American General Life Insurance Company

(An indirect wholly owned subsidiary of Corebridge Financial, Inc.)

Statutory Financial Statements and
Supplemental Information and
Report of Independent Auditors

At December 31, 2025 and 2024 and
for each of the three years ended December 31, 2025

AMERICAN GENERAL LIFE INSURANCE COMPANY
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Report of Independent Auditors

To the Board of Directors and Shareholder of American General Life Insurance Company

Opinions

We have audited the accompanying statutory financial statements of American General Life Insurance Company (the "Company"), which comprise the statutory statements of admitted assets, liabilities and capital and surplus as of December 31, 2025 and 2024, and the related statutory statements of operations, of changes in capital and surplus, and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "financial statements").

Unmodified Opinion on Statutory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the admitted assets, liabilities and capital and surplus of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in accordance with the accounting practices prescribed or permitted by the Texas Department of Insurance described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying 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, 2025 and 2024, or the results of its operations or its cash flows for each of the three years in the period ended December 31, 2025.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 audit. 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 U.S. Generally Accepted Accounting Principles

As described in Note 2 to the financial statements, the financial statements are prepared by the Company on the basis of the accounting practices prescribed or permitted by the Texas Department of Insurance, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices prescribed or permitted by the Texas Department of Insurance. Management is also responsible

for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 US 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 financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedules of selected financial data, investment risks interrogatories, summary investment schedule, and schedule of reinsurance disclosures (collectively referred to as the "supplemental schedules") of the Company as of December 31, 2025 and for the year then ended are presented to comply with the National Association of Insurance Commissioners' Annual Statement Instructions and Accounting Practices and Procedures Manual and for purposes of additional analysis and are not a required part of the financial statements. The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the financial statements taken as a whole.



New York, New York
March 20, 2026

AMERICAN GENERAL LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES AND CAPITAL AND SURPLUS

(in millions)	December 31, 2025	2024
Admitted assets		
Cash and investments		
Bonds	**$ 123,074**	$ 117,044
Preferred stock	**280**	160
Common stock	**2,802**	234
Cash, cash equivalents and short-term investments	**1,011**	731
Mortgage loans	**37,954**	36,078
Real estate	**85**	89
Contract loans	**1,141**	1,144
Derivatives	**2,797**	1,779
Derivative cash collateral and deferred asset for SSAP 108	**1,758**	1,680
Other invested assets	**6,965**	6,651
Total cash and investments	**177,867**	165,590
Amounts recoverable from reinsurers	**376**	263
Amounts receivable under reinsurance contracts	**415**	658
Current federal income tax recoverable	**806**	77
Deferred tax asset	**1,564**	1,295
Due and accrued investment income	**1,445**	1,418
Premiums due, deferred and uncollected	**13**	49
Receivables from affiliates	**161**	262
Other assets	**4,174**	2,601
Separate account assets	**83,141**	74,287
Total admitted assets	**$ 269,962**	$ 246,500

See accompanying Notes to Statutory Financial Statements.

AMERICAN GENERAL LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES AND CAPITAL AND SURPLUS (CONTINUED)

(in millions, except for share data)	December 31, 2025	2024
Liabilities		
Policy reserves and contractual liabilities		
Life and annuity reserves	**$ 109,741**	$ 112,536
Liabilities for deposit-type contracts	**20,766**	16,792
Accident and health reserves	**645**	675
Premiums received in advance	**13**	12
Policy and contract claims	**744**	684
Policyholder dividends	**16**	18
Total policy reserves and contractual liabilities	**131,925**	130,717
Payable to affiliates	**7**	211
Interest maintenance reserve	**26**	504
Derivatives	**400**	123
Payable for securities lending	**3,386**	2,284
Repurchase agreements	**1,114**	232
Collateral for derivatives program	**2,649**	1,245
Funds held under coinsurance	**31,778**	24,543
Accrued expenses and other liabilities	**2,140**	2,251
Net transfers from separate accounts due or accrued	**(2,110)**	(2,434)
Asset valuation reserve	**3,003**	2,510
Separate account liabilities	**83,141**	74,280
Total liabilities	**257,459**	236,466
Commitments and contingencies (see Note 19)		
Capital and surplus		
Common stock, $10 par value; 600,000 shares authorized, issued and outstanding	**6**	6
Preferred stock, $100 par value; 8,500 shares authorized, issued and outstanding	**1**	1
Surplus Notes	**500**	500
Gross paid-in and contributed surplus	**7,501**	5,412
Special surplus funds	**1,477**	1,630
Unassigned surplus	**3,018**	2,485
Total capital and surplus	**12,503**	10,034
Total liabilities and capital and surplus	**$ 269,962**	$ 246,500

See accompanying Notes to Statutory Financial Statements.

AMERICAN GENERAL LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF OPERATIONS

(in millions)	December 31, **2025**	2024	2023
Revenues			
Premiums and annuity considerations	**$ (29,792)**	$ 13,839	$ 23,157
Net investment income	**8,008**	7,887	6,574
Amortization of interest maintenance reserve	**15**	42	113
Reserve adjustments on reinsurance ceded	**43,007**	(2,191)	(4,276)
Commissions and expense allowances	**1,990**	1,363	679
Separate account fees	**354**	1,183	902
Other income	**509**	1,132	1,018
Total revenues	**24,091**	23,255	28,167
Benefits and expenses			
Death benefits	**746**	785	749
Annuity benefits	**3,646**	3,815	3,244
Surrender benefits	**16,959**	17,484	15,931
Other benefits	**1,699**	1,371	1,077
Change in reserves	**(2,605)**	(1,223)	4,817
Commissions	**1,820**	1,677	1,519
General insurance expenses	**1,143**	983	946
Net transfers to (from) separate accounts	**1,698**	(1,829)	2,078
Modco reinsurance assumed	**(2,230)**	(2,914)	(3,394)
Other expenses	**1,264**	1,063	742
Total benefits and expenses	**24,140**	21,212	27,709
Net gain from operations before dividends to policyholders and federal income taxes	**(49)**	2,043	457
Dividends to policyholders	**5**	7	2
Net gain from operations after dividends to policyholders and before federal income taxes	**(54)**	2,036	455
Federal income tax expense (benefit)	**(306)**	451	(52)
Net gain from operations	**252**	1,585	507
Net realized capital gains (losses), net of tax after transfers to interest maintenance reserves	**70**	(152)	(363)
Net income	**$ 322**	$ 1,433	$ 144

See accompanying Notes to Statutory Financial Statements.

AMERICAN GENERAL LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF CHANGES IN CAPITAL AND SURPLUS

(in millions)	Common & Preferred Stock	Surplus Notes	Gross Paid-In and Contributed Surplus	Special Surplus Funds	Unassigned Surplus	Total Capital and Surplus
Balance, January 1, 2023	$ 7	$ —	$ 5,410	$ 916	$ 3,417	$ 9,750
Net income	—	—	—	—	144	144
Change in net unrealized capital gains (losses)	—	—	—	—	58	58
Change in net unrealized foreign exchange capital gains (losses)	—	—	—	—	492	492
Change in deferred tax	—	—	—	—	167	167
Change in non-admitted assets	—	—	—	—	(7)	(7)
Change in liability for reinsurance in unauthorized and certified companies	—	—	—	—	21	21
Change in asset valuation reserve	—	—	—	—	(662)	(662)
Change in surplus from separate accounts	—	—	—	—	(367)	(367)
Other changes in surplus in separate accounts	—	—	—	—	367	367
Additional paid-in surplus	—	—	—	—	—	—
Change in surplus as a result of reinsurance	—	—	—	—	249	249
Dividends	—	—	—	—	(2,000)	(2,000)
Prior period corrections	—	—	—	—	(8)	(8)
Reinsurance permitted practice	—	—	—	—	725	725
Other changes	—	—	—	363	(363)	—
Balance, December 31, 2023	$ 7	$ —	$ 5,410	$ 1,279	$ 2,233	$ 8,929
Net income	—	—	—	—	1,433	1,433
Change in net unrealized capital gains (losses)	—	—	—	—	80	80
Change in net unrealized foreign exchange capital gains (losses)	—	—	—	—	(393)	(393)
Change in deferred tax	—	—	—	—	140	140
Change in non-admitted assets	—	—	—	—	106	106
Change in liability for reinsurance in unauthorized and certified companies	—	—	—	—	1	1
Change in asset valuation reserve	—	—	—	—	(167)	(167)
Change in surplus from separate accounts	—	—	—	—	(17)	(17)
Other changes in surplus in separate accounts	—	—	—	—	17	17
Change in surplus notes	—	500	—	—	—	500
Additional paid-in surplus	—	—	2	—	—	2
Change in surplus as a result of reinsurance	—	—	—	—	62	62
Dividends	—	—	—	—	(1,300)	(1,300)
Prior period corrections	—	—	—	—	318	318
Reinsurance permitted practice	—	—	—	—	322	322
Other changes	—	—	—	351	(350)	1
Balance, December 31, 2024	$ 7	$ 500	$ 5,412	$ 1,630	$ 2,485	$ 10,034
Net income	**—**	**—**	**—**	**—**	**322**	**322**
Change in net unrealized capital gains (losses)	**—**	**—**	**—**	**—**	**202**	**202**
Change in net unrealized foreign exchange capital gains (losses)	**—**	**—**	**—**	**—**	**1,089**	**1,089**
Change in deferred tax	**—**	**—**	**—**	**—**	**(606)**	**(606)**
Change in non-admitted assets	**—**	**—**	**—**	**—**	**1,117**	**1,117**
Change in asset valuation reserve	**—**	**—**	**—**	**—**	**(493)**	**(493)**
Change in surplus from separate accounts	**—**	**—**	**—**	**—**	**(932)**	**(932)**
Other changes in surplus in separate accounts	**—**	**—**	**—**	**—**	**932**	**932**
Additional paid-in surplus	**—**	**—**	**2,089**	**—**	**—**	**2,089**
Change in surplus as a result of reinsurance	**—**	**—**	**—**	**—**	**1,589**	**1,589**
Dividends	**—**	**—**	**—**	**—**	**(3,597)**	**(3,597)**
Change in reserve on account of change in valuation basis	**—**	**—**	**—**	**—**	**220**	**220**
Prior period corrections	**—**	**—**	**—**	**—**	**—**	**—**
Reinsurance permitted practice	**—**	**—**	**—**	**—**	**536**	**536**
Other changes	**—**	**—**	**—**	**(153)**	**154**	**1**
Balance, December 31, 2025	**$ 7**	**$ 500**	**$ 7,501**	**$ 1,477**	**$ 3,018**	**$ 12,503**

See accompanying Notes to Statutory Financial Statements.

AMERICAN GENERAL LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF CASH FLOWS

	December 31,		
(in millions)	**2025**	2024	2023
Cash from operations			
Premium and annuity considerations, collected, net of reinsurance	**$ 18,430**	$ 12,375	$ 23,059
Net investment income collected	**7,337**	7,040	5,711
Other income	**(71)**	1,504	(1,038)
Total revenue received	**25,696**	20,919	27,732
Benefits paid	**22,760**	23,562	21,098
Net transfers to (from) separate accounts	**(2,338)**	(6,004)	(2,569)
Commissions and expenses paid	**3,013**	2,961	2,447
Dividends paid to policyholders	**7**	6	3
Federal income taxes paid	**93**	451	(26)
Total benefits and expenses paid	**23,535**	20,976	20,953
Net cash provided by (used in) operations	**2,161**	(57)	6,779
Cash from investments			
Proceeds from investments sold, matured or repaid:			
Bonds	**21,831**	16,803	8,775
Stocks	**15**	29	144
Mortgage loans	**5,745**	3,473	3,446
Real estate	**9**	15	—
Other invested assets	**1,332**	664	1,436
Other, net	**—**	445	—
Total proceeds from investments sold, matured or repaid	**28,932**	21,429	13,801
Cost of investments acquired:			
Bonds	**31,980**	26,023	16,318
Stocks	**146**	31	43
Mortgage loans	**7,116**	10,157	7,349
Real estate	**1**	14	—
Derivatives, net	**1,456**	971	2,103
Other invested assets	**1,511**	853	952
Other, net	**387**	—	539
Total cost of investments acquired	**42,597**	38,049	27,304
Net adjustment in contract loans	**(4)**	(7)	15
Net cash used in investing activities	**(13,661)**	(16,613)	(13,518)
Cash from financing and miscellaneous sources			
Cash provided (applied):			
Surplus notes	**—**	500	—
Capital and paid-in surplus	**—**	2	—
Net deposits on (withdrawals from) deposit-type contracts	**3,974**	2,778	1,698
Dividends to parent	**(3,597)**	(1,300)	(2,000)
Change in securities lending	**1,102**	2,284	—
Other, net	**10,301**	12,237	6,988
Net cash provided by financing and miscellaneous activities	**11,780**	16,501	6,686
Net increase (decrease) in cash, cash equivalents and short-term investments	**280**	(169)	(51)
Cash, cash equivalents and short-term investments at beginning of year	**731**	900	951
Cash, cash equivalents and short-term investments at end of year	**$ 1,011**	$ 731	$ 900

AMERICAN GENERAL LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF CASH FLOWS

	December 31,		
(in millions)	**2025**	2024	2023
Non-cash activities, excluded from above:			
Non-cash transfer from general to separate account	**5,320**	$ 4,288	$ 1,002
Contribution of VALIC from AGC Life	**2,089**	—	—
Non-cash bonds transferred in connection with reinsurance transactions	**1,630**	—	—
Non-cash transfer from separate to general account	**1,608**	758	4,068
Non-cash transfer from bonds to other invested assets	**174**	4	—
Non-cash tax credit in other invested assets	**160**	—	—
Non-cash security withdrawal	**47**	—	—
Non-cash capitalized interest - bonds	**26**	—	—
Non-cash AGL Loan Inv Corp-return of capital	**25**	22	—
Non-cash transfer from mortgage loans to real estate	**22**	4	—
Non-cash payment in kind to bonds	**22**	31	—
Non-cash transfer from bonds to stocks	**21**	70	—
Non-cash transfer from stocks to bonds	**7**	—	—
Non-cash transfer from short-term bonds to bonds	**4**	44	—
Non-cash transfer from other invested assets to common stocks	**1**	1	1
Non-cash pension risk transfer premiums transfer from separate account	**—**	1,334	—
Non-cash internal transfer mortgage loans	**—**	609	—
Non-cash Modco to FRL settlements	**—**	232	274
Non-cash corporate actions-bonds	**—**	133	—
Non-cash transfer from other invested assets to bonds	**—**	92	456
Non-cash internal transfers other invested assets	**—**	69	—
Non-cash transfer from mortgage loans to bonds	**—**	33	—
Non-cash capitalized interest - mortgage loans	**—**	4	—
Non-cash transfer from common stocks to other invested assets	**—**	3	—
Non-cash AGLIC - Bermuda redemption	**—**	—	642
Non-cash transfer from other invested assets to mortgage loans	**—**	—	425
Non-cash Hannover reinsurance transaction	**—**	—	253

1. NATURE OF OPERATIONS

American General Life Insurance Company ("AGL" or the "Company"), including its wholly owned subsidiaries, is a wholly owned subsidiary of AGC Life Insurance Company ("AGC Life" or the "Parent"), a Missouri-domiciled life insurance company, which is wholly owned by Corebridge Life Holdings, Inc. ("Corebridge Life Holdings"). Corebridge Life Holdings is wholly owned by Corebridge Financial, Inc. ("Corebridge"). As of December 31, 2025, Corebridge's three largest shareholders, Nippon Life Insurance Company, a mutual company organized under the laws of Japan ("Nippon"), American International Group, Inc. ("AIG"), and Argon Holdco LLC, a wholly-owned subsidiary of Blackstone, owned approximately 24.6%, 10.1% and 12.5% of the outstanding Corebridge common stock, respectively.

Effective June 30, 2025, AGC Life made a capital contribution of all of the issued and outstanding common stock of The Variable Annuity Life Insurance Company ("VALIC"), a Texas domiciled life insurer, to the Company. The Company recorded the capital contribution as a $2,089 million increase in surplus.

The Company is a stock life insurance company domiciled and licensed under the laws of the State of Texas and is subject to regulation by the Texas Department of Insurance ("TDI"). The Company is also subject to regulation by the states in which it is authorized to transact business. The Company is licensed in 49 states and the District of Columbia.

The Company is one of the largest providers of retirement solutions and insurance products in the United States to middle-income and high-net-worth customers. The Company's products include fixed, fixed indexed, registered index-linked and variable annuities, term, universal, variable universal and whole life insurance, pension risk transfer annuities, guaranteed investment contracts, funding agreement backed notes, structured settlement annuities, corporate- and bank-owned life insurance, and stable value wrap products. The Company distributes its products through a broad multi-channel distribution network, which includes independent marketing organizations, independent insurance agents and financial advisors, banks, broker dealers, structured settlement brokers and benefit consultants and direct-to-consumer through Corebridge Direct Insurance Services, Inc. ("Corebridge Direct").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the TDI. These accounting practices vary in certain respects from accounting principles generally accepted in the United States of America ("U.S. GAAP"), as described herein.

The TDI recognizes only statutory accounting practices ("SAP") prescribed or permitted by the State of Texas for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Texas Insurance Law. The National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the State of Texas. The Insurance Commissioner of the State of Texas has the right to permit other specific practices that deviate from prescribed practices.

The Company used the following permitted practices that resulted in reported statutory surplus or risk-based capital that is different from the statutory surplus or risk-based capital that would have been reported had NAIC statutory accounting practices or the prescribed regulatory accounting practices of the TDI been followed in all respects:

- The Company recognized an admitted asset related to the notional value of coverage defined in an excess of loss ("XOL") reinsurance agreement with a 20-year term that provides coverage to the Company for aggregate claims incurred during the agreement term associated with guaranteed living benefits on certain fixed index annuities generally issued prior to April 2019 ("Block 1") exceeding an attachment point as defined in the agreement. This permitted practice was expanded to similarly recognize an additional admitted asset related to the net notional value of coverage as defined in a separate XOL reinsurance agreement with a 25-year term that provides coverage to the Company for aggregate XOL claims associated with guaranteed living benefits on a block of fixed index annuities generally issued in April 2019 or later, including certain new business issued after the effective date ("Block 2").

- Effective September 30, 2023, the permitted practice for Block 1 and Block 2 was extended through September 30, 2026 and the maximum notional value of Block 2 was increased for certain new business. Effective December 31, 2024, the permitted practice related to Block 2 was amended to determine the XOL limit based on annual standalone cash flow testing ("CFT") for business retained, net of reinsurance, where the XOL cap is defined as 90% of the CFT margin performed at each year-end. For new business issued after December 31, 2024, the XOL limit will be increased each quarter based on a specified calculation. At the end of the calendar year, the new business retained will be included with the business from prior years in the determination of the XOL limit based on 90% of the CFT margin performed at year-end. The amended permitted practice for Block 2 will remain in effect through September 30, 2026.

- This permitted practice was expanded to similarly recognize an additional admitted asset related to the net notional value of coverage as defined in a separate XOL agreement with a 25-year term that provides coverage to the Company for aggregate XOL claims associated with the base contract along with the guaranteed living benefits rider on a block of fixed annuities inforce on the treaty effective date, including certain new business issued after the effective date ("Block 3"). Effective September 30, 2023, the permitted practice for Block 3 was extended through September 30, 2026 and the maximum notional value was increased for certain new business. Effective December 31, 2024, the permitted practice related to Block 3 was amended to determine the XOL limit based on annual standalone CFT for business retained, net of reinsurance, where the XOL cap is defined as 90% of the CFT margin performed at each year-end. For new business issued after December 31, 2024, the XOL limit will be increased each quarter based on a specified calculation. At the end of the calendar year, the new business retained will be included with the business from prior years in the determination of the XOL limit based on 90% of the CFT margin performed at year-end. The amended permitted practice for Block 3 will remain in effect through September 30, 2026.

- Effective July 1, 2025, the Company recognized an admitted asset related to the notional value of coverage defined in an XOL reinsurance agreement that provides coverage to the Company for aggregate claims incurred during the agreement term associated with guaranteed lifetime withdrawal benefits on certain fixed index annuities generally issued prior to January 2017 ("Block 4") exceeding an attachment point as defined in the agreement. The XOL for Block 4 is limited to the annual standalone CFT for business retained, net of reinsurance, where the XOL cap is defined as 90% of the CFT margin performed at each year-end. For new business issued after December 31, 2025, the XOL limit will be increased each quarter based on a specified calculation. At the end of the calendar year, the new business retained will be included with the business from prior years in the determination of the XOL limit based on 90% of the CFT margin performed at year-end. The permitted practice for Block 4 will remain in effect through September 30, 2029.

The value of the assets subject to the above permitted practices was approximately $2,600 million, $2,064 million and $1,742 million in total at December 31, 2025, 2024 and 2023 respectively and are reported in Other assets.

Additionally, the Company has a prescribed accounting practice in accordance with the State of Texas related to the admittance of furniture and equipment.

The following table presents a reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed or permitted by the State of Texas:

		December 31,		
(in millions)	**SSAP#**	**2025**	2024	2023
NET INCOME				
State basis		**$ 322**	$ 1,433	$ 144
Net income, NAIC SAP		**$ 322**	$ 1,433	$ 144
SURPLUS				
State basis		**$ 12,503**	$ 10,034	$ 8,929
State prescribed practices that increase (decrease) NAIC SAP:				
Furniture and equipment	19	**(51)**	(34)	—
State permitted practices that increase (decrease) NAIC SAP:				
XoL reinsurance agreement	4	**(2,600)**	(2,064)	(1,742)
Statutory capital and surplus, NAIC SAP		**$ 9,852**	$ 7,936	$ 7,187

In the event the Company had not employed any or all of these permitted and prescribed practices, the Company's risk-based capital ("RBC") would not have triggered a regulatory event.

The statement of cash flows in this report has balances that are different from those in the annual statement filed with the NAIC. The annual statement for 2023 had net cash provided by operations, investments and financing of $6.3 billion, $(12.9) billion and $6.5 billion, respectively, while this report has $6.8 billion, $(13.5) billion and $6.7 billion, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting practices prescribed or permitted by the TDI requires management to make estimates and assumptions that affect the reported amounts in the statutory financial statements and the accompanying notes. It also requires disclosure of contingent assets and liabilities at the date of the statutory financial statements and the reported amounts of revenue and expense during the period. The areas of significant judgments and estimates include the following:

- application of other-than-temporary impairments;
- estimates with respect to income taxes, including recoverability of deferred tax assets;
- fair value measurements of certain financial assets; and
- policy reserves for life, annuity and accident and health insurance contracts, including guarantees.

These accounting estimates require the use of assumptions about matters, some of which are highly uncertain at the time of estimation. To the extent actual experience differs from the assumptions used, the Company's Statutory Statements of Admitted Assets, Liabilities and Capital and Surplus, Statutory Statements of Operations and Statutory Statements of Cash Flows could be materially affected.

Significant Accounting Policies

Bonds include debt instruments classified as either issuer credit obligations ("ICO") or asset-backed securities ("ABS"). Bonds, not backed by other loans, that qualify as issuer credit obligations under the principles-based bond definition are carried at amortized cost except for those with a NAIC designation of "6" or "6*". Bonds with a NAIC 6 designation are carried at the lower of amortized cost or fair value, with unrealized losses charged directly to unassigned surplus. Bonds that have not been filed and have not received a designation in over one year from the NAIC's Investment Analysis Office ("IAO") receive a "6*" designation and are carried at zero, with the unrealized loss charged directly to unassigned surplus. Bonds filed with the IAO which receive a "6*" designation may carry a value greater than zero. Securities are assigned a NAIC 5* designation if the Company certifies that (1) the documentation necessary to permit a full credit

analysis does not exist, (2) the issuer or obligor is current on all contracted interest and principal payments and (3) the Company has an actual expectation of ultimate repayment of all contracted interest and principal. Securities with NAIC 5* designations are deemed to possess the credit characteristics of securities assigned a NAIC 5 designation. The discount or premium on bonds is amortized using the effective yield method.

