

EXAMINATION REPORT
OF
CORPORATE SOLUTIONS LIFE REINSURANCE COMPANY
AS OF
DECEMBER 31, 2020

TRINIDAD NAVARRO
COMMISSIONER



STATE OF DELAWARE
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION
OF
CORPORATE SOLUTIONS LIFE REINSURANCE COMPANY
AS OF
DECEMBER 31, 2020

The above-captioned report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the company as reflected in the report.

This report is hereby accepted, adopted and filed as an official record of this Department.

A handwritten signature in blue ink, which appears to read "Trinidad Navarro", is positioned above a horizontal line.

Trinidad Navarro
Insurance Commissioner

Dated this 19th day of May, 2022

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May 5, 2022

Honorable Trinidad Navarro
Commissioner of Insurance
Delaware Department of Insurance
1351 West North Street, Suite 101
Dover, Delaware 19904

Dear Commissioner:

In compliance with instructions and pursuant to statutory provisions contained in Exam Certification No. 21.015, dated February 22, 2021, an examination has been made of the affairs, financial condition and management of

CORPORATE SOLUTIONS LIFE REINSURANCE COMPANY

hereinafter referred to as the Company or CSLRC. The Company was incorporated under the laws of the State of Delaware as a stock company during the Examination Period with its registered office located at 251 Little Falls Drive, Wilmington, Delaware 19808. During the Examination Period, the administrative office of the Company was located at 525 Washington Blvd. Jersey City, New Jersey 07310-1692. The examination was conducted remotely given office closures and travel restrictions in connection with the COVID-19 pandemic. The report of examination is respectfully submitted.

SCOPE OF EXAMINATION

We have performed our multi-state examination of CSLRC. The last examination was conducted as of December 31, 2015, by the Delaware Department of Insurance (Department). This examination covered the period of January 1, 2016 through December 31, 2020 (the Examination

Period). Our examination was performed as part of the coordinated examination of Equitable Holding Inc. Group of regulated entities, wherein CSLRC was a subsidiary entity during the Examination Period, with the New York Department of Financial Services (NYDFS) being the Lead State. To the fullest extent, the efforts, resources, project material and findings were coordinated and made available to all examination participants.

We conducted our examination in accordance with the *National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook* (Handbook) and generally accepted statutory insurance examination standards consistent with the Insurance Code and Regulations of the State of Delaware. The NAIC Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

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

This examination report includes significant findings of fact, pursuant to the *General Corporation Laws* of the State of Delaware as required by 18 *Del. C.* § 321, along with general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature, are not included within the examination report but separately communicated to other regulators and/or the Company.

During the course of this examination, consideration was given to work performed by the Company's external accounting firm, PricewaterhouseCoopers LLP (PwC). Certain auditor workpapers of the 2020 audit of the Company and certain of its affiliates have been incorporated into the workpapers of the examiners. The workpapers were utilized in determining the scope, areas of emphasis in conducting the examination and in the area of risk mitigation and substantive testing.

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant findings or material changes in the Company's Financial Statements as a result of this examination.

COMPANY HISTORY

CSLRC, (formerly AXA Corporate Solutions Life Reinsurance Company prior to March 15, 2020), is a stock life insurance company chartered by the State of Delaware and during the Examination Period was a direct, wholly-owned subsidiary of Equitable Holdings, Inc., and collectively with its consolidated subsidiaries referred to herein as (Equitable Holdings or EQH). In May 2018, Equitable Holdings completed an initial public offering (IPO) in which AXA S.A. (AXA) sold shares of Equitable Holdings common stock to the public. Following the IPO, AXA continued to divest its ownership in Equitable Holdings and as of December 31, 2020, holds less than 10% of the shares of common stock of EQH.

