

JUN 03 2024

CERTIFICATION

FILED

June 3, 2024

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

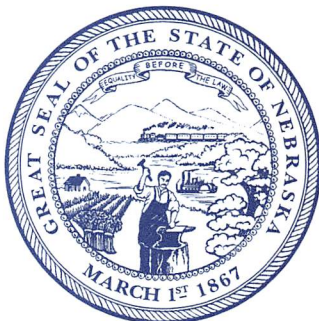
UNITED OF OMAHA LIFE INSURANCE COMPANY

AS OF

DECEMBER 31, 2022

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.



A handwritten signature in blue ink, appearing to read "Eric Dunning", is written over a horizontal line.

DIRECTOR OF INSURANCE

CERTIFICATE OF ADOPTION

Notice of the proposed report for the financial examination of

UNITED OF OMAHA LIFE INSURANCE COMPANY

3300 MUTUAL OF OMAHA PLAZA

OMAHA, NE 68175

dated as of December 31, 2022, verified under oath by the examiner-in-charge on April 15, 2024, and received by the company on May 30, 2024, has been adopted without modification as the final report pursuant to Neb. Rev. Stat. § 44-5906(3) (a).

Dated this 31st day of May 2024.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

A handwritten signature in black ink, appearing to read "L. Crawford".

Lindsay Crawford, CFE
Chief Financial Regulator

STATE OF NEBRASKA

Department of Insurance

EXAMINATION REPORT

OF

UNITED OF OMAHA LIFE INSURANCE COMPANY

as of

December 31, 2022

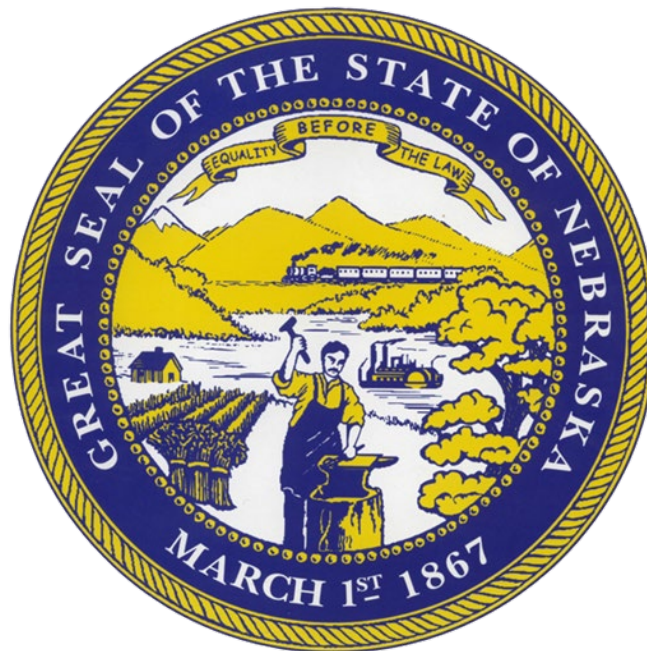


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Omaha, Nebraska
April 15, 2024

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:

UNITED OF OMAHA LIFE INSURANCE COMPANY
3300 Mutual of Omaha Plaza
Omaha, Nebraska 68175

(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, 2022 and such subsequent events and transactions as were considered pertinent to this report. The States of Nebraska and New York participated in this examination and assisted in the preparation of this report.

The same examination staff conducted concurrent financial condition examinations of the Company’s parent, Mutual of Omaha (Mutual) and its subsidiaries, Companion Life Insurance Company (CLIC), Medicare Advantage Insurance Company of Omaha, Mutual of Omaha Medicare Advantage Company, Omaha Health Insurance Company, Omaha Insurance Company

(OIC), Omaha Reinsurance Company (ORC), Omaha Supplemental Insurance Company (OSIC), and United World Life Insurance Company (UWLIC).

SCOPE OF EXAMINATION

The examination was conducted 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 Handbook requires that examiners plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including but not limited to: corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. The examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and management's compliance with Statutory Accounting Principles and Annual Statement Instructions when applicable to domestic state regulations.

The examination was completed under coordination of the holding company group approach with the Nebraska Department of Insurance as the coordinating state and the New York Department of Financial Services serving as the participating state. The companies examined under this approach benefit to a large degree from common management, systems and processes, and internal control and risk management functions that are administered at the consolidated or business unit level.

The coordinated examination applies procedures sufficient to comprise a full scope financial examination of each of the companies in accordance with the examination procedures and standards promulgated by the NAIC and by the respective state insurance departments where the companies are domiciled. The objective is to enable each domestic state to report on their

respective companies' financial condition and to summarize key results of examination procedures.

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, approval of investment transactions, and authorizations of salaries were also noted.

The fidelity bond and other insurance coverages protecting the Company's property and interests were reviewed. Certificates of Authority to conduct the business of insurance in the various states were 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, as developed from the Company's filed annual statements, is reflected in the financial section of this report under the caption "Body of Report."

