

**QUARTERLY STATEMENT**

**OF THE**

**Commonwealth Annuity and Life Insurance Company**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**FOR THE QUARTER ENDED  
JUNE 30, 2021**

**LIFE, ACCIDENT AND HEALTH**

**FRATERNAL BENEFIT SOCIETIES**

**2021**



LIFE, ACCIDENT AND HEALTH COMPANIES/FRATERNAL BENEFIT SOCIETIES - ASSOCIATION EDITION

# QUARTERLY STATEMENT

AS OF JUNE 30, 2021

OF THE CONDITION AND AFFAIRS OF THE

## Commonwealth Annuity and Life Insurance Company

NAIC Group Code 3891 3891 NAIC Company Code 84824 Employer's ID Number 04-8145677  
(Current) (Prior)

Organized under the Laws of Massachusetts, State of Domicile or Port of Entry MA

Country of Domicile United States of America

Licensed as business type: Life, Accident and Health  Fraternal Benefit Societies

Incorporated/Organized 12/30/2002 Commenced Business 01/31/1987

Statutory Home Office 20 Guest Street Brighton, MA, US 02135  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 20 Guest Street Brighton, MA, US 02135 508-460-2400  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 20 Guest Street Brighton, MA, US 02135  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 20 Guest Street Brighton, MA, US 02135 508-460-2400  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.globalatlantic.com

Statutory Statement Contact Andrew Chilson Morse 508-460-2488  
(Name) (Area Code) (Telephone Number)  
andrew.morse@gafj.com 774-368-3825  
(E-mail Address) (FAX Number)

### OFFICERS

President <u>Robert Michael Arena Jr.</u>	Chief Financial Officer, Treasurer <u>David Allen Jacoby</u>
SVP, Associate General Counsel, Secretary <u>Kathryn Lauren Freund</u>	SVP and Appointed Actuary <u>Robert James Egan</u>

### OTHER

<u>Anup Agarwal, Chief Investment Officer</u>	<u>Jason Alexander Bickler, MD, Chief Distribution Officer</u>	<u>Thomas Andrew Doruska, Senior Vice President</u>
<u>Padma Elmgart, Chief Technology Officer</u>	<u>Mark Francis Erickson, MD, COO - Investments</u>	<u>Susan Lorraine Fiengo, Managing Director</u>
<u>Ilya Grigoryevich Finkler, Managing Director</u>	<u>Jane Spanier Grosso, SVP and Controller</u>	<u>Jonathan Hecht, Managing Director</u>
<u>Brian Michael Hendry, Chief Audit Executive</u>	<u>Douglas Robert Jaworski, Senior Vice President</u>	<u>Jason Kao, Managing Director</u>
<u>Kevin Michael Kimmertling, SVP, Asso. GC, Asst. Sec.</u>	<u>Lori Ann LaForge, Chief Marketing Officer</u>	<u>Donna Marie Lasick, Senior Vice President</u>
<u>Victoria May Lau, Senior Vice President</u>	<u>Kevin Francis Leavey, SVP and Product Actuary</u>	<u>Hanben Kim Lee, Executive Vice President</u>
<u>Emily Anne LeMay, Managing Director</u>	<u>Justin David MacNeil, MD, Assistant Treasurer</u>	<u>Tonya Rachelle Maxwell, Senior Vice President</u>
<u>Juan Ignacio Mazzini, Senior Vice President</u>	<u>Stephen John McIntyre, Managing Director</u>	<u>Barrie Ribet Moskovich, Managing Director</u>
<u>Daniel Patrick O'Shea, Chief Administrative Officer</u>	<u>Sarah Marie Patterson, Managing Director</u>	<u>Peggy Hiu Poon, Senior Vice President</u>
<u>Samuel Ramos, Chief Legal Officer</u>	<u>Jason Michael Roach, Managing Director</u>	<u>Peter John Ruggel, Chief Operations Officer</u>
<u>Kelly June Rutherford, Senior Vice President</u>	<u>Manu Sareen, Managing Director</u>	<u>Lauren Taylor Scott, Senior Vice President</u>
<u>Andrew Mead Shainberg, Chief Compliance Officer</u>	<u>Philip William Sherrill, Managing Director</u>	<u>Gary Phillip Silber, Managing Director</u>
<u>Eric David Todd, Managing Director</u>	<u>Sarah Anne Williams, Managing Director</u>	<u>Edward Clive Wilson, Chief Risk Officer</u>
<u>Zhifeng Zhou, Senior Vice President</u>		

### DIRECTORS OR TRUSTEES

<u>Robert Michael Arena Jr.</u>	<u>Hanben Kim Lee</u>	<u>Paula Genevieve Nelson #</u>
<u>Peter John Ruggel #</u>	<u>Manu Sareen #</u>	<u>Eric David Todd</u>
<u>David Paul Wilken</u>		

State of Iowa County of Polk SS:

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

DocuSigned by:  
  
 Robert Michael Arena, Jr.  
 President

DocuSigned by:  
  
 Kathryn Lauren Freund  
 SVP, Associate General Counsel, Secretary

DocuSigned by:  
  
 David Allen Jacoby  
 Chief Financial Officer, Treasurer

Subscribed and sworn to before me this 27th day of July, 2021

a. Is this an original filing? ..... Yes [ X ] No [ ]  
 b. If no,  
 1. State the amendment number.....  
 2. Date filed.....  
 3. Number of pages attached.....



STATEMENT AS OF JUNE 30, 2021 OF THE Commonwealth Annuity and Life Insurance Company

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	30,229,508,815		30,229,508,815	30,093,677,440
2. Stocks:				
2.1 Preferred stocks	56,582,921		56,582,921	34,827,824
2.2 Common stocks	2,960,995,065		2,960,995,065	2,924,768,964
3. Mortgage loans on real estate:				
3.1 First liens	4,092,479,841		4,092,479,841	2,548,289,194
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 689,128,718 ), cash equivalents (\$ 906,469,645 ) and short-term investments (\$ 124,089,838 )	1,719,688,201		1,719,688,201	1,625,824,080
6. Contract loans (including \$ premium notes)	347,297,663		347,297,663	358,401,281
7. Derivatives	213,414,967		213,414,967	96,544,582
8. Other invested assets	282,701,060		282,701,060	277,985,590
9. Receivables for securities	886,098,947		886,098,947	19,024,687
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	40,788,767,480		40,788,767,480	37,979,343,641
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	268,463,191		268,463,191	268,506,860
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	132,325		132,325	2,102,964
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	2,307,610		2,307,610	2,410,733
15.3 Accrued retrospective premiums ( \$ ) and contracts subject to redetermination ( \$ )				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	6,608,298		6,608,298	12,488,248
16.2 Funds held by or deposited with reinsured companies	127,027,957		127,027,957	122,748,149
16.3 Other amounts receivable under reinsurance contracts	356,739,764		356,739,764	135,418,691
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	73,951,645		73,951,645	16,972,972
18.2 Net deferred tax asset	201,723,272		201,723,272	203,450,296
19. Guaranty funds receivable or on deposit	529,024		529,024	545,434
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ )				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care ( \$ ) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	2,790,831,758	575,975	2,790,255,783	1,784,557,796
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	44,617,082,324	575,975	44,616,506,349	40,528,545,785
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	2,356,890,725		2,356,890,725	2,235,209,593
28. Total (Lines 26 and 27)	46,973,973,049	575,975	46,973,397,074	42,763,755,378
<b>DETAILS OF WRITE-INS</b>				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)				
2501. Deposit Accounting Receivable	2,774,719,643		2,774,719,643	1,753,415,822
2502. Amounts recoverable from distribution channels	14,063,031		14,063,031	14,384,374
2503. Other assets				16,757,600
2598. Summary of remaining write-ins for Line 25 from overflow page	2,049,084	575,975	1,473,109	
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	2,790,831,758	575,975	2,790,255,783	1,784,557,796

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$ .....5,432,705,486 less \$ ..... included in Line 6.3 (including \$ .....1,293,470,404 Modco Reserve).....	5,432,705,486	6,784,271,116
2. Aggregate reserve for accident and health contracts (including \$ ..... Modco Reserve).....	222,984,662	2,074,003,584
3. Liability for deposit-type contracts (including \$ ..... Modco Reserve).....	785,544,532	778,329,741
4. Contract claims:		
4.1 Life .....	7,606,546	8,423,484
4.2 Accident and health .....	3,317,017	34,082,733
5. Policyholders' dividends/refunds to members \$ ..... and coupons \$ ..... due and unpaid .....		
6. Provision for policyholders' dividends, refunds to members and coupons payable in following calendar year - estimated amounts:		
6.1 Policyholders' dividends and refunds to members apportioned for payment (including \$ ..... Modco).....	438,224	451,204
6.2 Policyholders' dividends and refunds to members not yet apportioned (including \$ ..... Modco).....		
6.3 Coupons and similar benefits (including \$ ..... Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6 .....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ ..... discount; including \$ ..... accident and health premiums .....	226,141	1,873,371
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts .....		
9.2 Provision for experience rating refunds, including the liability of \$ ..... accident and health experience rating refunds of which \$ ..... is for medical loss ratio rebate per the Public Health Service Act .....		
9.3 Other amounts payable on reinsurance, including \$ .....139,758,205 assumed and \$ .....390,387,304 ceded .....	530,145,508	298,984,189
9.4 Interest Maintenance Reserve .....	84,663,933	206,104,524
10. Commissions to agents due or accrued-life and annuity contracts \$ .....378,435 , accident and health \$ .....2,150 and deposit-type contract funds \$ .....	380,585	316,133
11. Commissions and expense allowances payable on reinsurance assumed .....		
12. General expenses due or accrued .....	7,463,777	6,855,279
13. Transfers to Separate Accounts due or accrued (net) (including \$ .....(12,051,649) accrued for expense allowances recognized in reserves, net of reinsured allowances) .....	(19,610,824)	(24,161,256)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes .....	(1,637,739)	(325,323)
15.1 Current federal and foreign income taxes, including \$ ..... on realized capital gains (losses) .....		
15.2 Net deferred tax liability .....		
16. Unearned investment income .....	141,929	160,385
17. Amounts withheld or retained by reporting entity as agent or trustee .....	243,431	329,987
18. Amounts held for agents' account, including \$ ..... agents' credit balances .....		
19. Remittances and items not allocated .....	8,562,316	15,638,806
20. Net adjustment in assets and liabilities due to foreign exchange rates .....		
21. Liability for benefits for employees and agents if not included above .....		
22. Borrowed money \$ ..... and interest thereon \$ .....		
23. Dividends to stockholders declared and unpaid .....		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve .....	131,166,694	91,431,632
24.02 Reinsurance in unauthorized and certified (\$ ..... ) companies .....	1,315,931	2,633,839
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$ ..... ) reinsurers .....	30,343,039,283	23,586,916,171
24.04 Payable to parent, subsidiaries and affiliates .....	10,492,098	5,675,845
24.05 Drafts outstanding .....		
24.06 Liability for amounts held under uninsured plans .....		
24.07 Funds held under coinsurance .....	285,374,195	291,204,030
24.08 Derivatives .....	22,338,472	8,886,914
24.09 Payable for securities .....	348,329,297	72,495,443
24.10 Payable for securities lending .....		
24.11 Capital notes \$ ..... and interest thereon \$ .....		
25. Aggregate write-ins for liabilities .....	3,104,824,039	2,917,511,260
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25) .....	41,310,055,533	37,162,093,093
27. From Separate Accounts Statement .....	2,356,890,725	2,235,209,593
28. Total liabilities (Lines 26 and 27) .....	43,666,946,258	39,397,302,686
29. Common capital stock .....	2,526,000	2,526,000
30. Preferred capital stock .....		
31. Aggregate write-ins for other than special surplus funds .....		
32. Surplus notes .....	820,000,000	820,000,000
33. Gross paid in and contributed surplus .....	1,860,011,004	1,860,011,004
34. Aggregate write-ins for special surplus funds .....	44,999	44,999
35. Unassigned funds (surplus) .....	623,868,813	683,870,688
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 29 \$ ..... ) .....		
36.2 ..... shares preferred (value included in Line 30 \$ ..... ) .....		
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ ..... in Separate Accounts Statement) .....	3,303,924,816	3,363,926,692
38. Totals of Lines 29, 30 and 37 .....	3,306,450,816	3,366,452,692
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3) .....	46,973,397,074	42,763,755,378
<b>DETAILS OF WRITE-INS</b>		
2501. Deposit contracts payable .....	2,973,089,779	2,934,640,600
2502. FwH payable - IMR .....	(24,348,009)	(77,798,265)
2503. Derivatives collateral .....	155,030,000	57,790,000
2598. Summary of remaining write-ins for Line 25 from overflow page .....	1,052,269	2,878,925
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above) .....	3,104,824,039	2,917,511,260
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page .....		
3199. Totals (Lines 3101 through 3103 plus 3198)(Line 31 above) .....		
3401. Annuity mortality fluctuation reserve .....	44,999	44,999
3402. ....		
3403. ....		
3498. Summary of remaining write-ins for Line 34 from overflow page .....		
3499. Totals (Lines 3401 through 3403 plus 3498)(Line 34 above) .....	44,999	44,999