On June 20, 2014, the Arizona Department of Insurance and Financial Institutions (Arizona Department) approved the Company's application to form a wholly-owned captive reinsurance subsidiary under the laws of Arizona, CS Life RE (Life RE). Life RE was capitalized at \$250,000 (250,000 shares at \$1 par value). In 2014, with approval from the Department and the Arizona Department the Company entered a retrocession agreement with Life RE retroceding 100% of the Company's Guaranteed Minimum Benefit (GMxB) business to Life RE.

Capitalization

The Company is authorized to issue 1,500 shares of common stock with a par value of seven-thousand dollars \$7,000 per share. As of December 31, 2020, 467 shares, representing capital totaling \$3,269,000 were issued and outstanding. All shares were issued to EQH. As of December 31, 2020, the amount of paid-in capital was \$575,650,087.

Dividends

The Company did not pay any dividends during the period under examination.

MANAGEMENT AND CONTROL

Directors

Pursuant to the General Corporation Laws of the State of Delaware, as implemented by the Company's Certificate of Incorporation and bylaws, the property and affairs of the Company must be exercised by, or under the authority of, its Board of Directors (Board). Effective March 15, 2020, the Company's bylaws were amended to provide that the whole Board shall be no less than three (3) and no more than ten (10) of which one-third must be independent. Each director was elected for a term of one year and until such director's successor was elected and qualified. The Board, by majority vote, may designate one or more committees. Directors duly elected and serving as of December 31, 2020, were as follows:

<u>Name</u>	<u>Title</u>
Daniel M. Boylan	Vice President and Chief Financial Officer
Keith E. Floman	Director
Anders B. Malmstrom	Chairman of the Board
Robin M. Raju	President and CEO
Yun Zang	Vice President and Chief Derivative Officer

Officers

Officers were elected in accordance with the Company's bylaws during the period under examination. The bylaws require election of a President, Secretary and Treasurer. The primary officers serving as of December 31, 2020, were as follows:

<u>Name</u>	<u>Title</u>
Daniel Boylan	Vice President and Chief Financial Officer
Francesca Divone	Secretary
Glen Gardner	Senior Vice President and Chief Investment Officer
Michael Healy	Senior Executive Vice President and Chief Information Officer
Anders Malstrom	Chairman of the Board
Robin Raju	President and CEO
Aaron Sarfatti	Senior Vice President and Chief Risk Officer
Chun Sze	Vice President and Actuary
Stephanie Withers	Senior Vice President and Chief Auditor
Yun Zhang	Senior Vice President and Treasurer
Julien Zusslin	Vice President and Chief Derivatives Officer

Corporate Records

The recorded minutes of the shareholder and Board were reviewed for the period under examination. The recorded minutes of the Board adequately documented its meetings and approval of Company transactions and events including approval of investment transactions in accordance with 18 *Del. C.* § 1304. In addition, review of Company files indicated that written correspondence was submitted to the Department with regards to the changes in officers and directors during the period under examination in compliance with 18 *Del. C.* § 4919.

Insurance Holding Company System

The Company is a member of an insurance holding company system as defined under 18 *Del. C.* § 5001 of the Delaware Insurance Code. During the Examination Period, the Company was a wholly-owned subsidiary of EQH. The following is an abbreviated organizational chart of the insurance holding company system as of December 31, 2020:

Company	Domicile
Equitable Holdings, Inc.	Delaware
Corporate Solutions Life Reinsurance Company	Delaware
CS Life RE	Arizona

Agreements with Affiliates

Effective March 1, 2004, the Department approved an Administration and Services Agreement between CSLRC and AXA Equitable Life Insurance Company (AXA Equitable). Under the terms of the agreement AXA Equitable provides CSLRC with personnel, property and services necessary to perform its management, administrative and other corporate functions.

The Company entered into a Discretionary Investment and Advisory Agreement with AllianceBernstein L.P. (AllianceBernstein), effective December 20, 2005. The purpose of the agreement was to have AllianceBernstein manage CSLRC's securities portfolio. The agreement was amended March 1, 2013, to allow nondiscretionary advisory and asset management services. It was amended December 20, 2016, to add additional asset classes to the Schedule of Asset Classes and Fees.

