United of Omaha Life Insurance Company

(A Wholly Owned Subsidiary of
Mutual of Omaha Insurance Company)

Statutory Financial Statements as of December 31, 2023 and 2022, and for the Years Ended December 31, 2023, 2022, and 2021, Supplemental Schedules as of and for the Year Ended December 31, 2023, and Independent Auditor's Report

UNITED OF OMAHA LIFE INSURANCE COMPANY
(A Wholly Owned Subsidiary of Mutual of Omaha Insurance Company)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United of Omaha Life Insurance Company
Omaha, Nebraska

Opinions

We have audited the statutory financial statements of United of Omaha Life Insurance Company (the "Company") (a wholly owned subsidiary of Mutual of Omaha Insurance Company), which comprise the statutory statements of admitted assets, liabilities, and surplus as of December 31, 2023 and 2022, and the related statutory statements of operations, changes in surplus, and cash flows for each of the three years in the period ended December 31, 2023, and the related notes to the statutory financial statements (collectively referred to as the "statutory financial statements").

Unmodified Opinion on Statutory-Basis of Accounting

In our opinion, the accompanying statutory financial statements present fairly, in all material respects, the admitted assets, liabilities, and surplus of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in accordance with the accounting practices prescribed or permitted by the State of Nebraska Department of Insurance described in Note 1.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter described in the Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America section of our report, the statutory financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2023 and 2022, or the results of its operations or its cash flows for each of the three years in the period ended December 31, 2023.

Basis for Opinions

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

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1 to the statutory financial statements, the statutory financial statements are prepared by the Company using the accounting practices prescribed or permitted by the State of Nebraska Department of Insurance, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Nebraska Department of Insurance. The effects on the statutory financial statements of the variances between the statutory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Statutory Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Statutory Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the statutory financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the statutory financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the statutory financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplemental Schedules

Our 2023 audit was conducted for the purpose of forming an opinion on the 2023 statutory financial statements as a whole. The supplemental schedule of investment risk interrogatories, the supplemental summary investment schedule, and the supplemental schedule of selected financial data as of and for the year ended December 31, 2023, are presented for purposes of additional analysis and are not a required part of the 2023 statutory financial statements. These schedules are the responsibility of the Company's management and were derived from and relate directly to the underlying accounting and other records used to prepare the statutory financial statements. Such schedules have been subjected to the auditing procedures applied in our audit of the 2023 statutory financial statements and certain additional procedures, including comparing and reconciling such schedules directly to the underlying accounting and other records used to prepare the statutory financial statements or to the statutory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such schedules are fairly stated in all material respects in relation to the 2023 statutory financial statements as a whole.

Deloitte & Touche LLP

March 20, 2024

UNITED OF OMAHA LIFE INSURANCE COMPANY

(A Wholly Owned Subsidiary of Mutual of Omaha Insurance Company)

STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES, AND SURPLUS

AS OF DECEMBER 31, 2023 AND 2022

	2023	2022
ADMITTED ASSETS		
CASH AND INVESTED ASSETS:		
Bonds	$ 25,000,227,518	$ 21,549,654,445
Preferred stocks	196,557,425	181,779,852
Common stocks—unaffiliated	113,334,384	97,271,900
Common stocks—affiliated	143,721,335	138,813,248
Mortgage loans	4,371,524,057	3,926,098,742
Real estate occupied by the Company—net of accumulated depreciation of $7,116,679 and $7,079,027, respectively	4,422,023	4,459,105
Real estate held for sale by the Company—net of accumulated depreciation of $10,942,914 and $10,936,596, respectively	3,766,037	3,762,818
Contract loans	269,338,443	226,098,793
Cash and cash equivalents	51,877,189	(43,556,816)
Short—term investments	321,600,000	128,500,000
Securities lending and repurchase agreement cash collateral	857,875,519	867,713,771
Other invested assets	1,158,876,660	1,092,589,083
Total cash and invested assets	32,493,120,590	28,173,184,941
INVESTMENT INCOME DUE AND ACCRUED	258,192,748	207,503,781
PREMIUMS DEFERRED AND UNCOLLECTED	350,897,614	229,976,781
REINSURANCE RECOVERABLE	230,239,760	304,308,225
NET DEFERRED TAX ASSETS	131,898,889	123,067,766
ADMITTED DISALLOWED INTEREST MAINTENANCE RESERVE	57,972,568	—
OTHER ASSETS	78,710,961	19,133,466
SEPARATE ACCOUNT ASSETS	4,968,331,595	4,167,903,258
TOTAL ADMITTED ASSETS	$ 38,569,364,725	$ 33,225,078,218
LIABILITIES AND SURPLUS		
LIABILITIES:		
Policy reserves:		
Life insurance contract and annuity reserves	$ 17,993,707,602	$ 15,622,630,548
Deposit—type contracts	7,293,351,197	5,810,471,738
Health and accident active life reserves	62,165,999	88,834,526
Total policy reserves	25,349,224,798	21,521,936,812
Claim reserves:		
Policy and contract claims—life	172,002,472	174,797,476
Policy and contract claims—health	1,145,754,584	1,099,419,635
Total claim reserves	1,317,757,056	1,274,217,111
Premiums received in advance	43,429,083	36,394,865
Interest maintenance reserve	—	26,901,979
Asset valuation reserve	355,344,096	305,533,139
General expenses and taxes due or accrued	99,935,442	88,137,901
Payable to parent, subsidiaries, and affiliates—net	223,805,432	179,595,274
Borrowings and securities lending	1,068,329,946	984,871,856
Funds held under coinsurance	1,708,000,557	1,541,183,287
Funds held under reinsurance treaties with unauthorized and certified reinsurers	495,155,524	604,331,294
Other liabilities	558,287,398	534,171,662
Separate account liabilities	4,968,331,595	4,167,903,258
Total liabilities	36,187,600,927	31,265,178,438
SURPLUS:		
Capital stock, $10 par value, 900,000 shares authorized, issued, and outstanding	9,000,000	9,000,000
Gross paid—in and contributed surplus	932,625,018	582,625,018
Special surplus	57,972,568	—
Unassigned surplus	1,382,166,212	1,368,274,762
Total surplus	2,381,763,798	1,959,899,780
TOTAL LIABILITIES AND SURPLUS	$ 38,569,364,725	$ 33,225,078,218

See notes to statutory financial statements.

UNITED OF OMAHA LIFE INSURANCE COMPANY

(A Wholly Owned Subsidiary of Mutual of Omaha Insurance Company)

STATUTORY STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021

	2023	2022	2021
INCOME:			
Net premiums and annuity considerations	$ 7,018,659,558	$ 5,986,721,123	$ 4,840,610,373
Net investment income and amortization of IMR	1,313,289,028	1,088,579,405	1,022,691,906
Commissions and expense allowances on reinsurance ceded	186,935,046	190,968,274	169,042,121
Other income	31,821,891	34,481,629	39,029,579
Total income	8,550,705,523	7,300,750,431	6,071,373,979
BENEFITS AND EXPENSES:			
Policyholder benefits	3,742,084,568	3,272,102,918	3,229,214,650
Net change in reserves	2,391,332,235	1,975,256,487	1,134,395,157
Commissions	883,763,009	800,102,903	698,620,692
Operating expenses	1,280,567,312	1,134,277,513	1,055,471,376
Total benefits and expenses	8,297,747,124	7,181,739,821	6,117,701,875
NET INCOME (LOSS) FROM OPERATIONS BEFORE FEDERAL INCOME TAX (BENEFIT) AND NET REALIZED CAPITAL GAIN (LOSS)	252,958,399	119,010,610	(46,327,896)
FEDERAL INCOME TAX (BENEFIT)	89,592,039	69,560,036	(14,104,035)
NET INCOME (LOSS) FROM OPERATIONS BEFORE NET REALIZED CAPITAL GAIN (LOSS)	163,366,360	49,450,574	(32,223,861)
NET REALIZED CAPITAL GAIN (LOSS)—Net of federal income tax (benefit) of ($15,018,578), ($5,386,552), and $19,766,770, and transfers to (from) the IMR of ($83,040,455), ($20,394,899), and $47,898,612, respectively	2,255,539	(37,977,218)	3,226,830
NET INCOME (LOSS)	$ 165,621,899	$ 11,473,356	$ (28,997,031)

See notes to statutory financial statements.

UNITED OF OMAHA LIFE INSURANCE COMPANY

(A Wholly Owned Subsidiary of Mutual of Omaha Insurance Company)

STATUTORY STATEMENTS OF CHANGES IN SURPLUS

FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021

	2023	2022	2021
CAPITAL STOCK	$ 9,000,000	$ 9,000,000	$ 9,000,000
GROSS PAID—IN AND CONTRIBUTED SURPLUS:			
Balance—beginning of year	582,625,018	582,625,018	582,625,018
Capital contributions	350,000,000	—	—
Balance—end of year	932,625,018	582,625,018	582,625,018
SPECIAL SURPLUS:			
Balance—beginning of year	—	—	—
Admitted disallowed interest maintenance reserve	57,972,568	—	—
Balance—end of year	57,972,568	—	—
UNASSIGNED SURPLUS:			
Balance—beginning of year	1,368,274,762	1,333,194,995	1,279,169,698
Net income (loss)	165,621,899	11,473,356	(28,997,031)
Change in:			
Net unrealized capital gain (loss)—net of income tax (benefit) of $(269,610), $(11,779,533), and $34,076,739, respectively	(7,674,919)	65,072,744	181,279,253
Foreign exchange unrealized capital gain (loss)—net of income tax (benefit) of $30,824, $(873,216), and $101,745, respectively	115,957	(3,284,963)	382,755
Net deferred income tax (benefit)	59,465,623	75,274,509	7,130,401
Nonadmitted assets	(71,228,594)	(95,105,247)	24,800,814
Reserve on account of change in valuation basis	8,552,409	(25,665,379)	18,163,384
Asset valuation reserve	(49,810,957)	31,133,981	(144,024,959)
Deferred gain (loss) on reinsurance	(26,862,909)	(27,790,658)	(18,009,406)
Loading on deferred premium asset	(2,790)	(515,465)	(95,564)
Prior year adjustments	(6,311,701)	4,486,889	13,395,650
Admitted disallowed interest maintenance reserve	(57,972,568)	—	—
Balance—end of year	1,382,166,212	1,368,274,762	1,333,194,995
TOTAL SURPLUS	$2,381,763,798	$1,959,899,780	$1,924,820,013

See notes to statutory financial statements.

UNITED OF OMAHA LIFE INSURANCE COMPANY

(A Wholly Owned Subsidiary of Mutual of Omaha Insurance Company)

STATUTORY STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021

	2023	2022	2021
CASH FROM (USED FOR) OPERATIONS:			
Net premiums and annuity considerations	$7,069,174,862	$6,139,604,291	$5,025,193,036
Net investment income	1,244,271,504	1,047,494,016	1,011,930,978
Miscellaneous income	197,474,089	168,199,480	179,995,100
Policyholder benefits	(3,974,312,855)	(3,556,733,006)	(3,475,310,341)
Net transfers from (to) separate accounts	88,183	631,125	(140,672)
Commissions and operating expenses	(2,030,819,450)	(1,816,914,654)	(1,602,397,128)
Federal income taxes recovered (paid) from parent	(64,588,238)	(32,089,081)	(25,127,085)
Net cash from (used for) operations	2,441,288,095	1,950,192,171	1,114,143,888
CASH FROM (USED FOR) INVESTMENTS:			
Proceeds from investments sold, matured, or repaid:			
Bonds	4,319,838,550	3,663,768,479	3,361,326,818
Stocks	182,890,642	265,294,579	189,731,441
Mortgage loans	179,365,515	397,061,340	358,800,774
Other invested assets	173,375,828	168,151,598	36,592,062
Miscellaneous proceeds	152,699,987	11,367,243	14,482,442
Cost of investments acquired:			
Bonds	(7,827,772,351)	(6,235,267,115)	(4,220,427,023)
Stocks	(215,287,827)	(172,442,792)	(191,835,409)
Mortgage loans	(626,888,560)	(838,566,028)	(832,919,522)
Other invested assets	(265,566,332)	(333,932,547)	(337,379,154)
Miscellaneous applications	(45,134,507)	(52,914,629)	(20,466,743)
Net decrease (increase) in contract loans	(43,913,644)	(23,044,940)	(4,791,326)
Net cash from (used for) investments	(4,016,392,699)	(3,150,524,812)	(1,646,885,640)
CASH FROM (USED FOR) FINANCING AND MISCELLANEOUS SOURCES:			
Capital contributions	300,000,000	—	—
Borrowed funds received (paid)	93,087,400	(185,606,535)	(48,401,092)
Net increase (decrease) in deposit—type contracts	1,482,522,538	1,094,827,030	641,163,309
Net increase (decrease) in payable to parent, subsidiaries, and affiliates	44,210,158	9,740,774	(29,776,160)
Other cash provided (applied)	(56,181,487)	70,040,852	(15,580,105)
Net cash from (used for) financing and miscellaneous sources	1,863,638,609	989,002,121	547,405,952
NET CHANGE IN CASH, CASH EQUIVALENTS, AND SHORT—TERM INVESTMENTS	288,534,005	(211,330,520)	14,664,200
CASH, CASH EQUIVALENTS, AND SHORT—TERM INVESTMENTS:			
Beginning of year	84,943,184	296,273,704	281,609,504
End of year	$ 373,477,189	$ 84,943,184	$ 296,273,704

(Continued)

UNITED OF OMAHA LIFE INSURANCE COMPANY

(A Wholly Owned Subsidiary of Mutual of Omaha Insurance Company)

STATUTORY STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021

	2023	2022	2021
NON—CASH TRANSACTIONS:			
Ceded benefits settled through funds withheld	$304,142,344	$326,028,571	$306,671,685
Ceded premiums settled through funds withheld	$199,652,975	$212,780,375	$224,735,625
Stock and bond conversions disposed to stock and bond conversions acquired	$188,222,262	$164,447,040	$315,991,989
Ceded interest settled through funds withheld	$ 90,275,779	$ 87,335,717	$ 91,353,639
Capital contribution through receivable from parent	$ 50,000,000	$ —	$ —
Assumed premiums settled through funds withheld	$ 41,714,813	$ 39,298,049	$ 38,074,065
Assumed benefits settled through funds withheld	$ 33,477,991	$ 33,108,290	$ 31,940,707
Surplus relief amortization	$ 26,862,909	$ 27,790,659	$ 18,009,404
Capital contribution through payable to subsidiary	$ 11,600,000	$ —	$ —
Ceded commissions settled through funds withheld	$ 10,147,029	$ 11,365,687	$ 11,558,434
Change in securities lending	$ 9,838,252	$ 82,333,482	$ 20,791,151
Ceded policy loans settled through funds withheld	$ 6,032,999	$ 5,370,759	$ 5,436,603
Assumed commissions settled through funds withheld	$ 5,928,068	$ 6,132,941	$ 5,081,031
Assumed interest settled through funds withheld	$ 1,919,941	$ 2,098,230	$ 2,109,779
Funds withheld listed as current amounts receivable	$ 1,757,427	$ —	$ 16,244,338
Ceded deposit—type contracts settled through funds withheld	$ 356,921	$ 448,085	$ 2,751,384
Ceded policy loan interest settled through funds withheld	$ 287,502	$ 274,950	$ 269,364
Mortgage loans transfer value	$ —	$ 27,714,264	$ —
Funds withheld listed as current amounts payable	$ —	$ 15,228,105	$ —
Mortgage loan conversions disposed to mortgage loan conversions acquired	$ —	$ 11,896,356	$ —

See notes to statutory financial statements. (Concluded)

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Within this report, the following abbreviations are used for company and affiliate names, if applicable.

Legal Name	Abbreviation	Legal Name	Abbreviation
United of Omaha Life Insurance Company	("the Company")	Mutual of Omaha Holdings, Inc.	("Mutual of Omaha Holdings")
Mutual of Omaha Insurance Company	("Mutual of Omaha")	Mutual of Omaha Structured Settlement Company	("Mutual Structured Settlement")
Omaha Insurance Company	("Omaha Insurance")	Cloverlay Sports Assets SPV L.P.	("Cloverlay")
Mutual of Omaha Medicare Advantage Company	("Omaha Medicare Advantage")	Fulcrum Growth Partners III, L.L.C.	("Fulcrum")
Omaha Health Insurance Company	("Omaha Health")	Boston Financial Opportunity Zone Fund I LP	("Boston Fund")
Omaha Supplemental Insurance Company	("Omaha Supplemental")	East Campus Realty, LLC	("East Campus")
United of Omaha Life Insurance Company	("United of Omaha")	Turner Park North, LLC	("Turner Park")
Companion Life Insurance Company	("Companion")	MGG Rated Debt Feeder Fund LP	("MGG Fund")
Omaha Reinsurance Company	("Omaha Re")	MHEG OZ Fund 1, LP	("MHEG Fund")
Medicare Advantage Insurance Company of Omaha	("Medicare Advantage Company")	Mutual of Omaha Opportunities Fund, L.P.	("MOOF Fund")
United World Life Insurance Company	("United World")	UM Holdings, LLC	("UM Holdings")
Omaha Financial Holdings, Inc.	("OFHI")	Mutual DMLT Holdings, LLC	("Mutual DMLT Trust")
Mutual of Omaha Mortgage, Inc.	("Mutual of Omaha Mortgage")	United DMLT Holdings, LLC	("United DMLT Trust")
Discovery Mortgage Loan Trust	("DMLT Trust")	Mutual of Omaha Investor Services, Inc.	("Mutual of Omaha Investor Services")
Endeavor Mortgage Loan Trust (M)	("EMLT-M")	Endeavor Mortgage Loan Trust (U)	("EMLT-U")
Mutual of Omaha Mortgage Servicing, Inc.	("MMSI")	Review Counsel LLC	("Review Counsel")
Legacy Benefits Origination Trust	("Legacy Trust")	Mutual of Omaha Strategic Alliance, LLC	("MOSAL")

Nature of Operations—The Company is a life, accident and health insurance company, domiciled in the State of Nebraska, and is a wholly owned subsidiary of Mutual of Omaha, a mutual life, accident and health insurance company, domiciled in the State of Nebraska. The following are wholly owned insurance subsidiaries of the Company as of December 31, 2023: Companion, United World, Medicare Advantage Company, and Omaha Re. The Company owns 100% of the outstanding common stock of Mutual Structured Settlement. Affiliated joint ventures includes approximately 80% of Fulcrum, 99% of MOOF Fund, 50% of MGG Fund, and 100% of Cloverlay and UM Holdings; and 100% other ownership in United DMLT Trust, DMLT Trust, and EMLT-U. The Company owns 83.04% of Boston Fund and 91.25% of MHEG Fund, non-guaranteed federal low-income housing tax credits ("LIHTC"). The Company owns approximately 75% of Legacy Trust.

The Company provides a wide array of financial products and services to a broad range of institutional and individual customers and is licensed in 49 states in the United States ("U.S."), the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Principal products and services provided include individual and group health insurance, individual and group life insurance, annuities, and retirement plans. In addition, starting in 2023 the Company acts as the funding agreement provider in a Funding Agreement Backed Note program.

The Company holds separate account assets which represent funds held for the benefit of contract holders under specific life and annuity contracts. In accordance with the products recorded within the separate account, assets are legally insulated from the general account.

Basis of Presentation—The Company has prepared the accompanying statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Nebraska Department of Insurance ("NDOI"). The state of Nebraska has adopted the National Association of Insurance Commissioners' ("NAIC") statutory accounting principles ("NAIC SAP") as the basis of its statutory accounting practices. The Director of the NDOI has the right to permit other specific practices that may deviate from NAIC SAP. The Company does not utilize any permitted practices however, there is an impact on its results of operations and surplus from the prescribed practices followed by its subsidiaries Companion and Omaha Re as discussed in Note 7.