## SUMMARY OF OPERATIONS

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts	(2,942,726,362)	558,004,156	5,829,790,651
2. Considerations for supplementary contracts with life contingencies	1,402,291	1,692,911	3,813,607
3. Net investment income	576,750,219	361,595,759	933,844,712
4. Amortization of Interest Maintenance Reserve (IMR)	8,119,078	4,507,248	18,720,874
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded	32,229,142	36,047,746	(254,915,886)
7. Reserve adjustments on reinsurance ceded			
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	19,821,946	22,855,833	37,146,106
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income	58,883,941	33,923,168	(14,168,126)
9. Totals (Lines 1 to 8.3)	(2,245,519,745)	1,018,626,821	6,554,231,937
10. Death benefits	26,908,507	29,526,532	50,490,478
11. Matured endowments (excluding guaranteed annual pure endowments)			
12. Annuity benefits	105,357,222	98,254,454	192,186,525
13. Disability benefits and benefits under accident and health contracts	40,904,789	749,443	35,515,752
14. Coupons, guaranteed annual pure endowments and similar benefits	21,977	21,740	40,598
15. Surrender benefits and withdrawals for life contracts	174,072,619	95,836,316	235,536,975
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds	27,221,025	(6,068,934)	16,232,416
18. Payments on supplementary contracts with life contingencies	1,243	23,401	39,417
19. Increase in aggregate reserves for life and accident and health contracts	(3,206,388,868)	455,715,817	5,543,920,816
20. Totals (Lines 10 to 19)	(2,831,901,486)	674,058,769	6,073,962,977
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	2,578,159	2,348,168	4,922,422
22. Commissions and expense allowances on reinsurance assumed	43,213,307	52,141,855	(297,077,224)
23. General insurance expenses and fraternal expenses	57,316,324	48,422,315	101,295,013
24. Insurance taxes, licenses and fees, excluding federal income taxes	2,712,198	1,886,330	3,841,188
25. Increase in loading on deferred and uncollected premiums	(26,394)	(57,877)	(150,935)
26. Net transfers to or (from) Separate Accounts net of reinsurance	(25,694,835)	(24,967,381)	(60,360,729)
27. Aggregate write-ins for deductions	389,785,394	410,736,146	684,684,236
28. Totals (Lines 20 to 27)	(2,362,017,333)	1,164,568,325	6,511,116,948
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	116,497,588	(145,941,504)	43,114,989
30. Dividends to policyholders and refunds to members	480,701	583,483	1,191,556
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 minus Line 30)	116,016,887	(146,524,987)	41,923,433
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	(15,757,860)	(61,808,713)	99,231,152
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	131,774,747	(84,716,274)	(57,307,719)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ (19,741,640) (excluding taxes of \$ (17,243,204) transferred to the IMR)	(72,245,252)	211,584,625	128,032,673
35. Net income (Line 33 plus Line 34)	59,529,495	126,868,351	70,724,954
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
36. Capital and surplus, December 31, prior year	3,366,452,692	2,845,836,463	2,845,836,463
37. Net income (Line 35)	59,529,495	126,868,351	70,724,954
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ (5,321,653)	(33,017,129)	238,193,461	20,278,825
39. Change in net unrealized foreign exchange capital gain (loss)	77,017		
40. Change in net deferred income tax	(7,048,677)	(16,408,448)	162,314,992
41. Change in nonadmitted assets	1,877,646	(7,964,592)	6,597,663
42. Change in liability for reinsurance in unauthorized and certified companies	1,317,908	940,334	(466,002)
43. Change in reserve on account of change in valuation basis, (increase) or decrease			441,398
44. Change in asset valuation reserve	(39,735,062)	1,360,971	(46,550,281)
45. Change in treasury stock			
46. Surplus (contributed to) withdrawn from Separate Accounts during period	585,369	500,662	656,196
47. Other changes in surplus in Separate Accounts Statement	(585,369)	(500,662)	(656,196)
48. Change in surplus notes			
49. Cumulative effect of changes in accounting principles			
50. Capital changes:			
50.1 Paid in			
50.2 Transferred from surplus (Stock Dividend)			
50.3 Transferred to surplus			
51. Surplus adjustment:			
51.1 Paid in			340,000,000
51.2 Transferred to capital (Stock Dividend)			
51.3 Transferred from capital			
51.4 Change in surplus as a result of reinsurance	(44,332,707)	(2,279,561)	38,252,153
52. Dividends to stockholders			
53. Aggregate write-ins for gains and losses in surplus	1,329,634	(39,913,150)	(70,977,473)
54. Net change in capital and surplus for the year (Lines 37 through 53)	(60,001,875)	300,797,366	520,616,229
55. Capital and surplus, as of statement date (Lines 36 + 54)	3,306,450,816	3,146,633,829	3,366,452,692
<b>DETAILS OF WRITE-INS</b>			
08.301. Net assumed adjustment to IMR	48,454,220	2,623,344	(90,420,558)
08.302. Mortality fees	16,810,632	16,205,084	39,628,871
08.303. FwH net assumed/ceded activity	(16,476,866)	4,691,257	16,232,733
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	10,095,955	10,403,483	20,390,827
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	58,883,941	33,923,168	(14,168,126)
2701. Ceded funds withheld net investment income	410,294,554	274,359,429	566,010,440
2702. FwH ceded realized losses	(43,599,829)	101,968,370	69,726,020
2703. Net change in deposit liabilities	43,395,428	35,173,427	69,251,809
2798. Summary of remaining write-ins for Line 27 from overflow page	(20,304,759)	(765,080)	(20,304,032)
2799. Totals (Lines 2701 through 2703 plus 2798)(Line 27 above)	389,785,394	410,736,146	684,684,236
5301. Funds withheld gain adjustment	1,329,634	(39,913,150)	(70,977,473)
5302. Prior year audit adjustment - investment in subsidiary			
5303.			
5398. Summary of remaining write-ins for Line 53 from overflow page			
5399. Totals (Lines 5301 through 5303 plus 5398)(Line 53 above)	1,329,634	(39,913,150)	(70,977,473)

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance .....	3,039,998,032	407,421,636	3,618,217,620
2. Net investment income .....	641,680,081	385,143,392	921,223,569
3. Miscellaneous income .....	(118,571,367)	(26,174,375)	(146,624,947)
4. Total (Lines 1 to 3) .....	3,563,106,746	766,390,653	4,392,816,242
5. Benefit and loss related payments .....	165,224,451	170,642,379	436,840,085
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	(30,245,267)	(31,827,095)	(65,252,713)
7. Commissions, expenses paid and aggregate write-ins for deductions .....	474,305,460	525,464,933	212,831,243
8. Dividends paid to policyholders .....	493,681	610,895	1,247,100
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	4,699,008		157,495,807
10. Total (Lines 5 through 9) .....	614,477,333	664,891,112	743,161,522
11. Net cash from operations (Line 4 minus Line 10) .....	2,948,629,413	101,499,541	3,649,654,720
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	10,259,058,253	2,331,957,710	6,429,109,255
12.2 Stocks .....		3,491,824	104,589,822
12.3 Mortgage loans .....	310,448,245	33,937,743	104,605,420
12.4 Real estate .....			
12.5 Other invested assets .....	35,820,384	6,300,780	12,620,150
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....			
12.7 Miscellaneous proceeds .....		272,643,903	190,418,984
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	10,605,326,882	2,648,331,960	6,841,343,631
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	10,219,621,427	2,327,631,535	7,963,075,931
13.2 Stocks .....	25,919,889	5,067,400	264,296,674
13.3 Mortgage loans .....	1,854,714,610	466,635,310	1,141,808,915
13.4 Real estate .....			
13.5 Other invested assets .....	73,205,245	7,078,192	123,046,183
13.6 Miscellaneous applications .....	798,662,954	137,361,109	(39,637,632)
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	12,972,124,125	2,943,773,547	9,452,590,071
14. Net increase (or decrease) in contract loans and premium notes .....	(11,103,618)	(7,245,553)	(15,881,672)
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(2,355,693,625)	(288,196,034)	(2,595,364,768)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....			
16.2 Capital and paid in surplus, less treasury stock .....			340,000,000
16.3 Borrowed funds .....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	7,214,792	63,893,646	55,229,119
16.5 Dividends to stockholders .....			
16.6 Other cash provided (applied) .....	(506,286,458)	(126,161,629)	(522,612,133)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	(499,071,667)	(62,267,983)	(127,383,014)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	93,864,121	(248,964,476)	926,906,938
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	1,625,824,080	698,917,142	698,917,142
19.2 End of period (Line 18 plus Line 19.1) .....	1,719,688,201	449,952,666	1,625,824,080

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001. Assumption transfer of assets from Mass Mutual .....		140,818,669	
20.0002. Non cash exchanges .....	3,910,675	24,442,522	410,569,298
20.0003. Bonds received to settle reinsurance transactions .....	(318,842,339)		14,333,404,263
20.0004. Transfers/withdrawals .....			204,916,110
20.0005. Assumed premiums from reinsurance transactions .....	323,049,206		12,280,873,254
20.0006. Ceded premiums from reinsurance transactions .....	(6,348,439,906)		10,014,107,028
20.0007. FIH payable and deposit assets on reinsurance ceded .....	6,396,185,076		

**EXHIBIT 1**

**DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Industrial life .....			
2. Ordinary life insurance .....	21,073,929	22,448,934	44,187,677
3. Ordinary individual annuities .....	17,943,819	21,189,477	41,871,380
4. Credit life (group and individual) .....			
5. Group life insurance .....	71,724	62,758	130,009
6. Group annuities .....			
7. A & H - group .....			
8. A & H - credit (group and individual) .....			
9. A & H - other .....	92,260	94,499	170,978
10. Aggregate of all other lines of business .....			
11. Subtotal (Lines 1 through 10) .....	39,181,732	43,795,668	86,360,044
12. Fraternal (Fraternal Benefit Societies Only) .....			
13. Subtotal (Lines 11 through 12) .....	39,181,732	43,795,668	86,360,044
14. Deposit-type contracts .....	4,013,741	76,947,244	80,647,030
15. Total (Lines 13 and 14)	43,195,473	120,742,912	167,007,073
DETAILS OF WRITE-INS			
1001. ....			
1002. ....			
1003. ....			
1098. Summary of remaining write-ins for Line 10 from overflow page .....			
1099. Totals (Lines 1001 through 1003 plus 1098)(Line 10 above)			

## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies and Going Concern

#### A. Accounting Practices

Commonwealth Annuity and Life Insurance Company ("Commonwealth Annuity" or "the Company") is a stock life insurance company organized under the laws of the Commonwealth of Massachusetts, and is a wholly-owned indirect subsidiary of Global Atlantic Financial Group Limited ("GAFGL") effective April 30, 2013. The Company insures and reinsures blocks of fixed and variable annuities, universal and variable universal life insurance, and traditional life insurance. The Company owns life insurance companies that insure and sell fixed and variable annuities and fixed universal and variable life insurance.

The financial statements of Commonwealth Annuity are completed in accordance with those statutory accounting practices prescribed or permitted by the Commonwealth of Massachusetts. The National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures manual ("NAIC SAP") has been fully adopted as a component of prescribed or permitted practices by the Commonwealth of Massachusetts. The Commonwealth of Massachusetts has not issued any permitted practices to the Company.

A reconciliation of the Company's net income (loss) and statutory surplus between practices prescribed by the Commonwealth of Massachusetts and the NAIC SAP is shown below.

	SSAP #	F/S Page	F/S Line #	06/30/2021	12/31/2020
Net Income					
(1) State basis (Page 4, Line 35, Columns 1 & 3)	XXX	XXX	XXX	\$ 59,529,495	\$ 70,724,954
(2) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
(3) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$ 59,529,495</u>	<u>\$ 70,724,954</u>
Surplus					
(5) State basis (Page 3, Line 38, Columns 1 & 2)	XXX	XXX	XXX	\$ 3,306,450,816	\$ 3,366,452,692
(6) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
(7) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$ 3,306,450,816</u>	<u>\$ 3,366,452,692</u>

#### B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

#### C. Accounting Policy

Life premiums are recognized as income over the premium paying period of the related policies. Annuity considerations are recognized as income when received. Deposits on deposit-type contracts are entered directly as a liability when received. Treaties that do not meet the definition of risk transfer are recorded under the rules of deposit accounting as prescribed in Statement of Statutory Accounting Principles ("SSAP") No. 61 R – *Life, Deposit-Type and Accident and Health Reinsurance*. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments that have original maturities of greater than three months and less than twelve months at date of purchase are carried at amortized cost, which approximates fair value.
- (2) Bonds not backed by other loans are stated at amortized cost or fair value, using the modified scientific method, in accordance with the NAIC Purposes and Procedures Manual of the Capital Markets and Investment Analysis Office. The Company does not hold SVO - designated securities which would be valued using a systematic value measurement method.
- (3) Common stocks are carried at fair value, except for controlled subsidiaries and affiliates which are carried on the equity basis.
- (4) Preferred stocks are stated at cost or amortized cost except those rated NAIC class 4 or lower quality, which are carried at the lower of cost or fair value.
- (5) Mortgage loans are stated at amortized cost or fair value, in accordance with the NAIC Purposes and Procedures Manual of the Capital Markets and Investment Analysis Office.
- (6) Loan-backed bonds and structured securities are stated at amortized cost using the interest method including anticipated prepayments at the date of purchase in accordance with SSAP No. 43-R - *Loan-Backed and Structured Securities*. Changes in prepayment speeds and estimated cash flows from the original purchase assumptions are evaluated quarterly and are accounted for on the prospective basis.
- (7) The Company carries its insurance subsidiaries as an equity investment in its statutory surplus. In accordance with SSAP No. 97 – *Investments in Subsidiary, Controlled, and Affiliated Entities*, dividends or distributions received from an investee shall be recognized in investment income when declared to the extent that they are not in excess of the undistributed accumulated earnings attributable to the investee. Dividends or distributions declared in excess of the undistributed accumulated earnings attributable to the investee shall reduce the carrying amount of the investment. See Note 13, Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations, part 4 for further details.
- (8) The Company has ownership interests in limited partnerships, joint ventures, or limited liability entities. The Company carries these interests based upon their proportionate share of the underlying GAAP equity of the investment.
- (9) Derivative instruments are accounted for at fair value. The changes in the fair market value of the derivative instruments are recorded as unrealized gains or unrealized losses until termination. Swap coupon payments are reflected in net income.
- (10) The Company does not anticipate investment income as a factor in the premium deficiency calculation.
- (11) Claim reserves are established equal to 100% of the estimated benefit payable.

## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies and Going Concern (Continued)

(12) The Company did not have a change in the capitalization policy or resultant predefined thresholds from the prior year.

(13) The Company does not have any pharmaceutical rebate receivables.

#### D. Going Concern

There is no substantial doubt about the Company's ability to continue as a going concern.

### 2. Accounting Changes and Corrections of Errors - No Significant Changes

### 3. Business Combinations and Goodwill

#### A. Statutory Purchase Method

1. The Company purchased a 100% interest of Accordia Life and Annuity Company ("Accordia") in 2013 and purchased a 95% interest of both Forethought Life Insurance Company ("FLIC") and Forethought National Life Insurance Company ("FNLIC") in 2014. In 2017, the Company became owner of the remaining 5% of FLIC and FNLIC, through a capital contribution.
2. Both initial purchases were accounted for as statutory purchases.
3. The cost of Accordia was \$12,600,000, resulting in \$2,000,000 of goodwill. The cost of FLIC and FNLIC was \$584,300,000, resulting in \$74,065,370 of goodwill.
4. Goodwill amortization totaled \$3,803,268 and \$7,606,537 for the periods ended June 30, 2021 and December 31, 2020, respectively.

