The Variable Annuity Life Insurance Company

(An indirect wholly owned subsidiary of Corebridge Financial, Inc.)

Statutory Financial Statements and Supplemental Information and Report of Independent Auditors

At December 31, 2024 and 2023 and
for each of the three years ended December 31, 2024

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY
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Report of Independent Auditors

To the Board of Directors and Shareholder of The Variable Annuity Life Insurance Company

Opinions

We have audited the accompanying statutory financial statements of The Variable Annuity Life Insurance Company (the "Company"), which comprise the statutory statements of admitted assets, liabilities and capital and surplus as of December 31, 2024 and 2023, and the related statutory statements of operations, of changes in capital and surplus, and of cash flows for each of the three years in the period ended December 31, 2024, including the related notes (collectively referred to as the "financial statements").

Unmodified Opinion on Statutory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the admitted assets, liabilities and capital and surplus of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in accordance with the accounting practices prescribed or permitted by the Texas Department of Insurance described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2024 and 2023, or the results of its operations or its cash flows for each of the three years in the period ended December 31, 2024.

Basis for Opinions

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

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

As described in Note 2 to the financial statements, the financial statements are prepared by the Company on the basis of the accounting practices prescribed or permitted by the Texas Department of Insurance, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of selected financial data, investment risks interrogatories, summary investment schedule, and schedule of reinsurance disclosures (collectively referred to as the "supplemental schedules") of the Company as of December 31, 2024 and for the year then ended are presented to comply with the National Association of Insurance Commissioners' Annual Statement Instructions and Accounting Practices and Procedures Manual and for purposes of additional analysis and are not a required part of the financial statements. The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

New York, New York
April 17, 2025

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES AND CAPITAL AND SURPLUS

	December 31,	
(in millions)	**2024**	2023
Admitted assets		
Cash and investments		
Bonds	**$ 32,632**	$ 35,788
Preferred stock	**9**	9
Common stock	**226**	242
Cash, cash equivalents and short-term investments	**864**	39
Mortgage loans	**6,962**	7,325
Real estate	**—**	3
Contract loans	**398**	409
Derivatives	**376**	287
Derivative cash collateral and deferred asset for SSAP 108	**5**	117
Other invested assets	**1,884**	1,944
Total cash and investments	**43,356**	46,163
Amounts receivable under reinsurance contracts	**1**	15
Current federal income tax recoverable	**—**	103
Deferred tax asset	**228**	200
Due and accrued investment income	**468**	528
Receivables from affiliates	**90**	273
Other assets	**111**	49
Separate account assets	**40,783**	38,880
Total admitted assets	**$ 85,037**	$ 86,211

See accompanying Notes to Statutory Financial Statements.

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES AND CAPITAL AND SURPLUS (CONTINUED)

	December 31,	
(in millions, except for share data)	**2024**	2023
Liabilities		
Policy reserves and contractual liabilities		
Life and annuity reserves	**$ 34,663**	$ 36,031
Liabilities for deposit-type contracts	**5,716**	6,193
Total policy reserves and contractual liabilities	**40,379**	42,224
Payable to affiliates	**139**	133
Interest maintenance reserve	**—**	7
Amounts withheld or retained by Company as agent or trustee and held for agents' account	**27**	28
Current federal income taxes payable	**48**	—
Derivatives	**—**	(7)
Payable for securities lending	**74**	—
Repurchase agreements	**443**	852
Collateral for derivatives program	**366**	277
Accrued expenses and other liabilities	**227**	423
Net transfers to (from) separate accounts due or accrued	**(54)**	78
Asset valuation reserve	**638**	779
Separate account liabilities	**40,783**	38,880
Total liabilities	**83,070**	83,674
Commitments and contingencies (see Note 19)		
Capital and surplus		
Common stock, $1 par value; 5,000,000 shares authorized, 3,575,000 issued and outstanding	**4**	4
Gross paid-in and contributed surplus	**1,999**	2,298
Unassigned surplus	**(36)**	235
Total capital and surplus	**1,967**	2,537
Total liabilities and capital and surplus	**$ 85,037**	$ 86,211

See accompanying Notes to Statutory Financial Statements.

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF OPERATIONS

	December 31,		
(in millions)	**2024**	2023	2022
Revenues			
Premiums and annuity considerations	**$ 3,349**	$ 3,580	$ (19,033)
Net investment income	**1,972**	2,022	2,162
Amortization of interest maintenance reserve	**(21)**	(1)	14
Reserve adjustments on reinsurance ceded	**(2,957)**	(3,424)	22,023
Commissions and expense allowances	**513**	549	460
Separate account fees	**410**	389	410
Other income	**226**	215	228
Total revenues	**3,492**	3,330	6,264
Benefits and expenses			
Annuity benefits	**263**	305	691
Surrender benefits	**6,508**	4,935	5,833
Other benefits	**206**	202	169
Change in reserves	**(1,367)**	(1,519)	(531)
Commissions	**168**	167	154
General insurance expenses	**367**	407	382
Net transfers to (from) separate accounts	**(3,534)**	(1,985)	(1,711)
Other expenses	**569**	494	225
Total benefits and expenses	**3,180**	3,006	5,212
Net gain from operations before dividends to policyholders and federal income taxes	**312**	324	1,052
Dividends to policyholders	**—**	—	—
Net gain from operations after dividends to policyholders and before federal income taxes	**312**	324	1,051
Federal income tax (benefit) expense	**156**	(73)	301
Net gain from operations	**156**	397	750
Net realized capital gains (losses), net of tax after transfers to interest maintenance reserves	**(50)**	(50)	(98)
Net income	**$ 106**	$ 347	$ 652

See accompanying Notes to Statutory Financial Statements.

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF CHANGES IN CAPITAL AND SURPLUS

(in millions)	Common Stock	Other Than Special Surplus (Deficit) Funds	Gross Paid-In and Contributed Surplus	Unassigned Surplus	Total Capital and Surplus
Balance, January 1, 2022	$ 4	$ —	$ 2,263	$ 1,013	$ 3,280
Net income (loss)	—	—	—	652	652
Change in net unrealized capital gains (losses)	—	—	—	70	70
Change in net unrealized foreign exchange capital gains (losses)	—	—	—	(173)	(173)
Change in deferred tax	—	—	—	(153)	(153)
Change in non-admitted assets	—	—	—	199	199
Change in asset valuation reserve	—	—	—	(1)	(1)
Change in surplus from separate accounts	—	—	—	21	21
Other changes in surplus in separate accounts	—	—	—	(21)	(21)
Additional paid-in surplus	—	—	34	—	34
Change in surplus as a result of reinsurance	—	—	—	1,166	1,166
Dividends	—	—	—	(2,700)	(2,700)
Prior period corrections	—	—	—	(20)	(20)
Balance, December 31, 2022	$ 4	$ —	$ 2,297	$ 53	$ 2,354
Net income (loss)	—	—	—	347	347
Change in net unrealized capital gains (losses)	—	—	—	10	10
Change in net unrealized foreign exchange capital gains (losses)	—	—	—	92	92
Change in deferred tax	—	—	—	(10)	(10)
Change in non-admitted assets	—	—	—	(41)	(41)
Change in asset valuation reserve	—	—	—	23	23
Change in surplus from separate accounts	—	—	—	15	15
Other changes in surplus in separate accounts	—	—	—	(15)	(15)
Additional paid-in surplus	—	—	—	—	—
Change in surplus as a result of reinsurance				(229)	(229)
Dividends	—	—	—	—	—
Prior period corrections	—	—	—	(10)	(10)
Balance, December 31, 2023	$ 4	$ —	$ 2,297	$ 235	$ 2,536
Net income (loss)	**—**	**—**	**—**	**106**	**106**
Change in net unrealized capital gains (losses)	**—**	**—**	**—**	**(31)**	**(31)**
Change in net unrealized foreign exchange capital gains (losses)	**—**	**—**	**—**	**(71)**	**(71)**
Change in deferred tax	**—**	**—**	**—**	**153**	**153**
Change in non-admitted assets	**—**	**—**	**—**	**(109)**	**(109)**
Change in asset valuation reserve	**—**	**—**	**—**	**141**	**141**
Change in surplus from separate accounts	**—**	**—**	**—**	**4**	**4**
Other changes in surplus in separate accounts	**—**	**—**	**—**	**(4)**	**(4)**
Additional paid-in surplus	**—**	**—**	**(298)**	**—**	**(298)**
Change in surplus as a result of reinsurance	**—**	**—**	**—**	**(207)**	**(207)**
Dividends	**—**	**—**	**—**	**(80)**	**(80)**
Prior period corrections	**—**	**—**	**—**	**(173)**	**(173)**
Balance, December 31, 2024	**$ 4**	**$ —**	**$ 1,999**	**$ (36)**	**$ 1,967**

See accompanying Notes to Statutory Financial Statements.

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF CASH FLOWS

(in millions)	December 31, 2024	2023	2022
Cash from operations			
Premium and annuity considerations, collected, net of reinsurance	**$ 3,348**	$ 3,580	$ 3,892
Net investment income collected	**2,053**	1,778	1,987
Other income	**(1,807)**	(2,270)	196
Total revenue received	**3,594**	3,088	6,075
Benefits paid	**7,036**	5,506	6,548
Net transfers from (to) separate accounts	**(3,396)**	(2,379)	(1,810)
Commissions and expenses paid	**1,108**	1,066	739
Federal income taxes paid (received)	**(53)**	316	47
Total benefits and expenses paid	**4,695**	4,509	5,524
Net cash provided by operations	**(1,101)**	(1,421)	551
Cash from investments			
Proceeds from investments sold, matured or repaid:			
Bonds	**4,043**	2,701	3,599
Stocks	**19**	14	26
Mortgage loans	**658**	691	2,662
Other invested assets	**174**	637	987
Disposal - Net gain (loss)	**1**	2	—
Securities lending reinvested collateral assets	**—**	—	551
Total proceeds from investments sold, matured or repaid	**4,895**	4,045	7,825
Cost of investments acquired:			
Bonds	**1,193**	339	3,137
Stocks	**3**	3	53
Mortgage loans	**390**	561	3,494
Real estate	**(1)**	—	—
Other invested assets	**185**	403	1,081
Derivatives	**(122)**	123	(66)
Other, net	**(74)**	—	—
Total cost of investments acquired	**1,574**	1,429	7,699
Net adjustment in contract loans	**(11)**	(13)	(36)
Net cash provided by (used in) investing activities	3,332	2,629	162
Cash from financing and miscellaneous sources			
Cash provided (applied):			
Capital and paid-in surplus	**(298)**	—	—
Net deposits on (withdrawals from) deposit-type contracts	**(618)**	(840)	(87)
Dividends to parent	**(80)**	—	(2,700)
Change in securities lending	**(74)**	—	(763)
Other, net	**(336)**	(514)	3,082
Net cash provided by (used in) financing and miscellaneous activities	**(1,406)**	(1,354)	(468)
Net increase (decrease) in cash, cash equivalents and short-term investments	**825**	(146)	245
Cash, cash equivalents and short-term investments at beginning of year	**39**	185	(61)
Cash, cash equivalents and short-term investments at end of year	**$ 864**	**$** 39	$ 184

Non-cash activities, excluded from above:			
Non-cash internal transfers mortgage loans	**158**	—	—
Non-cash transfer from general to separate account	**97**	—	—
Non-cash corporate actions-bonds	**41**	—	—
Non-cash corporate action reclass to bonds	**11**	—	—
Non-cash transfer from separate to general account	**6**	212	—
Non-cash transfer from other invested asests to bond	**6**	—	—
Non-cash internal transfers other invested assets	**2**	—	—
Non-cash transfer from other invested assets to stocks	**1**	1	—
Non-cash transfer from short term to bonds	**1**	—	—
Non-cash transfer from collateral other invested assets to bonds	**—**	100	—
Non-cash transfer Modco adjustment on ceded reinsurance	**—**	—	(22,924)
Non-cash transfer from other invested assets to mortgage loans	**—**	20	260
Non-cash contribution to subsidiary	**—**	—	34
Non-cash return of capital from other invested assets to VALIC	**—**	—	2

See accompanying Notes to Statutory Financial Statements.

1. NATURE OF OPERATIONS

The Variable Annuity Life Insurance Company ("VALIC" or the "Company"), including its wholly owned subsidiaries, is a wholly owned subsidiary of AGC Life Insurance Company ("AGC Life" or the "Parent"), a Missouri-domiciled life insurance company, which is wholly owned by Corebridge Life Holdings, Inc. ("Corebridge Life Holdings"). Corebridge Life Holdings is wholly owned by Corebridge Financial, Inc. ("Corebridge"). American International Group, Inc. ("AIG") owned approximately 22.7% and Nippon Life Insurance Company owned approximately 21.7% of outstanding Corebridge common stock as of December 31, 2024.

On December 9, 2024, Nippon Life Insurance Company, a mutual company organized under the laws of Japan, completed its purchase of approximately 122 million shares of Corebridge.

The Company is a stock life insurance company domiciled and licensed under the laws of the State of Texas and is subject to regulation by the Texas Department of Insurance ("TDI"). The Company is also subject to regulation by the states in which it is authorized to transact business. The Company is licensed in 50 states and the District of Columbia.

The Company is a leading provider in the United States of individual term and universal life insurance solutions to middle-income and high-net-worth customers, as well as a leading provider in the United States of fixed and variable annuities. VALIC's primary products include fixed and variable annuities, and mutual funds and plan administrative and compliance services. The Company utilizes career financial advisors and independent financial advisors to provide retirement plan participants with enrollment support and comprehensive financial planning services. No annual annuity deposits for any individual advisor in 2024 or 2023 represented more than 10 percent of total annuity deposits.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the TDI. These accounting practices vary in certain respects from accounting principles generally accepted in the United States of America ("U.S. GAAP"), as described herein.

The TDI recognizes only statutory accounting practices ("SAP") prescribed or permitted by the State of Texas for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Texas Insurance Law. The National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the State of Texas. The Insurance Commissioner of the State of Texas has the right to permit other specific practices that deviate from prescribed practices.

The Company does not employ any prescribed or permitted accounting practices that differ from the NAIC SAP.

The statement of cash flows in this report has balances that are different from those in the annual statement filed with the NAIC. The annual statement for 2023 had net cash provided by operations, investments and financing of $(1.5) billion, $2.8 billion and $(1.4) billion, respectively, while this report has $(1.4) billion, $2.6 billion and $(1.4) billion, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting practices prescribed or permitted by the TDI requires management to make estimates and assumptions that affect the reported amounts in the statutory financial statements and the accompanying notes. It also requires disclosure of contingent assets and liabilities at the date of the statutory financial statements and the reported amounts of revenue and expense during the period. The areas of significant judgments and estimates include the following:

- application of other-than-temporary impairments;
- estimates with respect to income taxes, including recoverability of deferred tax assets;
- fair value measurements of certain financial assets; and
- policy reserves for life, annuity and accident and health insurance contracts, including guarantees.

These accounting estimates require the use of assumptions about matters, some of which are highly uncertain at the time of estimation. To the extent actual experience differs from the assumptions used, the Company's Statutory Statements of Admitted Assets, Liabilities and Capital and Surplus, Statutory Statements of Operations and Statutory Statements of Cash Flows could be materially affected.

Significant Accounting Policies

Bonds not backed by other loans are carried at amortized cost except for those with a NAIC designation of "6" or "6*". Bonds with a NAIC 6 designation are carried at the lower of amortized cost or fair value, with unrealized losses charged directly to unassigned surplus. Bonds that have not been filed and have not received a designation in over one year from the NAIC's Investment Analysis Office ("IAO") receive a "6*" designation and are carried at zero, with the unrealized loss charged directly to unassigned surplus. Bonds filed with the IAO which receive a "6*" designation may carry a value greater than zero. Securities are assigned a NAIC 5* designation if the Company certifies that (1) the documentation necessary to permit a full credit analysis does not exist, (2) the issuer or obligor is current on all contracted interest and principal payments and (3) the Company has an actual expectation of ultimate repayment of all contracted interest and principal. Securities with NAIC 5* designations are deemed to possess the credit characteristics of securities assigned a NAIC 5 designation. The discount or premium on bonds is amortized using the effective yield method.

Loan-backed and structured securities ("LBaSS") include residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS"), asset-backed securities ("ABS"), pass-thru securities, lease-backed securities, equipment trust certificates, loan-backed securities issued by special purpose corporations or trusts, and securities where there is not direct recourse to the issuer. LBaSS are carried on a basis consistent with that of bonds not backed by loans. Income recognition for LBaSS is determined using the effective yield method and estimated cash flows. Prepayment assumptions for single-class and multi-class mortgage-backed securities ("MBS") and ABS were obtained from an outside vendor or internal estimates. The Company uses independent pricing services and broker quotes in determining the fair value of its LBaSS. The Company uses the retrospective adjustment method to account for the effect of unscheduled payments affecting high credit quality securities, while securities with less than high credit quality and securities for which the collection of all contractual cash flows is not probable are both accounted for using the prospective adjustment method.

Reference to "non-rated residual tranches or interests" intends to capture securitization tranches, beneficial interests, interests of structured finance investments, as well as other structures, that reflect loss layers without contractual interest or principal payments. Payments to holders of these investments occur after contractual interest and principal payments have been made to other tranches or interests and are based on the remaining available funds. Although payments to holders can occur throughout an investment's duration (and not just at maturity), such instances still reflect the residual amount permitted to be distributed after other holders have received contractual interest and principal payments.

NAIC designations are determined with a multi-step approach. The initial designation is used to determine the carrying value of the security. The final NAIC designation is used for reporting and affects risk-based capital ("RBC"). The final NAIC designation is determined for most RMBS and CMBS by financial modeling conducted by BlackRock. For credit tenant loans, equipment trust certificates, any corporate-like securities rated by the IAO, interest-only securities, and those securities with an original NAIC designation of 5, 5*, 6, or 6*, the final NAIC designation is based on the IAO or Credit Rating Provider rating and is not subject to financial modeling.

Redeemable preferred stocks with NAIC designations of "1" through "3" are carried at amortized cost. All other redeemable preferred stocks are stated at the lower of cost, amortized cost or fair value, with unrealized capital losses charged directly to unassigned surplus. Perpetual preferred stocks are valued at fair value, not to exceed any currently effective call price. Provisions made for impairment are recorded as realized capital losses when declines in fair value are determined to be other than temporary.

Unaffiliated common stocks are carried at fair value, with unrealized capital gains and losses credited or charged directly to unassigned surplus. Provisions made for impairment are recorded as realized capital losses when declines in fair value are determined to be other than temporary. For Federal Home Loan Bank ("FHLB") capital stock, which is only redeemable at par, the fair value shall be presumed to be par, unless considered other-than-temporarily impaired.

Subsidiary, controlled, and affiliated ("SCA") entities: The Company has no investments in insurance SCA entities. Investments in non-insurance SCA entities are recorded based on the equity of the investee per audited financial statements prepared pursuant to U.S. GAAP, which is adjusted to a statutory basis of accounting, if applicable. All investments in non-insurance SCA entities for which audited U.S. GAAP financial statements are not available are non-admitted as assets. Undistributed equity in earnings of affiliates is included in unassigned surplus as a component of unrealized capital gains or losses. Dividends received from such affiliates are recorded as investment income when declared.

Mortgage and mezzanine real estate loans are carried at unpaid principal balances less allowances for credit losses and plus or minus adjustments for the accretion or amortization of discount or premium. Interest income on performing loans is accrued as earned.

Mortgage and mezzanine real estate loans are considered impaired when collection of all amounts due under contractual terms is not probable. Impairment is measured using either i) the present value of expected future cash flows discounted at the loan's effective interest rate, ii) the loan's observable market price, if available, or iii) the fair value of the collateral if the loan is collateral dependent. An allowance is typically established for the difference between the impaired value of the loan and its current carrying amount. Additional allowance amounts are established for incurred but not specifically identified impairments, based on statistical models primarily driven by past due status, debt service coverage, loan-to-value ratio, property occupancy, profile of the borrower and of the major property tenants, and economic trends in the market where the property is located. When all or a portion of a loan is deemed uncollectible, the uncollectible portion of the carrying amount of the loan is charged off against the allowance.

Real estate consists of properties occupied by the Company, properties held for the production of income and properties held for sale. Properties occupied by the Company and held for the production of income are carried at depreciated cost, less encumbrances, unless events or circumstances indicate the carrying amount of the asset (amount prior to reduction for encumbrances) may not be recoverable. Properties held for sale are carried at the lower of its depreciated cost or fair value less estimated costs to sell the property and net of encumbrances. Real estate obtained through foreclosure, in satisfaction of a loan, is recorded at the time of foreclosure at the lower of fair value as determined by acceptable appraisal methodologies, or the carrying amount of the related loan. Land is reported at cost.

Cash, cash equivalents and short-term investments include cash on hand and amounts due from banks, highly liquid debt instruments that have original maturities within one year of date of purchase and are carried at amortized cost, interest-bearing money market funds, investment pools and other investments (excluding loan-backed and structured securities) with original maturities within one year from the date of purchase.

Contract loans are carried at unpaid balances, which include unpaid principal plus accrued interest, including 90 days or more past due. All loan amounts in excess of the contract cash surrender value are considered non-admitted assets.

Derivative instruments used in hedging transactions that meet the criteria of a highly effective hedge are reported in a manner consistent with the hedged asset or liability (“hedge accounting”). Changes in statement value or cash flow of derivatives that qualify for hedge accounting are recorded consistently with how the changes in the statement value or cash flow of the hedged asset or liability are recorded. Derivative instruments used in hedging transactions that do not meet or no longer meet the criteria of an effective hedge (“ineffective hedges”) are accounted for at fair value and the changes in fair value are recorded as unrealized gains or losses.

The Company designated, under Statement of Statutory Accounting Principles (“SSAP”) 86, *Derivatives*, certain foreign exchange derivatives as effective hedges of certain invested assets. During 2024, the Company also designated certain interest rate swaps as effective hedges of certain invested assets.

