FREESTONE RE LTD.

(A Wholly-Owned Subsidiary of American National Group, LLC)

Financial Statements

As of and for the period from June 1, 2022 to December 31, 2022

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(A Wholly-Owned Subsidiary of American National Group, LLC)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Freestone Re Ltd.

Opinion

We have audited the financial statements of Freestone Re Ltd. (the "Company"), which comprise the statement of financial position as of December 31, 2022, and the related statements of operations, changes in equity, and cash flows for the period from June 1, 2022 through December 31, 2022, and the related notes to the financial statements (collectively referred to as 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, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

Deloitte & Touche LLP

May 19, 2023

FREESTONE RE LTD.
STATEMENT OF FINANCIAL POSITION
(In thousands of United States Dollars, except share data)

		December 31, 2022
ASSETS		
Equity securities, at fair value	$	175,965
Total investments		**175,965**
Cash and cash equivalents		1,568
Deferred policy acquisition costs		4,625
Deferred tax asset		13,567
Cost of reinsurance, net of amortization of $79,393		601,121
Reinsurance on funds withheld		9,395,692
Total assets	**$**	**10,192,538**
LIABILITIES		
Insurance reserves	$	10,018,695
Income tax liabilities		4,573
Other liabilities		2,003
Total liabilities		**10,025,271**
EQUITY		
Common stock, $1 par value; 500,000,000 shares authorized; 201,098,411 shares issued and outstanding		201,098
Accumulated deficit		(33,831)
Total equity		**167,267**
Total liabilities and equity	**$**	**10,192,538**

See accompanying notes to financial statements.

FREESTONE RE LTD.
STATEMENT OF OPERATIONS
(In thousands of United States Dollars)

	Period from June 1, 2022 through December 31, 2022
PREMIUMS AND OTHER REVENUES	
Health premiums	$ 39
Net investment results from funds withheld	156,089
Net gains on equity securities	24,852
Total premiums and other revenues	**180,980**
BENEFITS, LOSSES AND EXPENSES	
Health claims incurred	8
Expense allowance	44,149
Interest credited	98,095
Amortization of cost of reinsurance	79,393
Other operating expenses	2,160
Total benefits, losses and expenses	**223,805**
Loss before federal income tax	**(42,825)**
Less: Provision (benefit) for federal income taxes	
Current	4,573
Deferred	(13,567)
Total benefit for federal income taxes	**(8,994)**
Net loss	**$ (33,831)**

See accompanying notes to financial statements.

FREESTONE RE LTD.
STATEMENT OF CHANGES IN EQUITY
(In thousands of United States Dollars)

	Common Stock	Accumulated Deficit	Total Equity
Balance at June 1, 2022	**$ —**	**$ —**	**$ —**
Capital contributions	201,098	—	201,098
Net loss	—	(33,831)	(33,831)
Balance at December 31, 2022	**$ 201,098**	**$ (33,831)**	**$ 167,267**

See accompanying notes to financial statements.

FREESTONE RE LTD.
STATEMENT OF CASH FLOW
(In thousands of United States Dollars)

	Period from June 1, 2022 through December 31, 2022
OPERATING ACTIVITIES	
Net loss	$ (33,831)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Realized investment losses	10,002
Unrealized gain or loss on investments and derivatives	(24,852)
Income tax expense	4,573
Interest credited to policyholders’ account balances	98,095
Charges to policyholders’ account balances	49,261
Deferred federal income tax expense (benefit)	(13,567)
Amortization of cost of reinsurance	79,393
Changes in:	
Reinsurance funds withheld	(164,700)
Deferred policy acquisition costs	—
Cost of reinsurance	(54,796)
Other, net	2,001
Net cash used in operating activities	**(48,421)**
INVESTING ACTIVITIES	
Net cash used in investing activities	—
FINANCING ACTIVITIES	
Issuance of equity	49,989
Net cash provided by financing activities	**49,989**
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,568
Cash and cash equivalents at the beginning of the period	—
Cash and cash equivalents at the end of the period	**$ 1,568**

See accompanying notes to financial statements.

Note 1 – Organization and Nature of Operations

Freestone Re Ltd. ("the Company") was incorporated under the laws of Bermuda on October 28, 2021. The Company is a wholly owned subsidiary of American National Group, LLC (ANAT), "the Parent", which is itself a wholly owned subsidiary of BAMR US Holdings LLC ("BAMR US"). The Company is licensed as a Class C insurer under the Bermuda Insurance Act 1978.