(1) Purchased Entity	(2) Acquisition Date	(3) Cost of Acquired Entity	(4) Original Amount of Admitted Goodwill	(5) Admitted Goodwill as of the Reporting Date	(6) Amount of Goodwill Amortized During the Reporting Period	(7) Admitted Goodwill as a % of SCA BACV, Gross of Admitted Goodwill
Accordia Life and Annuity Company	01/01/2013	\$ 12,600,000	\$ 2,000,000	\$ 450,000	\$ 100,000	0.050 %
Forethought Life Insurance Company	01/01/2014	584,300,000	74,065,370	18,516,342	3,703,268	0.951 %

#### B. Statutory Merger - Not Applicable

#### C. Assumption Reinsurance - Not Applicable

#### D. Impairment Loss - Not Applicable

### 4. Discontinued Operations - Not Applicable

### 5. Investments

#### A. Mortgage Loans, including Mezzanine Real Estate Loans

- (1) The maximum and minimum lending rates for mortgage loans during 2021 were 10.48% and 2.15% respectively.
- (2) Maximum percentage of any one loan to the value of security at the time of the loan, exclusive or guaranteed or purchase money mortgages was 79.70%.
- (3) Taxes, assessments and any amounts advanced and not included in mortgage loan total - Not Applicable

**Notes to the Financial Statements**

**5. Investments (Continued)**

(4) Age analysis of mortgage loans and identification of mortgage loans in which the insurer is a participant or co-lender in a mortgage loan agreement

	Farm	Residential		Commerical		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. Recorded Investment (All)							
(a) Current	\$	\$	\$ 1,069,541,776	\$	\$ 2,937,081,124	\$ 58,368,495	\$ 4,064,991,395
(b) 30 - 59 days past due			18,734,998				18,734,998
(c) 60 - 89 days past due			2,025,413				2,025,413
(d) 90 - 179 days past due			6,728,036				6,728,036
(e) 180+ days past due							
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded investment	\$	\$	\$	\$	\$	\$	\$
(b) Interest accrued							
3. Accruing Interest 180+ Days Past Due							
(a) Recorded investment	\$	\$	\$	\$	\$	\$	\$
(b) Interest accrued							
4. Interest Reduced							
(a) Recorded investment	\$	\$	\$	\$	\$	\$	\$
(b) Number of loans							
(c) Percent reduced	%	%	%	%	%	%	%
5. Participant or Co-lender in a Mortgage Loan Agreement							
(a) Recorded investment	\$	\$	\$	\$	\$	\$	\$
b. Prior Year							
1. Recorded Investment							
(a) Current	\$	\$	\$ 580,947,774	\$	\$ 1,885,518,096	\$ 74,830,157	\$ 2,541,296,027
(b) 30 - 59 days past due			3,595,600				3,595,600
(c) 60 - 89 days past due			354,066				354,066
(d) 90 - 179 days past due			3,043,501				3,043,501
(e) 180+ days past due							
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded investment	\$	\$	\$ 3,043,501	\$	\$	\$	\$ 3,043,501
(b) Interest accrued							
3. Accruing Interest 180+ Days Past Due							
(a) Recorded investment	\$	\$	\$	\$	\$	\$	\$
(b) Interest accrued							
4. Interest Reduced							
(a) Recorded investment	\$	\$	\$	\$	\$	\$	\$
(b) Number of loans							
(c) Percent reduced	%	%	%	%	%	%	%
5. Participant or Co-lender in a Mortgage Loan Agreement							
(a) Recorded investment	\$	\$	\$	\$	\$	\$	\$

**Notes to the Financial Statements**

**5. Investments (Continued)**

(5) Investment in impaired loans with or without allowance for credit losses and impaired loans subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan

	Farm	Residential		Commerical		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. With allowance for credit losses	\$	\$	\$ 60,629,892	\$	\$	\$	\$ 60,629,892
2. No allowance for credit losses							
3. Total (1+2)	\$	\$	\$ 60,629,892	\$	\$	\$	\$ 60,629,892
4. Subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan							
	\$	\$	\$	\$	\$	\$	\$
b. Prior Year							
1. With allowance for credit losses	\$	\$	\$	\$	\$	\$	\$
2. No allowance for credit losses							
3. Total (1+2)	\$	\$	\$	\$	\$	\$	\$
4. Subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan							
	\$	\$	\$	\$	\$	\$	\$

(6) Investment in impaired loans - average recorded investment, interest income recognized, recorded investment on nonaccrual status and amount of interest income recognized using a cash-basis method of accounting

	Farm	Residential		Commerical		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. Current Year							
1. Average recorded investment	\$	\$	\$	\$	\$	\$	\$
2. Interest income recognized							
3. Recorded investments on nonaccrual status			7,095,848				7,095,848
4. Amount of interest income recognized using a cash-basis method of accounting			22,414				22,414
b. Prior Year							
1. Average recorded investment	\$	\$	\$	\$	\$	\$	\$
2. Interest income recognized							
3. Recorded investments on nonaccrual status							
4. Amount of interest income recognized using a cash-basis method of accounting							

(7) Allowance for credit losses

	06/30/2021	12/31/2020
a. Balance at beginning of period	\$	\$
b. Additions charged to operations	465,061	
c. Direct write-downs charged against the allowances		
d. Recoveries of amounts previously charged off		
e. Balance at end of period	\$ 465,061	\$

(8) Mortgage loans derecognized as a result of foreclosure

	06/30/2021
a. Aggregate amount of mortgage loans derecognized	\$ 329,525
b. Real estate collateral recognized	
c. Other collateral recognized	
d. Receivables recognized from a government guarantee of the foreclosed mortgage loan	

(9) Policy for recognizing interest income and impaired loans - Not Applicable

B. Debt Restructuring - Not Applicable

C. Reverse Mortgages - Not Applicable

**Notes to the Financial Statements**

**5. Investments (Continued)**

D. Loan-Backed Securities

- (1) Loan-backed and structured securities ("LBASS") are valued and reported in accordance with SSAP No. 43R – *Loan-Backed and Structured Securities*. Prepayment assumptions are primarily obtained from external sources or internal estimates. These assumptions are consistent with the current interest rate and economic environment. The prospective adjustment method is used on most non-agency LBASS. Fair values are based on independent pricing sources. The Company reviews securities at least quarterly for other-than-temporary impairments ("OTTI") using current cash flow assumptions. The Company recognized \$1,355,323 OTTI charges on loan-backed securities as of June 30, 2021 and \$12,652,512 OTTI charges were recognized as of December 31, 2020.
- (2) Loan-backed and structured securities with a recognized other-than-temporary impairment (OTTI) - None
- (3) Securities held that were other-than-temporarily impaired due to the present value of cash flows expected to be collected was less than the amortized cost of securities

(1)	(2)	(3)	(4)	(5)	(6)	(7)
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized OTTI	Amortized Cost After OTTI	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
90278KAL5	\$ 3,491,969	\$ 3,366,654	\$ 125,315	\$ 3,366,654	\$ 3,366,654	03/31/2021
77588EAU1	9,000,237	8,846,708	153,529	8,846,708	8,846,708	03/31/2021
17324TAN9	1,619,969	1,484,361	135,608	1,484,361	1,484,361	03/31/2021
06650AAW7	1,454,917	1,408,765	46,152	1,408,765	1,408,765	03/31/2021
06650AAW7	3,650,572	3,521,913	128,659	3,521,913	3,521,913	03/31/2021
06541XAX8	3,770,199	3,613,227	156,972	3,613,227	3,613,227	03/31/2021
03330KAA8	4,000,000	3,993,568	6,432	3,993,568	3,993,568	03/31/2021
03330KAA8	7,000,000	6,988,743	11,257	6,988,743	6,988,743	03/31/2021
03330KAA8	8,000,000	7,987,135	12,865	7,987,135	7,987,135	03/31/2021
03330KAA8	1,000,000	998,392	1,608	998,392	998,392	03/31/2021
03330KAA8	3,000,000	2,995,176	4,824	2,995,176	2,995,176	03/31/2021
03330KAA8	18,000,000	17,971,054	28,946	17,971,054	17,971,054	03/31/2021
03330KAA8	4,000,000	3,993,568	6,432	3,993,568	3,993,568	03/31/2021
03330KAA8	4,000,000	3,993,568	6,432	3,993,568	3,993,568	03/31/2021
03329LAS0	4,087,845	4,023,175	64,670	4,023,175	4,023,175	03/31/2021
86360KBJ6	20,964,878	20,930,814	34,064	20,930,814	20,930,814	06/30/2021
86360KBJ6	9,852,396	9,772,913	79,483	9,772,913	9,772,913	06/30/2021
59802UAQ2	2,323,071	2,062,603	260,468	2,062,603	2,062,603	06/30/2021
61754HAC6	995,602	903,995	91,607	903,995	903,995	06/30/2021
<b>Total</b>			<b>\$ 1,355,323</b>			

- (4) All impaired securities for which an OTTI has not been recognized in earnings as a realized loss

- a. The aggregate amount of unrealized losses:
  - 1. Less than 12 months..... \$ (62,536,130)
  - 2. 12 months or longer..... (10,899,541)
- b. The aggregate related fair value of securities with unrealized losses:
  - 1. Less than 12 months..... \$ 1,699,939,099
  - 2. 12 months or longer..... 276,065,203

- (5) The Company evaluates whether credit impairment exists by considering primarily the following factors: a) changes in the financial condition, credit rating and near term prospects of the issuer, b) whether the issuer is current on contractually obligated interest and principal payments, c) changes in the financial condition of the security's underlying collateral, d) the payment structure of the security and e) the length of time and extent to which the fair value has been less than amortized cost of the security.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

Repurchase agreements are accounted for in accordance with SSAP No. 103 – *Transfers and Servicing of Financial Assets and Extinguishment of Liabilities*. The transactions are accounted for as collateralized borrowings in which the underlying securities continue to be reported as investments by the Company and the proceeds from the sale are recorded as a liability. There were no repurchase agreements and/or Securities Lending Transactions for the company as of June 30, 2021 and December 31, 2020.

- (1) Policy for requiring collateral or security - Not Applicable
- (2) Carrying amount and classification of assets pledged as collateral and not reclassified and separately reported - Not Applicable
- (3) Collateral received - Not Applicable
- (4) Securities lending transactions administered by an affiliated agent - Not Applicable
- (5) Collateral reinvestment - Not Applicable
- (6) Collateral not permitted by contract or custom to sell or repledge - Not Applicable
- (7) Collateral for securities lending transactions that extend beyond one year from the reporting date - Not Applicable

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not Applicable

**Notes to the Financial Statements**

**5. Investments (Continued)**

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not Applicable

H. Repurchase Agreements Transactions Accounted for as a Sale - Not Applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - Not Applicable

J. Real Estate - Not Applicable

K. Low-Income Housing Tax Credits (LIHTC) - Not Applicable

L. Restricted Assets

(1) Restricted assets (including pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted										
	Current Year							Current Year			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Total General Account (G/A)	G/A Supporting Separate Account (S/A) Activity	Total S/A Restricted Assets	S/A Assets Supporting G/A Activity	Total (1 + 3)	Total From Prior Year	Increase / (Decrease) (5 - 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5-8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets, %	Admitted Restricted to Total Admitted Assets, %
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
b. Collateral held under security lending agreements											
c. Subject to repurchase agreements											
d. Subject to reverse repurchase agreements											
e. Subject to dollar repurchase agreements											
f. Subject to dollar reverse repurchase agreements											
g. Placed under option contracts	10,182,433				10,182,433		10,182,433		10,182,433	0.022	0.022
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock											
i. FHLB capital stock	22,520,000				22,520,000	17,707,100	4,812,900		22,520,000	0.048	0.048
j. On deposit with states	127,326,667				127,326,667	126,836,636	490,031		127,326,667	0.271	0.271
k. On deposit with other regulatory bodies											
l. Pledged as collateral to FHLB (including assets backing funding agreements)	477,258,552				477,258,552	405,126,219	72,132,333		477,258,552	1.016	1.016
m. Pledged as collateral not captured in other categories											
n. Other restricted assets											
o. Total restricted assets	\$ 637,287,652	\$	\$	\$	\$ 637,287,652	\$ 549,669,955	\$ 87,617,697	\$	\$ 637,287,652	1.357 %	1.357 %

(2) Detail of assets pledged as collateral not captured in other categories (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - Not Applicable

(3) Detail of other restricted assets (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - None

**Notes to the Financial Statements**

**5. Investments (Continued)**

(4) Collateral received and reflected as assets within the reporting entity's financial statements

Collateral Assets	(1) Book/Adjusted Carrying Value (BACV)	(2) Fair Value	(3) % of BACV to Total Assets (Admitted and Nonadmitted)	(4) % of BACV to Total Admitted Assets
General Account:				
a. Cash, cash equivalents and short-term investments	\$ 155,030,000	\$ 155,030,000	0.347 %	0.347 %
b. Schedule D, Part 1				
c. Schedule D, Part 2, Section 1				
d. Schedule D, Part 2, Section 2				
e. Schedule B				
f. Schedule A				
g. Schedule BA, Part 1				
h. Schedule DL, Part 1				
i. Other				
j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)	\$ 155,030,000	\$ 155,030,000	0.347 %	0.347 %
Separate Account:				
k. Cash, cash equivalents and short-term investments	\$	\$	%	%
l. Schedule D, Part 1				
m. Schedule D, Part 2, Section 1				
n. Schedule D, Part 2, Section 2				
o. Schedule B				
p. Schedule A				
q. Schedule BA, Part 1				
r. Schedule DL, Part 1				
s. Other				
t. Total Collateral Assets (k+l+m+n+o+p+q+r+s)	\$	\$	%	%
			(1)	(2)
			Amount	% of Liability to Total Liabilities
u. Recognized Obligation to Return Collateral Asset (General Account)			\$ 155,030,000	0.375 %
v. Recognized Obligation to Return Collateral Asset (Separate Account)			\$	%

M. Working Capital Finance Investments - Not Applicable

N. Offsetting and Netting of Assets and Liabilities - Not Applicable

O. 5GI Securities

Investment	Number of 5GI Securities		Aggregate BACV		Aggregate Fair Value	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
(1) Bonds - amortized cost			\$	\$	\$	\$
(2) LB & SS - amortized cost	25	13	487,745,593	222,994,809	553,096,867	223,585,238
(3) Preferred stock - amortized cost						
(4) Preferred stock - fair value						
(5) Total (1+2+3+4)	25	13	\$ 487,745,593	\$ 222,994,809	\$ 553,096,867	\$ 223,585,238

P. Short Sales - Not Applicable

Q. Prepayment Penalty and Acceleration Fees

	General Account	Separate Account
(1) Number of CUSIPs	17	
(2) Aggregate amount of investment income	\$ 5,028,432	\$

R. Reporting Entity's Share of Cash Pool by Asset type - Not Applicable

**6. Joint Ventures, Partnerships and Limited Liability Companies**

A. Investments in Joint Ventures, Partnerships or Limited Liability Companies that Exceed 10% of Admitted Assets

The Company had no investments in joint ventures, partnerships, or limited liability companies that exceeded 10% of total admitted assets as of June 30, 2021 and December 31, 2020.

B. Impaired Investments in Joint Ventures, Partnerships and Limited Liability Companies

The Company recognizes impairments when it is probable that it will be unable to recover the carrying amount of the investment or there is evidence indicating inability of the investee to sustain earnings that would justify the carrying value of the investment. The Company did not have any impairment in joint ventures, partnerships, or limited liability companies as of June 30, 2021 and December 31, 2020.

## Notes to the Financial Statements

### 7. Investment Income

The Company did not have any due and accrued income over 90 days past due that was excluded from surplus as of June 30, 2021 and December 31, 2020, respectively.