The Company's reinsurance facilities were ascertained and noted and have been commented upon in this report under the caption "Reinsurance." Accounting records and procedures were tested to the extent deemed necessary through the risk-focused examination

process. The Company's method of claims handling and procedures pertaining to the adjustment and payment of incurred losses were also noted.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This included a review of workpapers prepared by Deloitte & Touche, LLP, the Company's external auditors, during their audit of the Company's accounts for the years ended December 31, 2021 and 2022. Portions of the auditor's workpapers have been incorporated into the workpapers of the examiners and have been utilized in determining the scope and areas of emphasis in conducting the examination. This utilization was performed pursuant to Title 210 (Rules of the Nebraska Department of Insurance), Chapter 56, Section 013.

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 as a capital stock life insurance company in August 1926, and commenced business in November 1926. The Articles of Incorporation provide that the Company shall have perpetual existence.

On December 16, 1981, the Articles of Incorporation were amended, changing the Company's name from United Benefit Life Insurance Company to its present form.

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 2022 Annual Statement, is represented by the following (subsidiaries are denoted

through the use of indentations, and unless otherwise indicated, all subsidiaries are 100% owned):

- Mutual of Omaha Insurance Company
 - East Campus Realty, LLC
 - Mutual DMLT Holdings, LLC
 - Mutual of Omaha Holdings, Inc.
 - Mutual of Omaha Investor Services, Inc.
 - Mutual of Omaha Marketing Corporation
 - Mutual of Omaha Risk and Insurance Solution Services, Inc.
 - Omaha Insurance Company
 - Mutual of Omaha Medicare Advantage Company
 - Omaha Financial Holdings, Inc.
 - Mutual of Omaha LoanPro, L.L.C.
 - Mutual of Omaha Mortgage, Inc.
 - 55 Places Mortgage, LLC (50%)
 - Carson Lending Group, LLC
 - Home Loan Express, LLC (50%)
 - Legacy Mortgage, LLC (50%)
 - Review Counsel LLC
 - Omaha Health Insurance Company
 - Omaha Supplemental Insurance Company
 - Turner Park North, LLC
 - United of Omaha Life Insurance Company
 - Boston Financial Opportunity Zone Fund 1 LP (99.99%)
 - Cloverlay Sports Assets SPV L.P.
 - Arctos Phanatic Co-Invest, LP (32.2%)
 - Companion Life Insurance Company
 - Fulcrum Growth Partners III, L.L.C. (80%)
 - Medicare Advantage Insurance Company of Omaha
 - MGG Rated Debt Feeder Fund LP (50%)
 - MGG SF Evergreen Unlevered Fund 2020 LP (53%)
 - MGG SPV XI LLC (20.03%)
 - MHEG OZ Fund 1, LP (99.99%)
 - Mutual of Omaha Opportunities Fund, L.P. (99%)
 - Mutual of Omaha OF Cayman, Ltd.
 - Mutual of Omaha Structured Settlement Company
 - Omaha Reinsurance Company
 - UM Holdings, LLC
 - United DMLT Holdings, LLC
 - United World Life Insurance Company

Shareholder

Article III, Section II of the Company’s Articles of Incorporation states that, “the capital stock of the Company shall be nine million dollars (\$9,000,000), divided into nine hundred thousand (900,000) shares of the par value of ten dollars (\$10.00) each.” At December 31, 2022, Company records indicated that 900,000 shares were issued and outstanding, which were all owned by Mutual of Omaha.

Article I, Section 1 of the Company’s By-Laws states that, “the Stockholders shall meet annually during the month of March on a date and at a time and place to be determined by the Board of Directors.”

Board of Directors

Article II, Section 1 of the Company's By-Laws states that, "the Board of Directors shall consist of not less than five and not more than twelve Directors, one of which shall be the Chief Executive Officer of the Corporation. Not less than one of the Directors shall be a resident of Nebraska. At least one of the Directors (aside from the Chief Executive Officer) shall be an individual who has in excess of twenty years of experience as a senior executive for a health and/or life insurance company similar to the Corporation (the ‘Industry Director’). This Director will be selected by the Executive Committee of the Board of Directors. Directors shall be elected at each annual meeting of the Stockholders.”

The following persons were serving as Directors on December 31, 2022:

Name and Residence

Principal Occupation

James T. Blackledge
Elkhorn, Nebraska

Chief Executive Officer, United of Omaha Life
Insurance Company

Edward J. Bonach
Plymouth, Minnesota

Retired, formerly Chief Executive Officer, CNO
Financial Group, Inc.