The Company signed as of June 1, 2022 a Modified Coinsurance ("Modco") Agreement with American National Insurance Company ("ANICO"), a Texas domiciled stock life, accident, and health insurance company and wholly owned subsidiary of ANAT. The agreement was effective as of January 1, 2022.

Under the agreement, ANICO ceded to the Company at inception, on a Modco basis, a block of approximately $9.9 billion of in-force annuity policies (Fixed Deferred Annuity, Fixed Index Annuity, and Multi-year Guaranteed Annuity) and a small number of credit accident and health insurance policies. Prospectively, ANICO cedes 100% of the risk on in-force business and 70% of the risk on new business, on a Modco basis.

Note 2 – Summary of Significant Accounting Policies and Practices

The financial statements and notes thereto have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP") on a going concern basis and are reported in United States currency. The Company has a minority interest in American Equity Life ("AEL") and does not have any subsidiary in which it has a majority ownership or controls the voting rights. Therefore, the Company does not consolidate.

The preparation of financial statements and related disclosures in conformity with US 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 reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period in which they are determined to be necessary.

The significant accounting policies used in preparing these financial statements, are summarized below.

Investments consist of equity securities of AEL. Those equity securities are measured at fair value at the date of the financial statements with changes in fair value recognized in earnings.

Cash and cash equivalents include cash and short-term highly liquid investments that are readily convertible to known amounts of cash with original maturities of 3 months or less from the date of purchase. The cash balance is maintained in a bank account held in Bermuda.

Deferred policy acquisition costs ("DAC") are capitalized costs related directly to the successful acquisition of new or renewal insurance contracts. Significant costs are incurred to acquire insurance and annuity contracts, including commissions and certain underwriting, policy issuance, and processing expenses. Amortization is calculated on a straight-line basis over the remaining life of the underlying policies and recorded in expenses in the Statement of Operations.

Cost of reinsurance. Cost of reinsurance is comprised of all amounts paid to the Company, less the expected recoveries and reimbursements to be paid to the ceding entity, plus or minus any assumed commission and expense allowance not representing reimbursement of acquisition costs. The cost of reinsurance is amortized on a straight-line basis over the remaining life of the underlying reinsurance contracts. Amortization is recorded in expenses within the Statement of Operations.

Reinsurance on funds withheld is a receivable for amounts contractually withheld by ANICO in accordance with reinsurance agreements in which the Company acts as a reinsurer. The receivable represents assets that are held in custodial accounts that are legally segregated from ANICO's general accounts and are managed by ANICO. These assets are typically cash and cash equivalents, fixed income, and mortgage loan asset types. In the event of ANICO's insolvency, the Company would need to assert a claim on the assets supporting the insurance reserves. However, the Company has the ability to offset amounts owed to ANICO. Interest 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. The embedded derivative unrealized loss is also included within this receivable balance.

Note 2 – Summary of Significant Accounting Policies and Practices (continued)

Derivative instruments in the form of equity-indexed options are purchased and held in the Modco assets portfolio at cost to offset fluctuations in interest credited to fixed indexed annuities linked to the performance of equity indices.

An embedded derivative exists to the extent the Company has a reinsurance arrangement with the ceding company but is exposed to credit risk of the issuers (i.e., unrelated third parties) of the Modco assets. When the embedded derivative is not clearly and closely related to the host contract, it must be bifurcated and accounted for separately at fair market value. Under a Modco arrangement, the ceding company holds the assets backing the liabilities ceded and passes through to the reinsurer all investment returns, including credit and interest rate related gains and losses. The liability leg is the difference between the market value and book value of the projected statutory reserve liability as of the reporting date.

Insurance reserves are carried at the accumulated contract holder values without reduction for potential surrender or withdrawal charges. These are equal to the balance that accrues to the benefit of the policyholders as of the reporting date (commonly referred to as the account value), including policyholders accumulated net deposits plus a guaranteed rate of interest credited, less policyholder deaths and withdrawals. The Company periodically reviews actual and anticipated experience compared to the assumptions used to establish insurance reserves.

Federal income taxes. The Company made an election under Section 953(d) of the U.S. Internal Revenue Code of 1986, as amended, to be taxed as a U.S. entity. As such, the Company is included in the consolidated federal income tax return of BAMR US. In accordance with the Company's tax sharing agreement with BAMR US, tax liabilities are calculated as if each subsidiary filed a separate federal income tax return. If the Company has taxable income, it pays its share of the consolidated federal income tax liability to its indirect parent. However, if the Company incurs a tax loss, the tax benefit is recovered by decreasing subsequent year's federal income tax payments to its indirect parent. Deferred income tax assets and liabilities are recognized to reflect the future tax consequences attributable to differences between the financial statement amounts of assets and liabilities and their respective tax bases. Deferred taxes are measured using enacted tax rates expected to apply in the years in which those temporary differences are expected to be recovered or settled.