### 8. Derivative Instruments

#### A. Derivatives under SSAP No. 86 - Derivatives

- (1) The Company's derivative instruments are primarily used to hedge a wide range of risks including interest rate risk, equity market risk and foreign currency exchange rate risk. The Company receives collateral from its derivative counterparties to limit credit risk.
- (2) The Company manages its equity market risk by entering into certain OTC derivatives, primarily equity options and swaps, as well as exchange traded equity options and futures. The Company trades exchange-traded fixed income future contracts, OTC swaps and swaptions to protect against interest rate risk. The total net carrying value of derivative assets, net of derivative liabilities, was an asset of \$191,076,495 and \$87,657,667 as of June 30, 2021 and December 31, 2020, respectively.
- (3) Under SSAP No. 86 - *Derivatives*, the Company has elected to account for its derivatives using the fair value method of accounting, with changes in fair value recorded as unrealized investment gains or losses. The realized gains or losses are recorded upon the derivative contract expiry.
- (4) Derivative contracts with financing premiums - Not Applicable
- (5) Net gain or loss recognized - Not Applicable
- (6) Net gain or loss recognized from derivatives no longer qualifying for hedge accounting - Not Applicable
- (7) Derivatives accounted for as cash flow hedges of a forecasted transaction - Not Applicable
- (8) Premium Cost for Derivative Contracts - Not Applicable

#### B. Derivatives under SSAP No. 108 - Derivative Hedging Variable Annuity Guarantees (Life/Fraternal Only) - Not Applicable

### 9. Income Taxes - No Significant Changes

### 10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

#### A. Nature of Relationships

On February 1, 2021, KKR & Co. Inc. ("KKR") indirectly acquired a majority interest in the Company following the merger of Global Atlantic Financial Group Limited ("GAFGL") and Magnolia Merger Sub Limited, with GAFGL as the surviving entity of the merger transaction. Prior to the merger transaction, Magnolia Merger Sub Limited was a Bermuda exempted company, a direct wholly owned subsidiary of Magnolia Parent LLC (now known as The Global Atlantic Financial Group, LLC or "TGAFGL" and an indirect subsidiary of KKR. Accordingly, TGAFGL is now the holding company of GAFGL and KKR is deemed the ultimate controlling person of Commonwealth Annuity.

On February 1 2021, the Company entered into an investment management agreement with Kohlberg Kravis Roberts & Co. L.P., a Delaware limited partnership and KKR subsidiary.

The Company is organized as a stock life insurance company, and is a wholly-owned indirect subsidiary of Global Atlantic (Fin) Company ("Finco"), which is a wholly owned indirect subsidiary of Global Atlantic Financial Group Limited ("GAFGL"), a Bermuda Company.

The Company directly owns all of the outstanding shares of Accordia Life and Annuity Company ("Accordia"), an Iowa domiciled company, and First Allmerica Financial Life Insurance Company ("FAFLIC"), a Massachusetts domiciled company, and Forethought Life Insurance Company ("FLIC"), an Indiana domiciled insurance company.

KKR Magnolia Holdings LLC ("KKR Magnolia") owns a total of approximately 61.5% of the outstanding ordinary shares of TGAFGL; the remaining investors, none of whom own more than 9.8%, own the remaining approximately 38.5% of the outstanding ordinary shares.

The Company owns market traded bonds of KKR, with an NAIC rating of 1, a carrying value of \$27,051,585, and a market value of \$29,786,714, as of June 30, 2021. The Company owns market traded bonds of KKR, with an NAIC rating of 2, a carrying value of \$1,000,000 and a market value of \$1,129,134, as of June 30, 2021. The purchase of these securities constituted arms-length transactions.

The Company owns market traded bonds of Goldman Sachs, with a carrying value of \$97,607,119, and a market value of \$117,732,458, as of December 31, 2020. The purchase of these securities constituted arms-length transactions.

#### B. Detail of Transactions Greater than ½ of 1% of total admitted assets

On March 31, 2021, the Company with the approval from the Massachusetts Division of Insurance, entered into a master retrocession agreement (the "Retrocession Agreement") in the form of a funds withheld coinsurance and modified coinsurance quota share agreement between the Company and Global Atlantic Re Limited ("GA Re"). The Retrocession Agreement covers five underlying assumed agreements between various original creditors and the Company whereby it ceded \$5,014,315,384 of statutory reserves.

On January 14, 2021, the Company purchased \$537,000,000 in long duration corporate bonds, in exchange for \$533,000,000 shorter duration bonds and \$4,000,000 cash from Goldman Sachs & Co. LLC.

On December 29, 2020, the Company received a \$340,000,000 cash capital contribution from Finco.

On December 18, 2020, the Company made a \$250,000,000 cash contribution to Accordia.

On March 19, 2020, the Company purchased \$87,300,000 of investment grade corporate bonds from Goldman Sachs & Co. LLC.

During 2020, bonds and cash with an aggregate value of \$306,267,175 were transferred between the Company and FLIC. The sales consideration of securities between the Company and FLIC was at its fair value on the transaction date.

#### C. Transactions With Related Party Who Are Not Reported on Schedule Y - Not Applicable

#### D. Amounts due to or from Related Parties

The Company reported \$10,492,098 and \$5,675,845 in a net payable to affiliates for the periods ended June 30, 2021 and December 31, 2020, respectively.

## Notes to the Financial Statements

### 10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties (Continued)

The Company pays portfolio management fees to Goldman Sachs Asset Management ("GSAM"). In connection with the Company's variable products, certain separate accounts invest in funds of the Goldman Sachs Variable Insurance Trust ("GSVIT") and Goldman Sachs Trust ("GST"). Management fees are paid directly to GSAM by GSVIT and GST and to GSAM for investment management by the Company. Certain distribution and administration fees are payable to the Company by Goldman Sachs Co. ("GSCO") and GSAM. This resulted in a payable to GSAM of \$4,361,990 for the period ended December 31, 2020.

E. Management, Service Contracts, Cost Sharing Arrangements

The Company has entered into administration, shared services, management services, and investment management services agreements with related parties. These affiliates provide legal, compliance, technology, operations, financial reporting, human resources, risk management, and distribution services. The Company had a \$10,493,317 and \$10,039,054 net payable and recorded expenses for these agreements of \$3,610,062 and \$10,107,900 for the periods ended June 30, 2021 and December 31, 2020, respectively.

The Company has agreements with affiliated parties to receive certain fee income related to policyholder administration. The Company had a receivable of \$5,744,069 and \$6,047,920 and recorded income of \$13,296,543 and \$23,671,298 for the periods ended June 30, 2021 and December 31, 2020, respectively related to these agreements.

F. Guarantees or Contingencies - Not Applicable

G. Nature of Relationships that Could Affect Operations

The Company has entered into a Services and Expenses Agreement, as amended, with Global Atlantic Finance Company ("GAFC"), an affiliated entity, pursuant to which GAFC and other affiliates will provide certain services to the Company, including but not limited to seconding employees and providing management services, administrative support, and use of facilities.

H. Amount Deducted for Investment in Upstream Company - Not Applicable

I. Detail of Investments in Affiliates Greater Than 10% of Admitted Assets - Not Applicable

J. Write-Down for Impairments of Investments in Subsidiary Controlled or Affiliated Companies - Not Applicable

K. Foreign Subsidiary Value Using CARVM - Not Applicable

L. Downstream Holding Company Value Using Look-Through Method - Not Applicable

M. All SCA Investments - Not Applicable

N. Investment in Insurance SCAs

(1) Description

The Company's subsidiary Accordia follows Iowa Administrative Code ("AIC") Section 191-97, Accounting for Certain Derivative Instruments Used to Hedge the Growth in Interest Credited for Indexed Insurance Products and Accounting for the Indexed Insurance Products Reserve, which reflects a departure from NAIC SAP. As a result, Accordia's net income from operations decreased by \$6,770,583 for the period ended June 30, 2021 and Accordia's statutory surplus decreased by \$293,426,166 as of June 30, 2021.

The Company's subsidiary FLIC, with the permission of the Commissioner of Insurance in the State of Indiana, uses the Plan Type A discount rate with a guaranteed duration of less than 5 years under Actuarial Guideline 33 ("AG33") on the entire in-force block of annuities with Guaranteed Minimum Withdrawal Benefits issued prior to October 1, 2013. As a result, FLIC's net income from operations increased by \$1,909,020 for the period ended June 30, 2021 and FLIC's statutory surplus decreased by \$24,455,076 as of June 30, 2021.

(2) The monetary effect on net income and surplus

SCA Entity (Investments in Insurance SCA Entities)	Monetary Effect on NAIC SAP		Amount of Investment	
	Net Income Increase (Decrease)	Surplus Increase (Decrease)	Per Audited Statutory Equity	If the Insurance SCA had Completed Statutory Financial Statements
Accordia Life and Annuity Company	\$ (6,770,583)	\$ (293,426,166)	\$ 905,619,145	\$ 1,199,045,311
Forethought Life Insurance Company	1,909,020	(24,455,076)	1,947,185,584	1,971,640,660

(3) RBC Impact

Had Accordia not used this prescribed practice, the NAIC SAP basis RBC levels would not have triggered a regulatory event. Had FLIC not used this permitted practice, the NAIC SAP basis RBC levels would not have triggered a regulatory event.

O. SCA and SSAP No. 48 Entity Loss Tracking - None

### 11. Debt

A. Debt, Including Capital Notes - Not Applicable

B. FHLB (Federal Home Loan Bank) Agreements

(1) The Company is a member of the Federal Home Loan Bank ("FHLB") of Boston. Through its membership, the Company intends to conduct business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds as a key source of liquidity and to promote liability-driven duration management. The Company has determined the actual/estimated borrowing capacity as \$383,000,000. The Company calculated this amount in accordance with current and potential acquisitions of FHLB capital stock.

**Notes to the Financial Statements**

**11. Debt (Continued)**

(2) FHLB capital stock

(a) Aggregate totals

	(1) Total (2+3)	(2) General Account	(3) Separate Accounts
1. Current Year			
(a) Membership stock - Class A	\$ .....	\$ .....	\$ .....
(b) Membership stock - Class B	10,000,000	10,000,000	.....
(c) Activity stock	12,520,000	12,520,000	.....
(d) Excess stock	.....	.....	.....
(e) Aggregate total (a+b+c+d)	\$ 22,520,000	\$ 22,520,000	\$ .....
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 383,000,000		
2. Prior Year-End			
(a) Member stock - Class A	\$ .....	\$ .....	\$ .....
(b) Membership stock - Class B	5,187,100	5,187,100	.....
(c) Activity stock	12,520,000	12,520,000	.....
(d) Excess stock	.....	.....	.....
(e) Aggregate total (a+b+c+d)	\$ 17,707,100	\$ 17,707,100	\$ .....
(f) Actual or estimated borrowing capacity as determined by the insurer	\$ 350,000,000		

(b) Membership stock (class A and B) eligible and not eligible for redemption

Membership Stock	(1) Current Year Total (2+3+4+5+6)	(2) Not Eligible for Redemption	Eligible for Redemption			
			(3) Less Than 6 Months	(4) 6 Months to Less Than 1 Year	(5) 1 to Less Than 3 Years	(6) 3 to 5 Years
1. Class A	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
2. Class B	\$ 10,000,000	\$ 10,000,000	\$ .....	\$ .....	\$ .....	\$ .....

(3) Collateral pledged to FHLB

(a) Amount pledged as of reporting date

	(1) Fair Value	(2) Carrying Value	(3) Aggregate Total Borrowing
1. Current year total general and separate accounts total collateral pledged (Lines 2+3)	\$ 558,322,488	\$ 477,258,552	\$ 313,000,000
2. Current year general account total collateral pledged	558,322,488	477,258,552	313,000,000
3. Current year separate accounts total collateral pledged	.....	.....	.....
4. Prior year-end total general and separate accounts total collateral pledged	520,185,314	405,126,219	313,000,000

(b) Maximum amount pledged during reporting period

	(1) Fair Value	(2) Carrying Value	(3) Amount Borrowed at Time of Maximum Collateral
1. Current year total general and separate accounts maximum collateral pledged (Lines 2+3)	\$ 558,322,488	\$ 479,804,114	\$ 313,000,000
2. Current year general account maximum collateral pledged	558,322,488	479,804,114	313,000,000
3. Current year separate accounts maximum collateral pledged	.....	.....	.....
4. Prior year-end total general and separate accounts maximum collateral pledged	522,278,523	460,115,893	313,000,000

**Notes to the Financial Statements**

**11. Debt (Continued)**

(4) Borrowing from FHLB

(a) Amount as of the reporting date

	(1)	(2)	(3)	(4)
	Total (2+3)	General Account	Separate Accounts	Funding Agreements Reserves Established
1. Current Year				
(a) Debt	\$	\$	\$	XXX
(b) Funding agreements	313,000,000	313,000,000		\$ 313,471,500
(c) Other				XXX
(d) Aggregate total (a+b+c)	<u>\$ 313,000,000</u>	<u>\$ 313,000,000</u>	<u>\$</u>	<u>\$ 313,471,500</u>
2. Prior Year-end				
(a) Debt	\$	\$	\$	XXX
(b) Funding agreements	313,000,000	313,000,000		\$
(c) Other				XXX
(d) Aggregate total (a+b+c)	<u>\$ 313,000,000</u>	<u>\$ 313,000,000</u>	<u>\$</u>	<u>\$</u>

(b) Maximum amount during reporting period (current year)

	(1)	(2)	(3)
	Total (2+3)	General Account	Separate Accounts
1. Debt	\$	\$	\$
2. Funding agreements	313,000,000	313,000,000	
3. Other			
4. Aggregate total (Lines 1+2+3)	<u>\$ 313,000,000</u>	<u>\$ 313,000,000</u>	<u>\$</u>

(c) FHLB - Prepayment obligations

	Does the company have prepayment obligations under the following arrangements (YES/NO)?
1. Debt	No
2. Funding agreements	Yes
3. Other	No

**12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

- A. Defined Benefit Plan - Not Applicable
- B. Investment Policies and Strategies of Plan Assets - Not Applicable
- C. Fair Value of Each Class of Plan Assets - Not Applicable
- D. Expected Long-Term Rate of Return for the Plan Assets - Not Applicable
- E. Defined Contribution Plans - Not Applicable
- F. Multiemployer Plans - Not Applicable
- G. Consolidated/Holding Company Plans

The Company is allocated a share of the costs of the GAFC employee-sponsored defined contribution plans. The Company makes standard matching contributions which vest 100% when made. In certain cases, the Company makes nonelective contributions which vest ratably over 5 years, calculated based upon years of service. The allocated expenses were \$592,345 and \$798,786 for the period ended June 30, 2021 and December 31, 2020, respectively.

- H. Postemployment Benefits and Compensated Absences - Not Applicable
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - Not Applicable

**13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

- A. The Company has 10,000 shares authorized, 2,526 shares issued and outstanding, par value \$1,000 per share. There are no other classes of capital stock. All shares are Class A shares.
- B. The Company has no preferred stock outstanding.
- C. Massachusetts has enacted laws governing the payment of dividends and other distributions to stockholders by insurers. These laws affect the dividend paying ability of the Company. Pursuant to Massachusetts statutes, the maximum amount of dividends and other distributions that an insurer may pay in any twelve-month period, without prior approval of the MA DOI, is limited to the greater of the Company's statutory net gains from operations of the preceding December 31 or 10% of the statutory policyholder's surplus as of the preceding December 31. Dividends must be paid from unassigned funds.
- D. Capital transaction

On December 29, 2020, the Company received a \$340,000,000 cash capital contribution from Finco.

On December 18, 2020, the Company made a \$250,000,000 cash capital contribution to Accordia.

