-credit-risk) fixed income instrument yield that reflects the characteristics of the liability which differs from currently used rates based on the invested assets supporting the liability. In addition, the amendments introduce new requirements to assess market-based insurance contract options and guarantees for Market Risk Benefits and measure them at fair value. This Update also requires insurance entities to amortize deferred acquisition costs on a constant-level basis over the expected life of the contract. Finally, this Update requires new disclosures including liability rollforwards and information about significant inputs, judgments, assumptions, and methods used in the measurement. In November 2020, FASB issued ASU No. 2020-11 - *Financial Services - Insurance (Topic 944); Effective Date and Early Application* which deferred the effective date until the year ending December 31, 2025. The Company is currently reviewing its policies, processes, and applicable systems to determine the impact this standard will have on its operations and financial results.

3. INVESTMENT OPERATIONS

Major categories of net investment income for the periods ended December 31, 2021 and 2020 are summarized as follows:

		2021		2020
Fixed maturities	$	558,476	$	351,631
Short-term investments		110		4,847
Funds withheld by ceding company		18,320,142		13,781,903
		18,878,728		14,138,381
Other investment expenses		378,942		271,995
Net investment income	$	18,499,786	$	13,866,386

For the periods ended December 31, 2021 and 2020, the Company did not have any gross realized gains or losses on investments available-for-sale (fixed maturities and short-term investments).

The amortized cost, gross unrealized gains and losses, allowance for expected credit losses, and fair value of the Company's investments classified as available-for-sale are as follows:

As of December 31, 2021	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Expected Credit Losses	Fair Value
Fixed maturities:					
Other government-related securities	$ 1,996,956	$ 132,749	$ —	$ —	$ 2,129,705
Corporate securities	14,984,137	892,974	(339)	—	15,876,772
Total available-for-sale securities	16,981,093	1,025,723	(339)	—	18,006,477
Short-term investments	818,416	—	—	—	818,416
	$ 17,799,509	$ 1,025,723	$ (339)	$ —	$ 18,824,893

As of December 31, 2020	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Expected Credit Losses	Fair Value
Fixed maturities:					
Other government-related securities	$ 1,996,660	$ 262,880	$ —	$ —	$ 2,259,540
Corporate securities	13,981,966	1,847,032	—	—	15,828,998
Total available-for-sale securities	15,978,626	2,109,912	—	—	18,088,538
Short-term investments	1,256,795	—	—	—	1,256,795
	$ 17,235,421	$ 2,109,912	$ —	$ —	$ 19,345,333

The amortized cost and fair value of available-for-sale fixed maturities as of December 31, 2021, by expected maturity are shown below. Expected maturities of securities without a single maturity date are allocated based on estimated rates of prepayment that may differ from actual rates of prepayment.

	Available-for-sale	
	Amortized Cost	Fair Value
Due in one year or less	$ —	$ —
Due after one year through five years	750,493	753,178
Due after five years through ten years	13,980,600	14,926,597
Due after ten years	2,250,000	2,326,702
	$ 16,981,093	$ 18,006,477

During the periods ended December 31, 2021 and 2020, there was no activity related to available-for-sale allowance for expected credit losses on debt securities held by the Company.

As of December 31, 2021, the Company held no securities in its available-for-sale portfolio which were rated below investment grade.

The change in unrealized gains, excluding the allowance for expected credit losses, net of income tax, on fixed maturities, classified as available for sale is summarized as follows:

	For The Period Ended December 31,	
	2021	2020
Fixed maturities	$ (856,776)	$ 1,666,830

4. DEFERRED ACQUISITION COSTS

The balances and changes in deferred acquisition costs are as follows:

	For The Period Ended December 31,	
	2021	2020
Balance, beginning of period	$ 121,871	$ —
Capitalization of commissions, sales and issue expenses	2,222	122,971
Amortization	(16,404)	(1,100)
Balance, end of period	$ 107,689	$ 121,871

5. REINSURANCE

Affiliated reinsurance

The Company reinsures business related to fixed indexed and single premium deferred annuities from PLICO, the largest operating subsidiary of PLC. As of December 31, 2021 and 2020, the Company had a $0.5 million and $19.1 million reinsurance receivable from PLICO, respectively, recorded as a component of *other assets* on the balance sheet.