ABS include residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS"), other asset-backed securities, pass-thru securities, lease-backed securities, equipment trust certificates, loan-backed securities issued by special purpose corporations or trusts, and securities where there is not direct recourse to the issuer. ABS are carried on a basis consistent with that of bonds not backed by loans. Income recognition for ABS is determined using the effective yield method and estimated cash flows. Prepayment assumptions for single-class and multi-class mortgage-backed securities ("MBS") and other ABS were obtained from an outside vendor or internal estimates. The Company uses independent pricing services and broker quotes in determining the fair value of its ABS. The Company uses the retrospective adjustment method to account for the effect of unscheduled payments affecting high credit quality securities, while securities with less than high credit quality and securities for which the collection of all contractual cash flows is not probable are both accounted for using the prospective adjustment method.

Reference to "non-rated residual tranches or interests" intends to capture securitization tranches, beneficial interests, interests of structured finance investments, as well as other structures, that reflect loss layers without contractual interest or principal payments. Payments to holders of these investments occur after contractual interest and principal payments have been made to other tranches or interests and are based on the remaining available funds. Although payments to holders can occur throughout an investment's duration (and not just at maturity), such instances still reflect the residual amount permitted to be distributed after other holders have received contractual interest and principal payments.

NAIC designations are determined with a multi-step approach. The initial designation is used to determine the carrying value of the security. The final NAIC designation is used for reporting and affects RBC. The final NAIC designation is determined for most RMBS and CMBS by financial modeling conducted by BlackRock. For credit tenant loans, equipment trust certificates, any corporate-like securities rated by the IAO, interest-only securities, and those securities with an original NAIC designation of 5, 5*, 6, or 6*, the final NAIC designation is based on the IAO or Credit Rating Provider rating and is not subject to financial modeling.

Redeemable preferred stocks with NAIC designations of "1" through "3" are carried at amortized cost. All other redeemable preferred stocks are stated at the lower of cost, amortized cost or fair value, with unrealized capital losses charged directly to unassigned surplus. Perpetual preferred stocks are valued at fair value, not to exceed any currently effective call price. Provisions made for impairment are recorded as realized capital losses when declines in fair value are determined to be other than temporary.

Unaffiliated common stocks are carried at fair value, with unrealized capital gains and losses credited or charged directly to unassigned surplus. Provisions made for impairment are recorded as realized capital losses when declines in fair value are determined to be other than temporary. For Federal Home Loan Bank ("FHLB") capital stock, which is only redeemable at par, the fair value shall be presumed to be par, unless considered other-than-temporarily impaired.

Subsidiary, controlled, and affiliated ("SCA") entities: Investments in U.S. domiciled insurance subsidiary, controlled and affiliated entities are recorded based on the underlying audited statutory equity of the respective entity's financial statements. Investments in non-insurance SCA entities are recorded based on the equity of the investee per audited financial statements prepared pursuant to U.S. GAAP, which is adjusted to a statutory basis of accounting, if applicable. All investments in non-insurance SCA entities for which audited U.S. GAAP financial statements are not available are non-admitted as assets. Undistributed equity in earnings of affiliates is included in unassigned surplus as a component of unrealized capital gains or losses. Dividends received from such affiliates are recorded as investment income when declared.

Mortgage and mezzanine real estate loans are carried at unpaid principal balances less allowances for credit losses and plus or minus adjustments for the accretion or amortization of discount or premium. Interest income on performing loans is accrued as earned.

Mortgage and mezzanine real estate loans are considered impaired when collection of all amounts due under contractual terms is not probable. Impairment is measured using either i) the present value of expected future cash flows discounted at the loan's effective interest rate, ii) the loan's observable market price, if available, or iii) the fair value of the collateral if the loan is collateral dependent. An allowance is typically established for the difference between

the impaired value of the loan and its current carrying amount. Additional allowance amounts are established for incurred but not specifically identified impairments, based on statistical models primarily driven by past due status, debt service coverage, loan-to-value ratio, property occupancy, profile of the borrower and of the major property tenants, and economic trends in the market where the property is located. When all or a portion of a loan is deemed uncollectible, the uncollectible portion of the carrying amount of the loan is charged off against the allowance.

Real estate consists of properties occupied by the Company, properties held for the production of income and properties held for sale. Properties occupied by the Company and held for the production of income are carried at depreciated cost, less encumbrances, unless events or circumstances indicate the carrying amount of the asset (amount prior to reduction for encumbrances) may not be recoverable. Properties held for sale are carried at the lower of its depreciated cost or fair value less estimated costs to sell the property and net of encumbrances. Real estate obtained through foreclosure, in satisfaction of a loan, is recorded at the time of foreclosure at the lower of fair value as determined by acceptable appraisal methodologies, or the carrying amount of the related loan. Land is reported at cost.

Cash, cash equivalents and short-term investments include cash on hand and amounts due from banks, highly liquid debt instruments that have original maturities within one year of date of purchase and are carried at amortized cost, interest-bearing money market funds, investment pools and other investments (excluding loan-backed and structured securities) with original maturities within one year from the date of purchase.

Contract loans are carried at unpaid balances, which include unpaid principal plus accrued interest, including 90 days or more past due. All loan amounts in excess of the contract cash surrender value are considered non-admitted assets.

Derivative instruments used in hedging transactions that meet the criteria of a highly effective hedge are reported in a manner consistent with the hedged asset or liability ("hedge accounting"). Changes in statement value or cash flow of derivatives that qualify for hedge accounting are recorded consistently with how the changes in the statement value or cash flow of the hedged asset or liability are recorded. Derivative instruments used in hedging transactions that do not meet or no longer meet the criteria of an effective hedge ("ineffective hedges") are accounted for at fair value and the changes in fair value are recorded as unrealized gains or losses.

The Company has used Statement of Statutory Accounting Principles ("SSAP") No. 108, *Derivatives Hedging Variable Annuity Guarantees*, which allows special accounting treatment for limited derivatives hedging variable annuity guarantee benefits subject to fluctuation as a result of interest rate sensitivity. The Company designated, under SSAP 86, *Derivatives*, certain foreign exchange derivatives as effective hedges of certain invested assets and certain fixed and floating-rate liabilities. The Company also designated certain interest rate swaps as effective hedges of floating-rate investment assets and certain fixed and floating-rate liabilities.

Other invested assets principally consist of investments in limited partnerships and limited liability companies. Investments in these assets, except for limited partnerships and limited liability companies with a minor ownership interest, are reported using the equity method. Under SAP, such investments are generally reported based on audited U.S. GAAP equity of the investee, with subsequent adjustment to a statutory basis of accounting, if applicable.

Limited partnerships and limited liability companies in which the Company has a minor ownership interest (i.e., less than 10 percent) or lacks control, are generally recorded based on the underlying audited U.S. GAAP equity of the investee, with some prescribed exceptions. SAP allows the use of the U.S. GAAP equity as set forth in the footnote reconciliation of foreign GAAP equity and income to U.S. GAAP within audited foreign GAAP financial statements. The audited U.S. tax basis equity may also be used in certain circumstances.

All other investments in entities for which audited U.S. GAAP financial statements, or another acceptable audited basis of accounting as described above were not available have been recorded as non-admitted assets. Undistributed accumulated earnings of such entities are included in unassigned surplus as a component of unrealized capital gains or losses. Distributions received that are not in excess of the undistributed accumulated earnings are recognized as investment income. Impairments that are determined to be other than temporary are recognized as realized capital losses.

Securities lending and repurchase agreements: The Company has a securities lending program, which was approved by its Board of Directors, that lends securities from its investment portfolio to supplement liquidity or for other uses as deemed appropriate by management. Under the program, securities are lent to financial institutions, and in return the Company receives cash as collateral equal to 102 percent of the fair value of the loaned securities. The cash collateral received is invested in cash and/or short-term investments that may be sold or repledged or partially used for

short-term liquidity purposes based on conservative cash flow forecasts. Securities lent by the Company under these transactions may be sold or repledged by the counterparties. The liability for cash collateral received is reported in payable for securities lending in the Statutory Statements of Admitted Assets, Liabilities and Capital and Surplus. The Company monitors the fair value of securities loaned and obtains additional collateral as necessary. At the termination of the transactions, the Company and its counterparties are obligated to return the collateral provided and the securities lent, respectively. These transactions are treated as secured financing arrangements.

In addition, the Company is a party to secured financing transactions whereby certain securities are sold under agreements to repurchase (repurchase agreements), in which the Company transfers securities in exchange for cash, with an agreement by the Company to repurchase the same or substantially similar securities on agreed upon dates specified in the agreements. In all of these secured financing transactions, the securities transferred by the Company (pledged collateral) may be sold or repledged by the counterparties.

The Company entered into bilateral reverse repurchase agreements to purchase and resell short-term securities. The Company receives securities as collateral, having a fair value at least equal to 102% of the purchase price paid by the Company for the securities and the Company's designated custodian takes possession of this collateral. The Company did not sell or repledge these securities. The fair value of the securities held as collateral is monitored daily and additional collateral is obtained, where appropriate, to protect against credit exposure. The Company records the amount paid for securities purchased under agreements to resell in cash, cash equivalents and short-term investments.

Investment income due and accrued is non-admitted from investment income for bonds and other invested assets when collection of interest is overdue by more than 90 days, or is uncertain, and for mortgage loans when loans are foreclosed, or delinquent in payment for greater than 180 days, or when collection of interest is uncertain.

Net realized capital gains and losses, which are determined by using the specific identification method, are reflected in income net of applicable federal income taxes and transfers to the interest maintenance reserve.

The Company regularly evaluates its investments for other-than-temporary impairment ("OTTI") in value. The determination that a security has incurred an OTTI in value and the amount of any loss recognition requires the judgment of the Company's management and a continual review of its investments. For bonds, other than ABS, an OTTI shall be considered to have occurred if it is probable that the Company will not be able to collect all amounts due under the contractual terms in effect at the acquisition date of the debt security. If it is determined an OTTI has occurred, the cost basis of bonds is written down to fair value and the amount of the write-down is recognized as a realized capital loss.

For ABS, a non-interest related OTTI resulting from a decline in value due to fundamental credit problems of the issuer is recognized when the projected discounted cash flows for a particular security are less than its amortized cost. When a non-interest related OTTI occurs, the ABS is written down to the present value of future cash flows expected to be collected. An OTTI is also deemed to have occurred if the Company intends to sell the ABS or does not have the intent and ability to retain the ABS until recovery. If the decline is interest-related, the ABS is written down to fair value.

In periods subsequent to the recognition of an OTTI loss, the Company generally accretes the difference between the new cost basis and the future cash flows expected to be collected, if applicable, as interest income over the remaining life of the security based on the amount and timing of estimated future cash flows.

Non-admitted assets are excluded from admitted assets and the change in the aggregate amount of such assets is reflected as a separate component of unassigned surplus. Non-admitted assets include all assets specifically designated as non-admitted and assets not designated as admitted, such as a certain portion of deferred tax assets, prepaid expenses, electronic data processing ("EDP") equipment assets, agents' balances or other receivables over 90 days. Non-admitted assets were $3.3 billion and $4.5 billion at December 31, 2025 and 2024, respectively.

Interest maintenance reserve ("IMR") is calculated based on methods prescribed by the NAIC and was established to prevent large fluctuations in interest-related investment gains and losses resulting from sales (net of taxes) and interest-related OTTI (net of taxes). IMR applies to all types of fixed maturity investments, including bonds, preferred stocks, ABS and mortgage loans. An OTTI occurs when the Company, at the reporting date, has the intent to sell an investment or does not have the intent and ability to hold the security before recovery of the cost of the investment. For ABS, if the Company recognizes an interest-related OTTI, the non-interest-related OTTI is recorded to the asset valuation reserve, and the interest-related portion to IMR. Such gains and losses are deferred into the IMR and amortized into income using the grouped method over the remaining contractual lives of the securities sold.

Asset valuation reserve ("AVR") is used to stabilize surplus from fluctuations in the market value of bonds, stocks, mortgage loans, real estate, limited partnerships and other investments. Changes in the AVR are recorded as direct increases or decreases in surplus.

Separate account assets and liabilities generally represent funds for which the contract holder, rather than the Company, bears the investment risk. Separate account contract holders have no claim against the assets of the general account of the Company, except for certain guaranteed products. Separate account assets are generally reported at fair value. In addition, certain products with fixed guarantees, market-value-adjusted ("MVA") fixed annuity contracts, and registered index-linked annuities for which the assets are generally carried at amortized cost are required by certain states to be carried in a separate account. The operations of the separate accounts are excluded from the Statutory Statements of Operations and Statutory Statements of Cash Flows of the Company. The Company receives fees for assuming mortality and certain expense risks. Such fees are included in separate account fees in the Statutory Statements of Operations. Reserves for variable annuity contracts and registered index-linked annuities are provided in accordance with subsection 21 of the Valuation Manual ("VM-21"). Reserves for variable universal life accounts are provided in accordance with subsection 20 of the Valuation Manual ("VM-20") for new business issued beginning in 2020, and in accordance with the Commissioners' Reserve Valuation Method ("CRVM") for policies issued prior to 2020.

Policy reserves are established according to different methods.

Life, annuity, and health reserves are developed by actuarial methods and are generally determined based on published tables using specified interest rates, mortality or morbidity assumptions, and valuation methods prescribed or permitted by statutes that will provide, in the aggregate, reserves that are greater than or equal to the minimum or guaranteed policy cash values or the amounts required by the TDI.

Principle-based reserving ("PBR") is designed to tailor the reserving process to more closely reflect the risks of specific products, rather than the previous prescribed approach. Reserve requirements for the Company's life insurance policies issued after January 1, 2020 are contained in VM-20, *Requirements for Principle-Based Reserves for Life Products.* Life insurance policies issued prior to January 1, 2020 continue to be reserved for using legacy formula-based methods, including the CRVM. Under VM-20, these reserves are generally more sensitive to changes in actuarial assumptions than under legacy reserving methodologies.

The Company calculates reserves for fixed index annuities, both with and without guaranteed minimum withdrawal benefits ("GMWB"), in accordance with the Commissioners' Annuities Reserve Valuation Method ("CARVM").

The Company waives the deduction of deferred fractional premiums on the death of the life and annuity policy insured and returns any premium beyond the date of death. The Company reported additional reserves for surrender values in excess of the corresponding policy reserves.

The Company performs annual cash flow testing in accordance with the Actuarial Opinion and Memorandum Regulation to ensure adequacy of the reserves. Additional reserves are established where the results of cash flow testing under various interest rate scenarios indicate the need for such reserves or where the net premiums exceed the gross premiums on any insurance in force. Total cash flow testing reserves were $20 million and $40 million at December 31, 2025 and 2024, respectively.

A majority of the Company's variable annuity products include a guaranteed minimum death benefit ("GMDB") and/or a GMWB. Reserves for GMDB and GMWB benefits are included in the VM-21 reserve. PBR is designed to tailor the reserving process to more closely reflect the risks of specific products, rather than the factor-based approach typically employed historically. Variable Annuity ("VA") reserving requirements for applicable products are contained in VM-21, *Requirements for Principle-Based Reserves for Variable Annuities,* which incorporates a principle-based reserving framework.

Life policies underwritten as substandard are charged extra premiums. Reserves are computed for a substandard policy by adding the reserve for an otherwise identical non-substandard policy plus a factor times the extra premium charge for the year. The factor varies by duration, type of plan, and underwriting. In addition, an extra mortality reserve is reported for ordinary life insurance policies classified as group conversions. Substandard structured settlement annuity reserves are determined by making a constant addition to the mortality rate of the applicable valuation mortality table so that the life expectancy on the adjusted table is equal to the life expectancy determined by the Company's underwriters at issue.

Tabular interest, tabular less actual reserves released, and tabular cost have been determined by formula, except for universal life insurance and deferred annuity reserves, which include fund accumulations for which tabular interest has been determined from basic data. For the determination of tabular interest on funds not involving life contingencies, the actual credited interest is used.

Liabilities for deposit-type contracts, which include supplementary contracts without life contingencies and annuities certain, are based on the discounting of future payments at an annual statutory effective rate. Tabular interest on other funds not involving life contingencies is based on the interest rate at which the liability accrues.

Policy and contract claims represent the ultimate net cost of all reported and unreported claims incurred during the year. Reserves for unpaid claims are estimated using individual case-basis valuations and statistical analyses. Those estimates are subject to the effects of trends in claim severity and frequency. The estimates are continually reviewed and adjusted as necessary, as experience develops or new information becomes known; such adjustments are included in current operations.

Reserves for future policy benefits to be paid on life and accident and health policies, incurred in the statement period, but not yet reported, were established using historical data from claim lag experience. The data is aggregated from product specific studies performed on the Company's business.

Premiums and annuity considerations and related expenses are recognized over different periods. Life premiums are recognized as income over the premium paying periods of the related policies. Annuity considerations are recognized as revenue when received. Premiums for deposit-type products are recorded directly to the liability for deposit-type contracts and are not recorded in the Statutory Statement of Operations. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Acquisition costs such as commissions and other expenses related to the production of new business are charged to the Statutory Statements of Operations as incurred.

Reinsurance premiums and benefits paid or provided are accounted for on a basis consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts.

Annuity and deposit-type contract surrender benefits are reported on a cash basis, and include annuity benefits, payments under supplementary contracts with life contingencies, surrenders and withdrawals. Withdrawals from deposit-type contracts directly reduce the liability for deposit-type contracts and are not reported in the Statutory Statements of Operations.

General insurance expenses include allocated expenses pursuant to cost allocation agreements. The Company purchases administrative, accounting, marketing and data processing services from Corebridge and affiliates and is charged based on estimated levels of usage, transactions or time incurred in providing the respective services. The allocation of costs for investment management services purchased from affiliates is based on the level of assets under management.

Federal income tax expense (benefit) is recognized and computed on a separate company basis pursuant to tax sharing agreements, because the Company is included in the consolidated federal income tax returns of its parent company filing group. The Company joins with AGC Life, VALIC, The United States Life Insurance Company in the City of New York ("USL"), and Corebridge Insurance Company of Bermuda, Ltd. ("Corebridge Bermuda"), in filing a consolidated life company federal income tax return. To the extent that benefits for net operating losses, foreign tax credits, corporate alternative minimum tax ("CAMT") credits or net capital losses are utilized on a consolidated basis, the Company would recognize tax benefits based upon the amount of those deductions and credits utilized in the consolidated federal income tax return. The federal income tax expense or benefit reflected in the Statutory Statements of Operations represents income taxes provided on income that is currently taxable, but excludes tax on the net realized capital gains or losses.

Income taxes on capital gains or losses reflect differences in the recognition of capital gains or losses on a statutory accounting basis versus a tax accounting basis. The most significant of such differences involve impairments of investments, which are recorded as realized losses in the Statutory Statements of Operations but are not recognized for tax purposes, and the deferral of net capital gains and losses into the IMR for statutory income but not for taxable income. Capital gains and losses on certain related-party transactions are recognized for statutory financial reporting purposes but are deferred for income tax reporting purposes until the security is sold to an outside party.

A deferred tax asset ("DTA") or deferred tax liability ("DTL") is included in the Statutory Statements of Admitted Assets, Liabilities and Capital and Surplus, which reflects the expected future tax consequences of temporary differences between the statement values of assets and liabilities for statutory financial reporting purposes and the amounts used for income tax reporting purposes. The change in the net DTA or DTL is reflected in a separate component of unassigned surplus. Net DTAs are limited in their admissibility.

The CAMT is disregarded when evaluating the need for a valuation allowance for the Company's non-CAMT DTAs.

Accounting Changes

The Company adopted the substantive changes made to SSAP 26, *Bonds*, SSAP 21, *Other Admitted Assets*, and SSAP 43, *Asset-Backed Securities*, effective January 1, 2025. The changes provide a new principle-based bond definition to be used for determining which investments are eligible for reporting on Schedule D as a bond. The changes focus on ensuring appropriate consideration of whether an investment qualifies as an issuer credit obligation or asset-backed security prior to reporting as a bond. Pursuant to the transition guidance, the reclassification of investments that no longer qualify as bonds reduced unassigned surplus by ($7) million.

The Company had no accounting changes during 2024 or 2023.

Correction of Errors

SAP requires that corrections of errors related to prior periods be reported as adjustments to unassigned surplus to the extent that they are not material to prior periods.

In 2025, there were no out-of-period errors identified.

In 2024, out-of-period errors were identified and corrected related to reinsurance, net investment income and reserves for indexed universal life. These corrections increased unassigned surplus by $318 million and were primarily driven by the reinsurance error. The reinsurance error resulted in an overstatement of accrued expenses and other liabilities and an understatement in reserve adjustments on reinsurance ceded with a corresponding understatement of pre-tax income by $111 million in 2023 and $101 million in 2022. This error resulted in an understatement of unassigned surplus of $297 million at December 31, 2023 and $209 million at December 31, 2022. The remaining impact relates to periods prior to 2022. The Company believes that these errors are not material to the prior year financial statements taken as a whole. As such, the Company has reflected the adjustments necessary to correct these errors as direct charges to unassigned surplus in 2024 in accordance with SSAP 3.

In 2023, out-of-period errors were identified and corrected, the largest of which was related to an understatement of reserves for variable annuities due to model implementations in 2022. The total of these corrections decreased unassigned surplus by $8 million.

The Company's management does not believe these corrections to be material to the Company's results of operations, financial position, or cash flow for the Company's previously issued audited financial statements.

Differences in Statutory Accounting and U.S. GAAP Accounting

The accompanying statutory financial statements have been prepared in accordance with accounting practices prescribed or permitted by the TDI. These accounting practices vary in certain respects from U.S. GAAP. The primary differences between NAIC SAP and U.S. GAAP are as follows.

The objectives of U.S. GAAP differ from the objectives of SAP. U.S. GAAP is designed to measure the entity as a going concern and to produce general purpose financial statements to meet the varying needs of the different users of financial statements. SAP is designed to address the accounting requirements of regulators, who are the primary users of statutory-basis financial statements and whose primary objective is to measure solvency. As a result, U.S. GAAP stresses measurement of earnings and financial condition of a business from period to period, while SAP stresses measurement of the ability of the insurer to pay claims in the future.

Investments. Under SAP, investments in bonds and redeemable preferred stocks are generally reported at amortized cost. However, if bonds are designated category "6" and redeemable preferred stocks are designated categories "4 – 6" by the NAIC, these investments are reported at the lesser of amortized cost or fair value with a credit or charge to

unrealized investment gains or losses. For U.S. GAAP, such fixed-maturity investments are designated at purchase as held-to-maturity, trading, or available-for-sale. Held-to-maturity fixed-maturity investments are reported at amortized cost, and the remaining fixed-maturity investments are reported at fair value, with unrealized capital gains and losses reported in operations for those designated as trading and as a component of other comprehensive income for those designated as available-for-sale.

Under SAP, all single- and multi-class MBS or other ABS (e.g., Collateralized Mortgage Obligations ("CMO") are adjusted for the effects of changes in prepayment assumptions on the related accretion of discount or amortization of premium with respect to such securities using either the retrospective or prospective method. For ABS, if it is determined that a decline in fair value is other than temporary, the cost basis of the security is written down to the discounted estimated future cash flows. Bonds, other than ABS, that are other-than-temporarily impaired are written down to fair value. For U.S. GAAP purposes, all securities, purchased or retained, that represent beneficial interests in securitized assets (e.g., CMO, MBS and other ABS securities), other than high credit quality securities, would be adjusted using the prospective method when there is a change in estimated future cash flows. If high-credit quality securities must be adjusted, the retrospective method would be used. For all bonds, if it is determined that a decline in fair value is other-than-temporary, the cost basis of the security would be written down to the discounted estimated future cash flows, while the non-credit portion of the impairment would be recorded as an unrealized loss in other comprehensive income.

Under SAP, when it is probable that the insurer will be unable to collect all amounts due according to the contractual terms of the mortgage agreement, allowances are established for temporarily-impaired mortgage loans based on the difference between the unpaid loan balance and the estimated fair value of the underlying real estate, less estimated costs to obtain and sell. The initial allowance and subsequent changes in the allowance for mortgage loans are charged or credited directly to unassigned surplus rather than as a component of earnings as would be required under U.S. GAAP. If the impairment is other-than-temporary, a direct write down is recognized as a realized loss, and a new cost basis is established. Under U.S. GAAP, an allowance for credit losses is based on the expectation of lifetime credit losses.