**Notes to the Financial Statements**

**13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations (Continued)**

On December 18, 2020, the Company received an \$100,000,000 cash extraordinary dividend from FAFLIC which was accounted for as a return of capital.

On December 18, 2020, the Company received a \$150,000,000 cash dividend from FLIC.

- E. Within the limitations of (C) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- F. The Company has no restrictions on the use of the Company's unassigned surplus and all unassigned surplus is held for the benefit of the shareholders.
- G. The Company has no surplus advances.
- H. Stock Held for Special Purposes  
None of the Company's stock is held for special purposes.
- I. There have been no changes in special surplus fund balances.
- J. Unassigned Funds (Surplus)

The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and (losses) are \$711,014,196 and \$744,031,825 at June 30, 2021 and December 31, 2020, respectively.

**K. Company-Issued Surplus Debentures or Similar Obligations**

Surplus Notes

1	2	3	4	5	6	7	8
Item Number	Date Issued	Interest Rate	Original Issue Amount of Note	Is Surplus Note Holder a Related Party (YES/NO)	Carrying Value of Note Prior Year	Carrying Value of Note Current Year	Unapproved Interest And/Or Principal
.....0001.....	.....12/14/2018.....	.....6.250 %.....	\$..... 820,000,000.....	.....No.....	\$..... 820,000,000.....	\$..... 820,000,000.....	\$.....
Total.....	.....XXX.....	.....XXX.....	<u>\$..... 820,000,000.....</u>	.....XXX.....	<u>\$..... 820,000,000.....</u>	<u>\$..... 820,000,000.....</u>	<u>\$.....</u>

1	9	10	11	12	13	14
Item Number	Current Year Interest Expense Recognized	Life-To-Date Interest Expense Recognized	Current Year Interest Offset Percentage (not including amounts paid to a 3rd party liquidity provider)	Current Year Principal Paid	Life-To-Date Principal Paid	Date of Maturity
.....0001.....	\$..... 25,625,000.....	\$..... 117,762,639.....	.....%.....	\$.....	\$.....	.....09/30/2048.....
Total.....	<u>\$..... 25,625,000.....</u>	<u>\$..... 117,762,639.....</u>	.....XXX.....	<u>\$.....</u>	<u>\$.....</u>	.....XXX.....

1	15	16	17	18	19
Item Number	Are Surplus Note payments contractually linked? (YES/NO)	Surplus Note payments subject to administrative offsetting provisions? (YES/NO)	Were Surplus Note proceeds used to purchase an asset directly from the holder of the surplus note? (YES/NO)	Is Asset Issuer a Related Party (YES/NO)	Type of Assets Received Upon Issuance
.....0001.....	.....NO.....	.....NO.....	.....NO.....	.....NO.....	.....0.....
Total.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....

1	20	21	22
Item Number	Principal Amount of Assets Received Upon Issuance	Book/Adjusted Carry Value of Assets	Is Liquidity Source a Related Party to the Surplus Note Issuer? (YES/NO)
..... 0001.....	\$..... -.....	\$.....	.....NO.....
Total.....	<u>\$..... -.....</u>	<u>\$.....</u>	.....XXX.....

On February 22, 2021, the Massachusetts Department of Insurance approved an interest payment of \$25,625,000, which was paid March 31, 2021.

On August 25, 2020, the Massachusetts Department of Insurance approved an interest payment of \$25,625,000, which was paid September 30, 2020.

On February 25, 2020, the Massachusetts Department of Insurance approved an interest payment of \$25,625,000, which was paid March 31, 2020.

- L. Impact of Any Restatement Due to Prior Quasi-Reorganizations - Not Applicable
- M. Effective Date(s) of Quasi-Reorganizations in the Prior 10 Years - None

## Notes to the Financial Statements

### 14. Liabilities, Contingencies and Assessments

#### A. Contingent Commitments

- (1) Commitments or contingent commitment(s) to an SCA entity, joint venture, partnership, or limited liability company

The Company invests in certain joint ventures, limited liability companies ("LLC's") and partnerships, and in some cases makes a commitment for additional investment up to a maximum invested amount.

As of June 30, 2021, commitments to make additional investments to joint ventures, LLC's, and partnerships total \$5,111,561.

- (2) Nature and circumstances of guarantee - None  
 (3) Aggregate compilation of guarantee obligations - None

#### B. Assessments

- (1) Unfavorable economic conditions may contribute to an increase in the number of insurance companies that are under regulatory supervision. This may result in an increase in mandatory assessments by state guaranty funds, or voluntary payments by solvent insurance companies to cover losses to policyholders of insolvent or rehabilitated companies. Mandatory assessments, which are subject to statutory limits, can be partially recovered through a reduction in future premium taxes in some states. The Company is not able to reasonably estimate the potential impact of any such future assessments or voluntary payments.
- (2) Assets (Liabilities) recognized from paid and accrued premium tax offsets and policy surcharges - None
- (3) Guaranty fund liabilities and assets related to long-term care insolvencies - None

#### C. Gain Contingencies - Not Applicable

#### D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - Not Applicable

#### E. Joint and Several Liabilities - Not Applicable

#### F. All Other Contingencies

The Company is involved from time to time in judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of its business. THG has agreed to indemnify the Company and Goldman Sachs with respect to certain of these matters as provided in the agreement through which the Company initially acquired business from The Hanover Group ("THG"). Management believes, based on currently available information, that the results of such proceedings, in the aggregate, will not have a material adverse effect on the Company's financial condition. Given the inherent difficulty of predicting the outcome of the Company's litigation and regulatory matters, particularly in cases or proceeding in which substantial or indeterminate damages or fines are sought, the Company cannot estimate losses, or ranges of losses, for cases or proceedings where there is only a reasonable possibility that a loss may be incurred. However, the Company believes that at the present time there are no pending or threatened lawsuits that are reasonably likely to have a material adverse effect on the Company's consolidated financial position.

In addition, the Company is involved, from time to time, in investigations and proceedings by governmental and self-regulatory agencies, which may include investigations into such matters as "market timing" in sub-accounts of variable annuity and life products, revenue sharing and other matters, claims payment practices, and unclaimed property escheatment practices. A number of companies have announced settlements of enforcement actions related to such matters with various regulatory agencies, including the SEC, which has included a range of monetary penalties and restitution. The Company is not currently involved in any such investigations or proceedings, though there can be no assurance that such investigations or proceedings may not arise in the future.

The Company's subsidiaries, FAFLIC and Accordia, entered into a process of converting over 500,000 in-force life insurance policies from systems managed by Athene Holdings Limited, or "Athene," to the platform of one of our third party service providers, DXC, or the "Conversion," the Company expects to incur a variety of litigation and regulatory costs. The Company has received formal and informal inquiries from state regulators concerning the administration of policies, policyholder complaints and possible violations of state insurance or consumer protection laws, which have resulted in and may result in additional fines, monetary settlements or proceedings. For example, on June 13, 2018, Accordia received notice of a regulatory matter from the California Department of Insurance regarding administration issues relating to certain California life insurance policies reinsured by Accordia which are administered by DXC. On August 19, 2020, Accordia and the California Department of Insurance resolved the dispute, whereby Accordia paid a \$11.5 million fine and agreed to perform certain corrective actions for California policyholders impacted by conversion.

### 15. Leases - Not Applicable

### 16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk

1. Face Amount of the Company's Financial Instruments with Off-Balance-Sheet Risk

The current credit exposure of the Company's over the counter derivative contracts is limited to the fair value of \$155,607,752 as of June 30, 2021. Credit risk is managed by entering into transactions with creditworthy counterparties and obtaining collaterals of \$144,847,567 from counterparties as of June 30, 2021. The exchange-traded derivatives are affected through a regulated exchange and positions are marked to market on a daily basis, the Company has little exposure to credit-related losses in the event of nonperformance by counterparties to such financial instruments.

2. The Company's credit risk is the risk of nonperformance by the counterparties. The company limits this risk by utilizing counterparties that maintain a NAIC "1" designation. Additionally, all OTC derivatives the Company entered into are fully collateralized by cash. In the event of the nonperformance by the counterparties, the Company has the right to the collaterals pledged by counterparties.

The Company manages its equity market risk by entering into certain OTC derivatives, primarily equity options and swaps, as well as exchange-traded equity options and futures. The Company trades exchange-traded fixed income future contracts, OTC swaps and swaptions to protect against interest rate risk. FX forwards are purchased by the Company to reduce risk from changes in currency exchange rates with respect to investments denominated in foreign currencies that the Company holds.

3. The Company is exposed to credit related losses in the event of nonperformance by counterparties to financial instruments, but it does not expect any counterparties to fail to meet their obligations given their high (NAIC -1) credit ratings.
4. As of June 30, 2021, the Company had cash on deposit as collateral at counterparties with a fair value of \$155,030,000 related to its options and swap agreements.

### 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables Reported as Sales - Not Applicable

## Notes to the Financial Statements

### 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities (Continued)

B. Transfers and Servicing of Financial Assets - Not Applicable

C. Wash Sales

The Company generally does not sell and reacquire securities within 30 days of the sale date. There were no wash sale transactions with a NAIC designation of 3 or below as of June 30, 2021.

### 18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans - Not Applicable

### 19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators - Not Applicable

### 20. Fair Value Measurements

A. Fair Value Measurement

As of June 30, 2021, the Company's assets and liabilities carried at fair value consist of separate account funds and derivative instruments.

(1) Fair value measurements at reporting date

Description for each class of asset or liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
<b>a. Assets at fair value</b>					
Derivatives	\$ 31,891,125	\$ 181,523,842	\$	\$	\$ 213,414,967
Separate Accounts	2,347,371,155	9,519,571			2,356,890,726
Total assets at fair value/NAV	<u>\$ 2,379,262,280</u>	<u>\$ 191,043,413</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,570,305,693</u>
<b>b. Liabilities at fair value</b>					
Derivative Liabilities	\$ 2,856,604	\$ 19,481,868	\$	\$	\$ 22,338,472
Total liabilities at fair value	<u>\$ 2,856,604</u>	<u>\$ 19,481,868</u>	<u>\$</u>	<u>\$</u>	<u>\$ 22,338,472</u>

\*Net asset balances after right of offset with counterparty are presented on page 2 as of June 30, 2021, per SSAP No.64 Offsetting and Netting of Assets and Liabilities.

(2) Fair value measurements in Level 3 of the fair value hierarchy - Not Applicable

(3) Transfers between Level 1 and Level 2

There were no transfers between Levels 1 and 2 during the current year.

(4) Fair value inputs Level 2 and Level 3

#### Bonds

In accordance with the NAIC Purposes and Procedures Manual of the NAIC Investment Analysis Office, bonds rated 6 are carried at the lower of amortized cost or fair value. As of June 30, 2021 the Company had one 6 rated bond with a carrying value of \$5,819,040. As of December 31, 2020 the Company had one 6 rated bond with a carrying value of \$5,708,951.

#### Separate Account Assets

The estimated fair value of assets held in separate accounts is based on quoted market prices. Separate account assets representing contract holder funds are measured at fair value and reported as a summary total in the Statement of Assets, with an equivalent summary total reported for related liabilities. The market value adjusted annuity is comprised of bonds, in which the fair value is based on external vendor prices. Based on the level of observable activity, these bonds will be measured at either Level 1 or Level 2.

#### Derivatives

The Company enters into certain OTC derivatives; primarily equity put options and interest rate swaps, and exchange-traded equity and interest rate futures contracts with three-month termination periods. The Company transacts in these derivatives primarily to hedge risk on its life and annuity business. As described in Note 8, the variable annuity business has been 100% ceded via modified coinsurance or funds withheld coinsurance to affiliates since December 31, 2009 and the effect of the derivatives that hedge this business is passed to the reinsurer. The Company transacts in derivatives to manage the interest rate and credit risk related to the general account portfolio. In addition, the Company trades credit derivatives to hedge counterparty risk on reinsurance transactions.

OTC derivatives are valued using market transactions and other market evidence whenever possible, including market-based inputs to models, model calibration to market clearing transactions, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Where models are used, the selection of a particular model to value an OTC derivative depends upon the contractual terms of, and specific risks inherent in, the instrument as well as the availability of pricing information in the market. Valuation models require a variety of inputs, including contractual terms, market prices, yield curves, credit curves, measures of volatility, prepayment rates and correlations of such inputs. For OTC derivatives that trade in liquid markets, such as generic forwards, swaps and options, model inputs can generally be verified and model selection does not involve significant management judgment. Such instruments are typically classified within Level 2 of the fair value hierarchy.

Overall, transfers into and/or out of Level 3 are attributable to a change in the observability of inputs. Assets and liabilities are transferred into Level 3 when a significant input cannot be corroborated with market observable data. This occurs when market activity decreases significantly and underlying inputs cannot be observed, current prices are not available, and/or when there are significant variances in quoted prices, thereby affecting transparency. Assets and liabilities are transferred out of Level 3 when circumstances change such that a significant input can be corroborated with market observable data. This may be due to a significant increase in market activity, a specific event, or one or more significant input(s) becoming observable. Transfers into and/or out of any level are assumed to occur at the beginning of the period.

(5) Derivatives - Not Applicable

B. Other Fair Value Disclosures

No additional disclosures to report regarding fair value measurement. Application of fair value measurement is consistent with the disclosure in section 20.A.(4) above.

## Notes to the Financial Statements

### 20. Fair Value Measurements (Continued)

#### C. Fair Values for All Financial Instruments by Level 1, 2 and 3

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 31,619,969,100	\$ 30,229,508,815	\$ 264,602,895	\$ 24,598,797,289	\$ 6,756,568,916	\$	\$
Mortgage Loans	3,459,954,598	4,092,479,841			3,459,954,598		
Other Invested Assets	131,892,317	282,701,060		100,566,701	31,325,616		134,341,467
Preferred Stock	59,917,993	56,582,921		58,598,171	1,319,822		
Common Stock	22,520,000	22,520,000			22,520,000		
Investment in Sub		2,938,475,065					2,938,475,065
Short Term Investment	123,833,199	124,089,838		15,596,315	108,236,884		
Cash and Equivalents	1,595,598,363	1,595,598,363	1,595,598,363				
Derivative Assets	213,414,967	213,414,967	31,891,125	181,523,842			
Total Assets	37,227,100,537	39,555,370,870	1,892,092,383	24,955,082,318	10,379,925,836		3,072,816,532
Derivative Liabilities	22,338,472	22,338,472	2,856,604	19,481,868			
Total Liabilities	22,338,472	22,338,472	2,856,604	19,481,868			

#### D. Not Practicable to Estimate Fair Value

As of June 30, 2021, the Company owns 6 financial instruments that were not practicable to estimate fair value.