6. RESERVES

The following table summarizes the Company's annuity contract liabilities by product:

	As of December 31,	
	2021	2020
Single premium deferred annuities	$ 211,428,227	$ 225,288,153
Fixed indexed annuities	255,160,897	267,745,578
Total	$ 466,589,124	$ 493,033,731

7. COMMITMENTS AND CONTINGENCIES

The Company, like other insurance companies, in the ordinary course of business, could be involved in legal proceedings. The Company cannot predict the outcome of any legal proceeding nor can it provide an estimate of the possible loss, or range of loss, that may result from such legal proceeding. However, with respect to such legal proceedings, the Company does not expect that its ultimate liability, if any, will be material to its financial condition. The financial services and insurance industries are also sometimes the target of law enforcement and regulatory investigations relating to the numerous laws and regulations that govern such companies. Some companies have been the subject of law enforcement or regulatory actions or other actions resulting from such investigation.

A number of judgments have been returned against insurers, broker dealers and other providers of financial services involving, among other things, sales, underwriting practices, product design, product disclosure, administration, denial or delay of benefits, charging excessive or impermissible fees, recommending unsuitable products to customers, breaching fiduciary or other duties to customers, refund or claims practices, alleged agent misconduct, failure to properly supervise representatives, relationships with agents or persons with whom the insurer does business, payment of sales and other contingent commissions, and other matters. Often these legal proceedings have resulted in the award of substantial judgments that are disproportionate to actual damages, including material amounts of punitive and non-economic compensatory damages. In some states, juries, judges, and arbitrators have substantial discretion in awarding punitive non-economic compensatory damages which creates the potential for unpredictable material adverse judgments or awards in any given legal proceeding. Arbitration awards are subject to very limited appellate review. In addition, in some legal proceedings, companies have made material settlement payments. In some instances, substantial judgments may be the result of a party's perceived ability to satisfy such judgments as opposed to the facts and circumstances regarding the claims made.

The Company establishes liabilities for litigation and regulatory actions when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. For matters where a loss is believed to be reasonably possible, but not probable, no liability is established. For such matters, the Company may provide an estimate of the possible loss or range of loss or a statement that such an estimate cannot be made. The Company is not currently aware of any litigation or regulatory action against the Company.

8. SHAREOWNER'S EQUITY

PLC owns all of the shares of common stock issued by the Company. Dividends are non-cumulative and may be paid as determined by the Board of Directors. No dividends were declared or paid during the periods ended December 31, 2021 or 2020. As discussed within *Note 12, Statutory Reporting Practices and Other Regulatory Matters*, under the Bermuda Insurance Act, the Company is prohibited from paying a dividend in an amount exceeding 25% of the prior year's statutory capital and surplus, unless at least two members of the Company's board of directors and its principal representative in Bermuda sign and submit to the BMA an affidavit attesting that a dividend in excess of this amount would not cause the Company to fail to meet its relevant margins.

9. INCOME TAXES

The Company's effective income tax rate related to continuing operations was 21%, the same as the federal statutory income tax rate, for the periods ended December 31, 2021 and 2020.

The annual provision for federal income tax in these financial statements differs from the annual amounts of income tax expense reported in the Company's income tax returns. Certain significant revenues and expenses are appropriately reported in different years with respect to the financial statements and the tax returns.

The components of the Company's income tax expense are as follows:

	For The Period Ended December 31,	
	2021	**2020**
Income tax expense:		
Current federal	$ 811,313	$ 593,921
Deferred federal	1,540,148	9,767,389
Total income tax expense	$ 2,351,461	$ 10,361,310

The components of the Company's net deferred income tax liability are as follows:

	As of December 31,	
	2021	2020
Deferred income tax assets:		
Premium receivables and policy liabilities	$ —	$ 574,667
Total deferred income tax assets	—	574,667
Deferred income tax liabilities:		
Premium receivables and policy liabilities	4,996,400	—
Deferred acquisition costs	22,615	25,593
Invested assets (other than unrealized gains (losses))	6,288,520	10,316,462
Net unrealized gains on investments	215,331	443,082
Total deferred income tax liabilities	11,522,866	10,785,137
Net deferred income tax liability	$ (11,522,866)	$ (10,210,470)

As of December 31, 2021, some of the Company's fixed maturities were reported at an unrealized loss, although the net amount is an unrealized gain. If the Company were to realize a tax-basis net capital loss for a year, then such loss could not be deducted against that year's other taxable income. However, such a loss could be carried back and forward against any prior year or future year tax-basis net capital gains. Therefore, the Company has relied upon a prudent and feasible tax-planning strategy regarding its fixed maturities that were reported at an unrealized loss. The Company has the ability and the intent to either hold such fixed maturities to maturity, thereby avoiding a realized loss, or to generate an offsetting realized gain from unrealized gain fixed maturities if such unrealized loss fixed maturities are sold at a loss prior to maturity.

