

FEB 05 2025

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# CERTIFICATION

February 5, 2025

I, Eric Dunning, Director of Insurance of the State of Nebraska, do hereby certify that the attached is a full and correct copy of the Financial Examination Report of

**FIRST LANDMARK LIFE INSURANCE COMPANY**

**AS OF**

**DECEMBER 31, 2023**

The report is now on file and forming a part of the records of this Department.

I hereto subscribe my name under the seal of my office at Lincoln, Nebraska.



  
\_\_\_\_\_  
DIRECTOR OF INSURANCE

CERTIFICATE OF ADOPTION

Notice of the proposed report for the financial examination of

**FIRST LANDMARK LIFE INSURANCE COMPANY**

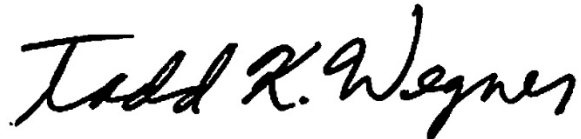
**1219 N WEST STREET**

**WILMINGTON, DE 19801**

dated as of December 31, 2023, verified under oath by the examiner-in-charge on January 7, 2025, and received by the company on January 8, 2025, has been adopted without modification as the final report pursuant to Neb. Rev. Stat. § 44-5906(3) (a).

Dated this 24<sup>th</sup> day of January 2025.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE

A handwritten signature in black ink that reads "Tadd R. Wegner". The signature is written in a cursive style with a large initial 'T'.

Tadd Wegner, CFE  
Chief Financial Regulator

**STATE OF NEBRASKA**

**Department of Insurance**

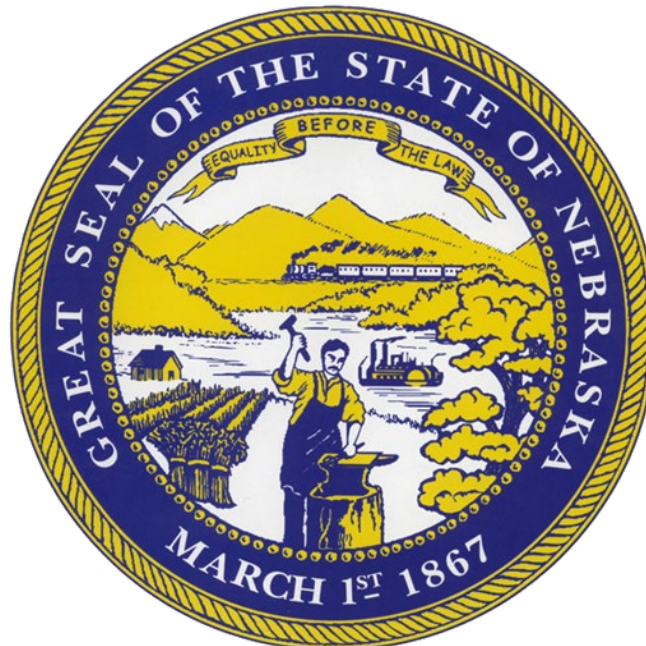
**EXAMINATION REPORT**

**OF**

**FIRST LANDMARK LIFE INSURANCE COMPANY**

**as of**

**December 31, 2023**



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Lincoln, Nebraska  
October 30, 2024

Honorable Eric Dunning  
Director of Insurance  
Nebraska Department of Insurance  
1526 K Street, Suite 200  
Lincoln, Nebraska 68508

Dear Sir:

Pursuant to your instruction and authorizations, and in accordance with statutory requirements, an examination has been conducted of the financial condition and business affairs of:

**FIRST LANDMARK LIFE INSURANCE COMPANY**

which has its Statutory Home Office located at

**10206 Regency Parkway Drive  
Omaha, Nebraska 68114**

with its Principal Executive Office located at

**1219 N West Street  
Wilmington, Delaware 19801**

(hereinafter also referred to as the “Company”) and the report of such examination is respectfully presented herein.