On October 21, 2010, the Department approved CSLRC being made part of a Consolidated Federal Tax Agreement dated January 1, 2010. CSLRC filed as part of the Consolidated Federal Tax Agreement for tax year ended December 31, 2010. The primary purpose of the Consolidated Federal Tax Agreement was to provide for the allocation of consolidated federal income tax

liability and the manner of computation of the amounts and times of payments between the two holding companies.

CSLRC and AXA Technology Services America, Inc. (AXA Tech) entered into a services agreement on January 1, 2011. Under the terms of the agreement AXA Tech provided CSLRC with information technology infrastructure services and support, including the purchasing and reselling of hardware and software and information technology advice regarding the delivery of quality services.

CSLRC entered into a Service Agreement, effective June 26, 2014, with Life RE. Under the agreement, CSLRC provides Life RE with the personnel, property and services necessary to perform its management, administrative and other corporate functions.

On June 26, 2014, CSLRC entered into a Consolidated Federal Tax Agreement with Life RE. The primary purpose of the agreement is to provide for the allocation of consolidated federal income tax liability and the manner of computation of the amounts and times of payments by Life RE to CSLRC with respect to those taxable periods beginning on or after June 26, 2014, during which time Life RE joins the filing of a federal income tax return with the Company.

TERRITORY AND PLAN OF OPERATION

The Company is licensed to transact business in 45 states and the District of Columbia and is recognized as an accredited reinsurer in Maine, North Carolina, Virginia and Wyoming.

The Company has been in run-off status since December 31, 2002, ceasing all underwriting for all lines of business. All existing reinsurance treaties with open facilities were closed to additional business by December 31, 2004. The Company's operations consist primarily of asset-based reinsurance covering variable annuity products, with select traditional risks assumed for individual, ordinary life and group long term disability. On June 27, 2014, with the approval from

the Department the Arizona Department, the Company entered into a retrocession agreement with Life RE Company, retroceding 100% of the Company's individual variable annuity business.

REINSURANCE

The Company reported direct, assumed and ceded premiums for the years ended December 31, 2020, and the prior examination date of December 31, 2016, as follows:

	2020	% of Total Gross & Assumed Business	2016	% of Total Gross & Assumed Business
Direct Business	\$ -	0.00%	\$ -	0.00%
Reinsurance assumed (from affiliates)	-	0.00%	-	0.00%
Reinsurance assumed (from non-affiliates)	34,377,996	100.00%	44,447,352	100.00%
Gross direct and assumed business	<u>\$ 34,377,996</u>	<u>100.00%</u>	<u>\$ 44,447,352</u>	<u>100.00%</u>
Reinsurance ceded (to affiliates)	32,764,772	95.31%	39,323,539	88.47%
Reinsurance ceded (to non-affiliates)	-	0.00%	-	0.00%
Net direct and assumed business	<u>\$ 1,613,224</u>	<u>4.69%</u>	<u>\$ 5,123,813</u>	<u>11.53%</u>

Assumed Reinsurance

The Company does not assume business from affiliated companies. CSLRC is party to 45 assumed treaties with 16 carriers. The majority of the business assumed is on a quota share basis with excess of loss agreements at a lesser extent. The limits of liability range from \$1 million to \$5 million per loss, usually based upon a basis point percentage of the variable net amount at risk. As of December 31, 2020, CSLRC had assumed \$34,377,996 in premium volume (100% from non-affiliated carriers). The top 5 companies (premiums over \$1 million) were as follows:

1. Talcott Resolution Life & Annuity Insurance Company	\$10.03 million
2. John Hancock Life Insurance Company	8.34 million
3. Brighthouse Life Insurance Company	6.15 million
4. American General Life Insurance Company	5.71 million
5. Genworth Life and Annuity Insurance Company	<u>1.56 million</u>
Total Premium	\$31.79 million

The Company reported \$29.15 million in net unpaid losses and reinsurance payable on paid losses and Loss Adjustment Expenses. As of December 31, 2020, CSLRC assumed the following lines of business.