Other invested assets principally consist of investments in limited partnerships and limited liability companies. Investments in these assets, except for limited partnerships and limited liability companies with a minor ownership interest, are reported using the equity method. Under SAP, such investments are generally reported based on audited U.S. GAAP equity of the investee, with subsequent adjustment to a statutory basis of accounting, if applicable.

Limited partnerships and limited liability companies in which the Company has a minor ownership interest (i.e., less than 10 percent) or lacks control, are generally recorded based on the underlying audited U.S. GAAP equity of the investee, with some prescribed exceptions. SAP allows the use of the U.S. GAAP equity as set forth in the footnote reconciliation of foreign GAAP equity and income to U.S. GAAP within audited foreign GAAP financial statements. The audited U.S. tax basis equity may also be used in certain circumstances.

All other investments in entities for which audited U.S. GAAP financial statements, or another acceptable audited basis of accounting as described above were not available have been recorded as non-admitted assets. Undistributed accumulated earnings of such entities are included in unassigned surplus as a component of unrealized capital gains or losses. Distributions received that are not in excess of the undistributed accumulated earnings are recognized as investment income. Impairments that are determined to be other than temporary are recognized as realized capital losses.

Securities lending and repurchase agreements: The Company has a securities lending program, which was approved by its Board of Directors, that lends securities from its investment portfolio to supplement liquidity or for other uses as deemed appropriate by management. Under the program, securities are lent to financial institutions, and in return the Company receives cash as collateral equal to 102 percent of the fair value of the loaned securities. The cash collateral received is invested in cash and/or short-term investments that may be sold or repledged or partially used for short-term liquidity purposes based on conservative cash flow forecasts. Securities lent by the Company under these transactions may be sold or repledged by the counterparties. The liability for cash collateral received would be reported in payable for securities lending in the Statutory Statements of Admitted Assets, Liabilities and Capital and Surplus. The Company monitors the fair value of securities loaned and obtains additional collateral as necessary. At the termination of the transactions, the Company and its counterparties are obligated to return the collateral provided and the securities lent, respectively. These transactions are treated as secured financing arrangements.

In addition, the Company is a party to secured financing transactions whereby certain securities are sold under agreements to repurchase (repurchase agreements), in which the Company transfers securities in exchange for cash, with an agreement by the Company to repurchase the same or substantially similar securities on agreed upon dates specified in the agreements. In all of these secured financing transactions, the securities transferred by the Company (pledged collateral) may be sold or repledged by the counterparties.

Investment income due and accrued is non-admitted from investment income for bonds and other invested assets when collection of interest is overdue by more than 90 days, or is uncertain, and for mortgage loans when loans are foreclosed, or delinquent in payment for greater than 180 days, or when collection of interest is uncertain.

Net realized capital gains and losses, which are determined by using the specific identification method, are reflected in income net of applicable federal income taxes and transfers to the interest maintenance reserve.

The Company regularly evaluates its investments for other-than-temporary impairment (“OTTI”) in value. The determination that a security has incurred an OTTI in value and the amount of any loss recognition requires the judgment of the Company’s management and a continual review of its investments. For bonds, other than LBaSS, an OTTI shall be considered to have occurred if it is probable that the Company will not be able to collect all amounts due under the contractual terms in effect at the acquisition date of the debt security. If it is determined an OTTI has occurred, the cost basis of bonds are written down to fair value and the amount of the write-down is recognized as a realized capital loss.

For LBaSS, a non-interest related OTTI resulting from a decline in value due to fundamental credit problems of the issuer is recognized when the projected discounted cash flows for a particular security are less than its amortized cost. When a non-interest related OTTI occurs, the LBaSS is written down to the present value of future cash flows expected to be collected. An OTTI is also deemed to have occurred if the Company intends to sell the LBaSS or does not have the intent and ability to retain the LBaSS until recovery. If the decline is interest-related, the LBaSS is written down to fair value.

In periods subsequent to the recognition of an OTTI loss, the Company generally accretes the difference between the new cost basis and the future cash flows expected to be collected, if applicable, as interest income over the remaining life of the security based on the amount and timing of estimated future cash flows.

Non-admitted assets are excluded from admitted assets and the change in the aggregate amount of such assets is reflected as a separate component of unassigned surplus. Non-admitted assets include all assets specifically designated as non-admitted and assets not designated as admitted, such as a certain portion of deferred tax assets, prepaid expenses, electronic data processing (“EDP”) equipment assets, agents’ balances or other receivables over 90 days. Non-admitted assets were $810 million and $700 million at December 31, 2024 and 2023, respectively.

Interest maintenance reserve (“IMR”) is calculated based on methods prescribed by the NAIC and was established to prevent large fluctuations in interest-related investment gains and losses resulting from sales (net of taxes) and interest-related OTTI (net of taxes). IMR applies to all types of fixed maturity investments, including bonds, preferred stocks, MBS, ABS and mortgage loans. An OTTI occurs when the Company, at the reporting date, has the intent to sell an investment or does not have the intent and ability to hold the security before recovery of the cost of the investment. For LBaSS, if the Company recognizes an interest-related OTTI, the non-interest-related OTTI is recorded to the asset valuation reserve, and the interest-related portion to IMR. Such gains and losses are deferred into the IMR and amortized into income using the grouped method over the remaining contractual lives of the securities sold.

Asset valuation reserve (“AVR”) is used to stabilize surplus from fluctuations in the market value of bonds, stocks, mortgage loans, real estate, limited partnerships and other investments. Changes in the AVR are recorded as direct increases or decreases in surplus.

Separate account assets and liabilities generally represent funds for which the contract holder, rather than the Company, bears the investment risk. Separate account contract holders have no claim against the assets of the general account of the Company, except for certain guaranteed products. Separate account assets are generally reported at fair value. In addition, certain products with fixed guarantees and market-value-adjusted (“MVA”) fixed annuity contracts in which the assets are generally carried at amortized cost are required by certain states to be carried in a separate account. The operations of the separate accounts are excluded from the Statutory Statements of Operations and Statutory Statements of Cash Flows of the Company. The Company receives fees for assuming mortality and certain expense risks. Such fees are included in separate account fees in the Statutory Statements of Operations. Reserves for variable annuity contracts are provided in accordance with the Variable Annuity Commissioners’ Annuity Reserve Valuation Method (“VACARVM”) under subsection 21 of the Valuation Manual (“VM-21”). Reserves for variable universal life accounts are provided in accordance with subsection 20 of the Valuation Manual ("VM-20") for new business issued beginning in 2020, and in accordance with the Commissioners' Reserve Valuation Method ("CRVM") for policies issued prior to 2020.

Policy reserves are established according to different methods.

Life, annuity, and health reserves are developed by actuarial methods and are generally determined based on published tables using specified interest rates, mortality or morbidity assumptions, and valuation methods prescribed or permitted by statutes that will provide, in the aggregate, reserves that are greater than or equal to the minimum or guaranteed policy cash values or the amounts required by the TDI.

Principle-based reserving ("PBR") is designed to tailor the reserving process to more closely reflect the risks of specific products, rather than the previous prescribed approach. Reserve requirements for the Company's life insurance policies issued after January 1, 2020 are contained in VM-20, Requirements for Principle-Based Reserves for Life Products, policies issued prior to 2020 are reserved for using the CRVM. Under VM-20, these reserves are generally more sensitive to changes in actuarial assumptions.

The Company waives the deduction of deferred fractional premiums on the death of the life and annuity policy insured and returns any premium beyond the date of death. The Company reported additional reserves for surrender values in excess of the corresponding policy reserves.

The Company performs annual cash flow testing in accordance with the Actuarial Opinion and Memorandum Regulation to ensure adequacy of the reserves. Additional reserves are established where the results of cash flow testing under various interest rate scenarios indicate the need for such reserves or where the net premiums exceed the gross premiums on any insurance in force. Total cash flow testing reserves were $109 million and $117 million at December 31, 2024 and 2023, respectively.

A majority of the Company's variable annuity products are issued with a guaranteed minimum death benefit ("GMDB") which provides that, upon the death of a contractholder, the contractholder's beneficiary will receive the greater of (1) the contractholder's account value, or (2) a GMDB that varies by product. Depending on the product, the GMDB may equal the principal invested, adjusted for withdrawals; or the greatest contract value, adjusted for withdrawals, at the specified contract anniversaries; or the principal invested, adjusted for withdrawals, accumulated at the specified rate per annum. These benefits have issue age and other restrictions to reduce mortality risk exposure. The Company bears the risk that death claims following a decline in the financial markets may exceed contract holder account balances, and that the fees collected under the contract are insufficient to cover the costs of the benefit to be provided. Death benefits on GMDB policies generally reduce on a proportional basis or on a dollar-for-dollar basis when a partial withdrawal occurs.

Reserves for GMDB benefits are included in the VACARVM reserve. PBR is designed to tailor the reserving process to more closely reflect the risks of specific products, rather than the factor-based approach typically employed historically. Variable Annuity ("VA") reserving requirements are contained in VM-21, *Reserves for Variable Requirements for Principle-Based Annuities*.

Life policies underwritten as substandard are charged extra premiums. Reserves are computed for a substandard policy by adding the reserve for an otherwise identical non-substandard policy plus a factor times the extra premium charge for the year. The factor varies by duration, type of plan, and underwriting. In addition, an extra mortality reserve is reported for ordinary life insurance policies classified as group conversions. Substandard structured settlement annuity reserves are determined by making a constant addition to the mortality rate of the applicable valuation mortality table so that the life expectancy on the adjusted table is equal to the life expectancy determined by the Company's underwriters at issue.

Tabular interest, tabular less actual reserves released, and tabular cost have been determined by formula, except for universal life insurance and deferred annuity reserves, which include fund accumulations for which tabular interest has been determined from basic data. For the determination of tabular interest on funds not involving life contingencies, the actual credited interest is used.

Liabilities for deposit-type contracts, which include supplementary contracts without life contingencies and annuities certain, are based on the discounting of future payments at an annual statutory effective rate. Tabular interest on other funds not involving life contingencies is based on the interest rate at which the liability accrues.

Policy and contract claims represent the ultimate net cost of all reported and unreported claims incurred during the year. Reserves for unpaid claims are estimated using individual case-basis valuations and statistical analyses. Those estimates are subject to the effects of trends in claim severity and frequency. The estimates are continually reviewed and adjusted as necessary, as experience develops or new information becomes known; such adjustments are included in current operations.

Reserves for future policy benefits to be paid on life and accident and health policies, incurred in the statement period, but not yet reported, were established using historical data from claim lag experience. The data is aggregated from product specific studies performed on the Company's business.

Premiums and annuity considerations and related expenses are recognized over different periods. Life premiums are recognized as income over the premium paying periods of the related policies. Annuity considerations are recognized as revenue when received. Premiums for deposit-type products are credited directly to the respective reserves and are not recorded in the Statutory Statement of Operations. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Acquisition costs such as commissions and other expenses related to the production of new business are charged to the Statutory Statements of Operations as incurred.

Reinsurance premiums and benefits paid or provided are accounted for on a basis consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts.

Annuity and deposit-type contract surrender benefits are reported on a cash basis, and include annuity benefits, payments under supplementary contracts with life contingencies, surrenders and withdrawals. Withdrawals from deposit-type contracts directly reduce the liability for deposit-type contracts and are not reported in the Statutory Statements of Operations.

General insurance expenses include allocated expenses pursuant to cost allocation agreements. The Company purchases administrative, accounting, marketing and data processing services from Corebridge and affiliates and is charged based on estimated levels of usage, transactions or time incurred in providing the respective services. The allocation of costs for investment management services purchased from affiliates is based on the level of assets under management.

Federal income tax expense (benefit) is recognized and computed on a separate company basis pursuant to tax sharing agreements, because the Company is included in the consolidated federal income tax returns of its parent company filing group. The Company joins with AGC Life, American General Life Insurance Company ("AGL"), The United States Life Insurance Company in the City of New York ("USL"), and Corebridge Insurance Company of Bermuda, Ltd. ("Corebridge Bermuda"), in filing a consolidated life company federal income tax return. To the extent that benefits for net operating losses, foreign tax credits, CAMT credits or net capital losses are utilized on a consolidated basis, the Company would recognize tax benefits based upon the amount of those deductions and credits utilized in the consolidated federal income tax return. The federal income tax expense or benefit reflected in the Statutory Statements of Operations represents income taxes provided on income that is currently taxable, but excludes tax on the net realized capital gains or losses.

Income taxes on capital gains or losses reflect differences in the recognition of capital gains or losses on a statutory accounting basis versus a tax accounting basis. The most significant of such differences involve impairments of investments, which are recorded as realized losses in the Statutory Statements of Operations but are not recognized for tax purposes, and the deferral of net capital gains and losses into the IMR for statutory income but not for taxable income. Capital gains and losses on certain related-party transactions are recognized for statutory financial reporting purposes but are deferred for income tax reporting purposes until the security is sold to an outside party.

A deferred tax asset ("DTA") or deferred tax liability ("DTL") is included in the Statutory Statements of Admitted Assets, Liabilities and Capital and Surplus, which reflects the expected future tax consequences of temporary differences between the statement values of assets and liabilities for statutory financial reporting purposes and the amounts used for income tax reporting purposes. The change in the net DTA or DTL is reflected in a separate component of unassigned surplus. Net DTAs are limited in their admissibility.

The CAMT is disregarded when evaluating the need for a valuation allowance for the Company's non-CAMT DTAs.

Accounting Changes

SSAP No. 86, *Derivatives*, was revised to adopt with modification derivative guidance from ASU 2017-12, *Derivatives and Hedging* and ASU 2022-01, *Fair Value Hedging – Portfolio Layer Method,* to include guidance for the portfolio layer method and partial-term hedges. These revisions were effective January 1, 2023. A partial-term hedge is a hedge for a portion of the time to maturity of a fixed rate asset (liabilities are not included contrary to U.S. GAAP). The portfolio layer method permits reporting entities to designate the portion of a closed portfolio of financial assets, beneficial interests secured by financial assets, or a combination of the two, that is not expected to be prepaid during the hedge period as the hedged item in a fair value hedge.

Substantive changes were made to SSAP 26R, *Bonds*, SSAP 21R, *Other Admitted Assets*, and SSAP 43R, *Loan-Backed and Structured Securities,* effective January 1, 2025. The changes provide a new principle-based bond definition to be used for determining which investments are eligible for reporting on Schedule D as a bond. The changes focus on ensuring appropriate consideration of whether an investment qualifies as an issuer credit obligation or asset-backed security prior to reporting as a bond.

Correction of Errors

SAP requires that corrections of errors related to prior periods be reported as adjustments to unassigned surplus to the extent that they are not material to prior periods.

In 2024, out-of-period errors were identified and corrected primarily related to net investment income and VM-21 reserves. The total SSAP 3 adjustments recorded decreased unassigned surplus by $173 million. The net investment income errors resulted in overstatements of net investment income and pre-tax income of $68 million in 2023 and $23 million in 2022. The VM-21 reserve error resulted in an understatement of net transfers due to (from) separate accounts due or accrued and a corresponding overstatement of pre-tax income of $12 million in 2023. This same error resulted in an overstatement of net transfers due to (from) separate accounts due or accrued and a corresponding understatement of pre-tax income of $71 million in 2022, with the largest annual impact being in 2020 and prior. These errors resulted in an overstatement of unassigned surplus of $156 million at December 31, 2023 and $79 million at December 31, 2022. The Company believes that these errors are not material to the prior year financial statements taken as a whole. As such, the Company has reflected the adjustments necessary to correct these errors as direct charges to unassigned surplus in 2024 in accordance with SSAP 3.

In 2023, out-of-period errors were identified and corrected, the largest of which was related to an understatement of reserves for variable annuities due to model implementations in 2022. The total of these corrections decreased unassigned surplus by $11 million.

In 2022, an out-of-period error was identified and corrected, which decreased unassigned surplus by $19 million.

The Company's management does not believe these corrections to be material to the Company's results of operations, financial position, or cash flow for the Company's previously issued audited financial statements.

Differences in Statutory Accounting and U.S. GAAP Accounting

The accompanying statutory financial statements have been prepared in accordance with accounting practices prescribed or permitted by the TDI. These accounting practices vary in certain respects from U.S. GAAP. The primary differences between NAIC SAP and U.S. GAAP are as follows.

The objectives of U.S. GAAP differ from the objectives of SAP. U.S. GAAP is designed to measure the entity as a going concern and to produce general purpose financial statements to meet the varying needs of the different users of financial statements. SAP is designed to address the accounting requirements of regulators, who are the primary users of statutory-basis financial statements and whose primary objective is to measure solvency. As a result, U.S. GAAP stresses measurement of earnings and financial condition of a business from period to period, while SAP stresses measurement of the ability of the insurer to pay claims in the future.

Investments. Under SAP, investments in bonds and redeemable preferred stocks are generally reported at amortized cost. However, if bonds are designated category "6" and redeemable preferred stocks are designated categories "4 – 6" by the NAIC, these investments are reported at the lesser of amortized cost or fair value with a credit or charge to unrealized investment gains or losses. For U.S. GAAP, such fixed-maturity investments are designated at purchase as held-to-maturity, trading, or available-for-sale. Held-to-maturity fixed-maturity investments are reported at amortized cost, and the remaining fixed-maturity investments are reported at fair value, with unrealized capital gains and losses reported in operations for those designated as trading and as a component of other comprehensive income for those designated as available-for-sale.

Under SAP, all single- and multi-class MBS or other ABS (e.g., Collateralized Mortgage Obligations ("CMO") are adjusted for the effects of changes in prepayment assumptions on the related accretion of discount or amortization of premium with respect to such securities using either the retrospective or prospective method. For LBaSS, if it is determined that a decline in fair value is other than temporary, the cost basis of the security is written down to the discounted estimated future cash flows. Bonds, other than LBaSS, that are other-than-temporarily impaired are written down to fair value. For U.S. GAAP purposes, all securities, purchased or retained, that represent beneficial interests in securitized assets (e.g., CMO, MBS and ABS securities), other than high credit quality securities, would be adjusted using the prospective method when there is a change in estimated future cash flows. If high-credit quality securities must be adjusted, the retrospective method would be used. For all bonds, if it is determined that a decline in fair value is other-than-temporary, the cost basis of the security would be written down to the discounted estimated future cash flows, while the non-credit portion of the impairment would be recorded as an unrealized loss in other comprehensive income.

Under SAP, when it is probable that the insurer will be unable to collect all amounts due according to the contractual terms of the mortgage agreement, allowances are established for temporarily-impaired mortgage loans based on the difference between the unpaid loan balance and the estimated fair value of the underlying real estate, less estimated costs to obtain and sell. The initial allowance and subsequent changes in the allowance for mortgage loans are charged or credited directly to unassigned surplus rather than as a component of earnings as would be required under U.S. GAAP. If the impairment is other-than-temporary, a direct write down is recognized as a realized loss, and a new cost basis is established. Under U.S. GAAP, an allowance for credit losses is based on the expectation of lifetime credit losses.

Under SAP, joint ventures, partnerships and limited liability companies in which the insurer has a minor ownership interest (i.e., less than 10 percent) or lacks control are generally recorded based on the underlying audited U.S. GAAP basis equity of the investee. Under U.S. GAAP, joint ventures, partnerships and limited liability companies in which the insurer has a significant ownership interest or is deemed to have control are accounted for under the equity method. Where that is not the case, such investments are carried at fair value with changes in fair value recognized in earnings.

Real Estate. Under SAP, investments in real estate are reported net of related obligations; under U.S. GAAP, investments in real estate are reported on a gross basis. Under SAP, real estate owned and occupied by the insurer is included in investments; under U.S. GAAP, real estate owned and occupied by the insurer is reported as an operating asset, and operating income and expenses include rent for the insurer's occupancy of those properties.

Derivatives. Under SAP, derivative instruments used in hedging transactions that do not meet or no longer meet the criteria of an effective hedge are accounted for at fair value with the changes in fair value recorded as unrealized capital gains or losses. Under U.S. GAAP, such derivative instruments are accounted for at fair value with the changes in fair value recorded as realized capital gains or losses. Under U.S. GAAP, fair value measurement for free standing derivatives incorporate either counterparty's credit risk for derivative assets or the insurer's credit risk for derivative liabilities by determining the explicit cost to protect against credit exposure. This credit exposure evaluation takes into consideration observable credit default swap rates. Under SAP, non-performance risk (own credit-risk) is not reflected in the fair value calculations for derivative liabilities. Under U.S. GAAP, index life insurance features in indexed universal life contracts and certain guaranteed features of variable annuities are bifurcated and accounted for separately as embedded policy derivatives and market risk benefits, respectively. Under SAP, embedded derivatives and market risk benefits are not bifurcated or accounted for separately from the host contract.

Interest Maintenance Reserve. Under SAP, the insurer is required to maintain an IMR. IMR is calculated based on methods prescribed by the NAIC and was established to prevent large fluctuations in interest-related capital gains and losses realized through sales or OTTI. IMR applies to all types of fixed maturity investments, including bonds, preferred stocks, MBS, ABS and mortgage loans. After-tax capital gains or losses realized upon the sale or impairment of such investments resulting from changes in the overall level of interest rates are excluded from current period net income and transferred to the IMR. The transferred after-tax net realized capital gains or losses are then amortized into income over the remaining period to maturity of the divested asset. Realized capital gains and losses are reported net of tax and transfers to the IMR, after net gain from operations. Any negative IMR balance is treated as non-admitted asset, unless certain criteria are met. This reserve is not required under U.S. GAAP and pre-tax realized capital gains and losses are reported as component of total revenues, with related taxes included in taxes from operations.

Asset Valuation Reserve. Under SAP, the insurer is required to maintain an AVR, which is computed in accordance with a prescribed formula and represents a provision for possible fluctuations in the value of bonds, equity securities, mortgage loans, real estate, and other invested assets. The level of AVR is based on both the type of investment and its credit rating. Under SAP, AVR is included in total adjusted capital for RBC analysis purposes. Changes to AVR are charged or credited directly to unassigned surplus. This reserve is not required under U.S. GAAP.