Under SAP, joint ventures, partnerships and limited liability companies in which the insurer has a minor ownership interest (i.e., less than 10 percent) or lacks control are generally recorded based on the underlying audited U.S. GAAP basis equity of the investee. Under U.S. GAAP, joint ventures, partnerships and limited liability companies in which the insurer has a significant ownership interest are accounted for under the equity method. Where that is not the case, such investments are carried at fair value with changes in fair value recognized in earnings.

Real Estate. Under SAP, investments in real estate are reported net of related obligations; under U.S. GAAP, investments in real estate are reported on a gross basis. Under SAP, real estate owned and occupied by the insurer is included in investments; under U.S. GAAP, real estate owned and occupied by the insurer is reported as an operating asset, and operating income and expenses include rent for the insurer's occupancy of those properties.

Derivatives. Under SAP, derivative instruments used in hedging transactions that do not meet or no longer meet the criteria of an effective hedge are accounted for at fair value with the changes in fair value recorded as unrealized capital gains or losses. Under U.S. GAAP, such derivative instruments are accounted for at fair value with the changes in fair value recorded as realized capital gains or losses. Under U.S. GAAP, fair value measurement for free standing derivatives incorporates either counterparty's credit risk for derivative assets or the insurer's credit risk for derivative liabilities by determining the explicit cost to protect against credit exposure. This credit exposure evaluation takes into consideration observable credit default swap rates. Under SAP, non-performance risk (own credit-risk) is not reflected in the fair value calculations for derivative liabilities. Under U.S. GAAP, index life insurance features in indexed universal life contracts and certain guaranteed features of variable annuities are bifurcated and accounted for separately as embedded policy derivatives and market risk benefits, respectively. Under SAP, embedded derivatives and market risk benefits are not bifurcated or accounted for separately from the host contract.

Interest Maintenance Reserve. Under SAP, the insurer is required to maintain an IMR. IMR is calculated based on methods prescribed by the NAIC and was established to prevent large fluctuations in interest-related capital gains and losses realized through sales or OTTI. IMR applies to all types of fixed maturity investments, including bonds, preferred stocks, ABS and mortgage loans. After-tax capital gains or losses realized upon the sale or impairment of such investments resulting from changes in the overall level of interest rates are excluded from current period net income and transferred to the IMR. The transferred after-tax net realized capital gains or losses are then amortized into income over the remaining period to maturity of the divested asset. Realized capital gains and losses are reported net of tax and transfers to the IMR, after net gain from operations. Any negative IMR balance is treated as a non-admitted asset,

unless certain criteria are met. This reserve is not required under U.S. GAAP and pre-tax realized capital gains and losses are reported as a component of total revenues, with related taxes included in taxes from operations.

Asset Valuation Reserve. Under SAP, the insurer is required to maintain an AVR, which is computed in accordance with a prescribed formula and represents a provision for possible fluctuations in the value of bonds, equity securities, mortgage loans, real estate, and other invested assets. The level of AVR is based on both the type of investment and its credit rating. Under SAP, AVR is included in total adjusted capital for RBC analysis purposes. Changes to AVR are charged or credited directly to unassigned surplus. This reserve is not required under U.S. GAAP.

Subsidiaries. Under SAP, investments in insurance subsidiaries are recorded based upon the underlying audited statutory equity of a subsidiary with all undistributed earnings or losses shown as an unrealized capital gain or loss in unassigned surplus. Dividends received by the parent company from its subsidiaries are recorded through net investment income. Under U.S. GAAP, subsidiaries' financial statements are combined with the parent company's financial statements through consolidation. All intercompany balances and transactions are eliminated under U.S. GAAP. Dividends received by the parent company from its subsidiaries reduce the parent company's investment in the subsidiaries.

Policy Acquisition Costs and Sales Inducements. Under SAP, policy acquisition costs are expensed when incurred. Under U.S. GAAP, acquisition costs that are incremental and directly related to the successful acquisition of new and renewal of existing insurance contracts are deferred as deferred policy acquisition costs ("DAC"). DAC is amortized on a constant level basis (i.e., approximating straight line amortization with adjustments for expected terminations) over the expected term of the related contracts using assumptions consistent with those used in estimating the related liability for future policy benefits, or any other related balances. Under SAP, sales inducements are expensed when incurred. Under U.S. GAAP, certain sales inducements on interest-sensitive life insurance contracts and deferred annuities are deferred and amortized over the life of the contract using the same methodology and assumptions used to amortize DAC.

Deferred Premiums. Under SAP, when deferred premiums exist, statutory deferred premiums are held as a statutory asset, while under U.S. GAAP, deferred premiums are held as a contra-liability in the future policy benefits liability.

Non-admitted Assets. Certain assets designated as "non-admitted," principally any agents' balances or unsecured loans or advances to agents, certain DTAs, furniture, equipment and computer software, receivables over 90 days and prepaid expenses, as well as other assets not specifically identified as admitted assets within the NAIC SAP, are excluded from the Statutory Statements of Admitted Assets, Liabilities, Capital and Surplus and are charged directly to unassigned surplus. Under U.S. GAAP, such assets are included in the balance sheet.

Universal Life and Annuity Policies. Under SAP, revenues for universal life and annuity policies containing mortality or morbidity risk considerations consist of the entire premium received, and benefits incurred consist of the total of death benefits paid and the change in policy reserves. Payments received on contracts that do not incorporate any mortality or morbidity risk considerations (deposit-type contracts) are recorded directly to an appropriate liability for deposit-type contract account without recognizing premium income. Interest credited to deposit-type contracts is recorded as an expense in the Statutory Statements of Operations as incurred. Payments that represent a return of policyholder balances are recorded as a direct reduction of the liability for deposit-type contracts, rather than a benefit expense. Under U.S. GAAP, premiums received in excess of policy charges are not recognized as premium revenue, and benefits represent the excess of benefits paid over the policy account value and interest credited to the account values.

Benefit Reserves. Under SAP, loading is the difference between the gross and valuation net premium. Valuation net premium is calculated using valuation assumptions which are different for statutory and U.S. GAAP. Statutory valuation assumptions are set by the insurer within limits as defined by statutory law. U.S. GAAP valuation assumptions are set by the insurer based on management's estimates and judgment.

Policyholder funds not involving life contingencies use different valuation assumptions for SAP and U.S. GAAP. Under SAP, prescribed rates of interest related to payout annuities are used in the discounting of expected benefit payments, while under U.S. GAAP, the insurer's best estimates of interest rates are used.

Under SAP, individual insurance reserves are determined using a combination of principle-based reserving frameworks (including VM-20) and legacy formula-based methods, including CRVM. Under U.S. GAAP, individual insurance policyholder liabilities for traditional forms of insurance are generally established using the net premium ratio ("NPR") method. For interest-sensitive policies, a liability for policyholder account balances is established under U.S. GAAP

based on the contract value that has accrued to the benefit of the policyholder. Policy assumptions used in the estimation of policyholder liabilities are generally prescribed under SAP. Under U.S. GAAP, policy assumptions are based upon best estimates.

Under SAP, individual deferred annuity reserves are determined using applicable principle-based reserving requirements and legacy reserving methods, including CARVM. Under U.S. GAAP, individual deferred annuity policyholder liabilities are generally equal to the contract value that has accrued to the benefit of the policyholder, together with liabilities for certain contractual guarantees, if applicable. Under SAP, reserves for fixed rate deposit-type contracts are based upon their accumulated values, discounted at an annual statutory effective rate, while under U.S. GAAP, reserves for deposit-type contracts are recorded at their accumulated values.

Under GAAP, indexed interest credits and guarantees in excess of contract account values are bifurcated from the host contract as embedded derivatives and market risk benefits, respectively, and reported at fair value. Under SAP, embedded derivatives and market risk benefits are not bifurcated and accounted for separately, but rather are included in the benefit reserve valuation for the host contract.

Reinsurance. Under SAP, policy and contract liabilities ceded to reinsurers are reported as reductions of the related reserves rather than as assets as required under U.S. GAAP. Under SAP, a liability for reinsurance balances has been provided for unsecured policy reserves, unearned premiums, and unpaid losses ceded to reinsurers not licensed to assume such business. Changes to these amounts are credited or charged directly to unassigned surplus. Under U.S. GAAP, an allowance for amounts deemed uncollectible would be established through a charge to earnings. Under SAP, the criteria used to demonstrate risk transfer varies from U.S. GAAP, which may result in transactions that are accounted for as reinsurance for SAP and deposit accounting for U.S. GAAP. Under SAP, the reserve credit permitted for unauthorized reinsurers is less than or equal to the amount of letter of credit or funds held in trust by the reinsurer. Under U.S. GAAP, assumed and ceded reinsurance is reflected on a gross basis in the balance sheet, and certain commissions allowed by reinsurers on ceded business are deferred and amortized generally on a basis consistent with DAC.

Policyholder Dividend Liabilities. Under SAP, policyholder dividends are recognized when declared. Under U.S. GAAP, policyholder dividends are recognized over the term of the related policies.

Separate Accounts. Under SAP, separate account surplus created through the use of the CRVM, VM-21 or other reserving methods is reported by the general account as an unsettled transfer from the separate account. The net change on such transfers is included as a part of the net gain from operations in the general account. This is not required under U.S. GAAP.

Separate accounts include certain non-unitized assets which primarily represent MVA fixed options of variable annuity contracts, registered index-linked annuities, and certain pension risk transfer annuities issued in various states. Under SAP, these contracts are accounted for in the separate account financial statements, while under U.S. GAAP, they are accounted for in the general account.

Deferred Income Taxes. Under SAP, statutory DTAs that are more likely than not to be realized are limited to: 1) the amount of federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse by the end of the subsequent calendar year, plus 2) the lesser of the remaining gross DTA expected to be realized within a maximum three years of the reporting date or a maximum 15 percent of the capital and surplus excluding any net DTA, EDP equipment and operating software and any net positive goodwill, plus 3) the amount of the remaining gross DTA that can be offset against existing gross DTLs. The remaining DTAs are non-admitted. Deferred taxes do not include amounts for state taxes. Under U.S. GAAP, state taxes are included in the computation of deferred taxes, all DTAs are recorded and a valuation allowance is established if it is more likely than not that some portion of the DTA will not be realized. Under SAP, income tax expense is based upon taxes currently payable. Changes in deferred taxes are reported in surplus and subject to admissibility limits. Under U.S. GAAP, changes in deferred taxes are recorded in income tax expense.

Offsetting of Assets and Liabilities. Under SAP, offsetting of assets and liabilities is not permitted when there are master netting agreements unless four requirements for valid right of offset are met. The requirements include 1) each of the two parties owes the other determinable amounts, 2) the reporting party has the right to set off the amount owed with the amount owed by the other party, 3) the reporting party intends to set off, and 4) the right of setoff is enforceable. The prohibition against offsetting extends to derivatives and collateral posted against derivative positions, repurchase and reverse repurchase agreements, and securities borrowing and lending transactions, when the reporting entity does

not have the intent to set off. Under U.S. GAAP, these amounts under master netting arrangements may generally be offset and presented on a net basis pursuant to an accounting election, even when the reporting entity does not have the intent to set off.

Surplus Notes. Under SAP, surplus notes are included as a component of surplus, whereas under U.S. GAAP, they are presented as a liability.

3. INVESTMENTS

Bonds and Equity Securities

The following table presents the statement value, gross unrealized gain, gross unrealized loss and the estimated fair value of bonds and equity securities by major security type:

(in millions)	Statement Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2025				
Issuer credit obligations				
U.S. government obligations	$ 1,248	$ 3	$ (225)	$ 1,026
Other U.S. government obligations	88	2	(18)	72
Non-U.S. sovereign jurisdiction securities	1,494	29	(128)	1,395
Municipal bonds - general obligations (direct & guaranteed)	313	3	(27)	289
Municipal bonds - special revenue	1,927	14	(265)	1,676
Project finance bonds issued by operating entities	5,457	83	(236)	5,304
Corporate bonds	54,192	859	(5,383)	49,668
Single entity backed obligations	2,074	18	(105)	1,987
Bonds issued by funds representing operating entities	9,431	112	(423)	9,120
Bank loans - acquired	3,436	23	(107)	3,352
Mortgages loans that qualify as SVO-Identified credit tenant loans	10	—	—	10
Other issuer credit obligations	2	—	—	2
Total issuer credit obligations	79,672	1,146	(6,917)	73,901
Asset-backed securities				
Agency residential MBS (exempt)	173	1	(11)	163
Agency commercial MBS (exempt)	238	—	(40)	198
Agency residential MBS (non-exempt)	2,417	26	(153)	2,290
Agency commercial MBS (non-exempt)	397	—	(42)	355
Non-agency residential MBS	8,346	576	(193)	8,729
Non-agency commercial MBS	5,350	63	(206)	5,207
Non-agency - CLOs/CBOs/CDOs	7,685	56	(17)	7,724
Other financial ABS	4,874	137	(177)	4,834
Equity backed securities – not self-liquidating	1,080	7	(28)	1,059
Other financial ABS – not self-liquidating	41	—	—	41
Lease-backed - practical expedient	271	2	(20)	253
Other non-financial ABS - practical expedient	59	1	(3)	57
Lease-backed - full analysis	6,078	100	(96)	6,082
Other non-financial ABS - full analysis	6,393	105	(160)	6,338
Total asset-backed securities	43,402	1,074	(1,146)	43,330
Preferred stock	280	5	(30)	255
Common stock*	2,802	—	—	2,802
Total equity securities	3,082	5	(30)	3,057
Total	$ 126,156	$ 2,225	$ (8,093)	$ 120,288

* Common stock includes $2.6 billion of investments in affiliates at December 31, 2025.

(in millions)	Statement Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2024				
Bonds:				
U.S. government obligations	$ 1,688	$ 1	$ (295)	$ 1,394
All other governments	1,809	13	(269)	1,553
States, territories and possessions	188	—	(26)	162
Political subdivisions of states, territories and possessions	166	1	(16)	151
Special revenue	4,791	19	(646)	4,164
Industrial and miscellaneous	102,779	1,494	(9,273)	95,000
Hybrid securities	445	11	(11)	445
Bank loans	4,739	28	(95)	4,672
Parent, subsidiaries and affiliates	439	3	—	442
Total bonds	117,044	1,570	(10,631)	107,983
Preferred stock	160	5	(2)	163
Common stock*	234	—	—	234
Total equity securities	394	5	(2)	397
Total	$ 117,438	$ 1,575	$ (10,633)	$ 108,380

* Common stock includes $25 million of investments in affiliates at December 31,2024.

Bonds and Equity Securities in Loss Positions

The following table summarizes the fair value and gross unrealized losses (where fair value is less than amortized cost) on bonds and equity securities, including amounts on NAIC 6 and 6* bonds, aggregated by major investment category and length of time that individual securities have been in a continuous unrealized loss position:

	Less than 12 Months		12 Months or More		Total	
(in millions)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
December 31, 2025						
Issuer credit obligations						
U.S. government obligations	$ 242	$ (16)	$ 661	$ (210)	$ 903	$ (226)
Other U.S. government obligations	—	—	39	(18)	39	(18)
Non-U.S. sovereign jurisdiction securities	150	(3)	663	(125)	813	(128)
Municipal bonds - general obligations (direct & guaranteed)	29	(1)	191	(26)	220	(27)
Municipal bonds - special revenue	120	(15)	1,216	(250)	1,336	(265)
Project finance bonds issued by operating entities	988	(22)	1,412	(214)	2,400	(236)
Corporate bonds	5,630	(356)	22,468	(5,034)	28,098	(5,390)
Single entity backed obligations	326	(38)	1,120	(81)	1,446	(119)
Bonds issued by funds representing operating entities	1,224	(29)	3,673	(394)	4,897	(423)
Bank loans - acquired	683	(48)	773	(93)	1,456	(141)
Other issuer credit obligations	—	—	—	—	—	—
Total issuer credit obligations	9,392	(528)	32,216	(6,445)	41,608	(6,973)
Asset-backed securities						
Equity backed securities – not self-liquidating	131	(14)	266	(13)	397	(27)
Agency commercial MBS (exempt)	0	0	187	(40)	187	(40)
Agency commercial MBS (non-exempt)	8	(1)	333	(41)	341	(42)
Agency residential MBS (exempt)	59	(4)	62	(7)	121	(11)
Agency residential MBS (non-exempt)	714	(86)	625	(67)	1,339	(153)
Non-agency - CLOs/CBOs/CDOs	1,749	(10)	357	(6)	2,106	(16)
Non-agency commercial MBS	441	(10)	2,026	(196)	2,467	(206)
Non-agency residential MBS	766	(32)	1,463	(166)	2,229	(198)
Other financial ABS	652	(14)	1,141	(163)	1,793	(177)
Lease-backed - full analysis	774	(6)	1,327	(90)	2,101	(96)
Other non-financial ABS - full analysis	775	(12)	1,721	(150)	2,496	(162)
Lease-backed - practical expedient	65	(6)	79	(15)	144	(21)
Other non-financial ABS - practical expedient	21	(3)	0	0	21	(3)
Total asset-backed securities	6,155	(198)	9,587	(954)	15,742	(1,152)
Preferred stock	70	(29)	28	—	98	(29)
Common stock	5	(1)	—	—	5	(1)
Total equity securities	75	(30)	28	—	103	(30)
Total	$ 15,622	$ (756)	$ 41,831	$ (7,399)	$ 57,453	$ (8,155)

(in millions)	Less than 12 Months		12 Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
December 31, 2024						
Bonds:						
U.S. government obligations	$ 504	$ (26)	$ 825	$ (269)	$ 1,329	$ (295)
All other government	415	(42)	931	(227)	1,346	(269)
U.S States, territories and possessions	30	(2)	124	(24)	154	(26)
Political subdivisions of states, territories and possessions	48	(3)	67	(13)	115	(16)
Special revenue	532	(28)	3,127	(618)	3,659	(646)
Industrial and miscellaneous	19,947	(1,195)	40,338	(8,092)	60,285	(9,287)
Hybrid securities	200	(3)	77	(9)	277	(12)
Bank loans	1,082	(37)	717	(59)	1,799	(96)
Parents, subsidiaries & affiliates	—	—	—	—	—	—
Total	22,758	(1,336)	46,206	(9,311)	68,964	(10,647)
Preferred stock	28	(1)	6	(1)	34	(2)
Common stock	—	—	—	—	—	—
Total equity securities	28	(1)	6	(1)	34	(2)
Total	$ 22,786	$ (1,337)	$ 46,212	$ (9,312)	$ 68,998	$ (10,649)

As of December 31, 2025 and 2024, the number of bonds and equity securities in an unrealized loss position was 5,389 and 6,388, respectively. Bonds comprised 5,369 of the total, of which 4,047 were in a continuous loss position greater than 12 months at December 31, 2025. Bonds comprised 6,384 of the total, of which 4,625 were in a continuous loss position greater than 12 months at December 31, 2024.

The Company did not recognize the unrealized losses in earnings on these fixed maturity securities at December 31, 2025 and 2024, respectively, because the Company neither intends to sell the securities nor does the Company believe that it is more likely than not that the Company will be required to sell these securities before recovery of their amortized cost basis. For fixed maturity securities with significant declines, the Company performed fundamental credit analyses on a security-by-security basis, which included consideration of credit enhancements, expected defaults on underlying collateral, review of relevant industry analyst reports and forecasts and other available market data.

Contractual Maturities of Bonds and Short-Term Investments

The following table presents the statement value and fair value of bonds and short-term investments by contractual maturity:

(in millions)	Statement Value	Fair Value
December 31, 2025		
Due in one year or less	**$ 2,080**	**$ 2,062**
Due after one year through five years	**15,267**	**15,215**
Due after five years through ten years	**19,496**	**19,431**
Due after ten years through twenty years	**19,046**	**17,738**
Due after twenty years	**23,810**	**19,482**
ABS	**43,402**	**43,330**
Total	**$ 123,101**	**$ 117,258**

Actual maturities may differ from contractual maturities because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Bonds in or near default as to payment of principal or interest had a statement value of $126 million and $29 million at December 31, 2025 and 2024, respectively, which is the fair value. At December 31, 2025 and 2024, the Company had no income excluded from due and accrued for bonds.

At December 31, 2025, the Company's bond portfolio included bonds totaling $6.2 billion not rated investment grade by the NAIC designations (categories 3-6). These bonds accounted for 2 percent of the Company's total assets and 4 percent of invested assets. These below investment grade securities, excluding structured securities, span across 18 industries. At December 31, 2024, the Company's bond portfolio included bonds totaling $6.4 billion not rated investment grade by the NAIC designations (categories 3-6). These bonds accounted for 3 percent of the Company's total assets and 4 percent of invested assets. These below investment grade securities, excluding structured securities, span across 15 industries.

December 31, 2025 and 2024 The following table presents the industries that constitute more than 10% of the below investment grade securities:

	December 31,	
	2025	2024
Consumer non-cyclical	**16.4%**	15.0%
Consumer cyclical	**13.7**	14.6
Utility	**10.5**	9.5

ABS

The Company determines fair value of ABS based on the amount at which a security could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The majority of the Company's RMBS, CMBS, collateralized debt obligations ("CDO") and other ABS are priced by approved independent third-party valuation service providers and broker dealer quotations. Small portions of the ABS that are not traded in active markets are priced by market standard internal valuation methodologies, which include discounted cash flow methodologies and matrix pricing. The estimated fair values are based on available market information and management's judgments.

The following table presents the statement value and fair value of ABS:

	December 31, 2025		December 31, 2024	
(in millions)	**Statement Value**	**Fair Value**	Statement Value	Fair Value
Asset-backed securities	**$ 43,402**	**$ 43,330**	$ 42,919	$ 42,202

Prepayment assumptions for single class, multi-class mortgage-backed and other ABS were obtained from independent third-party valuation service providers or internal estimates. These assumptions are consistent with the current interest rate and economic environment.

At December 31, 2025 and 2024, the Company had exposure to a variety of ABS. These securities could have significant concentrations of credit risk by country, geographical region, property type, servicer or other characteristics. As part of the quarterly surveillance process, the Company takes into account many of these characteristics in making the OTTI assessment.

At December 31, 2025 and 2024, the Company did not have any ABS with a recognized OTTI due to the intent to sell or an inability or lack of intent to retain the security for a period of time sufficient to recover the amortized cost basis.

During 2025, 2024 and 2023, the Company recognized total OTTI of $7 million, $55 million and $36 million, respectively, on ABS that were still held by the Company. In addition, at December 31, 2025 and 2024, the Company held loan-backed impaired securities (fair value is less than cost or amortized cost) for which an OTTI had not been recognized in earnings as a realized loss. Such impairments include securities with a recognized OTTI for non-interest (credit) related declines that were recognized in earnings, but for which an associated interest-related decline has not been recognized in earnings as a realized capital loss.

The following table summarizes the fair value and aggregate amount of unrealized losses on ABS and length of time that individual securities have been in a continuous unrealized loss position:

	Less than 12 Months		12 Months or More		Total	
(in millions)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
December 31, 2025						
ABS	**$ 6,156**	**$ (198)**	**$ 9,587**	**$ (954)**	**$ 15,743**	**$ (1,152)**
December 31, 2024						
ABS	$ 6,947	$ (181)	$ 13,005	$ (1,549)	$ 19,952	$ (1,730)

In its OTTI assessment, the Company considers all information relevant to the collectability of the security, including past history, current conditions and reasonable forecasts when developing an estimate of future cash flows. Relevant analyst reports and forecasts for the asset class also receive appropriate consideration. The Company also considers how credit enhancements affect the expected performance of the security. In addition, the Company generally considers its cash and working capital requirements and expected cash flows in relation to its business plans and how such forecasts affect the intent and ability to hold such securities to recovery of their amortized cost.

The Company does not have any ABS for which it is not practicable to estimate fair values.