The Company recognizes tax benefits on uncertain tax positions if it is "more-likely-than-not" the position based on its technical merits will be sustained by taxing authorities. The Company recognizes the largest benefit that is greater than 50% likely of being ultimately realized upon settlement. Tax benefits not meeting the "more-likely-than-not" threshold, if applicable, are included within "Other liabilities" in the consolidated statement of financial position. The Company recognizes interest expense and penalties related to uncertain tax positions, if applicable, as income tax expense in the statement of operations. Accrued interest expense and penalties related to uncertain tax positions are reported as "Other liabilities" in the statement of financial position.

Net investment results from funds withheld include investment income on funds withheld. Changes in the fair value of funds withheld investments are included in the net investment results from funds withheld. Unrealized gain/(loss) on embedded derivative is also included as part of the net investment result from funds withheld.

Interest Credited is comprised of gross premiums, benefits, and change in reserves. Gross premiums are recognized as revenue when due and collection is reasonably assured. When premiums are recognized, insurance reserves are computed, with the result that benefits, and expenses are matched with such revenue. Benefits paid are recorded when they are due and incurred. Change in reserves is calculated based on the difference between the ending and beginning reserves.

Reinsurance assumed. The Company assumes insurance contracts under Modco. The Company generally has the right of offset on reinsurance contracts but has elected to present reinsurance settlement amounts due to and from the cedant on a gross basis. Under the current Modco agreement, the Company and cedant have the right to terminate its agreement by providing a written notice. Upon termination of the agreement, the cedant shall be deemed to have recaptured and reassumed all Insurance Liabilities, and there shall be a terminal accounting and release of any remaining balance related to the Modco assets.

(In thousands of United States Dollars, except as otherwise noted)

Note 3 – Recently Issued Accounting Pronouncements

Adoption of New Accounting Standards—There were no recently adopted accounting standards for the twelve months ended December 31, 2022 that had a material impact to the Company's Financial Statements or Notes to the Financial Statements.

Standard	Description	Effective Date and Method of Adoption	Impact on Financial Statements
ASU 2018-12, Financial Services—Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts ("LDTI")	The guidance will improve the timeliness of recognizing changes in the liability for future policy benefits for traditional and limited payment long-duration contracts and will modify the rate used to discount future cash flows. The guidance will also simplify the accounting for certain market-based options or guarantees associated with deposit (or account balance) contracts (market risk benefits), simplify the amortization of deferred acquisition costs and add significant qualitative and quantitative disclosures.	The Company will adopt this standard for all annual and interim periods beginning after December 15, 2022. The Company will use the full retrospective method for adoption of the standard.	The impact of adoption of the standard is expected to be material to the financial statements and the related disclosures. We expect that the most significant impact of the adoption of the standard will be to accumulated other comprehensive income ("AOCI") and equity. We expect that the most significant drivers of this impact will be the increase in interest rates underlying the fair value measurement of market risk benefits.

Note 4 - Investment in Securities

The Company received 3,857,184 shares of AEL from its Parent for a capital contribution of $151,113. Those shares are valued at $175,965 as of December 31, 2022. The resulting $24,852 unrealized gain was recorded through earnings.

Note 5 – Risk Management

This note sets out the major risks which the Company is exposed to and describes the Company's approach to managing these risks.

The Company manages risk by applying the principles and guidelines outlined in the Risk Appetite Framework (the "framework"). This framework establishes the overall risk management framework that includes the following:

- Risk inventory – identifies and defines the risks arising from the Company's business strategy and operations using a consistent language that enables an enterprise-wide approach to measurement, reporting and disclosure of risk;
- Risk appetite – determines the nature and amount of risk the Company is prepared to take, the adherence to which is measured and reported through an extensive set of Board-approved risk appetite tolerances;
- Risk governance and organization – establishes clear ownership and accountability for risk management oversight and a risk-aware culture across the Company; and
- Risk management process – codifies a consistent approach to the identification, assessment, measurement, control, monitoring, and reporting of risks faced by the Company.