**INTRODUCTION**

The State of Nebraska last examined the Company as of December 31, 2018. The current financial condition examination covers the intervening period to and includes the close of business on December 31, 2023 and such subsequent events and transactions as were considered pertinent to this report. The State of Nebraska participated in this examination and assisted in the preparation of this report.

## **SCOPE OF EXAMINATION**

The Nebraska Department of Insurance conducted this examination pursuant to and in accordance with both the NAIC Financial Condition Examiners Handbook (Handbook) and Section §44-5904(1) of the Nebraska Insurance Statutes.

The Nebraska Department of Insurance made a general review of the Company's operations and the manner in which its business has been conducted in order to determine compliance with statutory and charter provisions. The Company's history was traced and has been set out in this report under the caption "Description of Company." All items pertaining to management and control were reviewed, including provisions for disclosure of conflicts of interest to the Board of Directors, and the departmental organization of the Company. The Articles of Incorporation and By-Laws were reviewed, including appropriate filings of any changes or amendments thereto. The minutes of the meetings of the Shareholder, Board of Directors and committees, held during the examination period were read and noted. Attendance at meetings, proxy information, election of Directors and Officers, and approval of investment transactions were also noted.

The fidelity bond and other insurance coverages protecting the Company's property and interests were reviewed, as were plans for employee welfare and pension. The Company's Certificate of Authority to conduct the business of insurance in Nebraska was inspected and a survey was made of the Company's general plan of operation.

Data reflecting the Company's growth during the period under review is reflected in the financial section of this report under the caption "Body of Report."

All accounts and activities of the Company were considered in accordance with the provisions of Section §44-5904(1) of the Nebraska Insurance Statutes.

Any failure of items to add to the totals shown in schedules and exhibits appearing throughout this report is due to rounding.

## **DESCRIPTION OF COMPANY**

### **HISTORY**

The Company was incorporated under the laws of the State of Nebraska on July 13, 1988, as a capital stock life insurance company, and commenced business on October 1st of that same year. Since inception, the Company has been a wholly-owned subsidiary of First Landmark Holdings Co., a Delaware corporation, which in turn was principally owned by First Executive Corporation. A minority interest in First Landmark Holdings Co. was held by agents of an affiliated insurance company indirectly participating in the potential profits and losses through their marketing efforts of a product 50% reinsured by the Company. The reinsurance contract was terminated as of its inception date effective October 1, 1990, by providing a cash settlement equal to the net result of the program to date. The agents' shares were then reacquired by First Executive Corporation leaving it 100% owner of First Landmark Holdings Co.

On April 11, 1991, the Nebraska Director of Insurance placed the Company under the supervision of the Nebraska Department of Insurance through the issuance of a "Determination and Notification of Supervision - List of Requirements to Abate Supervision and Notice of Hearing." This order stated that the Company's condition was primarily the result of deterioration in the quality of its bond portfolio causing continued operation to be hazardous to the public or holders of its policies or certificates.

On May 13, 1991, First Executive Corporation, the parent of the Company's immediate parent, First Landmark Holdings Co., filed a voluntary petition under Chapter 11, Title 11, United States Court Code, with the United States Bankruptcy Court. The reorganized First

Executive Corporation emerged from bankruptcy effective September 10, 1992, pursuant to the Order Confirming Second Amended Joint Plan of Reorganization, as First Lincoln Holdings, Inc. The proposed change in control was reported to the Nebraska Department of Insurance through a Form A filing on August 7, 1992.

On June 23, 1995, the Nebraska Department of Insurance released the Company from the Supervision Order issued April 11, 1991, restoring its right to operate as a Nebraska domestic insurance company.