The following table presents the rollforward of non-interest related OTTI for ABS:

	December 31,	
(in millions)	**2025**	2024
Balance, beginning of year	**$ 1,223**	$ 1,212
Increases due to:		
Credit impairment on new securities subject to impairment losses	**4**	55
Additional credit impairment on previously impaired investments	**3**	—
Reduction due to:		
Credit impaired securities fully disposed for which there was no prior intent or requirement to sell	**33**	44
Balance, end of year	**$ 1,197**	$ 1,223

See Note 4 for a list with each ABS at a CUSIP level where the present value of cash flows expected to be collected is less than the amortized cost basis during the current year and a list of the Company's structured notes holding at December 31, 2025.

Mortgage Loans

Mortgage loans had outstanding principal balances of $38.6 billion and $37.0 billion at December 31, 2025 and 2024, respectively. Contractual interest rates range from 0.00 percent to 45.00 percent. The mortgage loans at December 31, 2025 had maturity dates ranging from 2024 to 2069.

The Company's mortgage loans are collateralized by a variety of commercial real estate property types located throughout the U.S. and Canada. The commercial mortgage loans are non-recourse to the borrower.

The following tables present the geographic and property-type distribution of the Company's mortgage loan portfolio:

	December 31,	
	2025	2024
Geographic distribution:		
Mid-Atlantic	**23.5%**	24.9%
Foreign	**17.5**	15.9
Pacific	**13.5**	15.3
South Atlantic	**18.1**	16.9
West South Central	**6.9**	7.0
East North Central	**5.8**	5.5
New England	**5.6**	5.7
Mountain	**6.0**	6.1
East South Central	**2.0**	2.0
West North Central	**1.1**	0.7
Total	**100.0%**	100.0%
Property type distribution:		
Multi-family	**25.7%**	28.1%
Office	**14.7**	16.0
Retail	**8.2**	8.0
Industrial	**16.4**	15.1
Hotel/Motel	**3.4**	3.6
Other	**31.6**	29.2
Total	**100.0%**	100.0%

At December 31, 2025, there were 383 mortgage loans with outstanding balances of $20 million or more, which loans collectively, aggregated approximately 68.2 percent of this portfolio.

The following table presents the minimum and maximum lending rates for new mortgage loans during 2025 and 2024:

	Years Ended December 31,			
	2025		2024	
(in millions)	**Maximum**	**Minimum**	Maximum	Minimum
Office	**9.60**	**3.00**	9.75	3.53
Multi-family	**8.70**	**2.92**	8.80	4.82
Retail	**7.12**	**3.45**	7.56	4.70
Industrial	**8.21**	**3.97**	9.50	4.52
Hotel/Motel	**6.21**	**4.51**	7.08	5.82
Other	**9.63**	**5.31**	12.63	0.00

The Company reduced interest rates on three loans during 2025. The Company reduced interest rates on three loans during 2024.

The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgage was 131 percent and 97 percent, in 2025 and 2024, respectively.

At December 31, 2025, and 2024, the Company held $797 million and $1,026 million, respectively, in impaired mortgages with related allowances for credit losses. There were no impaired mortgage loans without a related allowance at both periods ended December 31, 2025 and 2024. The Company's average recorded investment in impaired loans was $921 million and $139 million, at December 31, 2025 and 2024, respectively. The Company recognized interest income on impaired loans of $7 million, $17 million and $15 million, in 2025, 2024 and 2023, respectively.

The following table presents a rollforward of the changes in the allowance for losses on mortgage loans receivable:

	December 31,		
(in millions)	**2025**	2024	2023
Balance, beginning of year	**$ 364**	$ 355	$ 294
Additions (reductions) charged to unrealized capital loss	**59**	21	148
Direct write-downs charged against allowance	**(62)**	(12)	(87)
Balance, end of year	**$ 361**	$ 364	$ 355

During 2025, the Company derecognized $22 million of mortgage loans and recognized $22 million of real estate collateral as a result of foreclosure.

The mortgage loan portfolio has been originated by the Company under strict underwriting standards. Commercial mortgage loans on properties such as offices, hotels and shopping centers generally represent a higher level of risk than do mortgage loans secured by multi-family residences. This greater risk is due to several factors, including the larger size of such loans and the more immediate effects of general economic conditions on these commercial property types. However, due to the Company's strict underwriting standards, the Company believes that it has prudently managed the risk attributable to its mortgage loan portfolio while maintaining attractive yields.

The following table presents the age analysis of mortgage loans:

	December 31,	
(in millions)	**2025**	2024
Current	**$ 37,258**	$ 35,494
30 - 59 days past due	**280**	195
60 - 89 days past due	**82**	131
90 - 179 days past due	**264**	258
Greater than 180 days past due	**70**	—
Total	**$ 37,954**	$ 36,078

At December 31, 2025 and 2024, the Company had mortgage loans outstanding under participant or co-lender agreements of $36.9 billion and $24.9 billion, respectively.

The Company had $593 million and $571 million in restructured loans at December 31, 2025 and 2024, respectively.

Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of December 31, 2025:

(in millions)	**Residential**		**Commercial**		**Agricultural**	
Loan-to-Value	**Amount**	**Percentage of Total Admitted Assets**	**Amount**	**Percentage of Total Admitted Assets**	**Amount**	**Percentage of Total Admitted Assets**
a. above 95%	**$ 60**	**0.00 %**	**$ 908**	**0.50 %**	**$ —**	**— %**
b. 91% to 95%	**60**	**0.00**	**128**	**0.10**	**—**	**—**
c. 81% to 90%	**838**	**0.40**	**966**	**0.50**	**—**	**—**
d. 71% to 80%	**3,133**	**1.70**	**2,457**	**1.30**	**—**	**—**
e. below 70%	**6,991**	**3.70**	**22,289**	**11.90**	**485**	**0.30**

Troubled Debt Restructuring

The Company held no restructured debt for which impairment was recognized for both December 31, 2025 and 2024. The Company had $29 million and $18 million of outstanding commitments to debtors that held loans with restructured terms at December 31, 2025 and 2024, respectively.

Real Estate

The following table presents the components of the Company's investment in real estate:

	December 31,	
(in millions)	**2025**	2024
Properties occupied by the Company	**$ —**	$ —
Properties held for production of income	**67**	85
Properties held for sale	**18**	4
Total	**$ 85**	$ 89

The Company recognized gains of $12 million in 2024. The Company recognized no gains or losses in 2025 and 2023. The Company recognized $19 million, $1 million and $3 million in impairment write-downs for its investments in real estate during 2025, 2024 and 2023, respectively.

Other Invested Assets

The following table presents the components of the Company's other invested assets:

	December 31,	
(in millions)	**2025**	2024
Investments in limited liability companies	**$ 1,140**	$ 660
Investments in limited partnerships	**4,223**	4,075
Other investments	**1,526**	1,831
Receivable for securities	**78**	86
Non-admitted assets	**(2)**	(1)
Total	**$ 6,965**	$ 6,651

The Company utilizes the look-through approach in valuing its investments in affiliated limited partnerships that have the characteristics of real estate investments. These affiliated real estate investments had an aggregate value of $719 million and $931 million at December 31, 2025 and 2024, respectively. All liabilities, commitments, contingencies, guarantees, or obligations of these holding company entities, which are required to be recorded as liabilities, commitments, contingencies, guarantees or obligations under applicable accounting guidance, are reflected in the Company's determination of the carrying value of the investment in each of the respective holding company entities, if applicable.

The Company recorded impairment write-downs in joint ventures was $23 million, $11 million and $4 million during 2025, 2024 and 2023, respectively.

Net Investment Income

The following table presents the components of net investment income:

	Years ended December 31,		
(in millions)	**2025**	2024	2023
Bonds	**$ 6,542**	$ 6,065	$ 5,259
Preferred stocks	**8**	10	2
Common stocks	**12**	13	11
Cash and short-term investments	**97**	83	57
Mortgage loans	**2,055**	1,793	1,437
Real estate*	**15**	17	4
Contract loans	**67**	71	78
Derivatives	**(607)**	64	(283)
Investment income from affiliates	**126**	169	148
Other invested assets	**356**	227	246
Gross investment income	**8,671**	8,512	6,959
Investment expenses	**(663)**	(625)	(385)
Net investment income	**$ 8,008**	$ 7,887	$ 6,574

* Includes amounts for the occupancy of Company-owned property of $0 million, $1 million and $2 million in 2025, 2024 and 2023, respectively.

Net Realized and Unrealized Capital Gains (Losses)

The following table presents the components of Net realized capital gains (losses):

	Years ended December 31,		
(in millions)	**2025**	2024	2023
Bonds	**$ (603)**	$ (1,210)	$ (460)
Preferred stocks	**(1)**	—	(12)
Common stocks	**(3)**	—	8
Cash and short-term investments	**7**	(7)	36
Mortgage loans	**(58)**	(130)	(162)
Real estate	**(18)**	11	(3)
Derivatives	**369**	108	(329)
Other invested assets	**(107)**	(10)	113
Realized capital gains (losses)	**(414)**	(1,238)	(809)
Federal income tax (expense) benefit	**87**	260	170
Net (gains) losses transferred to IMR	**397**	826	276
Net realized capital gains (losses)	**$ 70**	$ (152)	$ (363)

During 2025, 2024 and 2023, the Company recognized $70 million, $172 million and $87 million, respectively, of impairment write-downs in the fixed maturity portfolio in accordance with the impairment policy described in Note 2.

The following table presents the proceeds from sales of bonds and equities and the related gross realized capital gains and gross realized capital losses:

	Years ended December 31,		
(in millions)	**2025**	2024	2023
Proceeds	**$ 7,706**	$ 5,640	$ 3,401
Gross realized capital gains	**$ 35**	$ 97	$ 64
Gross realized capital losses	**$ (578)**	(1,126)	(456)
Net realized capital gains (losses)	**$ (543)**	$ (1,029)	$ (392)

The following table presents the net change in unrealized capital gains (losses) of investments (including foreign exchange capital gains (losses):

	Years ended December 31,		
(in millions)	**2025**	2024	2023
Bonds	**$ 884**	$ (322)	$ 280
Preferred and common stocks	**457**	(2)	53
Mortgage loans	**569**	(122)	273
Derivatives	**(386)**	29	148
Other invested assets	**12**	82	(68)
Other	**(12)**	(67)	(10)
Federal income tax (expense) benefit	**(233)**	89	(126)
Net change in unrealized gains (losses) of investments	**$ 1,291**	$ (313)	$ 550

4. ASSET-BACKED SECURITY IMPAIRMENTS AND STRUCTURED NOTES HOLDINGS

ABS

The following table presents the ABS held by the Company at December 31, 2025 for which it had recognized non-interest related OTTI subsequent to the adoption of SSAP 43R:

(in thousands)

CUSIP	Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized OTTI	Amortized Cost After OTTI	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
38237KAC4	$ 5,256	$ 1,730	$ 3,527	$ 1,730	$ 1,730	6/30/2025
23312RAE5	3,253	1	3,252	1	2	6/30/2025
Year-end Total	**$ 8,509**	**$ 1,731**	**$ 6,779**	**$ 1,731**	**$ 1,732**	

None of the structured notes held by the Company are defined as a Mortgage-Referenced Security by the IAO.

5. SECURITIES LENDING AND REPURCHASE AGREEMENTS

Securities Lending

In conjunction with its securities lending program, the Company had securities with a carrying value of $3,857 million and the fair value of $3,256 million loaned to unaffiliated third parties as of December 31, 2025. At December 31, 2024, the Company had securities with a carrying value of $2,577 million and the fair value of $2,162 million loaned to unaffiliated third parties.

The following table presents the aggregate fair value of cash collateral received related to the securities lending program and the terms of the contractually obligated collateral positions:

	December 31,	
(in millions)	**2025**	2024
Open positions	**$ —**	$ —
30 days or less	**3,376**	2,279
31 to 60 days	**—**	—
61 to 90 days	**—**	—
Greater than 90 days	**—**	—
Subtotal	**3,376**	2,279
Securities collateral received	**—**	—
Total collateral received	**$ 3,376**	$ 2,279

The following table presents the aggregate amortized cost and fair value of cash collateral reinvested related to the securities lending program by maturity date:

	December 31, 2025		December 31, 2024	
(in millions)	**Amortized Cost**	**Fair Value**	Amortized Cost	Fair Value
Open positions	**$ 983**	**$ 983**	$ 531	$ 531
Subtotal	**983**	**983**	531	531
Securities collateral received	**—**	**—**	—	—
Total collateral reinvested	**$ 983**	**$ 983**	$ 531	$ 531

Repurchase Agreements

At December 31, 2025 and 2024, bonds with a fair value of approximately $1,137 million and $214 million, respectively, were subject to repurchase agreements to secure amounts borrowed by the Company.

The following table presents the aggregate fair value of cash collateral received related to the repurchase agreement program and the terms of the contractually obligated collateral positions:

	December 31,	
(in millions)	**2025**	2024
Open positions	**$ —**	$ —
30 days or less	**603**	232
31 to 60 days	**511**	—
61 to 90 days	**—**	—
Greater than 90 days	**—**	—
Subtotal	**1,114**	232
Securities collateral received	**—**	—
Total collateral received	**$ 1,114**	$ 232

The following table presents the original (flow) and residual maturity for bi-lateral repurchase agreement transactions for the year ended December 31, 2025:

(in millions)	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Open - No Maturity	$ 6	$ —	$ —	$ —
2. Overnight	159	50	50	297
3. 2 Days to 1 Week	316	100	101	547
4. > 1 Week to 1 Month	411	151	408	1,111
5. > 1 Month to 3 Months	—	—	—	652
6. > 3 Months to 1 Year	—	—	—	—
7. > 1 Year	—	—	—	—
b. Ending Balance				
1. Open - No Maturity	$ —	$ —	$ —	$ —
2. Overnight	—	—	—	—
3. 2 Days to 1 Week	—	100	101	—
4. > 1 Week to 1 Month	411	—	307	1,111
5. > 1 Month to 3 Months	—	—	—	—
6. > 3 Months to 1 Year	—	—	—	—
7. > 1 Year	—	—	—	—

The following table presents the Company's liability to return collateral for the year ended December 31, 2025:

(in millions)	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Cash (Collateral - All)	$ 893	$ 301	$ 559	$ 2,608
2. Securities Collateral (FV)	—	—	—	—
b. Ending Balance				
1. Cash (Collateral - All)	$ 411	$ 100	$ 408	$ 1,111
2. Securities Collateral (FV)	—	—	—	—

The Company requires a minimum of 95 percent of the fair value of securities sold under the repurchase agreements to be maintained as collateral. Cash collateral received is invested in corporate bonds and the offsetting collateral liability for repurchase agreements is included in other liabilities.

The following table presents the aggregate amortized cost and fair value of cash collateral reinvested related to the repurchase agreement program by maturity date:

	December 31, 2025		December 31, 2024	
(in millions)	**Amortized Cost**	**Fair Value**	Amortized Cost	Fair Value
Open positions	$ —	$ —	$ 218	$ 214
2-3 Years	59	61	—	—
Greater than three years	1,076	1,076	—	—
Subtotal	1,135	1,137	218	214
Securities collateral received	—	—	—	—
Total collateral reinvested	$ 1,135	$ 1,137	$ 218	$ 214

The following table presents the fair value of securities under bi-lateral repurchase agreement transactions for the year ended December 31, 2025:

(in millions)	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. BACV	$ —	$ —	$ —	$ —
2. Nonadmitted - Subset of BACV	—	—	—	—
3. Fair Value	—	—	—	—
b. Ending Balance				
1. BACV	**$ 411**	**$ 142**	**$ 459**	**$ 1,135**
2. Nonadmitted - Subset of BACV	—	—	—	—
3. Fair Value	**376**	**107**	**424**	**1,137**

The following table presents the fair value of securities under bi-lateral repurchase agreement transactions for the year ended December 31, 2025:

(in millions)	1 None	2 NAIC 1	3 NAIC 2	4 NAIC 3
Ending Balance				
a. ICO - BACV	$ —	$ 85	$ 1,049	$ —
b. ICO - FV	—	96	1,041	—
c. ABS - BACV	—	—	—	—
d. ABS - FV	—	—	—	—
e. Preferred Stock - BACV	—	—	—	—
f. Preferred Stock - FV	—	—	—	—
g. Common Stock	—	—	—	—
h. Mortgage Loans - BACV	—	—	—	—
i. Mortgage Loans - FV	—	—	—	—
j. Real Estate - BACV	—	—	—	—
k. Real Estate - FV	—	—	—	—
l. Derivatives - BACV	—	—	—	—
m. Derivatives - FV	—	—	—	—
n. Other Invested Assets - BACV	—	—	—	—
o. Other Invested Assets - FV	—	—	—	—
p. Total Assets - BACV	—	85	1,049	—
q. Total Assets - FV	—	96	1,041	—

(in millions)	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 Non-Admitted
Ending Balance				
a. ICO - BACV	$ —	$ —	$ —	$ —
b. ICO - FV	—	—	—	—
c. ABS - BACV	—	—	—	—
d. ABS - FV	—	—	—	—
e. Preferred Stock - BACV	—	—	—	—
f. Preferred Stock - FV	—	—	—	—
g. Common Stock	—	—	—	—
h. Mortgage Loans - BACV	—	—	—	—
i. Mortgage Loans - FV	—	—	—	—
j. Real Estate - BACV	—	—	—	—
k. Real Estate - FV	—	—	—	—
l. Derivatives - BACV	—	—	—	—
m. Derivatives - FV	—	—	—	—
n. Other Invested Assets - BACV	—	—	—	—
o. Other Invested Assets - FV	—	—	—	—
p. Total Assets - BACV	—	—	—	—
q. Total Assets - FV	—	—	—	—

Collateral Received – Secured Borrowing:

(in millions)	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Cash	532	$ 151	$ 408	$ 1,299
2. Securities (FV)	—	—	—	—
b. Ending Balance				
1. Cash	$ 411	$ 100	$ 408	$ 1,111
2. Securities (FV)	—	—	—	—

Cash and Non-Cash Collateral Received – Secured Borrowing by NAIC Designation:

(in millions)	1 NONE	2 NAIC 1	3 NAIC 2	4 NAIC 3
Ending Balance				
a. Cash	$ 1,111	$ —	$ —	$ —
b. ICO - FV	—	—	—	—
c. ABS - FV	—	—	—	—
d. Preferred Stock - FV	—	—	—	—
e. Common Stock	—	—	—	—
f. Mortgage Loans - FV	—	—	—	—
g. Real Estate - FV	—	—	—	—
h. Derivatives - FV	—	—	—	—
i. Other Invested Assets - FV	—	—	—	—
j. Total Assets - FV	$ 1,111	$ —	$ —	$ —

	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 Does Not Qualify As Admitted
Ending Balance				
a. Cash	$ —	$ —	$ —	$ —
b. ICO - FV	—	—	—	—
c. ABS - FV	—	—	—	—
d. Preferred Stock - FV	—	—	—	—
e. Common Stock	—	—	—	—
f. Mortgage Loans - FV	—	—	—	—
g. Real Estate - FV	—	—	—	—
h. Derivatives - FV	—	—	—	—
i. Other Invested Assets - FV	—	—	—	—
j. Total Assets - FV	—	—	—	—

Reverse Repurchase Agreements

The Company entered into bilateral reverse repurchase agreements to purchase and resell short-term securities. The Company receives securities as collateral, having a fair value at least equal to 102% of the purchase price paid by the Company for the securities and the Company's designated custodian takes possession of this collateral. The Company did not sell or repledge these securities during 2025. The collateral is not recorded on the Company's financial statements. However, if the counterparty defaults, the Company would then exercise its rights with respect to the collateral, including a sale of the collateral. The fair value of the securities held as collateral is monitored daily and additional collateral is obtained, where appropriate, to protect against credit exposure. The Company records the amount paid for securities purchased under agreements to resell in cash, cash equivalents and short-term investments.

At December 31, 2025, the Company had no securities held under agreements to purchase and resell.

Type of Repo Trade Used:

	1 First Quarter	2 Second Quarter	3 Third Quarter	4 Fourth Quarter
a. Bilateral (YES/NO)	Yes	Yes	Yes	No
b. Tri-Party (YES/NO)	No	No	No	No

Original (Flow) and Residual Maturity:

(in millions)	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Open - No Maturity	$ 204	$ 145	$ 50	$ —
2. Overnight	—	—	—	—
3. 2 Days to 1 Week	—	—	—	—
4. > 1 Week to 1 Month	—	—	—	—
5. > 1 Month to 3 Months	—	—	—	—
6. > 3 Months to 1 Year	—	—	—	—
7. > 1 Year	—	—	—	—
b. Ending Balance				
1. Open - No Maturity	$ 70	$ 50	$ —	$ —
2. Overnight	—	—	—	—
3. 2 Days to 1 Week	—	—	—	—
4. > 1 Week to 1 Month	—	—	—	—
5. > 1 Month to 3 Months	—	—	—	—
6. > 3 Months to 1 Year	—	—	—	—
7. > 1 Year	—	—	—	—

The Company had no securities sold and/or acquired under Repo that resulted in default at December 31, 2025 and December 31, 2024.

Fair Value of Securities Acquired Under Repo – Secured Borrowing

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount	213	152	52	—
b. Ending Balance	73	52	—	—

Collateral Provided – Secured Borrowing

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Cash	$ 204	$ 145	$ 50	$ —
2. Securities (FV)	—	—	—	—
3. Securities (BACV)	—	—	—	—
4. Nonadmitted Subset (BACV)	—	—	—	—
b. Ending Balance				
1. Cash	70	50	—	—
2. Securities (FV)	—	—	—	—
3. Securities (BACV)	—	—	—	—
4. Nonadmitted Subset (BACV)	—	—	—	—

Recognized Receivable for Return of Collateral – Secured Borrowing

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Cash	204	145	50	—
2. Securities (FV)	—	—	—	—
b. Ending Balance				
1. Cash	70	50	—	—
2. Securities (FV)	—	—	—	—

Recognized Liability to Return Collateral – Secured Borrowing (Total)

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Repo Securities Sold/Acquired with Cash Collateral	213	152	52	—
2. Repo Securities Sold/Acquired with Securities Collateral (FV)	—	—	—	—
b. Ending Balance				
1. Repo Securities Sold/Acquired with Cash Collateral	73	52	—	—
2. Repo Securities Sold/Acquired with Securities Collateral (FV)	—	—	—	—

6. RESTRICTED ASSETS

The Company has restricted assets as detailed below. Assets under restriction are general account assets, except for a portion of assets on deposit with states and other restricted assets that are part of the Separate Accounts assets.

The following table presents the carrying value of the Company's restricted assets:

	December 31,	
(in millions)	**2025**	2024
On deposit with states	**$ 45**	$ 47
Collateral held on securities lending	**3,857**	2,279
FHLB stock and collateral pledged	**9,568**	6,649
Subject to reverse repurchase agreements	**—**	20
Subject to repurchase agreements	**1,111**	231
Collateral for derivatives	**549**	651
Guaranteed interest contracts	**127**	68
Other restricted assets	**2,910**	1,528
Total	**$ 18,167**	$ 11,473

7. DERIVATIVES

The Company has taken positions in certain derivative financial instruments to mitigate or hedge the impact of changes in interest rates, foreign currencies, equity markets, swap spreads, volatility, correlations and yield curve risk on cash flows from investment income, policyholder liabilities and equity. Financial instruments used by the Company for such purposes include interest rate swaps, interest rate swaptions, cross-currency swaps, futures and futures options on equity indices, and futures and futures options on government securities. The Company does not engage in the use of derivative instruments for speculative purposes and is neither a dealer nor trader in derivative instruments.

All derivative instruments are recognized in the financial statements.

SSAP 108 allows special accounting treatment for limited derivatives hedging variable annuity guarantee benefits subject to fluctuation as a result of interest rate sensitivity. The special accounting provision permits reporting entities to utilize a form of macro-hedging in which a portfolio of variable annuity policies are jointly designated as the host contracts containing the hedge item, in a fair value hedge, pursuant to a Clearly Defined Hedging Strategy defined within VM-21.

At inception and on an ongoing basis, the hedging relationship must be highly effective in achieving offsetting changes in fair value attributed to the hedged risk during the period that the hedge is designated. The term "highly effective" describes a fair value hedge relationship where the change in fair value of the derivative instrument is within 80 to 125 percent of the opposite change in fair value of the hedged item attributed to the hedged risk.