The Company has considered the need for the recognition of uncertain tax positions and has determined that there were none to be recorded or disclosed.

10. FUNDS WITHHELD ASSET

The funds withheld asset represents the receivable for assets supporting funds withheld and modco reinsurance. These assets are held in trusts or custodial accounts that are segregated from our third party ceding companies' general accounts and are managed by PLICO, a related party to the Company. In the event of a ceding company's insolvency, we would need to assert a claim on the assets supporting our reserve liabilities. However, we have the ability to offset amounts we owe to the ceding company, which reduces our risk of loss. Interest generally accrues on these assets based upon the investment earnings on the underlying investments. The Company is subject to the investment performance and has all economic rights and obligations on the funds withheld assets in a fashion similar to invested assets directly by the Company.

Information on the underlying assets within the funds withheld asset is presented below:

	As of December 31,	
	2021	2020
Fixed maturity securities		
US government-related securities	$ —	$ 23,450,804
States, municipals, and political	22,468,037	23,326,256
Corporate securities	457,672,694	396,686,309
Residential mortgage-backed securities	24,964,954	44,368,195
Commercial mortgage-backed securities	16,042,480	15,890,126
Other asset-backed securities	14,566,587	16,545,632
Short-term investments	5,189,329	1,757,381
Derivatives	9,941,365	10,322,835
Total investments	550,845,446	532,347,538
Accrued investment income	3,967,370	3,938,019
Other assets and liabilities	(31,150,314)	(13,321,553)
Funds withheld asset	$ 523,662,502	$ 522,964,004

11. RELATED PARTY TRANSACTIONS

The Company routinely receives from or pays to affiliates under the control of PLC reimbursements for expenses incurred on one another's behalf. Receivables and payables among affiliates are generally settled monthly. As of December 31, 2021 and 2020, the Company had intercompany net receivables from its affiliates of $4,022 and intercompany net payables to its affiliates of $41,903, respectively. As described in *Note 5, Reinsurance*, the Company assumes fixed and deferred annuity business from PLICO. It is possible that the terms and conditions of these related party transactions may not be the same as those which would be negotiated between wholly unrelated parties.

The Company has no employees, but has certain service agreements with PLC. These agreements provide the Company with investment, legal, data processing, managerial and administrative services for a fee. The fees are determined on a shared cost basis. In addition, the Company has agreements with affiliates relating to allocation of costs for services performed by employees of one affiliate for another. The Company incurred $194,220 and $0 for expenses associated with these agreements for the periods ended December 31, 2021 and 2020, respectively.

PLC entered into an intercompany loan agreement, dated as of January 28, 2020, with the Company allowing PLC in its sole discretion to provide loan advances to the Company under certain circumstances for operating capital and other purposes. As of December 31, 2021 and 2020, PLC had no outstanding loan advances to the Company.

12. STATUTORY REPORTING PRACTICES AND OTHER REGULATORY MATTERS

The Company is licensed by the Bermuda Monetary Authority ("BMA") as a Class C long term insurer and is subject to the Insurance Act of 1978, as amended ("Bermuda Insurance Act") and regulations promulgated thereunder. The BMA implemented the Economic Balance Sheet ("EBS") framework contained in the Bermuda Solvency and Capital Requirement ("BSCR") for commercial insurers which was granted equivalency to the European Union's Directive (2009/138/EC) ("Solvency II"). Under this framework, a Class C insurer must produce three sets of financial statements:

1. ***GAAP Financial Statements*** **-** Financial statements prepared in accordance with an internationally recognized comprehensive base of accounting, and for which the Company has elected to prepare GAAP financial statements. These

financial statements form the basis for the preparation of both the Statutory Financial Statements and the Economic Balance Sheet.