## **MANAGEMENT AND CONTROL**

### **Holding Company**

The Company is a member of an insurance holding company system as defined by Nebraska Statute. An organizational listing flowing from the “Ultimate Controlling Person,” as reported in the 2023 Annual Statement, is represented by the following (subsidiaries are denoted through the use of indentations, and unless otherwise indicated, all subsidiaries are 100% owned):

- Marev Holdings, Inc.
  - ISO, LLC
    - EOO, LLC
    - Cedarwood Capital, LLC
    - First Lincoln Financial Real Estate Corp.
    - Lincoln Indemnity Company
  - YTO, LLC
    - Lawrence Financial, LLC
    - First Lincoln TPA, Inc.
    - FL Assignments Corp.
    - FL Admin, Inc.
  - RMO, LLC
    - First Landmark Holdings, Inc.
      - First Landmark Life Insurance Company
      - Kipper Capital, LLC (50%)
        - New Navy Yard Limited Partnership
        - Shipyard Quarters Marina, LLC
      - AOFL New Navy, LLC (49%)



FL Capital, LLC  
FL Gateway 95, LLC  
FL Tower, LLC  
FL Financial Group, LLC  
Rhodes Financial, LLC  
Rockaway Turnpike, LLC

Inwood Land Holdings, Inc.

263 West End 5A, LLC

61 Lawrence Avenue LLC

1285 Six Avenue LLC

Flintridge, LLC

FL Gardena, LLC

FL Crown, Inc.

176 West 86<sup>th</sup> Street

Evergreen Acceptance, LLC

Regency Equities Corp.

FL 1219 West Street, LLC

NYRIB, Inc.

First Lincoln Holdings, LLC

878 Education, LLC

### **Shareholder**

Article IV of the Company's Articles of Incorporation states that, “the aggregate number of shares which this Corporation shall have authority to issue is five million (5,000,000) shares of common stock. The par value of each of said shares shall be one dollar (\$1.00) per share.” Company records indicate that 1,000,000 of said shares were issued and outstanding at the date of this examination. All such shares are held by the Company's sole Shareholder, First Landmark Holdings, Inc., which is in turn owned by RMO, LLC, a wholly owned subsidiary of Marev Holdings, Inc.

Section 2.2 of the Company's By-Laws provides that, “the annual meeting of the Shareholders of the Corporation shall be held at 10:00 o'clock a.m. on the first Tuesday in the month of April of each year... or at such other time or date as the Board, in its sole discretion, shall determine, for the purpose of electing Directors and for transaction of such other business as may come before the meeting.”

## **Board of Directors**

Article VI of the Company’s Articles of Incorporation provides that, “the affairs of the Company shall be conducted by a Board of Directors consisting of not less than five (5) nor more than twenty-one (21) persons, as set forth in the Company’s By-Laws. The number of Directors who are Nebraska residents shall be in accordance with the laws of the State of Nebraska. Each Director, other than the initial Directors, shall have a term of office for one year and until his successor shall have been elected and qualified.”

The following persons were serving as Directors on December 31, 2023:

<b><u>Name and Residence</u></b>	<b><u>Principal Occupation</u></b>
Cecil Bykerk Omaha, Nebraska	Actuary and President, CD Bykerk Consulting LLC
Alexander Oliner Lawrence, New York	Financial Advisor, Wells Fargo Advisors
Charles Oliner New York, New York	Physician, New York Presbyterian Hospital
Martin Oliner Lawrence, New York	Chairman, President and Chief Executive Officer of Marev Holdings, Inc.
Reva Oliner Lawrence, New York	Retired Teacher

## **Officers**

Section 4.1 of the Company’s By-Laws specify that, “the Executive Officers of the Corporation shall be a President, Secretary and Treasurer, and any other Officers as may from time to time be appointed, each of whom shall hold his office during the pleasure of the Board of Directors. The President shall be a member and the Chairman of the Board of Directors.” Section 4.2 of the Company’s By-Laws continues to state that, “the Officers of the Corporation to be

elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the Shareholders.”