- Individual Annuities \$32.76 million (95.3% of total premium)
- Life Insurance \$1.61 million

This comprised 92.63% of assumed premium volume. 100% of the Individual Annuity business totaling \$32.76 million was ceded to Life RE.

Ceded Reinsurance

Affiliates

The Company entered into a Reinsurance Retrocession Agreement, effective June 1, 2014. Under the terms of the agreement CSLRC cedes 100% of certain GMxB business to Life RE.

CSLRC entered into a Reinsurance Trust Agreement, effective June 26, 2014, where Life RE, as retrocessionnaire, agreed to indemnify CSLRC against certain losses from the Retrocession Reinsurance Agreement dated June 1, 2014. The trustee was appointed to create a trust account to accept delivery of assets in the form of authorized investments for deposit into the trust account as security for the performance of the obligations under the retrocession agreement.

The Company entered into a Letter of Credit totaling \$150 million with Life RE on March 18, 2020. The Letter of Credit was entered into with a group of banks with JP Morgan Chase serving as the agent and guaranteed by EQH.

Non-Affiliated:

The Company does not cede to any non-affiliated reinsurers.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the Department and present the financial condition of the Company for the period ending December 31, 2020:

- Statement of Assets
- Statement of Liabilities, Capital and Surplus
- Summary of Operations
- Reconciliation of Capital and Surplus

Statement of Assets
As of December 31, 2020

	Ledger Assets	Assets Not Admitted	Net Admitted Assets	Notes
Bonds	\$ 104,304,938	\$ -	\$ 104,304,938	
Common stocks	87,369,100	-	87,369,100	1
Cash	10,792,972	-	10,792,972	
Receivables for securities	1,885,000	-	1,885,000	
Subtotals, cash and invested assets	<u>\$ 204,352,010</u>	<u>\$ -</u>	<u>\$ 204,352,010</u>	
Investment income due and accrued	1,105,824	-	1,105,824	
Uncollected premiums and agents' balances	19,027,800	-	19,027,800	
Amounts recoverable from reinsurers	2,005,306	-	2,005,306	
Receivables from parent, subsidiaries and affiliates	407,451	-	407,451	
Total assets	<u><u>\$ 226,898,391</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 226,898,391</u></u>	

Statement of Liabilities, Capital and Surplus
As of December 31, 2020

Liabilities		<u>Notes</u>
Reserves for life and accident & health policies	\$ 30,757,138	2
Policy claims and benefits on life and accident & health policies	2,090,544	
Reinsurance payable	20,713,361	
Interest maintenance reserve	787,264	
Asset valuation reserve	524,896	3
Other liabilities	<u>1,840,369</u>	
Total liabilities	<u>\$ 56,713,572</u>	
Common capital stock	\$ 3,269,000	
Gross paid in and contributed surplus	575,650,087	
Unassigned funds (surplus)	<u>(408,734,268)</u>	4
Total capital and surplus	<u>\$ 170,184,819</u>	
Total liabilities, capital and surplus	<u><u>\$ 226,898,391</u></u>	

Summary of Operations
For the Year Ended December 31, 2020

Revenues		<u>Notes</u>
Net premiums earned	\$ 1,613,224	
Net investment income	5,131,068	
Commissions and expense allowances on reinsurance	2,358	
Other Income	<u>995,028</u>	
Totals revenues	<u>\$ 7,741,678</u>	
Benefits and Expenses		
Policyholder benefits	\$ (22,606,754)	
Operating expenses and other deductions	<u>2,010,120</u>	
Totals benefits and expenses	<u>\$ (20,596,634)</u>	
Net income (loss) from operations before federal income taxes	<u>\$ 28,338,312</u>	
Federal and foreign income taxes incurred	<u>-</u>	
Net income (loss) from operations before realized gains	\$ 28,338,312	
Realized (loss) net of transfers to IMR, net of tax	<u>(108,449)</u>	
Net income (loss)	<u><u>\$ 28,229,863</u></u>	