2. ***Statutory Financial Statements ("SFS")*** - Equal to the GAAP financial statements adjusted for;

   a. Prudential filters that include 1) adjustments to eliminate non-admitted assets including goodwill and other similar intangible assets, not considered admissible for solvency purposes, and 2) adjustments to include certain assets and liabilities that are generally off-balance sheet under general purpose reporting. These include items such as guarantees and other instruments that do not relate to the insurer's own insurance contracts.

   b. Directions (i.e. permitted practices) issued by the BMA.

3. ***Economic Balance Sheet ("EBS") -*** A balance sheet where assets are recorded based on GAAP fair values and insurance reserves are based on technical provisions comprised of the sum of a best estimate liability plus a risk margin. The best estimate liability may be calculated by applying the standard approach or the scenario approach. Under the standard approach the discount rate for insurance reserves is a rate prescribed by the BMA. Under the scenario approach the discount rate for insurance reserves is based on the yield on eligible assets owned by the insurer as determined under the worst result of nine prescribed stressed scenarios.

Under the Bermuda Insurance Act, the Company is required to maintain SFS capital and surplus to meet the Minimum Margin of Solvency ("MMS") which is equal to the greater of $500,000 or 1.5% of SFS assets. As of January 1, 2017, the MMS is subject to a floor of 25% of the Enhanced Capital Ratio ("ECR"). The Company met the minimum requirements.

Under the Bermuda Insurance Act, the Company is also required to maintain the minimum EBS capital and surplus to meet the ECR which is equal to risk based capital model where risk factor charges are applied to the EBS balance sheet in order to determine the ECR. The Company met the minimum requirements.

The BMA has granted the Company a direction in the SFS to utilize amortized cost for the valuation of certain investments instead of fair value. The impact on the SFS of the directions is approximately equal to the difference between GAAP and SFS capital and surplus and net income.

To enable the BMA to better assess the quality of the insurer's capital resources, a Class C insurer is required to disclose the makeup of its capital in accordance with the '3 tiered capital system'. Highest quality capital is classified as Tier 1 Capital, lesser quality capital is classified as either Tier 2 Capital or Tier 3 Capital. The Bermuda Insurance Act requires that Class C insurers have Tier 1 Capital equal to or greater than 50% of the value of its ECR and Tier 3 Capital of not more than 17.65% of the aggregate of its Tier 1 Capital and Tier 2 Capital. As of December 31, 2021 and 2020 all of the eligible capital used by the Company to meet the MMS and ECR was Tier 1. The Company monitors its capital tiers and any encumbrances on capital when determining capital tiers, including assessing any capital restricted in trusts and funds withheld or modco arrangements.

Under the Bermuda Insurance Act, the Company is prohibited from paying a dividend in an amount exceeding 25% of the prior year's statutory capital and surplus, unless at least two members of the Company's board of directors and its principal representative in Bermuda sign and submit to the BMA an affidavit attesting that a dividend in excess of this amount would not cause the Company to fail to meet its relevant margins. In certain instances, the Company would also be required to provide prior notice to the BMA in advance of the payment of dividends. In the event that such an affidavit is submitted to the BMA in accordance with the Bermuda Insurance Act, and further subject to the Company meeting its MMS and ECR, the Company is permitted to distribute up to the sum of 100% of statutory surplus and an amount less than 15% of statutory capital. Distributions in excess of this amount require the approval of the BMA.

13. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Company determined the fair value of its financial instruments based on the fair value hierarchy established in FASB guidance referenced in the Fair Value Measurements and Disclosures Topic which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The Company adopted the provisions from the FASB guidance that is referenced in the Fair Value Measurements and Disclosures Topic for non-financial assets and liabilities (such as property and equipment, goodwill, and other intangible assets) that are required to be measured at fair value on a periodic basis. The effect on the Company's periodic fair value measurements for non-financial assets and liabilities was not material.

The Company has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three level hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded at fair value on the balance sheets are categorized as follows:

- **Level 1:** Unadjusted quoted prices for identical assets or liabilities in an active market.
- **Level 2:** Quoted prices in markets that are not active or significant inputs that are observable either directly or indirectly. Level 2 inputs include the following:
  - Quoted prices for similar assets or liabilities in active markets
  - Quoted prices for identical or similar assets or liabilities in non-active markets
  - Inputs other than quoted market prices that are observable
  - Inputs that are derived principally from or corroborated by observable market data through correlation or other means.
- **Level 3:** Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. They reflect management's own estimate about the assumptions a market participant would use in pricing the asset or liability.