Subsidiaries. Under SAP, investments in insurance subsidiaries are recorded based upon the underlying audited statutory equity of a subsidiary with all undistributed earnings or losses shown as an unrealized capital gain or loss in unassigned surplus. Dividends received by the parent company from its subsidiaries are recorded through net investment income. Under U.S. GAAP, subsidiaries' financial statements are combined with the parent company's financial statements through consolidation. All intercompany balances and transactions are eliminated under U.S. GAAP. Dividends received by the parent company from its subsidiaries reduce the parent company's investment in the subsidiaries.

Policy Acquisition Costs and Sales Inducements. Under SAP, policy acquisition costs are expensed when incurred. Under U.S. GAAP, acquisition costs that are incremental and directly related to the successful acquisition of new and renewal of existing insurance contracts are deferred as deferred policy acquisition costs ("DAC"). DAC is amortized on a constant level basis (i.e., approximating straight line amortization with adjustments for expected terminations) over the expected term of the related contracts using assumptions consistent with those used in estimating the related liability for future policy benefits, or any other related balances. Under SAP, sales inducements are expensed when incurred. Under U.S. GAAP, certain sales inducements on interest-sensitive life insurance contracts and deferred annuities are deferred and amortized over the life of the contract using the same methodology and assumptions used to amortize DAC.

***Deferred Premiums*.** Under SAP, when deferred premiums exist, statutory deferred premiums are held as a statutory asset, while under U.S. GAAP, deferred premiums are held as a contra-liability in the future policy benefits liability.

Non-admitted Assets. Certain assets designated as "non-admitted," principally any agents' balances or unsecured loans or advances to agents, certain DTAs, furniture, equipment and computer software, receivables over 90 days and prepaid expenses, as well as other assets not specifically identified as admitted assets within the NAIC SAP, are excluded from the Statutory Statements of Admitted Assets, Liabilities, Capital and Surplus and are charged directly to unassigned surplus. Under U.S. GAAP, such assets are included in the balance sheet.

Universal Life and Annuity Policies. Under SAP, revenues for universal life and annuity policies containing mortality or morbidity risk considerations consist of the entire premium received, and benefits incurred consist of the total of death benefits paid and the change in policy reserves. Payments received on contracts that do not incorporate any mortality or morbidity risk considerations (deposit-type contracts) are credited directly to an appropriate liability for deposit-type contract account without recognizing premium income. Interest credited to deposit-type contracts is recorded as an expense in the Statutory Statements of Operations as incurred. Payments that represent a return of policyholder balances are recorded as a direct reduction of the liability for deposit-type contracts, rather than a benefit expense. Under U.S. GAAP, premiums received in excess of policy charges are not recognized as premium revenue, and benefits represent the excess of benefits paid over the policy account value and interest credited to the account values.

Benefit Reserves. Under SAP, loading is the difference between the gross and valuation net premium. Valuation net premium is calculated using valuation assumptions which are different for statutory and U.S. GAAP. Statutory valuation assumptions are set by the insurer within limits as defined by statutory law. U.S. GAAP valuation assumptions are set by the insurer based on management's estimates and judgment.

Policyholder funds not involving life contingencies use different valuation assumptions for SAP and U.S. GAAP. Under SAP, prescribed rates of interest related to payout annuities are used in the discounting of expected benefit payments, while under U.S. GAAP, the insurer's best estimates of interest rates are used.

Under SAP, the CRVM is used for the majority of individual insurance reserves. Under U.S. GAAP, individual insurance policyholder liabilities for traditional forms of insurance are generally established using the net premium ratio ("NPR") method. For interest-sensitive policies, a liability for policyholder account balances is established under U.S. GAAP based on the contract value that has accrued to the benefit of the policyholder. Policy assumptions used in the estimation of policyholder liabilities are generally prescribed under SAP. Under U.S. GAAP, policy assumptions are based upon best estimates.

Under SAP, the CARVM is used for the majority of individual deferred annuity reserves, while under U.S. GAAP, individual deferred annuity policyholder liabilities are generally equal to the contract value that has accrued to the benefit of the policyholder, together with liabilities for certain contractual guarantees, if applicable. Under SAP, reserves for fixed rate deposit-type contracts are based upon their accumulated values, discounted at an annual statutory effective rate, while under U.S. GAAP, reserves for deposit-type contracts are recorded at their accumulated values.

Under GAAP, indexed interest credits and guarantees in excess of contract account values are bifurcated from the host contract as embedded derivatives and market risk benefits, respectively, and reported at fair value. Under SAP, embedded derivatives and market risk benefits are not bifurcated and accounted for separately, but rather are included in the benefit reserve valuation for the host contract.

Reinsurance. Under SAP, policy and contract liabilities ceded to reinsurers are reported as reductions of the related reserves rather than as assets as required under U.S. GAAP. Under SAP, a liability for reinsurance balances has been provided for unsecured policy reserves, unearned premiums, and unpaid losses ceded to reinsurers not licensed to assume such business. Changes to these amounts are credited or charged directly to unassigned surplus. Under U.S. GAAP, an allowance for amounts deemed uncollectible would be established through a charge to earnings. Under SAP, the criteria used to demonstrate risk transfer varies from U.S. GAAP, which may result in transactions that are accounted for as reinsurance for SAP and deposit accounting for U.S. GAAP. Under SAP, the reserve credit permitted for unauthorized reinsurers is less than or equal to the amount of letter of credit or funds held in trust by the reinsurer. Under U.S. GAAP, assumed and ceded reinsurance is reflected on a gross basis in the balance sheet, and certain commissions allowed by reinsurers on ceded business are deferred and amortized generally on a basis consistent with DAC.

Policyholder Dividend Liabilities. Under SAP, policyholder dividends are recognized when declared. Under U.S. GAAP, policyholder dividends are recognized over the term of the related policies.

Separate Accounts. Under SAP, separate account surplus created through the use of the CRVM, the VACARVM or other reserving methods is reported by the general account as an unsettled transfer from the separate account. The net change on such transfers is included as a part of the net gain from operations in the general account. This is not required under U.S. GAAP.

Separate accounts include certain non-unitized assets which primarily represent MVA fixed options of variable annuity contracts issued in various states. Under SAP, these contracts are accounted for in the separate account financial statements, while under U.S. GAAP, they are accounted for in the general account.

Deferred Income Taxes. Under SAP, statutory DTAs that are more likely than not to be realized are limited to: 1) the amount of federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse by the end of the subsequent calendar year, plus 2) the lesser of the remaining gross DTA expected to be realized within a maximum three years of the reporting date or a maximum 15 percent of the capital and surplus excluding any net DTA, EDP equipment and operating software and any net positive goodwill, plus 3) the amount of the remaining gross DTA that can be offset against existing gross DTLs. The remaining DTAs are non-admitted. Deferred taxes do not include amounts for state taxes. Under U.S. GAAP, state taxes are included in the computation of deferred taxes, all DTAs are recorded and a valuation allowance is established if it is more likely than not that some portion of the DTA will not be realized. Under SAP, income tax expense is based upon taxes currently payable. Changes in deferred taxes are reported in surplus and subject to admissibility limits. Under U.S. GAAP, changes in deferred taxes are recorded in income tax expense.

Offsetting of Assets and Liabilities. Under SAP, offsetting of assets and liabilities is not permitted when there are master netting agreements unless four requirements for valid right of offset are met. The requirements include 1) each of the two parties owes the other determinable amounts, 2) the reporting party has the right to set off the amount owed with the amount owed by the other party, 3) the reporting party intends to set off, and 4) the right of setoff is enforceable. The prohibition against offsetting extends to derivatives and collateral posted against derivative positions, repurchase and reverse repurchase agreements, and securities borrowing and lending transactions, when the reporting entity does not have the intent to set off. Under U.S. GAAP, these amounts under master netting arrangements may generally be offset and presented on a net basis pursuant to an accounting election, even when the reporting entity does not have the intent to set off.

3. INVESTMENTS

Bonds and Equity Securities

The following table presents the statement value, gross unrealized gain, gross unrealized loss and the estimated fair value of bonds and equity securities by major security type:

(in millions)	Statement Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2024				
Bonds:				
U.S. government obligations	**$ 567**	**$ 5**	**$ (43)**	**$ 529**
All other governments	**912**	**6**	**(177)**	**741**
States, territories and possessions	**165**	**—**	**(19)**	**146**
Political subdivisions of states, territories and possessions	**98**	**—**	**(12)**	**86**
Special revenue	**2,193**	**—**	**(326)**	**1,867**
Industrial and miscellaneous	**27,918**	**200**	**(4,294)**	**23,824**
Hybrid securities	**105**	**1**	**(5)**	**101**
Bank loans	**674**	**6**	**(19)**	**661**
Parent, subsidiaries and affiliates	**—**	**—**	**—**	**—**
Total bonds	**32,632**	**218**	**(4,895)**	**27,955**
Preferred stock	**9**	**—**	**—**	**9**
Common stock*	**226**	**—**	**—**	**226**
Total equity securities	**235**	**—**	**—**	**235**
Total	**32,867**	**218**	**(4,895)**	**28,190**
December 31, 2023				
Bonds:				
U.S. government obligations	$ 568	$ 10	$ (37)	$ 541
All other government	967	3	(142)	828
States, territories and possessions	239	—	(19)	220
Political subdivisions of states, territories and possessions	103	1	(7)	97
Special revenue	2,709	2	(304)	2,407
Industrial and miscellaneous	30,128	210	(4,180)	26,158
Hybrid securities	101	1	(7)	95
Bank loans	950	2	(35)	917
Parent, subsidiaries and affiliates	23	—	(1)	22
Total bonds	35,788	229	(4,732)	31,285
Preferred stock	9	—	—	9
Common stock*	242	—	—	242
Total equity securities	251	—	—	251
Total	$ 36,039	$ 229	$ (4,732)	$ 31,536

* Common stock includes $170 million and $184 million of investments in affiliates at December 31, 2024 and 2023, respectively.

Bonds and Equity Securities in Loss Positions

The following table summarizes the fair value and gross unrealized losses (where fair value is less than amortized cost) on bonds and equity securities, including amounts on NAIC 6 and 6* bonds, aggregated by major investment category and length of time that individual securities have been in a continuous unrealized loss position:

	Less than 12 Months		12 Months or More		Total	
(in millions)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
December 31, 2024						
Bonds:						
U.S. government obligations	**$ 19**	**$ (1)**	**$ 169**	**$ (42)**	**$ 188**	**$ (43)**
All other government	**127**	**(3)**	**582**	**(174)**	**709**	**(177)**
U.S. States, territories and possessions	**6**	**—**	**140**	**(19)**	**146**	**(19)**
Political subdivisions of states, territories and possessions	**27**	**(2)**	**55**	**(9)**	**82**	**(11)**
Special revenue	**160**	**(8)**	**1,698**	**(318)**	**1,858**	**(326)**
Industrial and miscellaneous	**3,562**	**(352)**	**17,228**	**(3,946)**	**20,790**	**(4,298)**
Hybrid securities	**14**	**(1)**	**42**	**(4)**	**56**	**(5)**
Bank loans	**87**	**(4)**	**240**	**(23)**	**327**	**(27)**
Total bonds	**4,002**	**(371)**	**20,154**	**(4,535)**	**24,156**	**(4,906)**
Preferred stock	**8**	**—**	**—**	**—**	**8**	**—**
Common stock	**—**	**—**	**—**	**—**	**—**	**—**
Total equity securities	**8**	**—**	**—**	**—**	**8**	**—**
Total	**$ 4,010**	**$ (371)**	**$ 20,154**	**$ (4,535)**	**$ 24,164**	**$ (4,906)**
December 31, 2023						
Bonds:						
U.S. government obligations	$ 2	$ —	$ 209	$ (37)	$ 211	$ (37)
All other government	44	(1)	730	(142)	774	(143)
U.S States, territories and possessions	10	—	208	(19)	218	(19)
Political subdivisions of states, territories and possessions	8	—	55	(6)	63	(6)
Special revenue	154	(9)	2,162	(295)	2,316	(304)
Industrial and miscellaneous	1,835	(213)	21,469	(3,968)	23,304	(4,181)
Hybrid securities	2	—	83	(7)	85	(7)
Bank loans	130	(5)	526	(34)	656	(39)
Total	$ 2,185	$ (228)	$ 25,442	$ (4,508)	$ 27,627	$ (4,736)
Preferred stock	—	—	—	—	—	—
Common stock	—	—	—	—	—	—
Total equity securities	—	—	—	—	—	—
Total	$ 2,185	$ (228)	$ 25,442	$ (4,508)	$ 27,627	$ (4,736)

As of December 31, 2024 and 2023, the number of bonds and equity securities in an unrealized loss position was 3,470 and 3,695, respectively. Bonds comprised 3,469 of the total of which 2,761 were in a continuous loss position greater than 12 months at December 31, 2024. Bonds comprised 3,695 of the total of which 3,145 were in a continuous loss position greater than 12 months at December 31, 2023.

The Company did not recognize the unrealized losses in earnings on these fixed maturity securities at December 31, 2024 and 2023, respectively, because the Company neither intends to sell the securities nor does the Company believe that it is more likely than not that the Company will be required to sell these securities before recovery of their amortized cost basis. For fixed maturity securities with significant declines, the Company performed fundamental credit analyses on a security-by-security basis, which included consideration of credit enhancements, expected defaults on underlying collateral, review of relevant industry analyst reports and forecasts and other available market data.

Contractual Maturities of Bonds

The following table presents the statement value and fair value of bonds by contractual maturity:

(in millions)	Statement Value	Fair Value
December 31, 2024		
Due in one year or less	$ 831	$ 826
Due after one year through five years	4,828	4,684
Due after five years through ten years	4,031	3,609
Due after ten years	13,992	10,417
LBaSS	8,950	8,418
Total	$ 32,632	$ 27,954

Actual maturities may differ from contractual maturities because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Bonds in or near default as to payment of principal or interest had a statement value of $50 million and $28 million at December 31, 2024 and 2023, respectively, which is the fair value. At December 31, 2024 and 2023, the Company had no income excluded from due and accrued for bonds.

December 31, 2024 and 2023, the Company's bond portfolio included bonds totaling $1.7 billion not rated investment grade by the NAIC designations (categories 3-6). These bonds accounted for 2 percent of the Company's total assets and 4 percent of invested assets. These below investment grade securities, excluding structured securities, span across 12 industries. At December 31, 2023, the Company's bond portfolio included bonds totaling $1.9 billion not rated investment grade by the NAIC designations (categories 3-6). These bonds accounted for 2 percent of the Company's total assets and 4 percent of invested assets. These below investment grade securities, excluding structured securities, span across 12 industries.

December 31, 2024 and 2023 The following table presents the industries that constitute more than 10% of the below investment grade securities:

	December 31,	
	2024	2023
Consumer cyclical	**20.5%**	17.1%
Consumer noncyclical	**16.2**	17.6
Energy	**7.9**	11.6
Other	**18.7**	19.2

LBaSS

The Company determines fair value of LBaSS based on the amount at which a security could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The majority of the Company's ABS, RMBS, CMBS, and collateralized debt obligations ("CDO") are priced by approved independent third-party valuation service providers and broker dealer quotations. Small portions of the LBaSS that are not traded in active markets are priced by market standard internal valuation methodologies, which include discounted cash flow methodologies and matrix pricing. The estimated fair values are based on available market information and management's judgments.

The following table presents the statement value and fair value of LBaSS:

	December 31, 2024		December 31, 2023	
(in millions)	**Statement Value**	**Fair Value**	Statement Value	Fair Value
Loan-backed and structured securities	**$ 8,950**	**$ 8,418**	$ 10,081	$ 9,268

Prepayment assumptions for single class, multi-class mortgage-backed and ABS were obtained from independent third-party valuation service providers or internal estimates. These assumptions are consistent with the current interest rate and economic environment.

At December 31, 2024 and 2023, the Company had exposure to a variety of LBaSS. These securities could have significant concentrations of credit risk by country, geographical region, property type, servicer or other characteristics. As part of the quarterly surveillance process, the Company takes into account many of these characteristics in making the OTTI assessment.

At December 31, 2024 and 2023, the Company did not have any LBaSS with a recognized OTTI due to the intent to sell or an inability or lack of intent to retain the security for a period of time sufficient to recover the amortized cost basis.

During 2024, 2023 and 2022, the Company recognized total OTTI of $13 million, $2 million and $18 million, respectively, on LBaSS that were still held by the Company. In addition, at December 31, 2024 and 2023, the Company held loan-backed impaired securities (fair value is less than cost or amortized cost) for which an OTTI had not been recognized in earnings as a realized loss. Such impairments include securities with a recognized OTTI for non-interest (credit) related declines that were recognized in earnings, but for which an associated interest-related decline has not been recognized in earnings as a realized capital loss.

The following table summarizes the fair value and aggregate amount of unrealized losses on LBaSS and length of time that individual securities have been in a continuous unrealized loss position:

	Less than 12 Months		**12 Months or More**		**Total**	
(in millions)	**Fair Value**	**Gross Unrealized Losses**	**Fair Value**	**Gross Unrealized Losses**	**Fair Value**	**Gross Unrealized Losses**
December 31, 2024						
LBaSS	**$ 889**	**$ (63)**	**$ 5,318**	**$ (648)**	**$ 6,207**	**$ (711)**
December 31, 2023						
LBaSS	$ 1,358	$ (142)	$ 6,041	$ (848)	$ 7,399	$ (990)

In its OTTI assessment, the Company considers all information relevant to the collectability of the security, including past history, current conditions and reasonable forecasts when developing an estimate of future cash flows. Relevant analyst reports and forecasts for the asset class also receive appropriate consideration. The Company also considers how credit enhancements affect the expected performance of the security. In addition, the Company generally considers its cash and working capital requirements and expected cash flows in relation to its business plans and how such forecasts affect the intent and ability to hold such securities to recovery of their amortized cost.

The Company does not have any LBaSS for which it is not practicable to estimate fair values.

The following table presents the rollforward of non-interest related OTTI for LBaSS:

	December 31,	
(in millions)	**2024**	2023
Balance, beginning of year	**$ 362**	$ 369
Increases due to:		
Credit impairment on new securities subject to impairment losses	**13**	1
Additional credit impairment on previously impaired investments	**—**	1
Reduction due to:		
Credit impaired securities fully disposed for which there was no prior intent or requirement to sell	**25**	9
Balance, end of year	**$ 350**	$ 362

See Note 4 for a list with each LBaSS at a CUSIP level where the present value of cash flows expected to be collected is less than the amortized cost basis during the current year and a list of the Company's structured notes holding at December 31, 2024.

Mortgage Loans

Mortgage loans had outstanding principal balances of $7.1 billion and $7.4 billion at December 31, 2024 and 2023, respectively. Contractual interest rates range from 0.00 percent to 35.00 percent. The mortgage loans at December 31, 2024 had maturity dates ranging from 2024 to 2061.

The Company's mortgage loans are collateralized by a variety of commercial real estate property types located throughout the U.S. and Canada. The commercial mortgage loans are non-recourse to the borrower.

The following tables present the geographic and property-type distribution of the Company's mortgage loan portfolio:

	December 31,	
	2024	2023
Geographic distribution:		
Mid-Atlantic	**31.0%**	29.7%
Foreign	**14.0**	16.1
Pacific	**19.6**	19.7
South Atlantic	**13.0**	12.8
West South Central	**3.5**	3.9
East North Central	**5.6**	6.6
New England	**5.9**	5.0
Mountain	**4.9**	3.8
East South Central	**2.2**	2.2
West North Central	**0.3**	0.2
Total	**100.0%**	100.0%
Property type distribution:		
Multi-family	**36.3%**	36.3%
Office	**23.1**	24.1
Retail	**12.4**	12.2
Industrial	**12.4**	12.0
Hotel/Motel	**7.5**	7.3
Other	**8.3**	8.1
Total	**100.0%**	100.0%

At December 31, 2024, there were 128 mortgage loans with outstanding balances of $20 million or more, which loans collectively, aggregated approximately 74.5 percent of this portfolio.

The following table presents the minimum and maximum lending rates for new mortgage loans during 2024 and 2023:

	Years Ended December 31,			
	2024		2023	
(in millions)	**Maximum**	**Minimum**	Maximum	Minimum
Office	9.75 %	5.02 %	12.00 %	3.00 %
Multi-family	8.80	7.24	8.47	7.08
Retail	7.05	7.05	8.84	8.84
Industrial	7.48	4.52	4.08	4.08
Hotel/Motel	—	—	—	—
Other	9.45	7.02	9.46	6.54

The Company reduced interest rates on one loan during 2024. The Company did not reduce any interest rates during 2023.

The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgage was 82 percent and 75 percent, in 2024 and 2023, respectively.

At December 31, 2024, and 2023, the Company held $354 million and $190 million, respectively, in impaired mortgages with $123 million and $41 million, respectively, of related allowances for credit losses. There were no impaired mortgage loans without a related allowance at both periods ended December 31, 2024 and 2023. The Company's average recorded investment in impaired loans was $240 million and $194 million, at December 31, 2024 and 2023, respectively. The Company recognized interest income of $5 million, $0 million and $8 million, in 2024, 2023 and 2022, respectively.

The following table presents a rollforward of the changes in the allowance for losses on mortgage loans receivable:

	December 31,		
(in millions)	**2024**	2023	2022
Balance, beginning of year	**$ 91**	$ 75	$ 60
Additions (reductions) charged to unrealized capital loss	**54**	30	19
Direct write-downs charged against allowance	**—**	(14)	(4)
Balance, end of year	**$ 145**	$ 91	$ 75

During 2024, the Company did not derecognize any mortgage loans and did not recognize any real estate collateral as a result of foreclosure.

The mortgage loan portfolio has been originated by the Company under strict underwriting standards. Commercial mortgage loans on properties such as offices, hotels and shopping centers generally represent a higher level of risk than do mortgage loans secured by multi-family residences. This greater risk is due to several factors, including the larger size of such loans and the more immediate effects of general economic conditions on these commercial property types. However, due to the Company's strict underwriting standards, the Company believes that it has prudently managed the risk attributable to its mortgage loan portfolio while maintaining attractive yields.