Reconciliation of Capital and Surplus
for the Period from the Prior Examination
as of December 31, 2015 to December 31, 2020

	Common Capital Stock	Gross Paid-in & Contributed Surplus	Unassigned Funds	Total Capital and Surplus
Balance at December 31, 2015	\$ 3,269,000	\$575,650,087	\$(424,802,024)	\$ 154,117,063
2016 Net income (loss)	-	-	(20,708,344)	(20,708,344)
2016 Other Changes ¹	-	-	15,230,399	15,230,399
Balance at December 31, 2016	\$ 3,269,000	\$575,650,087	\$(430,279,969)	\$ 148,639,118
2017 Net income (loss)	-	-	54,189,445	54,189,445
2017 Other Changes ¹	-	-	(42,861,391)	(42,861,391)
Balance at December 31, 2017	\$ 3,269,000	\$575,650,087	\$(418,951,915)	\$ 159,967,172
2018 Net income (loss)	-	-	12,501,565	12,501,565
2018 Other Changes ¹	-	-	(9,038,333)	(9,038,333)
Balance at December 31, 2018	\$ 3,269,000	\$575,650,087	\$(415,488,683)	\$ 163,430,404
2019 Net income (loss)	-	-	(1,960,340)	(1,960,340)
2019 Other Changes ¹	-	-	8,853,292	8,853,292
Balance at December 31, 2019	\$ 3,269,000	\$575,650,087	\$(408,595,731)	\$ 170,323,356
2020 Net income (loss)	-	-	28,229,863	28,229,863
2020 Prior Year Correction ²	-	-	2,691,000	2,691,000
2020 Other Changes ¹	-	-	(31,059,400)	(31,059,400)
Balance at December 31, 2020	\$ 3,269,000	\$575,650,087	\$(408,734,268)	\$ 170,184,819

1 Other Changes in Unassigned Funds (Surplus) for each year: Change in net unrealized capital gains/losses, change in net deferred income taxes, change in non-admitted assets, change in the provision for reinsurance and adjustments to rounded AVR and Common Stock account balances reported in restated CPA audit report to whole numbers.

2 As reflected in the restatement of the 2020 CPA Audit Report, management corrected an immaterial error in the 2020 financial statements related to the subsidiary, Life RE's reserve overstatement in 2019 by \$2,691,000 relating to Account Value and Rider fees updates. This item was corrected during Q2 2020. As a result, the Company's change in subsidiary equity value in 2020 resulting from the 2019 error correction, was recorded as a correction to capital and surplus, beginning of year, within the Statement of Changes in Capital and Surplus.

NOTES TO FINANCIAL STATEMENTS

Note 1:

Common Stock	\$87,369,100
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100% of the Company's common stock holdings consisted of its investment in its affiliate Life RE. As a result of the 2020 audit of Life RE, the Company determined that its common stock investment on the Statutory Statement of Assets, Liabilities, Surplus and Other Funds, as of December 31, 2020 was misstated. The error was primarily the result of an overstatement of Life RE's recorded value of reinsurance receivable within its December 31, 2020 financial statements filed with the Arizona Department due the failure to update the discount rate assumption, which led to an overstatement of the Company's investment in Life RE. Management concluded that this error was material to the December 31, 2020 financial statements taken as a whole. This restatement caused a reduction in Common Stock from \$117,514,809 to \$87,369,100. The Company did not issue a restated 2020 Annual Statement to reflect the adjusted account balance; however, PwC issued a restated Audit Report for the period ending 2020.