The accompanying statutory financial statements vary in some respects from those that would be presented in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The most significant differences include:

a. Bonds are stated at amortized cost using the effective yield method, except for certain bonds with an NAIC designation of 6, which are stated at lower of amortized cost or fair value, while under GAAP, they may be stated at amortized cost or fair value.

b. An other-than-temporary impairment ("OTTI") exists for NAIC SAP on a loan-backed or structured security if fair value is less than the amortized cost basis and the Company has the intent to sell, does not have the intent and ability to retain the investment for a period of time sufficient to recover the amortized cost basis, or the Company does not expect to recover the entire amortized cost basis. For all other securities on an NAIC SAP basis, an OTTI is recognized if it is probable that the reporting entity will be unable to collect all amounts due according to the contractual terms of the security in effect at the date of acquisition or since the last OTTI. An OTTI results in a direct write-down to the carrying amount on an NAIC SAP basis. An OTTI exists for GAAP if the present value of a security's cash flows expected to be collected is less than its amortized cost basis amount, with the credit loss limited by the amount that the fair value of the security is less than amortized cost. An OTTI is recorded to an allowance for credit losses for GAAP.

c. A mortgage loan is impaired for NAIC SAP when it is probable that an entity will be unable to collect all amounts as contractually due. Impairments are generally determined on an individual basis. For GAAP, a mortgage loan is stated at amortized cost less an allowance for credit losses to present the net amount expected to be collected over the contractual term of the loan. Collectability is measured on a collective basis for assets with similar risk characteristics.

d. For NAIC SAP, a debt restructuring is considered a troubled debt restructuring ("TDR") if the borrower is experiencing financial difficulties and the Company has granted a concession it would not otherwise consider. A TDR typically involves a modification of terms such as a change of the interest rate to a below market rate, a forgiveness of principal or interest, an extended repayment period (maturity date) at a contractual interest rate lower than the current interest rate for new debt with similar risk, or capitalization and deferral of interest payments. The accounting for a TDR is at the fair value of assets received. The concept of TDR does not exist for GAAP.

e. Perpetual preferred stocks are stated at fair value with changes in fair value recognized in unrealized gains (losses) while under GAAP, perpetual preferred stocks are generally stated at their fair value with changes in fair value recognized in net income. In addition, under GAAP, certain investments in perpetual preferred stocks and other equity investments without readily determinable fair values for which the Company has elected a measurement alternative are stated at cost adjusted for price changes in observable transactions in the same or similar instruments of the same issuer and for impairments. Redeemable preferred stocks are stated at amortized cost; except for redeemable preferred stocks that are NAIC rated 4 through 6, which are stated at lower of amortized cost or fair value. Under GAAP, preferred stocks that are redeemable mandatorily or at the option of the holder are generally stated at their fair value with changes in fair value recognized in other comprehensive income in equity.

f. Limited partnerships are stated at the underlying audited GAAP equity value with the change in valuation reflected in unassigned surplus on an NAIC SAP basis. Income distributions from the limited partnerships are reported as net investment income and included in net investment income and amortization of interest maintenance reserve ("IMR") on the statutory statements of operations on an NAIC SAP basis. Under GAAP, the change in valuation and the income distributions are reflected in either net investment income or as a realized capital gain or loss depending on the underlying investments.

g. Under NAIC SAP, derivative instruments that meet the criteria of an effective hedge are valued and reported in a manner that is consistent with the hedged asset or liability. The change in fair value of derivative instruments that do not meet the criteria of an effective hedge are recorded as a change in net unrealized capital gains (losses), a component of unassigned surplus. Under GAAP, all derivatives are reported on the balance sheet at fair value. Changes in fair value of derivatives qualifying for hedge accounting are recorded through either income or equity, depending on the nature of the hedge, while changes in fair value of derivatives not qualifying for hedge accounting are recorded through income.

h. Acquisition costs, such as commissions and other costs directly related to acquiring new business, are charged to operations as incurred, while under GAAP, to the extent associated with successful sales and recoverable from future policy revenues, are deferred and amortized to income as premiums are earned or in relation to estimated gross profits.

i. NAIC SAP requires an amount to be recorded for deferred taxes as a component of surplus; however, there are limitations as to the amount of deferred tax assets (“DTA”) that may be reported as admitted assets that are not applicable under GAAP. Federal income tax provision is required on a current basis for the statutory statements of operations, the same as for GAAP.

j. NAIC SAP policy reserves for life insurance contracts, not subject to Principle Based Reserves ("PBR"), and annuities are based on mortality, lapse, and interest assumptions prescribed or permitted by state statutes. NAIC SAP policy reserves for life insurance contracts, that are subject to PBR, are based on mortality, lapse, and interest assumptions that are prescribed or are prudent estimates based upon the industry and/or company experience as prescribed by Valuation Manual-20: Requirements for Principle-Based Reserves for Life Products (“VM-20”). For health and accident active life insurance contracts, mortality and interest assumptions are prescribed, and the morbidity and lapse assumptions are Company estimates within statutory limitations. The effect on reserves, if any, due to a change in valuation basis, is recorded directly to unassigned surplus rather than included in the determination of net income (loss) from operations. GAAP policy reserves are based on the Company's estimates of morbidity, mortality, lapse, and interest assumptions.

k. The asset valuation reserve ("AVR") and IMR are established only on the statutory financial statements.

l. Assets are reported under NAIC SAP at admitted asset value and nonadmitted assets are excluded through a charge to surplus, while under GAAP, nonadmitted assets are reinstated to the balance sheet, net of any valuation allowance.

m. Premium receipts and benefits on universal life-type contracts and deferred annuities are recorded as income and expense under NAIC SAP. Under GAAP, revenues on universal life-type contracts and deferred annuities are comprised of contract charges and fees that are recognized when assessed against the policyholder account balance. In addition, certain of the revenue, as defined under deposit accounting, is deferred and amortized to income over the expected life of the contract using the product's estimated gross profits, similar to acquisition costs. Premium receipts and benefits paid are considered deposits and withdrawals, respectively, and are recorded as or against interest-bearing liabilities.

n. Reinsurance recoverables on unpaid losses are reported as a reduction of policy reserves under NAIC SAP, while under GAAP, they are reported as an asset.

o. Comprehensive income and its components are not presented on the statutory financial statements.

p. Subsidiaries included as common stocks are stated under the equity method, with the equity in the operating results of subsidiaries credited or charged directly to the Company's surplus for NAIC SAP. Dividends received from subsidiaries are recorded in net investment income and included in net investment income and amortization of IMR on the statutory statements of operations. GAAP requires either consolidation or equity method reporting with operating results of subsidiaries reflected on the statements of operations.

q. For loss contingencies, when no amount within management's estimate of the range is a better estimate than any other amount, the midpoint of the range is accrued. Under GAAP, the minimum amount in the range is accrued.

r. Gains on economic transactions with related parties, defined as arm's-length transactions, resulting in the transfer of the risks and rewards of ownership, are transferred at fair value and the gain is deferred until the assets are sold to a third party under NAIC SAP. While under GAAP, the transaction and any related gain is eliminated in consolidation.

Reclassifications—Certain amounts in the prior period statutory financial statements have been reclassified to conform to the presentation of the current period statutory financial statements. These reclassifications had no effect on the previously reported financial results.

Use of Estimates—The preparation of statutory financial statements in accordance with NAIC SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the statutory financial statements, and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates and assumptions include those used in determining investment valuation in the absence of quoted market values, impairments, policy reserves for life insurance contracts, policy reserves for health and accident active life, policy and contract claims-life and health reserves, income tax expense, and deferred taxes.

The process of determining fair value and recoverability of an asset relies on projections of future cash flows, operating results, and market conditions. Projections are inherently uncertain, and accordingly, actual future cash flows may differ materially from projected cash flows. As a result, the Company's asset valuations are susceptible to the risk inherent in making such projections.

Due to the length and complexity of life insurance contracts and annuities and the risks involved, policy reserves calculated using regulatory prescribed or permitted methods and assumptions are often not closely related to the economic liability for the benefits and options promised to policyholders. Reserves are determined using prescribed mortality tables and interest rate assumptions. Prescribed lapse assumptions are permitted on certain universal life-type contracts. Certain guarantees embedded in the contracts are defined formulaically. Reserves for life policies and contracts that are subject to PBR are calculated using prescribed or prudent estimates as prescribed by VM-20. Actual mortality, lapse, and interest rates, and the nature of the guarantees will differ from prescribed assumptions and definitions.

Due to the nature of health insurance and accident active life contracts and the risks involved, health and accident active life reserves are estimates. These reserves are calculated using Company estimated morbidity assumptions and prescribed mortality, and interest rate assumptions. Lapse assumptions are permitted in certain situations subject to limitations for certain products. Actual morbidity, mortality, lapse, and interest rates may differ from valuation assumptions.

Claim reserves are estimated based upon the industry and/or company experience and other actuarial assumptions that consider the effects of current developments, anticipated trends, and risk management programs. Revisions of these estimates are reflected in operations in the year they are made.

Investments—Investments are reported according to valuation procedures prescribed by the NAIC.

Bonds are stated at amortized cost using the effective yield method, except for certain bonds with an NAIC designation of 6, which are stated at lower of amortized cost or fair value.

Premiums and discounts on loan-backed bonds and structured securities are amortized using the prospective or retrospective method based on anticipated prepayments from the date of purchase.

Prepayment assumptions for loan-backed securities are based on information obtained from brokers or internal estimates based on original term sheets, offer memoranda, historical performance, or other forecasts. Changes in estimated cash flows due to changes in estimated prepayments are accounted for using the prospective method for impaired securities and securities valued based on an index, and the retrospective method for all other securities.

Preferred stocks include perpetual preferred and redeemable preferred stocks. Perpetual preferred stocks are stated at fair value with changes in fair value recognized in unrealized gains (losses). Redeemable preferred stocks are stated at amortized cost; except for redeemable preferred stocks that are NAIC rated 4 through 6, which are stated at lower of amortized cost or fair value.

Common stocks of unaffiliated companies are generally stated at fair value, common stocks of affiliated insurance companies, excluding Omaha Re, are stated at their audited statutory equity value. Omaha Re is a wholly owned special purpose financial captive life insurance subsidiary domiciled in the State of Nebraska and is stated at its audited statutory equity less an admitted other security asset value-excess of loss for which Omaha Re has a NDOI prescribed practice. As of December 31, 2023 and December 31, 2022, the carrying value of Omaha Re is zero. As of December 31, 2023 and 2022, Medicare Advantage Company is stated at its respective statutory surplus and is 100% nonadmitted. Common stocks of affiliated non-insurance companies are stated at their GAAP equity value. The Federal Home Loan Bank ("FHLB") capital stocks are stated at fair value, presumed to be par. Changes in the carrying values are recorded as a change in net unrealized capital gain (loss), a component of unassigned surplus on the statutory statements of changes in surplus. Dividends are reported in net investment income and amortization of IMR on the statutory statements of operations.

Mortgage loans held for investment are stated at the aggregate unpaid principal balance adjusted for unamortized premium or discount, except impaired loans. Impaired loans are stated at the lower of the amortized cost or the fair value of the loan determined by the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's observable market price, or the fair value of the collateral less costs to sell if collateral dependent. Interest income is accrued on the unpaid principal balance based on the loan's contractual interest rate. The Company records a reserve for losses on mortgage loans as part of the AVR.

The Company calculates specific reserves on loans individually identified as impaired. Loans evaluated individually are considered impaired when, based on current information and events, it is probable that the Company will be unable to collect principal or interest amounts according to the contractual terms of the loan agreement. Interest income earned on impaired loans is accrued on the principal amount of the loan based on the loan's contractual interest rate until the loans are in non-accrual status. Cash payments on loans where the accrual of interest has ceased are applied directly to the unpaid principal balance until such time as management determines that it is probable all principal amounts will be recovered.

Loans are reviewed on an individual basis to identify charge-offs. Charge-offs, net of recoveries, are deducted from the allowance. Mortgage loans are considered past due if the required principal and interest payments have not been received when contractually due. All mortgage loans are in non-accrual status when payments are determined to be uncollectible. Mortgage loans are returned to accrual status when all the principal and interest amounts contractually due have been brought current and future payments are reasonably assured.

A mortgage loan is considered a TDR if the borrower is experiencing financial difficulties and the Company has granted a concession it would not otherwise consider. A TDR typically involves a modification of terms such as a change of the interest rate to a below market rate, a forgiveness of principal or interest, an extended repayment period (maturity date) at a contractual interest rate lower than the current interest rate for new debt with similar risk, or capitalization and deferral of interest payments.

Real estate, excluding real estate held for sale, is stated at cost, less accumulated depreciation. Depreciation is provided on the straight-line method over the estimated useful lives, generally forty years, of the related assets. Real estate held for sale is stated at the lower of depreciated cost or fair value less encumbrances and estimated costs to sell. Real estate held for sale consists of certain current home office properties that the Company plans on disposing of during its ongoing new home office construction project. The Company did not have any impairment loss for investments in real estate for the year ended December 31, 2023. For the year ended December 31, 2022, the Company impaired home office/central service building assets. The assets were analyzed for fair value and impairment in relation to a development agreement and the construction of a new home office. The amount of the impairment was $30,007,671 for the year ended December 31, 2022. The fair value was based on a contract with an outside party, which outlined a fair value of $5,000,000 for both buildings for the year ended December 31, 2022. The impairment is included in real estate occupied by the Company on the statutory statements of admitted assets, liabilities, and surplus.

Contract loans are loans to a policyholder, under the provisions of an insurance contract that are secured by the cash surrender value or collateral assignment of the related policy or contract. Contract loans are stated at the unpaid balance of the loan and include any unpaid principal plus accrued interest which is 90 days or more past due.

Cash equivalents are highly liquid debt securities whose remaining maturities at the time of acquisition is three months or less. Cash equivalents, including money market mutual funds, are stated at cost, which approximates fair value.

Short-term investments include related party notes, if applicable, and investments whose remaining maturities at the time of purchase are three months to one year and are stated at cost, which approximates fair value, if applicable.

The Company has securities lending agreements whereby unrelated parties, primarily large brokerage firms, borrow securities from the Company. The Company requires a minimum of 102% of the fair value of the domestic securities, loaned at the outset of the contract as collateral. The Company continues to retain control over and receive interest on loaned securities, and accordingly, the loaned securities continue to be reported as bonds. The securities loaned are on open terms and can be returned to the Company on the next business day requiring a return of the collateral. Collateral received is invested in cash equivalents and securities, and the Company records a corresponding liability for the collateral which is included in borrowings and securities lending on the statutory statements of admitted assets, liabilities, and surplus. The Company cannot access the collateral unless the borrower fails to deliver loaned securities. To further minimize the credit risks related to this securities lending program, the Company regularly monitors the financial condition of counterparties to these agreements and also receives an indemnification from the financial intermediary who structures the transactions.

The Company has repurchase agreements whereby unrelated parties, primarily major brokerage firms, borrow securities from the Company. The Company requires a minimum of 95% of the fair value of the securities loaned at the outset of the contract as collateral. The Company continues to retain control over and receive interest on loaned securities, and accordingly, the repurchase agreement securities continue to be reported as bonds. Cash collateral received is invested in cash equivalents and securities, and the Company records a corresponding liability for the collateral which is included in borrowings and securities lending on the statutory statements of admitted assets, liabilities, and surplus.

Other invested assets include the Company's investments in derivatives, receivables for securities, affiliated and unaffiliated joint ventures, affiliated and unaffiliated LIHTC, and surplus notes.

Affiliated and unaffiliated joint ventures are stated at their underlying GAAP equity, which approximates fair value, with a one-quarter lag adjusted for all capital distributions, cash distributions, and impairment charges for the quarter with changes recorded in net unrealized capital gains (losses), a component of unassigned surplus. Fair values of the affiliated joint ventures are determined using the underlying audited GAAP financial statements or audited trust statement value. Distributions of income from these affiliated and unaffiliated joint ventures are recorded in net investment income and included in net investment income and amortization of IMR on the statutory statements of operations. The total investment in affiliated and unaffiliated joint ventures was $827,801,003 and $785,481,093 as of December 31, 2023 and 2022, respectively. Of that amount, $2,080,261 was nonadmitted as of December 31, 2023. There were no affiliated or unaffiliated joint ventures nonadmitted as of December 31, 2022.

As of December 31, 2023 and 2022, the carrying value of UM Holdings is zero. As of December 31, 2023 and 2022, the Company’s total investment in affiliated and unaffiliated federal and unaffiliated state LIHTCs, stated at proportional amortized cost, was $51,079,358 and $58,138,089, respectively. The number of remaining years of unexpired tax credits and the required holding period for the LIHTC investments as of December 31, 2023 are 8 and 13 years, respectively. The amount of LIHTC and other tax benefits recognized during 2023 and 2022 was $10,704,412 and $12,394,139, respectively.

Investments in surplus notes are stated at amortized cost. As of December 31, 2023 and 2022, the Company’s investment in surplus notes was $115,033,342 and $96,903,247, respectively.

The Company uses derivative financial instruments to reduce exposure to market volatility associated with assets held or liabilities incurred and to change the characteristics of the Company’s asset/liability mix, consistent with the Company’s risk management activities. Derivatives generally include swaps-foreign exchange, interest rate swaps, and purchase options-other call options and warrants. When derivative financial instruments meet specific criteria, they may be designated as accounting hedges and accounted for on an amortized cost basis, in a manner consistent with the item hedged. Derivative financial instruments that are not designated as accounting hedges are accounted for on a fair value basis with changes recorded in net unrealized capital gains (losses), a component of unassigned surplus, and nonadmitted. Interest on swaps-foreign exchange, interest rate swaps, and purchase options-other call options and warrants is included in net investment income and amortization of IMR on the statutory statements of operations.

The Company uses currency swaps-foreign exchange, when applicable, to hedge the foreign currency risk on debt issues that are payable in a currency other than U.S. dollars. Swaps-foreign exchange transactions generally involve the exchange of funds received in the course of principal and interest collections on securities denominated in a foreign currency to U.S. dollars at a predetermined rate. The Company designates certain of its swaps-foreign exchange as cash flow hedges when they are highly effective in offsetting the exposure of variations in cash flows for the hedged item. Gains and losses resulting from early termination of swaps-foreign exchange transactions that use hedge accounting are deferred and amortized over the remaining period originally covered by the swap. Gains and losses resulting from changes in fair value on swaps-foreign exchange that do not use hedge accounting are reported as unrealized gains (losses), a component of unassigned surplus.

The Company uses interest rate swaps to hedge the risk of interest rate volatility due to timing. Under an interest rate swap, the Company pays a one-time premium to the counterparty while the counterparty agrees to deliver at expiration, the value based on the current interest rate. Realized gains or losses resulting from unwinds are recognized through IMR. As these instruments contemplate hedging of interest rate risk, so any realized gains or losses would be recognized in IMR. For contracts such as interest rate swaps, the resulting gain or loss would be deferred and amortized through the original stated maturity of the derivative.

The Company uses purchase options-other call options and warrants to hedge the risk of the crediting rates on indexed universal life ("IUL") policies. Under purchase options-other call options and warrants, the Company pays a one-time premium to the counterparty while the counterparty agrees to deliver at expiration, the value based on the S&P 500. Gains and losses resulting from early termination of purchased options-hedging other-call options and warrants transactions that use hedge accounting are deferred and amortized over the remaining period originally covered by the purchase option. Gains and losses resulting from changes in fair value on purchased options-hedging other-call options and warrants that do not use hedge accounting are reported as unrealized gains (losses), a component of unassigned surplus.

All derivatives' market values change along with the underlying assets, currencies, and equity prices. The market value of purchased options-other call options and warrants cannot be less than zero and the market value of swaps can be less than zero. The Company may be required to post collateral, often in the form of cash against swaps with negative values.

For interest rate swaps and swaps-foreign exchange, the Company is exposed to credit-related losses in the amount of the net present value ("NPV") of forecasted future cash flows for each swap leg in the event of nonperformance by the swap counterparty. For purchase options-other call options and warrants, the Company is exposed to credit-related losses in the amount of the option payoff amount in the event of a nonperformance by the counterparty. Counterparty risk is continually monitored along with criteria related to collateral requirements that are specified in the credit support annex of the International Swaps and Derivatives Association. Due to the investment grade rating of the counterparty, credit-related losses are considered to be very unlikely. Counterparty credit risk is further reduced by daily collateral postings.

Net investment income consists primarily of interest and dividends and is included in net investment income and amortization of IMR on the statutory statements of operations. Interest is recognized on an accrual basis and dividends are recorded as earned at the ex-dividend rate. Interest income on mortgage-backed securities ("MBS") and asset-backed securities ("ABS") is determined on the effective yield method based on estimated principal repayments. Accrual of income is suspended when securities are in default or when the receipt of interest payments is in doubt. Realized capital gains (losses) on the sale of investments are determined on the specific identification basis. The gross asset and net admitted asset amount for interest income due and accrued was $258,192,748 and $207,503,781 as of December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, there was not any aggregate deferred interest, investment income due and accrued excluded from surplus, or cumulative amounts of paid-in-kind ("PIK") interest included in the cumulative principal balance.

Investment income due and accrued for which it is probable the balance is uncollectible is written off and charged to investment income and included in net investment income and amortization of IMR on the statutory statements of operations. Investment income due and accrued deemed collectible on mortgage loans in default that is more than 180 days past due is nonadmitted. All other investment income due and accrued deemed collectible that is more than 90 days past due is nonadmitted. The Company accrues interest income on an impaired security to the extent it is deemed collectible and the security continues to perform under its restricted contractual terms. Interest income on a non-performing security is generally recognized on a cash basis.

Separate Accounts Assets—The assets of the separate accounts on the statutory statements of admitted assets, liabilities, and surplus are stated at fair value and consist primarily of common collective trusts held by the Company for the benefit of contract holders under specific individual annuity and life insurance contracts and group annuity contracts. Separate account assets are segregated and are not subject to claims that arise out of any other business of the Company. Deposits and premiums received from, and benefits paid to separate account contract holders are reflected on the statutory statements of operations, net of reinsurance, but are offset by transfers to and from the separate account. Mortality, policy administration, and surrender charges from all separate accounts are included in other income on the statutory statements of operations.

Policy Reserves—Policy reserves include life insurance contracts and annuity reserves, health and accident active life reserves, unearned premium reserves for health contracts, and reserves for deposit-type contracts.

Life insurance contract reserves provide amounts adequate to discharge estimated future obligations in excess of estimated future net premiums on policies in force. Reserves for individual life insurance that are not subject to PBR are valued using the Commissioners' Reserve Valuation Method ("CRVM"), a net level premium method ("NLPM"), or other modified reserve methods, with prescribed mortality and interest rates. Reserves for life insurance that are subject to PBR are valued under the net premium reserve ("NPR"), deterministic reserve, or the stochastic reserve under VM-20, with prescribed interest rates. Mortality assumptions used under the NPR are based on the 2017 CSO mortality tables. The assumptions used for deterministic and stochastic reserve are the prudent estimate assumptions with margins developed internally, as required by VM-20. Reserves for individual fixed annuities and life contingent supplementary contracts are calculated using the Commissioners' Annuity Reserve Valuation Method, with prescribed interest rates. Group annuity reserves are valued using a net single premium method, with prescribed interest rates.

Health and accident active life reserves provide amounts estimated to adequately discharge estimated future obligations in excess of estimated future net premiums on policies in force. Such reserves are based on statutory mortality and interest assumptions. Morbidity assumptions are either industry experience or a blend of industry and Company experience. Voluntary lapse assumptions, when applicable, are based on Company experience with statutory limitations. Such reserves are calculated on a NLPM or on a one- or two-year preliminary term basis.

Unearned premium reserves reflect premiums paid or due to the Company prior to the statutory financial statement date, for the contract period subsequent to the statutory financial statement date.

Reserves for deposit-type contracts are equal to deposits received and interest credited to the benefit of contract holders, less withdrawals that represent a return to the contract holder. Reserves for annuities certain and supplementary contracts in payout status without life contingencies are calculated using a NLPM.

The tabular interest, tabular less actual reserve released, and tabular cost are determined by formula as described in the NAIC instructions or from the basic data for such items. Tabular interest on funds not involving life contingencies is equal to the end of year reserve balance, less beginning of year reserve balance, less deposits received during the year, less other net change in reserves, plus fees and other charges assessed, plus surrender charges, plus net surrender and withdrawal payments, plus other net transfers to or from separate accounts, as prescribed.

Claim Reserves—Policy and contract claim reserves-life include the amounts estimated for claims that have been reported but not settled and estimates for claims incurred but not reported. The liabilities are continually reviewed and adjustments are reflected in the year they are made. Claim adjustment expenses are accrued and included in general expenses and taxes due or accrued on the statutory statements of admitted assets, liabilities, and surplus.