<u>Name and Residence</u>	<u>Principal Occupation</u>
James R. Boyle Naples, Florida	Retired, formerly President and Chief Executive Officer of Foresters Financial
Kimberly N. Ellison-Taylor Bowie, Maryland	Chief Executive Officer, KET Solutions, LLC
W. Gary Gates Omaha, Nebraska	Retired, formerly Chief Executive Officer and President, Omaha Public Power District
Sheila Hooda Wellington, Florida	Chief Executive Officer and President, Alpha Advisory Partners
Rodrigo López Omaha, Nebraska	Chairman, AmeriSphere Companies, LLC
Derek R. McClain Dallas, Texas	Chief Underwriting and Risk Officer, CBRE Real Estate Investments
James G. McFarlane Santa Barbara, California	Retired, formerly Executive Advisor, Arthur J. Gallagher & Co.
Paula R. Meyer St. Ansgar, Iowa	Retired, formerly President, RiverSource Funds and Ameriprise Certificate Company

Officers

Article IV, Section I of the Company’s Articles of Incorporation states that, “the Officers of the Corporation shall consist of a Chief Executive Officer and such other Officers with such functions and titles as may be authorized by resolution of the Board of Directors.”

The following is a partial listing of Senior Officers elected and serving the Company on December 31, 2022:

<u>Name</u>	<u>Office</u>
James T. Blackledge	Chief Executive Officer
T. Scott Ault	Executive Vice President
Bradley N. Buechler	Executive Vice President
Nancy L. Crawford	General Counsel
Richard R. Hrabchak	Chief Financial Officer and Chief Investment Officer

<u>Name</u>	<u>Office</u>
Michael A. Lechtenberger	Chief Information Officer
Elizabeth A. Mazzotta	Chief Administrative Officer
Stacy A. Scholtz	Executive Vice President

Committees

Article II, Section 4 of the Company’s By-Laws states that, “the Board of Directors may create such committees as they may see fit and may designate the duties and powers of such committees; provided, however, that no such committee shall be given authority to amend the Articles of Incorporation or to amend the By-Laws of the Corporation. Each committee shall have its own written charter that addresses that committee’s purpose, authority and responsibilities as approved by the Board of Directors.”

The following persons were serving on the Audit Committee on December 31, 2022:

Edward J. Bonach, Chair	Kimberly Ellison-Taylor
W. Gary Gates	Derek R. McClain

The following persons were serving on the Compensation and Evaluation Committee on December 31, 2022:

Paula R. Meyer, Chair	Sheila Hooda
James G. McFarlane	

The following persons were serving on the Corporate Governance Committee on December 31, 2022:

W. Gary Gates, Chair	Rodrigo López
Derek R. McClain	

The following persons were serving on the Executive Committee on December 31, 2022:

James G. McFarlane, Chair	James T. Blackledge
Edward J. Bonach	Derek R. McClain

The following persons were serving on the Investment Committee on December 31, 2022:

Rodrigo López, Chair	James T. Blackledge
Paula R. Meyer	

The following persons were serving on the Risk Committee on December 31, 2022:

Sheila Hooda, Chair	Kimberly Ellison-Taylor
Rodrigo López	

TRANSACTIONS WITH AFFILIATES

Intercompany Services Agreement

Effective August 1, 2020, the Company, its parent, Mutual, and certain of its subsidiaries entered into an intercompany services agreement. The parties to the agreement include the Company, CLIC, East Campus Realty, LLC, Mutual Community Development Company, Mutual of Omaha Holdings, Inc., Mutual of Omaha Investor Services, Inc., Mutual of Omaha LoanPro, L.L.C., Mutual of Omaha Marketing Corporation, Mutual of Omaha Mortgage, Inc. (MOMI), Mutual of Omaha Structured Settlement Company, OMAFIN, Inc., Omaha Financial Holdings, Inc., OIC, ORC, OSIC, Turner Park North, LLC, UM Holdings, LLC., and UWLIC. The agreement was executed to revoke and replace various other existing services agreements and consolidate them into one agreement.

This agreement provides that, “the parties will make available to each other the services of certain employees, specialists, professionals, skilled and experienced administrators and specialized equipment, as needed, upon terms that are fair and reasonable at a reasonable cost to be determined by the provider of the services as the function, services and equipment are made available.” The services to be performed include accounting, treasury management, business

operation management, investment advisory, and other areas of expertise, such as public relations or other professional services.

The agreement is effective until terminated. Any party may terminate its participation in the agreement by providing 90 days written notice to the other parties.

Tax Allocation Agreement

A consolidated federal income tax return is filed for Mutual and its eligible subsidiaries pursuant to a written agreement approved by the Board of Directors. Each company's provision for federal income tax expense is based on separate return calculations with credit for operating losses allowed by the parent company only as each company would utilize such losses on a separate return basis with limited exceptions.

Revolving Credit Notes

Effective March 25, 2022, the Company entered into revolving credit note with its parent, Mutual. Under the terms of the note, the Company may borrow up to \$250,000,000. Also effective on March 25, 2022, the Company entered into another revolving credit note, whereby the Company may lend up to \$500,000,000 to Mutual. As of December 31, 2022, there were no outstanding borrowings pursuant to either agreement.

Effective October 21, 2022, the Company and its affiliate, MOMI, entered into a revolving credit note. This agreement authorizes the Company to advance up to \$50,000,000 to MOMI. As of December 31, 2022, MOMI had borrowed the maximum limit of \$50,000,000 from the Company.