Note 2:

Aggregate Reserves for Life Contracts	\$25,150,289
Aggregate Reserves for Accident & Health Contracts	\$5,606,849

Aggregate Reserves of Life Contracts and Aggregate Reserve for A&H contracts - Life insurance policy reserves are determined principally in accordance with either the net level premium method or the Commissioner's Reserve Valuation Method (CARVM), based on statutory mortality and interest requirements without consideration for withdrawals. Such reserves are calculated using the 1980 CSO table with an interest rate of 4.50%. For structured settlements block, reserves are usually calculated using the 1983 Individual Annuity Mortality Table and the CARVM with interest rates ranging from 6.25% to 6.75%.

Note 3:

Asset Valuation Reserve	\$524,896
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The Asset Valuation Reserve (AVR) is a liability, established to absorb losses and protect statutory surplus against large fluctuations in the value of its assets. As noted in the restatement of the Audit Report, an overstatement of Life RE's recorded value of common stock which resulted in a decrease in the Company's AVR from \$6,515,155 to \$524,896.

Note 4:

Unassigned Surplus	(\$408,734,268)
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The result of the restatement, pertaining to the overstatement of Life RE's recorded value of common stock and decrease in AVR (See Note 1), the Company's unassigned surplus was decreased from (\$384,578,818) to (\$408,734,268).

SUBSEQUENT EVENTS

Subsequent events were evaluated through the date that this examination report was available to be issued. The following events were noted:

During the first quarter of 2021, the Company received a \$45 million lump sum reinsurance settlement, recorded as premiums, from a ceding company, Brighthouse Life Insurance Company (Brighthouse). The lump sum settlement arose from a dispute involving an existing Variable Annuity GMxB treaty, as to whether the Guaranteed Minimum Income Benefit portion of the treaty should be on a pro rata or a dollar for dollar basis. Prior to 2021, the ceding company had been transacting and accounting for this treaty on a dollar for dollar basis; however, the Company maintained it should have been on a pro rata basis. Under the terms of the 2021 settlement, Brighthouse paid CSLRC a lump sum amount and both parties agreed to maintain the treaty on a dollar for dollar basis going forward.

The Company received regulatory approval on January 25, 2021, for the recapture of all of the liabilities ceded by the Company to Life RE, an Arizona captive reinsurance company and a wholly-owned subsidiary of the Company, under an existing retrocession agreement between the Company, as cedent, and Life RE, as retrocessionaire, effective as of June 26, 2014, (the Reinsurance Treaty), and the termination of the Reinsurance Treaty in its entirety. After the reinsurance termination, the Company sold Life RE to an affiliate of EQH prior to June 1, 2021. Equitable Financial Services, LLC, a direct subsidiary of EQH, paid \$250 thousand to the Company to acquire 100% of the common stock of Life RE

Effective June 1, 2021, 100% of the issued and outstanding shares of capital stock of the Company were acquired by Venerable Insurance and Annuity Company (VIAC), an Iowa-domiciled insurance company, from EQH. VIAC is a direct, wholly-owned subsidiary of Venerable Holdings, Inc. (Venerable Holdings), a holding company domiciled in the State of Delaware. The transaction includes reinsurance of a legacy block of variable annuity business from Equitable Financial Life Insurance Company (EFLIC) with the combined deal representing \$36.5 billion of underlying account value and general account assets. EFLIC received a non-controlling 9.09% equity stake in VA Capital Company LLC, a Delaware limited liability company and the sole stockholder of Venerable Holdings (VA Capital).

In connection with the closing of the CSLRC Acquisition, VIAC entered into a reinsurance agreement with the Company, under which the Company assumes on a coinsurance and modified coinsurance basis, VIAC's deferred variable annuity business and payout variable annuity business, effective June 1, 2021. Additionally, the Company assumes certain variable annuity contracts on a coinsurance and modified coinsurance basis, from EFLIC through a reinsurance agreement effective June 1, 2021. The Company assumes the remainder of its business, which is primarily variable annuity guaranteed minimum death benefit and guaranteed minimum income

benefit riders, from third parties. In connection with the CSLRC Acquisition, assets were transferred from VIAC to the Company. Such assets included the following affiliate investments:

1. A commitment of \$3,000,000 to Apollo Investment Fund IX, L.P. (AIFIX) for a limited partnership investment in the fund, which was initially entered into by VIAC in June 2017. Apollo Advisors IX, L.P. is the General Partner of AIFIX. AIFIX is a private equity fund that makes large-market buyout investments in a diversified set of industries, including communications, consumer discretionary, consumer staples, technology, financials and industrials. As of July 31, 2021, the Company funded \$2,027,991.23 (inclusive of \$1,465,182 originally funded by VIAC).

2. A commitment of \$5,000,000 to Apollo Hybrid Value Fund (AHVF) for a limited partnership investment in the fund, which was initially entered into by VIAC in January 2019. Apollo Hybrid Value Advisors, L.P. is the General Partner of AHVF. AHVF is a private equity fund that seeks equity-like returns with credit-like downside protection. As of July 31, 2021, the Company funded \$4,129,427.92 (inclusive of \$3,600,898 originally funded by VIAC).

3. A commitment of \$5,000,000 to Reverence Capital Partners Opportunities Fund II, L.P. (RCP II) for a limited partnership investment in the fund, which was initially entered into by VIAC in June 2019. RCP Opp Fund II GP, L.P. is the General Partner of RCP II. RCP II is a private equity fund that makes equity investments in middle-market businesses across the financial services sector. As of July 31, 2021, the Company funded \$1,809,215 (all of which was originally funded by VIAC).

4. A commitment of \$50,000,000 to Crestview Partners IV, L.P. (CP IV) for a limited partnership investment in the fund, of which \$5,000,000 was initially committed by VIAC in March 2020 and \$45,000,000 was committed by VIAC in May 2021. Crestview Partners IV GP, L.P. is the General Partner of CP IV. CP IV is a private equity fund that makes equity investments in middle-market businesses across multiple sectors, including media, financial services, energy

and industrials. As of July 31, 2021, the Company funded \$6,798,145 (all of which was originally funded by VIAC).

5. A commitment of \$10,000,000 to Apollo Hybrid Value Fund II, L.P (AHVF II) for a limited partnership investment in the fund, which was initially entered into by VIAC on September 29, 2020. Apollo Hybrid Value Advisors II, L.P. is the General Partner of AHVF II. AHVF II is a private equity fund that seeks equity-like returns with credit-like downside protection. As of July 31, 2021, the Company had not funded any amounts pursuant to this commitment. On October 28, 2021, CSLRC entered into an agreement to increase its prior commitment to AHVF II for a limited partnership investment in the fund to \$42,000,000.

6. A commitment of \$10,000,000 to Reverence Capital Partners Credit Opportunities Fund (Fund III), L.P. (RCPOP) for a limited partnership investment in the fund, which was initially entered into by VIAC on December 28, 2020. Reverence Capital Partners Credit (Fund III) GP, L.P. is the General Partner of RCPOP. RCPOP invests primarily in opportunistic structured credit as well as other credit and credit-related investments. As of July 31, 2021, the Registrant funded \$923,333 (all of which was originally funded by VIAC).

7. An investment of \$100,000,000 in AP Tundra Holdings LLC (AP Tundra), a special purpose vehicle created and managed by affiliates of Apollo Global Management, Inc. (AGM) to invest the proceeds of the investment by VIAC and other co-investors in MCC Holding Company LLC, to which Anheuser-Busch InBev contributed its U.S. can packaging business and maintains a majority stake, which was initially made by VIAC on December 29, 2020. The investment in AP Tundra consists of \$88,000,000 of senior bonds and \$12,000,000 in equity.