Policy and contract claim reserves-health include disabled life reserves that reflect amounts that are either not yet due or yet to arise on claims incurred with a continuing loss. Such reserves are based on statutory interest and claim termination rates based on either industry or a blend of the Company and industry experience in compliance with statutory requirements. Revisions of these estimates are reflected in operations in the year they are made.

Unpaid claim liabilities include the amounts estimated for claims that have been reported but not settled and estimates for claims incurred but not reported. Such reserves are estimated based upon the Company's and affiliates' historical experience and other actuarial assumptions that consider the effects of current developments, payment patterns, membership patterns, anticipated trends, claim utilization, product changes, risk management programs, and other factors. The liabilities are continually reviewed and changes are reflected in the year they are made.

Reinsurance—In the normal course of business, the Company assumes and cedes insurance business from its affiliates and unrelated third parties in order to limit its maximum loss, provide greater diversification of risk, minimize exposures on larger risks, expand certain business lines, and manage capital. The ceding of insurance business does not discharge an insurer from its primary legal liability to a policyholder. The Company remains liable to the extent that a reinsurer is unable to meet its obligations. Amounts recoverable from reinsurers are reviewed for collectibility and length of time overdue on a quarterly basis. Amounts deemed uncollectible are written off through a charge to the statutory statements of operations when the uncollectibility of amounts recoverable from reinsurers is confirmed. Balances are included on the statutory statements of admitted assets, liabilities, and surplus and the statutory statements of operations, net of reinsurance, except for commissions and expense allowances on reinsurance ceded which are shown as income.

Amounts recoverable from reinsurers are based upon assumptions consistent with those used in establishing the liabilities related to the underlying reinsured contracts. Management believes the amounts recoverable are appropriately established.

Premiums due under reinsurance agreements are reported as negative uncollected premium in premiums deferred and uncollected on the statutory statements of admitted assets, liabilities, and surplus. Experience refunds due under reinsurance agreements are reported as reinsurance recoverable on the statutory statements of admitted assets, liabilities, and surplus.

Federal Income Taxes—The provision for income taxes includes amounts paid and accrued. The Company is subject to income tax in the U.S. and several state jurisdictions. Significant judgments and estimates are required in the determination of the Company's income tax expense, DTAs, and deferred tax liabilities ("DTL").

Deferred taxes are recognized to the extent there are differences between the statutory and tax basis of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on DTAs and DTLs is recognized in surplus in the period that includes the enactment date. Deferred taxes are also recognized for carryforward items including net operating loss, capital loss, and charitable contributions. NAIC SAP requires that temporary differences and carryforward items be identified and measured. Deductible temporary differences and carryforward amounts that generate tax benefits when they reverse or are utilized are tax affected in determining the DTA. Taxable temporary differences include items that will generate tax expense when they reverse and are tax affected in determining the DTL.

In the determination of the amount of the DTA that can be recognized and admitted, the NAIC SAP requires that DTAs be limited to an amount that is expected to be realized in the future based on an analysis of the Company's temporary differences, past financial history, and future earnings projections. The net admitted DTA shall not exceed the excess of the adjusted gross DTA over the gross DTL. The adjusted gross DTA shall be admitted based upon three separately determined components: i) an amount of taxes paid in prior years which may be recovered through loss carrybacks of existing temporary differences that are expected to reverse within three years from the reporting date; ii) an amount that is limited to the lesser of future deductible temporary differences and carryforward amounts that are expected to be realized within three years from the reporting date, or 15% of adjusted capital and surplus; and iii) an amount where the adjusted gross DTA equals the DTL.

The Company records uncertain tax positions in accordance with NAIC SAP for those instances where it determines that a tax loss contingency meets a more-likely-than-not threshold based on the technical merits. If the estimated loss contingency is greater than 50% of the tax benefit originally recognized, the entire benefit originally recognized is reported as the tax loss contingency. The Company recognizes interest accrued related to uncertain tax positions and penalties as federal income tax expense. The liability for uncertain tax positions and the associated interest liability, if any, are included in general expenses and taxes due or accrued on the statutory statements of admitted assets, liabilities, and surplus.

Asset Valuation Reserve and Interest Maintenance Reserve—The Company establishes certain reserves under NAIC guidelines. The AVR is determined by formula and is based on the Company's investments in bonds, preferred stocks, common stocks-affiliated, common stocks-unaffiliated, mortgage loans, real estate occupied by the Company, real estate held for sale by the Company, short-term investments, derivative instruments, and other invested assets. This valuation reserve requires appropriation of surplus to provide for possible losses on these investments. Realized and unrealized capital gains (losses), other than those resulting from interest rate changes, are credited or charged to the AVR.

The IMR is used to defer realized capital gains (losses), net of tax, on sales of bonds and certain other investments that result from interest rate changes. These gains (losses) are then amortized into net investment income, included in net investment income and amortization of IMR on the statutory statements of operations, over what would have been the remaining years to maturity of the underlying investments. Losses in excess of gains are recorded as an admitted asset up to 10% of the Company's prior period general account adjusted capital and surplus. The prior period general account adjusted capital and surplus is calculated by excluding, if applicable, any positive goodwill, electronic data processing ("EDP") equipment and operating system software, net DTA, and admitted disallowed IMR.

Net Premiums and Annuity Considerations and Related Commissions—Net life premiums are recognized as income over the premium-paying period of the policies. Net health and accident premiums are recognized as income over the terms of the policies. Annuity considerations are recognized as income when received. Considerations received on deposit-type funds, which do not contain any life contingencies, are recorded directly to the related liability. Commissions and other expenses related to the acquisition of policies are charged to operations as incurred.

Nonadmitted Assets—Certain assets designated as nonadmitted assets, principally net deferred tax assets and suspense items, are excluded from the statutory statements of admitted assets, liabilities, and surplus. The net change in such assets is charged or credited directly to unassigned surplus.

Vulnerability Due to Certain Risks and Concentrations—The following is a description of the most significant risks facing life and health insurers and how the Company manages those risks:

Morbidity/mortality risk is the risk that experience is unfavorable compared to Company assumptions due to misestimation in setting assumptions, catastrophic risk (e.g. pandemic), volatility, and changes in trend. The Company mitigates these risks through reinsurance programs, adherence to strict underwriting guidelines, monitoring underwriting exceptions, and a formal assumption review and approval process.

Legal/regulatory risk is the risk that changes in the legal or regulatory environment in which an insurer operates will occur and create additional costs or expenses not anticipated by the insurer in pricing its products. The Company monitors economic and regulatory developments that have the potential to impact its business.

Interest rate risk is the risk that interest rates will change and cause a decrease in the value of an insurer's investments or cause changes in policyholder behavior resulting in changes in asset or liability cash flows. The Company mitigates this risk through various asset-liability management techniques, including duration matching and matching the maturity schedules of its assets with the expected payouts of its liabilities. To the extent that liabilities come due more quickly than assets mature, the Company may have to sell assets prior to maturity and recognize a gain or loss.

Credit risk is the risk that issuers of securities owned by the Company will default, or that other parties, including reinsurers who owe the Company money, will not pay. The Company has policies regarding the financial stability and credit standing of its counterparties. The Company attempts to limit its credit risk by dealing with creditworthy counterparties and obtaining collateral where appropriate.

Liquidity risk is the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss, generate cash to meet funding requirements, or make a required profit. The Company has established an appropriate liquidity risk management framework to evaluate current and future funding and liquidity requirements. Future liquidity requirements are projected on a regular basis as part of the financial planning process.

Premiums Received in Advance—Premiums received in advance are those premiums that have been received by the Company prior to year end but which were due after year end. The total amount of advanced premiums is reported as a liability on the statutory statements of admitted assets, liabilities, and surplus and is not considered premium income until due.

Fair Value—Financial assets and liabilities have been categorized into a three-level fair value hierarchy, based on the priority of the inputs to the respective valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to valuation. The input levels are as follows:

Level 1—Fair value is based on unadjusted quoted prices in active markets that are accessible to the Company for identical assets or liabilities. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2—Fair value is based on significant inputs that are observable for the asset or liability, either directly or indirectly, through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets and liabilities, quoted market prices in markets that are not active for identical or similar assets or liabilities, and other market observable inputs. Valuations are generally obtained from third-party pricing services for identical or comparable assets or liabilities and validated or determined through use of valuation methodologies using observable market inputs.

Level 3—Fair value is based on significant unobservable inputs for the asset or liability. These inputs reflect assumptions about what market participants would use in pricing the asset or liability. Prices are determined using valuation methodologies such as option pricing models, discounted cash flow models, and other similar techniques.

Other-Than-Temporary Declines in Fair Value—The Company regularly reviews its investment portfolio for factors that may indicate that a decline in fair value of an investment is other-than-temporary. Some factors considered in evaluating whether or not a decline in fair value is other-than-temporary include the Company's ability and intent to retain the investment for a period of time sufficient to allow for a recovery in value, the Company's intent to sell the investment at the reporting date, and the financial condition and prospects of the issuer.

The Company recognizes OTTI of bonds not backed by loans when it is either probable that the Company will not collect all amounts due according to the contractual terms of the bond in effect at the date of acquisition or when the Company has made a decision to sell the bond prior to its maturity at an amount below its amortized cost. When an OTTI is recognized, the bond is written down to fair value and the amount of the write down is recorded as a realized capital gain (loss) on the statutory statements of operations.

For loan-backed securities, OTTI is recognized when fair value is less than the amortized cost basis and the Company has the intent to sell or lacks the intent and ability to retain the investment until recovery. When an OTTI is recognized because the Company has the intent to sell or lacks the intent and ability to retain the investment until recovery, the amortized cost basis of the loan-backed security is written down to fair value and the amount of the write-down is recorded as a realized capital gain (loss) on the statutory statements of operations.

If the Company does not have the intent to sell and has the intent and ability to retain the investment until recovery, OTTI is recognized when the present value of future cash flows discounted at the security's effective interest rate is less than the amortized cost basis as of the statutory statements of admitted assets, liabilities, and surplus date. When an OTTI is recognized, the loan-backed security is written down to the discounted estimated future cash flows and is recorded as a realized capital gain (loss) on the statutory statements of operations.

The Company recognizes OTTI of stocks for declines in value that are other-than-temporary and reports those adjustments as a realized capital gain (loss) on the statutory statements of operations.

The Company recognizes OTTI of limited partnerships generally when the underlying GAAP equity of the partnership is less than 80% of amortized cost or the limited partnership reports realized capital losses on their statutory financial statements or shows other indicators of loss. When an OTTI is recognized, the limited partnership is written down to fair value and the amount of the impairment is recorded as a realized capital gain (loss) on the statutory statements of operations.

The Company performs a monthly analysis of the prices received from third parties to assess if the prices represent a reasonable estimate of fair value. This process involves quantitative and qualitative analysis and is overseen by investment and accounting professionals.

Correction of Errors—During 2023, the Company discovered an error in the trending of claim costs within the calculation of active life reserves within the Medicare supplement product, resulting in a prior year $6,311,701 understatement of health and accident active life reserves on the statutory statements of admitted assets, liabilities, and surplus, understatement of net change in reserves on the statutory statements of operations, and an overstatement of unassigned surplus on the statutory statements of admitted assets, liabilities, and surplus as of December 31, 2022. In accordance with SSAP No. 3, Accounting Changes and Corrections of Errors ("SSAP No. 3"), the impact of the error was recorded as an adjustment to unassigned surplus on the statutory statements of admitted assets, liabilities, and surplus in 2023.

During 2022, the Company discovered an error in the risk-free rates used in AG36 reserve calculations for the IUL product, resulting in a $4,486,889 overstatement of both life insurance contract and annuity reserves on the statutory statements of admitted assets, liabilities, and surplus, increase in net change in reserves on the statutory statements of operations, and a $4,486,889 understatement of unassigned surplus on the statutory statements of admitted assets, liabilities, and surplus as of December 31, 2021. In accordance with SSAP No. 3, the impact of this error was recorded as an adjustment to unassigned surplus on the statutory statements of admitted assets, liabilities, and surplus in 2022.

During 2021, the Company discovered errors in the settlement option parameters in a deferred fixed annuity product valuation model, resulting in a cumulative $13,395,650 net overstatement of reserves as of December 31, 2020. These prior year misstatements were not concluded to be material and therefore were corrected as of December 31, 2021, by decreasing life insurance contract and annuity reserves and increasing prior year adjustment in unassigned surplus on the statutory statements of admitted assets, liabilities, and surplus in accordance with SSAP No. 3 Accounting Changes and Corrections of Errors.

Accounting Pronouncements—During 2022, the NAIC issued revisions to SSAP No. 86, Derivatives with Issue 2021-20 that modifies the determination of hedge effectiveness, the guidance for qualifying hedging relationships, and the presentation of hedge results. The guidance was effective January 1, 2023, and the effects of its adoption did not have a material impact.

In March of 2023, the NAIC issued revisions to SSAP No. 34, Investment Income Due and Accrued, to adopt additional disclosures that capture the gross, nonadmitted and admitted amounts of investment income due and accrued on the statutory statements of admitted assets, liabilities, and surplus, and to reflect the cumulative amount of PIK interest income included in the current principal balance. The revisions were effective for the Company on December 31, 2023. See Note 1 for the associated disclosures.

In August of 2023, the NAIC issued Interpretation 23-01 to provide a limited-time option to admit net negative (disallowed) IMR, provided the negative IMR is not the result of liquidity pressures, up to 10% of adjusted capital and surplus as described in the Asset Valuation Reserve and Interest Maintenance Reserve section above. The Company elected to adopt this guidance. The impact of adoption was to increase surplus by $57,972,568 as of December 31, 2023. See Note 2 for the associated disclosures.

In August of 2023, the NAIC issued revisions to SSAP No. 26R, Bonds, and SSAP No. 43R, Loan-Backed and Structured Securities. The revised guidance updates the definition of a bond, revises the accounting for bonds, and revises various SSAPs to reflect the revised definition. The revisions are effective for the Company on January 1, 2025. The Company is currently evaluating the impact on its statutory financial statements.

In January of 2024, the NAIC issued Interpretation 23-04 that provides guidance for entities with balances ceded to Scottish Re (U.S.), Inc. ("SRUS"), a U.S.-based life reinsurer in liquidation, under reinsurance agreements, effective as of December 31, 2023. The guidance prescribes reporting requirements for amounts from SRUS reinsurance contracts. Receivables from SRUS unrelated to paid claims must be nonadmitted. The impact of adoption was a decrease to surplus for nonadmitted recoverables of $5,441,402. See Note 9 for the associated disclosures.

2. INVESTMENTS

Bonds—The carrying value and fair value of investments in bonds, including loan-backed securities, by type, as of December 31, were as follows:

2023	Carrying Value	Gross Unrealized Capital Gain	Gross Unrealized Capital Loss	Fair Value
Industrial and miscellaneous	$ 21,448,652,570	$ 226,224,241	$ 1,855,115,996	$ 19,819,760,815
Special revenue/assessment obligations	1,939,598,535	50,049,315	197,112,355	1,792,535,495
U.S. government	1,053,131,155	45,100,881	27,978,888	1,070,253,148
All other governments	119,582,728	2,550,796	12,099,339	110,034,185
Hybrid securities	210,343,991	3,269,157	21,182,590	192,430,558
Political subdivision	166,044,304	3,537,821	16,420,767	153,161,358
States, territories, and possessions	25,000,000	—	6,581,310	18,418,690
Bank loans—unaffiliated	37,874,235	901,049	158,565	38,616,719
Total	$ 25,000,227,518	$ 331,633,260	$ 2,136,649,810	$ 23,195,210,968

2022	Carrying Value	Gross Unrealized Capital Gain	Gross Unrealized Capital Loss	Fair Value
Industrial and miscellaneous	$ 19,004,305,534	$ 65,379,489	$ 2,560,555,109	$ 16,509,129,914
Special revenue/assessment obligations	1,537,234,762	4,303,055	240,134,064	1,301,403,753
U.S. government	542,062,586	986,257	29,832,832	513,216,011
All other governments	89,583,311	409,658	14,247,730	75,745,240
Hybrid securities	198,939,750	906,491	31,868,081	167,978,160
Political subdivision	135,175,878	1,226,202	20,159,376	116,242,704
States, territories, and possessions	26,500,000	3,525	7,129,440	19,374,085
Parent, subsidiary, and affiliate	834,792	286,179	—	1,120,971
Bank loans—unaffiliated	15,017,832	3,293	248,869	14,772,255
Total	$ 21,549,654,445	$ 73,504,149	$ 2,904,175,501	$ 18,718,983,093

Bonds with an NAIC designation of 6 with carrying values of $4,331,083 and $1,476,217 as of December 31, 2023 and 2022, respectively, were stated at the lower of amortized cost or fair value.

The Company's bond portfolio was primarily comprised of investment grade securities. Based upon designations by the NAIC, investment grade bonds comprised 98% of the carrying value of the Company's total bond portfolio as of December 31, 2023 and 2022.

The carrying value and fair value of investment in bonds as of December 31, 2023, by contractual maturity, are shown below. Actual maturities may differ as a result of prepayments by the issuer. MBS and other ABS, which provide for periodic payments throughout their lives, are listed separately.

	Carrying Value	Fair Value
Due in one year or less	$ 318,741,923	$ 314,278,756
Due after one year through five years	2,916,065,690	2,859,122,635
Due after five years through ten years	3,560,558,270	3,372,137,083
Due after ten years	11,197,389,736	9,922,280,371
	17,992,755,619	16,467,818,845
MBS and other ABS	7,007,471,899	6,727,392,123
Total	$25,000,227,518	$23,195,210,968

Aging of unrealized capital losses on the Company's investments in bonds as of December 31, was as follows:

	Less than One Year		One Year or More		Total	
2023	**Fair Value**	**Gross Unrealized Capital Loss**	**Fair Value**	**Gross Unrealized Capital Loss**	**Fair Value**	**Gross Unrealized Capital Loss**
Industries and miscellaneous	$ 1,370,657,221	$ 50,554,307	$ 12,560,197,461	$ 1,804,561,689	$ 13,930,854,682	$ 1,855,115,996
Special revenue	195,301,498	4,090,092	872,549,081	193,022,263	1,067,850,579	197,112,355
Political subdivision	4,010,095	9,045	50,413,228	16,411,722	54,423,323	16,420,767
U.S. government	106,946,452	1,984,903	222,388,102	25,993,985	329,334,554	27,978,888
All other governments	8,469,376	172,611	61,135,525	11,926,728	69,604,901	12,099,339
Bank loans—unaffiliated	4,139,375	13,118	5,103,742	145,447	9,243,117	158,565
States, territories, and possessions	2,885,370	114,630	15,533,320	6,466,680	18,418,690	6,581,310
Hybrid securities	16,651,218	421,956	130,100,960	20,760,634	146,752,178	21,182,590
Total	$ 1,709,060,605	$ 57,360,662	$ 13,917,421,419	$ 2,079,289,148	$ 15,626,482,024	$ 2,136,649,810

	Less than One Year		One Year or More		Total	
2022	**Fair Value**	**Gross Unrealized Capital Loss**	**Fair Value**	**Gross Unrealized Capital Loss**	**Fair Value**	**Gross Unrealized Capital Loss**
Industries and miscellaneous	$ 12,383,508,804	$ 1,760,845,084	$ 2,629,603,268	$ 799,710,025	$ 15,013,112,072	$ 2,560,555,109
Special revenue	990,554,737	176,960,005	143,041,079	63,174,059	1,133,595,816	240,134,064
Political subdivision	61,924,642	12,640,861	11,289,295	7,518,515	73,213,937	20,159,376
U.S. government	414,436,251	27,534,425	8,140,622	2,298,407	422,576,873	29,832,832
All other governments	50,447,574	9,101,628	17,529,981	5,146,102	67,977,555	14,247,730
Bank loans—unaffiliated	3,978,868	213,400	1,055,887	35,469	5,034,755	248,869
States, territories, and possessions	2,830,920	169,080	15,039,640	6,960,360	17,870,560	7,129,440
Hybrid securities	134,099,225	25,945,624	24,858,431	5,922,457	158,957,656	31,868,081
Total	$ 14,041,781,021	$ 2,013,410,107	$ 2,850,558,203	$ 890,765,394	$ 16,892,339,224	$ 2,904,175,501

As described in Note 1, the Company regularly reviews its investment portfolio for factors that may indicate that a decline in fair value of an investment is other-than-temporary. As of December 31, 2023, 2,595 securities were in an unrealized capital loss position one year or more with an average credit rating of A3 and were 98% investment grade. As of December 31, 2023, 365 securities were in an unrealized capital loss position less than one year with an average credit rating of A2 and were 98% investment grade. The Company does not believe the unrealized losses on investments represent an OTTI as of December 31, 2023.

Net realized capital losses for the years ended December 31, 2023, 2022, and 2021 include losses of $25,973,105, $8,786,183, and $1,266,337, respectively, resulting from other-than-temporary declines in fair value of bonds or changes in expected cash flows, and are not included in the table above.

Proceeds and the gross realized capital gains (losses) from the sales or disposals of bonds and common stocks-unaffiliated resulting in net realized capital gains (losses) for the years ended December 31, were as follows:

	2023	2022	2021
Proceeds from sales or disposals:			
Bonds	$ 3,765,214,781	$2,867,896,245	$ 2,351,748,498
Common stocks—unaffiliated	$ 84,340,060	$ 88,998,097	$ 67,890,942
Net realized capital gain (loss):			
Bonds:			
Gross realized capital gain from sales or other disposals	$ 14,926,434	$ 25,816,981	$ 70,621,153
Gross realized capital loss from sales or other disposals	(126,805,750)	(52,017,812)	(9,902,296)
OTTI gain (loss)	(25,973,105)	(8,786,183)	(1,266,337)
Net realized capital gain (loss) of bonds	$ (137,852,421)	$ (34,987,014)	$ 59,452,520
Common stocks—unaffiliated:			
Gross realized capital gain from sales or other	$ 24,644,377	$ 6,448,796	$ 5,011,614
Gross realized capital loss from sales or other	(1,172,236)	(1,419,664)	—
OTTI gain (loss)	—	(2,966,248)	—
Net realized capital gain (loss) of common stocks—unaffiliated	$ 23,472,141	$ 2,062,884	$ 5,011,614

As of December 31, 2023, the Company's admitted disallowed IMR was $57,972,568, less than 10% of the Company’s adjusted general account capital and surplus as of September 30, 2023. The admitted disallowed IMR was the result of fixed income investment losses that comply with the Company’s investment management policies, was not compelled by liquidity pressures, and did not include any realized losses from derivative terminations. As of December 31, 2022, the Company had no admitted disallowed IMR. There were no nonadmitted components of the Company’s IMR as of December 31, 2023 and 2022.