Mortgage Warehouse Line of Credit

Effective October 28, 2022, the Company entered into a mortgage warehouse line of credit with its affiliate, MOMI. Under this agreement, the Company may advance funds, up to

\$400,000,000, to MOMI for the purpose of funding loans secured by one-to-four family residential dwellings. As of December 31, 2022, MOMI carried an outstanding balance of \$78,500,000 to the Company.

Capital Contributions

Capital contributions were made to the following subsidiaries since the last financial examination:

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Companion Life Insurance Company			\$10,000,000
Boston Financial Opportunity Zone Fund 1		\$25,364,675	
Medicare Advantage Insurance Company of Omaha		\$35,000,000	
MHEG OZ Fund 1 LP	17,800,000		
Mutual of Omaha Opportunities Fund	<u>11,404,102</u>	<u>60,120,833</u>	<u> </u>
	\$64,204,102	\$85,485,508	\$10,000,000

The company made no capital contributions in 2022. Also, the Company received a capital contribution of \$66,968 in 2019 from its parent, Mutual.

Return of Capital

The following return of capital payments were made to the Company since the last financial examination:

	<u>2020</u>	<u>2021</u>	<u>2022</u>
Mutual of Omaha Medicare Advantage Company			\$ 3,700,000
Mutual of Omaha Opportunities Fund	\$8,149,819		
Omaha Reinsurance Company	<u> </u>	<u>\$23,000,000</u>	<u>106,124,866</u>
	\$8,149,819	\$23,000,000	\$109,824,866

There were no return of capital payments made in 2019.

Dividends

The Company received the dividends during the examination period of \$11,921,615 from its subsidiary, Fulcrum Growth Partners in 2019, and \$15,675,134 from its affiliate Omaha Reinsurance Company in 2022.

TERRITORY AND PLAN OF OPERATION

As evidenced by current or continuous Certificates of Authority, the Company is licensed to transact business in all states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and the British Virgin Islands, with the exception of New York.

The Company offers a diversified portfolio of individual and group life and annuity products, guaranteed interest contracts and funding agreements, individual Medicare Supplement and long-term care, group accident and health products and administrative services for retirement plans.

The Company's individual life and annuity products are sold through three primary distributions: Advisor Network, Brokerage, and Direct to Consumers (DTC).

As of December 31, 2022, Advisor Network is comprised of 961 independent contractor agents, which are managed by 98 employee field managers along with support from the Advisor Network Home Office team. The 30 Division Offices in Advisor sales focus on utilizing a needs-based sales methodology to identify customers' insurance and investment needs. Based on client need, agents focus on providing solutions from the Company's portfolio of products and services.

Brokerage distributes a wide range of insurance products through a national network of independent intermediaries.

DTC sells and services insurance products that are either guaranteed issue or have simplified underwriting requirements. Customers can purchase policies directly by making a phone call, returning an application by mail or through the Internet.

In 2008, the Company began selling Medicare Supplement insurance. The Medicare Supplement business is sold through Advisor Network, Brokerage, and DTC.

The Company's group operation markets both employer-sponsored and voluntary products, including accident, critical illness, dental, hospital indemnity, disability, life and accidental death and dismemberment, through 24 group sales offices and 9 group sales satellite offices, as well as through insurance brokers. Group benefit payments are generally handled in the home office.

The Company's retirement products are sold through intermediaries including third party administrators, financial professionals, investment managers, and product wholesalers marketed towards employers.

The Company and its parent, Mutual of Omaha, generally use the same sales offices, personnel, and brokers.

REINSURANCE

Assumed – Affiliates

Effective January 1, 1967, the Company entered into a reinsurance agreement with its subsidiary, CLIC which cedes a coinsurance percentage of policy liabilities under the Quota Share policies and all policy liabilities under the yearly renewable term (YRT) policies in excess of CLIC's retention limit of \$100,000 up to the Company's retention.

Effective July 1, 2016, the Company entered into a quota share reinsurance agreement with CLIC on Indexed Universal Life. The Company automatically reinsures 90% of each risk, on a first dollar quota share basis.

Also, effective July 1, 2016, the Company entered into an excess of loss reinsurance agreement with CLIC on Indexed Universal Life. The Company assumes all individual life and accidental death benefit that is written beyond CLIC's retention point of \$100,000.

Assumed – Non-Affiliates

The Company assumes direct and retroceded life insurance risks on closed blocks of automatic and facultative-obligatory YRT and coinsurance agreements, not exceeding its retention from various carriers/reinsurers.

Ceded – Affiliates

Effective April 1, 2010, the Company entered into a reinsurance agreement with its subsidiary, ORC, under which it cedes all reserves for certain level premium term life insurance policies and riders issued between January 1, 2003, and September 30, 2013.

Effective April 1, 2014, the Company entered into a reinsurance agreement with ORC, under which it cedes all reserves for certain universal life insurance policies and riders issued between January 1, 2003, and September 30, 2013.