The following table presents the Company's hierarchy for its assets and liabilities measured at fair value on a recurring basis as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Assets:				
Fixed maturity securities - available-for-sale				
Other government-related securities	—	2,129,705	—	2,129,705
Corporate securities	—	15,876,772	—	15,876,772
Total fixed maturity investments	—	18,006,477	—	18,006,477
Funds withheld asset	5,308,881	518,353,621		523,662,502
Short-term investments	818,416	—	—	818,416
Total investments	6,127,297	536,360,098	—	542,487,395
Cash	9,766	—	—	9,766
Total assets measured at fair value on a recurring basis	$ 6,137,063	$ 536,360,098	$ —	$ 542,497,161
Liabilities:				
Annuity contract liabilities	—	—	466,589,124	466,589,124
Total liabilities measured at fair value on a recurring basis	—	—	466,589,124	466,589,124

The following table presents the Company's hierarchy for its assets and liabilities measured at fair value on a recurring basis as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Assets:				
Fixed maturity securities - available-for-sale				
Other government-related securities	—	2,259,540	—	2,259,540
Corporate securities	—	15,828,998	—	15,828,998
Total fixed maturity investments	—	18,088,538	—	18,088,538
Funds withheld asset	5,711,993	517,252,011		522,964,004
Short-term investments	1,256,795	—	—	1,256,795
Total investments	6,968,788	535,340,549	—	542,309,337
Cash	342,493	—	—	342,493
Total assets measured at fair value on a recurring basis	$ 7,311,281	$ 535,340,549	$ —	$ 542,651,830
Liabilities:				
Annuity contract liabilities	—	—	493,033,731	493,033,731
Total liabilities measured at fair value on a recurring basis	—	—	493,033,731	493,033,731

Determination of fair values

The valuation methodologies used to determine the fair values of assets and liabilities reflect market participant assumptions and are based on the application of the fair value hierarchy that prioritizes observable market inputs over unobservable inputs. The Company determines the fair values of certain financial assets and financial liabilities based on quoted market prices, where available. The Company also determines certain fair values based on future cash flows discounted at the appropriate current market rate. Fair values reflect adjustments for counterparty credit quality, the Company's credit standing, liquidity, and where appropriate, risk margins on unobservable parameters. The following is a discussion of the methodologies used to determine fair values for the financial instruments as listed in the above table.

The fair value of fixed maturity and short-term securities is determined by management after considering one of three primary sources of information: third party pricing services, non-binding independent broker quotations, or pricing matrices. Security pricing is applied using a "waterfall" approach whereby publicly available prices are first sought from third party pricing services, the remaining unpriced securities are submitted to independent brokers for non-binding prices, or lastly, securities are priced using a pricing matrix. Typical inputs used by these three pricing methods include, but are not limited to: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Third party pricing services price approximately 100% of the Company's available-for-sale fixed maturity securities. Based on the typical trading volumes and the lack of quoted market prices for available-for-sale fixed maturities, third party pricing services derive the majority of security prices from observable market inputs such as recent reported trades for identical or similar securities making adjustments through the reporting date based upon available market observable information outlined above. If there are no recent reported trades, the third party pricing services and brokers may use matrix or model processes to develop a security price where future cash flow expectations are developed based upon collateral performance and discounted at an estimated market rate. Certain securities are priced via independent non-binding broker quotations, which are considered to have no significant unobservable inputs. When using non-binding independent broker quotations, the Company obtains one quote per security, typically from the broker from which we purchased the security. A pricing matrix is used to price securities for which the Company is unable to obtain or effectively rely on either a price from a third party pricing service or an independent broker quotation.

The pricing matrix used by the Company begins with current spread levels to determine the market price for the security. The credit spreads, assigned by brokers, incorporate the issuer's credit rating, liquidity discounts, weighted-average of contracted cash flows, risk premium, if warranted, due to the issuer's industry, and the security's time to maturity. The Company uses credit ratings provided by nationally recognized rating agencies.