SSAP 108 requires the Company use the same fair value definition that is used for its economic hedge target, which enables the Company to leverage the existing modeling and attribution platform currently in place for hedging analysis. In addition, the Company uses the VM-21 interest rate sensitivities measured at the beginning of the quarter to estimate the reserve movement attributed to interest rate movement, which leverages the existing modeling and attribution platform in place for Statutory analysis. These approaches and the overall use of the special accounting provision of SSAP 108 have received the approval of the TDI.

The Company used a portfolio of interest rates swaps and swaptions to hedge the interest rate risk associated with a portfolio of GMWB riders on its variable annuities. This hedging relationship was highly effective and complied with the Clearly Defined Hedging Strategy of VM-21. Effective August 1, 2025, the Company's variable annuity business was ceded and the use of special accounting provisions permitted within SSAP 108 was terminated. The existing SSAP 108 deferred asset balance will be amortized on a straight-line basis over a 5-year period.

Under SSAP 108 all derivatives are reported at fair value. Fair value change in hedge instruments attributable to the hedged risk that offset the change in reserve attributable to the hedged risk is recognized as realized gain/loss in the current period there were no excludable components. At December 31, 2024, fair value of the derivatives was a liability of $10 million, full contract fair value was an asset of $59 million and hedge target fair value was a liability of $88 million. For the year ended December 31, 2024, fair value change in hedge instruments attributable to the hedged risk that offset the change in reserve attributable to the hedged risk was a realized loss of $42 million. Fair value change in hedge instruments attributable to the hedged risk that do not offset the change in reserve attributable to the hedged risk are recognized as deferred assets/liabilities in the current period and amortized over projected VA guarantees' Macaulay Duration within the Standard Projection, but not more than 10 years. At December 31, 2025 and 2024, the fair value change in hedge instruments attributable to the hedged risk that do not offset the change in reserve attributable to the hedged risk was a deferred asset of $1.4 billion and deferred asset $1.5 billion, respectively. For the years ended December 31, 2025 and 2024, amortization was a realized loss of $250 million and a realized loss of $137 million, respectively. Fair value change in hedge instruments not attributable to the hedged risk are recognized as unrealized gain/loss, if any. All fair value changes in hedge instruments were attributable to the hedged risk for the period.

The Company designates, under SSAP 86, certain foreign exchange derivatives as effective hedges of certain invested assets and certain fixed and floating-rate liabilities. The Company also designates certain interest rate swaps as effective hedges of floating-rate investment assets and certain fixed and floating-rate liabilities. Derivatives not designated for hedge accounting are accounted for at fair value, and the changes in the fair value recorded in surplus as unrealized gains or losses, net of deferred taxes. The value of the Company's exchange traded futures contracts relates to the one-day lag in the net cash settlement of these contracts.

The Company recognized a net unrealized capital loss of $184 million in 2025, a net unrealized capital loss of $40 million in 2024 and a net unrealized capital gain of $167 million in 2023, related to derivatives that did not qualify for hedge accounting.

Net cash collateral received for derivative transactions increased in the year 2025, as a result of increases in fair values of derivatives covered by an International Swaps and Derivative Association Master Agreement ("ISDA Master Agreement") and Credit Support Annex provisions. At December 31, 2025, the Company held collateral for derivatives of $2,758 million, which is invested in cash, cash equivalents and/or short-term investments.

Refer to Note 3 for disclosures related to net realized capital gains (losses).

Swaps, Options, and Futures

Interest rate or cross-currency swap agreements are agreements to exchange with a counterparty, at specified intervals, payments of differing character (for example, variable-rate payments exchanged for fixed-rate payments) or in different currencies, based on an underlying principal balance, notional amount. Generally no cash is exchanged at the outset of the contract and no principal payments are made by either party. A single net payment is usually made by one counterparty at each contractual payment due date, and this net payment is included in the Statutory Statement of Operations.

Options are contracts that grant the purchaser, for a premium payment, the right, but not the obligation, either to purchase or sell a financial instrument at a specified price within a specified period of time. The Company purchases call options on the S&P 500 Index to offset the risk of certain guarantees of specific equity-index annuity and universal life policy values. The Company also purchases put options on the S&P 500 Index to offset volatility risk arising from minimum guarantees embedded in variable annuities. The options are carried at fair value, with changes in fair value recognized in unrealized investment gains and losses.

Financial futures are contracts between two parties that commit one party to purchase and the other to sell a particular commodity or financial instrument at a price determined on the final settlement day of the contract. Futures contracts detail the quality and quantity of the underlying asset; they are standardized to facilitate trading on a futures exchange. Some futures contracts may call for physical delivery of the asset, while others are settled in cash. The Company uses futures contracts on Euro dollar deposits, U.S. Treasury Notes, U.S. Treasury Bonds, the S&P 500 Index, MidCap 400, Russell 2000, MSCI EAFE, foreign government debt securities, and foreign denominated equity indices to offset the risk of certain guarantees on annuity policy values.

Interest Rate Risk

Interest rate derivatives are used to manage interest rate risk associated with certain guarantees of variable annuities and equity indexed annuities and certain bonds. The Company's interest rate hedging derivative instruments include (1) interest rate swaps and swaptions; (2) listed futures on government securities; (3) listed futures options on government securities; and (4) unlisted swaps and swaptions in U.S. Dollar Secured Overnight Financing Rate.

Currency Risk

Foreign exchange contracts used by the Company include cross-currency swaps, which are used to reduce risks from changes in currency exchange rates with respect to investments denominated in foreign currencies that the Company holds.

Equity Risk

Equity derivatives are used to mitigate financial risk embedded in certain insurance liabilities.

Credit Risk

The Company is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments, but it does not expect any counterparties to fail to meet their obligations given their high credit ratings. For over-the-counter ("OTC") derivatives, the Company's net credit exposure is determined based on master netting agreements, which take into consideration all derivative positions with the counterparty, as well as collateral posted by the counterparty at the balance sheet date. The Company is exposed to credit risk when the net position with a particular counterparty results in an asset that exceeds collateral pledged by that counterparty.

For OTC contracts, the Company generally uses an ISDA Master Agreement and Credit Support Annexes with bilateral collateral provisions to reduce counterparty credit exposures. An ISDA Master Agreement is an agreement between two counterparties, which may cover multiple derivative transactions, and such an ISDA Master Agreement generally provides for the net settlement of all or a specified group of these derivative transactions, as well as transferred collateral, through a single payment, in a single currency, in the event of a default affecting any one derivative transaction or a termination event affecting all or a specified group of the transactions. The Company minimizes the risk that counterparties might be unable to fulfill their contractual obligations by monitoring counterparty credit exposure and collateral value and may require additional collateral to be posted upon the occurrence of certain events or circumstances. In the unlikely event of a failure to perform by any of the counterparties to these derivative transactions, there would not be a material effect on the Company's admitted assets, liabilities or capital and surplus.

The Company has also entered into exchange-traded options and futures contracts. Under exchange-traded futures contracts, the Company agrees to purchase a specified number of contracts with other parties and to post or receive variation margin on a daily basis in an amount equal to the difference in the daily market values of those contracts. The parties with whom the Company enters into exchange-traded futures are regulated futures commission merchants who are members of a trading exchange. The credit risk of exchange-traded futures is partially mitigated because variation margin is settled daily in cash. Exchange-traded option contracts are not subject to daily margin settlements and amounts due to the Company based upon favorable movements in the underlying securities or indices are owed upon exercise.

The following table presents the notional amounts, statement values and fair values of the Company's derivative instruments:

	December 31, 2025			December 31, 2024		
(in millions)	**Contract or Notional Amount**	**Statement Value**	**Fair Value**	Contract or Notional Amount	Statement Value	Fair Value
Assets:						
Interest rate contracts	**$ 5,817**	**$ 443**	**$ 443**	$ 22,131	$ 1,551	$ 1,551
Foreign exchange contracts	**7,106**	**538**	**539**	12,862	915	877
Equity contracts	**58,467**	**6,088**	**6,088**	60,862	4,257	4,256
Other contracts	**14**	**—**	**—**	14	—	—
Derivative assets, gross	**71,404**	**7,069**	**7,070**	95,869	6,723	6,684
Counter party netting*	**—**	**(4,272)**	**(4,272)**	—	(4,944)	(4,944)
Derivative assets, net	**$ 71,404**	**$ 2,797**	**$ 2,798**	$ 95,869	$ 1,779	$ 1,740
Liabilities:						
Interest rate contracts	**$ 32,093**	**$ 1,125**	**$ 1,184**	$ 34,293	$ 1,737	$ 2,111
Foreign exchange contracts	**11,731**	**491**	**501**	3,197	243	260
Equity contracts	**48,460**	**3,052**	**3,052**	39,350	3,085	3,085
Other contracts	**43**	**4**	**4**	45	2	2
Derivative liabilities, gross	**92,327**	**4,672**	**4,741**	76,885	5,067	5,458
Counter party netting*	**—**	**(4,272)**	**(4,272)**	—	(4,944)	(4,944)
Derivative liabilities, net	**$ 92,327**	**$ 400**	**$ 469**	$ 76,885	$ 123	$ 514

* Represents netting of derivative exposures covered by a qualifying master netting agreement.

The Company has a right of offset of its derivatives asset and liability positions with various counterparties. The following table presents the effect of the right of offsets:

	December 31, 2025		December 31, 2024	
(in millions)	**Assets**	**Liabilities**	Assets	Liabilities
Gross amount recognized	**$ 7,069**	**$ 4,672**	$ 6,723	$ 5,067
Amount offset	**(4,272)**	**(4,272)**	(4,944)	(4,944)
Net amount presented in the Statement of Admitted Assets, Liabilities, and Capital and Surplus	**$ 2,797**	**$ 400**	$ 1,779	$ 123

8. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

The following table presents the Company's derivative financial instruments with concentrations of credit risk:

	December 31, 2025		December 31, 2024	
(in millions)	**Contract or Notional Amount**	**Final Maturity Date**	Contract or Notional Amount	Final Maturity Date
Derivative assets:				
Interest rate contracts	**$ 5,817**	**2054**	$ 22,131	2064
Foreign exchange contracts	**7,106**	**2064**	12,862	2063
Equity contracts	**58,467**	**2031**	60,862	2030
Other contracts	**14**	**2053**	14	2053
Derivative liabilities:				
Interest rate contracts	**32,093**	**2071**	34,293	2071
Foreign exchange contracts	**11,731**	**2061**	3,197	2061
Equity contracts	**48,460**	**2031**	39,350	2030
Other contracts	**44**	**2042**	45	2042

The credit exposure to the Company's derivative contracts is limited to the fair value of such contracts that are favorable to the Company at the reporting date.

The credit exposure to the Company's derivative contracts aggregated $807 million and $991.6 million at December 31, 2025 and 2024, respectively.

9. FAIR VALUE INSTRUMENTS

Fair Value Measurements

The Company carries certain financial instruments at fair value. The Company defines the fair value of a financial instrument as the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company is responsible for the determination of the value of the investments carried at fair value and the supporting methodologies and assumptions.

The degree of judgment used in measuring the fair value of financial instruments generally inversely correlates with the level of observable valuation inputs. The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Financial instruments with quoted prices in active markets generally have more pricing observability and less judgment is used in measuring fair value. Conversely, financial instruments for which no quoted prices are available have less observability and are measured at fair value using valuation models or other pricing techniques that require more judgment. Pricing observability is affected by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction, liquidity and general market conditions.

Fair Value Hierarchy

Assets and liabilities recorded at fair value are measured and classified in accordance with a fair value hierarchy consisting of three "levels" based on the observability of valuation inputs:

- **Level 1:** Fair value measurements based on quoted prices (unadjusted) in active markets that the Company has the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. The Company does not adjust the quoted price for such instruments.

- **Level 2**: Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.

- **Level 3:** Fair value measurements based on valuation techniques that use significant inputs that are unobservable. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, the Company must make certain assumptions as to the inputs a hypothetical market participant would use to value that asset or liability. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In those cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Bonds: Fair value is based principally on value from independent third-party valuation service providers, broker quotes and other independent information.

Preferred stocks: Fair value of unaffiliated preferred stocks is based principally on value from independent third-party service providers, broker quotes and other independent information.

Cash, cash equivalents and short term investments: Carrying amount approximate fair value because of the relatively short period of time between origination and expected realization and their limited exposure to credit risk.

Mortgage loans: Fair values are primarily determined by discounting future cash flows to the present at current market rates, using expected prepayment rates.

Contract loans: Carrying amounts, which approximate fair value, are generally equal to unpaid principal amount as of each reporting date. No consideration is given to credit risk because contract loans are effectively collateralized by the cash surrender value of the policies.

Securities lending reinvested collateral assets: Securities lending assets are generally invested in short-term investments and thus carrying amounts approximate fair values because of the relatively short period of time between origination and expected realizations.

Separate account assets: Variable annuity and variable universal life assets are carried at the market value of the underlying securities. Certain separate account assets related to market value adjustment fixed annuity contracts are carried at book value. Fair value is based principally on the value from independent third-party valuation service providers, broker quotes and other independent information.

Policy reserves and contractual liabilities: Fair value for investment contracts (those without significant mortality risk) not accounted for at fair value were estimated for disclosure purposes using discounted cash flow calculations based upon interest rates currently being offered for similar contracts with maturities consistent with those remaining for the contracts being valued. When no similar contracts are being offered, the discount rate is the appropriate swap rates (if available) or current risk-free interest rates consistent with the currency in which cash flows are denominated.

Payable for securities lending: Cash collateral received from the securities lending program is invested in short-term investments and the offsetting liability is included in payable for securities lending. The carrying amount of this liability approximates fair value because of the relatively short period between origination of the liability and expected settlement.

Receivables/payables for securities: Such amounts represent transactions of a short-term nature for which the statement value is considered a reasonable estimate of fair value.

Valuation Methodologies of Financial Instruments Measured at Fair Value

Bonds

Bonds with NAIC 6 or 6* designations and redeemable preferred stocks with NAIC 4, 5 or 6 designations are carried at the lower of amortized cost or fair value. Perpetual preferred stocks are carried at fair value, not to exceed any currently effective call rate. The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Whenever available, the Company obtains quoted prices in active markets for identical

assets at the balance sheet date to measure bonds at fair value. Market price data generally is obtained from exchange or dealer markets.

The Company estimates the fair value of securities not traded in active markets, by referring to traded securities with similar attributes, using dealer quotations, a matrix pricing methodology, discounted cash flow analyses or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating and tenor, its coupon rate, its position in the capital structure of the issuer, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets or that are subject to transfer restrictions, valuations are adjusted to reflect illiquidity and/or non-transferability, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Fair values for bonds and preferred stocks based on observable market prices for identical or similar instruments implicitly include the incorporation of counterparty credit risk. Fair values for bonds and preferred stocks based on internal models incorporate counterparty credit risk by using discount rates that take into consideration cash issuance spreads for similar instruments or other observable information.

Common Stocks (Unaffiliated)

Whenever available, the Company obtains quoted prices in active markets for identical assets at the balance sheet date to measure equity securities at fair value. Market price data is generally obtained from exchanges or dealer markets.

Freestanding Derivatives

Derivative assets and liabilities can be exchange-traded or traded OTC. The Company generally values exchange-traded derivatives, such as futures and options, using quoted prices in active markets for identical derivatives at the balance sheet date.

OTC derivatives are valued using market transactions and other observable market evidence whenever possible, including market-based inputs to models, model calibration to market clearing transactions, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. When models are used, the selection of a particular model to value an OTC derivative depends on the contractual terms of, and specific risks inherent in, the instrument as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation models can require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures of volatility, prepayment rates and correlations of such inputs. For OTC derivatives that trade in liquid markets, such as generic forwards, swaps and options, model inputs can generally be corroborated by observable market data by correlation or other means, and model selection does not involve significant management judgment.

Certain OTC derivatives trade in less liquid markets with limited pricing information, and the determination of fair value for these derivatives is inherently more difficult. When the Company does not have corroborating market evidence to support significant model inputs and cannot verify the model using market transactions, the transaction price is initially used as the best estimate of fair value. Accordingly, when a pricing model is used to value such an instrument, the model is adjusted so the model value at inception equals the transaction price. Subsequent to initial recognition, the Company updates valuation inputs when corroborated by evidence such as similar market transactions, independent third-party valuation services and/or broker or dealer quotations, or other empirical market data. When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit considerations. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used.

Separate Account Assets

Separate account assets are comprised primarily of registered and open-ended variable funds that trade daily and are measured at fair value using quoted prices in active markets for identical assets. Certain separate account assets are carried at amortized cost.

Assets and Liabilities Measured at Fair Value

The following table presents information about assets and liabilities measured at fair value:

(in millions)	Level 1	Level 2	Level 3	Counterparty Netting*	Total
December 31, 2025					
Assets at fair value:					
Bonds					
Issuer Credit Obligations	**$ —**	**$ 108**	**$ 1**	**$ —**	**$ 109**
Asset Backed Securities	**—**	**—**	**39**	**—**	**39**
Total bonds	**—**	**108**	**40**	**—**	**148**
Preferred stock					
Industrial and miscellaneous	**8**	**—**	**3**	**—**	**11**
Total preferred stock	**8**	**—**	**3**	**—**	**11**
Common stock					
Industrial and miscellaneous	**—**	**—**	**5**	**—**	**5**
Total common stock	**—**	**—**	**5**	**—**	**5**
Derivative assets:					
Interest rate contracts	**—**	**443**	**—**	**—**	**443**
Foreign exchange contracts	**—**	**527**	**—**	**—**	**527**
Equity contracts	**—**	**5,320**	**768**	**—**	**6,088**
Credit contracts	**—**	**—**	**—**	**—**	**—**
Other contracts	**—**	**—**	**—**	**—**	**—**
Counterparty netting	**—**	**—**	**—**	**(4,272)**	**(4,272)**
Total derivative assets	**—**	**6,290**	**768**	**(4,272)**	**2,786**
Separate account assets	**47,201**	**2,004**	**—**	**—**	**49,205**
Total assets at fair value	**$ 47,209**	**$ 8,402**	**$ 816**	**$ (4,272)**	**$ 52,155**
Liabilities at fair value:					
Derivative liabilities:					
Interest rate contracts	**$ —**	**$ 1,125**	**$ —**	**$ —**	**$ 1,125**
Foreign exchange contracts	**—**	**308**	**—**	**—**	**308**
Equity contracts	**6**	**2,951**	**94**	**—**	**3,051**
Credit contracts	**—**	**—**	**—**	**—**	**—**
Other contracts	**—**	**—**	**4**	**—**	**4**
Counterparty netting	**—**	**—**	**—**	**(4,272)**	**(4,272)**
Total derivative liabilities	**6**	**4,384**	**98**	**(4,272)**	**216**
Total liabilities at fair value	**$ 6**	**$ 4,384**	**$ 98**	**$ (4,272)**	**$ 216**
December 31, 2024					
Assets at fair value:					
Bonds					
All Other Government	—	—	—	—	—
Industrial and miscellaneous	—	16	7	—	23
Total bonds	—	16	7	—	23
Preferred stock					
Industrial and miscellaneous	4	—	1	—	5
Total preferred stock	4	—	1	—	5
Total common stock	—	—	—	—	—
Derivative assets:					
Interest rate contracts	—	1,239	312	—	1,551
Foreign exchange contracts	—	872	—	—	872
Equity contracts	1	3,686	569	—	4,256
Other contracts	—	—	—	—	—
Counterparty netting	—	—	—	(4,944)	(4,944)
Total derivative assets	1	5,797	881	(4,944)	1,735
Separate account assets	47,053	1,468	—	—	48,521
Total assets at fair value	$ 47,058	$ 7,281	$ 889	$ (4,944)	$ 50,284
Liabilities at fair value:					
Derivative liabilities:					
Interest rate contracts	$ —	$ 1,737	$ —	$ —	$ 1,737
Foreign exchange contracts	—	230	—	—	230
Equity contracts	7	3,066	12	—	3,085
Credit contracts	—	—	—	—	—
Other contracts	—	—	2	—	2
Counterparty netting	—	—	—	(4,944)	(4,944)
Total derivative liabilities	7	5,033	14	(4,944)	110
Total liabilities at fair value	$ 7	$ 5,033	$ 14	$ (4,944)	$ 110

* Represents netting of derivative exposures covered by a qualifying master netting agreement.

Changes in Level 3 Fair Value Measurements

The following tables present changes in Level 3 assets and liabilities measured at fair value and the gains (losses) related to the Level 3 assets and liabilities that remained on the Statutory Statements of Admitted Assets, Liabilities and Capital and Surplus:

(in millions)	Bonds	Preferred Stocks	Common Stocks	Derivative Assets	Total Assets	Derivative Liabilities
Balance, January 1, 2023	$ 3	$ 7	$ 2	$ 529	$ 541	$ 16
Total realized/unrealized capital gains or losses:						
Included in net (loss) income	(10)	(7)	—	(444)	(461)	(29)
Included in surplus	—	1	—	329	330	30
Purchases, issuances and settlements	9	—	(2)	694	701	50
Transfers into Level 3	4	—	—	—	4	—
Transfers out of Level 3	—	—	—	—	—	—
Balance, December 31, 2023	$ 6	$ 1	$ —	$ 1,108	$ 1,115	$ 67
Total realized/unrealized capital gains or losses:						
Included in net (loss) income	(28)	—	—	153	125	(3)
Included in surplus	30	—	(3)	(259)	(232)	(77)
Purchases, issuances and settlements	(16)	—	—	(121)	(137)	27
Transfers into Level 3	28	—	4	—	32	—
Transfers out of Level 3	(12)	—	—	—	(12)	—
Balance, December 31, 2024	$ 8	$ 1	$ 1	$ 881	$ 891	$ 14
Total realized/unrealized capital gains or losses:						
Included in net (loss) income	**—**	**(1)**	**(3)**	**108**	**104**	**—**
Included in surplus	**1**	**1**	**(1)**	**(7)**	**(6)**	**39**
Purchases, issuances and settlements	**(10)**	**2**	**8**	**(214)**	**(214)**	**45**
Transfers into Level 3	**42**	**—**	**—**	**—**	**42**	**—**
Transfers out of Level 3	**(1)**	**—**	**—**	**—**	**(1)**	**—**
Balance, December 31, 2025	**$ 40**	**$ 3**	**$ 5**	**$ 768**	**$ 816**	**$ 98**

Assets are transferred out of Level 3 when circumstances change such that significant inputs can be corroborated with market observable data or when the asset is no longer carried at fair value. This may be due to a significant increase in market activity for the asset, a specific event, one or more significant inputs becoming observable or when a long-term interest rate significant to a valuation becomes short-term and thus observable. Transfers out of level 3 can also occur due to favorable credit migration resulting in a higher NAIC designation. Securities are generally transferred into Level 3 due to a decrease in market transparency, downward credit migration and an overall increase in price disparity for certain individual security types. The Company's policy is to recognize transfers in and out at the end of the reporting period, consistent with the date of the determination of fair value.

In both 2025 and 2024, there were no transfers between Level 1 and Level 2 securities.

Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3 in the tables above. As a result, the unrealized capital gains (losses) on instruments held at December 31, 2025 and 2024 may include changes in fair value that were attributable to both observable and unobservable inputs.

Quantitative Information About Level 3 Fair Value Measurements

The following table presents the Company's quantitative information about level 3 fair value measurements at December 31, 2025.