The following table presents the age analysis of mortgage loans:

	December 31,	
(in millions)	**2024**	2023
Current	**$ 6,854**	$ 7,319
30 - 59 days past due	**53**	4
60 - 89 days past due	**16**	1
90 - 179 days past due	**39**	1
Greater than 180 days past due	**—**	—
Total	**$ 6,962**	$ 7,325

At December 31, 2024 and 2023, the Company had mortgage loans outstanding under participant or co-lender agreements of $5.4 billion and $5.7 billion, respectively.

The Company had $92 million and $98 million in restructured loans at December 31, 2024 and 2023, respectively.

Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of December 31, 2024:

(in millions)	Residential		Commercial		Agricultural	
Loan-to-Value	**Amount**	**Percentage of Total Admitted Assets**	**Amount**	**Percentage of Total Admitted Assets**	**Amount**	**Percentage of Total Admitted Assets**
a. above 95%	$ 6	— %	$ 292	0.70	$ —	— %
b. 91% to 95%	5	—	6	0.00	—	—
c. 81% to 90%	17	—	430	1.00	—	—
d. 71% to 80%	68	0.20	915	2.10	—	—
e. below 70%	432	1.00	4,938	11.20	—	—

Troubled Debt Restructuring

The Company held no restructured debt for which impairment was recognized for both December 31, 2024 and 2023. In 2024, the Company had $1 million in outstanding commitments to debtors that hold loans with restructured terms. In 2023, the Company had $2 million in outstanding commitments to debtors that hold loans with restructured terms.

Real Estate

The following table presents the components of the Company's investment in real estate:

(in millions)	December 31, **2024**	2023
Properties occupied by the Company	**$ —**	$ —
Properties held for production of income	**—**	—
Properties held for sale	**—**	3
Total	**$ —**	$ 3

The Company recognized no gains or losses in 2024, 2023 or 2022. The Company did not recognize any impairment write-downs for its investments in real estate in 2024 or 2022. The Company recognized $2 million in impairment write-downs for its investments in real estate in 2023.

Other Invested Assets

The following table presents the components of the Company's other invested assets:

(in millions)	December 31, **2024**	2023
Investments in limited liability companies	**$ 694**	$ 836
Investments in limited partnerships	**763**	703
Other unaffiliated investments	**413**	403
Receivable for securities	**21**	24
Non-admitted assets	**(7)**	(22)
Total	**$ 1,884**	$ 1,944

The Company utilizes the look-through approach in valuing its investments in affiliated limited partnerships that have the characteristics of real estate investments. These affiliated real estate investments had an aggregate value of $359 million and $420 million at December 31, 2024 and 2023, respectively. All liabilities, commitments, contingencies, guarantees, or obligations of these holding company entities, which are required to be recorded as liabilities, commitments, contingencies, guarantees or obligations under applicable accounting guidance, are reflected in the Company's determination of the carrying value of the investment in each of the respective holding company entities, if applicable.

The Company recorded impairment write-downs in joint ventures was $3 million, $8 million and $4 million during 2024, 2023 and 2022, respectively.

Net Investment Income

The following table presents the components of net investment income:

	Years ended December 31,		
(in millions)	**2024**	2023	2022
Bonds	**$ 1,463**	$ 1,692	$ 1,589
Preferred stocks	**1**	—	3
Common stocks	**1**	3	—
Cash and short-term investments	**15**	8	13
Mortgage loans	**330**	334	307
Real estate*	**1**	2	2
Contract loans	**20**	21	22
Derivatives	**74**	(18)	156
Investment income from affiliates	**149**	75	133
Other invested assets	**40**	54	47
Gross investment income	**2,094**	2,171	2,272
Investment expenses	**(122)**	(149)	(110)
Net investment income	**$ 1,972**	$ 2,022	$ 2,162

* Includes amounts for the occupancy of Company-owned property of $2 million, $2 million and $2 million in 2024, 2023 and 2022, respectively.

Net Realized and Unrealized Capital Gains (Losses)

The following table presents the components of Net realized capital gains (losses):

	Years ended December 31,		
(in millions)	**2024**	2023	2022
Bonds	**$ (220)**	$ (83)	$ (154)
Preferred stocks	**—**	(4)	—
Common stocks	**—**	3	—
Cash and short-term investments	**(8)**	(4)	(1)
Mortgage loans	**(34)**	(13)	(25)
Real estate	**(2)**	(2)	—
Derivatives	**70**	(51)	(58)
Other invested assets	**(23)**	44	10
Realized capital gains (losses)	**(217)**	(110)	(228)
Federal income tax (expense) benefit	**46**	23	48
Net losses transferred to IMR	**121**	37	82
Net realized capital gains (losses)	**$ (50)**	$ (50)	$ (98)

During 2024, 2023, and 2022 the Company recognized $63 million, $14 million, and $43 million, respectively, of impairment write-downs in the fixed maturity portfolio in accordance with the impairment policy described in Note 2.

The following table presents the proceeds from sales of bonds and equities and the related gross realized capital gains and gross realized capital losses:

	Years ended December 31,		
(in millions)	**2024**	2023	2022
Proceeds	**$ 1,041**	$ 719	$ 1,813
Gross realized capital gains	**$ 11**	$ 11	$ 39
Gross realized capital losses	**(161)**	(52)	(143)
Net realized capital gains (losses)	**$ (150)**	$ (41)	$ (104)

The following table presents the net change in unrealized capital gains (losses) of investments (including foreign exchange capital gains (losses):

	Years ended December 31,		
(in millions)	**2024**	2023	2022
Bonds	**$ (74)**	$ 64	$ (111)
Preferred and common stocks	**(2)**	34	(13)
Mortgage loans	**(63)**	33	(103)
Derivatives	**97**	(36)	57
Other invested assets	**(67)**	4	44
Federal income tax expense	7	2	24
Net change in unrealized gains (losses) of investments	**$ (102)**	$ 101	$ (102)

5GI Securities Measured at Aggregate Book Adjusted Carrying Value and Fair Value

The following table presents 5GI Securities measured at aggregate book adjusted carrying value (BACV) and aggregate fair value at December 31:

Investment	Number of 5GI Securities		Aggregate BACV (in millions)		Aggregate Fair Value (in millions)	
	2024	2023	**2024**	2023	**2024**	2023
Bonds - AC	**2**	$ 4	**8**	$ 12	**8**	$ **12**
LB&SS - AC	**—**	—	**—**	—	**—**	**—**
Preferred Stock - AC	**—**	—	**—**	—	**—**	**—**
Preferred Stock - FV	**—**	—	**—**		**—**	**—**
Total	$ 2	$ 4	**8**	$ 12	**8**	$ 12

AC - Amortized Cost
FV - Fair Value

Net Negative (Disallowed) Interest Maintenance Reserve (IMR)

(1) Net negative (disallowed) IMR

Total	General Account	Insulated Separate Account	Non-Insulated Separate Account
$ (77,401,376)	$ (76,883,222)	$ (66,602)	$ (451,552)

(2) Negative (disallowed) IMR admitted

Total	General Account	Insulated Separate Account	Non-Insulated Separate Account
$ (77,401,376)	$ (76,883,222)	$ (66,602)	$ (451,552)

(3) Calculated adjusted capital and surplus

General account capital and surplus	$ 1,991,457,839
Less:	
Net positive goodwill (admitted)	—
EDP equipment and operating system software (admitted)	—
Net deferred tax assets (admitted)	200,083,103
Net negative (disallowed) IMR (admitted)	76,623,603
Adjusted capital and surplus	$ 1,714,751,133

(4) The percentage of adjusted capital and surplus for which the admitted net negative (disallowed) IMR represents (including what is admitted in the general account and what is recognized as an asset in the separate account) is 4.5%.

The Company attests that:

a. Fixed income investments generating IMR losses comply with the reporting entity's documented investment or liability management policies.

b. IMR losses for fixed income related derivatives are not applicable.

c. There was no deviation to item a. above.

d. Asset sales that were generating admitted negative IMR were not compelled by liquidity pressures.

4. LOAN-BACKED AND STRUCTURED SECURITY IMPAIRMENTS AND STRUCTURED NOTES HOLDINGS

LBaSS

The following table presents the LBaSS held by the Company at December 31, 2024 for which it had recognized non-interest related OTTI subsequent to the adoption of SSAP 43R:

(in thousands) CUSIP	Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized OTTI	Amortized Cost After OTTI	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
61772WAS6	$ 14,137	$ 701	$ 13,436	$ 701	$ 701	6/30/2024
Quarterly Total	14,137	701	13,436	701	701	
		Year-end Total	**$ 13,436**			

None of the structured notes held by the Company are defined as a Mortgage-Referenced Security by the IAO.

5. SECURITIES LENDING AND REPURCHASE AGREEMENTS

Securities Lending

In conjunction with its securities lending program, the Company had securities with a carrying value of $84 million and a fair value of $72 million loaned to unaffiliated third parties as of December 31, 2024. At December 31, 2023, the Company had no bonds loaned pursuant to the securities lending program.

The following table presents the aggregate fair value of cash collateral received related to the securities lending program and the terms of the contractually obligated collateral positions:

(in millions)	December 31, 2024	December 31, 2023
30 days or less	**$ 72**	$ —
31 to 60 days	**—**	—
61 to 90 days	**—**	—
Greater than 90 days	**—**	—
Subtotal	**72**	—
Securities collateral received	**—**	—
Total collateral received	**$ 72**	$ —

The following table presents the aggregate amortized cost and fair value of cash collateral reinvested related to the securities lending program by maturity date:

	December 31, 2024		December 31, 2023	
(in millions)	**Amortized Cost**	**Fair Value**	Amortized Cost	Fair Value
Open positions	**$ —**	**$ —**	$ —	$ —
Subtotal	**—**	**—**	—	—
Securities collateral received	**—**	**—**	—	—
Total collateral reinvested	**$ —**	**$ —**	$ —	$ —

Repurchase Agreements

At December 31, 2024 and 2023, bonds with a fair value of approximately $452 million and $875 million, respectively, were subject to repurchase agreements to secure amounts borrowed by the Company.

The following table presents the aggregate fair value of cash collateral received related to the repurchase agreement program and the terms of the contractually obligated collateral positions:

	December 31,	
(in millions)	**2024**	2023
Open positions	**$ —**	$ —
30 days or less	**443**	852
31 to 60 days	**—**	—
61 to 90 days	**—**	—
Greater than 90 days	**—**	—
Subtotal	**443**	852
Securities collateral received	**—**	—
Total collateral received	**$ 443**	$ 852

The following table presents the original (flow) and residual maturity for bi-lateral repurchase agreement transactions for the year ended December 31, 2024:

(in millions)	**FIRST QUARTER**	**SECOND QUARTER**	**THIRD QUARTER**	**FOURTH QUARTER**
a. Maximum Amount				
1. Open - No Maturity	$ 5	$ 5	$ 5	$ 5
2. Overnight	204	96	103	153
3. 2 Days to 1 Week	654	397	303	438
4. > 1 Week to 1 Month	767	517	403	153
5. > 1 Month to 3 Months	—	—	—	—
6. > 3 Months to 1 Year	—	—	—	—
7. > 1 Year	—	—	—	—
b. Ending Balance				
1. Open - No Maturity	$ 5	$ 5	$ 5	$ 5
2. Overnight	119	—	—	—
3. 2 Days to 1 Week	181	397	303	438
4. > 1 Week to 1 Month	586	194	225	—
5. > 1 Month to 3 Months	—	—	—	—
6. > 3 Months to 1 Year	—	—	—	—
7. > 1 Year	—	—	—	—

The following table presents the Company's liability to return collateral for the year ended December 31, 2024:

(in millions)		FIRST QUARTER		SECOND QUARTER		THIRD QUARTER		FOURTH QUARTER
a. Maximum Amount								
1. Cash (Collateral - All)	$	1,631	$	1,016	$	815	$	749
2. Securities Collateral (FV)		—		—		—		—
b. Ending Balance								
1. Cash (Collateral - All)	$	892	$	597	$	533	$	444
2. Securities Collateral (FV)		—		—		—		—

The Company requires a minimum of 95 percent of the fair value of securities sold under the repurchase agreements to be maintained as collateral. Cash collateral received is invested in corporate bonds and the offsetting collateral liability for repurchase agreements is included in other liabilities.

The following table presents the aggregate amortized cost and fair value of cash collateral reinvested related to the repurchase agreement program by maturity date:

	December 31, 2024				December 31, 2023			
(in millions)		**Amortized Cost**		**Fair Value**		Amortized Cost		Fair Value
Open positions	**$**	**531**	**$**	**452**	$	986	$	875
Greater than three years		**—**		**—**		—		—
Subtotal		**531**		**452**		986		875
Securities collateral received		**—**		**—**		—		—
Total collateral reinvested	**$**	**531**	**$**	**452**	$	986	$	875

The following table presents the fair value of securities under bi-lateral repurchase agreement transactions for the year ended December 31, 2024:

(in millions)		FIRST QUARTER		SECOND QUARTER		THIRD QUARTER		FOURTH QUARTER
a. Maximum Amount								
1. BACV		—	$	—	$	—	$	—
2. Nonadmitted - Subset of BACV		—		—		—		—
3. Fair Value		—		—		—		—
b. Ending Balance								
1. BACV	$	1,035	$	684	$	585	$	531
2. Nonadmitted - Subset of BACV		—		—		—		—
3. Fair Value		899		604		534		452

The following table presents the fair value of securities under bi-lateral repurchase agreement transactions for the year ended December 31, 2024:

(in millions)	1 None	2 NAIC 1	3 NAIC 2	4 NAIC 3
Ending Balance				
a. Bonds - BACV	$ —	$ 234	$ 297	$ —
b. Bonds - FV	—	204	248	—
c. LB & SS - BACV	—	—	—	—
d. LB & SS - FV	—	—	—	—
e. Preferred Stock - BACV	—	—	—	—
f. Preferred Stock - FV	—	—	—	—
g. Common Stock	—	—	—	—
h. Mortgage Loans - BACV	—	—	—	—
i. Mortgage Loans - FV	—	—	—	—
j. Real Estate - BACV	—	—	—	—
k. Real Estate - FV	—	—	—	—
l. Derivatives - BACV	—	—	—	—
m. Derivatives - FV	—	—	—	—
n. Other Invested Assets - BACV	—	—	—	—
o. Other Invested Assets - FV	—	—	—	—
p. Total Assets - BACV	—	234	297	—
q. Total Assets - FV	—	204	248	—

(in millions)	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 Non-Admitted
Ending Balance				
a. Bonds - BACV	$ —	$ —	$ —	$ —
b. Bonds - FV	—	—	—	—
c. LB & SS - BACV	—	—	—	—
d. LB & SS - FV	—	—	—	—
e. Preferred Stock - BACV	—	—	—	—
f. Preferred Stock - FV	—	—	—	—
g. Common Stock	—	—	—	—
h. Mortgage Loans - BACV	—	—	—	—
i. Mortgage Loans - FV	—	—	—	—
j. Real Estate - BACV	—	—	—	—
k. Real Estate - FV	—	—	—	—
l. Derivatives - BACV	—	—	—	—
m. Derivatives - FV	—	—	—	—
n. Other Invested Assets - BACV	—	—	—	—
o. Other Invested Assets - FV	—	—	—	—
p. Total Assets - BACV	—	—	—	—
q. Total Assets - FV	—	—	—	—

6. RESTRICTED ASSETS

The Company has restricted assets as detailed below. Assets under restriction are general account assets and are not part of the Separate Accounts.

The following table presents the carrying value of the Company's restricted assets:

	December 31,	
(in millions)	**2024**	2023
On deposit with states	**$ 3**	$ 3
Collateral held on securities lending	**72**	—
FHLB stock and collateral pledged	**1,445**	1,476
Subject to repurchase agreements	**531**	849
Collateral for derivatives	**4**	117
Total	**$ 2,055**	$ 2,445

7. SUBPRIME MORTGAGE RISK EXPOSURE

The following features are commonly recognized characteristics of subprime mortgage loans:

- An interest rate above prime to borrowers who do not qualify for prime rate loans;
- Borrowers with low credit ratings (FICO scores);
- Interest-only or negative amortizing loans;
- Unconventionally high initial loan-to-value ratios;
- Low initial payments based on a fixed introductory rate that expires after a short initial period, then adjusts to a variable index rate plus a margin for the remaining term of the loan;
- Borrowers with less than conventional documentation of their income and/or net assets;
- Very high or no limits on how much the payment amount or the interest rate may increase at reset periods, potentially causing a substantial increase in the monthly payment amount; and/or
- Substantial prepayment penalties and/or prepayment penalties that extend beyond the initial interest rate adjustment period.

Non-agency RMBS can belong to one of several different categories depending on the characteristics of the borrower, the property and the loan used to finance the property. Categorization is a function of FICO score, the type of loan, loan-to-value ratio, and property type and loan documentation.

Generally, subprime loans are made to borrowers with low FICO scores, low levels of equity and reduced income/asset documentation. Due to these characteristics, subprime borrowers pay a substantially higher interest rate than prime borrowers. In addition, they often utilize mortgage products that reduce their monthly payments in the near-term. These include adjustable-rate mortgages with low initial rates or interest-only loans. Borrowers in products like this often experience significant "payment shock" when the teaser payment resets upwards after the initial fixed period.

The primary classification mechanism the Company uses for subprime loans is FICO score. Specifically, a pool with an average FICO at origination less than 650 is considered to be subprime. However, the Company may subjectively adjust this classification based on an assessment of the other parameters mentioned above.

To monitor subprime securities, the Company uses a model with vintage-specific assumptions for delinquency roll rates, loss severities and the timing of losses. As and when needed, these vintage-based assumptions are supplemented with deal-specific information including, but not limited to, geographic distribution, realized loss severities, trigger status and scenario analysis.

The Company has no direct exposure through investments in subprime mortgage loans. The Company's exposure is through other investments, primarily in RMBS, as described above.

The following table presents information regarding the Company's investments with subprime exposures:

(in millions)	Actual Cost	Book Adjusted Statement Value	Fair Value	OTTI Recognized to Date
December 31, 2024				
In general account:				
RMBS	**$ 232**	**$ 236**	**$ 276**	**$ (1)**
CDOs	**—**	**—**	**—**	**—**
CMBS	**—**	**—**	**—**	**—**
Total subprime exposure	**$ 232**	**$ 236**	**$ 276**	**$ (1)**

The Company has no underwriting exposure to subprime mortgage risk through mortgage guaranty or financial guaranty insurance coverage.

8. DERIVATIVES

The Company has taken positions in certain derivative financial instruments to mitigate or hedge the impact of changes in interest rates, foreign currencies, equity markets, swap spreads, volatility, correlations and yield curve risk on cash flows from investment income, policyholder liabilities and equity. Financial instruments used by the Company for such purposes include interest rate swaps, interest rate swaptions, cross-currency swaps, futures and futures options on equity indices, and futures and futures options on government securities. The Company does not engage in the use of derivative instruments for speculative purposes and is neither a dealer nor trader in derivative instruments.

All derivative instruments are recognized in the financial statements. Derivatives that do not qualify for hedge accounting are accounted for at fair value and the changes in the fair value recorded in surplus as unrealized gains and losses, net of deferred taxes. Derivatives which qualify for hedge accounting are accounted at carrying value. The change in the carrying value or cash flow of the derivative is recorded consistently with how the changes in the carrying value or cash flow of the hedged asset. The value of the Company's exchange traded futures contracts relates to the one day lag in the net cash settlement of these contracts.

The Company designated, under SSAP 86, *Derivatives,* certain foreign exchange derivatives as effective hedges of certain invested assets. During 2024, the Company also designated certain interest rate swaps as effective hedges of certain invested assets. Effective the period ending December 31, 2023, the Company elected fair value hedge accounting for the hedge of a portfolio of similar assets using the "portfolio layer method." The portfolio layer method represents a new method of achieving hedge accounting that had recently been adopted for statutory reporting purposes pursuant to guidance in SSAP 86.

The Company is hedging the risk of changes in the fair value of a designated specified percentage of a closed portfolio of purchased fixed-rate investment assets that is attributable to changes in a benchmark interest rate. The Company is hedging the portfolio on a partial term basis. A proportionate amount of interest rate swaps has been designated as the hedging instruments.

For the purposes of supporting the five-year hedge relationship, portfolio assets with a term greater than five years are assumed to be five-year assets using the partial-term hedging guidance. By electing to hedge the benchmark interest rate component of the contractual cash flows, the hedged assets will have an assumed coupon based on a five-year benchmark interest rate (i.e., SOFR). As a result, the hedged components of the different tenor assets are considered similar when performing the similar asset analysis.

A haircut of approximately 20.62% was applied to the portfolio to maintain a hedged item that is projected to always exceed the notional value of the interest rate swaps. The haircut consisted of the following components:

- Scheduled principal paydowns (approximately 6.62%)
- Anticipated annual defaults (approximately 1%)

- Anticipated annual sales (approximately 13%)

Pursuant to fair value hedge accounting, the swaps hedging the portfolio of fixed-interest investments have been reported on the same basis (i.e., amortized cost) as the hedged target. The amortized cost basis of the interest rate swaps was zero at December 31, 2024.

In August 2024, the swaps and hedging relationship were terminated. Accrued interest of $15 million was recognized in current year income, and a loss of $62 million was applied as an adjustment to the book value of the hedged items and will be amortized into net investment income over the life of the bonds.

The Company recognized a net unrealized capital loss of $96 million in 2024, unrealized capital loss of $38 million in 2023 and unrealized capital loss of $57 million in 2022, related to derivatives that did not qualify for hedge accounting.

Net cash collateral received for derivative transactions increased in the year 2024, as a result of increases in fair values of derivatives covered by an International Swaps and Derivative Association Master Agreement ("ISDA Master Agreement") and Credit Support Annex provisions. At December 31, 2024, the Company held $366 million of collateral for derivatives, which is invested in cash, cash equivalents and/or short-term investments.Refer to Note 3 for disclosures related to net realized capital gains (losses).