The Company’s adjusted general account capital and surplus as of September 30, 2023, used to determine admitted disallowed IMR, as of December 31, 2023, was as follows:

General account capital and surplus	$ 2,094,591,350
Less:	
EDP equipment and operating system software	2,200
Net DTA	127,930,813
Adjusted general account capital and surplus	$ 1,966,658,337

The percentage of admitted disallowed IMR to adjusted general account capital and surplus was 2.95% as of December 31, 2023.

Preferred Stocks—As of December 31, 2023, the Company held redeemable preferred stocks of eight separate issuers with a total carrying value of $67,215,025 and a total fair value of $64,639,645. As of December 31, 2022, the Company held redeemable preferred stocks of four separate issuers with a total carrying value of $24,215,025 and a total fair value of $23,624,632.

As of December 31, 2023, the Company held perpetual preferred stocks of ten separate issuers with a total carrying value and a total fair value of $129,342,400. As of December 31, 2022, the Company held perpetual preferred stocks of nine separate issuers with a total carrying value and a total fair value of $157,564,827. As of December 31, 2023 and 2022, the Company held a perpetual preferred stock with a single issuer and total fair value of $100,000,000 and $132,254,227, respectively, that is restricted from future sale due to the purchasing agreement.

There were no material unrealized capital losses and no net realized capital losses resulting from other-than-temporary declines in fair value of preferred stocks for the years ended December 31, 2023 and 2022.

Common Stocks-Unaffiliated—There were no unrealized capital losses and no net realized capital losses resulting from other-than-temporary declines in fair value of common stocks-unaffiliated for the year ended December 31, 2023. There were $2,966,248 unrealized capital losses and net realized capital losses resulting from other-than-temporary declines in fair value of common stocks-unaffiliated for the year ended December 31, 2022.

FHLB capital stock included within common stocks-unaffiliated as of December 31, was as follows:

	2023	2022
Membership stock—class A and not eligible for redemption	$ 500,000	$ 500,000
Activity stock	102,022,800	87,110,400
Excess stock	1,200	400
Total	$ 102,524,000	$ 87,610,800

As of December 31, 2023 and 2022, there were no other common stocks-unaffiliated with restrictions.

Mortgage Loans—The Company invests in mortgage loans collateralized principally by commercial real estate throughout the U.S. Mutual of Omaha and Companion participate in certain of the Company's mortgage loans. During 2023, the minimum and maximum lending rates for new commercial mortgage loans were 5.06% and 6.97%, respectively. During 2023, the minimum and maximum lending rate for new mezzanine mortgage loans was 3.66%. During 2022, the minimum and maximum lending rates for commercial mortgage loans were 1.51% and 5.78%, respectively. During 2022, the minimum and maximum lending rate for new mezzanine mortgage loans was 4.35%. During 2023 and 2022, the maximum percentage of any one commercial loan to the value of the collateral security at the time of the loan, exclusive of insured guaranteed or purchase money mortgages was 74% and 77%, respectively. The maximum percentage of any one mezzanine loan to the value of the collateral security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was 74% and 75% as of December 31, 2023 and 2022, respectively.

The Company participates or is a co-lender in mortgage loan agreements with other lenders for commercial mortgage loans. These amounts were $396,657,300 and $457,638,842 as of December 31, 2023 and 2022, respectively. Of these amounts, $10,524,486 and $1,579,001 represents investment in impaired loans with no allowance for credit losses as of December 31, 2023 and 2022, respectively. The Company was not subject to a participant or co-lender mortgage loan agreement for which the Company is restricted from unilaterally foreclosing on the mortgage loan as of December 31, 2023.

The Company's mortgage loan portfolio includes 52 and 50 loan originators as of December 31, 2023 and 2022. Mortgage loan participation purchased from one loan originator comprise of approximately 12% of the portfolio book value as of December 31, 2023 and 2022. The properties collateralizing mortgage loans are geographically dispersed throughout the U.S., with the largest concentration in California of approximately 23% of the portfolio book value as of December 31, 2023 and 2022.

Credit Quality Indicators—For purposes of monitoring the credit quality and risk characteristics, the Company considers the current debt service coverage, loan to value ratios, leasing status, average rollover, loan performance, guarantees, and current rents in relation to current markets. The debt service coverage ratio compares a property's cash flow to amounts needed to service the principal and interest due under the loan. The credit quality indicators are updated annually or more frequently if conditions warrant based on the Company's credit monitoring process. The Company monitors the credit quality for the insurance segment's residential loans by reviewing payment activity monthly.

The recorded investment (defined as the aggregate unpaid principal balance adjusted for unamortized premium or discount) in commercial mortgage loans, by credit quality profile, as of December 31, was as follows:

	Debt Service Coverage Ratios			
2023	**>1.20x**	**1.00x-1.20x**	**<1.00x**	**Total**
Loan—to—value ratios:				
Less than 65%	$ 4,073,989,061	$ 56,864,165	$ 8,871,543	$ 4,139,724,769
65% to 75%	230,881,028	918,260	—	231,799,288
Total	$ 4,304,870,089	$ 57,782,425	$ 8,871,543	$ 4,371,524,057

	Debt Service Coverage Ratios			
2022	**>1.20x**	**1.00x-1.20x**	**<1.00x**	**Total**
Loan—to—value ratios:				
Less than 65%	$ 3,565,474,737	$ 83,793,206	$ 13,131,051	$ 3,662,398,994
65% to 75%	262,744,111	—	—	262,744,111
Greater than 75%	—	955,637	—	955,637
Total	$ 3,828,218,848	$ 84,748,843	$ 13,131,051	$ 3,926,098,742

There were no mortgage loans with a loan-to-value ratio greater than 75% for the year ended December 31, 2023.

Non-Accrual and Past Due Loans—The Company had $4,362,524,057 of loans in current status and $9,000,000 in loans that were 90-179 days past due as of December 31, 2023. All of the Company's loans were in current status as of December 31, 2022. The recorded investment for loans where the interest rate was reduced was $78,073,126 and $102,807,749 as of December 31, 2023 and 2022, respectively. For the year ended December 31, 2023, the number of loans impacted, and the average interest rate reduction was 6 loans and 0.34%, respectively. For the year ended December 31, 2022, the number of loans impacted, and the average interest rate reduction was 20 loans and 0.44%, respectively.

Restricted Assets—Information related to the Company's investment in restricted assets as of December 31, was as follows:

2023	Gross Restricted Assets	Total Admitted Restricted Assets	Percentage: Gross Restricted to Total Assets	Percentage: Admitted Restricted to Total Admitted Assets
Collateral held under security lending agreements	$ 857,875,519	$ 857,875,519	2.20 %	2.22 %
Letter stocks or securities restricted as to sale—excluding FHLB capital stocks	100,000,000	100,000,000	0.26	0.26
FHLB capital stocks	102,524,000	102,524,000	0.26	0.27
On deposit with states	3,519,664	3,519,664	0.01	0.01
Pledged collateral to FHLB (including assets backing funding agreements)	4,820,552,944	4,820,552,944	12.38	12.50
Other	5,000	5,000	—	—
Total	$5,884,477,127	$5,884,477,127	15.11 %	15.26 %

2022	Gross Restricted Assets	Total Admitted Restricted Assets	Percentage: Gross Restricted to Total Assets	Percentage: Admitted Restricted to Total Admitted Assets
Collateral held under security lending agreements	$ 867,713,771	$ 867,713,771	2.59 %	2.61 %
Letter stocks or securities restricted as to sale—excluding FHLB capital stocks	132,254,227	132,254,227	0.39	0.40
FHLB capital stocks	87,610,800	87,610,800	0.26	0.26
On deposit with states	3,495,443	3,495,443	0.01	0.01
Pledged collateral to FHLB (including assets backing funding agreements)	3,721,432,280	3,721,432,280	11.10	11.20
Other	5,000	5,000	—	—
Total	$4,812,511,521	$4,812,511,521	14.35 %	14.48 %

Net Investment Income and Amortization of IMR—The sources of net investment income (loss) and amortization of IMR for the years ended December 31, were as follows:

	2023	2022	2021
Bonds	$ 1,041,074,693	$ 812,362,957	$ 767,920,355
Preferred stocks	4,793,182	1,921,513	1,239,842
Common stocks—affiliated	29,000,000	15,675,134	—
Mortgage loans	164,092,932	148,318,160	143,242,921
Real estate	20,130,780	18,748,800	18,702,732
Contract loans	13,300,311	12,334,865	15,852,335
Cash and cash equivalents	5,274,284	1,104,001	24,164
Short—term investments	10,407,115	3,467,105	4,192,848
Other invested assets	49,620,958	84,450,043	79,390,942
Derivative instruments	24,570,535	22,677,641	15,661,518
Other	(2,843,509)	1,123,266	4,303,648
Gross investment income	1,359,421,281	1,122,183,485	1,050,531,305
Amortization of IMR	3,177,460	9,698,246	10,212,783
Investment expenses	(49,309,713)	(43,302,326)	(38,052,182)
Net investment income and amortization of IMR	$ 1,313,289,028	$ 1,088,579,405	$ 1,022,691,906

3. STRUCTURED SECURITIES

The carrying value and fair value of structured securities, by type, as of December 31, were as follows:

2023	Carrying Value	Gross Unrealized Capital Gain	Gross Unrealized Capital Loss	Fair Value
MBS:				
Commercial	$ 1,372,897,200	$ 20,399,184	$ 94,566,205	$ 1,298,730,179
Residential	1,646,249,560	46,153,330	133,794,873	1,558,608,017
	3,019,146,760	66,552,514	228,361,078	2,857,338,196
Other ABS	3,988,325,139	14,386,330	132,657,542	3,870,053,927
Total	$ 7,007,471,899	$ 80,938,844	$ 361,018,620	$ 6,727,392,123

2022	Carrying Value	Gross Unrealized Capital Gain	Gross Unrealized Capital Loss	Fair Value
MBS:				
Commercial	$ 833,202,906	$ 2,852,751	$ 85,890,302	$ 750,165,355
Residential	1,313,222,970	4,193,913	139,238,595	1,178,178,288
	2,146,425,876	7,046,664	225,128,897	1,928,343,643
Other ABS	3,140,514,639	1,514,467	237,089,046	2,904,940,060
Total	$ 5,286,940,515	$ 8,561,131	$ 462,217,943	$ 4,833,283,703

Aging of unrealized capital losses on the Company's structured securities as of December 31, was as follows:

2023	Less than One Year Fair Value	Less than One Year Gross Unrealized Capital Loss	One Year or More Fair Value	One Year or More Gross Unrealized Capital Loss	Total Fair Value	Total Gross Unrealized Capital Loss
MBS:						
Commercial	$ 111,997,874	$ 2,188,186	$ 681,209,133	$ 92,378,019	$ 793,207,007	$ 94,566,205
Residential	226,916,868	4,647,971	808,820,570	129,146,902	1,035,737,438	133,794,873
	338,914,742	6,836,157	1,490,029,703	221,524,921	1,828,944,445	228,361,078
Other ABS	390,640,154	9,504,552	1,869,375,740	123,152,990	2,260,015,894	132,657,542
Total	$ 729,554,896	$ 16,340,709	$3,359,405,443	$344,677,911	$ 4,088,960,339	$361,018,620

2022	Less than One Year Fair Value	Less than One Year Gross Unrealized Capital Loss	One Year or More Fair Value	One Year or More Gross Unrealized Capital Loss	Total Fair Value	Total Gross Unrealized Capital Loss
MBS:						
Commercial	$ 513,063,891	$ 52,108,422	$ 142,853,614	$ 33,781,881	$ 655,917,505	$ 85,890,303
Residential	932,725,284	109,096,917	93,138,689	30,141,677	1,025,863,973	139,238,594
	1,445,789,175	161,205,339	235,992,303	63,923,558	1,681,781,478	225,128,897
Other ABS	1,859,523,796	135,124,989	819,697,172	101,964,057	2,679,220,968	237,089,046
Total	$3,305,312,971	$296,330,328	$1,055,689,475	$165,887,615	$ 4,361,002,446	$462,217,943

A portion of the commercial and residential MBS portfolios are backed by collateral guaranteed or insured by a government agency. As of December 31, 2023 and 2022, 61% and 57%, respectively, of the carrying value of the residential MBS portfolio was guaranteed by a government agency. As of December 31, 2023 and 2022, 41% and 39%, respectively, of the carrying value of the commercial MBS portfolio was guaranteed by a government agency.

There was no OTTI on loan-backed and structured securities related to the intent to sell, inability or lack of intent to hold for a period of time sufficient to recover the amortized cost basis during 2023 and 2022. All of the Company's OTTI on loan-backed and structured securities during 2023 and 2022 were based on the present value of future cash flows expected to be less than amortized cost basis of the security as shown in the following table:

2023	**Amortized Cost Basis Before Current Period OTTI**	**Present Value of Projected Cash Flows**	**Recognized OTTI**	**Amortized Cost Basis After OTTI**	**Fair Value at the Date of Impairment**	**Date of Financial Statement Reported**
CUSIP:						
G7256KAB0	$ 13,105,320	$ 12,871,729	$ 233,591	$ 12,871,729	$ 10,905,725	6/30/2023
21872BAL0	11,260,257	10,806,065	454,192	10,806,065	9,903,902	9/30/2023
21873EAE9	4,762,598	4,606,325	156,273	4,606,325	4,663,066	12/31/2023
21873EAG4	9,176,271	8,854,560	321,711	8,854,560	8,871,240	12/31/2023
Total	$ 38,304,446	$ 37,138,679	$ 1,165,767	$ 37,138,679	$ 34,343,933	

2022	**Amortized Cost Basis Before Current Period OTTI**	**Present Value of Projected Cash Flows**	**Recognized OTTI**	**Amortized Cost Basis After OTTI**	**Fair Value at the Date of Impairment**	**Date of Financial Statement Reported**
CUSIP:						
86709LAA4	$ 5,127,995	$ 4,913,272	$ 214,723	$ 4,913,272	$ 4,643,476	12/31/2022
543190AB8	9,411,403	9,074,459	336,944	9,074,459	9,005,437	12/31/2022
61767FAL5	1,472,098	1,371,575	100,523	1,371,575	1,371,575	12/31/2022
89177LAE3	11,001,425	10,814,663	186,762	10,814,663	10,162,005	12/31/2022
Total	$ 27,012,921	$ 26,173,969	$ 838,952	$ 26,173,969	$ 25,182,493	

The aggregate amount of prepayment penalties and acceleration fees in bonds, including loan-backed and structured securities, recognized in net investment income and amortization of IMR as of December 31, 2023 and 2022 was $545,802 and $12,597,990, from 3 and 34 CUSIPs, respectively.

4. FAIR VALUE MEASUREMENTS

The categorization and input level of the Company's financial instruments measured and reported at fair value, as of December 31, were as follows:

2023	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
U.S. corporate	$ —	$ 81,221	$ 2,097,658	$ 2,178,879
Commercial MBS	—	—	1,477,577	1,477,577
Common stocks—unaffiliated	3,565,057	102,524,000	—	106,089,057
Securities lending and repurchase agreement cash collateral	857,875,519	—	—	857,875,519
Derivative assets	—	56,312,940	—	56,312,940
ABS	—	—	227,277	227,277
All other governments	—	—	447,350	447,350
Preferred stocks	—	29,342,400	—	29,342,400
Securities lending and repurchase agreement cash collateral liability	(857,875,519)	—	—	(857,875,519)
Derivative cash collateral held liability	(129,442,000)	—	—	(129,442,000)
Total without separate accounts	(125,876,943)	188,260,561	4,249,862	66,633,480
Separate accounts	1,641,285,505	3,327,046,090	—	4,968,331,595
Total	$ 1,515,408,562	$ 3,515,306,651	$ 4,249,862	$ 5,034,965,075

2022	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
U.S. corporate	$ —	$ —	$ 602,806	$ 602,806
Common stocks—unaffiliated	—	87,610,800	—	87,610,800
Securities lending and repurchase agreement cash collateral	867,713,771	—	—	867,713,771
Derivative assets	—	14,158,790	—	14,158,790
ABS	—	—	408,423	408,423
All other governments	—	—	464,988	464,988
Preferred stocks	—	26,810,625	—	26,810,625
Securities lending and repurchase agreement cash collateral liability	(867,713,771)	—	—	(867,713,771)
Derivative cash collateral held liability	(224,892,000)	—	—	(224,892,000)
Total without separate accounts	(224,892,000)	128,580,215	1,476,217	(94,835,568)
Separate accounts	1,603,395,883	2,541,069,134	—	4,144,465,017
Total	$ 1,378,503,883	$ 2,669,649,349	$ 1,476,217	$ 4,049,629,449

A description of the significant inputs and valuation techniques used to determine fair value for Level 2 and Level 3 assets and liabilities on a recurring basis is as follows:

Level 2 Measurements

U.S. Corporate—Price determined by an independent third-party source.

Common Stocks-Unaffiliated—These FHLB capital stocks are only redeemable at par, so the fair value is presumed to be par.

Derivative Assets—These derivatives are principally valued using an income approach. The valuation of these securities is based on present value techniques, which utilize significant inputs that may include implied volatility, swap yield curve, and repurchase rates.

Preferred Stocks—These securities are principally valued using the market approach. The valuation of these securities is based principally on observable inputs including quoted prices in markets that are not considered active.

Separate Accounts—Separate accounts are comprised primarily of common collective trusts which are valued based on independent pricing services. The pricing services, in general, employ a market approach to valuing portfolio investments using market prices from exchanges or matrix pricing when quoted prices are not available, and other relevant data inputs as necessary. When current market prices or pricing service quotations are not available, the trustees use contractual cash flows and other inputs to value the funds.

Level 3 Measurements

In general, investments classified within Level 3 use many of the same valuation techniques and inputs as described above. However, if key inputs are unobservable, or if the investments are illiquid and there is very limited trading activity, the investments are generally classified as Level 3. The use of independent non-binding broker quotations to value investments generally indicates there is a lack of liquidity or the general lack of transparency to develop the valuation estimates, causing these investments to be classified in Level 3.

U.S. Corporate—These securities are principally valued using the market and income approaches with significant adjustments that utilize unobservable inputs or cannot be derived principally from, or corroborated by, observable market data, including additional spread adjustments to reflect industry trends or specific credit-related issues. Valuations may be based on independent non-binding broker quotations. The use of independent non-binding broker quotations to value investments generally indicates there is a lack of liquidity or the general lack of transparency to develop the valuation estimates generally causing these investments to be classified in Level 3. Generally, below investment grade privately placed or distressed securities included in this level are valued using discounted cash flow methodologies which rely upon significant, unobservable inputs and inputs that cannot be derived principally from, or corroborated by, observable market data.

Commercial Mortgage-Backed Securities, Asset-Backed Securities, and All Other Governments—These securities are principally valued using the market approach. The valuation of these securities is based primarily on matrix pricing or other similar techniques that utilize inputs that are unobservable or cannot be derived principally from, or corroborated by, observable market data, or are based on independent non-binding broker quotations.

Net Transfers into and out of Level 3—During the year ended December 31, 2023, there was one security transferred out of Level 3, and there were five securities transferred into Level 3 and one securities transferred into/out of Level 3. During the year ended December 31, 2022, there were seven securities transferred into Level 3 and two securities transferred into/out of Level 3, respectively.