The following is a listing of Officers elected and serving the Company on December 31, 2023:

<u>Name</u>	<u>Office</u>
Martin Oliner	President
Reva Oliner	Secretary
Alexander Oliner	Treasurer

## **TRANSACTIONS WITH AFFILIATES**

### **Tax Sharing Agreement**

The Company is part of a tax sharing agreement with its ultimate parent, Marev Holdings, Inc., and other affiliated companies effective as of January 1, 2002. Under the agreement, Marev Holdings, Inc. shall file a consolidated federal income tax return to the Internal Revenue Service and each affiliate will either remit or collect the amount of taxes or refund that would have been remitted or received had the affiliate filed a separate federal income tax return.

During review of the intercompany tax settlements, it was noted that the Company utilized a tax rate of 34% when calculating the amount due or owed subject to the tax sharing agreement. The Tax Cuts and Jobs Act replaced the graduated corporate tax structure with a flat 21% corporate tax rate for tax years beginning after 2017. It is recommended that the Company comply with its tax sharing agreement and remit the taxes or collect the refunds that would be due if it had filed a separate federal income tax return, computed with the appropriate tax rate.

## **TERRITORY AND PLAN OF OPERATION**

As evidenced by current or continuous Certificates of Authority, the Company is licensed to transact business in Nebraska.

The Company did not have any underwriting activity or policy reserve liabilities during the examination period. The Company has indicated that it will submit a business plan prior to the sale of any insurance products.

## **BODY OF REPORT**

### **GROWTH**

The following comparative data reflects the growth of the Company during the period covered by this examination:

	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Admitted assets	\$1,983,380	\$1,958,839	\$1,940,455	\$1,933,915	\$1,999,697
Total liabilities	11,046			2,080	32,808
Capital and surplus	1,972,334	1,958,840	1,940,456	1,931,837	1,966,890
Net investment income	41,458	14,977	(4,591)	20,339	79,400
Net income	14,455	(13,494)	(18,384)	(8,619)	35,054

### **FINANCIAL STATEMENTS**

The following statement of admitted assets and liabilities, together with the accompanying summary of operations, reflects the financial condition of the Company on December 31, 2023 and its transactions during the year 2023 as determined through this examination. A reconciliation of the capital and surplus account for the period under review is also included.

**FINANCIAL STATEMENT**  
**December 31, 2023**

<b><u>Assets</u></b>	<b><u>Assets</u></b>	<b><u>Assets Not Admitted</u></b>	<b><u>Net Admitted Assets</u></b>
Cash	\$ 33,657		\$ 33,657
Cash equivalents	27,727		27,727
Short-term investments	1,932,915		1,932,915
Other invested assets	<u>10,689,301</u>	<u>\$10,689,301</u>	<u>1,994,299</u>
Subtotal, cash and invested assets	\$12,683,600	\$10,689,301	\$ 1,994,299
Investment income due and accrued	<u>5,398</u>	<u>                    </u>	<u>5,398</u>
Totals	<u>\$12,688,998</u>	<u>\$10,689,301</u>	<u>\$ 1,999,697</u>

**Liabilities, Surplus, and Other Funds**

General expenses due or accrued	\$ 14,750
Current federal income taxes	<u>18,058</u>
Total liabilities	\$ 32,808
Common capital stock	1,000,000
Gross paid in and contributed surplus	2,400,000
Surplus	<u>(1,433,110)</u>
Total capital and surplus	\$ 1,966,890
Total liabilities, capital, and surplus	<u>\$ 1,999,698</u>

**SUMMARY OF OPERATIONS – 2023**

Net investment income	<u>\$79,400</u>
General insurance expenses	23,786
Insurance taxes, licenses, and fees, excluding federal income taxes	<u>2,503</u>
Total expenses	<u>\$26,289</u>
Net gain from operations before federal income taxes	\$53,111
Federal income taxes incurred	<u>18,057</u>
Net income	<u>\$35,054</u>