Effective October 1, 2016, the Company entered into a reinsurance agreement with ORC, under which it cedes all reserves for certain level premium term life insurance policies and riders issued between October 1, 2013, and December 31, 2019.

Under the terms of a reinsurance agreement effective July 1, 2007, as amended July 1, 2011, to include net of third-party reinsurance to Reinsurance Group of America (RGA). The

Company agreed to cede 100% of the individual long-term care business issued on or after July 1, 2007, to its parent, Mutual.

Under the terms of a reinsurance agreement effective January 1, 2013, the Company agreed to cede 100% of all Medicare Supplement business issued on or after the effective date to its parent, Mutual.

Ceded – Non-Affiliates

The Company has several automatic and/or facultative agreements in effect with several reinsurers on a yearly renewable term or coinsurance basis.

In August 1998, the Company reinsured all level term products with face amounts greater than \$250,000 in a 65% quota share coinsurance pool. The pool included the following reinsurers: Allianz Life Insurance Company, Employers Reassurance Corporation, Cologne Reinsurance Company, Security Life of Denver Insurance Company, and Lincoln National Life Insurance Company. Pool reinsurers in later time periods also included Canada Life Assurance Company (Canada Life), Munich American Reassurance Company (MARC), RGA, Gerling Global, Swiss Re Life & Health America Inc. (Swiss Re), and Scottish Re. Minimum face amounts eligible for the pool as well as percentages retained and ceded were amended over time. The Company retains 100% of disability waiver of premium and accidental death benefit coverage. The coinsurance pool was terminated for new business on October 16, 2005.

Effective December 31, 2003, the Company ceded its variable life and variable annuity business to Security Benefit Life Insurance Company (Security Benefit) on a combination of indemnity reinsurance, coinsurance, and a modified coinsurance basis. The indemnity reinsurance covers 100% of policy liabilities; the 100% coinsurance covers general account reserves; and the 100% modified coinsurance covers policy account amounts. The agreement also provided for a

transfer of assets from the Company to Security Benefit. Included assets were: policy loans, premiums due, premiums deferred and uncollected and premium adjustments. Any and all amounts, payments or consideration are included within the cash transferred pursuant to the agreement. The agreement established a security trust to which Security Benefit agrees to deposit an amount not less than, or transfer assets whose market value is not less than, the general account reserves reinsured on a coinsurance basis, less adjustments to general account reserves and less the amount of outstanding policy loans. Along with the reinsurance agreement, Security Benefit administers the business reinsured and collects a monthly per policy fee from the Company for each policy in force that month.

Effective November 1, 2004, the Company entered into a YRT excess agreement with Generali USA Life Reassurance Company (Generali) such that retained risks of Priority Term plans in the quota share coinsurance pool in excess of the Company's retention (\$750,000, graded) were ceded on a YRT basis in Generali. This agreement was terminated for new business on October 16, 2005. The Company retains 100% of disability waiver of premium and accidental death benefit coverage.

Effective October 17, 2005, the Company reinsured all Priority Term plans with a yearly renewable term excess of loss reinsurance pool. The reinsurance pool members were: Canada Life, Generali, Swiss Re, and Scottish Re. The Company's retention limit of \$750,000 downgrades by age and risk. The Company retains 100% of disability waiver of premium and accidental death benefit coverage. The pool terminated to new business effective September 30, 2006.

Effective March 22, 2006, the Company reinsured certain Limited Underwritten Term plans with Transamerica Life Insurance Company (Transamerica) in a 90% quota share

coinsurance agreement. The Company retains 10% of the face amount of each policy and cedes the remaining 90% to Transamerica. Policies must have a face greater than \$50,000 to be ceded.

Effective October 1, 2006, all fully underwritten individual life policies in excess of the Company's retention were reinsured with Canada Life, Generali, Hannover Life Reassurance Company of America (Hannover), and Swiss Re. The Company's retention was increased from \$750,000 to \$1,500,000 on an individual life with applicable downgrades, effective October 1, 2006. All fully underwritten individual life policies are covered in the reinsurance pool. The Company retains 100% of disability waiver of premium and accidental death benefit coverage.

Effective July 1, 2007, the Company cedes to MARC group long-term disability business in excess of \$6,000 gross monthly benefit, up to a maximum of \$25,000. Amounts over \$25,000 were retained by the Company. The Company's reinsurance attachment was increased to \$8,500 effective July 1, 2017, and again increased to \$9,000 effective July 1, 2021. Amounts over \$20,000 are retained by the Company.

The Company and its affiliates, Mutual and CLIC, cede group life and group accidental death and dismemberment business to ING RE (ING), effective October 1, 2007. The contract was novated from ING to RGA, effective September 1, 2010. Amendment of contract with RGA was effective October 1, 2014; this change coverage to \$3,550,000 excess of \$450,000, previous coverage for life business was \$3,000,000 excess of \$500,000 per person. Coverage for group AD&D business is \$2,000,000 excess of \$500,000 per person.