Swaps, Options, and Futures

Interest rate or cross-currency swap agreements are agreements to exchange with a counterparty, at specified intervals, payments of differing character (for example, variable-rate payments exchanged for fixed-rate payments) or in different currencies, based on an underlying principal balance, notional amount. Generally no cash is exchanged at the outset of the contract and no principal payments are made by either party. A single net payment is usually made by one counterparty at each contractual payment due date, and this net payment is included in the Statutory Statement of Operations.

Options are contracts that grant the purchaser, for a premium payment, the right, but not the obligation, either to purchase or sell a financial instrument at a specified price within a specified period of time. The Company purchases call options on the S&P 500 Index to offset the risk of certain guarantees of specific equity-index annuity and universal life policy values. The Company also purchases put options on the S&P 500 Index to offset volatility risk arising from minimum guarantees embedded in variable annuities. The options are carried at fair value, with changes in fair value recognized in unrealized investment gains and losses.

Financial futures are contracts between two parties that commit one party to purchase and the other to sell a particular commodity or financial instrument at a price determined on the final settlement day of the contract. Futures contracts detail the quality and quantity of the underlying asset; they are standardized to facilitate trading on a futures exchange. Some futures contracts may call for physical delivery of the asset, while others are settled in cash. The Company uses futures contracts on Euro dollar deposits, U.S. Treasury Notes, U.S. Treasury Bonds, the S&P 500 Index, MidCap 400, Russell 2000, MSCI EAFE, foreign government debt securities, and foreign denominated equity indices to offset the risk of certain guarantees on annuity policy values.

Interest Rate Risk

Interest rate derivatives are used to manage interest rate risk associated with certain guarantees of variable annuities and equity indexed annuities and certain bonds. The Company's interest rate hedging derivative instruments include (1) interest rate swaps and swaptions; (2) listed futures on government securities; and (3) listed futures options on government securities; and (4) unlisted swaps and swaptions in U.S. Dollar Secured Overnight Financing Rate.

Currency Risk

Foreign exchange contracts used by the Company include cross-currency swaps, which are used to reduce risks from changes in currency exchange rates with respect to investments denominated in foreign currencies that the Company holds.

Equity Risk

Equity derivatives are used to mitigate financial risk embedded in certain insurance liabilities.

Credit Risk

The Company is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments, but it does not expect any counterparties to fail to meet their obligations given their high credit ratings. For over-the-counter ("OTC") derivatives, the Company's net credit exposure is determined based on master netting agreements, which take into consideration all derivative positions with the counterparty, as well as collateral posted by the counterparty at the balance sheet date. The Company is exposed to credit risk when the net position with a particular counterparty results in an asset that exceeds collateral pledged by that counterparty.

For OTC contracts, the Company generally uses an International Swaps and Derivative Association Master Agreement ("ISDA Master Agreement") and Credit Support Annexes with bilateral collateral provisions to reduce counterparty credit exposures. An ISDA Master Agreement is an agreement between two counterparties, which may cover multiple derivative transactions and such ISDA Master Agreement generally provides for the net settlement of all or a specified group of these derivative transactions, as well as transferred collateral, through a single payment, in a single currency, in the event of a default affecting any one derivative transaction or a termination event affecting all or a specified group of the transactions. The Company minimizes the risk that counterparties might be unable to fulfill their contractual obligations by monitoring counterparty credit exposure and collateral value and may require additional collateral to be posted upon the occurrence of certain events or circumstances. In the unlikely event of a failure to perform by any of the counterparties to these derivative transactions, there would not be a material effect on the Company's admitted assets, liabilities or capital and surplus.

The Company has also entered into exchange-traded options and futures contracts. Under exchange-traded futures contracts, the Company agrees to purchase a specified number of contracts with other parties and to post or receive variation margin on a daily basis in an amount equal to the difference in the daily market values of those contracts. The parties with whom the Company enters into exchange-traded futures are regulated futures commission merchants who are members of a trading exchange. The credit risk of exchange-traded futures is partially mitigated because variation margin is settled daily in cash. Exchange-traded option contracts are not subject to daily margin settlements and amounts due to the Company based upon favorable movements in the underlying securities or indices are owed upon exercise.

The following table presents the notional amounts, statement values and fair values of the Company's derivative instruments:

	December 31, 2024			December 31, 2023		
(in millions)	**Contract or Notional Amount**	**Statement Value**	**Fair Value**	Contract or Notional Amount	Statement Value	Fair Value
Assets:						
Interest rate contracts	**$ 3**	**$ —**	**$ —**	$ 6	$ —	$ —
Foreign exchange contracts	**2,689**	**242**	**240**	1,675	172	171
Equity contracts	**3,839**	**208**	**208**	5,961	249	249
Other contracts	**—**	**—**	**—**	300	10	8
Derivative assets, gross	**6,531**	**450**	**448**	7,942	431	428
Counter party netting*	**—**	**(74)**	**(74)**	—	(144)	(144)
Derivative assets, net	**$ 6,531**	**$ 376**	**$ 374**	$ 7,942	$ 287	$ 284
Liabilities:						
Interest rate contracts	**$ 515**	**$ 2**	**$ 14**	$ 2,426	$ 13	$ 75
Foreign exchange contracts	**45**	**1**	**1**	1,545	41	41
Equity contracts	**985**	**71**	**71**	837	83	83
Other contracts	**—**	**—**	**—**	—	—	—
Derivative liabilities, gross	**1,545**	**74**	**86**	4,808	137	199
Counter party netting*	**—**	**(74)**	**(74)**	—	(144)	(144)
Derivative liabilities, net	**$ 1,545**	**$ —**	**$ 12**	$ 4,808	$ (7)	$ 55

* Represents netting of derivative exposures covered by a qualifying master netting agreement.

The Company has a right of offset of its derivatives asset and liability positions with various counterparties. The following table presents the effect of the right of offsets:

	December 31, 2024		December 31, 2023	
(in millions)	**Assets**	**Liabilities**	Assets	Liabilities
Gross amount recognized	**$ 449**	**$ 74**	$ 431	$ 137
Amount offset	**(73)**	**(74)**	(144)	(144)
Net amount presented in the Statement of Admitted Assets, Liabilities, and Capital and Surplus	**$ 376**	**$ —**	$ 287	$ (7)

9. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

The following table presents the Company's derivative financial instruments with concentrations of credit risk:

	December 31, 2024		December 31, 2023	
(in millions)	**Contract or Notional Amount**	**Final Maturity Date**	Contract or Notional Amount	Final Maturity Date
Derivative assets:				
Interest rate contracts	**$ 3**	**2025**	$ 6	2024
Foreign exchange contracts	**2,689**	**2051**	1,675	2050
Equity contracts	**3,839**	**2026**	5,961	2025
Credit contracts	**—**	**—**	300	2028
Derivative liabilities:				
Interest rate contracts	**515**	**2027**	2,426	2028
Foreign exchange contracts	**45**	**2051**	1,545	2051
Equity contracts	**985**	**2025**	837	2025

The credit exposure to the Company's derivative contracts is limited to the fair value of such contracts that are favorable to the Company at the reporting date.

The credit exposure to the Company's derivative contracts aggregated $40 million and $369 million at December 31, 2024 and 2023, respectively.

10. FAIR VALUE INSTRUMENTS

Fair Value Measurements

The Company carries certain financial instruments at fair value. The Company defines the fair value of a financial instrument as the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company is responsible for the determination of the value of the investments carried at fair value and the supporting methodologies and assumptions.

The degree of judgment used in measuring the fair value of financial instruments generally inversely correlates with the level of observable valuation inputs. The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Financial instruments with quoted prices in active markets generally have more pricing observability and less judgment is used in measuring fair value. Conversely, financial instruments for which no quoted prices are available have less observability and are measured at fair value using valuation models or other pricing techniques that require more judgment. Pricing observability is affected by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction, liquidity and general market conditions

Fair Value Hierarchy

Assets and liabilities recorded at fair value are measured and classified in accordance with a fair value hierarchy consisting of three "levels" based on the observability of valuation inputs:

- **Level 1:** Fair value measurements based on quoted prices (unadjusted) in active markets that the Company has the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. The Company does not adjust the quoted price for such instruments.

- **Level 2**: Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.

- **Level 3:** Fair value measurements based on valuation techniques that use significant inputs that are unobservable. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, the Company must make certain assumptions as to the inputs a hypothetical market participant would use to value that asset or liability. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In those cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Bonds: Fair value is based principally on value from independent third-party valuation service providers, broker quotes and other independent information.

Preferred stocks: Fair value of unaffiliated preferred stocks is based principally on value from independent third-party service providers, broker quotes and other independent information.

Cash, cash equivalents and short term investments: Carrying amount approximate fair value because of the relatively short period of time between origination and expected realization and their limited exposure to credit risk.

Mortgage loans: Fair values are primarily determined by discounting future cash flows to the present at current market rates, using expected prepayment rates.

Contract loans: Carrying amounts, which approximate fair value, are generally equal to unpaid principal amount as of each reporting date. No consideration is given to credit risk because contract loans are effectively collateralized by the cash surrender value of the policies.

Securities lending reinvested collateral assets: Securities lending assets are generally invested in short-term investments and thus carrying amounts approximate fair values because of the relatively short period of time between origination and expected realizations.

Separate account assets: Variable annuity and variable universal life assets are carried at the market value of the underlying securities. Certain separate account assets related to market value adjustment fixed annuity contracts are carried at book value. Fair value is based principally on the value from independent third-party valuation service providers, broker quotes and other independent information.

Policy reserves and contractual liabilities: Fair value for investment contracts (those without significant mortality risk) not accounted for at fair value were estimated for disclosure purposes using discounted cash flow calculations based upon interest rates currently being offered for similar contracts with maturities consistent with those remaining for the contracts being valued. When no similar contracts are being offered, the discount rate is the appropriate swap rates (if available) or current risk-free interest rates consistent with the currency in which cash flows are denominated.

Payable for securities lending: Cash collateral received from the securities lending program is invested in short-term investments and the offsetting liability is included in payable for securities lending. The carrying amount of this liability approximates fair value because of the relatively short period between origination of the liability and expected settlement.

Receivables/payables for securities: Such amounts represent transactions of a short-term nature for which the statement value is considered a reasonable estimate of fair value.

Valuation Methodologies of Financial Instruments Measured at Fair Value

Bonds

Bonds with NAIC 6 or 6* designations and redeemable preferred stocks with NAIC 4, 5 or 6 designations are carried at the lower of amortized cost or fair value. Perpetual preferred stocks are carried at fair value, not to exceed any currently effective call rate. The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Whenever available, the Company obtains quoted prices in active markets for identical assets at the balance sheet date to measure bonds at fair value. Market price data generally is obtained from exchange or dealer markets.

The Company estimates the fair value of securities not traded in active markets, by referring to traded securities with similar attributes, using dealer quotations, a matrix pricing methodology, discounted cash flow analyses or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating and tenor, its coupon rate, its position in the capital structure of the issuer, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets or that are subject to transfer restrictions, valuations are adjusted to reflect illiquidity and/or non-transferability, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Fair values for bonds and preferred stocks based on observable market prices for identical or similar instruments implicitly include the incorporation of counterparty credit risk. Fair values for bonds and preferred stocks based on internal models incorporate counterparty credit risk by using discount rates that take into consideration cash issuance spreads for similar instruments or other observable information.

Common Stocks (Unaffiliated)

Whenever available, the Company obtains quoted prices in active markets for identical assets at the balance sheet date to measure equity securities at fair value. Market price data is generally obtained from exchanges or dealer markets.

Freestanding Derivatives

Derivative assets and liabilities can be exchange-traded or traded OTC. The Company generally values exchange-traded derivatives, such as futures and options, using quoted prices in active markets for identical derivatives at the balance sheet date.

OTC derivatives are valued using market transactions and other observable market evidence whenever possible, including market-based inputs to models, model calibration to market clearing transactions, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. When models are used, the selection of a particular model to value an OTC derivative depends on the contractual terms of, and specific risks inherent in, the instrument as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation models can require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures of volatility, prepayment rates and correlations of such inputs. For OTC derivatives that trade in liquid markets, such as generic forwards, swaps and options, model inputs can generally be corroborated by observable market data by correlation or other means, and model selection does not involve significant management judgment.

Certain OTC derivatives trade in less liquid markets with limited pricing information, and the determination of fair value for these derivatives is inherently more difficult. When the Company does not have corroborating market evidence to support significant model inputs and cannot verify the model using market transactions, the transaction price is initially used as the best estimate of fair value. Accordingly, when a pricing model is used to value such an instrument, the model is adjusted so the model value at inception equals the transaction price. Subsequent to initial recognition, the Company updates valuation inputs when corroborated by evidence such as similar market transactions, independent third-party valuation services and/or broker or dealer quotations, or other empirical market data. When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit considerations. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used.

Separate Account Assets

Separate account assets are comprised primarily of registered and open-ended variable funds that trade daily and are measured at fair value using quoted prices in active markets for identical assets. Certain separate account assets are carried at amortized cost.

Assets and Liabilities Measured at Fair Value

The following table presents information about assets and liabilities measured at fair value:

(in millions)	Level 1	Level 2	Level 3	Counterparty Netting*	Total
December 31, 2024					
Assets at fair value:					
Bonds					
Industrial and miscellaneous	$ —	$ 35	$ 8	$ —	$ 43
Total bonds	—	35	8	—	43
Preferred stock					
Industrial and miscellaneous	—	—	—	—	—
Total preferred stock	—	—	—	—	—
Common stock					
Industrial and miscellaneous	—	—	—	—	—
Total common stock	—	—	—	—	—
Derivative assets:					
Interest rate contracts	—	—	—	—	—
Foreign exchange contracts	—	241	—	—	241
Equity contracts	—	127	81	—	208
Counterparty netting	—	—	—	(74)	(74)
Total derivative assets	—	368	81	(74)	375
Separate account assets	39,576	98	—	—	39,674
Total assets at fair value	$ 39,576	$ 501	$ 89	$ (74)	$ 40,092
Liabilities at fair value:					
Derivative liabilities:					
Interest rate contracts	$ —	$ 1	$ —	$ —	$ 1
Foreign exchange contracts	—	1	—	—	1
Equity contracts	—	71	—	—	71
Credit contracts	—	—	—	—	—
Other contracts	—	—	—	—	—
Counterparty netting	—	—	—	(74)	(74)
Total derivative liabilities	—	73	—	(74)	(1)
Total liabilities at fair value	$ —	$ 73	$ —	$ (74)	$ (1)
December 31, 2023					
Assets at fair value:					
Bonds					
Industrial and miscellaneous	$ —	$ 25	$ —	$ —	$ 25
Total bonds	—	25	—	—	25
Preferred stock					
Industrial and miscellaneous	—	—	—	—	—
Total preferred stock	—	—	—	—	—
Common stock					
Industrial and miscellaneous	—	—	—	—	—
Total common stock	—	—	—	—	—
Derivative assets:					
Interest rate contracts	—	—	—	—	—
Foreign exchange contracts	—	172	—	—	172
Equity contracts	—	131	118	—	249
Counterparty netting	—	—	—	(144)	(144)
Total derivative assets	—	303	118	(144)	277
Separate account assets	38,087	103	—	—	38,190
Total assets at fair value	$ 38,087	$ 431	$ 118	$ (144)	$ 38,492
Liabilities at fair value:					
Derivative liabilities:					
Interest rate contracts	$ —	$ 12	$ —	$ —	$ 12
Foreign exchange contracts	$ —	$ 40	$ —	$ —	$ 40
Equity contracts	—	83	—	—	83
Counterparty netting	—	—	—	(144)	(144)
Total derivative liabilities	—	135	—	(144)	(9)
Total liabilities at fair value	$ —	$ 135	$ —	$ (144)	$ (9)

* Represents netting of derivative exposures covered by a qualifying master netting agreement.

Changes in Level 3 Fair Value Measurements

The following tables present changes in Level 3 assets and liabilities measured at fair value and the gains (losses) related to the Level 3 assets and liabilities that remained on the Statutory Statements of Admitted Assets, Liabilities and Capital and Surplus:

(in millions)	Bonds	Preferred Stocks	Common Stocks	Derivative Assets	Total Assets
Balance, January 1, 2023	$ 2	$ 3	$ —	$ 43	$ 48
Total realized/unrealized capital gains or losses:					
Included in net (loss) income	(2)	(3)	—	(54)	(59)
Included in surplus	—	—	—	44	44
Purchases, issuances and settlements	—	—	—	85	85
Transfers into Level 3	—	—	—	—	—
Transfers out of Level 3	—	—	—	—	—
Balance, December 31, 2023	$ —	$ —	$ —	$ 118	$ 118
Total realized/unrealized capital gains or losses:					
Included in net (loss) income	**(1)**	**—**	**—**	**67**	**66**
Included in surplus	**(2)**	**—**	**—**	**(32)**	**(34)**
Purchases, issuances and settlements	**(1)**	**—**	**—**	**(71)**	**(72)**
Transfers into Level 3	**15**	**—**	**—**	**—**	**15**
Transfers out of Level 3	**(2)**	**—**	**—**	**—**	**(2)**
Balance, December 31, 2024	**$ 9**	**$ —**	**$ —**	**$ 82**	**$ 91**

Assets are transferred out of Level 3 when circumstances change such that significant inputs can be corroborated with market observable data or when the asset is no longer carried at fair value. This may be due to a significant increase in market activity for the asset, a specific event, one or more significant inputs becoming observable or when a long-term interest rate significant to a valuation becomes short-term and thus observable. Transfers out of level 3 can also occur due to favorable credit migration resulting in a higher NAIC designation. Securities are generally transferred into Level 3 due to a decrease in market transparency, downward credit migration and an overall increase in price disparity for certain individual security types. The Company's policy is to recognize transfers in and out at the end of the reporting period, consistent with the date of the determination of fair value.

In both 2024 and 2023, there were no transfers between Level 1 and Level 2 securities.

Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3 in the tables above. As a result, the unrealized capital gains (losses) on instruments held at December 31, 2024 and 2023 may include changes in fair value that were attributable to both observable and unobservable inputs.

Quantitative Information About Level 3 Fair Value Measurements

The Company had no quantitative information about level 3 fair value measurements to report at December 31, 2024.

Gross Basis Fair Value Measurements

The following table presents the Company's derivative assets and liabilities measured at fair value, on a gross basis, before counterparty and cash collateral netting:

(in millions)	Level 1	Level 2	Level 3	Total
December 31, 2024				
Derivative assets at fair value	**$ —**	**$ 368**	**$ 81**	**$ 449**
Derivative liabilities at fair value	**—**	**(73)**	**—**	**(73)**
December 31, 2023				
Derivative assets at fair value	$ —	$ 303	$ 118	$ 421
Derivative liabilities at fair value	—	(136)	—	(136)

Fair Value Information about Financial Instruments Not Measured at Fair Value

The following table presents the aggregate fair values of the Company's financial instruments not measured at fair value compared to their statement values:

(in millions)	Aggregate Fair Value	Admitted Assets or Liabilities	Level 1	Level 2	Level 3
December 31, 2024					
Assets:					
Bonds	**$ 27,909**	**$ 32,589**	**$ —**	**$ 24,144**	**$ 3,765**
Preferred stocks	**9**	**9**	**—**	**9**	**—**
Common stocks	**56**	**56**	**—**	**56**	**—**
Cash, cash equivalents and short-term investments	**864**	**864**	**863**	**1**	**—**
Mortgage loans	**6,351**	**6,962**	**—**	**—**	**6,351**
Contract loans	**398**	**398**	**—**	**—**	**398**
Derivatives	**(13)**	**—**	**—**	**(13)**	**—**
Receivables for securities	**21**	**21**	**—**	**21**	**—**
Securities lending reinvested collateral assets	**—**	**—**	**—**	**—**	**—**
Separate account assets	**1,109**	**1,109**	**—**	**1,109**	**—**
Liabilities:					
Policy reserves and contractual liabilities	**43,310**	**40,325**	**—**	**—**	**43,310**
Payable for securities	**—**	**—**	**—**	**—**	**—**
Payable for securities lending	**74**	**74**	**—**	**74**	**—**
December 31, 2023					
Assets:					
Bonds	$ 31,260	$ 35,763 $	$ —	$ 27,506	$ 3,754
Preferred stocks	9	9	—	9	—
Common stocks	58	58	—	58	—
Cash, cash equivalents and short-term investments	39	39	(185)	224	—
Mortgage loans	6,679	7,325	—	—	6,679
Contract loans	409	409	—	—	409
Derivatives	(1)	—	—	(1)	—
Receivables for securities	24	24	—	24	—
Securities lending reinvested collateral assets	—	—	—	—	—
Separate account assets	689	689	—	689	—
Liabilities:					
Policy reserves and contractual liabilities	44,951	42,010	—	—	44,951
Payable for securities	1	1	—	1	—
Payable for securities lending	—	—	—	—	—
Derivatives	(55)	9	—	(55)	—

11. AGGREGATE POLICY RESERVES AND DEPOSIT FUND LIABILITIES

The following table presents the Company's reserves by major category:

	Years ended December 31,	
(in millions)	**2024**	2023
Life insurance	**$ —**	$ —
Annuities (excluding supplementary contracts with life contingencies)	**34,220**	35,583
Supplementary contracts with life contingencies	**252**	270
Accidental death benefits	**—**	—
Disability - active lives	**—**	—
Disability - disabled lives	**—**	—
Excess of VM-21 reserves over basic reserves	**82**	61
Deficiency reserves	**—**	—
Other miscellaneous reserve	**109**	117
Gross life and annuity reserves	**34,663**	36,031
Reinsurance ceded	**—**	—
Net life and annuity reserves	**34,663**	36,031
Accident and health reserves		
Unearned premium reserves	**—**	—
Present value of amounts not yet due on claims	**—**	—
Additional contract reserves	**—**	—
Gross accident and health reserves	**—**	—
Reinsurance ceded	**—**	—
Net accident and health reserves	**—**	—
Aggregate policy reserves	**$ 34,663**	$ 36,031