December 31, 2025	Fair Value at December 31, 2025	Valuation Technique	Unobservable Input	Unobservable Input Range (Weighted Average)
Assets:				
RMBS	6	Discounted Cash Flow	Prepayment Speed (VPR)	5.89% - 10.18% (8.03%)
			Loss severity	22.19% - 80.14% (51.17%)
			Constant default rate	0.08% - 6.02% (3.05%)
			Yield	5.87% - 6.72% (6.30%)
Other ABS	$ 31	Discounted Cash Flow	Yield	9.61% - 9.61% (9.61%)

Gross Basis Fair Value Measurements

The following table presents the Company's derivative assets and liabilities measured at fair value, on a gross basis, before counterparty and cash collateral netting:

(in millions)	Level 1	Level 2	Level 3	Total
December 31, 2025				
Derivative assets at fair value	**$ —**	**$ 6,290**	**$ 768**	**$ 7,058**
Derivative liabilities at fair value	**(6)**	**(4,384)**	**(98)**	**(4,488)**
December 31, 2024				
Derivative assets at fair value	$ 1	$ 5,797	$ 881	$ 6,679
Derivative liabilities at fair value	(7)	(5,033)	(14)	(5,054)

Fair Value Information about Financial Instruments Not Measured at Fair Value

The following table presents the aggregate fair values of the Company's financial instruments not measured at fair value compared to their statement values:

(in millions)	Aggregate Fair Value	Admitted Assets or Liabilities	Level 1	Level 2	Level 3
December 31, 2025					
Assets:					
Bonds					
Issuer Credit Obligations	**$ 73,792**	**$ 79,564**	**$ 10**	**$ 70,553**	**$ 3,229**
Asset Backed Securities	**43,292**	**43,362**		**22,489**	**20,803**
Preferred stocks	**246**	**269**	**—**	**180**	**66**
Common stocks	**220**	**220**	**—**	**220**	**—**
Cash, cash equivalents and short-term investments	**1,011**	**1,011**	**984**	**27**	**—**
Mortgage loans	**37,265**	**37,954**	**—**	**—**	**37,265**
Contract loans	**1,141**	**1,141**	**—**	**—**	**1,141**
Derivatives	**(239)**	**(172)**		**(239)**	
Receivables for securities	**78**	**78**	**—**	**78**	**—**
Separate account assets	**33,936**	**33,936**	**—**	**33,936**	**—**
Liabilities:					
Policy reserves and contractual liabilities	**21,768**	**21,706**	**—**	**38**	**21,730**
Derivatives	**—**	**—**	**—**	**—**	**—**
Payable for securities	**3**	**3**	**—**	**3**	**—**
Payable for securities lending	**3,386**	**3,386**	**—**	**3,386**	**—**
December 31, 2024					
Assets:					
Bonds	$ 107,959	$ 117,020	$ 9	$ 84,314	$ 23,636
Preferred stocks	159	156	—	159	—
Common stocks	208	208	—	208	—
Cash, cash equivalents and short-term investments	731	731	531	200	—
Mortgage loans	34,031	36,078	—	—	34,031
Contract loans	1,144	1,144	—	—	1,144
Derivatives	(399)	31		(399)	—
Receivables for securities	86	86	—	86	—
Separate account assets	16,880	25,766	—	16,880	—
Liabilities:					
Policy reserves and contractual liabilities	17,668	17,617	—	58	17,610
Derivatives	—	—	—	—	—
Payable for securities	309	309	—	309	—
Payable for securities lending	2,284	2,284	—	2,284	—

10. AGGREGATE POLICY RESERVES AND DEPOSIT FUND LIABILITIES

The following table presents the Company's reserves by major category:

	Years ended December 31,	
(in millions)	**2025**	2024
Life insurance	**$ 42,595**	$ 42,136
Annuities (excluding supplementary contracts with life contingencies)	**113,035**	104,975
Supplementary contracts with life contingencies	**371**	377
Accidental death benefits	**13**	14
Disability - active lives	**26**	27
Disability - disabled lives	**196**	206
Excess of VM-21 reserves over basic reserves	**68**	2
Deficiency reserves	**1,193**	1,075
Other miscellaneous reserve	**996**	1,012
Gross life and annuity reserves	**158,493**	149,824
Reinsurance ceded	**(48,752)**	(37,288)
Net life and annuity reserves	**109,741**	112,536
Accident and health reserves		
Unearned premium reserves	**6**	6
Present value of amounts not yet due on claims	**186**	193
Additional contract reserves	**456**	480
Gross accident and health reserves	**648**	679
Reinsurance ceded	**(3)**	(4)
Net accident and health reserves	**645**	675
Aggregate policy reserves	**$ 110,386**	113,211

The following table presents the withdrawal characteristics of annuity actuarial reserves and deposit-type contract funds and other liabilities without life contingencies:

A. Individual Annuities:

	December 31, 2025				
(in millions)	**General account**	**Separate account with guarantees**	**Separate account non-guaranteed**	**Total**	**% of Total**
(1) Subject to discretionary withdrawal :					
a. With market value adjusted	**$ 63,512**	**$ 5,256**	**$ —**	**$ 68,768**	**46.16%**
b. At book value less current surrender charge of 5% or more	**13,904**	**—**	**—**	**13,904**	**9.33%**
c. At fair value	**16**	**199**	**33,528**	**33,743**	**22.65%**
d. Total with market adjustment or at fair value	**77,432**	**5,455**	**33,528**	**116,415**	**78.14%**
e. At book value without adjustment (minimal or no charge or adjustment)	**18,555**	**—**	**—**	**18,555**	**12.46%**
(2) Not subject to discretionary withdrawal	**13,896**	**—**	**104**	**14,000**	**9.40%**
(3) Total (gross: direct + assumed)	**$ 109,883**	**$ 5,455**	**$ 33,632**	**$ 148,970**	**100.00%**
(4) Reinsurance ceded	**21,034**	**—**	**31,766**	**52,800**	
(5) Total (net)* (3) - (4)	**$ 88,849**	**$ 5,455**	**$ 1,866**	**$ 96,170**	
(6) Amount included in A(1)b above that will move to A(1)e in the year after statement date:	**$ 2,392**	**$ —**	**$ —**	**$ 2,392**	

	December 31, 2024				
(in millions)	General account	Separate account with guarantees	Separate account non-guaranteed	Total	% of Total
(1) Subject to discretionary withdrawal :					
a. With market value adjusted	$ 54,345	$ 4,437	$ —	$ 58,782	42.84%
b. At book value less current surrender charge of 5% or more	13,000	—	—	13,000	9.48%
c. At fair value	1	32	31,079	31,112	22.68%
d. Total with market adjustment or at fair value	67,346	4,469	31,079	102,894	75.00%
e. At book value without adjustment (minimal or no charge or adjustment)	20,170	—	—	20,170	14.70%
(2) Not subject to discretionary withdrawal	14,041	—	96	14,137	10.30%
(3) Total (gross: direct + assumed)	$ 101,557	$ 4,469	$ 31,175	$ 137,201	100.00%
(4) Reinsurance ceded	11,045	—	—	11,045	
(5) Total (net)* (3) - (4)	$ 90,512	$ 4,469	$ 31,175	$ 126,156	
(6) Amount included in A(1)b above that will move to A(1)e in the year after statement date:	$ 3,286	$ —	$ —	$ 3,286	

* Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

B. Group Annuities:

	December 31, 2025				
(in millions)	**General account**	**Separate account with guarantees**	**Separate account non-guaranteed**	**Total**	**% of Total**
(1) Subject to discretionary withdrawal :					
a. With market value adjusted	**$ 173**	**$ —**	**$ —**	**$ 173**	**0.43%**
b. At book value less current surrender charge of 5% or more	**23**	**—**	**—**	**23**	**0.06%**
c. At fair value	**—**	**13**	**13,265**	**13,278**	**32.73%**
d. Total with market adjustment or at fair value	**196**	**13**	**13,265**	**13,474**	**33.22%**
e. At book value without adjustment (minimal or no charge or adjustment)	**1,645**	**—**	**—**	**1,645**	**4.05%**
(2) Not subject to discretionary withdrawal	**1,682**	**23,771**	**—**	**25,453**	**62.73%**
(3) Total (gross: direct + assumed)	**$ 3,523**	**$ 23,784**	**$ 13,265**	**$ 40,572**	**100.00%**
(4) Reinsurance ceded	**1,379**	**—**	**12,818**	**14,197**	
(5) Total (net)* (3) - (4)	**$ 2,144**	**$ 23,784**	**$ 447**	**$ 26,375**	
(6) Amount included in B(1)b above that will move to B(1)e in the year after statement date:	**$ 2**	**$ —**	**$ —**	**$ 2**	

	December 31, 2024				
(in millions)	General account	Separate account with guarantees	Separate account non-guaranteed	Total	% of Total
(1) Subject to discretionary withdrawal :					
a. With market value adjusted	$ 140	$ 49	$ —	$ 189	0.52%
b. At book value less current surrender charge of 5% or more	28	—	—	28	0.08%
c. At fair value	—	—	13,508	13,508	37.26%
d. Total with market adjustment or at fair value	168	49	13,508	13,725	37.86%
e. At book value without adjustment (minimal or no charge or adjustment)	1,851	—	—	1,851	5.11%
(2) Not subject to discretionary withdrawal	1,776	18,904	—	20,680	57.03%
(3) Total (gross: direct + assumed)	$ 3,795	$ 18,953	$ 13,508	$ 36,256	100.00%
(4) Reinsurance ceded	69	—	—	69	
(5) Total (net)* (3) - (4)	$ 3,726	$ 18,953	$ 13,508	$ 36,187	
(6) Amount included in B(1)b above that will move to B(1)e in the year after statement date:	$ 2	$ —	$ —	$ 2	

* Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

C. Deposit-Type Contracts (no life contingencies):

	December 31, 2025				
(in millions)	**General account**	**Separate account with guarantees**	**Separate account non-guaranteed**	**Total**	**% of Total**
(1) Subject to discretionary withdrawal :					
a. With market value adjusted	**$ —**	**$ —**	**$ —**	**$ —**	**—%**
b. At book value less current surrender charge of 5% or more	**—**	**—**	**—**	**—**	**—%**
c. At fair value	**—**	**—**	**—**	**—**	**—%**
d. Total with market adjustment or at fair value	**—**	**—**	**—**	**—**	**—%**
e. At book value without adjustment (minimal or no charge or adjustment)	**504**	**—**	**—**	**504**	**2.26%**
(2) Not subject to discretionary withdrawal	**21,676**	**—**	**75**	**21,751**	**97.74%**
(3) Total (gross: direct + assumed)	**$ 22,180**	**$ —**	**$ 75**	**$ 22,255**	**100.00%**
(4) Reinsurance ceded	**1,414**	**—**	**—**	**1,414**	
(5) Total (net)* (3) - (4)	**$ 20,766**	**$ —**	**$ 75**	**$ 20,841**	
(6) Amount included in C(1)b above that will move to C(1)e in the year after statement date:	**$ —**	**$ —**	**$ —**	**$ —**	

	December 31, 2024				
(in millions)	General account	Separate account with guarantees	Separate account non-guaranteed	Total	% of Total
(1) Subject to discretionary withdrawal :					
a. With market value adjusted	$ —	$ —	$ —	$ —	—%
b. At book value less current surrender charge of 5% or more	—	—	—	—	—%
c. At fair value	—	—	—	—	—%
d. Total with market adjustment or at fair value	—	—	—	—	—%
e. At book value without adjustment (minimal or no charge or adjustment)	520	—	—	520	2.86%
(2) Not subject to discretionary withdrawal	17,616	—	72	17,688	97.14%
(3) Total (gross: direct + assumed)	$ 18,136	$ —	$ 72	$ 18,208	100.00%
(4) Reinsurance ceded	1,344	—	—	1,344	
(5) Total (net)* (3) - (4)	$ 16,792	$ —	$ 72	$ 16,864	
(6) Amount included in C(1)b above that will move to C(1)e in the year after statement date:	**$ —**	**$ —**	**$ —**	**$ —**	

* Represents annuity reserves reported in separate accounts liabilities.

Withdrawal characteristics of Life Actuarial Reserves as of December 31, 2025:

	December 31, 2025					
	General Account			Separate Account - non-guaranteed		
(in millions)	Account value	Cash value	Reserve	Account value	Cash value	Reserve
A. Subject to discretionary withdrawal, surrender values, or policy loans:						
(1) Term policies with cash value	$ —	$ 731	$ 3,233	$ —	$ —	$ —
(2) Universal life	5,075	5,314	5,963	—	—	—
(3) Universal life with secondary guarantees	1,531	1,415	8,419	—	—	—
(4) Indexed universal life	843	801	833	—	—	—
(5) Indexed universal life with secondary guarantees	2,454	1,690	2,991	—	—	—
(6) Indexed life	—	—	—	—	—	—
(7) Other permanent cash value life insurance	2,187	8,681	9,811	2,440	2,440	2,440
(8) Variable life	—	—	—	—	—	—
(9) Variable universal life	114	109	94	1,912	1,905	1,898
(10) Miscellaneous reserves	—	—	—	—	—	—
B. Not subject to discretionary withdrawal or no cash values						
(1) Term policies without cash value	$ —	$ —	$ 11,251	$ —	$ —	$ —
(2) Accidental death benefits	—	—	13	—	—	—
(3) Disability - active lives	—	—	26	—	—	—
(4) Disability - disabled lives	—	—	196	—	—	—
(5) Miscellaneous reserves	—	—	2,079	—	—	—
C. Total (gross: direct + assumed)	$ 12,204	$ 18,741	$ 44,909	$ 4,352	$ 4,345	$ 4,338
D. Reinsurance ceded	7,058	10,417	26,338	—	—	—
E. Total (net) (C) - (D)	$ 5,146	$ 8,324	$ 18,571	$ 4,352	$ 4,345	$ 4,338

Withdrawal characteristics of Life Actuarial Reserves as of December 31, 2024:

	December 31, 2024					
	General Account			Separate Account - non-guaranteed		
(in millions)	Account value	Cash value	Reserve	Account value	Cash value	Reserve
A. Subject to discretionary withdrawal, surrender values, or policy loans:						
(1) Term policies with cash value	$ —	$ 687	$ 3,245	$ —	$ —	$ —
(2) Universal life	5,276	5,333	6,111	—	—	—
(3) Universal life with secondary guarantees	1,597	1,446	8,347	—	—	—
(4) Indexed universal life	795	726	781	—	—	—
(5) Indexed universal life with secondary guarantees	2,140	1,414	2,365	—	—	—
(6) Indexed life	—	—	—	—	—	—
(7) Other permanent cash value life insurance	2,168	8,571	9,811	1,824	1,824	1,824
(8) Variable life	—	—	—	—	—	—
(9) Variable universal life	114	106	155	1,822	1,814	1,806
(10) Miscellaneous reserves	—	—	—	—	—	—
B. Not subject to discretionary withdrawal or no cash values						
(1) Term policies without cash value	$ —	$ —	$ 11,320	$ —	$ —	$ —
(2) Accidental death benefits	—	—	14	—	—	—
(3) Disability - active lives	—	—	27	—	—	—
(4) Disability - disabled lives	—	—	206	—	—	—
(5) Miscellaneous reserves	—	—	1,981	—	—	—
C. Total (gross: direct + assumed)	$ 12,090	$ 18,283	$ 44,364	$ 3,646	$ 3,638	$ 3,630
D. Reinsurance ceded	7,039	10,245	26,174	—	—	—
E. Total (net) (C) - (D)	$ 5,051	$ 8,038	$ 18,190	$ 3,646	$ 3,638	$ 3,630

11. SEPARATE ACCOUNTS

Separate Accounts

The separate accounts held by the Company consist primarily of variable life insurance policies and variable annuities. These contracts generally are non-guaranteed in nature such that the benefit is determined by the performance and/or market value of the investments held in the separate accounts. The net investment experience of the separate accounts is credited directly to the policyholder and can be positive or negative.

Certain separate accounts relate to MVA fixed annuity contracts and registered index-linked annuity contracts in which the assets are carried at amortized cost. These policies are required to be held in the Company's separate account by certain states, including Texas.

Certain separate accounts relate to flexible premium adjustable life insurance and pension risk transfer annuities in which the assets are carried at amortized cost. These contracts provide the greater of guaranteed interest returns defined in the policy or interest in excess of the guaranteed rate as defined by the Company.

The Company does not engage in securities lending transactions within the separate accounts.

In accordance with the products/transactions recorded within the separate accounts, some assets are considered legally insulated whereas others are not legally insulated from the general account. The legal insulation of the separate account assets prevents such assets from being generally available to satisfy claims resulting from the general account.

General account reserves of $82 million and $10 million were established for the separate account reserve in excess of assets in subaccounts TFA1-B and TFA1-D, respectively.

The following table presents separate account assets by product or transaction:

(in millions)	**December 31, 2025**		December 31, 2024	
	Legally Insulated Assets	**Separate Accounts Assets (Not Legally Insulated)**	Legally Insulated Assets	Separate Accounts Assets (Not Legally Insulated)
Variable annuities	**$ 45,294**	**$ —**	$ 45,316	$ —
Variable life	**3,910**	**—**	3,206	—
Bank-owned life insurance – hybrid	**470**	**—**	464	—
Deferred annuities with MVA features	**249**	**—**	300	—
Pension risk transfer annuities	**25,349**	**—**	20,800	—
Annuities with MVA features	**—**	**4,928**	—	4,122
Fixed annuities excess interest adjustment features	**—**	**6**	—	9
Registered index-linked annuities	**—**	**2,935**	—	70
Total	**$ 75,272**	**$ 7,869**	$ 70,086	$ 4,201

Some separate account liabilities are guaranteed by the general account. To compensate the general account for the risks taken, the separate accounts pay risk charges to the general account.

If claims were filed on all contracts, the current total maximum guarantee the general account would provide to the separate account as of December 31, 2025 and 2024 is $27.9 billion and $4.5 billion, respectively.

The separate account business had no seed money balance at December 31, 2025. The separate account seed money balances was $7 million at December 31, 2024.

The following table presents the risk charges paid by the separate accounts and the guarantees paid by the general account:

(in millions)	**Risk Charge paid by the Separate Account**	**Guarantees Paid by the General Account**
2025	$ 246	$ 28
2024	445	42
2023	558	65
2022	596	64
2021	539	36

The following table presents information regarding the separate accounts:

(in millions)	Indexed	Non-indexed guarantee less than or equal to 4%	Non-indexed guarantee more than 4%	Non-guaranteed separate accounts	Total
December 31, 2025					
Premiums, considerations or deposits	**3,094**	**$ —**	**$ 152**	**$ 5,895**	**$ 9,141**
Reserves for accounts with assets at:					
Market value	**$ —**	**$ —**	**$ —**	**46,103**	**$ 46,103**
Amortized cost	**5,977**	**27,424**	**968**	**—**	**34,369**
Total reserves	**$ 5,977**	**$ 27,424**	**$ 968**	**$ 46,103**	**$ 80,472**
By withdrawal characteristics:					
Subject to discretionary withdrawal with MVA	**5,977**	**$ 25,030**	**$ 968**	**$ —**	**$ 31,975**
At market value	**—**	**—**	**—**	**46,029**	**46,029**
Subtotal	**5,977**	**25,030**	**968**	**46,029**	**78,004**
Not subject to discretionary withdrawal	**—**	**2,394**	**—**	**74**	**2,468**
Total reserves	**$ 5,977**	**$ 27,424**	**$ 968**	**$ 46,103**	**$ 80,472**
December 31, 2024					
Premiums, considerations or deposits	$ 737	$ —	$ 176	$ 4,117	$ 5,030
Reserves for accounts with assets at:					
Market value	$ —	$ —	$ —	$ 47,778	$ 47,778
Amortized cost	3,056	20,094	806	—	23,956
Total reserves	$ 3,056	$ 20,094	$ 806	$ 47,778	$ 71,734
By withdrawal characteristics:					
Subject to discretionary withdrawal with MVA	$ 3,056	$ 17,791	$ 806	$ —	$ 21,653
At market value	—	—	—	47,706	47,706
Subtotal	3,056	17,791	806	47,706	69,359
Not subject to discretionary withdrawal	—	2,303	—	72	2,375
Total reserves	$ 3,056	$ 20,094	$ 806	$ 47,778	$ 71,734
December 31, 2023					
Premiums, considerations or deposits	$ 803	$ —	$ 178	$ 6,597	$ 7,578
Reserves for accounts with assets at:					
Market value	$ —	$ —	$ —	$ 46,589	$ 46,589
Amortized cost	2,611	17,306	617	—	20,534
Total reserves	$ 2,611	$ 17,306	$ 617	$ 46,589	$ 67,123
By withdrawal characteristics:					
Subject to discretionary withdrawal with MVA	$ 2,611	$ 17,179	$ 617	$ —	$ 20,407
At market value	—	—	—	46,488	46,488
Subtotal	2,611	17,179	617	46,488	66,895
Not subject to discretionary withdrawal	—	127	—	101	228
Total reserves	$ 2,611	$ 17,306	$ 617	$ 46,589	$ 67,123

Reconciliation of Net Transfers to or from Separate Accounts

The following table presents a reconciliation of the net transfers to (from) separate accounts:

	Years Ended December 31,		
(in millions)	**2025**	2024	2023
Transfers to separate accounts	**$ 9,142**	$ 5,030	$ 7,578
Transfers from separate accounts	**(7,444)**	(6,859)	(5,500)
Net transfers to (from) separate accounts	**1,698**	(1,829)	2,078
Reconciling adjustments:			
Deposit-type contracts	**—**	—	—
Total reconciling adjustments	**—**	—	—
Transfers as reported in the Statutory Statements of Operations	**$ 1,698**	$ (1,829)	$ 2,078

12. PARTICIPATING POLICY CONTRACTS

Participating policy contracts entitle a policyholder to share in earnings through dividend payments. These contracts represented less than 1.0 percent of gross insurance in-force at December 31, 2025, 2024 and 2023, respectively. Policyholder dividends for the years ended December 31, 2025, 2024 and 2023 were $19 million, $17 million, and $13 million, respectively.

13. PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

The following table presents the deferred and uncollected insurance premiums and annuity consideration (before deduction for amounts non-admitted):

	December 31, 2025		December 31, 2024	
(in millions)	**Gross**	**Net of Loading**	Gross	Net of Loading
Industrial	**$ —**	**$ —**	$ —	$ —
Ordinary new business	**$ 31**	**$ 31**	$ 30	$ 30
Ordinary renewal	**(446)**	**(15)**	(450)	20
Group life	**(1)**	**(1)**	(1)	(1)
Total	**$ (416)**	**$ 15**	$ (421)	$ 49

14. REINSURANCE

In the ordinary course of business, the Company utilizes internal and third-party reinsurance transactions to manage insurance risks and to facilitate capital management strategies. Long-duration reinsurance is effected principally under yearly renewable term treaties. Pools of highly-rated third party reinsurers are utilized to manage net amounts at risk in excess of retention limits. Reinsurance agreements do not relieve the Company of its direct obligations to insureds and beneficiaries. Thus, a credit exposure exists with respect to reinsurance ceded to the extent that any reinsurer fails to meet the obligations assumed under any reinsurance agreement. In addition, the Company assumes reinsurance from other insurance companies.

Reinsurance premiums assumed in 2025, 2024 and 2023 were $3.0 billion, $2.1 billion and $4.9 billion, respectively. Reinsurance premiums ceded in 2025, 2024 and 2023 were $58.7 billion, $12.7 billion and $2.5 billion, respectively. Additionally, reserves on reinsurance assumed were $14.5 billion and $11.2 billion at December 31, 2025 and 2024, respectively. The reserve credit taken on reinsurance ceded was $50.2 billion and $38.6 billion at December 31, 2025 and 2024, respectively. Amounts payable or recoverable for reinsurance on policy and contract liabilities are not subject to periodic or maximum limits. At December 31, 2025 and 2024, the Company's reinsurance recoverables were $376 million and $263 million, respectively.

The Company does not have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits. The Company has no reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total revenue collected under the reinsured policies.

As of December 31, 2025 and 2024, $21 billion and $21 billion of the Company's reserves representing a mix of run-off life and annuity risks were ceded to Fortitude Reinsurance Company Ltd. ("Fortitude Re") under modified coinsurance agreements.

Certain reinsurers have sought rate increases on certain yearly renewable term agreements. The Company has disputed, and expects to continue disputing, any requested rate increases under these agreements. These disputes may lead to and have resulted in arbitration over the terms of the reinsurance contracts. To the extent reinsurers seek retroactive premium increases, the Company's practice is to assess and accrue its current estimate of probable loss with respect to these matters when appropriate.