Effective March 1, 2008, the Company reinsured all Term Life Express plans in a yearly renewable term, 50% quota share pool with the following reinsurers: Generali and Swiss Re. Generali assumes 40% and Swiss Re assumes 60% of the 50% quota share pool. Effective February 1, 2013, the pool shares were changed to Swiss Re 15%, Hannover 25%, and MARC

20%. Effective December 1, 2017, the pool share was changed to Swiss Re 15% and MARC 20%. Effective January 1, 2019, the pool share was changed for Swiss Re to 30% and MARC remained at 20%. Effective June 1, 2019, the pool share was changed for MARC to 10% and Swiss Re remained at 30%.

Effective January 1, 2009, the Company reinsured all fully underwritten individual universal life and level term plans in a yearly renewable term, excess of loss pool with the following reinsurers: Generali, RGA, Swiss Re, and Hannover. The Company's retention limit of \$1,500,000, per insured, downgrades by age and risk. Generali, RGA and Hannover each assume 20%, and Swiss Re assumes the remaining 40% of the excess losses. Effective October 1, 2009, the pool shares were changed to reflect RGA and Hannover each assuming 20%, Swiss RE 45%, and Generali 15%. Effective December 1, 2009, the pool shares were changed to Swiss Re 45%, Hannover 25%, RGA 20%, and Generali 10%.

Effective August 15, 2009, the Company reinsured all joint last survivor universal life plans in an excess of loss pool with Hannover, RGA and Swiss Re. The Company's retention limit of \$5,000,000 downgrades by age and risk. Hannover and RGA each assume 25% and Swiss Re assumes 50% of the losses in excess of the retention limit.

Effective April 1, 2011, the Company reinsured fully underwritten individual universal life and level term plans in a yearly renewable term, risk excess pool with the following reinsurers: Swiss Re, Hannover, MARC and SCOR Global Life U.S. Re Insurance Company (SCOR). The Company's retention limit is \$2,000,000 per insured, graded down by age and risk. Swiss Re, Hannover and MARC each assume 30% and SCOR assume 10% of the losses in excess of the retention limit. Effective March 1, 2017, the pool shares were change to MARC 35%, Hannover 30%, SCOR 25% and Swiss Re 10%.

Effective July 1, 2011, the Company, along with its parent, Mutual, entered into a 50% quota share reinsurance agreement with RGA, covering individual and multi-life, long-term care business. Effective January 1, 2017, the ceded percentage was reduced to 15%. Effective January 1, 2020, the quota share percentage changed back to 50% on new long-term care business written.

Effective October 1, 2011, the Company reinsured all joint last survivor universal life plans in an excess of loss pool with Swiss Re, Hannover, MARC and SCOR. The Company's retention limit is \$5,000,000 per insured, graded down by age and risk. Swiss Re, Hannover and MARC each assume 30% and SCOR assume 10% of the losses in excess of the retention limit.

Effective August 1, 2017, the Company reinsured individual universal life and level term plans underwritten under the accelerated underwriting program after a retention of 25%, with the following reinsurers: MARC 33.33% and SCOR 66.67%.

Effective April 1, 2019, the Company entered into a funds withheld coinsurance agreement with F&G Reinsurance Ltd. (F&G). F&G reinsures 100% of certain fixed deferred annuity policies issued by the Company.

Effective October 1, 2019, the Company entered into a first dollar quota share reinsurance agreement with MARC, whereby MARC assumes 50% of certain living promise plans and accelerated death benefits.

Effective January 1, 2020, the Company entered into a quota share reinsurance agreement with New Reinsurance Company Ltd. (NRC). Through this agreement, NRC assumes certain flexible premium universal life policies and riders issued by the Company between October 1, 2013, and December 31, 2019. The Company cedes 35% on a coinsurance basis and 65% on a YRT basis.

Effective July 1, 2020, the Company entered into a variable coinsurance agreement with Commonwealth Annuity and Life Insurance Company (Commonwealth), whereby Commonwealth assumes fixed annuity contracts issued by the Company on or after the effective date. Quota share varies on this agreement based on monthly rate quotes from the reinsurer.

General

All contracts reviewed contained standard insolvency, arbitration, errors and omissions, and termination clauses where applicable. All contracts contained the clauses necessary to assure reinsurance credits could be taken.

BODY OF REPORT

GROWTH

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

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Bonds	\$16,568,679,881	\$18,255,660,612	\$19,120,145,667	\$21,549,654,445
Admitted assets	26,246,357,059	28,649,865,991	31,183,618,852	33,225,078,218
Aggregate life reserves	11,594,704,344	12,613,978,430	13,668,769,431	15,622,630,548
Total liabilities	24,484,419,088	26,779,071,274	29,258,798,838	31,265,178,438
Capital and surplus	1,761,937,972	1,870,794,716	1,924,820,013	1,959,899,780
Premiums earned	3,717,439,390	4,575,439,234	4,840,610,373	5,986,567,488
Net investment income	849,087,629	924,403,541	1,012,479,122	1,078,881,159
Death benefits	856,266,617	1,055,031,073	1,298,861,141	1,185,652,406
Net income	136,209,533	77,994,755	(28,997,031)	11,473,357

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the State of Nebraska Department of Insurance and present the financial condition of the Company for the period ending December 31, 2022. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported

in the annual statements and should be considered an integral part of the financial statements. A reconciliation of the capital and surplus account for the period under review is also included.