The following table presents the withdrawal characteristics of annuity actuarial reserves and deposit-type contract funds and other liabilities without life contingencies:

A. Individual Annuities:

	December 31, 2024				
(in millions)	**General account**	**Separate account with guarantees**	**Separate account nonguaranteed**	**Total**	**% of Total**
(1) Subject to discretionary withdrawal :					
a. With market value adjusted	$ 8,056	$ 1,124	$ —	$ 9,180	20.64%
b. At book value less current surrender charge of 5% or more	1,335	—	—	1,335	3.00%
c. At fair value	—	—	19,557	19,557	43.98%
d. Total with market adjustment or at fair value	9,391	1,124	19,557	30,072	67.62%
e. At book value without adjustment (minimal or no charge or adjustment)	13,719	—	—	13,719	30.85%
(2) Not subject to discretionary withdrawal	652	—	26	678	1.53%
(3) Total (gross: direct + assumed)	$ 23,762	$ 1,124	$ 19,583	$ 44,469	100.00%
(4) Reinsurance ceded	—	—	—	—	
(5) Total (net)* (3) - (4)	$ 23,762	$ 1,124	$ 19,583	$ 44,469	
(6) Amount included in A(1)b above that will move to A(1)e in the year after statement date:	$ 361	$ 37	$ —	$ 398	

* Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

	December 31, 2023								
(in millions)		General account		Separate account with guarantees		Separate account nonguaranteed		Total	% of Total
(1) Subject to discretionary withdrawal :									
a. With market value adjusted	$	6,053	$	939	$	—	$	6,992	15.75%
b. At book value less current surrender charge of 5% or more		1,929		—		—		1,929	4.34%
c. At fair value		—		—		19,209		19,209	43.27%
d. Total with market adjustment or at fair value		7,982		939		19,209		28,130	63.36%
e. At book value without adjustment (minimal or no charge or adjustment)		15,558		—		—		15,558	35.04%
(2) Not subject to discretionary withdrawal		683		—		25		708	1.60%
(3) Total (gross: direct + assumed)	$	24,223	$	939	$	19,234	$	44,396	100.00%
(4) Reinsurance ceded		—		—		—		—	
(5) Total (net)* (3) - (4)	$	24,223	$	939	$	19,234	$	44,396	
(6) Amount included in A(1)b above that will move to A(1)e in the year after statement date:	$	443	$	37	$	—	$	480	

* Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

B. Group Annuities:

	December 31, 2024								
(in millions)		General account		Separate account with guarantees		Separate account nonguaranteed		Total	% of Total
(1) Subject to discretionary withdrawal :									
a. With market value adjusted	$	883	$	—	$	2,149	$	3,032	9.83%
b. At book value less current surrender charge of 5% or more		3,097		—		—		3,097	10.04%
c. At fair value		—		98		17,773		17,871	57.95%
d. Total with market adjustment or at fair value		3,980		98		19,922		24,000	77.82%
e. At book value without adjustment (minimal or no charge or adjustment)		6,735		—		—		6,735	21.84%
(2) Not subject to discretionary withdrawal		104		—		—		104	0.34%
(3) Total (gross: direct + assumed)	$	10,819	$	98	$	19,922	$	30,839	100.00%
(4) Reinsurance ceded		—		—		—		—	
(5) Total (net)* (3) - (4)	$	10,819	$	98	$	19,922	$	30,839	
(6) Amount included in B(1)b above that will move to B(1)e in the year after statement date:	$	471	$	—	$	—	$	471	

* Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

	December 31, 2023								
(in millions)		General account		Separate account with guarantees		Separate account nonguaranteed		Total	% of Total
(1) Subject to discretionary withdrawal :									
a. With market value adjusted	$	931	$	—	$	2,051	$	2,982	9.77%
b. At book value less current surrender charge of 5% or more		3,395		—		—		3,395	11.12%
c. At fair value		—		102		16,629		16,731	54.80%
d. Total with market adjustment or at fair value		4,326		102		18,680		23,108	75.69%
e. At book value without adjustment (minimal or no charge or adjustment)		7,310		—		—		7,310	23.94%
(2) Not subject to discretionary withdrawal		111		—		—		111	0.37%
(3) Total (gross: direct + assumed)	$	11,747	$	102	$	18,680	$	30,529	100.00%
(4) Reinsurance ceded		—		—		—		—	
(5) Total (net)* (3) - (4)	$	11,747	$	102	$	18,680	$	30,529	
(6) Amount included in B(1)b above that will move to B(1)e in the year after statement date:	$	516	$	—	$	—	$	516	

* Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

C. Deposit-Type Contracts (no life contingencies):

	December 31, 2024				
(in millions)	**General account**	**Separate account with guarantees**	**Separate account nonguaranteed**	**Total**	**% of Total**
(1) Subject to discretionary withdrawal :					
a. With market value adjusted	$ 3,665	$ —	$ —	$ 3,665	64.13%
b. At book value less current surrender charge of 5% or more	—	—	—	—	—%
c. At fair value	—	—	—	—	—%
d. Total with market adjustment or at fair value	3,665	—	—	3,665	64.13%
e. At book value without adjustment (minimal or no charge or adjustment)	1,100	—	—	1,100	19.25%
(2) Not subject to discretionary withdrawal	950	—	—	950	16.62%
(3) Total (gross: direct + assumed)	$ 5,715	$ —	$ —	$ 5,715	100.00%
(4) Reinsurance ceded	—	—	—	—	
(5) Total (net)* (3) - (4)	$ 5,715	$ —	$ —	$ 5,715	
(6) Amount included in C(1)b above that will move to C(1)e in the year after statement date:	$ —	$ —	$ —	$ —	

* Represents annuity reserves reported in separate accounts liabilities.

	December 31, 2023				
(in millions)	**General account**	**Separate account with guarantees**	**Separate account nonguaranteed**	**Total**	**% of Total**
(1) Subject to discretionary withdrawal :					
a. With market value adjusted	$ 4,022	$ —	$ —	$ 4,022	64.94%
b. At book value less current surrender charge of 5% or more	6	—	—	6	0.10%
c. At fair value	—	—	—	—	—%
d. Total with market adjustment or at fair value	4,028	—	—	4,028	65.04%
e. At book value without adjustment (minimal or no charge or adjustment)	1,209	—	—	1,209	19.52%
(2) Not subject to discretionary withdrawal	956	—	—	956	15.44%
(3) Total (gross: direct + assumed)	$ 6,193	$ —	$ —	$ 6,193	100.00%
(4) Reinsurance ceded	—	—	—	—	
(5) Total (net)* (3) - (4)	$ 6,193	$ —	$ —	$ 6,193	
(6) Amount included in C(1)b above that will move to C(1)e in the year after statement date:	$ 1	$ —	$ —	$ 1	

* Represents annuity reserves reported in separate accounts liabilities.

12. SEPARATE ACCOUNTS

Separate Accounts

The separate accounts held by the Company consist primarily of variable annuities. These contracts generally are non-guaranteed in nature such that the benefit is determined by the performance and/or market value of the investments held in the separate accounts. The net investment experience of the separate accounts is credited directly to the policyholder and can be positive or negative.

Certain other separate accounts relate to MVA fixed annuity contracts in which the assets are carried at amortized cost. These policies are required to be held in the Company's separate account by certain states, including Texas.

The Company does not engage in securities lending transactions within the separate accounts.

In accordance with the products/transactions recorded within the separate accounts, some assets are considered legally insulated whereas others are not legally insulated from the general account. The legal insulation of the separate account assets prevents such assets from being generally available to satisfy claims resulting from the general account.

The following table presents separate account assets by product or transaction:

	December 31, 2024		December 31, 2023	
(in millions)	**Legally Insulated Assets**	**Separate Accounts Assets (Not Legally Insulated)**	Legally Insulated Assets	Separate Accounts Assets (Not Legally Insulated)
Variable annuity products	**$ 39,797**	**$ —**	$ 38,408	$ —
Annuities with MVA features	**—**	**888**	—	463
DeKalb separate account	**98**	**—**	103	—
Total	**$ 39,895**	**$ 888**	$ 38,511	$ 463

Some separate account liabilities are guaranteed by the general account. To compensate the general account for the risks taken, the separate accounts pay risk charges to the general account.

If claims were filed on all contracts, the current total maximum guarantee the general account would provide to the separate account as of December 31, 2024 and 2023 is $485 million and $596 million, respectively.

The following table presents the risk charges paid by the separate accounts and the guarantees paid by the general account:

(in millions)	**Risk Charge paid by the Separate Account**	**Guarantees Paid by the General Account**
2024	$ 10	$ 1
2023	14	2
2022	16	2
2021	16	2
2020	16	2

Certain separate accounts relate to experience-rated group annuity contracts that fund defined contribution pension plans. These contracts provide guaranteed interest returns for one quarter only, where the guaranteed interest rate is re-established each quarter based on the investment experience of the separate account. In no event can the interest rate be less than 3 percent. There are guarantees of principal and interest for purposes of plan participant transactions (e.g., participant-directed withdrawals and fund transfers done at market value). The assets and liabilities of these separate accounts are carried at the quoted market value of the underlying assets. This business has been included in Column 1 of the table below.

There was no separate account business seed money at December 31, 2024 and 2023.

The following table presents information regarding the separate accounts:

(in millions)	Indexed	Non-indexed guarantee less than or equal to 4%	Non-indexed guarantee more than 4%	Non-guaranteed separate accounts	Total
December 31, 2024					
Premiums, considerations or deposits	**$ —**	**$ 246**	**$ —**	**$ 1,440**	**$ 1,686**
Reserves for accounts with assets at:					
Market value	**$ —**	**$ 311**	**$ —**	**$ 39,504**	**$ 39,815**
Amortized costs	**—**	**661**	**—**	**—**	**661**
Total reserves	**$ —**	**$ 972**	**$ —**	**$ 39,504**	**$ 40,476**
By withdrawal characteristics:					
Subject to discretionary withdrawal with MVA	**$ —**	**$ 662**	**$ —**	**$ 15,257**	**$ 15,919**
At market value	**—**	**—**	**—**	**—**	**—**
At book value	**—**	**—**	**—**	**—**	**—**
Subtotal	**$ —**	**$ 662**	**$ —**	**$ 15,257**	**$ 15,919**
Not subject to discretionary withdrawal	**—**	**—**	**—**	**26**	**26**
Total reserves	**$ —**	**$ 662**	**$ —**	**$ 15,283**	**$ 15,945**
December 31, 2023					
Premiums, considerations or deposits	$ —	$ 283	$ —	$ 1,373	$ 1,656
Reserves for accounts with assets at:					
Market value	$ —	$ 102	$ —	$ 38,134	$ 38,236
Amortized costs	—	462	—	—	462
Total reserves	$ —	$ 564	$ —	$ 38,134	$ 38,698
By withdrawal characteristics:					
Subject to discretionary withdrawal with MVA	$ —	$ 462	$ —	$ 14,794	$ 15,256
At market value	—	102	—	23,316	23,418
Subtotal	—	564	—	38,110	38,674
Not subject to discretionary withdrawal	—	—	—	25	25
Total reserves	$ —	$ 564	$ —	$ 38,135	$ 38,699

Reconciliation of Net Transfers to or from Separate Accounts

The following table presents a reconciliation of the net transfers to (from) separate accounts:

	Years Ended December 31,		
(in millions)	**2024**	2023	2022
Transfers to separate accounts	**$ 1,713**	$ 1,899	$ 1,751
Transfers from separate accounts	**(5,247)**	(3,884)	(3,462)
Net transfers to (from) separate accounts	**(3,534)**	(1,985)	(1,711)
Transfers as reported in the Statutory Statements of Operations	**$ (3,534)**	$ (1,985)	$ (1,711)

13. RESERVES FOR GUARANTEED POLICY BENEFITS AND ENHANCEMENTS

Variable annuity contracts may include certain contractually guaranteed benefits to the contract holder. These guaranteed features include GMDB that are payable in the event of death, and living benefits that are payable in the event of annuitization, or, in other instances, at specified dates during the accumulation period. Living benefits include guaranteed minimum withdrawal benefits (“GMWB”) and, to a lesser extent, guaranteed minimum accumulation benefits (“GMAB”), which are no longer offered. A variable annuity contract may include more than one type of guaranteed benefit feature; for example, it may have both a GMDB and a GMWB. However, a policyholder generally can only receive payout from one guaranteed feature on a contract containing a death benefit and a living benefit, i.e. the features are mutually exclusive. A policyholder cannot purchase more than one living benefit on one contract. The net amount at risk for each feature is calculated irrespective of the existence of other features; as a result, the net amount at risk for each feature is not additive to that of other features.

Reserves for GMDB and GMWB were included in the VACARVM reserves. Total reserves in excess of basic reserves were $82 million and $61 million at December 31, 2024 and 2023, respectively.

GMDB

Depending on the product, the GMDB feature may provide a death benefit of either (a) total deposits made to the contract less any partial withdrawals plus a minimum return or (b) the highest contract value attained, typically on any anniversary date minus any subsequent withdrawals following the contract anniversary.

GMWB

Certain of the Company's variable annuity contracts offer optional GMWB. With a GMWB, the contract holder can monetize the excess of the guaranteed amount over the account value of the contract only through a series of withdrawals that do not exceed a specific percentage per year of the guaranteed amount. If, after the series of withdrawals, the account value is exhausted, the contract holder will receive a series of annuity payments equal to the remaining guaranteed amount, and, for lifetime GMWB products, the annuity payments continue as long as the covered person(s) are living.

14. REINSURANCE

At December 31, 2024 and 2023, policy reserves on reinsurance assumed were $79 million and $88 million, respectively.

The Company has modified coinsurance and coinsurance reinsurance agreements with MetLife in Japan, pertaining to certain policies written via its branch in Japan. Under the agreements, the Company assumes liability for a quota share portion of contracts issued by MetLife in Japan that include guaranteed minimum income benefits ("GMIB") and GMWB. The contracts assumed also include a GMDB provision. The GMIB (prior to its utilization date), GMWB and the GMDB have a 100 percent quota share and are assumed under coinsurance agreements. The GMIB (after its utilization date) has a 100 percent quota share and is assumed under the modified coinsurance provisions. The benefits provided by the reinsured contracts are assumed with a 50 percent quota share and varied quota share under the modified coinsurance agreements. The agreements are unlimited in duration, but were terminated for new business after March 31, 2009.

The Company calculates total policy reserves for contracts assumed by MetLife in Japan pursuant to AG 43, which includes all assumed GMIB, GMWB and GMDB benefits. MetLife in Japan holds a modified coinsurance reserve for the contracts under the agreements. The Company holds a reserve equal to the excess, if any, of the AG 43 reserve above the modified coinsurance reserve.

The Company has a modified coinsurance reinsurance agreement with AGL, pursuant to which certain blocks of the Company's VA business are ceded to AGL. At December 31, 2024 and 2023, the liabilities subject to this agreement were $17.7 billion and $19.9 billion, respectively. In 2024, 2023 and 2022, the agreement decreased the Company's pre-tax earnings by $71 million, $90 million and $65 million (excluding initial accounting), respectively.

As of December 31, 2024 and 2023, $388 million and $408 million, respectively, of the Company's reserves representing a mix of run-off life and annuity risks were ceded to Fortitude Reinsurance Company Ltd. ("Fortitude Re") under modified coinsurance agreements.

15. FEDERAL INCOME TAXES

Recent U.S. Tax Law Changes

The Inflation Reduction Act of 2022 (H.R. 5376), (the "Inflation Reduction Act") includes a 15% CAMT on adjusted financial statement income for corporations with average profits over $1 billion over a three-year period and a 1% stock buyback tax. On December 23, 2024, the U.S. Treasury and Internal Revenue Service ("IRS") published technical corrections to the proposed regulations that would address the application of CAMT, which were published in September 2024. The technical corrections were open to public comment through January 16, 2025, and certain specifics of application of the CAMT remain subject to future guidance. The Company's estimated CAMT liability will continue to be refined based on future guidance.

The AGC Life Insurance Company consolidated federal income tax return group, of which the Company is a member, has determined that as of the reporting date it is an applicable reporting entity for the CAMT.

The following table presents the components of the net deferred tax assets and liabilities:

	December 31, 2024			December 31, 2023			Change		
(in millions)	**Ordinary**	**Capital**	**Total**	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross DTA	**$ 729**	**$ 360**	**$ 1,089**	$ 569	$ 298	$ 867	$ 160	$ $ 62	$ 222
Statutory valuation allowance adjustment	**—**	**99**	**99**	—	58	58	—	41	41
Adjusted gross DTA	**729**	**261**	**990**	569	240	809	160	21	181
DTA non-admitted	**475**	**261**	**736**	364	240	604	111	21	132
Net admitted DTA	**254**	**—**	**254**	205	—	205	49	—	49
DTL	**26**	**—**	**26**	5	—	5	21	—	21
Total	**$ 228**	**$ —**	**$ 228**	$ 200	$ —	$ 200	$ 28	$ $ —	$ 28

The following table presents the ordinary and capital DTA admitted assets as the result of the application of SSAP 101:

	December 31, 2024			December 31, 2023			Change		
(in millions)	**Ordinary**	**Capital**	**Total**	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission calculation components SSAP 101									
Federal income taxes paid in prior years recoverable through loss carry backs	**$ —**	**$ —**	**$ —**	—	—	$ —	—	—	—
Adjusted gross DTA expected to be realized (excluding amount of DTA from above) after application of the threshold limitation	**228**	**—**	**228**	200	—	200	28	—	28
1. Adjusted gross DTA expected to be realized following the reporting date	**228**	**—**	**228**	200	—	200	28	—	28
2. Adjusted gross DTA allowed per limitation threshold	**—**	**—**	**357**	—	—	350	—	—	7
Adjusted gross DTA (excluding the amount of DTA from above) offset by gross DTL	**26**	**—**	**26**	5	—	5	21	—	21
DTA admitted as the result of application of SSAP 101	**$ 254**	**$ —**	**$ 254**	**$ 205**	—	**$ 205**	$ 49	$ —	$ 49

The following table presents the ratio percentage and amount of adjusted capital to determine the recovery period and threshold limitation amount:

	Years Ended December 31,	
($ in millions)	**2024**	2023
Ratio percentage used to determine recovery period and threshold limitation amount	758 %	926 %
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation amount	$ 2,377	$ 2,333

The Company has no tax planning strategies used in the determination of adjusted gross DTA's or net admitted DTA's.

The Company's tax planning strategy does not include the use of reinsurance.

The Company is not aware of any significant DTLs that are not recognized in the statutory financial statements.

The following tables present the major components of the current income tax expense and net deferred tax assets (liabilities):

	Years Ended December 31,		
(in millions)	**2024**	2023	2022
Current income tax expense			
Federal	**$ 156**	$ (73)	$ 301
Foreign	**—**	—	
Subtotal	**156**	(73)	301
Federal income tax on net capital gains (losses)	**(46)**	$ (23)	(48)
Federal income tax incurred	**110**	**(96)**	**253**

	Years Ended December 31,		
(in millions)	**2024**	2023	Change
Deferred tax assets:			
Ordinary:			
Policyholder reserves	**$ 232**	$ 120	112
Investments	**73**	89	(16)
Deferred acquisition costs	**301**	253	48
Fixed assets	**100**	104	(4)
Compensation and benefits accrual	**—**	—	—
Tax credit carryforward	—	—	—
Other (including items less than 5% of total ordinary tax assets)	**23**	3	20
Subtotal	**729**	569	160
Non-admitted	**475**	364	111
Admitted ordinary deferred tax assets	**254**	205	49
Capital:			
Investments	**310**	298	12
Net operating loss carryforward	**50**	—	50
Subtotal	**360**	298	62
Statutory valuation allowance adjustment	**99**	58	41
Non-admitted	**261**	240	21
Admitted capital deferred tax assets	**—**	—	—
Admitted deferred tax assets	**254**	205	49
Deferred tax liabilities:			
Ordinary:			
Investments	**—**	—	—
Policyholder reserves	**26**	5	21
Other (including items less than 5% of total ordinary tax liabilities)	**—**	—	—
Subtotal	**26**	5	21
Capital:			
Other (including items less than 5% of total capital tax liabilities)	**—**	—	—
Subtotal	**—**	$ —	—
Deferred tax liabilities	**26**	5	21
Net deferred tax assets	**$ 228**	$ 200	28

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of non-admitted assets as the change in non-admitted assets and the change in net deferred income taxes are reported in separate components of capital and surplus):

(in millions)	Years Ended December 31, **2024**	2023	Change
Total adjusted deferred tax assets	**$ 990**	$ 809	$ 181
Total deferred tax liabilities	**26**	5	$ 21
Net adjusted deferred tax assets	**$ 964**	$ 804	$ 160
Tax effect of unrealized gains (losses)			$ (7)
Change in net deferred income tax			$ 153

The provision for incurred federal taxes is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The following table presents the significant items causing this difference:

	December 31, 2024		December 31, 2023		December 31, 2022	
(in millions)	**Amount**	**Effective Tax Rate**	Amount	Effective Tax Rate	Amount	Effective Tax Rate
Income tax expense at applicable rate	**$ 46**	**21.0 %**	$ 53	21.0 %	$ 190	21.0 %
Change in valuation adjustment	**41**	**18.9**	(24)	(9.5)	82	9.1
Dividend received deduction	**(42)**	**(19.2)**	(44)	(17.3)	(42)	(4.6)
Prior year return true-ups and adjustments	**(7)**	**(3.0)**	(9)	(3.8)	(30)	(3.4)
Amortization of interest maintenance reserve	**(21)**	**(9.8)**	(7)	(2.9)	(20)	(2.2)
Tax credit expiration	**—**	**—**	—	—	(16)	(1.8)
Surplus adjustments	**(62)**	**(28.5)**	(50)	(20.0)	241	26.6
Change in non-admitted assets	**2**	**1.0**	(4)	(1.5)	—	—
Other permanent adjustments	**—**	**—**	(1)	(0.2)	1	0.1
Statutory income tax expense (benefit)	**$ (43)**	**(19.6) %**	$ (86)	(34.2) %	$ 406	44.8 %
Federal income taxes incurred	**$ 110**	**50.9 %**	$ (96)	(38.0) %	$ 253	27.9 %
Change in net deferred income taxes	**(153)**	**(70.5)**	10	3.8	153	16.9
Total statutory income taxes	**$ (43)**	**(19.6) %**	$ (86)	(34.2) %	$ 406	44.8 %

At December 31, 2024, the Company had no foreign tax credits carryforwards.