A Commercial Insurer's Solvency Self-Assessment ("CISSA") is undertaken by the Company at least annually. The primary purpose of the CISSA exercise is to allow the Company to incorporate an analysis of the internal capital needs into the risk management framework. It also ensures that both capital needs and available capital resources are considered in the development of business strategies and decision-making over the near and long term, including factoring in the impact of catastrophic shocks. The CISSA framework provides a perspective of the capital resources necessary to achieve the Company's

business strategies and remain solvent given its risk profile, as well as insight into the risk management and governance procedures surrounding these processes.

The principal risk factors that affect the Company's operations and financial condition include financial risks such as market risk, credit risk, liquidity risk and insurance risk.

Note 5 – Risk Management (continued)

The following sections describe the primary financial risks and associated risk management strategies in place that affect the Company’s operating results and financial condition.

a) Market risk

Market risk is defined as the risk that the fair value of future cash flows of a financial instrument held by the Company will fluctuate because of changes in market prices. Market risk includes the risk of changes in interest rates, currency exchange rates and changes in market prices due to factors other than interest rates or currency exchange rates.

The Company manages market risk from foreign currency assets and liabilities and the impact of changes in currency exchange rates and interest rates by funding assets with financial liabilities in the same currency and with similar interest rate characteristics to minimize residual exposures. Financial instruments held by the Company that are subject to market risk includes financial assets and borrowings.

The Company’s most significant market risk is interest rate risk.

i. Interest rate risk

Interest rate risk is the risk that the Company is exposed to lower returns or loss as a direct or indirect result of fluctuations in the value of, or income from, specific assets and liabilities arising from changes in underlying interest rates.

The Company is exposed to interest rate risk within the investment portfolio it maintains to meet the obligations and commitments under its insurance contracts, in that the proceeds from the assets may not be sufficient to meet the Company's obligations to policyholders.

For the annuity business, where the timing and amount of the benefit payment obligations can be readily determined, the matching of asset and liability cash flows is effectively controlled through this comprehensive duration management process. This process mitigates the risk that the commitments of the Company are not met.
Asset liability matching significantly reduces the Company's exposure to interest rate risk.

b) Credit risk

The Company is exposed to credit risk, which is the risk that a counterparty will be unable to perform its financial obligations in full when due. The Company is primarily exposed to credit risk through its investments in debt securities and reinsurance funds withheld.

The Company manages exposure to credit risk by establishing concentration limits by counterparty, credit rating and asset class. To further minimize credit risk, the financial condition of the counterparties is monitored on a regular basis.

i. Asset quality

The credit rating of the financial assets and reinsurance funds withheld are provided by independent rating agencies. Credit rating are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from agencies Standard & Poor's, Moody's, and Fitch.

ii. Concentration

Concentration of credit risk arise from exposures to a single issuer or a group of related issuers or groups of issuers that have similar risk characteristics.

(In thousands of United States Dollars, except as otherwise noted)

Note 5 – Risk Management (continued)

iii. Reinsurance counterparties

Reinsurance contracts with the Company's affiliate, ANICO, and related exposure totaled $10,018,695 at December 31, 2022. At March 20, 2023, ANICO's A.M. Best credit rating was "A, Excellent" .

The Company has associated reinsurance funds withheld of $9,395,692 as at December 31, 2022 with ANICO.

c) Liquidity risk

To manage liquidity risk, the Company purchases assets to support the liabilities under its insurance contracts. The effective and key rate duration of these investments are constructed to match those of the annuity policy liabilities. The Company has established liquidity risk tolerances and operational targets that are closely monitored. Stress testing is conducted to ensure that there are sufficient liquid assets at all times to meet obligations.

d) Insurance risk

Insurance risk is the risk that exposure to loss arising from claims experience are different from what was anticipated. The Company reinsures fixed indexed annuity and fixed deferred annuity products only. Generally, the assumptions that are the most sensitive for these annuity products are changes to investment yields, utilization rates, partial withdrawal rates, lapse rates and mortality.

Note 6 - Deferred Policy Acquisition Costs ("DAC")

Deferred policy acquisition costs are shown below:

		Total
Beginning balance at June 1, 2022	$	—
Additions		5,188
Amortization		(563)
Ending balance at December 31, 2022	**$**	**4,625**

Note 7 - Derivative Instruments

The embedded derivative unrealized loss is composed of the following. See *Note 2, Summary of Significant Accounting Policies and Practices,* of the Notes to the Financial Statements, for further details.

		December 31, 2022
Change in unrealized loss	$	(637,808)
Liability leg		(563,241)
Unrealized loss	**$**	**(74,567)**

Note 8 - Cost of Reinsurance, Net of Amortization

Cost of reinsurance represents the amount of GAAP liability assumed in excess of reinsurance funds withheld plus ceding commission paid by the Company to ANICO. The table below presents the components of cost of reinsurance during the year.