FINANCIAL STATEMENT
December 31, 2022

Assets

	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$21,549,654,445		\$21,549,654,445
Preferred stocks	181,779,852		181,779,852
Common stocks	241,138,797	\$ 5,053,649	236,085,148
Mortgage loans – first liens	3,926,098,742		3,926,098,742
Real estate – occupied by the company	4,459,105		4,459,105
Real estate – held for sale	3,762,818		3,762,818
Cash	(81,494,619)		(81,494,619)
Cash equivalents	37,937,803		37,937,803
Short-term investments	128,500,000		128,500,000
Contract loans	226,165,833	67,040	226,098,793
Derivatives	128,196,826		128,196,826
Other invested assets	942,944,497		942,944,497
Receivables for securities	21,447,761		21,447,761
Securities lending reinvested collateral	<u>867,713,771</u>		<u>867,713,771</u>
Subtotal, cash and invested assets	\$28,178,305,630	\$ 5,120,689	\$28,173,184,940
Investment income due and accrued	207,503,781		207,503,781
Uncollected premiums	(149,212,216)	3,196,056	(152,408,271)
Deferred premiums	382,385,052		382,385,052
Amounts recoverable from reinsurers	134,671,605		134,671,605
Funds held by reinsured companies	66,575,276		66,575,276
Other amounts receivable under reinsurance contracts	103,061,345		103,061,345
Net deferred tax asset	305,766,882	182,699,116	123,067,766
Guaranty funds receivable or on deposit	10,867,793		10,867,793
Electronic data processing equipment	10,557		10,557
Furniture and equipment	116,712	116,712	
Health care and other amounts receivable	6,321,870	6,321,870	
Suspense items	103,571,356	100,448,135	3,123,221
Other assets	8,801,238	3,669,343	5,131,895
Separate accounts	<u>4,167,903,258</u>		<u>4,167,903,258</u>
Total assets	<u>\$33,526,650,139</u>	<u>\$301,571,921</u>	<u>\$33,225,078,218</u>

Liabilities, Surplus, and Other Funds

Aggregate reserve for life contracts	\$15,622,630,548
Aggregate reserve for accident and health contracts	880,474,298
Liability for deposit-type contracts	5,810,471,738
Contract claims – life	174,797,476
Contract claims – accident and health	307,779,862
Premiums and annuity considerations received in advance	36,394,865
Provision for experience rating refunds	8,552,465
Interest maintenance reserve	26,901,979
Commissions to agents due or accrued	107,492,647
Commissions and expense allowance payable on reinsurance assumed	933,338
General expenses due or accrued	46,004,144
Transfers to separate accounts	(2,204,044)
Taxes, licenses and fees due or accrued	32,064,883
Current federal income taxes	10,068,874
Unearned investment income	4,648,049
Amounts withheld or retained by company as agent or trustee	1,731,989
Amounts held for agents' account	27,526,723
Remittances and items not allocated	44,776,124
Borrowed money and interest thereon	117,158,085
Asset valuation reserve	305,533,139
Funds held under reinsurance treaties	604,331,294
Payable to parent, subsidiaries and affiliates	179,595,274
Drafts outstanding	36,495,571
Funds held under coinsurance	1,541,183,287
Derivatives	10,415,084
Payable for securities	797,216
Payable for securities lending	867,713,771
Cash collateral received	224,892,000
Abandoned property	39,309,937
Miscellaneous liabilities	27,808,437
Interest on claims	996,126
Separate accounts	<u>4,167,903,258</u>
Total liabilities	\$31,265,178,438
Common capital stock	9,000,000
Gross paid in and contributed surplus	582,625,018
Unassigned funds (surplus)	<u>1,368,274,762</u>
Total capital and surplus	<u>\$ 1,959,899,780</u>
Total liabilities, capital and surplus	<u><u>\$33,225,078,218</u></u>