At December 31, 2024, the Company had no U.S federal operating loss carryforwards.

At December 31, 2024, the Company has the following capital loss carryforwards (in millions).

Year Expires	Amount
2029	$50
Total	$50

At December 31, 2024, the Company had no general business credit carryforwards.

At December 31, 2024, the Company had no alternative minimum tax credits.

At December 31, 2024, the Company had no CAMT credits.

The following table presents income tax incurred that is available for recoupment in the event of future net losses:

(in millions) December 31,		Capital
2022	$	—
2023		—
2024		—
Total	$	—

In general, realization of DTAs depends on a company's ability to generate sufficient taxable income of the appropriate character within the carryforward periods in the jurisdictions in which the net operating losses and deductible temporary differences were incurred. In accordance with the requirements established in SSAP 101, the Company assessed its ability to realize DTAs of $1,089 million and concluded that a $99 million valuation allowance was required at December 31, 2024. The Company concluded that a $58 million was required on the DTAs of $867 million at December 31, 2023.

The Company had no deposits admitted under Internal Revenue Code Section 6603.

The following table presents a reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits, excluding interest and penalties:

	Years Ended December 31,			
(in millions)		**2024**		2023
Gross unrecognized tax benefits at beginning of year	**$**	**11**	$	11
Increases in tax position for prior years		**—**		—
Decreases in tax position for prior years		**(11)**		—
Gross unrecognized tax benefits at end of year	**$**	**—**	$	11

At December 31, 2024 and 2023, the amounts of unrecognized tax benefits that, if recognized, would favorably affect the effective tax rate were $0.2 million and $11 million, respectively.

Interest and penalties related to unrecognized tax benefits are recognized in income tax expense. At December 31, 2024 and 2023, the Company had no accrued liabilities for the payment of interest (net of the federal benefit) and penalties. In 2024, 2023, and 2022 the Company did not recognize any expense of interest (net of the federal benefit) and penalties.

The Company regularly evaluates proposed adjustments by taxing authorities. At December 31, 2024, such proposed adjustments would not have resulted in a material change to the Company's financial condition, although it is possible that the effect could be material to the Company's results of operations for an individual reporting period. Although it is reasonably possible that a change in the balance of unrecognized tax benefits may occur within the next twelve months, based on the information currently available, the Company does not expect any change to be material to its financial condition.

The Company is currently under IRS examinations for the taxable years 2011-2019 and engaging in the IRS Appeals process in regard to years 2007-2010. Although the final outcome of possible issues raised in any future examination are uncertain, the Company believes that the ultimate liability, including interest, will not materially exceed amounts recorded in the financial statements. The Company's taxable years 2008-2023 remain subject to examination by major tax jurisdictions.

The Company is not subject to the repatriation transition tax for the year ended December 31, 2024.

The Company joined with AGC Life, AGL, USL and Corebridge Bermuda in filing a consolidated life company federal income tax return.

The Company has a written agreement with AGC Life, under which each subsidiary agrees to pay the parent company an amount equal to the consolidated federal income tax expense multiplied by the ratio that the subsidiary's separate return tax liability bears to the consolidated tax liability, plus one hundred percent of the excess of the subsidiary's separate return tax liability over the allocated consolidated tax liability. AGC Life agrees to pay each subsidiary for the tax benefits, if any, of net operating losses, net capital losses and tax credits which are not usable by the subsidiary but which are used by other members of the consolidated group.

The Company may be charged with a portion of CAMT incurred by the AGC Life consolidated group (or credited with a portion of the consolidated group's CAMT credit utilization).

16. CAPITAL AND SURPLUS

RBC standards are designed to measure the adequacy of an insurer's statutory capital and surplus in relation to the risks inherent in its business. The RBC standards consist of formulas that establish capital requirements relating to asset, insurance, business and interest rate risks. The standards are intended to help identify companies that are under-capitalized, and require specific regulatory actions in the event an insurer's RBC is deficient. The RBC formula develops a risk-adjusted target level of adjusted statutory capital and surplus by applying certain factors to various asset, premium and reserve items. Higher factors are applied to more risky items and lower factors are applied to less risky items. Thus, the target level of statutory surplus varies not only because of the insurer's size, but also on the risk profile of the insurer's operations. At December 31, 2024, the Company exceeded RBC requirements that would require any regulatory action.

The Company is subject to the Texas Insurance Code ("TIC"), which imposes certain restrictions on shareholder dividends. Pursuant to TIC 823.107, the maximum amount of dividends in a 12-month period, measured retrospectively from the date of payment, which can be paid by the Company without prior approval of the Texas Insurance Commissioner (the "Commissioner"), is the greater of (i) 10% of its policyholder surplus as of the end of the immediately preceding calendar year; or (ii) its net gain from operations for the immediately preceding calendar year (excluding realized gains), not including pro rata distributions of such insurance company's own securities. The Company will be permitted to pay a dividend to its shareholder in excess of the greater of such two amounts (i.e., an extraordinary dividend) only if it files notice of the declaration of such an extraordinary dividend and the amount thereof with the Commissioner and the Commissioner either approves the distribution of the extraordinary dividend or does not disapprove the distribution within 30 days of its filing. In addition, any dividend that exceeds earned surplus ("unassigned funds (surplus)") calculated as of the most recent financial information available would require the filing of a notice of an extraordinary dividend with the Commissioner.

The maximum amount of dividends that the Company may pay to AGC Life (as immediate parent company) without prior approval of the Texas Insurance Commissioner in 2025 is zero, due to negative unassigned surplus.

Dividends are paid as determined by the Board of Directors and are noncumulative. The following table presents the dividends paid by the Company during 2024, 2023 and 2022:

Date	Type	Cash or Non-cash	Amount (in millions)
2024			
March 25, 2024	Ordinary	Cash	$ 80
June 26, 2024	Return of Capital	Cash	300
2023			
—	—	—	$ —
2022			
March 28, 2022	Ordinary	Cash	$ 100
June 24, 2022	Ordinary	Cash	100
September 28, 2022	Extraordinary	Cash	400
December 27, 2022	Extraordinary	Cash	2,100

17. RETIREMENT AND SHARE-BASED AND DEFERRED COMPENSATION

The Company does not directly sponsor any defined benefit or defined contribution plans and does not participate in any multi-employer plans.

Employee Retirement and Postretirement Benefit Plans

Certain employees and retirees of the Company participated in various AIG-sponsored U.S. defined benefit pension plans until the Corebridge IPO on September 19, 2022. The Company received an allocation of the Company's share of expenses.

Prior to August 22, 2022, AIG provided post-employment medical and life benefits for certain retired employees (the "Benefits"). Since August 22, 2022, the Benefits are provided by Corebridge with certain limited exceptions. The Company receives an allocation of the Company's share of expenses based on estimated claims less contributions from participants.

The following table presents information about employee-related costs (expense credits):

	Years Ended December 31,		
(in millions)	**2024**	2023	2022
Defined benefit plans	**$ —**	$ 3	$ (9)

Defined Contribution Plan

The Company's employees participate in the Corebridge Financial Inc. Retirement Savings 401(k) Plan ("401(k) plan"), a qualified defined contribution plan that provides for pre-tax salary contributions by its US employees, as well as an employer contribution. The 401(k) plan provides pre-tax salary reduction contributions by its U.S. employees. Employer matching contributions of 100 percent are made on the first six percent of participant contributions, subject to IRS-imposed limitations, and an additional fully vested, non-elective, non-discretionary employer contribution equal to three percent of the participant's annual base compensation for the plan year, paid each pay period regardless of whether the participant currently contributes to the plan, and subject to the IRS-imposed limitations. The Company's pre-tax expense associated with this plan was $23 million, $23 million and $25 million in 2024, 2023 and 2022, respectively.

Share-based and Deferred Compensation Plans

The Company's employees participate in several stock compensation programs under the Corebridge Financial, Inc. Long-term Incentive Plan (each as applicable, the "LTIP"), which are governed by the Corebridge Financial, Inc. 2022 Omnibus Incentive Plan, as amended and restated on February 16, 2023, (the "2022 Plan", together with the LTIP, the "Corebridge Plans"). Corebridge's 2023 LTIP provides for an annual award to certain employees, including senior executive officers and other highly compensated employees, that may comprise a combination of one or more of the following units: restricted stock units ("RSUs") or stock options. RSUs and stock options are earned based solely on continued service by the participant and vesting occurs in three equal installments on the first, second and third anniversaries of the grant date.

The Company recognized compensation expenses of $11 million, $2 million and $12 million for the years ending December 31, 2024, 2023 and 2022, respectively, on the grant date of the awards.

18. DEBT

The Company is a member of the Federal Home Loan Bank ("FHLB") of Dallas.

Membership with the FHLB provides the Company with collateralized borrowing opportunities, primarily as an additional source of liquidity or for other uses deemed appropriate by management. The Company's ownership in the FHLB stock is reported as common stock. Pursuant to the membership terms, the Company elected to pledge such stock to the FHLB as collateral for the Company's obligations under agreements entered into with the FHLB.

Cash advances obtained from the FHLB are reported in and accounted for as borrowed money. The Company may periodically obtain cash advances on a same-day basis, up to a limit determined by management and applicable laws. The Company is required to pledge certain mortgage-backed securities, government and agency securities and other qualifying assets to secure advances obtained from the FHLB. To provide adequate collateral for potential advances, the Company has pledged securities to the FHLB in excess of outstanding borrowings. Upon any event of default by the Company, the recovery by the FHLB would generally be limited to the amount of the Company's liability under advances borrowed.

The following table presents the aggregate carrying value of stock held with the FHLB of Dallas and the classification of the stock:

	December 31,	
(in millions)	**2024**	2023
Membership stock - Class B	**$ 7**	$ 7
Activity stock	**37**	37
Excess stock	**12**	13
Total	**$ 56**	$ 57
Actual or estimated borrowing capacity as determined by the insurer	**$ 1,449**	$ 1,902

The Company did not hold any Class A at December 31, 2024 or 2023.

The following table presents the amount of collateral pledged, including FHLB common stock held, to secure advances from the FHLB:

	December 31, 2024		December 31, 2023	
(in millions)	**Amortized Cost**	**Fair Value**	Amortized Cost	Fair Value
Amount pledged	**$ 1,445**	**$ 1,290**	$ 1,476	$ 1,300
Maximum amount pledged during reporting period	**1,520**	**1,343**	1,918	1,732

The Company's borrowing capacity determined quarterly based upon the borrowing limit imposed by statute in the state of domicile.

The following table presents the outstanding funding agreements and maximum borrowings from the FHLB:

	December 31,	
(in millions)	**2024**	**2023**
Maximum amount borrowed during reporting period	**$ 909**	$ 909

While the funding agreements are presented herein to show all amounts received from FHLB, the funding agreements are treated as deposit-type contracts, consistent with the other funding agreements for which the Company's intent is to earn a spread and not to fund operations. The Company had no debt outstanding with the FHLB at December 31, 2024 or 2023.

The following table reflects the principal amounts of the funding agreements issued to the FHLB:

(in millions)

Funding Agreements	**Date Issued**	**Amounts**
10-year floating rate	February 15, 2018	$ 209
5-year fixed rate	August 25, 2022	700

19. COMMITMENTS AND CONTINGENCIES

Commitments

The Company had commitments to provide funding to various limited partnerships totaling $583 million and $1,019 million at December 31, 2024 and 2023, respectively. The commitments to invest in limited partnerships and other funds may be called at the discretion of each fund, as needed and subject to the provisions of such fund's governing documents, for funding new investments, follow-on investments and/or fees and other expenses of the fund. Of the total commitments at December 31, 2024, $392 million are currently expected to expire in 2025, and the remainder by 2029 based on the expected life cycle of the related funds and the Company's historical funding trends for such commitments.

At December 31, 2024 and 2023, the Company had $242 million and $439 million, respectively, of outstanding commitments related to various funding obligations associated with its investments in commercial mortgage loans. Of the total current commitments, $110 million are expected to expire in 2025 and the remainder by 2036, based on the expected life cycle of the related loans and the Company's historical funding trends for such commitments.

The Company has various long-term, noncancelable operating leases, primarily for office space and equipment, which expire at various dates over the next several years. At December 31, 2024, the future minimum lease payments under the operating leases are as follows:

(in millions)		
2025	$	2
2026		2
2027		1
2028		1
2029		—
Remaining years after 2029		—
Total	$	6

Rent expense was $3 million in 2024, 2023 and 2022, respectively.

Contingencies

Legal Matters

Various lawsuits against the Company have arisen in the ordinary course of business. The Company believes it is unlikely that contingent liabilities arising from such lawsuits will have a material adverse effect on the Company's financial position, results of operations or cash flows.

Regulatory Matters

Various federal, state or other regulatory agencies may from time to time review, examine or inquire into the operations, practices and procedures of the Company, such as through financial examinations, subpoenas, investigations, market conduct exams or other regulatory inquiries. Based on the current status of pending regulatory examinations, investigations, and inquiries involving the Company, the Company believes it is not likely that these regulatory examinations, investigations, or inquiries will have a material adverse effect on the financial position, results of operations or cash flows of the Company.

Other Contingencies

All fifty states and the District of Columbia have laws requiring solvent life insurance companies, through participation in guaranty associations, to pay assessments to protect the interests of policyholders of insolvent life insurance companies. These state insurance guaranty associations generally levy assessments, up to prescribed limits, on member insurers in a particular state based on the proportionate share of the premiums written by member insurers in the lines of business in which the impaired, insolvent or failed insurer is engaged. Such assessments are used to pay certain contractual insurance benefits owed pursuant to insurance policies issued by impaired, insolvent or failed insurers. Some states permit member insurers to recover assessments paid through full or partial premium tax offsets. The Company accrues liabilities for guaranty fund assessments ("GFA") when an assessment is probable and can be reasonably estimated. The Company estimates the liability using the latest information available from the National Organization of Life and Health Insurance Guaranty Associations. While the Company cannot predict the amount and timing of any future GFA, the Company has established reserves it believes are adequate for assessments relating to insurance companies that are currently subject to insolvency proceedings.

The Company accrued $8 million and $8 million for GFA at December 31, 2024 and 2023, respectively. The Company has recorded receivables of $5 million and $4 million at December 31, 2024 and 2023, respectively, for expected recoveries against the payment of future premium taxes.

The Company is not subject to the risk-sharing provisions of the Affordable Care Act.

20. RELATED PARTY TRANSACTIONS

Affiliate Transactions

Effective October 1, 2022, the Company entered into a modified coinsurance reinsurance agreement with AGL, pursuant to which certain blocks of the Company's VA business were ceded to AGL. The ceded reserves and assets supporting the reserves remain on the Company's balance sheet, pursuant to the modified coinsurance structure. The business covered by the agreement includes substantially all of the Company's VA contracts, excluding those issued by the Company in the State of New York and those that have been previously assumed (through reinsurance) by the Company. At inception, the Company ceded approximately $22.9 billion of reserves and received a ceding commission of $1.5 billion from AGL representing the embedded profits in the business ceded. The majority of the initial ceding commission was recognized directly in surplus on an after-tax basis, while a portion of the ceding commission ($0.3 billion) was recognized as Commission and expense allowances on reinsurance ceded in the Summary of Operations as an offset to the related tax expense. The after-tax surplus impact will be amortized over the life of the treaty as the after-tax profits emerge on the reinsured business and will be recognized as Commission and expense allowances on reinsurance ceded in the Summary of Operations, offset by a corresponding charge to change in surplus as a result of reinsurance with no net impact on capital and surplus. After contract inception, AGL will pay a ceding commission and expense allowance to reimburse the Company for its commissions, related issue and policy administration expenses. The agreement was non-disapproved by the TDI. The agreement allows the Company and AGL to more efficiently manage the reserve and capital requirements for their VA business.

During the year ended December 31, 2024, the Company purchased and sold securities, at fair market value, from or to one or more of its affiliates in the ordinary course of business.

At December 31, 2024, the Company's unfunded capital commitment to US Fund I, US Fund II, US Fund III, US Fund IV, Europe Fund I and Europe Fund II (which are managed by an affiliate) were approximately $10.8 million, $11.4 million, $28.4 million, $62 million, $5.1 million and $43.4 million, respectively.

At December 31, 2023, the Company's unfunded capital commitment to US Fund I, US Fund II, US Fund III, US Fund IV, Europe Fund I and Europe Fund II (which are managed by an affiliate) were approximately $10.8 million, $11.8 million, $34 million, $83.5 million, $5.1 million and $62.9 million, respectively.

Financing Agreements

On May 17, 2022, the Company and certain of its affiliates entered into a revolving loan facility with Corebridge, pursuant to which the Company and each such affiliate can, on a several basis, borrow monies from Corebridge (as lender) subject to the terms and conditions stated therein. Principal amounts borrowed under this facility may be repaid and re-borrowed, in whole or in part, from time to time, without penalty. However, the total aggregate amount of loans borrowed by all borrowers under the facility cannot exceed $500 million. The loan facility also sets forth individual borrowing limits for each borrower, with the Company's maximum borrowing limit being $500 million.

At both December 31, 2024 and 2023, the Company did not have a balance outstanding under this facility.

Investments in Subsidiary, Controlled and Affiliated Entities

The following table presents information regarding the Company's investments in non-insurance SCA entities as of December 31, 2024:

(in millions)	Gross Amount	Non-admitted Amount	Admitted Asset Amount	Date of NAIC Filing
AG Insurance Agency	$ —	$ —	$ —	N/A
American Gen Asnmt Corp NY	—	—	—	N/A
VALIC Retirement Services Company	87	—	87	N/A
VALIC Finl Advisors Inc	83	—	83	N/A
HRA Administrator LLC	—	—	—	N/A
VALIC Alternative Holdings, LLC	590	—	590	N/A
CIBANCO SA IBM Fideicomiso CIB/2133 (Mexico Industrial Puebla)	7	7	—	N/A
Corebridge Europe Real Estate Fund II LR Feeder, LLC	77	—	77	N/A
Bayshore PII Company LLC	7	—	7	N/A
Corebridge U.S. Real Estate Fund IV Development Sidecar LP	36	—	36	N/A
GRE LB Industrial Joint Venture II, LP	12	—	12	N/A
Corebridge U.S. Real Estate Fund IV, LP	111	—	111	N/A
Bayshore Shopping Center JV LLC	14	—	14	N/A
Corebridge U.S. Real Estate Fund III, LP	48	—	48	N/A
Branch Retail Partners II, LP	(3)	—	(3)	N/A
Corebridge Bartlett Investor I LLC	1	—	1	N/A
Corebridge Papermill Investor I LLC	1	—	1	N/A
Corebridge REI LB Southeast Industrial Joint Venture, LP.	22	—	22	N/A
Corebridge U.S. LT Apartments JV, LP	18	—	18	N/A
Corebridge U.S. Real Estate Fund II, LP	16	—	16	N/A
Corebridge Europe Real Estate Fund I S.C.SP	1	—	1	N/A
Corebridge U.S. Real Estate Fund I, LP	—	—	—	N/A
Corebridge Commercial Real Estate Lending Holdings, LLC	$ —	—	—	N/A
Total	$ 1,128	7	$ 1,121	

he following table presents information regarding the Company's investments in non-insurance SCA entities as of December 31, 2023:

(in millions)	Gross Amount	Non-admitted Amount	Admitted Asset Amount	Date of NAIC Filing
VALIC Retirement Services Company	$ 99	$ —	$ 99	N/A
VALIC Finl Advisors Inc	85	—	85	N/A
AG Insurance Agency	—	—	—	N/A
American Gen Asnmt Corp NY	—	—	—	N/A
VALIC Alternative Holdings, LLC	733	—	733	N/A
HRA Administrator LLC	—	—	—	N/A
Broadstone Juniper LLC	1	—	1	N/A
CIBANCO SA IBM Fideicomiso CIB/2133 (Mexico Industrial Puebla)	9	9	—	N/A
AIG LIQUID ALTERNATIVE EQUITY ALPHA FUND, LLC	1	—	1	N/A
Corebridge Europe Real Estate Fund II LR Feeder, LLC	66	—	66	N/A
Bayshore PII Company LLC	6	—	6	N/A
2 North 6th JV LLC	—	—	—	N/A
Corebridge U.S. Real Estate Fund IV Development Sidecar LP	29	—	29	N/A
GRE LB Industrial Joint Venture II, LP	13	—	13	N/A
Corebridge REI LB Southeast Industrial JV LLC	74	—	74	N/A
Corebridge U.S. Real Estate Fund IV, LP	105	—	105	N/A
Bayshore Shopping Center JV LLC	16	—	16	N/A
Corebridge U.S. Real Estate Fund III, LP	71	—	71	N/A
Branch Retail Partners II, LP	(1)	—	(1)	N/A
Corebridge Bartlett Investor I LLC	1	—	1	N/A
Corebridge Papermill Investor I LLC	1	—	1	N/A
Corebridge U.S. LT Apartments JV, LP	21	—	21	N/A
Corebridge U.S. Real Estate Fund II, LP	19	—	19	N/A
Corebridge Europe Real Estate Fund I S.C.SP	2	—	2	N/A
Corebridge U.S. Real Estate Fund I, LP	2	—	2	N/A
Corebridge Commercial Real Estate Lending Holdings, LLC	—	—	—	N/A
Total	$ 1,353	9	$ 1,344	

Operating Agreements

The Company had investments in a Liquidity Pool in which funds were managed by an affiliate, AIG Asset Management (U.S.), LLC, in the amount of $220 million at December 31, 2023.