Changes in assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended December 31, were as follows:

	Balance Jan 1, 2023	Capital Gain (Loss) Included in Net Income (Loss)	Purchases	Sales	Settlements, Paydowns, and Amortizations	Net Transfers Into Level 3	Net Transfers Out of Level 3	Balance Dec 31, 2023
ABS	$ 408,423	$ —	$ —	$ (21,201)	$ (159,945)	$ —	$ —	$ 227,277
All other governments	464,988	(17,638)	—	—	—	—	—	447,350
U.S. corporate	602,806	(23,092,731)	—	—	1,393	25,039,601	(453,411)	2,097,658
Commercial MBS	—	—	—	—	—	1,477,577	—	1,477,577
Total	$1,476,217	$ (23,110,369)	$ —	$ (21,201)	$ (158,552)	$ 26,517,178	$ (453,411)	$ 4,249,862

	Balance Jan 1, 2022	Capital Gain (Loss) Included in Net Income (Loss)	Purchases	Sales	Settlements, Paydowns, and Amortizations	Net Transfers Into Level 3	Net Transfers Out of Level 3	Balance Dec 31, 2022
ABS	$1,101,365	$ 2,403,305	$ —	$ (2,943,417)	$ (152,830)	$ —	$ —	$ 408,423
All other governments	—	(938,497)	—	—	(1,117)	1,565,602	161,000	464,988
U.S. corporate	—	(4,056,702)	184,400	—	(14,108)	4,489,216	—	602,806
Total	$1,101,365	$ (2,591,894)	$ 184,400	$ (2,943,417)	$ (168,055)	$ 6,054,818	$ 161,000	$ 1,476,217

Fair Value of Financial Instruments—The carrying value, fair value, and fair value hierarchy level of the Company's financial instruments as of December 31, were as follows:

2023	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Financial assets:						
Bonds	$25,000,227,518	$23,195,210,968	$ —	$20,886,010,003	$2,309,200,965	$ —
Preferred stocks	$ 196,557,425	$ 193,982,045	$ —	$ 93,982,045	$ —	$ 100,000,000
Common stocks—unaffiliated	$ 113,334,384	$ 113,334,384	$ 3,565,057	$ 102,524,000	$ —	$ 7,245,327
Mortgage loans	$ 4,371,524,057	$ 4,073,511,976	$ —	$ —	$4,073,511,976	$ —
Other invested assets—surplus notes	$ 115,033,342	$ 89,284,899	$ —	$ 89,284,899	$ —	$ —
Contract loans	$ 269,338,443	$ 269,338,443	$ —	$ —	$ —	$ 269,338,443
Cash and cash equivalents	$ 51,877,189	$ 51,839,260	$ 30,427,392	$ 21,411,868	$ —	$ —
Short—term investments	$ 321,600,000	$ 321,600,000	$ —	$ 321,600,000	$ —	$ —
Securities lending and repurchase agreement cash collateral	$ 857,875,519	$ 857,885,287	$857,885,287	$ —	$ —	$ —
Other invested assets—derivative assets	$ 123,702,320	$ 164,642,139	$ —	$ 164,642,139	$ —	$ —
Financial liabilities:						
Deposit—type contracts	$ 7,293,351,197	$ 6,628,719,467	$ —	$ —	$6,628,719,467	$ —
Securities lending and repurchase agreement cash collateral liability	$ 857,875,519	$ 857,885,287	$857,885,287	$ —	$ —	$ —
Other liabilities—derivative cash collateral	$ 129,442,000	$ 129,442,000	$129,442,000	$ —	$ —	$ —
Other liabilities—derivative liabilities	$ 33,064,347	$ 31,077,175	$ —	$ 31,077,175	$ —	$ —
Borrowings	$ 210,454,427	$ 210,454,427	$210,454,427	$ —	$ —	$ —

2022	Carrying Value	Fair Value	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Financial assets:						
Bonds	$21,549,654,445	$18,718,983,093	$ —	$17,035,856,230	$1,683,126,863	$ —
Preferred stocks	$ 181,779,852	$ 181,189,459	$ —	$ 48,935,232	$ —	$ 132,254,227
Common stocks—unaffiliated	$ 97,271,900	$ 97,271,900	$ —	$ 87,610,800	$ —	$ 9,661,100
Mortgage loans	$ 3,926,098,742	$ 3,465,654,433	$ —	$ —	$3,465,654,433	$ —
Other invested assets—surplus notes	$ 96,903,247	$ 67,625,395	$ —	$ 67,625,395	$ —	$ —
Contract loans	$ 226,098,793	$ 226,098,793	$ —	$ —	$ —	$ 226,098,793
Cash and cash equivalents	$ (43,556,816)	$ (43,559,945)	$(69,505,286)	$ 25,945,341	$ —	$ —
Short—term investments	$ 128,500,000	$ 128,500,000	$ —	$ 128,500,000	$ —	$ —
Securities lending and repurchase agreement cash collateral	$ 867,713,771	$ 866,563,019	$866,563,019	$ —	$ —	$ —
Other invested assets—derivative assets	$ 128,196,826	$ 213,447,533	$ —	$ 213,447,533	$ —	$ —
Financial liabilities:						
Deposit—type contracts	$ 5,810,471,738	$ 5,000,713,822	$ —	$ —	$5,000,713,822	$ —
Securities lending and repurchase agreement cash collateral liability	$ 867,713,771	$ 866,563,019	$866,563,019	$ —	$ —	$ —
Other liabilities—derivative cash collateral	$ 224,892,000	$ 224,892,000	$224,892,000	$ —	$ —	$ —
Other liabilities—derivative liabilities	$ 10,415,084	$ (1,752,753)	$ —	$ (1,752,753)	$ —	$ —
Borrowings	$ 117,158,085	$ 117,158,085	$117,158,085	$ —	$ —	$ —

The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments:

Bonds—Fair values for bonds, including loan-backed securities, are based on quoted market prices, where available. For bonds for which market values are not readily available, fair values were estimated by the Company using projected future cash flows, current market rates, credit quality, and maturity date.

Preferred Stocks—Fair values for preferred stocks are based on market value, where available. For preferred stocks for which market values are not available, fair values were estimated by the Company using projected future cash flows, current market rates, credit quality, and maturity date. It is not practicable to measure the fair value in certain private preferred stocks and the carrying value approximates fair value.

Common Stocks-Unaffiliated—These securities are principally valued using the market approach. The valuation of these securities is based principally on observable inputs including quoted prices in active markets. It is not practicable to measure the fair value in certain common stocks-unaffiliated when using the equity method and when measuring fair value in certain private stocks.

Mortgage Loans—Fair values for mortgage loans are estimated by discounting expected future cash flows using current interest rates for similar loans with similar credit risk.

Other Invested Assets-Surplus Notes—Fair values for other invested assets-surplus notes are based on quoted market prices for similar assets.

Contract Loans—Contract loans are stated at the aggregate unpaid balance plus any accrued interest which is 90 days or more past due. It is not practicable to determine fair value as contract loans are often repaid by reducing the policy benefits and have variable maturity dates. As of December 31, 2023 and 2022, the effective interest rates were 5.76% and 6.06%, respectively.

Cash and Cash Equivalents—The carrying value for cash and other cash equivalents approximates fair value.

Short-Term Investments—The carrying value of short-term unsecured revolving credit notes approximates fair value and is included within Level 2 due to the internal nature and with no public market.

Securities Lending and Repurchase Agreement Cash Collateral, Other Liabilities-Derivative Cash Collateral, and Securities Lending and Repurchase Agreement Cash Collateral Liability—Comprised of U.S. Direct Obligation/Full Faith and Credit Exempt money market instruments, commercial paper, cash, and all highly-liquid debt securities purchased with an original maturity of less than three months. The money market instruments are valued using unadjusted quoted prices in active markets that are accessible for identical assets and are primarily classified as Level 1. If public quotations are not available for commercial paper or debt securities, because of the highly-liquid nature of these assets, the carrying value may be used to approximate fair value.

Other Invested Assets-Derivative Assets and Other Liabilities-Derivative Liabilities—These derivatives are principally valued using an income approach. The valuation of these securities is based on present value techniques and option pricing models, which utilize significant inputs that may include implied volatility, the swap yield curve, and repurchase rates.

Deposit-Type Contracts—Fair values of guaranteed interest contracts, annuities, and supplementary contracts without life contingencies in payout status are estimated by calculating an average present value of expected cash flows over a broad range of interest rate scenarios using the current market risk-free interest rates adjusted for spreads required for publicly traded bonds issued by comparably rated insurers. The carrying amount for all other deposit-type contracts approximates fair value.

Borrowings—Fair values of long-term FHLB borrowings are estimated by discounting expected future cash flows using current interest rates for debt with comparable terms and are included within Level 2. Fair values of short-term FHLB borrowings and other borrowings approximates carrying value and are included within Level 1. The carrying value of short-term unsecured revolving credit notes approximates fair value and is included within Level 2 due to the internal nature and with no public market.

5. DERIVATIVE FINANCIAL INSTRUMENTS

The following table summarizes the Company's derivative financial instruments as of December 31:

2023	Notional Amount	Credit Exposure	Carrying Value Assets	Carrying Value Liabilities	Fair Value Assets	Fair Value Liabilities
Foreign currency swaps	$ 1,868,418,332	$ 29,023,976	$ 67,389,380	$ 33,064,347	$108,329,199	$ 31,077,175
Purchase options—other call options and warrants	736,367,703	—	56,312,940	—	56,312,940	—
Total	$ 2,604,786,035	$ 29,023,976	$123,702,320	$ 33,064,347	$164,642,139	$ 31,077,175

2022	Notional Amount	Credit Exposure	Carrying Value Assets	Carrying Value Liabilities	Fair Value Assets	Fair Value Liabilities
Foreign currency swaps	$ 1,655,510,249	$ 26,048,884	$114,038,036	$ 10,415,084	$199,288,743	$ (1,752,753)
Purchase options—other call options and warrants	497,284,329	—	14,158,790	—	14,158,790	—
Total	$ 2,152,794,578	$ 26,048,884	$128,196,826	$ 10,415,084	$213,447,533	$ (1,752,753)

The changes in value of derivatives for the years ended December 31, were reported on the statutory financial statements as follows:

2023	Unassigned Surplus	Net Realized Capital Gain (Loss)	Net Investment Income
Foreign currency swaps	$ (69,297,919)	$ 6,707,145	$ 25,103,866
Interest rate swaps	—	376,750	—
Purchase options—other call options and warrants	27,049,089	4,438,957	—
Total	$ (42,248,830)	$ 11,522,852	$ 25,103,866

2022	Unassigned Surplus	Net Realized Capital Gain (Loss)	Net Investment Income
Foreign currency swaps	$ 99,370,050	$ 3,488,845	$ 22,677,641
Purchase options—other call options and warrants	(17,731,769)	(5,953,923)	—
Total	$ 81,638,281	$ (2,465,078)	$ 22,677,641

2021	Unassigned Surplus	Net Realized Capital Gain (Loss)	Net Investment Income
Foreign currency swaps	$ 51,025,619	$ (1,765,920)	$ 15,796,160
Purchase options—other call options and warrants	2,102,201	8,270,878	—
Total	$ 53,127,820	$ 6,504,958	$ 15,796,160

The net gains and losses recognized in unrealized gains (losses), representing purchase options-other call options and warrants gain or loss, excluded from the assessment of hedge effectiveness was a net gain of $27,049,089 and net loss of $17,731,769 as of December 31, 2023 and 2022, respectively.

Certain of the Company's derivative instruments contain provisions requiring collateral against fair value subject to minimum transfer amounts. The aggregate fair value of all the derivative instruments with collateral features resulted in a net asset of $133,564,963 and $215,200,285 as of December 31, 2023 and 2022, respectively. The Company did not pledge collateral as of December 31, 2023 or 2022. The Company was holding $129,442,000 and $224,892,000 of cash collateral reflected as assets within the statutory financial statements as of December 31, 2023 and 2022, respectively.

The value of financial instruments with off-balance sheet risk included assets of $394,940,929 and liabilities of $355,331,415 as of December 31, 2023. There were no financial instruments with off-balance sheet risk as of December 31, 2022. The amount of potential exposure related to the off-balance sheet risk of counterparties failing to completely perform according to the terms of the contract and any collateral proved to be of no value was $29,023,976 as of December 31, 2023. There was no of potential exposure related to the off-balance sheet risk of counterparties failing to completely perform according to the terms of the contract and any collateral proved to be of no value as of December 31, 2022.

6. INCOME TAXES

The Company is part of an affiliated group of corporations that files a consolidated U.S. Corporate Income Tax Return. As of December 31, 2023, the Company's federal income tax return was consolidated with the following affiliates: Mutual of Omaha; Mutual DMLT Trust; Mutual of Omaha Holdings and its subsidiaries; Omaha Medicare Advantage; OFHI and certain of its subsidiaries including MMSI; Mutual of Omaha Mortgage and its subsidiary Review Counsel; Omaha Health; Omaha Supplemental; Companion; Medicare Advantage Company; Mutual Structured Settlement; Omaha Re; United DMLT Trust; and United World. The Company also files state income tax returns in certain jurisdictions.

Federal income tax is allocated between the members of the consolidated return pursuant to a written agreement approved by the Board of Directors. The Company's provision for federal income tax incurred is based on a separate return calculation wherein the current tax benefit for net operating losses, capital losses, charitable contributions, and credits are not included until such would have been recognized on a separate return basis.

There were no deposits reported as admitted under Section 6603 of the Internal Revenue Service Code as of December 31, 2023 and 2022.

The Inflation Reduction Act, enacted August 16, 2022, included a new corporate alternative minimum tax effective for years beginning after 2022. The Company has determined that it is a non-applicable reporting entity.

Federal and foreign income tax (benefit) incurred for the years ended December 31, consisted of the following major components:

	2023	2022	2021
Current federal income tax (benefit)	$ 86,532,887	$ 69,550,036	$ (14,374,035)
Current foreign income tax (benefit)	3,059,152	10,000	270,000
Federal and foreign income tax (benefit)	89,592,039	69,560,036	(14,104,035)
Federal income tax (benefit) on net realized capital gain (loss)	(15,018,578)	(5,386,552)	19,766,770
Total federal and foreign income tax (benefit)	74,573,461	64,173,484	5,662,735
Change in net deferred income tax (benefit)	(59,465,623)	(75,274,509)	(7,130,401)
Total federal and foreign income tax (benefit) incurred	$ 15,107,838	$ (11,101,025)	$ (1,467,666)

Reconciliations between federal and foreign income tax (benefit) based on the federal corporate income tax rate and the effective tax rate for the years ended December 31, were as follows:

	2023	2022	2021
Net income (loss) from operations before federal and foreign income tax (benefit) and net realized capital gain (loss)	$ 252,958,399	$ 119,010,610	$ (46,327,896)
Net realized capital gain (loss) before federal and foreign income tax (benefit) and transfers to (from) IMR	(95,803,494)	(63,755,403)	70,892,212
Total pre—tax income (loss)	157,154,905	55,255,207	24,564,316
Statutory tax rate	21 %	21 %	21 %
Expected federal and foreign income tax (benefit) incurred	33,002,530	11,603,593	5,158,506
Prior year adjustments	193,141	(2,187,558)	(1,792,482)
Dividends received deduction	(7,477,750)	(4,745,780)	(1,314,705)
Amortization and release of IMR	(385,160)	(1,649,147)	(2,179,314)
Nonadmitted tax assets in surplus	(3,158,488)	(3,356,110)	(3,827,089)
Reserve adjustments to surplus	469,963	(4,555,731)	6,607,329
Adjustments to ceding commissions	(5,641,211)	(5,836,038)	(3,781,975)
LIHTC investments—net of amortization	(742,395)	(729,249)	(656,080)
Other	(1,152,792)	354,995	318,144
Total federal and foreign income tax (benefit) at effective tax	$ 15,107,838	$ (11,101,025)	$ (1,467,666)

There were no net operating loss carryforwards, as of December 31, 2023.

The following income taxes incurred in the current and prior years that will be available for recoupment in the event of future losses:

Ordinary	Capital	Total	Year
XXX	$ —	$ —	2023
XXX	1,783,410	1,783,410	2022
XXX	34,347,087	34,347,087	2021
XXX	$ 36,130,497	$ 36,130,497	

As of December 31, 2023, there were no positions for which management believes it is reasonably possible that the total amounts of tax contingencies will significantly increase within twelve months of the reporting date.

The components of DTA and DTL as of December 31, were as follows:

	2023		
	Ordinary	Capital	Total
Gross DTA	$ 490,139,935	$ 15,611,739	$ 505,751,674
Nonadmitted DTA	(233,572,402)	—	(233,572,402)
Net admitted DTA	256,567,533	15,611,739	272,179,272
DTL	(77,282,248)	(62,998,135)	(140,280,383)
Net DTA (DTL)	$ 179,285,285	$ (47,386,396)	$ 131,898,889

	2022		
	Ordinary	Capital	Total
Gross DTA	$ 429,152,334	$ 12,380,190	$ 441,532,524
Nonadmitted DTA	(182,699,116)	—	(182,699,116)
Net admitted DTA	246,453,218	12,380,190	258,833,408
DTL	(75,269,715)	(60,495,927)	(135,765,642)
Net DTA (DTL)	$ 171,183,503	$ (48,115,737)	$ 123,067,766

The Company has admitted DTAs as of December 31, as follows:

	2023		
	Ordinary	Capital	Total
Federal income tax paid in prior years recoverable through loss carrybacks	$ —	$ 11,703,967	$ 11,703,967
Adjusted gross DTA expected to be realized (lesser of 1 or 2)	$ 120,194,922	$ —	$ 120,194,922
1. Adjusted gross DTA expected to be realized following the balance sheet date	$ 120,194,922	$ —	$ 120,194,922
2. Adjusted gross DTA allowed per limitation threshold	N/A	N/A	337,479,721
Adjusted gross DTA that can be offset against DTL	136,372,611	3,907,772	140,280,383
DTA admitted as the result of application of SSAP No. 101	$ 256,567,533	$ 15,611,739	$ 272,179,272

	2022		
	Ordinary	Capital	Total
Federal income tax paid in prior years recoverable through loss carrybacks	$ —	$ 11,165,632	$ 11,165,632
Adjusted gross DTA expected to be realized (lesser of 1 or 2)	$ 111,902,134	$ —	$ 111,902,134
1. Adjusted gross DTA expected to be realized following the balance sheet date	$ 111,902,134	$ —	$ 111,902,134
2. Adjusted gross DTA allowed per limitation threshold	N/A	N/A	275,523,218
Adjusted gross DTA that can be offset against DTL	134,551,084	1,214,558	135,765,642
DTA admitted as the result of application of SSAP No. 101	$ 246,453,218	$ 12,380,190	$ 258,833,408

The authorized control level risk-based capital ("RBC") ratio percentages used to determine recovery period and threshold limitation amounts were 764% and 701% as of December 31, 2023 and 2022, respectively. The amounts of adjusted capital and surplus used to determine recovery period and threshold limitations were $2,619,658,720 and $2,150,546,851 as of December 31, 2023 and 2022, respectively.

The impact of tax planning strategies as of December 31, 2023, was as follows:

	Ordinary	Capital	Total
Adjusted gross DTAs	$ 490,139,935	$ 15,611,739	$ 505,751,674
Percentage of total adjusted gross DTAs	0.0%	52.6 %	52.6 %
Net admitted adjusted gross DTAs	$ 256,567,533	$ 15,611,739	$ 272,179,272
Percentage of total net admitted adjusted gross DTAs	0.0%	52.6 %	52.6 %

The Company's tax planning strategy did not include reinsurance.

The tax effects of temporary differences that give rise to significant portions of the DTA and DTL as of December 31, were as follows:

	2023	2022	Change
DTA:			
Ordinary			
Policy reserves	$ 203,328,249	$ 174,127,665	$ 29,200,584
Deferred acquisition costs	251,172,836	221,906,786	29,266,050
Fixed assets	1,374,968	1,459,936	(84,968)
Compensation and benefit accruals	4,910,174	4,988,255	(78,081)
Nonadmitted assets	28,118,780	24,938,778	3,180,002
Other	1,234,928	1,730,914	(495,986)
Subtotal	490,139,935	429,152,334	60,987,601
Nonadmitted DTA	(233,572,402)	(182,699,116)	(50,873,286)
Admitted ordinary DTA	256,567,533	246,453,218	10,114,315
Capital:			
Investments	15,611,739	12,380,190	3,231,549
Admitted capital DTA	15,611,739	12,380,190	3,231,549
Admitted DTA	272,179,272	258,833,408	13,345,864
DTL:			
Ordinary:			
Investments	(22,782,577)	(13,944,701)	(8,837,876)
Policy reserves	(30,794,574)	(41,155,206)	10,360,632
Advanced commissions	(23,217,119)	(20,022,373)	(3,194,746)
Other	(487,978)	(147,435)	(340,543)
Subtotal	(77,282,248)	(75,269,715)	(2,012,533)
Capital:			
Investments	(62,998,135)	(60,485,855)	(2,512,280)
Real estate	—	(10,072)	10,072
Subtotal	(62,998,135)	(60,495,927)	(2,502,208)
DTL	(140,280,383)	(135,765,642)	(4,514,741)
Net admitted DTA	$ 131,898,889	$ 123,067,766	$ 8,831,123

The Company's deferred tax liability does not include a deferred tax liability for investment in subsidiaries.

The change in net deferred income tax (benefit), exclusive of nonadmitted assets reported separately from the change in net deferred income tax (benefit) in surplus, during the years ended December 31, was comprised of the following:

	2023	2022	Change
DTA	$ 505,751,674	$ 441,532,524	$ 64,219,150
DTL	(140,280,383)	(135,765,642)	(4,514,741)
Net DTA	$ 365,471,291	$ 305,766,882	59,704,409
Tax effect of unrealized capital gain (loss)			(238,786)
Change in net deferred income tax (benefit)			$ 59,465,623

	2022	2021	Change
DTA	$ 441,532,524	$ 388,007,256	$ 53,525,268
DTL	(135,765,642)	(170,167,632)	34,401,990
Net DTA	$ 305,766,882	$ 217,839,624	87,927,258
Tax effect of unrealized capital gain (loss)			(12,652,749)
Change in net deferred income tax (benefit)			$ 75,274,509

7. RELATED PARTY INFORMATION

The Company's investments in non-insurance subsidiary, controlled, or affiliated entities' ("SCA"), as of December 31, were as follows:

	2023		2022	
	Admitted	Nonadmitted	Admitted	Nonadmitted
Fulcrum	$ 8,811,983	$ —	$ 10,358,058	$ —
MOOF Fund	$ 221,066,779	$ —	$ 194,975,855	$ —
MGG Fund	$ 16,190,446	$ —	$ 12,108,332	$ —
Legacy Trust	$ —	$ —	$ 834,793	$ —
MHEG Fund	$ 10,425,506	$ —	$ 11,960,709	$ —
Boston Fund	$ 27,293,232	$ —	$ 30,424,936	$ —
Mutual of Omaha Mortgage	$ 163,500,000	$ —	$ 128,500,000	$ —
DMLT Trust	$ 86,630,261	$ —	$ 169,621,119	$ —
United DMLT Trust	$ 875,053	$ —	$ 1,713,344	$ —
Cloverlay	$ 27,495,035	$ —	$ 22,486,242	$ —
EMLT-U	$ 146,427,277	$ —	$ 26,261,431	$ —

The audited statutory surplus of the Company's wholly owned insurance SCA, Omaha Re, reflects a departure from the NAIC SAP for a prescribed practice from the NDOI, which requires an excess of loss asset to be recorded as an admitted asset. The Company, however, has adjusted the investment in Omaha Re to be consistent with NAIC SAP, which does not allow the excess of loss asset to be an admitted asset.

The Company has an investment in a New York domiciled insurance SCA, Companion for which the audited statutory surplus and income reflect a departure from NAIC SAP for accounting practices prescribed or permitted by the New York State Department of Financial Services. The differences primarily relate to reserve valuations under New York Circular Letter 11 and New York Regulation 147 and Special Considerations Letter. In 2023, this decreased net income by $5,376,067 and decreased surplus $20,840,810. In 2022, this increased net income by $4,803,998 and decreased surplus $15,164,743. The Company's investment in Companion was $85,063,056 and $80,273,717 at December 31, 2023 and 2022, respectively. The investment would have been $105,903,866 and $95,438,460 at December 31, 2023 and 2022, respectively, without the prescribed or permitted practices. The RBC of Companion would not have triggered a regulatory event had it not used the prescribed or permitted practice above.

Effective March 24, 2023, the Company renewed a $250,000,000 bilateral unsecured revolving credit note from Mutual of Omaha. As of December 31, 2023 and 2022, there were no outstanding borrowings under this agreement.