### CAPITAL AND SURPLUS ACCOUNT

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Capital and surplus, beginning	\$1,957,880	\$1,972,335	\$1,958,840	\$1,940,456	\$1,931,837
Net income	\$ 14,455	\$ (13,494)	\$ (18,384)	\$ (8,619)	\$ 35,054
Change in net unrealized capital gains	119,328	789,912	(71,978)	(823,324)	(438,676)
Change in nonadmitted assets	<u>(119,328)</u>	<u>(789,912)</u>	<u>71,978</u>	<u>823,324</u>	<u>438,676</u>
Net change for the year	<u>\$ 14,455</u>	<u>\$ (13,494)</u>	<u>\$ (18,384)</u>	<u>\$ (8,619)</u>	<u>\$ 35,054</u>
Capital and surplus ending	<u>\$1,972,335</u>	<u>\$1,958,840</u>	<u>\$1,940,456</u>	<u>\$1,931,837</u>	<u>\$1,966,891</u>

### EXAMINATION CHANGES IN FINANCIAL STATEMENTS

Unassigned funds (surplus) in the amount of \$(1,433,110), as reported in the Company's 2023 Annual Statement, has been accepted for examination purposes. Examination findings, in the aggregate, were considered to have no material effect on the Company's financial condition.

### COMPLIANCE WITH PREVIOUS RECOMMENDATIONS

The recommendations appearing in the previous report of examination are reflected below together with the remedial actions taken by the Company to comply therewith:

**Conflict of Interest Forms** – It is recommended that the Company dates and reviews the completed Conflict of Interest Forms to ensure that all questions are answered.

**Action:** The Company has complied with this recommendation.

**Custodial Agreements** – It is recommended that the custodial agreements be amended to be in compliance with all provisions of Nebraska Rules and Regulations, Title 210, Chapter 81.

**Action:** The Company has complied with this recommendation.

## **COMMENTARY ON CURRENT EXAMINATION FINDINGS**

### **Fidelity Bond**

There was a lapse in fidelity coverage during the exam period. The Company did not have fidelity coverage as of the examination date but did obtain coverage subsequently. It is recommended that the Company continue to carry at least the minimum suggested amount of fidelity insurance in compliance with the NAIC Financial Condition Examiners Handbook Exhibit R.

## **SUMMARY OF COMMENTS AND RECOMMENDATIONS**

The following comments and recommendations have been made as a result of this examination:

**Tax Sharing Agreement** – It is recommended that the Company comply with its tax sharing agreement and remit the taxes or collect the refunds that would be due if it had filed a separate federal income tax return, computed with the appropriate tax rate.

**Fidelity Bond** - It is recommended that the Company continue to carry at least the minimum suggested amount of fidelity insurance in compliance with the NAIC Financial Condition Examiners Handbook Exhibit R.

**ACKNOWLEDGMENT**

The courteous cooperation extended by the Officers and employees of the Company during this examination is hereby acknowledged.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Isaak Russell". The signature is fluid and cursive, with a long horizontal stroke at the end.

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Isaak Russell, CFE  
Supervisory Examiner  
Department of Insurance  
State of Nebraska



State of Nebraska,

County of Lancaster,

Isaak Russell, being duly sworn, states as follows:

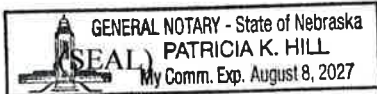
1. I have authority to represent the Department of Insurance of the State of Nebraska in the examination of FIRST LANDMARK LIFE INSURANCE COMPANY.
2. The Department of Insurance of the State of Nebraska is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of FIRST LANDMARK LIFE INSURANCE COMPANY was performed in a manner consistent with the standards and procedures required by the Department of Insurance of the State of Nebraska.

The affiant says nothing further.



Examiner-in-Charge's Signature

Subscribed and sworn before me by ISAIAK RUSSELL on this 7<sup>th</sup> day of JANUARY, 2025.



Notary Public

My commission expires 8-8-27 [date].