Type or Class of Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
BA Common Stock	\$ 94,503,602	%		1
BA Common Stock	7,757,334			1
BA Common Stock	1,987,135			1
BA Common Stock	6,870,718			1
BA Common Stock	23,222,678			1
Common Stock	2,938,475,065			2

#### Explanations

- For our equity method investments our carrying amount generally is our share of the net asset value of the funds or the partnerships, which approximates fair value.
- Investments in subsidiaries are valued using the financial statements of the underlying related subsidiaries to approximate fair value

#### E. Nature and Risk of Investments Reported at NAV - None

### 21. Other Items

#### A. Unusual or Infrequent Items - Not Applicable

#### B. Troubled Debt Restructuring - Not Applicable

#### C. Other Disclosures

On March 31, 2021, the Company with the approval from the Massachusetts Division of insurance entered into a master retrocession agreement with an affiliated party. The reserves retroceded were \$5,014,315,384 as of March 31, 2021.

Effective December 17, 2020, the Company entered into a reinsurance agreement with UNUM Life Insurance Company of America whereby it assumed disability business. As of December 31, 2020, there have been \$7,025,868,105 reserves assumed and subsequently retroceded \$4,918,107,674 of these reserves to a third party.

Effective October 15, 2020, the Company entered into a coinsurance agreement with The Guardian Annuity and Insurance Company ("Guardian") whereby it assumed fixed annuity business. The total accumulated assumed reserves were \$210,868,822 and \$28,163,527 as of June 30, 2021 and December 31, 2020, respectively.

Effective October 1, 2020, the Company entered into a coinsurance agreement with Great American Life Insurance Company whereby it assumed fixed annuity business. As of June 30, 2021, there have been \$5,442,899,865 reserves assumed and subsequently retroceded \$5,296,521,505 to third parties. As of December 31, 2020, there have been \$5,614,914,631 reserves assumed and subsequently retroceded \$4,103,792,009 to third parties.

Effective September 10, 2020, the Company entered into a coinsurance agreement with CMFG Life Insurance Company whereby it assumed new fixed annuity business. As of June 30, 2021 and December 31, 2020, there have been \$127,702,895 and \$31,893,638 reserves assumed, respectively.

Effective July 1, 2020, the Company entered into a coinsurance agreement with John Hancock Life Insurance Company ("John Hancock") whereby it assumed blocks of bank owned life insurance ("BOLI"). This agreement is being treated as deposit accounting. The total deposit liability established was \$2,292,068,378 and \$2,276,841,057 as of June 30, 2021 and December 31, 2020, respectively.

Effective July 1, 2020, the Company entered into a coinsurance agreement with United of Omaha Life Insurance Company whereby it assumed new fixed annuity business. The total accumulated assumed reserves was \$133,268,061 and \$98,019,095 as of June 30, 2021 and December 31, 2020, respectively.

Effective May 7, 2020, the Company entered into a coinsurance agreement with Great American Life Insurance Company ("Great American") whereby it assumed a portion of fixed and fixed indexed annuities for new business only. The total accumulated assumed reserves was \$726,917,126 and \$447,644,620 as of June 30, 2021 and December 31, 2020, respectively.

## Notes to the Financial Statements

### 21. Other Items (Continued)

On April 7, 2020, the Company and its insurance subsidiaries entered into an arrangement with Ivy Co-Invest Vehicle LLC and its subsidiaries designed to deploy approximately \$1,000,000,000 of capital provided by Ivy into qualifying reinsurance transactions alongside the Company and its subsidiaries. The Company's insurance subsidiaries and Ivy Re Limited ("Ivy"), a Bermuda insurance company and a subsidiary of Ivy Co-Invest Vehicle LLC, will participate in qualifying reinsurance transactions sourced, negotiated and underwritten by the Company's institutional reinsurance business over the course of a five-year investment period. Qualifying reinsurance transactions include reinsurance of life and retirement in-force blocks and of blocks obtained through merger and acquisitions, as well as pension risk transfer reinsurance, generally on a funds withheld insurance basis, with the Company's insurance subsidiary retaining a portion of the assumed liabilities of such transaction. Under the terms of the foregoing arrangement, the Company entered into several funds withheld coinsurance agreements with Ivy Re whereby it ceded \$553,338,870 of reserves and established a deposit receivable of \$1,138,420,529 as of December 31, 2020. As of June 30, 2021, these agreements had ceded reserves of \$996,689,245 of reserves and deposit receivables of \$1,146,034,189.

Effective January 15, 2020, the Company entered into a coinsurance agreement with Lincoln National Life Insurance Company ("Lincoln") whereby it assumed a portion of fixed and fixed indexed annuities for new business only. Assumed reserves for this business had accumulated to \$323,252,611 and \$258,245,090 as of June 30, 2021 and December 31, 2020, respectively.

Assets values of \$127,326,667 and \$126,836,634 as of June 30, 2021 and December 31, 2020, were on deposit with government authorities or trustees as required by law.

#### D. Business Interruption Insurance Recoveries

The Company did not have any business interruption insurance recoveries as of June 30, 2021 or December 31, 2020.

#### E. State Transferable and Non-Transferable Tax Credits - Not Applicable

#### F. Subprime-Mortgage-Related Risk Exposure

(1) While the Company holds no direct investments in subprime mortgage loans, the Company may have limited exposure to subprime borrowers through direct investments in primarily investment grade subprime residential mortgage-backed securities. The company's definition of subprime is predominantly based on borrower statistics from a residential pool of mortgages. Included in the statistics and the diversity of all these statistics across the borrower profile. As is true for all securities in the Company's portfolio, the entire mortgage-backed asset portfolio is reviewed for impairments at least quarterly. Additionally, reviews of specific mortgage-backed securities are made on a periodic basis by reviewing both the unrealized gain/loss as well as changes to the underlying statistics. Included in the analysis are current delinquency and default statistics, as well as the current and original levels of subordination on the security.

(2) Direct exposure through investments in subprime mortgage loans - Not Applicable

(3) Direct exposure through other investments

The Company holds the following securities with subprime exposure as of June 30, 2021:

	Actual Cost	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	\$ 84,777,722	\$ 74,566,244	\$ 84,949,845	\$
b. Commercial mortgage-backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investment in SCAs				
f. Other assets				
g. Total	\$ 84,777,722	\$ 74,566,244	\$ 84,949,845	\$

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage - Not Applicable

#### G. Retained Assets - Not Applicable

#### H. Insurance-Linked Securities (ILS) Contracts - Not Applicable

#### I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy - Not Applicable

### 22. Events Subsequent

Type I – Recognized Subsequent Events – No Type 1 subsequent events to report.

Type II – Non-recognized Subsequent Events

Subsequent events have been considered through August 12, 2021.

#### COVID-19

The COVID-19 outbreak is currently impacting the United States and many countries around the world. Due to the recent and rapidly evolving nature of these events, the Company is unable to estimate the full impact at this time. However, at this time, the Company does not believe the situation will materially impact the Company's liquidity or capital position.

### 23. Reinsurance - No Significant Changes

### 24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company does not have any retrospectively rated contracts or contract subject to redetermination.

#### A. Method Used to Estimate - Not Applicable

#### B. Method Used to Record - Not Applicable

#### C. Amount and Percent of Net Retrospective Premiums - Not Applicable

## Notes to the Financial Statements

### 24. Retrospectively Rated Contracts & Contracts Subject to Redetermination (Continued)

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act - Not Applicable

E. Risk-Sharing Provisions of the Affordable Care Act (ACA)

Not applicable

(1) Accident and health insurance premium subject to the Affordable Care Act risk-sharing provisions

Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions?

NO

(2) Impact of Risk-Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year - Not Applicable

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance - Not Applicable

(4) Roll-forward of risk corridors asset and liability balances by program benefit year - Not Applicable

(5) ACA risk corridors receivable as of reporting date - Not Applicable

25. Change in Incurred Losses and Loss Adjustment Expenses - Not Applicable

26. Intercompany Pooling Arrangements - Not Applicable

27. Structured Settlements - Not Applicable

28. Health Care Receivables - Not Applicable

29. Participating Policies - Not Applicable

30. Premium Deficiency Reserves - Not Applicable

31. Reserves for Life Contracts and Annuity Contracts - No Significant Changes

32. Analysis of Annuity Actuarial Reserves and Deposit Type Contract Liabilities by Withdrawal Characteristics - No Significant Changes

33. Analysis of Life Actuarial Reserves by Withdrawal Characteristics - No Significant Changes

34. Premiums and Annuity Considerations Deferred and Uncollected - No Significant Changes

35. Separate Accounts - No Significant Changes

36. Loss/Claim Adjustment Expenses - Not Applicable

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes [ ] No [ X ]
- 1.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ X ]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [ X ]
- 2.2 If yes, date of change: .....
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [ X ] No [ ]  
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [ X ]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? ..... Yes [ X ] No [ ]
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. .... 0001404912
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]  
If yes, complete and file the merger history data file with the NAIC.
- 4.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [ X ] N/A [ ]  
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2019
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .... 12/31/2014
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .... 05/27/2016
- 6.4 By what department or departments?  
Massachusetts Division of Insurance
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ X ] No [ ] N/A [ ]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ X ] No [ ] N/A [ ]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [ X ]
- 7.2 If yes, give full information:
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ X ] No [ ]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
REDI Global Technologies LLC	New York, NY	NO	NO	NO	YES
Mercer Allied Company, L.P.	Saratoga Springs, NY	NO	NO	NO	YES
Global Atlantic Investment Advisors, LLC	Indianapolis, Indiana	NO	NO	NO	YES
Global Atlantic Distributors, LLC	Simsbury, Connecticut	NO	NO	NO	YES
KKR Credit Advisors (Singapore) Pte. Ltd.	Singapore	NO	NO	NO	YES
KKR Registered Advisor LLC	New York, NY	NO	NO	NO	YES
Kohlberg Kravis Roberts & Co. L.P.	New York, NY	NO	NO	NO	YES
FS/KKR Advisor, LLC	New York, NY	NO	NO	NO	YES
KKR Credit Advisors (US) LLC	San Francisco, CA	NO	NO	NO	YES
KKR Capital Markets LLC	New York, NY	NO	NO	NO	YES
MCS Capital Markets LLC	New York, NY	NO	NO	NO	YES

## GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes  No   
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 (c) Compliance with applicable governmental laws, rules and regulations;  
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? ..... Yes  No
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes  No
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

### FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes  No
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ .....

### INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes  No
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... \$ .....
13. Amount of real estate and mortgages held in short-term investments: ..... \$ ..... 108,495,383
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes  No
- 14.2 If yes, please complete the following:
- |   | 1<br>Prior Year-End<br>Book/Adjusted<br>Carrying Value | 2<br>Current Quarter<br>Book/Adjusted<br>Carrying Value |
|---|--|---|
| 14.21 Bonds .....   | \$ 97,607,120  | \$ 28,051,585   |
| 14.22 Preferred Stock .....   | \$ .....   | \$ .....  |
| 14.23 Common Stock .....  | \$ 2,907,061,864                                       | \$ 2,938,475,065  |
| 14.24 Short-Term Investments .....  | \$ .....   | \$ .....  |
| 14.25 Mortgage Loans on Real Estate .....   | \$ .....   | \$ .....  |
| 14.26 All Other .....   | \$ .....   | \$ .....  |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) ..... | \$ 3,004,668,984                                       | \$ 2,966,526,650  |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....                       | \$ .....   | \$ .....  |
- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes  No
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes  No  N/A   
 If no, attach a description with this statement.
16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. .... \$ .....
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. .... \$ .....
- 16.3 Total payable for securities lending reported on the liability page. .... \$ .....

## GENERAL INTERROGATORIES

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? ..... Yes [ X ] No [ ]
- 17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Bank of New York Mellon .....	One Wall Street, New York, NY 10286 .....

- 17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? ..... Yes [ ] No [ X ]

- 17.4 If yes, give full information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

- 17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Internal Global Atlantic Investment Team .....	I.....
Goldman Sachs Asset Management CLO, Corp. ....	U.....
Guggenheim Partners Investment Management, LLC .....	U.....
Hartford Investment Management Company .....	U.....
Kohlberg Kravis Roberts & Co. L.P. ....	A.....
Shenkman Capital Management, Inc. ....	U.....

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets? ..... Yes [ ] No [ X ]

- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? ..... Yes [ ] No [ X ]

- 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
107738 .....	Goldman Sachs Asset Management CLO, Corp. ....	5493000C7DKPYVEOMA87 .....	.....	OS.....
137432 .....	Guggenheim Partners Investment Management, LLC .....	549300XWQLVNUK615E79 .....	.....	NO.....
106699 .....	Hartford Investment Management Company .....	FE0BULMG7PY8B4MG7C65 .....	.....	NO.....
1399770 .....	Kohlberg Kravis Roberts & Co. L.P. ....	K3NEK11EF7N3JVJE7V46 .....	.....	DS.....
112192 .....	Shenkman Capital Management, Inc. ....	FE0BULMG7PY8B4MG7C65 .....	.....	NO.....

- 18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? ..... Yes [ X ] No [ ]

- 18.2 If no, list exceptions:

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
  - b. Issuer or obligor is current on all contracted interest and principal payments.
  - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting entity self-designated 5GI securities? ..... Yes [ X ] No [ ]

20. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
- a. The security was purchased prior to January 1, 2018.
  - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
  - c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
  - d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
- Has the reporting entity self-designated PLGI securities? ..... Yes [ ] No [ X ]

21. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
- a. The shares were purchased prior to January 1, 2019.
  - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
  - c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
  - d. The fund only or predominantly holds bonds in its portfolio.
  - e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
  - f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
- Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? ..... Yes [ ] No [ X ]

## GENERAL INTERROGATORIES

### PART 2 - LIFE AND ACCIDENT AND HEALTH COMPANIES/FRATERNAL BENEFIT SOCIETIES

**Life and Accident Health Companies/Fraternal Benefit Societies:**

1. Report the statement value of mortgage loans at the end of this reporting period for the following categories: 1  
Amount
- 1.1 Long-Term Mortgages In Good Standing
- 1.11 Farm Mortgages ..... \$ .....  
 1.12 Residential Mortgages ..... \$ ..... 1,090,302,187  
 1.13 Commercial Mortgages ..... \$ ..... 2,995,449,619  
 1.14 Total Mortgages in Good Standing ..... \$ ..... 4,085,751,806
- 1.2 Long-Term Mortgages In Good Standing with Restructured Terms
- 1.21 Total Mortgages in Good Standing with Restructured Terms ..... \$ .....
- 1.3 Long-Term Mortgage Loans Upon which Interest is Overdue more than Three Months
- 1.31 Farm Mortgages ..... \$ .....  
 1.32 Residential Mortgages ..... \$ ..... 6,728,036  
 1.33 Commercial Mortgages ..... \$ .....  
 1.34 Total Mortgages with Interest Overdue more than Three Months ..... \$ ..... 6,728,036
- 1.4 Long-Term Mortgage Loans in Process of Foreclosure
- 1.41 Farm Mortgages ..... \$ .....  
 1.42 Residential Mortgages ..... \$ .....  
 1.43 Commercial Mortgages ..... \$ .....  
 1.44 Total Mortgages in Process of Foreclosure ..... \$ .....
- 1.5 Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2) ..... \$ ..... 4,092,479,842
- 1.6 Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter
- 1.61 Farm Mortgages ..... \$ .....  
 1.62 Residential Mortgages ..... \$ .....  
 1.63 Commercial Mortgages ..... \$ .....  
 1.64 Total Mortgages Foreclosed and Transferred to Real Estate ..... \$ .....
2. Operating Percentages:
- 2.1 A&H loss percent ..... %  
 2.2 A&H cost containment percent ..... %  
 2.3 A&H expense percent excluding cost containment expenses ..... %
- 3.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]
- 3.2 If yes, please provide the amount of custodial funds held as of the reporting date ..... \$ .....
- 3.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]
- 3.4 If yes, please provide the balance of the funds administered as of the reporting date ..... \$ .....
4. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? ..... Yes [ X ] No [ ]
- 4.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? ..... Yes [ ] No [ ]

**Fraternal Benefit Societies Only:**

- 5.1 In all cases where the reporting entity has assumed accident and health risks from another company, provisions should be made in this statement on account of such reinsurances for reserve equal to that which the original company would have been required to establish had it retained the risks. Has this been done? ..... Yes [ ] No [ ] N/A [ ]
- 5.2 If no, explain: .....
- 6.1 Does the reporting entity have outstanding assessments in the form of liens against policy benefits that have increased surplus? ..... Yes [ ] No [ ]
- 6.2 If yes, what is the date(s) of the original lien and the total outstanding balance of liens that remain in surplus?