The Company has the following borrowing agreements available to affiliates as of December 31, 2023, which are substantially similar to the agreements held in the prior year, unless otherwise noted. All of the outstanding borrowings due to the Company are included in short-term investments on the statutory statements of admitted assets, liabilities, and surplus.

			2023				2022
	Borrowing Company	**Date Issued**	**Type of Borrowing**	**Interest Rates**	**Maximum Borrowing**	**Amount Outstanding**	**Amount Outstanding**
	Mutual of Omaha	03/24/2023	Bilateral unsecured revolving credit note	4.43%-5.43%	$500,000,000	$158,100,000	$ —
	Mutual of Omaha	10/27/2023	Secured warehouse line agreement	6.26%-7.42%	$400,000,000	$ 63,500,000	$ 78,500,000
*	Mutual of Omaha	03/03/2023	Unsecured demand revolving credit note	4.43%-5.85%	$100,000,000	$100,000,000	$ 50,000,000

* Note was amended with a new maximum borrowing limit of $100,000,000, an increase from $50,000,000 agreement as of December 31, 2022.

The Company had the following cash transactions with affiliates during the years ended December 31:

	Purchase	Capital Contribution Received (Paid)	Return of Capital Received (Paid)	Dividend Received (Paid)/ Income		Affiliate
2023						
March 16	$ —	$ —	$ —	$ 28,000,000		Omaha Re
June 21	—	—	—	1,000,000		Omaha Re
August 11	—	(230,000)	—	—		Medicare Advantage Company
October 20	—	150,000,000	—	—		Mutual of Omaha
November 15	—	150,000,000	—	—		Mutual of Omaha
Q4	—	50,000,000		—	*	Mutual of Omaha
Q4	—	(11,600,000)	—	—	**	Companion
Total	$ —	$ 338,170,000	$ —	$ 29,000,000		

*As of December 31, 2023, the Company accrued for a $50,000,000 capital contribution from Mutual of Omaha that was paid with cash on January 26, 2024.

**As of December 31, 2023, the Company accrued for a $11,600,000 capital contribution to Companion that was paid with cash on January 29, 2024.

	Purchase	Capital Contribution Received (Paid)	Return of Capital Received (Paid)	Dividend Received (Paid)/ Income	Affiliate
2022					
June 22	$ —	$ —	$ 8,800,000	$ —	Omaha Re
December 9	—	—	97,324,866	15,675,134	Omaha Re
December 27	—	—	3,700,000	—	Medicare Advantage Company
Total	$ —	$ —	$ 109,824,866	$ 15,675,134	

	Purchase	Capital Contribution Received (Paid)	Return of Capital Received (Paid)	Dividend Received (Paid)/ Income	Affiliate
2021					
February 1	$ —	$ (10,000,000)	$ —	$ —	Companion
Q3—Q4	147,763,104	—	—	—	DMLT Trust
September 20	—	—	12,000,000	—	Omaha Re
December 20	—	—	11,000,000	—	Omaha Re
Total	$147,763,104	$ (10,000,000)	$ 23,000,000	$ —	

The Company is a member of a controlled group of companies and as such its results may not be indicative of those if it were to be operated on a stand-alone basis. Any amounts due to or from each affiliated company are presented on a net basis in the statutory financial statements.

Mutual of Omaha and certain of its direct and indirect subsidiaries, including the Company, will make available to each other the services of certain employees, specialists, professionals, skilled and experienced administrators, and specialized equipment as needed. The services made available under the agreement, may include, but are not limited to human resources, facilities, print and mail, payroll, finance and accounting, treasury and investments, internal audit, compliance, information technology infrastructure and personnel, marketing, legal, corporate services, broker dealer and investment advisory services, and other services as determined by the parties. Most of the expenses related to these services were paid by Mutual of Omaha and subject to allocation among Mutual of Omaha and its subsidiaries. Management believes the measures used to allocate expenses provide a reasonable allocation that conforms to NAIC guidelines. Additionally, certain amounts are paid or collected by Mutual of Omaha, on behalf of the Company, are generally settled within 30 days. Amounts due for these services are included in payable to parent, subsidiaries, and affiliates-net on the statutory statements of admitted assets, liabilities, and surplus.

Certain amounts paid or collected by Mutual of Omaha, on behalf of the Company, are generally settled within 30 days. The net intercompany payments to affiliates were $2,147,933,012 and $1,951,920,642 for the years ended December 31, 2023 and 2022, respectively.

8. BORROWINGS AND SECURITIES LENDING

A summary of the Company's borrowings outstanding as of December 31, was as follows:

	2023		2022
	Interest Rates	Amount Outstanding	Amount Outstanding
Federal Home Loan Bank line of credit	5.55%	$ 209,983,300	$ 116,895,900
Federal Home Loan Bank line of credit—accrued interest due in 2024 and 2023, respectively	Variable	471,127	262,185
Securities lending	N/A	857,875,519	867,713,771
Total		$ 1,068,329,946	$ 984,871,856

FHLB—The Company is a member of the FHLB of Topeka. The Company has an agreement with the FHLB under which the Company pledges FHLB approved collateral in return for extensions of credit. It is part of the Company’s strategy to utilize these funds for operations or other long-term projects. Balances outstanding under this agreement are included in borrowing and securities lending on the statutory statements of admitted assets, liabilities, and surplus. The Company holds FHLB stock as part of the borrowing agreement, which is included in common stocks-unaffiliated included on the statutory statements of admitted assets, liabilities, and surplus. Through its membership, the Company has also entered into funding agreement contracts with the FHLB that are used as part of the Company’s interest spread strategy. The Company applies SSAP No. 52, Deposit-Type Contracts, accounting treatment to these funds, consistent with other deposit-type contracts. The Company and Mutual of Omaha have been authorized by their Boards of Directors to obtain extensions of credit under their agreements with the FHLB on a combined basis in an amount not to exceed $2,500,000,000. Of that amount, up to $400,000,000 may be provided through a secured warehouse line agreement to its mortgage origination affiliate. As of December 31, 2023 and 2022, the Company has no long-term outstanding borrowings. As of December 31, 2023 and 2022, the Company has $209,983,300 and $116,895,900, respectively, short-term outstanding borrowings from the FHLB.

The general account collateral pledged to FHLB as of December 31, was as follows:

	2023	2022
Fair value	$ 4,533,667,538	$ 3,283,257,570
Carrying value	$ 4,820,552,944	$ 3,721,432,280
Aggregate total borrowing	$ 2,278,283,300	$ 1,946,895,900

The general account maximum collateral pledged during the years ended December 31, was as follows:

	2023	2022
Fair value	$ 4,533,667,538	$ 3,306,755,885
Carrying value	$ 4,820,552,944	$ 3,725,998,958
Amount borrowed at time of maximum collateral	$ 2,278,283,300	$ 2,135,960,800

The general account amount borrowed from FHLB as of December 31, was as follows:

	2023	2022
Debt	$ 209,983,300	$ 116,895,900
Funding agreements	2,068,300,000	1,830,000,000
Aggregate total	$ 2,278,283,300	$ 1,946,895,900

The maximum amount of general account aggregate borrowings from FHLB during the years ended December 31, was as follows:

	2023	2022
Debt	$ 278,798,500	$ 305,960,800
Funding agreements	2,068,300,000	1,830,000,000
Aggregate total	$ 2,347,098,500	$ 2,135,960,800

As of December 31, the funding agreement contracts mature as follows:

	2023
2024	$ 596,000,000
2025	245,000,000
2026	501,000,000
2027	211,700,000
2028	427,600,000
2029	87,000,000
Total	$ 2,068,300,000

As of December 31, 2023, funding agreements were subject to prepayment penalties. As of December 31, 2022, the debt and funding agreements were subject to prepayment penalties.

Transfer and Servicing of Financial Assets—The Company has an agreement to sell and repurchase securities. The fair value and cash collateral liability of securities on loan as of December 31, were as follows:

	2023		2022	
	Fair Value	**Collateral Liability**	**Fair Value**	**Collateral Liability**
Securities lending	$ 823,527,251	$ 857,875,519	$ 831,447,478	$ 867,713,771

The transfers of financial assets accounted for as secured borrowings as of December 31, were as follows:

	2023	**2022**
Assets:		
Cash	$ 82,999,760	$ 111,002,337
Cash equivalents	99,466,367	362,201,257
Short—term investments	331,132,297	102,686,862
Bonds	344,277,095	291,823,315
Total securities lending cash collateral	$ 857,875,519	$ 867,713,771
Liabilities:		
Securities lending cash collateral	$ 857,875,519	$ 867,713,771

The Company has accepted collateral that it is permitted to sell or repledge under the Company's security lending program. The Company receives primarily cash collateral in an amount in excess of the fair value of the securities lent. The Company reinvests the cash collateral into higher-yielding securities than the securities which the Company has lent to other entities under the arrangement. The fair value of the Company's contractually obligated collateral positions, securities which the borrower may request the return on demand, as of December 31, were as follows:

	2023	**2022**
30 days or less	$ 303,503,791	$ 306,111,141
31 to 60 days	64,736,614	135,655,325
61 to 90 days	65,373,776	17,471,061
Greater than 90 days	424,271,106	407,325,492
Total collateral received	$ 857,885,287	$ 866,563,019

The amortized cost and fair value of the Company's collateral reinvested under the Company's security lending program as of December 31, were as follows:

2023	**Amortized Cost**	**Fair Value**
Less than 30 days	$ 303,253,603	$ 303,503,791
31 to 60 days	64,733,380	64,736,614
61 to 90 days	65,368,662	65,373,776
91 to 120 days	11,863,045	11,863,045
121 to 180 days	68,066,247	68,058,375
181 to 365 days	139,424,145	139,508,051
1 to 2 years	167,274,359	167,006,178
2 to 3 years	18,048,603	17,927,958
Greater than 3 years	19,843,475	19,907,499
Total collateral reinvested	$ 857,875,519	$ 857,885,287

2022	**Amortized Cost**	**Fair Value**
Less than 30 days	$ 306,117,627	$ 306,111,141
31 to 60 days	135,656,153	135,655,325
61 to 90 days	17,467,644	17,471,061
91 to 120 days	47,961,167	47,920,044
121 to 180 days	73,370,313	73,377,942
181 to 365 days	185,813,124	185,726,633
1 to 2 years	84,328,788	83,492,098
2 to 3 years	12,950,579	12,768,214
Greater than 3 years	4,048,376	4,040,561
Total collateral reinvested	$ 867,713,771	$ 866,563,019

The Company has securities of $857,885,287 and $866,563,019 at fair value in response to the possible $825,483,702 and $833,424,019 collateral that could be called within one day's notice as of December 31, 2023 and 2022, respectively. Excess liquidity at the enterprise level would be used to fulfill any remaining obligation due to the Company's lending/repurchase counterparties.

Of the collateral received for securities lending, the following collateral extended beyond one year from December 31, 2023:

TELOS CLO LTD CLO	$	4,038,601
COMMONWEALTH BANK OF AUSTRALIA CORP FRGN FLOATER		6,750,000
UBS AG (LONDON BRANCH) CORP FOREIGN		9,525,451
ATLAS STATIC SR LN FD I LTD CLO		6,000,000
NEUBERGER CLO CLO		2,637,822
Madison Park Funding Ltd CLO		8,429,102
KNDL 2019-KNSQ CMBS		4,000,000
VOYA CLO CLO		3,147,330
CIFC_CLO CLO		5,241,016
TPG CLO		4,062,611
PALMER SQUARE CLO CLO		2,873,569
ING INVESTMENT MANAGEMENT CLO CLO		1,263,035
PALMER SQUARE CLO CLO		6,602,058
CIFC CLO		1,477,172
PALMER SQUARE CLO CLO		2,990,590
CARLYLE CLO		8,590,979
CARLYLE CLO		3,714,752
BLUEMOUNTAIN CLO II LTD CLO		4,911,499
CARLYLE CLO		2,310,908
TOYOTA MOTOR CREDIT CORP CORP FLOATER		11,000,000
SHACKLETON I CLO LTD CLO		8,475,387
BARINGS CLO CLO		1,492,945
IRRADIANT CLO CLO		3,442,973
BMW US CAP CORP LLC CORP FLOATER		10,000,000
BAIN CLO CLO		3,492,898
PRINCIPAL LIFE GLOBAL FUNDING CORP FLOATER		10,000,000
CITIBANK NA CORP FLOATER		10,000,000
PEPSICO INC CORPORATE		13,990,281
DBCG MORTGAGE TRUST DBCG_17-BB CMBS		6,813,379
WELLS FARGO BANK NA CORP FLOATER		9,000,000
CAMB COMMERCIAL MORTGAGE TRUST CMBS		9,048,603
OAKTREE CLO CLO		4,981,835
NEUBERGER BERMAN LOAN ADVISERS CLO		7,481,982
BRIGADE CLO CLO		7,379,656
Total	$	205,166,434

The maximum amount and ending balance for repurchase agreements accounted for as secured borrowings, by maturity, during the years ended December 31, were as follows:

	2023	2022
Maximum amount:		
Overnight	$ —	$ 64,966,250
1 week to 1 month	$ —	$ —
Ending balance:		
Overnight	$ —	$ —
1 week to 1 month	$ —	$ —

The maximum amount and ending balance for securities sold under repurchase agreements accounted for as secured borrowings, during the years ended December 31, were as follows:

	2023	2022
Maximum amount:		
Carrying value	$ —	$ 63,330,207
Fair value	$ —	$ 65,582,403
Ending balance:		
Bonds—NAIC 1:		
Carrying value	$ —	$ —
Fair value	$ —	$ —

There was not any cash or non-cash collateral received and no liability to return collateral as of December 31, 2023. The maximum amount and ending balance of cash collateral received was $64,966,250 and there was no non-cash collateral received and no liability to return collateral as of as of December 31, 2022.

The Company had no outstanding repurchase agreements as of December 31, 2023 and 2022.

9. REINSURANCE

The Company has reinsurance agreements with affiliate entities. The Company assumes certain group and individual life insurance from Companion. The Company cedes certain individual life insurance to Omaha Re and cedes certain individual health insurance to Mutual of Omaha.

SRUS was a reinsurer of the Company on six ceded individual life reinsurance contracts. SRUS was ordered into receivership for the purposes of rehabilitation effective March 6, 2019, in the state of Delaware. A motion for Entry of Liquidation and Injunction Order was approved on July 18, 2023. In accordance with the liquidation order, the Company's reinsurance agreements with SRUS terminated on September 30, 2023.

During 2023, the Company has written off a net total of $3,926,153 reinsurance balances due from SRUS as follows:

Policyholder benefits	$ 7,509,852
Operating expenses	$ (3,583,699)

During 2023, the Company has reported in its operations a net loss of $4,168,323, inclusive of the uncollectible reinsurance impact shown above, as a result of commutation of reinsurance with SRUS as follows:

Policyholder benefits	$	13,755,257
Net premiums and annuity considerations	$	18,141,920
Operating expenses	$	8,554,986

The Company did not enter into any new reinsurance agreements with third-party reinsurers during the years ended December 31, 2023 or 2022.

During 2010, the Company entered into a reinsurance agreement with Omaha Re to cede certain term and universal life policies issued by the Company. The agreement covers policies issued from January 1, 2003 through September 30, 2013. A second reinsurance agreement with Omaha Re was executed in 2016 and amended in 2017, ceding certain term life insurance policies issued from October 1, 2013 through December 31, 2017. The 2017 amendment allows for certain term policies issued through December 31, 2019 to be ceded subject to certain limits. Both agreements provide coinsurance to the Company on an indemnity basis for all liabilities arising from the life insurance policies covered under each agreement and are accounted for on a funds withheld basis. There were no amendments to the agreement with Omaha Re during 2023 or 2022.

The current agreement complies with NAIC Actuarial Guideline XLVIII (“AG48”). This agreement cedes policies that meet the definition of Covered Policies as that term is defined in Section 4 of AG48. Funds consisting of Primary Security, in an amount at least equal to the Required Level of Primary Security, are held by the Company on a funds withheld basis. Funds consisting of Other Security, in an amount equal to the portion of the statutory reserves as to which Primary Security is not held, are held on behalf of the Company as security as part of the reinsurance arrangement.

Deferred gains are amortized into operations as earnings emerge from the business reinsured. During 2023, 2022, and 2021, the Company amortized $26,862,909, $27,790,659, and $17,489,778, respectively.

10. EMPLOYEE BENEFIT PLANS

The Company is allocated expenses from a qualified non-contributory defined-benefit pension plan and a 401(k) defined-contribution plan sponsored by its parent, Mutual of Omaha, based upon various cost allocation methods. The Company has no legal obligation for benefits under these plans. Effective January 1, 2005, the defined-benefit pension plan was amended to freeze plan benefits for participants under 40 years of age. No benefits are available under the defined-benefit pension plan for employees hired on or after January 1, 2005. Substantially all employees are eligible for the 401(k) defined-contribution plan.

The Company's share of net expense for these plans for the years ended December 31, was as follows:

	2023	2022	2021
Defined—benefit pension plan	$ 5,111,221	$ (3,896,169)	$ (4,279,277)
401(k) defined—contribution plan	$ 29,967,100	$ 26,907,924	$ 23,234,565

The Company has issued a group annuity contract to Mutual of Omaha's defined-benefit pension plan with a balance of $769,465,304 and $771,076,904 as of December 31, 2023 and 2022, respectively. The Company has also issued a group annuity contract to Mutual of Omaha's postretirement benefit plan, for which the Company has no legal liability and from which the Company is not allocated any expenses, with a balance of $4,963,848 and $5,603,539 as of December 31, 2023 and 2022, respectively. Plan assets for the 401(k) defined-contribution plan included a group annuity contract issued by the Company with a balance of $164,853,266 and $179,682,128 as of December 31, 2023 and 2022, respectively.

11. SURPLUS AND DIVIDEND RESTRICTIONS

The portion of unassigned surplus represented by each item below as of December 31, was as follows:

	2023	2022	2021
Unrealized capital gain (loss)	$ 24,123,104	$ 31,682,066	$ (30,105,715)
Nonadmitted assets	$ (372,800,514)	$ (301,571,920)	$ (206,466,673)
AVR	$ (355,344,096)	$ (305,533,139)	$ (336,667,120)

Regulatory restrictions limit the amount of dividends available for distribution without prior approval of the Director of the NDOI. As of December 31, 2023, the maximum dividend allowed is $237,276,380.

12. COMMITMENTS AND CONTINGENCIES

The Company has commitments for additional investments as of December 31, as follows:

	2023	2022
Limited partnership investments	$ 531,625,946	$ 527,950,837
Bonds	133,817,400	259,016,017
Mortgage lending	216,894,958	52,027,121
Total	$ 882,338,304	$ 838,993,975

As a condition of doing business, all states and jurisdictions have adopted laws requiring membership in life and health insurance guaranty funds. Member companies are subject to assessments each year based on life, health or annuity premiums collected in the state. The Company estimated its costs related to past insolvencies and had a liability for guaranty fund assessments of $11,702,713, offset by estimated premium tax credits of $10,266,207, included in general expenses and taxes due or accrued and other assets, respectively, on the statutory statements of admitted assets, liabilities, and surplus, for a net income (loss) impact of $1,436,505, included in operating expenses on the statutory statements of operations, for the year ended December 31, 2023. For the year ended December 31, 2022, the liability for guarantee fund assessments was $6,092,008, offset by estimated premium tax credits of $5,301,049, included in general expenses and taxes due or accrued and other assets, respectively, on the statutory statements of admitted assets, liabilities, and surplus, for a net income (loss) impact of $790,959, included in operating expenses on the statutory statement of operations.

A roll forward of the Company's assessments paid and accrued premium tax offsets, included in other assets on the statutory statements of admitted assets, liabilities, and surplus, as of December 31, was as follows:

	2023	**2022**
Balance at January 1	$ 10,867,793	$ 12,788,871
Decreases current year:		
Premium tax offsets applied	1,934,281	2,340,194
Decrease in accrual	1,488,319	244,799
Increases current year:		
Guaranty fund assessments paid	1,977,856	663,915
Increase in accrual	4,965,163	—
Balance at December 31	$ 14,388,212	$ 10,867,793

The Company recognizes undiscounted and discounted amounts relating to Penn Treaty Network America and its subsidiaries (together “Penn Treaty”) insolvency. The undiscounted and discounted amounts of the guaranty fund assessments and related assets as of December 31, were as follows:

	Guaranty Fund Assessments		**Related Assets**	
2023	**Undiscounted**	**Discounted**	**Undiscounted**	**Discounted**
Penn Treaty	$ 15,615,498	$ 5,266,004	$ 13,134,450	$ 4,570,177

	Guaranty Fund Assessments		**Related Assets**	
2022	**Undiscounted**	**Discounted**	**Undiscounted**	**Discounted**
Penn Treaty	$ 15,744,079	$ 5,681,251	$ 13,263,031	$ 4,966,114

There are 50 jurisdictions for liabilities and 39 jurisdictions for premium tax credits by insolvency as of December 31, 2023. Amounts used for the Penn Treaty accruals are the discounted amounts, using a 4.25% discount rate, reported by the National Organization of Life and Health Insurance Guaranty Association.

The Company has adopted resolutions to guarantee timely payment of certain liabilities incurred by its wholly owned subsidiary, Mutual Structured Settlement. The liabilities subject to this guarantee as of December 31, 2023 are $2,032,121,768. The initial liability recognition was exempted under SSAP No. 5R 18.g, Liabilities, Contingencies and Impairments of Assets, and the maximum potential amount of future payments cannot be estimated because Mutual Structured Settlement is still underwriting new business and the guarantee is essentially unlimited. There were no amounts paid under this agreement as of December 31, 2023 or 2022. Risk of performance is remote as 100% of the structured settlement liabilities are backed by a structured settlement annuity from the Company.

Various lawsuits have arisen in the ordinary course of the Company’s business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

13. LEASES

The Company leases certain property to house home office operations in Omaha, Nebraska, from Mutual of Omaha. The current lease expires December 31, 2035. The Company and Mutual of Omaha jointly enter into agreements for the rental of office space, equipment, and computer software under non-cancelable operating leases. The Company’s allocated rent expense for the years ended December 31, 2023, 2022, and 2021, was $59,088,194, $48,164,284, and $39,944,315, respectively.