Affiliate Reinsurance Treaties

The Company has a modified coinsurance reinsurance agreement with VALIC, pursuant to which certain blocks of VALIC's variable annuity business are ceded to the Company. At December 31, 2025 and 2024 , the liabilities resulting from the agreement and recorded in the accompanying financial statements were $16.2 billion and $17.7 billion, respectively. In 2025, 2024 and 2023, the agreement increased the Company's pre-tax earnings by $336 million, $278 million and $319 million, respectively.

The Company has coinsurance/modified coinsurance agreements with AGC Life whereby the Company cedes certain term life and universal life insurance policies to AGC Life. These agreements decreased the Company's pre-tax

earnings by $6 million in 2025 and increased pre-tax earnings by $4 million (excluding the impact of recaptures) and $60 million in 2024 and 2023, respectively.

The Company has various reinsurance agreements with Corebridge Bermuda in which the Company cedes certain fixed annuity, fixed indexed annuity, term life insurance, and structured settlement annuity contracts to Corebridge Bermuda. At December 31, 2025 and 2024, the reserves ceded under these agreements totaled $19.6 billion and $12.3 billion, respectively. In 2025 and 2024, these agreements increased the Company's pre-tax earnings by $616 million and $1.3 billion, respectively, and decreased pre-tax income by $1 million in 2023.

Significant New or Amended Reinsurance Treaties

Effective August 1, 2025, the Company entered into a coinsurance and modified coinsurance agreement (the "VA Reinsurance Agreement") with Corporate Solutions Life Reinsurance Company, an Iowa-domiciled insurance company (the "VA Reinsurer"). Under the terms of the VA Reinsurance Agreement, the Company will cede to the VA Reinsurer 100% of the applicable reinsured liabilities with respect to (i) in-force individual retirement variable annuity contracts issued prior to August 1, 2025, and (ii) new individual retirement variable annuity contracts issued beginning August 1, 2025. As of August 1, 2025, the Company transferred to the VA Reinsurer $1.9 billion of assets primarily consisting of bonds supporting the general account liabilities, net of a ceding commission. Additionally, $45.1 billion of separate account liabilities were ceded under the modco portion of the agreement.

The impact of the VA Reinsurance Agreement at inception on August 1, 2025 is below:

(in millions)
Increase (Decrease)

Summary of Operations		
Premiums	$	(49,557)
Commissions and expense allowances on reinsurance ceded		617
Reserve adjustments on reinsurance ceded		45,135
Total Revenue		(3,805)
Increase in aggregate reserves for life contracts		(4,330)
IMR ceded under reinsurance agreement		11
Net gain from operations before federal income taxes		514
Capital and Surplus Account		
Change in surplus as a result of reinsurance	$	1,923

In July 2024, the Company entered into a Variable Quota Share Coinsurance and Coinsurance with Funds Withheld Reinsurance Agreement, effective as of January 1, 2024, with Corebridge Bermuda. Under the agreement, the Company will cede to Corebridge Bermuda a variable quota share percentage of certain fixed indexed annuity and fixed annuity products issued subsequent to December 31, 2023. The agreement was accounted for on a prospective basis from January 1, 2024 and the impact of the agreement as of December 31, 2024 is below.

(in millions) Increase (Decrease)		
Summary of Operations		
Premiums	$	(9,327)
Commissions and expense allowances on reinsurance ceded		481
Total Revenue		(8,846)
Annuity benefits		(34)
Surrender benefits and withdrawals for life contracts		(69)
Change in reserves		(10,245)
Interest on funds withheld		266
Net gain from operations before federal income taxes	$	1,236

Effective December 31, 2024, the Company entered into a combined coinsurance and coinsurance with funds withheld reinsurance agreement with Corebridge Bermuda. Under the agreement, the Company will cede to Corebridge Bermuda term life insurance policies written from January 1, 2020 to December 31, 2024 and certain structured settlement annuity contracts issued from April 1, 2012 to December 31, 2024. Additionally, the Company will cede newly issued term life insurance policies and certain structured settlement annuity contracts issued starting January 1, 2025. The impact of the agreement as of December 31, 2024 is below.

(in millions) Increase (Decrease)		
Summary of Operations		
Premiums	$	(688)
Commissions and expense allowances on reinsurance ceded		31
Total Revenue		(657)
Change in reserves		(687)
Net gain from operations before federal income taxes	$	30
Capital and Surplus Account		
Change in surplus as a result of reinsurance	$	118

The Company has a reinsurance agreement with Hannover Life Reassurance Company of America (“Hannover”) effective July 1, 2016, as amended (the “A&R Treaty”), under which the Company cedes blocks of whole life, in-force term and guaranteed universal life business on a coinsurance with funds withheld basis, and certain current assumption universal life business on a yearly renewable term basis.

Effective March 31, 2023, the Company recaptured term life business issued from 2017 through 2019 that had previously been ceded to AGC Life on a coinsurance/modified coinsurance basis and concurrently amended the A&R Treaty with Hannover to add this in-force term life business on a coinsurance with funds withheld basis. The Company recognized the net benefit of the recapture and simultaneous cession as a direct credit to surplus of $93 million at March 31, 2023. This increase in surplus will be amortized to income over the life of the treaty.

(in millions) Increase (Decrease)	March 31, 2023 Recapture from AGC Life	March 31, 2023 Cession to Hannover	Net Impact of Reinsurance
Summary Of Operations			
Premiums	$ 1,538	$ (1,738)	$ (200)
Commissions on reinsurance ceded	(1,054)	1,054	—
Reserve adjustments on reinsurance ceded	(484)	—	(484)
Total revenue	$ —	$ (684)	$ (684)
Increase in aggregate reserves for life contracts	$ 1,054	$ (1,738)	$ (684)
Federal income tax expense (benefit)	(221)	221	—
Net income	$ (833)	$ 833	$ —
Capital and Surplus Account			
Change in surplus as a result of reinsurance	$ —	$ 93	$ 93

Effective September 30, 2023, the Company recaptured universal life business issued from 2017 through 2019 that had previously been ceded to AGC Life on a coinsurance/modified coinsurance basis and concurrently amended the A&R Treaty with Hannover to add this in-force universal life business on a coinsurance with funds withheld basis. The Company recognized the net benefit of the recapture and simultaneous cession as a direct credit to surplus of $253 million at September 30, 2023. This increase in surplus will be amortized to income over the life of the treaty.

(in millions) Increase (Decrease)	Sept 30, 2023 Recapture from AGC Life	Sept 30, 2023 Cession to Hannover	Net Impact of Reinsurance
Summary Of Operations			
Premiums	$ 2,092	$ (2,035)	$ 57
Commissions on reinsurance ceded	(939)	939	—
Reserve adjustments on reinsurance ceded	(1,153)	—	(1,153)
Total Revenue	$ —	$ (1,096)	$ (1,096)
Increase in aggregate reserves for life contracts	$ 939	$ (2,035)	$ (1,096)
Federal income tax expense (benefit)	(197)	197	—
Net Income	$ (742)	$ 742	$ —
Capital and Surplus Account			
Change in surplus as a result of reinsurance	$ —	$ 253	$ 253

The Company previously ceded term and universal life insurance business issued from January 1, 2020 to December 31, 2021 to AGC Life on a coinsurance/modified coinsurance basis. Effective October 1, 2023, AGL recaptured this business, resulting in a $66 million decrease in the Company's net income.

(in millions)	Oct 1, 2023 Recapture from AGC Life
Increase (Decrease)	
Summary Of Operations	
Premiums	$ 129
Commissions on reinsurance ceded	(83)
Reserve adjustments on reinsurance ceded	(46)
Total Revenue	$ —
Increase in aggregate reserves for life contracts	$ 83
Federal income tax expense (benefit)	(17)
Net Income	$ (66)

15. FEDERAL INCOME TAXES

Recent U.S. Tax Law Changes

The Inflation Reduction Act of 2022 (H.R. 5376), (the "Inflation Reduction Act") includes a 15% CAMT on adjusted financial statement income for corporations with average profits over $1 billion over a three-year period and a 1% stock buyback tax. In 2024, the U.S. Treasury and Internal Revenue Service ("IRS") published proposed regulations with respect to the CAMT. On September 30, 2025, the IRS issued Notice 2025-46 and Notice 2025-49 which provide favorable interim guidance on tax consolidations. These Notices provide an option to calculate the Company's CAMT liability based on the consolidated tax group while subject to the waiting period, as well as certain other matters that do not have a significant impact on the Company. The Company's estimated CAMT liability will continue to be refined based on future guidance.

The AGC Life consolidated federal income tax return group, of which the Company is a member, has determined that as of the reporting date it is an applicable reporting entity for the CAMT.

The One Big Beautiful Bill Act (H.R. 1) ("OBBB") was signed into law on July 4, 2025. The tax provisions of the OBBB are not expected to have a material impact on the Company's financial results.

The following table presents the components of the net deferred tax assets and liabilities:

	December 31, 2025			December 31, 2024			Change		
(in millions)	**Ordinary**	**Capital**	**Total**	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross DTA	**$ 4,180**	**$ 876**	**$ 5,056**	$ 3,703	$ 1,976	$ 5,679	$ 477	$ (1,100)	$ (623)
Statutory valuation allowance adjustment	**—**	**232**	**232**	—	159	159	—	73	73
Adjusted gross DTA	**4,180**	**644**	**4,824**	3,703	1,817	5,520	477	(1,173)	(696)
DTA non-admitted	**2,513**	**644**	**3,157**	2,286	1,817	4,103	227	(1,173)	(946)
Net admitted DTA	**1,667**	**—**	**1,667**	1,417	—	1,417	250	—	250
DTL	**103**	**—**	**103**	122	—	122	(19)	—	(19)
Total	**$ 1,564**	**$ —**	**$ 1,564**	$ 1,295	$ —	$ 1,295	$ 269	$ —	$ 269

The following table presents the ordinary and capital DTA admitted assets as the result of the application of SSAP 101:

	December 31, 2025			December 31, 2024			Change		
(in millions)	**Ordinary**	**Capital**	**Total**	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission calculation components SSAP 101									
Federal income taxes paid in prior years recoverable through loss carry backs	**$ —**	**$ —**	**$ —**	$ —	$ —	$ —	$ —	$ —	$ —
Adjusted gross DTA expected to be realized (excluding amount of DTA from above) after application of the threshold limitation	**1,564**	**—**	**1,564**	1,295	—	1,295	269	—	269
1. Adjusted gross DTA expected to be realized following the reporting date	**1,564**	**—**	**1,564**	1,295	—	1,295	269	—	269
2. Adjusted gross DTA allowed per limitation threshold	**—**	**—**	**1,641**	—	—	1,311	—	—	330
Adjusted gross DTA (excluding the amount of DTA from above) offset by gross DTL	**103**	**—**	**103**	122	—	122	(19)	—	(19)
DTA admitted as the result of application of SSAP 101	**$ 1,667**	**$ —**	**$ 1,667**	$ 1,417	$ —	$ 1,417	$ 250	$ —	$ 250

The following table presents the ratio percentage and amount of adjusted capital to determine the recovery period and threshold limitation amount:

	Years Ended December 31,	
($ in millions)	**2025**	**2024**
Ratio percentage used to determine recovery period and threshold limitation amount	**764 %**	734 %
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation amount	**$ 10,940**	$ 8,738

The Company has no tax planning strategies used in the determination of adjusted gross DTA's or net admitted DTA's.

The Company's tax planning strategy does not include the use of reinsurance.

The Company is not aware of any significant DTLs that are not recognized in the statutory financial statements.

The following tables present the major components of the current income tax expense and net deferred tax assets (liabilities):

	Years Ended December 31,		
(in millions)	**2025**	2024	2023
Current income tax expense			
Federal	**$ (306)**	$ 451	$ (52)
Foreign	**—**	—	—
Subtotal	**(306)**	451	(52)
Federal income tax on net capital gains (losses)	**(87)**	(260)	(170)
Federal income tax incurred	**(393)**	191	(222)

	Years Ended December 31,		
(in millions)	**2025**	2024	Change
Deferred tax assets:			
Ordinary:			
Policyholder reserves	**$ 1,741**	$ 1,668	$ 73
Investments	**580**	184	396
Deferred acquisition costs	**1,071**	1,301	(230)
Fixed assets	**466**	411	55
Policyholder dividend accruals	**3**	4	(1)
Compensation and benefits accrual	**17**	39	(22)
Tax credit carryforward	**—**	—	—
Net operating loss carry-forward	**70**	1	69
Other (including items less than 5% of total ordinary tax assets)	**232**	95	137
Subtotal	**4,180**	3,703	477
Non-admitted	**2,513**	2,286	227
Admitted ordinary deferred tax assets	**1,667**	1,417	250
Capital:			
Investments	**424**	1,708	(1,284)
Net capital loss carryforward	**452**	268	184
Subtotal	**876**	1,976	(1,100)
Statutory Valuation Allowance Adjustment	**232**	159	73
Non-admitted	**644**	1,817	(1,173)
Admitted capital deferred tax assets	**—**	—	—
Admitted deferred tax assets	**1,667**	1,417	250
Deferred tax liabilities:			
Ordinary:			
Deferred and uncollected premium	**48**	51	(3)
Policyholder reserves	**2**	15	(13)
Other (including items less than 5% of total ordinary tax liabilities)	**53**	56	(3)
Subtotal	**103**	122	(19)
Capital:			
Other (including items less than 5% of total capital tax liabilities)	**—**	—	—
Subtotal	**—**	$ —	$ —
Deferred tax liabilities	**103**	122	(19)
Net deferred tax assets	**$ 1,564**	$ 1,295	269

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of non-admitted assets as the change in non-admitted assets and the change in net deferred income taxes are reported in separate components of capital and surplus):

	Years Ended December 31,		
(in millions)	**2025**	2024	Change
Total adjusted deferred tax assets	**$ 4,823**	$ 5,520	$ (697)
Total deferred tax liabilities	**103**	122	$ (19)
Net adjusted deferred tax assets	$ 4,720	$ 5,398	$ (678)
Tax effect of unrealized gains (losses)			233
Tax effect on balance sheet only movement			(161)
Change in net deferred income tax			(606)

The provision for incurred federal taxes is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The following table presents the significant items causing this difference:

	December 31, 2025		December 31, 2024		December 31, 2023	
(in millions)	**Amount**	**Effective Tax Rate**	Amount	Effective Tax Rate	Amount	Effective Tax Rate
Income tax expense at applicable rate	**$ (15)**	**$ 21.0 %**	$ 341	21.0 %	$ (16)	21.0 %
Change in valuation adjustment	**73**	**$ (103.8)**	(24)	(1.5)	(120)	154.8
Disregarded entities	**(16)**	**$ 22.4**	(3)	(0.2)	1	(1.2)
Amortization of interest maintenance reserve	**(120)**	**$ 170.5**	(183)	(11.3)	(82)	105.5
Surplus adjustments	**380**	**$ (540.2)**	17	1.1	50	(65.0)
Dividend received deduction	**(23)**	**$ 32.5**	(22)	(1.4)	(26)	33.2
Prior year return true-ups and adjustments	**(37)**	**$ 53.4**	(89)	(5.5)	(84)	108.5
Other permanent adjustments	**(13)**	**$ 19.2**	(27)	(1.6)	(3)	3.8
Change in non-admitted assets	**(12)**	**$ 17.0**	43	2.8	10	(12.7)
LTIP shortfall deduction	**(4)**	**$ 5.1**	(3)	(0.2)	(8)	10.7
Statutory income tax expense (benefit)	**$ 213**	**$ (302.9) %**	**$ 50**	3.2 %	$ (278)	358.6 %
Federal income taxes incurred	**$ (393)**	**$ 558.5 %**	$ 191	11.8 %	$ (222)	286.4 %
Change in net deferred income taxes	**606**	**$ (861.4)**	(141)	(8.6)	(56)	72.2
Total statutory income taxes	**$ 213**	**$ (302.9) %**	$ 50	3.2 %	$ (278)	358.6 %

At December 31, 2025, the Company had no foreign tax credit carryforwards.

At December 31, 2025, the Company had U.S. federal operating loss carryforwards of $70 million generated in 2025 with unlimited carryforward periods.

At December 31, 2025, the Company has the following capital loss carryforwards (in millions).

Year Expires	Amount
2029	$ 268
2030	$ 184
Total	$ 452

At December 31, 2025, the Company had no alternative minimum tax credits.

At December 31, 2025, the Company had no general business credit carryforwards.

At December 31, 2025, the Company had no CAMT credits.

The following table presents income tax incurred that is available for recoupment in the event of future net losses:

(in millions) December 31,	Capital
2023	$ —
2024	—
2025	—
Total	$ —

In general, realization of DTAs depends on a company's ability to generate sufficient taxable income of the appropriate character within the carryforward periods in the jurisdictions in which the net operating losses and deductible temporary differences were incurred. In accordance with the requirements established in SSAP 101, the Company assessed its ability to realize DTAs of $5.1 billion and concluded that $232 million valuation allowance was required at December 31, 2025. The Company had concluded that $159 million valuation allowance was required on the DTAs of $5.7 billion at December 31, 2024.

The Company had no deposits admitted under Internal Revenue Code Section 6603.

The following table presents a reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits, excluding interest and penalties:

	Years Ended December 31,	
(in millions)	**2025**	2024
Gross unrecognized tax benefits at beginning of year	**$ —**	$ 7
Increases in tax position for prior years	**—**	—
Decreases in tax position for prior years	**—**	(7)
Gross unrecognized tax benefits at end of year	**$ —**	$ —

At December 31, 2025 and 2024, the amounts of unrecognized tax benefits that, if recognized, would favorably affect the effective tax rate was $0.2 million.

Interest and penalties related to unrecognized tax benefits are recognized in income tax expense. At December 31, 2025 and 2024, the Company had no accrued liabilities for the payment of interest (net of the federal benefit) and penalties. In 2025 and 2024, the Company did not recognize any expense of interest (net of the federal benefit) and penalties.

The Company regularly evaluates proposed adjustments by taxing authorities. At December 31, 2025, such proposed adjustments would not have resulted in a material change to the Company’s financial condition, although it is possible that the effect could be material to the Company’s results of operations for an individual reporting period. Although it is reasonably possible that a change in the balance of unrecognized tax benefits may occur within the next twelve months, based on the information currently available, the Company does not expect any change to be material to its financial condition.

The Company is currently under IRS examinations for the taxable years 2011-2019 and engaging in the IRS Appeals process in regard to years 2007-2010. Although the final outcome of possible issues raised in any future examination are uncertain, the Company believes that the ultimate liability, including interest, will not materially exceed amounts recorded in the financial statements. The Company's taxable years 2007-2024 remain subject to examination by major tax jurisdictions.

The Company is not subject to the repatriation transition tax for the year ended December 31, 2025.

The Company joined with AGC Life, VALIC, USL and Corebridge Bermuda in filing a consolidated life company federal income tax return.

The Company has a written agreement with AGC Life, under which each subsidiary agrees to pay the parent company an amount equal to the consolidated federal income tax expense multiplied by the ratio that the subsidiary’s separate return tax liability bears to the consolidated tax liability, plus one hundred percent of the excess of the subsidiary’s separate return tax liability over the allocated consolidated tax liability. AGC Life agrees to pay each subsidiary for the

tax benefits, if any, of net operating losses, net capital losses and tax credits which are not usable by the subsidiary but which are used by other members of the consolidated group.

The Company may be charged with a portion of CAMT incurred by the AGC Life consolidated group (or credited with a portion of the consolidated group's CAMT credit utilization).

16. CAPITAL AND SURPLUS

RBC standards are designed to measure the adequacy of an insurer's statutory capital and surplus in relation to the risks inherent in its business. The RBC standards consist of formulas that establish capital requirements relating to asset, insurance, business and interest rate risks. The standards are intended to help identify companies that are under-capitalized, and require specific regulatory actions in the event an insurer's RBC is deficient. The RBC formula develops a risk-adjusted target level of adjusted statutory capital and surplus by applying certain factors to various asset, premium and reserve items. Higher factors are applied to more risky items and lower factors are applied to less risky items. Thus, the target level of statutory surplus varies not only because of the insurer's size, but also on the risk profile of the insurer's operations. At December 31, 2025, the Company exceeded RBC requirements that would require any regulatory action.

The Company is subject to the Texas Insurance Code ("TIC"), which imposes certain restrictions on shareholder dividends. Pursuant to TIC 823.107, the maximum amount of dividends in a 12-month period, measured retrospectively from the date of payment, which can be paid by the Company without prior approval of the Texas Insurance Commissioner (the "Commissioner"), is the greater of (i) 10% of its policyholder surplus as of the end of the immediately preceding calendar year; or (ii) its net gain from operations for the immediately preceding calendar year (excluding realized gains), not including pro rata distributions of such insurance company's own securities. The Company will be permitted to pay a dividend to its shareholder in excess of the greater of such two amounts (i.e., an extraordinary dividend) only if it files notice of the declaration of such an extraordinary dividend and the amount thereof with the Commissioner and the Commissioner either approves the distribution of the extraordinary dividend or does not disapprove the distribution within 30 days of its filing. In addition, any dividend that exceeds earned surplus ("unassigned funds (surplus)") calculated as of the most recent financial information available would require the filing of a notice of an extraordinary dividend with the Commissioner.

The maximum amount, before considering the dividend test discussed below, that would qualify as an ordinary dividend, which would consequently be free from restriction and available for payment of dividends to AGC Life (as immediate parent company), by the Company in 2026 is $1,250 million. The estimated ordinary dividend capacity of the Company is further limited by the fact that the dividend test under Texas insurance law is based on dividends previously paid over a rolling twelve-month period. Consequently, depending on the actual payment dates during 2026, some or all of the dividends estimated to be ordinary may require regulatory approval or non-disapproval. Dividend payments in excess of positive retained earnings are classified and reported as a return of capital.

Dividends are paid as determined by the Board of Directors and are noncumulative. The following table presents the dividends paid by the Company during 2025, 2024 and 2023:

Date	Type	Cash or Non-cash	Amount (in millions)
2025			
March 28, 2025	**Ordinary**	**Cash**	**285**
March 28, 2025	**Extraordinary**	**Cash**	**102**
June 23, 2025	**Extraordinary**	**Cash**	**600**
September 25, 2025	**Ordinary**	**Cash**	**48**
September 25, 2025	**Extraordinary**	**Cash**	**1,272**
December 22, 2025	**Extraordinary**	**Cash**	**1,290**
2024			
June 26, 2024	Extraordinary	Cash	$ 200
September 23, 2024	Extraordinary	Cash	357
September 23, 2024	Ordinary	Cash	193
December 23, 2024	Extraordinary	Cash	408
December 23, 2024	Ordinary	Cash	142
2023			
March 27, 2023	Ordinary	Cash	$ 500
June 20, 2023	Ordinary	Cash	500
September 19, 2023	Ordinary	Cash	500
December 20, 2023	Ordinary	Cash	481
December 20, 2023	Extraordinary	Cash	19

The Company has 8,500 shares of $100 par value cumulative preferred stock authorized and outstanding at December 31, 2025.

The following table summarizes the Company's surplus notes issued and outstanding at December 31, 2025.

(in millions)

1	2	3	4	5	6	7	8
Item Number	Date Issued	Interest Rate	Original Issue Amount of Note	Is Surplus Note Holder a Related Party (Y/N)	Carrying Value of Note Prior Year	Carrying Value of Note Current Year	Unapproved Interest And/ Or Principal
1	10/28/2024	5.725%	$ 500	YES	$ 500	$ 500	$ —

1	9	10	11	12	13	14
Item Number	Current Year Interest Expense Recognized	Life-To-Date Interest Expense Recognized	Current Year Interest Offset Percentage (not including amounts paid to a 3rd party liquidity provider)	Current Year Principal paid	Life-To-Date Principal Paid	Date To Maturity
1	$ 29	$ 34	$ —	$ —	$ —	10/28/2027

1	15	16	17	18	19
Item Number	Are Surplus Note Payments contractually Linked? (Y/N)	Were Surplus Note proceeds used to purchase an asset directly from the holder of the surplus note? (Y/N)	Were Surplus Note proceeds used to purchase an asset directly from the holder of the surplus note? (Y/N)	Is Asset Issuer a Related Party(Y/N)	Type of Assets Received Upon Issuance
1	NO	NO	NO	YES	N/A

1	20	21	22
Item Number	Principal Amount of Amounts Received under Issuance	Book/Adjusted Carry Value of Asset	Is Liquidity Source a Related Party to the Surplus Note Issuer? (Y/N)
1	N/A	N/A	NO

On October 28, 2024, the Company and its affiliate, USL, executed a Surplus Note Agreement, the form of which was previously approved by the TDI, pursuant to which USL purchased a $500 million surplus note issued by the Company with cash. The surplus note pays interest of 5.725% per annum and has a maturity date of October 28, 2027.