Date	Outstanding Lien Amount



STATEMENT AS OF JUNE 30, 2021 OF THE Commonwealth Annuity and Life Insurance Company

**SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS**

Current Year To Date - Allocated by States and Territories

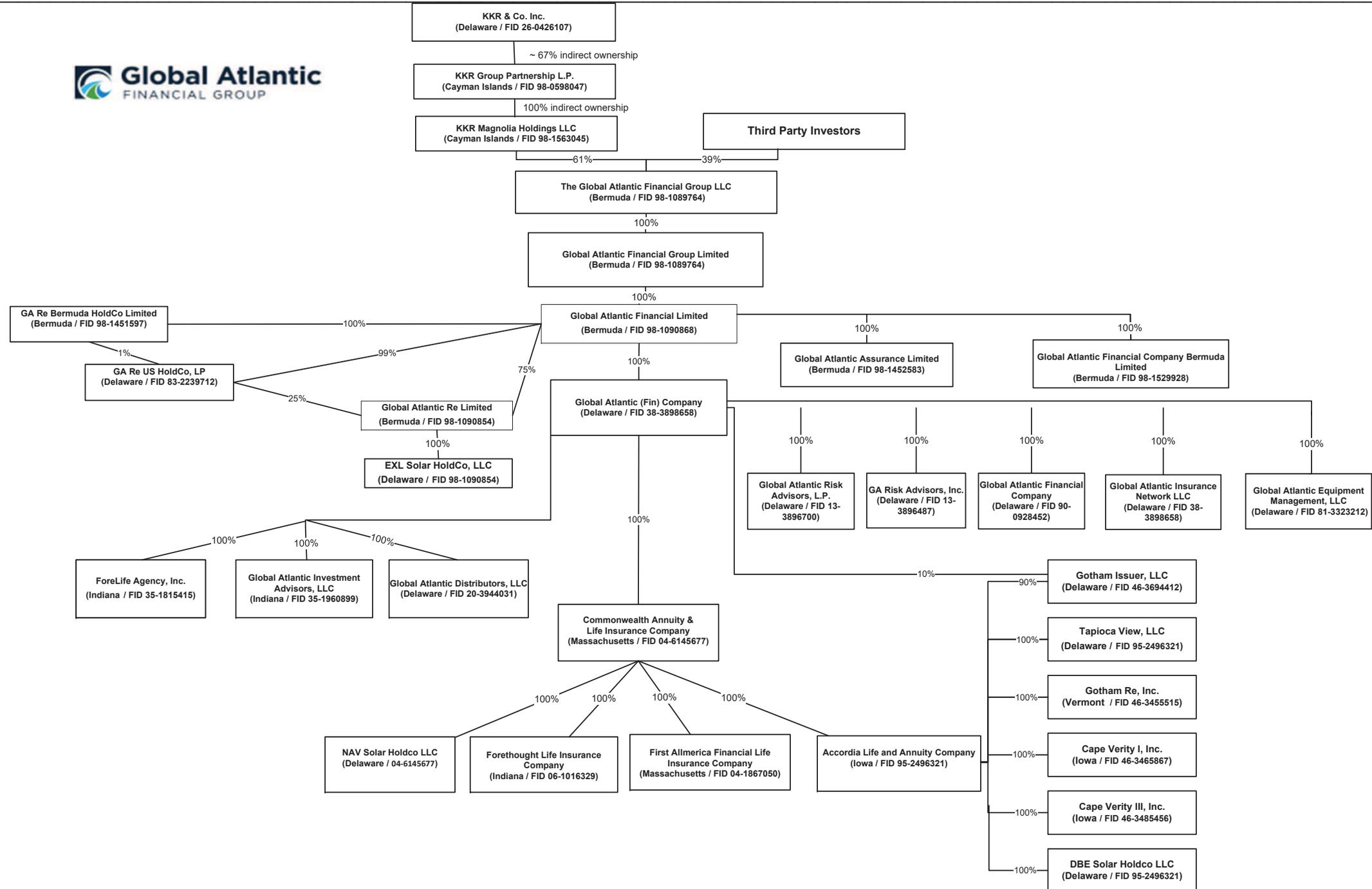
States, Etc.	1	Life Contracts		Direct Business Only			7
		2	3	4	5	6	
	Active Status (a)	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 Through 5	Deposit-Type Contracts
1. Alabama	AL	L	483,043	74,616		557,659	
2. Alaska	AK	L	1,202			1,202	
3. Arizona	AZ	L	250,396	359,098	1,061	610,555	
4. Arkansas	AR	L	22,075			22,075	243,263
5. California	CA	L	1,222,621	4,406,706	1,090	5,630,417	124,452
6. Colorado	CO	L	862,029	75,266	1,341	938,636	
7. Connecticut	CT	L	503,215	342,152	96	845,463	
8. Delaware	DE	L	122,620	1,200		123,820	
9. District of Columbia	DC	L	9,462		370	9,832	
10. Florida	FL	L	1,160,022	2,049,242	4,625	3,213,889	768,470
11. Georgia	GA	L	544,536	11,300	2,717	558,553	
12. Hawaii	HI	L	7,683	3,900		11,583	
13. Idaho	ID	L	24,015			24,015	10,339
14. Illinois	IL	L	1,166,930	891,711	6,187	2,064,828	785,175
15. Indiana	IN	L	194,788	567,209		761,997	
16. Iowa	IA	L	65,208	57,664		122,872	
17. Kansas	KS	L	85,132	96,490		181,622	
18. Kentucky	KY	L	114,790			114,790	
19. Louisiana	LA	L	285,339	34,354	1,065	320,758	
20. Maine	ME	L	184,445	69,661	1,675	255,781	35,635
21. Maryland	MD	L	282,344	57,620	68	340,032	
22. Massachusetts	MA	L	1,079,966	1,030,811	1,767	2,112,544	
23. Michigan	MI	L	750,228	911,531	26,540	1,688,299	102,097
24. Minnesota	MN	L	545,558	373,840	143	919,541	
25. Mississippi	MS	L	32,202	13,411		45,613	
26. Missouri	MO	L	235,207	346,933	752	582,892	
27. Montana	MT	L	26,044	184,242		210,286	
28. Nebraska	NE	L	106,908	157,734		264,642	
29. Nevada	NV	L	46,193	9,667		55,860	
30. New Hampshire	NH	L	442,908	20,798	1,844	465,550	
31. New Jersey	NJ	L	523,310	43,913	2,518	569,741	124,471
32. New Mexico	NM	L	39,971	103,269	610	143,850	
33. New York	NY	N	1,442,126	379,194	5,660	1,826,980	33,816
34. North Carolina	NC	L	474,383	685,072	945	1,160,400	117,361
35. North Dakota	ND	L	13,464	274,695		288,159	
36. Ohio	OH	L	448,052	698,271		1,146,323	692,210
37. Oklahoma	OK	L	124,864	16,500		141,364	
38. Oregon	OR	L	226,758	69,804		296,562	
39. Pennsylvania	PA	L	1,565,785	988,003	901	2,554,689	645,552
40. Rhode Island	RI	L	158,412	7,055	265	165,732	
41. South Carolina	SC	L	186,428	78,377	3,343	268,148	
42. South Dakota	SD	L	8,867	157,986		166,853	
43. Tennessee	TN	L	342,604	222,126	326	565,056	
44. Texas	TX	L	1,279,448	640,931	2,807	1,923,186	
45. Utah	UT	L	30,035	68,383		98,418	
46. Vermont	VT	L	97,650	26,975		124,625	
47. Virginia	VA	L	444,058	255,909	518	700,485	
48. Washington	WA	L	249,799	218,742	3,042	471,583	330,900
49. West Virginia	WV	L	21,614			21,614	
50. Wisconsin	WI	L	286,469	784,321	2,601	1,073,391	
51. Wyoming	WY	L	6,935	1,042		7,977	
52. American Samoa	AS	N					
53. Guam	GU	N	1,522			1,522	
54. Puerto Rico	PR	N	652,287	72,499	15,204	739,990	
55. U.S. Virgin Islands	VI	L	36,465	3,600		40,065	
56. Northern Mariana Islands	MP	N					
57. Canada	CAN	N	2,612			2,612	
58. Aggregate Other Aliens	OT	XXX	118,900			118,900	
59. Subtotal	XXX		19,639,927	17,943,823	90,081	37,673,831	4,013,741
90. Reporting entity contributions for employee benefits plans	XXX						
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX		894,920			894,920	
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX						
93. Premium or annuity considerations waived under disability or other contract provisions	XXX		728,104			728,104	
94. Aggregate or other amounts not allocable by State	XXX						
95. Totals (Direct Business)	XXX		21,262,951	17,943,823	90,081	39,296,855	4,013,741
96. Plus Reinsurance Assumed	XXX		(23,757,499)	2,820,064,255	864,758,797	3,661,065,553	201,016
97. Totals (All Business)	XXX		(2,494,548)	2,838,008,078	864,848,878	3,700,362,408	4,214,757
98. Less Reinsurance Ceded	XXX		(726,365)	3,948,248,094	2,703,322,085	6,650,843,814	4,182,019
99. Totals (All Business) less Reinsurance Ceded	XXX		(1,768,183)	(1,110,240,016)	(1,838,473,207)	(2,950,481,406)	32,738
DETAILS OF WRITE-INS							
58001. ZZZ Foreign Country not defined	XXX		118,900			118,900	
58002.	XXX						
58003.	XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX						
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX		118,900			118,900	
9401.	XXX						
9402.	XXX						
9403.	XXX						
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX						
9499. Totals (Lines 9401 through 9403 plus 9498)(Line 94 above)	XXX						

(a) Active Status Counts:

L - Licensed or Chartered - Licensed Insurance carrier or domiciled RRG..... 51  
 E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....  
 N - None of the above - Not allowed to write business in the state..... 6

R - Registered - Non-domiciled RRGs.....  
 Q - Qualified - Qualified or accredited reinsurer.....

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART**



STATEMENT AS OF JUNE 30, 2021 OF THE Commonwealth Annuity and Life Insurance Company

**SCHEDULE Y**  
**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
			98-1089764				Global Atlantic Financial Group Limited	.BMJ	.NIA	The Global Atlantic Financial Group LLC	Ownership	100.000	The Global Atlantic Financial Group LLC		
			90-0928452				Global Atlantic Financial Company	.DE	.NIA	Global Atlantic (Fin) Company	Ownership	100.000	The Global Atlantic Financial Group LLC		
			38-3898658				Global Atlantic (Fin) Company	.DE	.NIA	Global Atlantic Financial Limited	Ownership	100.000	The Global Atlantic Financial Group LLC		
			98-1090868				Global Atlantic Financial Limited	.BMJ	.NIA	Global Atlantic Financial Group Limited	Ownership	100.000	The Global Atlantic Financial Group LLC		
			98-1090854				Global Atlantic Re Limited	.BMJ	.IA	Global Atlantic Financial Limited	Ownership	75.000	The Global Atlantic Financial Group LLC		
			98-1090854				Global Atlantic Re Limited	.BMJ	.IA	GA Re US HoldCo, LP	Ownership	25.000	The Global Atlantic Financial Group LLC		
			13-3896700				Global Atlantic Risk Advisors, L.P.	.DE	.NIA	Global Atlantic (Fin) Company	Ownership	100.000	The Global Atlantic Financial Group LLC		
			38-3898658				Global Atlantic Insurance Network, LLC	.DE	.NIA	Global Atlantic (Fin) Company	Ownership	100.000	The Global Atlantic Financial Group LLC		
			13-3896487				GA Risk Advisors, Inc.	.DE	.NIA	Global Atlantic (Fin) Company	Ownership	100.000	The Global Atlantic Financial Group LLC		
			98-1529928				Global Atlantic Financial Company Bermuda Limited	.BMJ	.NIA	Global Atlantic Financial Limited	Ownership	100.000	The Global Atlantic Financial Group LLC		
			98-1089764	4520225			The Global Atlantic Financial Group LLC	.BMJ	.NIA	KKR Magnolia Holdings LLC	Ownership	61.000	KKR Group Partnership L.P.		
			98-1089764	4520225			The Global Atlantic Financial Group LLC	.BMJ	.NIA	Third Party Investors	Ownership	39.000	Third Party Investors		
			98-1563045				KKR Magnolia Holdings LLC	.CYM	.NIA	KKR Group Partnership L.P.	Ownership	100.000	KKR & Co. Inc.		
			98-0598047				KKR Group Partnership L.P.	.CYM	.NIA	KKR & Co. Inc.	Ownership	67.000	KKR & Co. Inc.		
3891	Global Atlantic Grp	69140	04-1867050	2578101	793699		First Allmerica Financial Life Insurance Company	.MA	.IA	Commonwealth Annuity and Life Insurance Company	Ownership	100.000	The Global Atlantic Financial Group LLC		
3891	Global Atlantic Grp	84824	04-6145677	3958278	1391312		Commonwealth Annuity and Life Insurance Company	.MA	.RE	Global Atlantic (Fin) Company	Ownership	100.000	The Global Atlantic Financial Group LLC		
3891	Global Atlantic Grp	62200	95-2496321				Accordia Life and Annuity Company	.IA	.IA	Commonwealth Annuity and Life Insurance Company	Ownership	100.000	The Global Atlantic Financial Group LLC		
			46-3694412				Gotham Issuer, LLC	.DE	.NIA	Global Atlantic (Fin) Company	Ownership	10.000	The Global Atlantic Financial Group LLC		
			46-3694412				Gotham Issuer, LLC	.DE	.NIA	Accordia Life and Annuity Company	Ownership	90.000	The Global Atlantic Financial Group LLC		
			95-2496321				DBE Solar Holdco LLC	.DE	.NIA	Accordia Life and Annuity Company	Ownership	100.000	The Global Atlantic Financial Group LLC		
3891	Global Atlantic Grp	15333	46-3455515				Gotham Re, Inc.	.VT	.IA	Accordia Life and Annuity Company	Ownership	100.000	The Global Atlantic Financial Group LLC		
			95-2496321				Tapioca View, LLC	.DE	.NIA	Accordia Life and Annuity Company	Ownership	100.000	The Global Atlantic Financial Group LLC		
3891	Global Atlantic Grp	15475	46-3465867				Cape Verity I, Inc.	.IA	.IA	Accordia Life and Annuity Company	Ownership	100.000	The Global Atlantic Financial Group LLC		
3891	Global Atlantic Grp	15473	46-3485456				Cape Verity III, Inc.	.IA	.IA	Accordia Life and Annuity Company	Ownership	100.000	The Global Atlantic Financial Group LLC		
			35-1960899				Global Atlantic Investment Advisors, LLC	.IN	.NIA	Global Atlantic (Fin) Company	Ownership	100.000	The Global Atlantic Financial Group LLC		
			20-3944031				Global Atlantic Distributors, LLC	.DE	.NIA	Global Atlantic (Fin) Company	Ownership	100.000	The Global Atlantic Financial Group LLC		
			35-1815415				ForeLife Agency, Inc	.IN	.NIA	Global Atlantic (Fin) Company	Ownership	100.000	The Global Atlantic Financial Group LLC		
3891	Global Atlantic Grp	91642	06-1016329		1554348		Forethought Life Insurance Company	.IN	.IA	Commonwealth Annuity and Life Insurance Company	Ownership	100.000	The Global Atlantic Financial Group LLC		