Pursuant to service and expense agreements, Corebridge and affiliates provide, or cause to be provided, administrative, marketing, investment management, accounting, occupancy, and data processing services to the Company. The allocation of costs for services is based generally on estimated levels of usage, transactions or time incurred in providing the respective services. Generally, these agreements provide for the allocation of costs upon either the specific identification basis or a proportional cost allocation basis which management believes to be reasonable. In all cases, billed amounts pursuant to these agreements do not exceed the cost to Corebridge or the affiliate providing the service. The Company was charged $411 million, $434 million and $413 million under such agreements in 2024, 2023 and 2022, respectively.

Pursuant to an amended and restated investment advisory agreement, certain of the Company's invested assets are managed by an affiliate. The investment management fees incurred were $28 million in 2024, $35 million in 2023 and $34 million in 2022.

American Home Guarantee

The Company has a General Guarantee Agreement with American Home Assurance Company ("American Home"), an indirect wholly owned subsidiary of AIG. Pursuant to the terms of the agreement, American Home has unconditionally and irrevocably guaranteed insurance policies the Company issued between March 3, 2003 and December 29, 2006.

21. SUBSEQUENT EVENTS

Management considers events or transactions that occur after the reporting date, but before the financial statements are issued to provide additional evidence relative to certain estimates or to identify matters that require additional disclosures. The Company has evaluated subsequent events through April 17, 2025, the date the financial statements were issued.

Effective March 31, 2025, the Company executed an indemnity combination coinsurance and modified coinsurance agreement with its affiliate, USL, covering certain of the Company's variable annuity products reinsured under the agreement. The reinsurance agreement was executed in connection with the Company's plan of withdrawal from New York State ("Plan of Withdrawal") filed with the New York Department of Financial Services ("NYDFS"), pursuant to New York Insurance Law Section 1105 and 11 N.Y.C.R.R. Part 88. Pursuant to the Plan of Withdrawal, the Company intends to fully relinquish its New York license no later than December 31, 2025. Additionally, in connection with the Plan of Withdrawal, the Company established custodial accounts to hold certain assets deposited in trust to secure the Company's general account liabilities under certain New York policies not reinsured to USL under the reinsurance agreement.

Supplemental Information

The accompanying supplemental schedules and interrogatories present selected statutory financial data as of December 31, 2024 and for the year then ended for purposes of complying with the National Association of Insurance Commissioners' Annual Statement Instructions and the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual. They agree to or are included in the amounts reported in the Company's 2024 Statutory Annual Statement as filed with the Texas Department of Insurance. Captions not presented as not applicable to the Company.

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY
SUPPLEMENTAL SCHEDULE OF SELECTED FINANCIAL DATA

(in millions)		**December 31, 2024**
Investment income earned:		
Government bonds	$	23
Other bonds (unaffiliated)		1,440
Bonds of affiliates		—
Preferred stocks (unaffiliated)		1
Common stocks (unaffiliated)		1
Common stocks of affiliates		107
Cash and short-term investments		15
Mortgage loans		332
Real estate		1
Contract loans		20
Other invested assets		40
Derivative instruments		74
Miscellaneous income		40
Gross investment income	$	2,094
Real estate owned - book value less encumbrances	$	—
Mortgage loans - book value:		
Commercial mortgages	$	6,420
Residential mortgages		528
Mezzanine loans		159
Affiliated residential mortgages		
Total mortgage loans	$	7,107
Mortgage loans by standing - book value:		
Good standing	$	6,967
Good standing with restructured terms		92
Interest overdue more than 90 days, not in foreclosure		44
Foreclosure in process		4
Total mortgage loans	$	7,107
Partnerships - statement value	$	1,863
Bonds and stocks of parents, subsidiaries and affiliates - statement value:		
Bonds	$	—
Common stocks		170
Bonds, short-term and cash equivalent bond investments by class and maturity:		
Bonds, short-term and cash equivalent bond investments by maturity - statement value:		
Due within one year or less	$	2,228
Over 1 year through 5 years		9,098
Over 5 years through 10 years		6,566
Over 10 years through 20 years		5,998
Over 20 years		8,744
Total maturity	$	32,634
Bonds, short-term and cash equivalent bond investments by class - statement value:		
Class 1	$	18,367
Class 2		12,568
Class 3		934
Class 4		574
Class 5		168
Class 6		23
Total by class	$	32,634
Total bonds, short-term and cash equivalent bond investments publicly traded	$	18,222
Total bonds, short-term and cash equivalent bond investments privately traded		14,412
Preferred stocks - statement value	$	9
Common stocks - market value		226
Short-term investments - book value		1
Cash equivalents - book value		30
Options, caps and floors owned - statement value		137
Collar, swap and forward agreements open - statement value		239
Futures contracts open - current value		—
Cash on deposit		832

(in millions)	December 31, 2024
Life insurance in-force:	
Industrial	$ —
Ordinary	2
Credit	—
Group	—
Amount of accidental death insurance in-force under ordinary policies	—
Life insurance policies with disability provisions in-force:	
Industrial	—
Ordinary	—
Group life	—
Supplementary contracts in-force:	
Ordinary - not involving life contingencies:	
Amount on deposit	21
Income payable	5
Ordinary - involving life contingencies:	
Amount on deposit	260
Income payable	34
Group - not involving life contingencies:	
Amount on deposit	—
Annuities:	
Ordinary:	
Immediate - amount of income payable	$ 16
Deferred, fully paid - account balance	21,622
Deferred, not fully paid - account balance	—
Group:	
Amount of income payable	13
Fully paid - account balance	15,677
Not fully paid - account balance	—
Accident and health insurance - premiums in-force:	
Other	$ —
Group	—
Credit	—
Deposit funds and dividend accumulations:	
Deposit funds - account balance	$ 914
Dividend accumulations - account balance	—
Claim payments in 2024	
Group accident & health:	
2024	$ —
2023	—
2022	—
2021	—
2020	—
Prior	—
Other accident & health:	
2024	—
2023	—
2022	—
2021	—
2020	—
Prior	—

(in millions)

1. The Company's total admitted assets as of December 31, 2024 are $85.0 billion.

The Company's total admitted assets, excluding separate accounts, as of December 31, 2024 are $44.3 billion.

2. Following are the 10 largest exposures to a single issuer/borrower/investment, by investment category, excluding: (i) U.S. Government, U.S. Government agency securities and those U.S. Government money market funds listed in the Appendix to the IAO Practices and Procedures Manual as exempt, (ii) property occupied by the Company, and (iii) policy loans:

	Issuer	Description of Exposure	Amount	Percentage of Total Admitted Assets
a.	AIG Global Real Estate Investment Corp	OIA	$ 374	0.80 %
b.	Amazon.com, Inc.	BONDS	222	0.50
c.	Oracle Corporation	BONDS	221	0.50
d.	Verizon Communications Inc.	BONDS	190	0.40
e.	Duke Energy Corporation	BONDS	187	0.40
f.	Microsoft Corporation	BONDS	170	0.40
g.	Sempra Energy	BONDS	165	0.40
h.	Walt Disney Company, The	BONDS	165	0.40
i.	Boeing Company, The	BONDS	162	0.40
j.	Bank of America Corporation	BONDS	147	0.30

3. The Company's total admitted assets held in bonds and preferred stocks, by NAIC rating, are:

Bonds and Short-Term Investments			Preferred Stocks		
NAIC Rating	Amount	Percentage of Total Admitted Assets	NAIC Rating	Amount	Percentage of Total Admitted Assets
NAIC - 1	$ 18,367	41.50 %	P/RP - 1	$ 9	— %
NAIC - 2	12,568	28.40	P/RP - 2	—	—
NAIC - 3	934	2.10	P/RP - 3	—	—
NAIC - 4	574	1.30	P/RP - 4	—	—
NAIC - 5	167	0.40	P/RP - 5	—	—
NAIC - 6	22	0.10	P/RP - 6	—	—

4. Assets held in foreign investments:

		Amount	Percentage of Total Admitted Assets
a.	Total admitted assets held in foreign investments	$ 6,895	15.60 %
b.	Foreign currency denominated investments	2,118	4.80
c.	Insurance liabilities denominated in that same foreign currency	—	—

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

		Amount	Percentage of Total Admitted Assets
a.	Countries rated NAIC - 1	$ 5,911	13.40 %
b.	Countries rated NAIC - 2	736	1.70
c.	Countries rated NAIC - 3 or below	248	0.60

(in millions)

6. Two largest foreign investment exposures to a single country, categorized by the country's NAIC sovereign rating:

	Amount	Percentage of Total Admitted Assets
a. Countries rated NAIC - 1		
Country 1: United Kingdom	$ 1,287	2.90 %
Country 2: Australia	1,068	2.40
b. Countries rated NAIC - 2		
Country 1: Mexico	238	0.50
Country 2: Indonesia	145	0.30
c. Countries rated NAIC - 3 or below		
Country 1: Colombia	112	0.30
Country 2: British Virgin Isles	67	0.20

7. Aggregate unhedged foreign currency exposure:

	Amount	Percentage of Total Admitted Assets
Aggregate unhedged foreign currency exposure	$ 2,118	4.80 %

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

	Amount	Percentage of Total Admitted Assets
a. Countries rated NAIC - 1	$ 2,115	4.80 %
b. Countries rated NAIC - 2	2	—
c. Countries rated NAIC - 3 or below	1	—

9. Two largest unhedged foreign currency exposures to a single country, categorized by the country's NAIC sovereign rating:

	Amount	Percentage of Total Admitted Assets
a. Countries rated NAIC - 1		
Country 1: United Kingdom	$ 741	1.70 %
Country 2: Ireland	305	0.70
b. Countries rated NAIC - 2		
Country 1: Peru	2	—
Country 2:	—	—
c. Countries rated NAIC - 3 or below		
Country 1: Brazil	1	—
Country 2:	—	—

(in millions)

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

		NAIC Rating	Amount	Percentage of Total Admitted Assets
a.	5555187	MORTGAGE LOAN	$ 125	0.30 %
b.	Dexus	NAIC 1 - Bonds	122	0.30
c.	Vodafone Group Plc	NAIC 2 - Bonds	95	0.20
d.	5555143	MORTGAGE LOAN	94	0.20
e.	5555149	MORTGAGE LOAN	87	0.20
f.	GPT Group, The	NAIC 1 - Bonds	86	0.20
g.	Royal Dutch Shell plc	NAIC 1 - Bonds	85	0.20
h.	Corebridge Real Estate Investors Inc.	JOINT VENTURE - REAL ESTATE	78	0.20
i.	Lloyds Banking Group PLC	NAIC 2 - Bonds	76	0.20
j.	Ausgrid Finance Pty Ltd	NAIC 2 - Bonds	70	0.20

11. Assets held in Canadian investments are less than 2.5 percent of the reporting entity’s total admitted assets.

12. Assets held in investments with contractual sales restrictions are less than 2.5 percent of the Company’s total admitted assets.

13. The Company’s admitted assets held in the ten largest equity interests (including investments in the shares of mutual funds, preferred stocks, publicly traded equity securities, and other equity securities and excluding money market and bond mutual funds listed in the Appendix to the SVO Practices and Procedures Manual as exempt or Class 1) are:

		Amount	Percentage of Total Admitted Assets
a.	Platinum Equity LLC	$ 77	0.20 %
b.	Solum Partners Fund I LP	52	0.10
c.	Carlyle Group	51	0.10
d.	Leonard Green & Partners L.P.	37	0.10
e.	Hillhouse Investment Management Ltd.	36	0.10
f.	Atlas Holdings LLC	34	0.10
g.	Virtue Co-investment, LP.2	29	0.10
h.	Foresea Holdings S.A.	29	0.10
i.	AP IX Pegasus Co-Invest, L.P.	28	0.10
j.	GTCR LLC	28	0.10

(in millions)

14. Assets held in nonaffiliated, privately placed equities:

		Amount	Percentage of Total Admitted Assets	
Aggregate statement value of investment held in nonaffiliated, privately placed equities:	$	287	0.60	%
Largest three investments held in nonaffiliated, privately placed equities:				
a. Platinum Equity Capital Partners V L.P.	$	53	0.10	
b. ATLAS CAPITAL RESOURCES IV LP		34	0.10	
c. Hillhouse Fund V L.P.		30	0.10	

Ten largest fund managers:

Fund Manager		Total Invested		Diversified		Non-diversified
a. AIG Global Real Estate Investment Corp	$	374	$	—	$	374
b. Platinum Equity LLC		77		77		—
c. BLACKSTONE GROUP		56		56		—
d. Carlyle Group		56		56		—
e. Solum Partners Fund I LP		52		52		—
f. Leonard Green & Partners L.P.		37		37		—
g. Hillhouse Investment Management Ltd.		36		36		—
h. Atlas Holdings LLC		34		34		—
i. Virtue Co-investment, LP.2		29		29		—
j. Foresea Holdings S.A.		29		29		—

15. Assets held in general partnership interests are less than 2.5 percent of the Company’s total admitted assets.

16. Mortgage loans reported in Schedule B, include the following ten largest aggregate mortgage interests. The aggregate mortgage interest represents the combined value of all mortgages secured by the same property or same group of properties:

		Amount	Percentage of Total Admitted Assets	
a. COMMERCIAL MORTGAGE LOAN, Loan No. 5555187, GBR	$	125	0.30	%
b. COMMERCIAL MORTGAGE LOAN, Loan No. 8002642, FL		100	0.20	
c. COMMERCIAL MORTGAGE LOAN, Loan No. 8002930, CA		100	0.20	
d. COMMERCIAL MORTGAGE LOAN, Loan No. 5555143, GBR		94	0.20	
e. COMMERCIAL MORTGAGE LOAN, Loan No. 8002917, NY		94	0.20	
f. COMMERCIAL MORTGAGE LOAN, Loan No. 5555149, GBR		87	0.20	
g. COMMERCIAL MORTGAGE LOAN, Loan No. 8002626, NY		84	0.20	
h. COMMERCIAL MORTGAGE LOAN, Loan No. 8002282, HI		82	0.20	
i. COMMERCIAL MORTGAGE LOAN, Loan No. 8002157, NY		82	0.20	
j. COMMERCIAL MORTGAGE LOAN, Loan No. 8002647, NJ		78	0.20	

(in millions)

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

	Amount	Percentage of Total Admitted Assets
a. Construction loans	$ 248	0.60 %
b. Mortgage loans over 90 days past due	44	0.10
c. Mortgage loans in the process of foreclosure	4	—
d. Mortgage loans foreclosed	—	—
e. Restructured mortgage loans	92	0.20

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

	Residential		Commercial		Agricultural	
Loan-to-Value	Amount	Percentage of Total Admitted Assets	Amount	Percentage of Total Admitted Assets	Amount	Percentage of Total Admitted Assets
a. above 95%	$ 6	— %	$ 292	0.70 %	$ —	— %
b. 91% to 95%	5	—	6	—	—	—
c. 81% to 90%	17	—	430	1.00	—	—
d. 71% to 80%	68	0.20	915	2.10	—	—
e. below 70%	432	1.00	4,938	11.20	—	—

18. Assets held in each of the five largest investments in one parcel or group of contiguous parcels of real estate reported in Schedule A are less than 2.5 percent of the Company's total admitted assets.

19. Assets held in mezzanine real estate loans are less than 2.5 percent of the Company's total admitted assets.

20. The Company's total admitted assets subject to the following types of agreements as of the following dates:

	At Year-End		Unaudited At End of Each Quarter		
			Quarter	Quarter	Quarter
	Amount	Percentage of Total Admitted Assets	Amount	Amount	Amount
a. Securities lending (do not include assets held as collateral for such transactions)	$ 84	0.20 %	$ —	$ —	$ —
b. Repurchase agreements	531	1.20	1,035	684	585
c. Reverse repurchase agreements	—	—	—	—	—
d. Dollar repurchase agreements	—	—	—	—	—
e. Dollar reverse repurchase agreements	—	—	—	—	—

(in millions)

21. The Company's potential exposure to warrants not attached to other financial instruments, options, caps, and floors:

	Owned		Written	
	Amount	**Percentage of Total Admitted Assets**	**Amount**	**Percentage of Total Admitted Assets**
a. Hedging	$ —	— %	$ —	— %
b. Income generation	—	—	—	—
c. Other	—	—	—	—

22. The Company's potential exposure (defined as the amount determined in accordance with the NAIC Annual Statement Instructions) for collars, swaps, and forwards as of the following dates:

	At Year-End		Unaudited At End of Each Quarter 1st Quarter	2nd Quarter	3rd Quarter
	Amount	**Percentage of Total Admitted Assets**	**Amount**	**Amount**	**Amount**
a. Hedging	$ 37	0.10 %	$ 62	$ 60	$ 40
b. Income generation	—	—	—	—	—
c. Replications	—	—	1,000	1,000	1,000
d. Other	—	—	—	—	—

23. The Company's potential exposure (defined as the amount determined in accordance with the NAIC Annual Statement Instructions) for futures contracts as of the following dates:

	At Year-End		Unaudited At End of Each Quarter 1st Quarter	2nd Quarter	3rd Quarter
	Amount	**Percentage of Total Admitted Assets**	**Amount**	**Amount**	**Amount**
a. Hedging	$ 3	— %	$ 4	$ 3	$ 4
b. Income generation	—	—	—	—	—
c. Replications	—	—	—	—	—
d. Other	—	—	—	—	—

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY
SUPPLEMENTAL SUMMARY INVESTMENT SCHEDULE
DECEMBER 31, 2024

(in millions)	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
Investment Categories	**Amount**	**Percentage**	**Amount**		**Total Amount**	**Percentage**
Bonds:						
U.S. governments	$ 567	1.3 %	$ 567	$ —	$ 567	1.3 %
All other governments	912	2.1	912	—	912	2.1
U.S. states, territories and possessions, etc. guaranteed	165	0.4	165	—	165	0.4
U.S. political subdivisions of states, territories, and possessions, guaranteed	98	0.2	98	—	98	0.2
U.S. special revenue and special assessment obligations, etc. non-guaranteed	2,193	5.1	2,193	—	2,193	5.1
Industrial and miscellaneous	27,918	64.4	27,918	—	27,918	64.4
Hybrid securities	105	0.2	105	—	105	0.2
Parent, subsidiaries and affiliates	—	—	—	—	—	—
SVO identified funds	—	—	—	—	—	—
Unaffiliated Bank loans	674	1.6	674	—	674	1.6
Total long-term bonds	$ 32,632	75.3	$ 32,632	$ —	$ 32,632	75.3
Preferred stocks:						
Industrial and miscellaneous (Unaffiliated)	$ 9	—	$ 9	$ —	$ 9	—
Parent, subsidiaries and affiliates	—	—	—	—	—	—
Total preferred stocks	$ 9	—	$ 9	$ —	$ 9	—
Common stocks:						
Industrial and miscellaneous Publicly traded (Unaffiliated)	$ —	—	$ —	$ —	$ —	—
Industrial and miscellaneous Other (Unaffiliated)	56	0.1	56	—	56	0.1
Parent, subsidiaries and affiliates Publicly traded	—	—	—	—	—	—
Parent, subsidiaries and affiliates Other	170	0.4	170	—	170	0.4
Mutual funds	—	—	—	—	—	—
Total common stocks	$ 226	0.5	$ 226	$ —	$ 226	0.5
Mortgage loans:						
Farm mortgages	$ —	—	$ —	$ —	$ —	—
Residential mortgages	527	1.2	527	—	527	1.2
Commercial mortgages	6,420	14.8	6,420	—	6,420	14.8
Mezzanine real estate loans	159	0.4	159	—	159	0.4
Total valuation allowance	(145)	(0.3)	(145)	—	(145)	(0.3)
Total mortgage loans	$ 6,961	16.1	$ 6,961	$ —	$ 6,961	16.1
Real estate:						
Properties occupied by company	$ —	—	$ —	$ —	$ —	—
Properties held for production of income	—	—	—	—	—	—
Properties held for sale	—	—	—	—	—	—
Total real estate	$ —	—	$ —	$ —	$ —	—
Cash, cash equivalents and short-term investments:						
Cash	$ 832	1.9	$ 832	$ —	$ 832	1.9
Cash equivalents	30	0.1	30	—	30	0.1
Short-term investments	1	—	1	—	1	—
Total cash, cash equivalents and short-term investments	$ 863	2.0	$ 863	$ —	$ 863	2.0
Contract loans	$ 399	0.9	$ 399	$ —	$ 399	0.9
Derivatives	376	0.9	376	—	376	0.9
Other invested assets	1,870	4.3	1,863	—	1,863	4.3
Receivables for securities	21	0.1	21	—	21	0.1
Securities Lending	—	—	—	—	—	—
Other invested assets	5	—	5	—	5	—
Total invested assets	$ 43,362	100 %	$ 43,355	$ —	$ 43,355	100 %

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY
SUPPLEMENTAL SCHEDULE OF REINSURANCE DISCLOSURES
DECEMBER 31, 2024

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

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

   Yes [ ] No [X]

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

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

   Yes [ ] No [ ] N/A [X]

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

   Yes [ ] No [X]

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

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

   Yes [ ] No [ ] N/A [X]

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

   (a) Provisions that permit the reporting of losses to be made less frequently than quarterly;

   (b) Provisions that permit settlements to be made less frequently than quarterly;

   (c) Provisions that permit payments due from the reinsurer to not be made in cash within ninety (90) days of the settlement date (unless there is no activity during the period); or

   (d) The existence of payment schedules, accumulating retentions from multiple years, or any features inherently designed to delay timing of the reimbursement to the ceding entity.

   Yes [ ] No [X]

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

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

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

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

   Yes [ ] No [X] N/A [ ]

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

   Yes [ ] No [X] N/A [ ]

   If the answer to item (a) or item (b) is yes, include relevant information regarding GAAP to SAP differences from the accounting policy footnote to the audited statutory-basis financial statements to explain why the contract(s) is treated differently for GAAP and SAP below:

   ____