For securities that are priced via non-binding independent broker quotations, the Company assesses whether prices received from independent brokers represent a reasonable estimate of fair value through an analysis using internal and external cash flow models developed based on spreads and, when available, market indices. The Company uses a market based cash flow analysis to validate the reasonableness of prices received from independent brokers. These analytics, which are updated daily, incorporate various metrics (yield curves, credit spreads, prepayment rates, etc.) to determine the valuation of such holdings. As a result of this analysis, if the Company determines there is a more appropriate fair value based upon the analytics, the price received from the independent broker is adjusted accordingly. The Company did not adjust any quotes or prices received from brokers during the period ended December 31, 2021.

The Company has analyzed the third party pricing services' valuation methodologies and related inputs and has also evaluated the various types of securities in its investment portfolio to determine an appropriate fair value hierarchy level based upon trading activity and the observability of market inputs that is in accordance with the Fair Value Measurements and Disclosures Topic of the ASC. Based on this evaluation and investment class analysis, each price was classified into Level 1, 2 or 3. Most prices provided by third party pricing services are classified into Level 2 because the significant inputs used in pricing the securities are market observable and the observable inputs are corroborated by the Company. Since the matrix pricing of certain debt securities includes significant non-observable inputs, they are classified as Level 3.

Corporate Securities and Other government-related securities

As of December 31, 2021, the Company classified approximately $18.0 million of corporate securities and other government-related securities as Level 2. The fair value of the Level 2 bonds and securities is predominantly priced by broker quotes and a third party pricing service. The Company has reviewed the valuation techniques of the brokers and third party pricing service and has determined that such techniques used Level 2 market observable inputs. The following characteristics of the bonds and securities are considered to be the primary relevant inputs to the valuation: 1) weighted-average coupon rate, 2) weighted-average years to maturity, 3) seniority, and 4) credit ratings. The Company reviews the methodologies and valuation techniques (including the ability to observe inputs) in assessing the information received from external pricing services and in consideration of the fair value presentation.

The brokers and third party pricing service utilize valuation models that consist of a hybrid income and market approach to valuation. The pricing models utilize the following inputs: 1) principal and interest payments, 2) treasury yield curve, 3) credit spreads from new issue and secondary trading markets, 4) dealer quotes with adjustments for issues with early redemption features, 5) liquidity premiums present on private placements, and 6) discount margins from dealers in the new issue market.

As of December 31, 2021, the Company did not classify any bonds and securities as Level 3 valuations.

Funds withheld asset

Fixed Maturity Securities

As of December 31, 2021, the Company classified approximately $535.7 million of fixed maturity securities within the funds withheld asset as Level 2. The fair value of the Level 2 bonds and securities is predominantly priced by broker quotes and a third party pricing service. The Company has reviewed the valuation techniques of the brokers and third party pricing service and has determined that such techniques used Level 2 market observable inputs. The following characteristics of the bonds and securities are considered to be the primary relevant inputs to the valuation: 1) weighted-average coupon rate, 2) weighted-average years to maturity, 3) seniority, and 4) credit ratings. The Company reviews the methodologies and valuation techniques (including the ability to observe inputs) in assessing the information received from external pricing services and in consideration of the fair value presentation.

The brokers and third party pricing service utilize valuation models that consist of a hybrid income and market approach to valuation. The pricing models utilize the following inputs: 1) principal and interest payments, 2) treasury yield curve, 3) credit spreads from new issue and secondary trading markets, 4) dealer quotes with adjustments for issues with early redemption features, 5) liquidity premiums present on private placements, and 6) discount margins from dealers in the new issue market.

As of December 31, 2021, the Company did not classify any bonds or securities within the funds withheld asset as Level 3 valuations.

Derivatives

The funds withheld asset includes free-standing derivative financial instruments. Derivative financial instruments are valued using exchange prices or independent broker quotations. As of December 31, 2021, 100% of derivatives based upon notional values were priced using exchange prices or independent broker quotations. Inputs used to value derivatives include, but are not limited to, interest swap rates, credit spreads, interest rate and equity market volatility indices, equity index levels, and treasury rates. The Company performs monthly analysis on derivative valuations that includes both quantitative and qualitative analyses. As of December 31, 2021, the Company classified approximately $0.1 million of derivative financial instruments as Level 1. Derivative instruments classified as Level 1 generally include options, which are traded on active exchange markets.