Future required minimum rental payments under leases as of December 31, 2023, were as follows:

2024	$ 11,577,369
2025	8,016,793
2026	6,304,024
2027	4,475,249
2028	2,904,356
Thereafter	2,003,089
Total	$ 35,280,880

14. THIRD—PARTY ADMINISTRATORS

During 2023, 2022, and 2021, $99,105,368, $92,781,052, and $89,840,432, respectively, of the Company’s direct premium was written through third-party administrators ("TPAs"). The total TPA premium was not in excess of 5% of the Company’s surplus.

15. LIABILITY FOR POLICY AND CONTRACT CLAIMS—HEALTH

A reconciliation of the liability for policy and contract claims–health as of December 31, was as follows:

	2023	2022
Health balance at January 1	$ 1,182,758,978	$ 1,115,583,804
Reinsurance recoverable	83,339,343	78,301,586
Net balance at January 1	1,099,419,635	1,037,282,218
Incurred related to:		
Current year	1,212,768,712	1,143,850,550
Prior years	(40,165,972)	(36,133,954)
Total incurred	1,172,602,740	1,107,716,596
Paid related to:		
Current year	787,597,008	722,884,556
Prior years	338,670,783	322,694,623
Total paid	1,126,267,791	1,045,579,179
Net balance at December 31	1,145,754,584	1,099,419,635
Reinsurance recoverable	102,704,914	83,339,343
Balance at December 31	$ 1,248,459,498	$ 1,182,758,978

During 2023 and 2022, incurred claims related to prior years were favorable on both an interest and non-interest adjusted basis primarily due to favorable runout within Medicare supplement, long-term care, and group health coverages. Also during 2022, the runout for other health products was in line with expectations.

The Company did not have any significant changes in methodologies or assumptions used in calculating the liability for unpaid claims and claim adjustment expenses. A roll forward of the liability for claim adjustment expenses, included in general expenses and taxes due or accrued on the statutory statements of admitted assets, liabilities, and surplus, as of December 31, was as follows:

	2023	2022
Prior year accrual	$ 41,704,771	$ 37,772,327
Incurred claim adjustment expenses	85,895,982	77,830,136
Paid claim adjustment expenses related to:		
Current year	(59,512,838)	(51,092,864)
Prior years	(25,590,606)	(22,804,828)
Total	$ 42,497,309	$ 41,704,771

16. RESERVES FOR LIFE, ANNUITY, AND DEPOSIT—TYPE POLICIES AND CONTRACTS

The Company waives deduction of deferred fractional premiums upon death of the insured and returns any portion of the final premium for periods beyond the monthly policy anniversary following the date of death. Surrender values are not promised in excess of the legally computed reserves.

For plans of insurance with a substandard underwriting class and for policies with a flat extra substandard premium, substandard reserves are set equal to the unearned portion of the substandard premiums.

As of December 31, 2023 and 2022, the Company had $10,761,132,265 and $5,962,537,340, respectively, of insurance in force for which the gross premiums are less than the net premiums according to the valuation standards set by the NDOI. Reserves to cover the above insurance totaled the gross amount of $124,152,166 and $87,563,960 as of December 31, 2023 and 2022, respectively.

In 2023, the Company made the following reserve changes with a corresponding change to operations:

- Transitioned to the fixed account guaranteed interest rate as the NPR main guarantee valuation rate under PBR for IUL, resulting in a decrease in reserves of $7,262,026.

- Implemented a new actuarial platform for traditional life reserves resulting in a decrease in policy reserves of $4,343,108.

- Implemented a new actuarial platform for deferred fixed annuity reserves resulting in a decrease in policy reserves of $4,753,698.

In 2023, the Company made the following reserve changes with a corresponding change to surplus:

- Updated the mortality assumptions used for calculating reserves for anticipated anti-selective mortality on term conversions resulting in a decrease in reserves of $4,525,549.

- Updated the mortality assumptions used to calculate certain deficiency reserves, the factors for which are permitted and defined under the Valuation of Life Insurance Policies Model Regulation and NE Title 210, Chapter 71 and are commonly referred to as ("X factors"), resulting in an increase in reserves of $24,798,703.

In 2022, the Company made the following reserve changes with a corresponding change to operations:

- A $5,000,000 decrease in asset adequacy reserves on universal life policies with secondary guarantees from 2007 through 2012 in accordance with Actuarial Guideline 38 Section 8C ("AG38 8C").

- Corrected the current expense loads for a particular universal life plan included in the PBR block which resulted in an increase in the deterministic reserve of $5,806,896.

- Corrected the industry mortality improvement in the deterministic and stochastic reserve projections under PBR methods, resulting in an increase in reserves of $3,531,736.

In 2022, the Company made the following reserve changes with a corresponding change to surplus:

- Corrected the risk-free rates used in AG36 calculations for IUL reserves, resulting in a decrease in reserves of $4,486,889.

- Updated X factors mortality assumptions used to calculate certain deficiency reserves, resulting in a decrease in reserves of $4,371,421.

- Updated the mortality assumptions used for calculating reserves for anticipated anti-selective mortality on term conversions, resulting in an increase in reserve of $14,416,157.

- Changed the CRVM expense allowance calculation method for traditional life policies from adjusted curtate to continuous resulting, in an increase in reserves of $13,371,712.

- Changed the valuation method from net level to unitary method for certain term policies, resulting in an increase in reserves of $1,959,312.

In 2021, the Company made the following reserve changes with a corresponding change to operations:

- Excluding the $1,200,000 net decrease in AG38 8C asset adequacy reserves included below, there was a $9,300,000 decrease in asset adequacy reserves on universal life policies with secondary guarantees issued from 2007 through 2012 in accordance with AG38 8C. Other changes to the asset adequacy reserves are offsets to formula reserve changes for the universal life business subject to that testing and are included below. The total net decrease in asset adequacy reserves was $10,500,000.

- A $2,500,000 increase in AG38 8C asset adequacy reserves to correct the amount that was recorded as of December 31, 2021.

- Implemented a new actuarial platform for universal life reserves which resulted in a decrease in reserves of $7,600,000. This decrease is comprised of a decrease in formula reserves of $5,100,000 and an additional decrease in AG38 8C asset adequacy reserves of $2,500,000 on that portion of the business.

In 2021, the Company made the following reserve changes with a corresponding change to surplus:

- Updated the X factors mortality assumptions used to calculate certain life deficiency reserves resulting in a decrease in life insurance contract and annuity reserves of $11,443,338. This decrease is comprised of a decrease in deficiency reserves of $5,243,338 and an additional decrease in AG38 8C asset adequacy reserves of $6,200,000.

- Updated the no lapse premium definition for the reserve calculation for universal life policies with active secondary guarantees from continuous to annual, resulting in a net decrease in life insurance contract and annuity reserves of $6,720,046. The net decrease is comprised of a decrease in formula reserves of $11,720,046 partially offset by an increase in AG38 8C asset adequacy reserves of $5,000,000.

- Corrected guaranteed settlement options used in the reserve calculation per Actuarial Guideline 33 for certain deferred fixed annuities resulting in a decrease in life insurance contract and annuity reserves of $13,395,650.

17. ANALYSIS OF LIFE AND ANNUITY RESERVES AND DEPOSIT—TYPE LIABILITIES BY WITHDRAWAL CHARACTERISTICS

The withdrawal characteristics of the Company's individual annuity reserves, group annuity reserves, and deposit-type contracts as of December 31, were as follows:

2023	General Account	Separate Account Non-Guaranteed	Total	% of Total
Individual annuity reserves—subject to discretionary withdrawal:				
With market value adjustment	$ 2,247,940,901	$ —	$ 2,247,940,901	44.7 %
At book value less current surrender charge of 5% more	105,040,801	—	105,040,801	2.1
At fair value	—	81,588,987	81,588,987	1.6
Total with adjustment or at fair value	2,352,981,702	81,588,987	2,434,570,689	48.4
At book value without adjustment (minimal or no charge)	1,070,148,923	—	1,070,148,923	21.3
Not subject to discretionary withdrawal	1,519,832,487	1,054,920	1,520,887,407	30.3
Gross total	4,942,963,112	82,643,907	5,025,607,019	100.0 %
Reinsurance ceded	1,615,215,151	—	1,615,215,151	
Net total	$ 3,327,747,961	$ 82,643,907	$ 3,410,391,868	
Amount included in book value less current surrender charge of 5% or more that will move to the book value without adjustment for the first time within the year after the statutory—basis statement date:	$ 2,284,837	$ —	$ 2,284,837	
Group annuity reserves—subject to discretionary withdrawal:				
With market value adjustment	$ 403,313,923	$ —	$ 403,313,923	5.8 %
At book value without adjustment (minimal or no charge)	12,119,383	—	12,119,383	0.2
Not subject to discretionary withdrawal	6,548,576,931	—	6,548,576,931	94.0
Gross total	6,964,010,237	—	6,964,010,237	100.0 %
Reinsurance ceded	11,560,257	—	11,560,257	
Net total	$ 6,952,449,980	$ —	$ 6,952,449,980	
Deposit funds liabilities—subject to discretionary withdrawal:				
With market value adjustment	$ 789,272,395	$ —	$ 789,272,395	6.5 %
At fair value	—	4,816,970,132	4,816,970,132	39.7
Total with adjustment or at fair value	789,272,395	4,816,970,132	5,606,242,527	46.2
At book value without adjustment (minimal or no charge)	608,015,112	—	608,015,112	5.0
Not subject to discretionary withdrawal	5,914,356,264	—	5,914,356,264	48.8
Gross total	7,311,643,771	4,816,970,132	12,128,613,903	100.0 %
Reinsurance ceded	18,292,574	—	18,292,574	
Net total	$ 7,293,351,197	$ 4,816,970,132	$12,110,321,329	

2022	General Account	Separate Account Non-Guaranteed	Total	% of Total
Individual annuity reserves—subject to discretionary withdrawal:				
With market value adjustment	$ 1,687,527,305	$ —	$ 1,687,527,305	39.0 %
At book value less current surrender charge of 5% more	114,221,007	—	114,221,007	2.6
At fair value	—	76,927,967	76,927,967	1.8
Total with adjustment or at fair value	1,801,748,312	76,927,967	1,878,676,279	43.4
At book value without adjustment (minimal				
At book value without adjustment (minimal or no charge)	1,174,497,505	—	1,174,497,505	27.2
Not subject to discretionary withdrawal	1,271,146,874	568,937	1,271,715,811	29.4
Gross total	4,247,392,691	77,496,904	4,324,889,595	100.0 %
Reinsurance ceded	1,742,827,648	—	1,742,827,648	
Net total	$ 2,504,565,043	$ 77,496,904	$ 2,582,061,947	
Amount included in book value less current surrender charge of 5% or more that will move to the book value without adjustment for the first time within the year after the statutory—basis statement date:	$ 4,695,666	$ —	$ 4,695,666	
Group annuity reserves—subject to discretionary withdrawal:				
With market value adjustment	$ 366,728,800	$ —	$ 366,728,800	6.1 %
At book value without adjustment (minimal or no charge)	12,786,282	—	12,786,282	0.2
Not subject to discretionary withdrawal	5,675,978,807	—	5,675,978,807	93.7
Gross total	6,055,493,889	—	6,055,493,889	100.0 %
Reinsurance ceded	12,334,883	—	12,334,883	
Net total	$ 6,043,159,006	$ —	$ 6,043,159,006	
Deposit funds liabilities—subject to discretionary withdrawal:				
With market value adjustment	$ 653,325,840	$ —	$ 653,325,840	6.6 %
At fair value	—	4,020,456,773	4,020,456,773	40.8
Total with adjustment or at fair value	653,325,840	4,020,456,773	4,673,782,613	47.4
At book value without adjustment (minimal or no charge)	518,472,573	—	518,472,573	5.3
Not subject to discretionary withdrawal	4,660,779,824	—	4,660,779,824	47.3
Gross total	5,832,578,237	4,020,456,773	9,853,035,010	100.0 %
Reinsurance ceded	22,106,499	—	22,106,499	
Net total	$ 5,810,471,738	$ 4,020,456,773	$ 9,830,928,511	

Annuity reserves and deposit funds liabilities subject to discretionary withdrawal at fair value include runoff variable annuity reserves for policies which are 100% ceded under a modified coinsurance reinsurance agreement to a third party.

There were no annuity reserves or deposit-type liabilities in guaranteed separate accounts as of December 31, 2023 and 2022.

The following information is obtained from the applicable exhibits in the Company's annual statement which was filed with the NDOI and are provided to reconcile total annuity reserves and deposit-type contract liabilities to amounts reported on the statutory financial statements as of December 31.

	2023	2022
Life, accident, and health annual statement:		
Exhibit 5, Annuities section—net total	$ 10,276,543,591	$ 8,543,656,308
Exhibit 5, Supplementary Contracts with Life Contingencies section—net total	3,654,349	4,067,741
Exhibit 7, Deposit—type Contracts, Line 14—net total	7,293,351,197	5,810,471,738
Subtotal	17,573,549,137	14,358,195,787
Separate accounts annual statement:		
Exhibit 3, Annuities section—net total	82,643,907	77,496,904
Exhibit 4, Deposit—type Contracts, Line 9—net total	4,816,970,132	4,020,456,773
Total	$ 22,473,163,176	$ 18,456,149,464

The withdrawal characteristics of the Company's life policy reserves as of December 31, were as follows:

2023	Account Value	Cash Value	Reserves
General account—			
Subject to discretionary withdrawal, surrender values, or policy loans:			
Term policies with cash value	$ —	$ 150,851,142	$ 259,479,724
Universal life	416,588,600	472,415,013	518,875,099
Universal life with secondary guarantees	1,421,833,939	1,271,042,510	3,462,783,691
IUL with secondary guarantees	840,150,011	500,428,858	685,475,890
Other permanent cash value life insurance	—	3,115,859,600	4,182,429,619
Variable universal life	13,655,038	13,654,463	19,204,645
Not subject to discretionary withdrawal or no cash value:			
Term policies without cash value	N/A	N/A	2,006,798,665
Accidental death benefits	N/A	N/A	15,330,854
Disability—active lives	N/A	N/A	18,482,963
Disability—disabled lives	N/A	N/A	117,260,299
Miscellaneous reserves	N/A	N/A	184,785,415
Gross total	2,692,227,588	5,524,251,586	11,470,906,864
Reinsurance ceded	429,700,268	422,424,551	3,757,397,202
Net total	$ 2,262,527,320	$ 5,101,827,035	$ 7,713,509,662
Separate account non—guaranteed—			
Subject to discretionary withdrawal, surrender values, or policy loans:			
Variable universal life	$ 59,773,360	$ 59,773,360	$ 59,798,563

2022	Account Value	Cash Value	Reserves
General account—			
Subject to discretionary withdrawal, surrender values, or policy loans:			
Term policies with cash value	$ —	$ 123,966,916	$ 241,317,508
Universal life	442,259,630	480,145,139	536,269,394
Universal life with secondary guarantees	1,479,247,806	1,263,371,968	3,275,543,417
IUL with secondary guarantees	545,417,733	312,774,904	419,690,610
Other permanent cash value life insurance	—	2,864,745,328	3,865,022,292
Variable universal life	12,792,161	12,791,911	18,311,108
Not subject to discretionary withdrawal or no cash value:			
Term policies without cash value	N/A	N/A	1,948,795,351
Accidental death benefits	N/A	N/A	11,493,188
Disability—active lives	N/A	N/A	18,347,872
Disability—disabled lives	N/A	N/A	127,121,890
Miscellaneous reserves	N/A	N/A	159,926,364
Gross total	2,479,717,330	5,057,796,166	10,621,838,994
Reinsurance ceded	467,150,734	404,556,287	3,546,932,496
Net total	$ 2,012,566,596	$ 4,653,239,879	$ 7,074,906,498
Separate account non—guaranteed—			
Subject to discretionary withdrawal, surrender values, or policy loans:			
Variable universal life	$ 55,094,727	$ 55,094,727	$ 55,120,728

As of December 31, 2023 and 2022, there were no amounts reinsured on variable universal life subject to discretionary withdrawal, surrender values, or policy loans on non-guaranteed separate accounts. The Company did not have separate accounts with guarantees in 2023 and 2022.

The following information is obtained from the applicable exhibit in the Company's annual statement and related separate accounts annual statement, both of which were filed with the NDOI and are provided to reconcile total life insurance reserves to amounts reported on the statutory financial statements as of December 31.

	2023	2022
Life, accident, and health annual statement:		
Exhibit 5, Life Insurance section—net total	$ 7,439,455,396	$ 6,808,374,995
Exhibit 5, Accidental Death Benefits section—net total	15,191,692	11,352,033
Exhibit 5, Disability—Active Lives section—net total	6,388,776	6,643,119
Exhibit 5, Disability—Disabled Lives section—net total	114,898,121	125,092,299
Exhibit 5, Miscellaneous Reserves section—net total	137,575,676	123,444,052
Subtotal	7,713,509,661	7,074,906,498
Separate accounts annual statement:		
Exhibit 3, Life Insurance section—net total	59,798,563	55,120,728
Total	$ 7,773,308,224	$ 7,130,027,226

18. PREMIUMS DEFERRED AND UNCOLLECTED

Deferred and uncollected life insurance premiums and annuity considerations as of December 31, were as follows:

	2023		2022	
Type	Gross	Net of Loading	Gross	Net of Loading
Ordinary first—year business	$ 106,531,116	$ 6,282,674	$ 97,632,298	$ 2,141,740
Ordinary renewal	534,390,581	362,858,652	473,999,592	312,209,783
Group life	(33,735,776)	(34,771,066)	(93,252,394)	(94,185,954)
Group annuity	(5,850)	(5,850)	(15,800)	(15,800)
Total	$ 607,180,071	$ 334,364,410	$ 478,363,696	$ 220,149,769

19. SEPARATE ACCOUNTS

The Company utilizes separate accounts to record and account for assets and liabilities for particular lines of business. The Company reported assets and liabilities from the following product lines into a separate account and the assets are legally insulated from the general account as of December 31.

Product	State of Statute	2023	2022
Fund B—Variable universal life	Nebraska 44-402.01-05	$ 59,773,264	$ 55,094,813
Fund C—Variable annuity	Nebraska 44-402.01-05	82,818,167	77,749,934
Fund K—401k	Nebraska 44-402.01-05	4,627,290,040	3,859,738,145
Fund II—Institutional index	Nebraska 44-402.01-05	198,450,124	175,320,366
		$ 4,968,331,595	$ 4,167,903,258

Information regarding the non-guaranteed separate accounts of the Company as of and for the years ended December 31, was as follows:

	2023	2022
Premiums and considerations	$ 3,511,417	3,185,544
Deposits	3,409,626,057	2,820,715,010
Premiums, considerations, and deposits	$ 3,413,137,474	$ 2,823,900,554
Reserves subject to discretionary withdrawal—fair value	$ 4,958,357,681	4,152,505,468
Reserves not subject to discretionary withdrawal—fair value	1,054,920	568,937
Total reserves by withdrawal characteristics	$ 4,959,412,601	$ 4,153,074,405
Transfers as reported on the statutory statements of operations of the separate accounts annual statement:		
Transfers to separate accounts	$ 3,511,417	3,193,641
Transfers from separate accounts	14,540,588	11,894,484
Net transfers of the general account	(11,029,171)	(8,700,843)
Reinsurance of separate account business	11,029,171	8,700,843
Net transfers as reported on the statutory statements of operations	$ —	$ —

The Company does not hold guaranteed separate accounts or reserves in separate accounts for asset default risk in lieu of AVR as of December 31, 2023 and 2022.

20. SUBSEQUENT EVENTS

The Company has evaluated events subsequent to December 31, 2023 through March 20, 2024, the date these financial statements were available to be issued.

Type I-Recognized Subsequent Event:

As referenced in Note 7, the Company received a $50,000,000 cash capital contribution from Mutual of Omaha on January 26, 2024 and paid a $11,600,000 cash capital contribution to Companion on January 29, 2024.

Type II-Nonrecognized Subsequent Event:

Mutual of Omaha is exploring the formation of a mutual holding company ("MHC"). The exploration is intended to fully understand the requirements of the MHC structure, the process and timeline required to create it, and uncover any issues or unintended consequences. There is no fixed timeline for concluding the exploration.

No other material subsequent events have been identified.