SUMMARY OF OPERATIONS – 2022

Premiums and annuity considerations for life and accident and health contracts	\$5,986,567,488
Considerations for supplementary contracts with life contingencies	153,636
Net investment income	1,078,881,159
Amortization of Interest Maintenance Reserve	9,698,246
Commissions and expense allowances on reinsurance ceded	190,968,274
Income from fees associated with investment management, administration, and contract guarantees from Separate Accounts	28,220,022
Charges and fees for deposit-type contracts	2,807,924
Other miscellaneous income	<u>3,453,684</u>
 Total income	 <u>\$7,300,750,432</u>
 Death benefits	 \$1,185,652,406
Matured endowments	1,225,550
Annuity benefits	792,436,715
Disability benefits and benefits under accident and health contracts	1,059,727,934
Surrender benefits and withdrawals for life contracts	90,385,689
Group conversions	29,268
Interest and adjustments on contract or deposit-type contract funds	142,116,226
Payments on supplementary contracts with life contingencies	527,613
Increase in aggregate reserves for life and accident and health contracts	<u>1,975,256,487</u>
 Total benefits	 \$5,247,357,887
 Commissions on premiums, annuity considerations and deposit-type contracts	 794,741,438
Commissions and expense allowances on reinsurance assumed	5,361,465
General insurance expenses	893,917,413
Insurance taxes, licenses and fees, excluding federal income taxes	140,269,088
Increase in loading on deferred and uncollected premiums	9,355,134
Interest on funds withheld from reinsurers	87,335,717
IMR ceded to reinsurer	1,845,165
Other miscellaneous deductions	1,050,247
Agents' terminal agreement	<u>504,749</u>
 Total benefits and expenses	 <u>\$7,181,738,303</u>
 Net gain from operations before dividends, federal income taxes and net realized capital gains	 \$ 119,012,129
Dividends to policyholders	1,518
Federal income taxes incurred	69,560,036
Net realized capital losses	<u>(37,977,218)</u>
 Net income	 <u>\$ 11,473,357</u>

CAPITAL AND SURPLUS ACCOUNT

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Capital and surplus, beginning	<u>\$1,639,369,793</u>	<u>\$1,761,937,972</u>	<u>\$1,870,794,716</u>	<u>\$1,924,820,013</u>
Net income	\$ 136,209,533	\$ 77,994,755	\$ (28,997,031)	\$ 11,473,357
Change in net unrealized capital gains	(30,175,636)	(21,743,366)	181,279,253	65,072,744
Change in net unrealized foreign exchange capital loss	(582,749)	(507,180)	382,755	(3,284,963)
Change in net deferred income tax	45,468,745	33,572,888	7,130,398	75,274,509
Change in nonadmitted assets	(21,023,790)	(34,590,586)	24,800,814	(95,105,247)
Change in reserve on account of change in valuation basis	(33,613,143)	25,137,515	18,163,384	(25,665,378)
Change in asset valuation reserve	(12,905,159)	(21,825,769)	(144,024,959)	31,133,982
Surplus adjustment paid in	66,968			
Change in surplus as a result of reinsurance	39,791,845	64,948,738	(18,009,404)	(27,790,659)
Prior year adjustment			13,395,650	4,486,889
Change in loading on deferred premium asset	<u>(668,433)</u>	<u>(14,130,251)</u>	<u>(95,564)</u>	<u>(515,465)</u>
Net change for the year	<u>\$ 122,568,180</u>	<u>\$ 108,856,743</u>	<u>\$ 54,025,297</u>	<u>\$ 35,079,767</u>
Capital and surplus, ending	<u>\$1,761,937,972</u>	<u>\$1,870,794,716</u>	<u>\$1,924,820,013</u>	<u>\$1,959,899,780</u>

EXAMINATION CHANGES IN FINANCIAL STATEMENTS

Unassigned funds (surplus) in the amount of \$1,368,274,762, as reported in the Company's 2022 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

No recommendations were made as a result of the previous examination.

COMMENTARY ON CURRENT EXAMINATION FINDINGS

There are no comments or recommendations that have been made as a result of this examination.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

There are no comments or recommendations that have been made as a result of this examination.

ACKNOWLEDGMENT

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

In addition to the undersigned, Brian Davis, CFE, Joe Jacobson, CFE, John Wiatr, CFE, and Caden Boesiger, Financial Examiners; and Michael Muldoon, MAAA, ASA, FCA, and Margaret Garrison, Actuarial Examiners; all with the Nebraska Department of Insurance; Stefan Obereichholz-Bangert, AES, CISA, CISM and Michael Nadeau, CFE, AES, CISA, CPA Information Systems Specialists with Noble Consulting Services, Inc., contracted by the Nebraska Department of Insurance; and Financial Examiners and Actuarial Examiners with the New York Department of Financial Services; participated in this examination and assisted in the preparation of this report.

Respectfully submitted,



Isaak Russell, CFE
Examiner-in Charge
Department of Insurance
State of Nebraska

State of Nebraska,

County of Lancaster,

Isaak Russell, being duly sworn, states as follows:

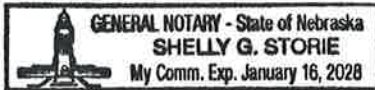
1. I have authority to represent the Department of Insurance of the State of Nebraska in the examination of Mutual of Omaha Insurance Company and its insurance affiliates.
2. The Department of Insurance of the State of Nebraska is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of Mutual of Omaha and its insurance affiliates 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 15th day of APRIL, 2024.

(SEAL)




Notary Public

My commission expires Jan 16, 2028 [date].