As of December 31, 2021, the Company classified approximately $9.8 million of derivative financial instruments as Level 2. Derivative instruments classified as Level 2 primarily include options, which are traded over-the-counter, and exchange-traded options which are customizable. These derivative valuations are determined using independent broker quotations, which are corroborated with observable market inputs.

There are no derivative instruments classified in Level 3.

Annuity contract liabilities

The Company reinsures FIA and SPDA contracts which contain GLWB riders. The Company establishes annuity contract liabilities using a stochastic approach. Account balances and all benefit payments (including excess rider benefits) and rider fees are projected over 1,000 different economic scenarios. The resulting cashflows are then discounted at a scenario specific discount rate, plus adjustments for own company credit and an initial locked in market value adjustment. The average present value of benefit payments, less the average present value of rider fees is the resulting contract liability balance. The methods the Company uses to estimate the liabilities have assumptions about policyholder behavior, mortality, and market conditions affecting the account balance growth. The Company periodically revises the key assumptions used in the calculation of the liabilities.

Valuation of Level 3 Financial Instruments

The following tables present the valuation method for material financial instruments included in Level 3, as well as the unobservable inputs used in the valuation of those financial instruments:

	Fair Value as of December 31, 2021	Valuation Technique	Unobservable Input	Range (Weighted Average)
Liabilities:[1]				
Annuity Contract Liabilities	$ 466,589,124	Actuarial cash flow model	Expenses	$61.48 per policy
			Withdrawal rate	0.4% - 2.4% prior to age 72, or WB withdrawal rate if elected
				RMD for ages 72+ or WB withdrawal rate
			Mortality	2015 Ruark ALB table with WB attained age factors
			Lapse	0.2% - 15% depending on duration/surrender charge period
				Dynamically adjusted for WB moneyness and projected market rates vs. credited rates
			Nonperformance risk	0.19% - 0.82%

(1) Excludes coinsurance arrangements.

	Fair Value as of December 31, 2020	Valuation Technique	Unobservable Input	Range (Weighted Average)
Liabilities:[1]				
Annuity Contract Liabilities	$ 493,033,731	Actuarial cash flow model	Expenses	$61.48 per policy
			Withdrawal rate	0.4% - 2.4% prior to age 72, or WB withdrawal rate if elected
				RMD for ages 72+ or WB withdrawal rate
			Mortality	2015 Ruark ALB table with WB attained age factors
			Lapse	0.2% - 15% depending on duration/surrender charge period
				Dynamically adjusted for WB moneyness and projected market rates vs. credited rates
			Nonperformance risk	0.19% - 0.81%

(1) Excludes coinsurance arrangements.

The charts above excludes Level 3 financial instruments that are valued using broker quotes and those which book value approximates fair value.

The Company has considered all reasonably available quantitative inputs as of December 31, 2021 and 2020, but the valuation techniques and inputs used by some brokers in pricing certain financial instruments are not shared with the Company. This resulted in no financial instruments being classified as Level 3 as of December 31, 2021 or 2020.

In certain cases the Company has determined that book value materially approximates fair value. As of December 31, 2021 and 2020, the Company held no financial instruments where book value approximates fair value.

For the periods ended December 31, 2021 and 2020, there were no transfers between any of the levels.

Total realized and unrealized gains (losses) on Level 3 assets and liabilities are primarily reported in either realized investment gains (losses) within the statements of income (loss) or other comprehensive income (loss) within shareowner's equity based on the appropriate accounting treatment for the item.

Purchases, sales, issuances, and settlements, net, represent the activity that occurred during the period that results in a change of the asset or liability but does not represent changes in fair value for the instruments held at the beginning of the period. Such activity primarily relates to purchases and sales of fixed maturity securities.

The Company reviews the fair value hierarchy classifications each reporting period. Changes in the observability of the valuation attributes may result in a reclassification of certain financial assets or liabilities. Such reclassifications are reported as transfers in and out of Level 3 at the beginning fair value for the reporting period in which the changes occur. There were no transfers in and out of Level 3.

14. SUBSEQUENT EVENTS

The Company has evaluated the impact of subsequent events through April 27, 2022, the date of issuance of the financial statements included herein, and there are no other material subsequent events to report.