The Company entered into a Joinder Agreement on June 1, 2021, to add the Company as a party to the Shared Services and Cost Sharing Agreement, dated June 1, 2018, among VIAC and additional affiliates, including, Venerable Holdings, VA Capital, Rocky Range, Inc. and VIAC

Services Company. The purpose of the Shared Services and Cost Sharing Agreement is to provide administrative and other services for all of its parties on a centralized basis ultimately resulting in improved efficiency in the execution of services across the group. A filing was issued with the Department on December 22, 2020, and approved on January 19, 2021.

The Company entered into a Reciprocal Loan Agreement with Venerable Holdings. The purpose of the proposed agreement is to provide the parties with access to additional liquidity from time to time. The loan agreement was filed with the Department and approved on February 4, 2021. The effective date of the agreement was June 1, 2021.

On June 1, 2021, the Company entered into Investment Management Agreements with AllianceBernstein, Voya Investment Management, LLC and Milliman, Inc, each of which provides the Company with investment management services.

On October 22, 2021, the Company entered into an agreement to commit \$35,000,000 to Reverence Capital Partners Opportunities Fund V (RCP V) for a limited partnership investment in the fund. Reverence Capital Partners Opportunities Fund V (PE Fund III) GP, L.P. is the General Partner of RCP V. RCP V is a private equity fund that makes investments across the financial sector, with a focus on the following sectors: (i) asset and wealth management, (ii) bank and non-bank finance companies, (iii) capital markets, (iv) financial technology, payments and services and (v) insurance. On January 31, 2022, the Company entered into an agreement to increase its prior commitment to RCP V for a limited partnership investment in the fund to \$50,000,000.

On June 1, 2021, the Company issued three surplus notes to VIAC. Two of the surplus notes for 6.257% were issued by the Company to VIAC as the lender. Under the terms of the two referenced surplus notes CSLRC promises to pay to VIAC the original principal sum of \$175,000,000 on December 29, 2034, and to pay interest thereon from the effective date semiannually in arrears on June 29 and December 29 in each year, at the rate of 6.257% per annum.

The Company issued a third surplus note to VIAC as the lender for the principal sum of \$50,000,000, which matures on June 1, 2041. Under the terms of the third surplus note CSLRC will pay to VIAC, interest payments which will accrue annually at the rate of 5.0%. Interest will be paid on each scheduled interest payment date, which will be June 29 and December 29 of each year from the date of issuance through and until the scheduled maturity date (which will be a date 20 years from the date of issuance of the surplus note). The Company will have no obligation to pay principal in respect of the Surplus Note until the scheduled maturity date.

On November 15, 2021, the Company entered into a Principal Transaction Agreement by and among the Company, John Hancock Life Insurance Company (USA), an insurance company domiciled in Michigan (John Hancock), and Venerable Holdings, pursuant to which the Company agreed to reinsure approximately \$22 billion of certain variable annuity business from John Hancock through a reinsurance agreement, with John Hancock retaining administration of such reinsured contracts (the JHUSA Transaction). The JHUSA Transaction closed and the reinsurance agreement became effective on February 1, 2022.

The Company filed a Derivative Use Plan with the Department on June 1, 2021.

SUMMARY OF RECOMMENDATIONS

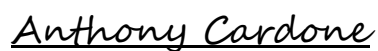
There were no recommendations as a result of this examination.

The assistance and cooperation of examiners representing the state on the coordinated examination is acknowledged. In addition, the NYDFS examination team, the consulting actuarial firm INS; the Company's external audit firm, PwC, and the Company's management and staff was appreciated and is acknowledged.

Respectfully submitted,


A handwritten signature in cursive script, reading "Patrick White", is positioned above a horizontal line.

Patrick White, CFE
Examiner In-Charge
State of Delaware

A handwritten signature in cursive script, reading "Anthony Cardone", is positioned above a horizontal line.

Anthony Cardone, CFE
Supervising Examiner
State of Delaware

I, Patrick White, hereby verify and attest, under penalty of perjury, that the above is a true and correct copy of the examination report and findings submitted to the Delaware Department of Insurance pursuant to exam Certification No. 21.015.


Patrick White, CFE