**SCHEDULE Y**  
**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
			81-3323212				Global Atlantic Equipment Management, LLC	DE	NIA	Global Atlantic (Fin) Company	Ownership	100.000	The Global Atlantic Financial Group LLC		
			98-1452583				Global Atlantic Assurance Limited	BMU	NIA	Global Atlantic Financial Limited	Ownership	100.000	The Global Atlantic Financial Group LLC		
			98-1451597				GA Re Bermuda HoldCo Limited	BMU	NIA	Global Atlantic Financial Limited	Ownership	100.000	The Global Atlantic Financial Group LLC		
			83-2239712				GA Re US HoldCo, LP	DE	NIA	Global Atlantic Financial Limited	Ownership	99.000	The Global Atlantic Financial Group LLC		
			83-2239712				GA Re US HoldCo, LP	DE	NIA	GA Re Bermuda HoldCo Limited	Ownership	1.000	The Global Atlantic Financial Group LLC		
			98-1090854				EXL Solar HoldCo, LLC	DE	NIA	Global Atlantic Re Limited	Ownership	100.000	The Global Atlantic Financial Group LLC		
			04-6145677				Na Solar HoldCo, LLC	DE	NIA	Commonwealth Annuity and Life Insurance	Ownership	100.000	The Global Atlantic Financial Group LLC		

**NONE**

Asterisk	Explanation

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement? .....	NO
2. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? .....	NO
3. Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC? .....	NO
4. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC? .....	NO
5. Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC? .....	NO
6. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC? .....	NO
7. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC? .....	NO
8. Will the Life PBR Statement of Exemption be filed with the state of domicile by July 1st and electronically with the NAIC with the second quarterly filing per the Valuation Manual (by August 15)? (2nd Quarter Only) The response for 1st and 3rd quarters should be N/A. A NO response resulting with a bar code is only appropriate in the 2nd quarter. ....	NO

Explanation:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.

Bar Code:

1. Trusteed Surplus Statement [Document Identifier 490]	
2. Medicare Part D Coverage Supplement [Document Identifier 365]	
3. Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV [Document Identifier 445]	
4. Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV [Document Identifier 446]	
5. Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI [Document Identifier 447]	
6. Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI [Document Identifier 448]	
7. Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) [Document Identifier 449]	
8. Life PBR Statement of Exemption (2nd Quarter Only) [Document Identifier 700]	

## OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2504. Accounts Receivable- Misc .....	1,487,836	14,727	1,473,109	
2505. Bills receivable .....	545,206	545,206		
2506. Prepaid Expenses .....	16,042	16,042		
2597. Summary of remaining write-ins for Line 25 from overflow page	2,049,084	575,975	1,473,109	

Additional Write-ins for Liabilities Line 25

	1 Current Statement Date	2 December 31 Prior Year
2504. Modco SA expense allowance .....	580,493	1,594,545
2505. Miscellaneous liabilities .....	471,776	1,284,380
2597. Summary of remaining write-ins for Line 25 from overflow page	1,052,269	2,878,925

Additional Write-ins for Summary of Operations Line 8.3

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
08.304. Service Fee Revenue .....	4,682,015	4,430,137	8,978,327
08.305. Guaranteed Minimum Benefit Rider Fees .....	3,191,693	3,194,383	6,393,967
08.306. Fee Income .....	1,072,014	1,213,939	2,323,188
08.307. Assumed VA fees and Dividends Received Deduction .....	472,500	1,050,000	1,050,000
08.308. Other Income .....	677,733	515,024	1,645,346
08.397. Summary of remaining write-ins for Line 8.3 from overflow page	10,095,955	10,403,483	20,390,827

Additional Write-ins for Summary of Operations Line 27

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
2704. Modified coinsurance reserve adjustment .....	(21,352,295)	(1,726,344)	(25,413,176)
2705. Ceded dividends received deduction .....	1,286,250	1,050,000	4,562,259
2706. Other expenses .....	(238,714)	(88,736)	546,885
2797. Summary of remaining write-ins for Line 27 from overflow page	(20,304,759)	(765,080)	(20,304,032)

**SCHEDULE A - VERIFICATION**

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

**NONE**

**SCHEDULE B - VERIFICATION**

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	2,548,289,194	1,513,948,010
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	1,854,161,909	1,103,033,126
2.2 Additional investment made after acquisition	552,701	38,775,789
3. Capitalized deferred interest and other		
4. Accrual of discount	1,690,509	1,199,169
5. Unrealized valuation increase (decrease)	(465,061)	(77,515)
6. Total gain (loss) on disposals	186,508	22,604
7. Deduct amounts received on disposals	310,448,245	104,605,420
8. Deduct amortization of premium and mortgage interest points and commitment fees	1,487,674	4,006,569
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	4,092,479,841	2,548,289,194
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)	4,092,479,841	2,548,289,194
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)	4,092,479,841	2,548,289,194

**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	277,985,590	72,986,615
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	53,983,749	116,364,496
2.2 Additional investment made after acquisition	19,221,496	6,681,687
3. Capitalized deferred interest and other		
4. Accrual of discount	511	493,700
5. Unrealized valuation increase (decrease)	(31,919,787)	94,555,234
6. Total gain (loss) on disposals	(58,769)	24,617
7. Deduct amounts received on disposals	35,820,384	12,620,150
8. Deduct amortization of premium and depreciation	691,346	73,890
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		426,720
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	282,701,060	277,985,590
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	282,701,060	277,985,590

**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	33,053,274,228	17,084,001,863
2. Cost of bonds and stocks acquired	10,601,779,019	23,167,270,551
3. Accrual of discount	28,722,675	102,322,741
4. Unrealized valuation increase (decrease)	32,061,310	(89,217,596)
5. Total gain (loss) on disposals	(81,828,229)	39,268,636
6. Deduct consideration for bonds and stocks disposed of	10,296,453,615	7,140,192,760
7. Deduct amortization of premium	93,960,889	98,131,268
8. Total foreign exchange change in book/adjusted carrying value	(180,807)	
9. Deduct current year's other than temporary impairment recognized	1,355,323	17,172,282
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees	5,028,432	5,124,343
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10)	33,247,086,801	33,053,274,228
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	33,247,086,801	33,053,274,228

STATEMENT AS OF JUNE 30, 2021 OF THE Commonwealth Annuity and Life Insurance Company

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a) .....	19,563,192,939	3,686,111,480	3,807,290,448	(432,068,941)	19,563,192,939	19,009,945,030		19,426,267,328
2. NAIC 2 (a) .....	10,472,088,477	686,517,517	1,279,889,637	181,303,191	10,472,088,477	10,060,019,548		10,328,036,575
3. NAIC 3 (a) .....	360,501,880	108,873,558	36,685,701	85,063,407	360,501,880	517,753,144		466,803,467
4. NAIC 4 (a) .....	81,396,815	7,560,815	7,999,055	67,267,885	81,396,815	148,226,460		57,800,224
5. NAIC 5 (a) .....	299,780,393	148,167,314	10,549,723	50,347,610	299,780,393	487,745,594		222,994,808
6. NAIC 6 (a) .....	5,762,489		951,233	1,007,783	5,762,489	5,819,039		5,708,951
7. Total Bonds	30,782,722,993	4,637,230,684	5,143,365,797	(47,079,065)	30,782,722,993	30,229,508,815		30,507,611,353
<b>PREFERRED STOCK</b>								
8. NAIC 1 .....	3,500,000	184,164			3,500,000	3,684,164		7,975,600
9. NAIC 2 .....	52,001,852	1,000,000		(103,095)	52,001,852	52,898,757		26,852,224
10. NAIC 3 .....								
11. NAIC 4 .....								
12. NAIC 5 .....								
13. NAIC 6 .....								
14. Total Preferred Stock	55,501,852	1,184,164		(103,095)	55,501,852	56,582,921		34,827,824
15. Total Bonds and Preferred Stock	30,838,224,845	4,638,414,848	5,143,365,797	(47,182,160)	30,838,224,845	30,286,091,736		30,542,439,177

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:

NAIC 1 \$ 6,175,775 ; NAIC 2 \$ 9,418,671 ; NAIC 3 \$ ; NAIC 4 \$ ; NAIC 5 \$ ; NAIC 6 \$

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**SCHEDULE DA - PART 1**

## Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year-to-Date	Paid for Accrued Interest Year-to-Date
9199999 Totals	124,089,838	XXX	124,089,838	542,337	

**SCHEDULE DA - VERIFICATION**

## Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	124,575,138	151,850,826
2. Cost of short-term investments acquired .....	135,340,912	201,208,842
3. Accrual of discount .....		1,803,768
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....	442	(16,275)
6. Deduct consideration received on disposals .....	134,751,361	229,650,780
7. Deduct amortization of premium .....	1,075,293	621,243
8. Total foreign exchange change in book/adjusted carrying value .....		
9. Deduct current year's other than temporary impairment recognized .....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	124,089,838	124,575,138
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11)	124,089,838	124,575,138

**SCHEDULE DB - PART A - VERIFICATION**

Options, Caps, Floors, Collars, Swaps and Forwards

1. Book/Adjusted Carrying Value, December 31, prior year (Line 10, prior year)	97,678,007
2. Cost Paid/(Consideration Received) on additions	105,012,965
3. Unrealized Valuation increase/(decrease)	(76,558,519)
4. SSAP No. 108 adjustments	
5. Total gain (loss) on termination recognized	77,902,560
6. Considerations received/(paid) on terminations	42,196,554
7. Amortization	
8. Adjustment to the Book/Adjusted Carrying Value of hedged item	
9. Total foreign exchange change in Book/Adjusted Carrying Value	203,582
10. Book/Adjusted Carrying Value at End of Current Period (Lines 1+2+3+4+5-6+7+8+9)	162,042,041
11. Deduct nonadmitted assets	
12. Statement value at end of current period (Line 10 minus Line 11)	162,042,041

**SCHEDULE DB - PART B - VERIFICATION**

Futures Contracts

1. Book/Adjusted carrying value, December 31 of prior year (Line 6, prior year)	(10,020,340)
2. Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change column)	
3.1 Add:	
Change in variation margin on open contracts - Highly Effective Hedges	
3.11 Section 1, Column 15, current year to date minus	29,034,521
3.12 Section 1, Column 15, prior year	(10,020,341)
Change in variation margin on open contracts - All Other	
3.13 Section 1, Column 18, current year to date minus	
3.14 Section 1, Column 18, prior year	39,054,862
3.2 Add:	
Change in adjustment to basis of hedged item	
3.21 Section 1, Column 17, current year to date minus	
3.22 Section 1, Column 17, prior year	
Change in amount recognized	
3.23 Section 1, Column 19, current year to date minus	
3.24 Section 1, Column 19, prior year plus	
3.25 SSAP No. 108 adjustments	
3.3 Subtotal (Line 3.1 minus Line 3.2)	39,054,862
4.1 Cumulative variation margin on terminated contracts during the year	(143,725,907)
4.2 Less:	
4.21 Amount used to adjust basis of hedged item	
4.22 Amount recognized	(143,725,907)
4.23 SSAP No. 108 adjustments	(143,725,907)
4.3 Subtotal (Line 4.1 minus Line 4.2)	
5. Dispositions gains (losses) on contracts terminated in prior year:	
5.1 Total gain (loss) recognized for terminations in prior year	
5.2 Total gain (loss) adjusted into the hedged item(s) for terminations in prior year	
6. Book/Adjusted carrying value at end of current period (Lines 1+2+3.3-4.3-5.1-5.2)	29,034,522
7. Deduct total nonadmitted amounts	
8. Statement value at end of current period (Line 6 minus Line 7)	29,034,522

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open

**N O N E**

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open

**N O N E**

## SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

	Book/Adjusted Carrying Value Check
1. Part A, Section 1, Column 14.....	162,041,974
2. Part B, Section 1, Column 15 plus Part B, Section 1 Footnote - Total Ending Cash Balance.....	29,034,521
3. Total (Line 1 plus Line 2) .....	191,076,495
4. Part D, Section 1, Column 6 .....	293,243,756
5. Part D, Section 1, Column 7 .....	(102,167,261)
6. Total (Line 3 minus Line 4 minus Line 5) .....	.....
Fair Value Check	
7. Part A, Section 1, Column 16 .....	168,361,664
8. Part B, Section 1, Column 13 .....	29,034,521
9. Total (Line 7 plus Line 8) .....	197,396,185
10. Part D, Section 1, Column 9 .....	310,267,652
11. Part D, Section 1, Column 10 .....	(112,871,467)
12. Total (Line 9 minus Line 10 minus Line 11) .....	.....
Potential Exposure Check	
13. Part A, Section 1, Column 21 .....	22,206,932
14. Part B, Section 1, Column 20 .....	53,634,248
15. Part D, Section 1, Column 12 .....	75,841,180
16. Total (Line 13 plus Line 14 minus Line 15) .....	.....

**SCHEDULE E - PART 2 - VERIFICATION**

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	1,181,969,919	449,739,007
2. Cost of cash equivalents acquired .....	13,397,186,526	18,973,477,944
3. Accrual of discount .....	10,616	12,418
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....	(7,833)	
6. Deduct consideration received on disposals .....	13,672,588,829	18,241,174,190
7. Deduct amortization of premium .....	100,754	85,260
8. Total foreign exchange change in book/adjusted carrying value .....		
9. Deduct current year's other than temporary impairment recognized .....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	906,469,645	1,181,969,919
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11)	906,469,645	1,181,969,919

Schedule A - Part 2 - Real Estate Acquired and Additions Made

**N O N E**

Schedule A - Part 3 - Real Estate Disposed

**N O N E**