Beginning balance at June 1, 2022	$	680,514
Accumulated Amortization		(79,393)
Ending balance at December 31, 2022	**$**	**601,121**

(In thousands of United States Dollars, except as otherwise noted)

Note 9 - Reinsurance on Funds Withheld

The $9,395,692 balance of the reinsurance funds withheld account at December 31, 2022 is current and net of a $74,567 embedded derivative unrealized loss; see *Note 2, Summary of Significant Accounting Policies and Practices* and *Note 7, Derivative Instruments*, of the Notes to the Financial Statements, for further details.

The reinsurance on funds withheld balances are as follows:

	Book Value	Market Value
Fixed income	$ 6,435,764	$ 5,923,665
Common stock	254	254
Money market	205,237	205,237
Loans	2,844,066	2,739,158
Options	124,445	103,736
Embedded derivative	(74,567)	(74,567)
Other	(139,507)	(139,507)
Total Reinsurance on Funds Withheld	**$ 9,395,692**	**$ 8,757,976**

Note 10 - Other Liabilities

The $2,003 other liabilities balance primarily includes a $1,418 credit default swap fee payable by the Company based on the credit default swap protection agreement signed between the Company and its upstream indirect parent, BAM Re. Holdings Ltd., effective September 1, 2022.

Note 11 - Net Investment Results from Funds Withheld

The net investment results from funds withheld are as follows:

	Net investment income	Net realized investment losses	Impairments	Unrealized gain on investments	Total
Fixed income	$ 188,160	$ (10,002)	$ (12,643)	$ 169	$ 165,684
Common stock	1,615	—	—	—	1,615
Short term investments	76	—	—	—	76
Money market	—	—	—	—	—
Loans	87,273	(25,381)	—	—	61,892
Total	**$ 277,124**	**$ (35,383)**	**$ (12,643)**	**$ 169**	**$ 229,267**
Dividend on AEL stock	1,389	—	—	—	1,389
Total	**$ 278,513**	**$ (35,383)**	**$ (12,643)**	**$ 169**	**$ 230,656**
			Unrealized loss on embedded derivative		(74,567)
			Total net investment results from funds withheld		**$ 156,089**

Note 12 - Expense Allowance

The expense allowance balance as of December 31, 2022 is primarily comprised of the Company's share of the reinsured policies' expenses, estimated at $203 per policy and $576 per claim and paid to the cedant.

(In thousands of United States Dollars, except as otherwise noted)

Note 13 - Federal Income Taxes

For the year ended December 31, 2022, the Company reported a federal income tax benefit of $8,994 resulting in an effective tax rate equal to the US statutory rate of 21%.

The tax effects of temporary differences that gave rise to the deferred tax assets and liabilities are shown below:

	December 31, 2022
DEFERRED TAX ASSETS:	
Deferred policy acquisition costs	$ 1,470
Reinsurance transactions	17,311
Other	5
Gross deferred tax assets	**18,786**
DEFERRED TAX LIABILITIES:	
Equity securities	5,219
Gross deferred tax liabilities	**5,219**
Total net deferred tax asset	**$ 13,567**

We are required to evaluate the recoverability of our deferred tax assets and establish a valuation allowance, if necessary, to reduce our 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. Although realization is not assured, management believes it is more-likely-than-not that our deferred tax assets will be realized and that as of December 31, 2022, no valuation allowance is required.

As of December 31, 2022, the Company has no provision for uncertain tax positions and no provision for penalties or interest. In addition, management does not believe there are any uncertain tax benefits that could be recognized within the next twelve months that would impact the Company's effective tax rate.

Note 14 - Related Party Transactions

On June 1, 2022, the Company entered into a Modco agreement with its affiliate, ANICO. This related party Modco agreement has a material impact to the financial statements. For further details, see *Note 1, Organization and Nature of Operations*, of the Notes to the Financial Statements.

As stated in *Note 10, Other Liabilities*, of the Notes to the Financial Statements, the Company paid its upstream indirect parent, BAM Re. Holdings Ltd. a $1,418 credit default swap fee.

Note 15 – Insurance Reserves

The insurance reserves account balance is composed of the GAAP reserve and is as follows:

Beginning balance at June 1, 2022	$ 9,873,122
Reserve change	145,573
Ending balance at December 31, 2022	**$ 10,018,695**

Note 16 - Subsequent Events

There were no recognized events occurring subsequent to the end of the twelve months ended December 31, 2022.