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SUPPLEMENTAL SCHEDULES

UNITED OF OMAHA LIFE INSURANCE COMPANY

(A Wholly Owned Subsidiary of Mutual of Omaha Insurance Company)

SUPPLEMENTAL SCHEDULE OF SELECTED FINANCIAL DATA

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

Investment income earned:	
U.S. government bonds	$ 23,171,465
Other bonds (unaffiliated)	1,017,856,557
Bonds of affiliates	46,671
Preferred stocks (unaffiliated)	4,793,182
Preferred stocks of affiliates	—
Common stocks (unaffiliated)	655,448
Common stocks of affiliates	29,000,000
Mortgage loans	164,092,932
Real estate	20,130,780
Contract loans	13,300,311
Cash and cash equivalents	5,274,284
Short—term investments	10,407,115
Other invested assets	49,620,958
Derivative instruments	24,570,535
Aggregate write—ins for investment income	(3,498,957)
Gross investment income	$ 1,359,421,281
Real estate owned—book value less encumbrances	$ 8,188,060
Farm mortgages—book value	$ —
Residential mortgages—book value	$ —
Commercial mortgages—book value	$ 4,311,524,057
Total mortgage loans—book value	$ 4,371,524,057
Mortgage loans by standing—book value:	
Good standing	$ 4,359,833,167
Good standing with restructured terms	$ 2,690,890
Interest overdue more than 90 days, not in foreclosure	$ 9,000,000
Foreclosure in process	$ —
Other long—term assets—statement value	$ 1,031,730,952
Collateral loans	$ —

(Continued)

UNITED OF OMAHA LIFE INSURANCE COMPANY
(A Wholly Owned Subsidiary of Mutual of Omaha Insurance Company)
SUPPLEMENTAL SCHEDULE OF SELECTED FINANCIAL DATA
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

Bonds and stocks of subsidiaries and affiliates—book value:	
Bonds	$ —
Preferred stocks	$ —
Common stocks	$ 143,721,335
Bonds and short—term investments by NAIC designation and maturity:	
Bonds by maturity—statement value:	
Due within one year or less	$ 1,598,407,827
Over 1 year and through 5 years	6,766,231,904
Over 5 years through 10 years	4,637,502,431
Over 10 years through 20 years	6,292,399,407
Over 20 years	6,138,665,005
Total by maturity	$ 25,433,206,574
Bonds and short—term investments by NAIC designation—statement value:	
NAIC 1	$ 14,060,673,608
NAIC 2	10,888,082,303
NAIC 3	396,751,745
NAIC 4	72,596,266
NAIC 5	10,771,568
NAIC 6	4,331,084
Total by NAIC designation	$ 25,433,206,574
Total bonds publicly traded	$ 10,239,493,436
Total bonds privately placed	$ 15,193,713,138
Preferred stocks—statement value	$ 196,557,425
Common stocks	$ 257,055,719
Short—term investments—book value	$ 321,600,000
Options, caps, and floors owned—statement value	$ —
Options, caps, and floors written and in force—statement value	$ —
Collar, swap, and forward agreements open—current value	$ 90,637,973
Future contracts open—current value	$ —
Cash on deposit	$ (59,501,867)

(Continued)

UNITED OF OMAHA LIFE INSURANCE COMPANY
(A Wholly Owned Subsidiary of Mutual of Omaha Insurance Company)
SUPPLEMENTAL SCHEDULE OF SELECTED FINANCIAL DATA
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

Life insurance in force (in thousands):	
Industrial	$ —
Ordinary	$ 227,128,503
Credit life	$ —
Group life	$ 353,769,130
Amount of accidental death insurance in force under ordinary policies (in thousands):	$ 6,570,824
Life insurance with disability provisions in force (in thousands):	
Industrial	$ —
Ordinary	$ 9,062,869
Credit life	$ —
Group life	$ 340,232,625
Supplementary contracts in force:	
Ordinary—not involving life contingencies:	
Amount on deposit	$ 92,755,355
Income payable	$ 923,958
Ordinary—involving life contingencies:	
Income payable	$ 464,561
Group—not involving life contingencies:	
Amount on deposit	$ —
Income payable	$ —
Group—involving life contingencies:	
Income payable	$ 11,798

(Continued)

UNITED OF OMAHA LIFE INSURANCE COMPANY
(A Wholly Owned Subsidiary of Mutual of Omaha Insurance Company)
SUPPLEMENTAL SCHEDULE OF SELECTED FINANCIAL DATA
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

Annuities:	
Ordinary—immediate:	
Income payable	$ 127,027,034
Ordinary—deferred:	
Fully paid account balance	$ 2,959,910,102
Not fully paid account balance	$ 519,931,067
Group:	
Income payable	$ 555,536,122
Fully paid account balance	$ 1,029,088,524
Not fully paid account balance	$ 10,578,164
Accident and health insurance—premiums in force:	
Other	$ 783,171,808
Group	$ 1,355,619,240
Credit	$ —
Deposit funds:	
Account balance	$ 7,218,886,767
Dividend accumulations:	
Account balance	$ 1,649
Claim payments 2023:	
Group accident and health—year ended December 31, 2023:	
2023	$ 508,199,322
2022	$ 168,856,833
2021	$ 46,570,014
2020	$ 19,029,340
2019	$ 13,523,719
2018 and prior	$ 52,990,745

(Continued)

Claim payments 2023 (continued):	
Other accident and health—year ended December 31, 2023:	
2023	$ 279,397,686
2022	$ 37,731,828
2021	$ 41,159
2020	$ (26,825)
2019	$ 6,687
2018 and prior	$ (52,719)
Other coverages that use developmental methods to calculate claim reserves—year ended December 31, 2023:	
2023	$ —
2022	$ —
2021	$ —
2020	$ —
2019	$ —
2018 and prior	$ —

(Concluded)

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	Gross Investment Holdings 2 Percentage of Column 1 Line 13	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage of Column 5 Line 13
1. Long-Term Bonds (Schedule D, Part 1):						
1.01 U.S. governments	1,053,131,155	3.240	1,053,131,155	0	1,053,131,155	3.241
1.02 All other governments	119,582,728	0.368	119,582,728	0	119,582,728	0.368
1.03 U.S. states, territories and possessions, etc. guaranteed	25,000,000	0.077	25,000,000	0	25,000,000	0.077
1.04 U.S. political subdivisions of states, territories, and possessions, guaranteed	166,044,304	0.511	166,044,304	0	166,044,304	0.511
1.05 U.S. special revenue and special assessment obligations, etc. non-guaranteed	1,939,598,535	5.968	1,939,598,535	0	1,939,598,535	5.969
1.06 Industrial and miscellaneous	21,448,652,571	65.995	21,448,652,570	344,277,095	21,792,929,665	67.069
1.07 Hybrid securities	210,343,991	0.647	210,343,991	0	210,343,991	0.647
1.08 Parent, subsidiaries and affiliates	0	0.000	0	0	0	0.000
1.09 SVO identified funds	0	0.000	0	0	0	0.000
1.10 Unaffiliated bank loans	37,874,235	0.117	37,874,235	0	37,874,235	0.117
1.11 Unaffiliated certificates of deposit	0	0.000	0	0	0	0.000
1.12 Total long-term bonds	25,000,227,518	76.922	25,000,227,518	344,277,095	25,344,504,613	78.000
2. Preferred stocks (Schedule D, Part 2, Section 1):						
2.01 Industrial and miscellaneous (Unaffiliated)	196,557,425	0.605	196,557,425	0	196,557,425	0.605
2.02 Parent, subsidiaries and affiliates	0	0.000	0	0	0	0.000
2.03 Total preferred stocks	196,557,425	0.605	196,557,425	0	196,557,425	0.605
3. Common stocks (Schedule D, Part 2, Section 2):						
3.01 Industrial and miscellaneous Publicly traded (Unaffiliated)	3,565,057	0.011	3,565,057	0	3,565,057	0.011
3.02 Industrial and miscellaneous Other (Unaffiliated)	109,769,327	0.338	109,769,327	0	109,769,327	0.338
3.03 Parent, subsidiaries and affiliates Publicly traded	0	0.000	0	0	0	0.000
3.04 Parent, subsidiaries and affiliates Other	149,036,226	0.459	143,721,335	0	143,721,335	0.442
3.05 Mutual funds	0	0.000	0	0	0	0.000
3.06 Unit investment trusts	0	0.000	0	0	0	0.000
3.07 Closed-end funds	0	0.000	0	0	0	0.000
3.08 Exchange traded funds	0	0.000	0	0	0	0.000
3.09 Total common stocks	262,370,609	0.807	257,055,719	0	257,055,719	0.791
4. Mortgage loans (Schedule B):						
4.01 Farm mortgages	0	0.000	0	0	0	0.000
4.02 Residential mortgages	0	0.000	0	0	0	0.000
4.03 Commercial mortgages	4,311,524,057	13.266	4,311,524,057	0	4,311,524,057	13.269
4.04 Mezzanine real estate loans	60,000,000	0.185	60,000,000	0	60,000,000	0.185
4.05 Total valuation allowance	0	0.000	0	0	0	0.000
4.06 Total mortgage loans	4,371,524,057	13.451	4,371,524,057	0	4,371,524,057	13.454
5. Real estate (Schedule A):						
5.01 Properties occupied by company	4,422,023	0.014	4,422,023	0	4,422,023	0.014
5.02 Properties held for production of income	0	0.000	0	0	0	0.000
5.03 Properties held for sale	3,766,037	0.012	3,766,037	0	3,766,037	0.012
5.04 Total real estate	8,188,060	0.025	8,188,060	0	8,188,060	0.025
6. Cash, cash equivalents and short-term investments:						
6.01 Cash (Schedule E, Part 1)	(59,501,867)	(0.183)	(59,501,867)	82,999,760	23,497,893	0.072
6.02 Cash equivalents (Schedule E, Part 2)	111,379,056	0.343	111,379,056	99,466,367	210,845,423	0.649
6.03 Short-term investments (Schedule DA)	321,600,000	0.990	321,600,000	331,132,297	652,732,297	2.009
6.04 Total cash, cash equivalents and short-term investments	373,477,189	1.149	373,477,189	513,598,425	887,075,614	2.730
7. Contract loans	269,417,236	0.829	269,338,443	0	269,338,443	0.829
8. Derivatives (Schedule DB)	123,702,320	0.381	123,702,320	0	123,702,320	0.381
9. Other invested assets (Schedule BA)	1,033,811,213	3.181	1,031,730,952	0	1,031,730,952	3.175
10. Receivables for securities	3,443,387	0.011	3,443,387	0	3,443,387	0.011
11. Securities Lending (Schedule DL, Part 1)	857,875,519	2.640	857,875,519	XXX	XXX	XXX
12. Other invested assets (Page 2, Line 11)	0	0.000	0	0	0	0.000
13. Total invested assets	32,500,594,534	100.000	32,493,120,589	857,875,519	32,493,120,589	100.000

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For The Year Ended December 31, 2023
(To Be Filed by April 1)

Of The United of Omaha Life Insurance Company

ADDRESS (City, State and Zip Code) Omaha , NE 68175

NAIC Group Code 0261 NAIC Company Code 69868 Federal Employer's Identification Number (FEIN) 47-0322111

The Investment Risks Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.

Answer the following interrogatories by reporting the applicable U.S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. $ 33,601,033,130

2. Ten largest exposures to a single issuer/borrower/investment.

	1 Issuer	2 Description of Exposure	3 Amount	4 Percentage of Total Admitted Assets
2.01	Federal Home Loan Mortgage Corporation	CMO, MBS	$ 767,559,091	2.3 %
2.02	Federal National Mortgage Association	CMO, MBS	$ 364,107,721	1.1 %
2.03	Mutual of Omaha Opportunities Fund, L.P.	Sch BA-Joint Venture	$ 221,066,779	0.7 %
2.04	Omaha Financial Holdings (Mutual of Omaha Mortgage) Revolver	Bank Loan	$ 163,500,000	0.5 %
2.05	Mutual Revolver	Bank Loan	$ 158,100,000	0.5 %
2.06	Endeavor Mortgage Loan Trust	Sch BA-All Other	$ 146,427,277	0.4 %
2.07	MCF Direct Lendi	ABS	$ 122,512,567	0.4 %
2.08	Federal Home Loan Banks	Equity	$ 102,524,000	0.3 %
2.09	Lumeris Group Holdings Corporation	Preferred Stock	$ 100,000,000	0.3 %
2.10	Prime Notes Llc	Bonds	$ 100,000,000	0.3 %

3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC designation.

	Bonds	1	2		Preferred Stocks	3	4
3.01	NAIC 1	$ 14,060,673,608	41.8 %	3.07	NAIC 1	$ 24,215,025	0.1 %
3.02	NAIC 2	$ 10,888,082,303	32.4 %	3.08	NAIC 2	$ 66,496,400	0.2 %
3.03	NAIC 3	$ 396,751,744	1.2 %	3.09	NAIC 3	$ 5,846,000	0.0 %
3.04	NAIC 4	$ 72,596,265	0.2 %	3.10	NAIC 4	$ 0	0.0 %
3.05	NAIC 5	$ 10,771,567	0.0 %	3.11	NAIC 5	$ 0	0.0 %
3.06	NAIC 6	$ 4,331,083	0.0 %	3.12	NAIC 6	$ 100,000,000	0.3 %

4. Assets held in foreign investments:

4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets? Yes [ ] No [X]

If response to 4.01 above is yes, responses are not required for interrogatories 5 - 10.

4.02	Total admitted assets held in foreign investments	$ 5,468,349,503	16.3 %
4.03	Foreign-currency-denominated investments	$ 0	0.0 %
4.04	Insurance liabilities denominated in that same foreign currency	$ 0	0.0 %

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

		1	2
5.01	Countries designated NAIC-1	$ 5,265,280,409	15.7 %
5.02	Countries designated NAIC-2	$ 151,935,913	0.5 %
5.03	Countries designated NAIC-3 or below	$ 51,133,181	0.2 %

6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign designation:

		1	2
	Countries designated NAIC - 1:		
6.01	Country 1: United Kingdom	$ 1,301,084,377	3.9 %
6.02	Country 2: Cayman Islands	$ 1,009,261,067	3.0 %
	Countries designated NAIC - 2:		
6.03	Country 1: Mexico	$ 50,753,465	0.2 %
6.04	Country 2: Indonesia	$ 23,883,997	0.1 %
	Countries designated NAIC - 3 or below:		
6.05	Country 1: Colombia	$ 10,521,273	0.0 %
6.06	Country 2: Bahamas	$ 5,945,421	0.0 %

		1	2
7.	Aggregate unhedged foreign currency exposure	$ 0	0.0 %

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

		1	2
8.01	Countries designated NAIC-1	$ 0	0.0 %
8.02	Countries designated NAIC-2	$ 0	0.0 %
8.03	Countries designated NAIC-3 or below	$ 0	0.0 %

9. Largest unhedged foreign currency exposures by country, categorized by the country's NAIC sovereign designation:

		1	2
	Countries designated NAIC - 1:		
9.01	Country 1:	$ 0	0.0 %
9.02	Country 2:	$ 0	0.0 %
	Countries designated NAIC - 2:		
9.03	Country 1:	$ 0	0.0 %
9.04	Country 2:	$ 0	0.0 %
	Countries designated NAIC - 3 or below:		
9.05	Country 1:	$ 0	0.0 %
9.06	Country 2:	$ 0	0.0 %

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

	1 Issuer	2 NAIC Designation	3	4
10.01	Heathrow Airport Limited	2, 2IF	$ 76,374,000	0.2 %
10.02	Brookfield Utilities Issuer UK PLC	2FE	$ 68,736,600	0.2 %
10.03	EQUINIX	2	$ 62,384,801	0.2 %
10.04	Dalrymple Bay Finance PTY Ltd	2FE, 2YE	$ 55,000,000	0.2 %
10.05	Peel Ports PP Finance Ltd	2PL	$ 54,734,700	0.2 %
10.06	Banco Santander, S.A.	1FE, 2FE	$ 50,979,420	0.2 %
10.07	FIL Limited	2	$ 48,757,026	0.1 %
10.08	Caribbean Utilities Company, Ltd.	2, 2FE	$ 47,506,509	0.1 %
10.09	LondonMetric Property plc	2	$ 47,097,300	0.1 %
10.10	UBS Group AG	1FE, 2FE	$ 46,458,257	0.1 %

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 11.01 is yes, detail is not required for the remainder of interrogatory 11.

		1	2
11.02	Total admitted assets held in Canadian investments	$ 0	0.0 %
11.03	Canadian-currency-denominated investments	$ 0	0.0 %
11.04	Canadian-denominated insurance liabilities	$ 0	0.0 %
11.05	Unhedged Canadian currency exposure	$ 0	0.0 %

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions:

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

	1	2	3
12.02	Aggregate statement value of investments with contractual sales restrictions	$ 0	0.0 %
	Largest three investments with contractual sales restrictions:		
12.03		$ 0	0.0 %
12.04		$ 0	0.0 %
12.05		$ 0	0.0 %

13. Amounts and percentages of admitted assets held in the ten largest equity interests:

13.01 Are assets held in equity interests less than 2.5% of the reporting entity's total admitted assets? Yes [ ] No [X]

If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.

	1 Issuer	2	3
13.02	Mutual of Omaha Opportunities Fund, L.P.	$ 221,066,779	0.7 %
13.03	Endeavor Mortgage Loan Trust	$ 146,427,277	0.4 %
13.04	Federal Home Loan Banks	$ 102,524,000	0.3 %
13.05	Lumeris Group Holdings Corporation	$ 100,000,000	0.3 %
13.06	Discovery Mortgage Loan Trust	$ 87,505,313	0.3 %
13.07	Companion Life Insurance Company	$ 85,063,056	0.3 %
13.08	MCCARTHY GP LLC	$ 72,433,884	0.2 %
13.09	United World Life Insurance Company	$ 58,658,279	0.2 %
13.10	AT&T Mobility II, LLC	$ 43,000,000	0.1 %
13.11	The Carlyle Group	$ 33,597,126	0.1 %

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 14.01 above is yes, responses are not required for 14.02 through 14.05.

	1	2	3
14.02	Aggregate statement value of investments held in nonaffiliated, privately placed equities	$ 0	0.0 %
	Largest three investments held in nonaffiliated, privately placed equities:		
14.03		$ 0	0.0 %
14.04		$ 0	0.0 %
14.05		$ 0	0.0 %

Ten largest fund managers:

	1 Fund Manager	2 Total Invested	3 Diversified	4 Nondiversified
14.06	Federal Home Loan Bank of Topeka	$ 59,978	$ 0	$ 59,978
14.07	First American Funds, Inc. - U.S. Treasury Money Market Fund	$ 3	$ 3	$ 0
14.08	First American Funds, Inc. - Treasury Obligations Fund	$ 2	$ 2	$ 0
14.09	Wells Fargo Funds Trust - Treasury Plus Money Market Fund	$ 0	$ 0	$ 0
14.10		$ 0	$ 0	$ 0
14.11		$ 0	$ 0	$ 0
14.12		$ 0	$ 0	$ 0
14.13		$ 0	$ 0	$ 0
14.14		$ 0	$ 0	$ 0
14.15		$ 0	$ 0	$ 0

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 15.01 above is yes, responses are not required for the remainder of Interrogatory 15.

	1	2	3
15.02	Aggregate statement value of investments held in general partnership interests	$ 0	0.0 %
	Largest three investments in general partnership interests:		
15.03		$ 0	0.0 %
15.04		$ 0	0.0 %
15.05		$ 0	0.0 %

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets? Yes [ ] No [X]

If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

	1 Type (Residential, Commercial, Agricultural)	2	3
16.02	Mezzanine - SFR3-040 LLC	$ 60,000,000	0.2 %
16.03	Commercial - CP3 BP ASSOCIATES LLC	$ 40,000,000	0.1 %
16.04	Commercial - KEW REALTY CORPORATION	$ 36,245,773	0.1 %
16.05	Commercial - FC RANCHO LLC	$ 34,200,000	0.1 %
16.06	Commercial - ALTUS CCN LLC	$ 31,734,231	0.1 %
16.07	Commercial - 11701 S CENTRAL OWNER LP	$ 29,955,302	0.1 %
16.08	Commercial - PACE-BRENTWOOD PARTNERS LLC	$ 28,462,707	0.1 %
16.09	Commercial - FEDERAL BUSINESS CENTERS INC	$ 28,106,762	0.1 %
16.10	Commercial - FREMONT VENTURES 2 LLC	$ 26,589,041	0.1 %
16.11	Commercial - CLAYTON CENTRAL OWNER LLC	$ 26,000,000	0.1 %

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

		Loans	
16.12	Construction loans	$ 0	0.0 %
16.13	Mortgage loans over 90 days past due	$ 9,000,000	0.0 %
16.14	Mortgage loans in the process of foreclosure	$ 0	0.0 %
16.15	Mortgage loans foreclosed	$ 0	0.0 %
16.16	Restructured mortgage loans	$ 2,690,890	0.0 %

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

	Loan to Value	Residential 1	2	Commercial 3	4	Agricultural 5	6
17.01	above 95%	$ 0	0.0 %	$ 0	0.0 %	$ 0	0.0 %
17.02	91 to 95%	$ 0	0.0 %	$ 0	0.0 %	$ 0	0.0 %
17.03	81 to 90%	$ 0	0.0 %	$ 0	0.0 %	$ 0	0.0 %
17.04	71 to 80%	$ 0	0.0 %	$ 99,786,126	0.3 %	$ 0	0.0 %
17.05	below 70%	$ 0	0.0 %	$ 4,271,737,932	12.7 %	$ 0	0.0 %

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:

18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.

Largest five investments in any one parcel or group of contiguous parcels of real estate.

	Description 1	2	3
18.02		$ 0	0.0 %
18.03		$ 0	0.0 %
18.04		$ 0	0.0 %
18.05		$ 0	0.0 %
18.06		$ 0	0.0 %

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans:

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 19.01 is yes, responses are not required for the remainder of Interrogatory 19.

	1	2	3
19.02	Aggregate statement value of investments held in mezzanine real estate loans:	$ 0	0.0 %
	Largest three investments held in mezzanine real estate loans:		
19.03		$ 0	0.0 %
19.04		$ 0	0.0 %
19.05		$ 0	0.0 %

20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

		At Year End 1	At Year End 2	At End of Each Quarter 1st Quarter 3	2nd Quarter 4	3rd Quarter 5
20.01	Securities lending agreements (do not include assets held as collateral for such transactions)	$ 886,990,070	2.6 %	$ 1,081,603,160	$ 961,303,396	$ 1,039,813,543
20.02	Repurchase agreements	$ 0	0.0 %	$ 0	$ 0	$ 0
20.03	Reverse repurchase agreements	$ 0	0.0 %	$ 0	$ 0	$ 0
20.04	Dollar repurchase agreements	$ 0	0.0 %	$ 0	$ 0	$ 0
20.05	Dollar reverse repurchase agreements	$ 0	0.0 %	$ 0	$ 0	$ 0

21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floors:

		Owned 1	Owned 2	Written 3	Written 4
21.01	Hedging	$ 56,312,940	0.2 %	$ 0	0.0 %
21.02	Income generation	$ 0	0.0 %	$ 0	0.0 %
21.03	Other	$ 0	0.0 %	$ 0	0.0 %

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

		At Year End 1	At Year End 2	At End of Each Quarter 1st Quarter 3	2nd Quarter 4	3rd Quarter 5
22.01	Hedging	$ 29,023,976	0.1 %	$ 26,534,469	$ 27,902,735	$ 28,596,704
22.02	Income generation	$ 0	0.0 %	$ 0	$ 0	$ 0
22.03	Replications	$ 0	0.0 %	$ 0	$ 0	$ 0
22.04	Other	$ 0	0.0 %	$ 0	$ 0	$ 0

23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:

		At Year End 1	At Year End 2	At End of Each Quarter 1st Quarter 3	2nd Quarter 4	3rd Quarter 5
23.01	Hedging	$ 0	0.0 %	$ 0	$ 0	$ 0
23.02	Income generation	$ 0	0.0 %	$ 0	$ 0	$ 0
23.03	Replications	$ 0	0.0 %	$ 0	$ 0	$ 0
23.04	Other	$ 0	0.0 %	$ 0	$ 0	$ 0