The surplus notes are subordinate in right of payment to the claims of policyholders, claimants and beneficiaries and to all other classes of creditors.

17. RETIREMENT AND SHARE-BASED AND DEFERRED COMPENSATION

The Company does not directly sponsor any defined benefit or defined contribution plans and does not participate in any multi-employer plans.

Employee Retirement and Postretirement Benefit Plans

Corebridge provides post-employment medical and life benefits for certain retired employees. The Company receives an allocation of the Company's share of expenses based on estimated claims less contributions from participants.

The following table presents information about employee-related costs (expense credits):

	Years Ended December 31,		
(in millions)	**2025**	2024	2023
Defined benefit plans	**$ —**	$ —	$ 7
Postretirement medical and life insurance plans	**1**	—	—
Total	**$ 1**	$ —	$ 7

Defined Contribution Plan

The Company's employees participate in the Corebridge Financial Inc. Retirement Savings 401(k) Plan ("401(k) plan"), a qualified defined contribution plan that provides for pre-tax salary contributions by its US employees, as well as an employer contribution. The 401(k) plan provides pre-tax salary reduction contributions by its U.S. employees. Employer matching contributions of 100 percent are made on the first six percent of participant contributions, subject to IRS-imposed limitations, and an additional fully vested, non-elective, non-discretionary employer contribution equal to three percent of the participant's annual base compensation for the plan year, paid each pay period regardless of whether the participant currently contributes to the plan, and subject to the IRS-imposed limitations. The Company's pre-tax expense associated with this plan was $27 million, $26 million and $23 million in 2025, 2024 and 2023, respectively.

Share-based and Deferred Compensation Plans

The Company's employees participate in several stock compensation programs under the Corebridge Financial, Inc. Long-term Incentive Plan (each as applicable, the "LTIP"), which are governed by the Corebridge Financial, Inc. 2022 Omnibus Incentive Plan, as amended and restated on February 16, 2023, (the "2022 Plan", together with the LTIP, the "Corebridge Plans"). Corebridge's LTIP provides for an annual award to certain employees, including senior executive officers and other highly compensated employees, that may comprise a combination of one or more of the following units: performance share units ("PSUs"), restricted stock units ("RSUs") or stock options.PSUs are earned based on Corebridge achieving specified performance goals at the end of a three-year performance period. RSUs and stock options are earned based solely on continued service by the participant and vesting occurs in three equal installments on the first, second and third anniversaries of the grant date.

The Company recognized compensation expenses of $33 million, $26 million and $23 million for the years ending December 31, 2025, 2024 and 2023, respectively, on the grant date of the awards.

18. DEBT

The Company is a member of the Federal Home Loan Bank ("FHLB") of Dallas. Membership with the FHLB provides the Company with collateralized borrowing opportunities, primarily as an additional source of liquidity or for other uses deemed appropriate by management. The Company's ownership in the FHLB stock is reported as common stock. Pursuant to the membership terms, the Company elected to pledge such stock to the FHLB as collateral for the Company's obligations under agreements entered into with the FHLB.

Cash advances obtained from the FHLB are reported in and accounted for as borrowed money. The Company may periodically obtain cash advances on a same-day basis, up to a limit determined by management and applicable laws.

The Company is required to pledge certain mortgage-backed securities, government and agency securities and other qualifying assets to secure advances obtained from the FHLB. To provide adequate collateral for potential advances, the Company has pledged securities to the FHLB in excess of outstanding borrowings. Upon any event of default by the Company, the recovery by the FHLB would generally be limited to the amount of the Company's liability under advances borrowed. The Company's net borrowing capacity at December 31, 2025 is $3.9 billion.

The following table presents the aggregate carrying value of stock held with the FHLB of Dallas and the classification of the stock:

	December 31,	
(in millions)	**2025**	2024
Membership stock - Class B	**$ 7**	$ 7
Activity stock	**181**	181
Excess stock	**32**	20
Total	**$ 220**	$ 208
Actual or estimated borrowing capacity as determined by the insurer	**$ 8,325**	$ 6,132

The Company did not hold any Class A at December 31, 2025 or 2024.

The following table presents the amount of collateral pledged, including FHLB common stock held, to secure advances from the FHLB:

	December 31, 2025		December 31, 2024	
(in millions)	**Amortized Cost**	**Fair Value**	Amortized Cost	Fair Value
Amount pledged	**$ 9,568**	**$ 9,274**	$ 6,649	$ 5,939
Maximum amount pledged during reporting period	**9,568**	**9,274**	6,893	6,211

The Company's borrowing capacity determined quarterly based upon the borrowing limit imposed by statute in the state of domicile.

The following table presents the outstanding funding agreements and maximum borrowings from the FHLB:

	December 31,	
(in millions)	**2025**	2024
Amount outstanding	**$ 4,423**	$ 4,423
Maximum amount borrowed during reporting period	**$ 4,423**	$ 4,475

While the funding agreements are presented herein to show all amounts received from FHLB, the funding agreements are treated as deposit-type contracts, consistent with the other funding agreements for which the Company's intent is to earn a spread and not to fund operations. The Company had no debt outstanding with the FHLB at December 31, 2025 or 2024.

The following table reflects the principal amounts of the funding agreements issued to the FHLB:

(in millions)

Funding Agreements	Date Issued	Amounts
10-year floating rate	February 15, 2018	$ 1,148
10-year floating rate	February 15, 2018	1,277
10-year floating rate	February 15, 2018	175
10-year floating rate	February 6, 2018	87
10-year floating rate	January 25, 2018	31
10-year floating rate	January 31, 2017	67
10-year floating rate	January 12, 2017	57
10-year floating rate	June 14, 2016	254
5-year fixed rate	August 25, 2022	300
5-year fixed rate	March 01, 2023	506
5-year fixed rate	September 12, 2023	521

19. COMMITMENTS AND CONTINGENCIES

Commitments

The Company had commitments to provide funding to various limited partnerships totaling $2.9 billion at December 31, 2025 and $2.4 billion at December 31, 2024. The commitments to invest in limited partnerships and other funds may be called at the discretion of each fund, as needed and subject to the provisions of such fund's governing documents, for funding new investments, follow-on investments and/or fees and other expenses of the fund.

At December 31, 2025 and 2024, the Company had $1.7 billion and $2.1 billion, respectively, of outstanding commitments related to various funding obligations associated with its investments in commercial mortgage loans.

The Company has various long-term, noncancelable operating leases, primarily for office space and equipment, which expire at various dates over the next several years. At December 31, 2025, the future minimum lease payments under the operating leases are as follows:

(in millions)	
2026	$ 13
2027	10
2028	10
2029	8
2030	8
Thereafter	40
Total	$ 89

Rent expense was $12 million, $16 million and $15 million in 2025, 2024 and 2023, respectively.

Contingencies

Legal Matters

The Company continues to defend against *Moriarty v. American General Life Insurance Co*. (S.D. Cal.), a putative class action involving Sections 10113.71 and 10113.72 of the California Insurance Code, which was instituted against the Company on July 18, 2017 in state court. The Company removed the matter to federal court on August 23, 2017. In general, those statutes require that for life-insurance policies issued and delivered in California: (1) the policy must contain a 60-day grace period following non-payment of premium during which the policy remains in force; (2) the insurer must provide a 30-day pre-lapse notice; and (3) the insurer must notify policy owners of the right to designate a secondary recipient for lapse notices. The plaintiff contends the Company did not comply with these requirements for a policy issued before these statutes went into effect. The plaintiff seeks damages and other relief. The Company asserts various defenses to the plaintiff's claims and to class certification. In 2022, the District Court held that a trial was necessary to determine whether the Company was liable on the plaintiff's breach of contract claim. Also in 2022, the District Court denied class certification and granted partial summary judgment for the Company on the plaintiff's claim for breach of the implied covenant of good faith and fair dealing. In 2023, the case was reassigned to a new judge, who remanded the plaintiff's claim for injunctive relief under California's Unfair Competition Law (UCL) back to state court, and that action has been stayed ever since. The judge also granted the plaintiff's motion for summary judgment on the plaintiff's breach of contract claim and decided that good cause existed to allow the plaintiff to file a third motion for class certification. The Company appealed the 2023 summary-judgment decision to the Ninth Circuit.

While the *Moriarty* appeal was pending, the Ninth Circuit issued a published decision in *Small v. Allianz Life Insurance Co. of North America*, a related case presenting a substantially identical issue. The Ninth Circuit's decision in Small squarely rejected the theory that the plaintiffs had advanced in that case and in Moriarty and embraced the argument, made by insurers, that any policyholder or beneficiary suing based on alleged breaches of Sections 10113.71 and 10113.72 must prove that the breaches actually caused them harm, for instance by resulting in missed payments or the lapse of the policy. On March 4, 2025, the panel in Moriarty issued a memorandum disposition without hearing oral argument, vacating the District Court's 2023 summary-judgment order and remanding for further proceedings. The panel's short opinion principally relies on the Ninth Circuit's decision in Small. The Moriarty panel also denied the plaintiff's request to certify a question to the California Supreme Court. In both Small and Moriarty, the Ninth Circuit denied the plaintiffs' petitions for rehearing, and the U.S. Supreme Court denied the plaintiffs' petition for a writ of certiorari on June 30, 2025. The Moriarty case thus returned to the District Court.

After returning to the District Court, the District Court entered an order on September 3, 2025, remanding the plaintiff's claim for restitution under the UCL to state court. As a result, the plaintiff's UCL claim is fully in state court and still subject to a stay pending resolution of the federal case. The plaintiff subsequently moved to lift the stay in state court, but the state court denied that motion on December 12, 2025. The plaintiff also moved to give notice to former putative class members of the denial of class certification; that motion was denied by the District Court on December 18, 2025.

On January 12, 2026, a jury trial began in the District Court on the plaintiff's individual breach of contract claim. The jury rendered a verdict for the plaintiff on January 13, 2026, and the District Court is expected to enter a final judgment awarding the plaintiff the benefits of the policy (approximately $1 million), plus interest. The Company is evaluating its options for post-trial motions and/or another appeal to the Ninth Circuit. The plaintiff may move to lift the stay of state-court proceedings under the UCL upon the resolution of the federal case.

The Company is also defending other actions in California involving similar issues. *Gevorgyan v. American General Life Insurance Co.* (C.D. Cal.) was filed in state court on January 17, 2025, and removed to federal court on March 27, 2025. Delgado v. American General Life Insurance Co. (C.D. Cal.) was filed in federal court on March 7, 2025. Rocklage v. American General Life Insurance Co. (N.D. Cal.) was filed in state court on April 21, 2025 and removed to federal court on May 30, 2025. Eisenberg v. American General Life Insurance Co. (C.D. Cal.) was filed in state court on September 2, 2025, and removed to federal court on November 14, 2025. People of the State of California v. American General Life Insurance Co., et al. (Cal. Superior Court, San Diego County) was filed on October 17, 2024, against the Company, Lincoln Benefit Life Co., Everlake Life Insurance Co., and Transamerica Life Insurance Co., seeking civil penalties and equitable relief under California Business & Professions Code §§ 17200 et seq. On January 27, 2025, the Company filed a demurrer to the complaint. That demurrer was heard on July 10, 2025. The trial court sustained the Company's demurrer as to misjoinder on August 25, 2025, but granted leave to amend. The plaintiff filed an Amended Complaint on September 11, 2025, and the Company filed an answer to that pleading on October 14, 2025.

These cases are in the early stages, and the Company expects their progress will be influenced by future developments in Moriarty and cases against other insurers involving the same insurance statutes. The Company has accrued its current estimate of probable loss with respect to these litigation matters.

Various other lawsuits against the Company have arisen in the ordinary course of business. The Company believes it is unlikely that contingent liabilities arising from such lawsuits will have a material adverse effect on the Company's financial position, results of operations or cash flows.

Regulatory Matters

Various federal, state or other regulatory agencies may from time to time review, examine or inquire into the operations, practices and procedures of the Company, such as through financial examinations, subpoenas, investigations, market conduct exams or other regulatory inquiries. Based on the current status of pending regulatory examinations, investigations and inquiries involving the Company, the Company believes it is not likely that these regulatory examinations, investigations or inquiries will have a material adverse effect on the financial position, results of operations or cash flows of the Company.

Other Contingencies

All fifty states and the District of Columbia have laws requiring solvent life insurance companies, through participation in guaranty associations, to pay assessments to protect the interests of policyholders of insolvent life insurance companies. These state insurance guaranty associations generally levy assessments, up to prescribed limits, on member insurers in a particular state based on the proportionate share of the premiums written by member insurers in the lines of business in which the impaired, insolvent or failed insurer is engaged. Such assessments are used to pay certain contractual insurance benefits owed pursuant to insurance policies issued by impaired, insolvent or failed insurers. Some states permit member insurers to recover assessments paid through full or partial premium tax offsets. The Company accrues liabilities for guaranty fund assessments ("GFA") when an assessment is probable and can be reasonably estimated. The Company estimates the liability using the latest information available from the National Organization of Life and Health Insurance Guaranty Associations. While the Company cannot predict the amount and timing of any future GFA, the Company has established reserves it believes are adequate for assessments relating to insurance companies that are currently subject to insolvency proceedings.

The Company accrued $35 million and $39 million for GFA at December 31, 2025 and 2024, respectively. The Company has recorded receivables of $73 million and $73 million at December 31, 2025 and 2024, respectively, for expected recoveries against the payment of future premium taxes.

During 1997 and 1998, the Company participated in a workers' compensation underwriting pool with a third party insurance company. Both companies share equally in the pool. Collectively, the workers' compensation business is assumed from over 50 ceding companies and retro-ceded to 15 programs. The business covers risks primarily from the 1997 and 1998 underwriting years but also includes risk from the 1996 underwriting year. There were no reinsurance recoverables on claim liabilities and reserves included in these financial statements related to the workers' compensation business at both December 31, 2025 and 2024. While not included in these statutory financial statements, the Company is contingently liable for losses incurred by its 50 percent pool participant should that third party become insolvent or otherwise unable to meet its obligations under the pool agreement.

At December 31, 2025 and 2024, the Company had admitted assets of $13 million and $49 million, respectively, in premiums receivable due from policyholders (or agents). The Company routinely evaluates the collectability of these receivables. Based upon Company experience, the potential for any loss is not believed to be material to the Company's financial condition.

The Company did not receive any business interruption insurance recoveries during the periods covered by this report.

20. RELATED PARTY TRANSACTIONS

Affiliate Transactions

Corebridge Life Holdings has issued promissory notes to the Company in exchange for cash. The promissory notes were supported by guarantees issued by Corebridge for the benefit of the Company. The TDI issued letters allowing the Company to record the total amounts due under the promissory notes as admitted assets subject to certain conditions and in accordance with applicable provisions of SSAP No. 25. Details of the promissory notes are as follows.

Effective Date	Maturity Date	Interest Rate	Amount
January 2, 2024	January 2, 2029	5.314%	$ 200,000,000
January 2, 2025	January 2, 2030	5.178%	150,000,000
March 14, 2025	March 14, 2032	5.350%	250,000,000
October 17, 2025	October 17, 2035	5.140%	200,000,000

On October 28, 2024, the Company and its affiliate, USL, executed a Surplus Note Agreement, the form of which was previously approved by the TDI, pursuant to which USL purchased a $500 million surplus note issued by the Company. The surplus note pays interest of 5.725% per annum and has a maturity date of October 28, 2027.

See Note 14 for details of affiliate reinsurance transactions.

During the year ended December 31, 2025, the Company purchased and sold securities, at fair market value, from or to one or more of its affiliates in the ordinary course of business.

In 2018, AGLIC Investments Bermuda Limited, a Bermuda corporation (“AGLIC Bermuda”) was formed by the Company as an investment subsidiary under Texas Insurance Code Section 823.255. The Company made capital contributions of $2 million and $11 million in 2024 and 2023, respectively. AGLIC Bermuda made distributions to the Company of $0 million in 2024 and $738 million in 2023. Effective May 10, 2024, AGLIC Bermuda was dissolved.

At December 31, 2025, the Company’s unfunded capital commitment to US Fund I, US Fund II, US Fund III, US Fund IV, US Fund V, Europe Fund I and Europe Fund II (which are managed by an affiliate) were approximately $84.3 million, $71.2 million, $48.0 million, $67.7 million, $175 million, $52.5 million and $46.3 million respectively.

At December 31, 2024, the Company’s unfunded capital commitment to US Fund I, US Fund II, US Fund III, US Fund IV, Europe Fund I and Europe Fund II (which are managed by an affiliate) were approximately $86.4 million, $71.2 million, $61.3 million, $105.6 million, $48.9 million and $55.9 million respectively.

Financing Agreements

The Company and certain of its affiliates have a revolving loan facility with Corebridge, pursuant to which the Company and each such affiliate can, on a several basis, borrow monies from Corebridge (as lender) subject to the terms and conditions stated therein. Principal amounts borrowed under this facility may be repaid and re-borrowed, in whole or in part, from time to time, without penalty. However, the total aggregate amount of loans borrowed by all borrowers under the facility cannot exceed $500 million. The loan facility also sets forth individual borrowing limits for each borrower, with the Company’s maximum borrowing limit being $500 million.

At both December 31, 2025 and 2024, the Company did not have a balance outstanding under this facility.

Cut-Through Agreement

The Company and Corebridge Bermuda entered into a Cut-through Agreement in which insureds, their beneficiaries and owners were granted a direct right of action against the Company in the event Corebridge Bermuda becomes insolvent or otherwise cannot or refuses to perform its obligations under certain life insurance policies issued by Corebridge Bermuda. The Cut-through Agreement was approved by the TDI. The amount of the retained liability on Corebridge Bermuda’s books related to this agreement was approximately $245 thousand and $280 thousand for the years ending December 31, 2025 and 2024, respectively. The Company believes the probability of loss under this agreement is remote. No liability has been recognized in relation to this guarantee due to immateriality.

Investments in Subsidiary, Controlled and Affiliated Entities

The following table presents information regarding the Company's investments in non-insurance SCA entities as of December 31, 2025:

(in millions)	Gross Amount	Non-admitted Amount	Admitted Asset Amount	Date of NAIC Filing
AGL LOAN INVESTMENTS CORPORATION	25	—	25	NA
AGL Alternative Holdings, LLC	770	—	770	NA
Freshwater RTC Holdings LLC	—	—	—	NA
SA Affordable Housing LLC	65	—	65	NA
SunAmerica Asset Management LLC	24	—	24	NA
Corebridge Commercial Real Estate Lending Holdings, LLC	—	—	—	NA
Kite Stratford Owner, LLC	25	—	25	NA
Corebridge U.S. Real Estate Fund V (A), LP	(2)	—	(2)	NA
GRE LB Industrial Joint Venture II, LP	29	—	29	NA
Corebridge Europe Real Estate Fund II LR Feeder, LLC	134	—	134	NA
Bayshore PII Company LLC	9	—	9	NA
Corebridge U.S. Real Estate Fund IV Development Sidecar LP	66	—	66	NA
Corebridge U.S. Real Estate Fund III, LP	78	—	78	NA
Corebridge U.S. Real Estate Fund IV, LP	167	—	167	NA
Corebridge Europe Real Estate Fund I S.C.SP	12	—	12	NA
Bayshore Shopping Center JV LLC	12	—	12	NA
Corebridge U.S. Real Estate Fund II, LP	52	—	52	NA
Corebridge REI LB Southeast Industrial Joint Venture, LP.	71	—	71	NA
Corebridge U.S. Real Estate Fund I, LP	(30)	—	(30)	NA
Branch Retail Partners II, LP.	(2)	—	(2)	NA
Corebridge Bartlett Investor II LLC.	1	—	1	NA
Corebridge Papermill Investor II LLC.	1	—	1	NA
Corebridge U.S. LT Apartments JV, LP.	29	—	29	NA
COREBRIDGE DIRECT - SER B	3	3	—	NA
COREBRIDGE DIRECT - SER A	3	3	—	NA
COREBRIDGE DIRECT - NON VOTING	1	1	—	NA
AMERICAN GEN ANN SVC CORP	—	—	—	NA
UG Corp COM	—	—	—	NA
Total	$ 1,543	$ 7	$ 1,536	

The following table presents information regarding the Company's investments in non-insurance SCA entities as of December 31, 2024:

(in millions)	Gross Amount	Non-admitted Amount	Admitted Asset Amount	Date of NAIC Filing
AGL Loan Investments Corporation	$ 24	$ —	$ 24	NA
Corebridge Direct - SER B	2	2	—	NA
Corebridge Direct - SER A	2	2	—	NA
Corebridge Direct - Non Voting	1	1	—	NA
American Gen Annuity Svc Corp	—	—	—	NA
UG Corp Com	—	—	—	NA
AGL Alternative Holdings, LLC	266	—	266	NA
Freshwater RTC Holdings LLC	(2)	—	(2)	NA
SA Affordable Housing LLC	220	—	220	NA
SunAmerica Asset Management LLC	21	—	21	NA
Corebridge Commercial Real Estate Lending Holdings, LLC	—	—	—	NA
SunAmerica Investors 3, LP (Whitehouse Hotel LP)	65	—	65	NA
Kite Stratford Owner, LLC	32	—	32	NA
GRE LB Industrial Joint Venture II, LP	32	—	32	NA
Corebridge Europe Real Estate Fund II LR Feeder, LLC	108	—	108	NA
Bayshore PII Company LLC	10	—	10	NA
Corebridge U.S. Real Estate Fund IV Development Sidecar LP	61	—	61	NA
Corebridge U.S. Real Estate Fund III, LP	104	—	104	NA
Corebridge U.S. Real Estate Fund IV, LP	190	—	190	NA
Touchdown MGP, LLC (Varagon Wildfire Direct Management MGP, LLC)	—	—	—	NA
Corebridge Europe Real Estate Fund I S.C.SP	11	—	11	NA
Bayshore Shopping Center JV LLC	21	—	21	NA
Corebridge U.S. Real Estate Fund II, LP	74	—	74	NA
Corebridge REI LB Southeast Industrial Joint Venture, LP.	70	—	70	NA
Corebridge U.S. Real Estate Fund I, LP	(26)	—	(26)	NA
Branch Retail Partners II, LP	(3)	—	(3)	NA
Corebridge Bartlett Investor II LLC	1	—	1	NA
Corebridge Papermill Investor II LLC	1	—	1	NA
Corebridge U.S. LT Apartments JV, LP	29	—	29	NA
Total	$ 1,314	$ 5	$ 1,309	

Operating Agreements

The Company had investments in a Liquidity Pool in which funds were managed by an affiliate, Corebridge Institutional Investments, LLC (formerly known as AIG Asset Management (U.S.), LLC), in the amount of $856 million at December 31, 2023.

Pursuant to service and expense agreements, Corebridge and affiliates provide, or cause to be provided, administrative, marketing, investment management, accounting, occupancy, and data processing services to the Company. The allocation of costs for services is based generally on estimated levels of usage, transactions or time incurred in providing the respective services. Generally, these agreements provide for the allocation of costs upon either the specific identification basis or a proportional cost allocation basis which management believes to be reasonable. In all cases, billed amounts pursuant to these agreements do not exceed the cost to Corebridge or the affiliate providing the

service. The Company was charged $39 million, $44 million and $48 million under such agreements in 2025, 2024 and 2023, respectively.

Pursuant to an amended and restated investment advisory agreement, the majority of the Company's invested assets are managed by an affiliate. The investment management fees incurred were $129 million in 2025, $110 million in 2024 and $119 million in 2023.

The majority of the Company's Swap agreements are entered into with an affiliated counterparty, Corebridge Markets, Inc. (See Note 7).

American Home and National Union Guarantees

The Company has a General Guarantee Agreement with American Home Assurance Company ("American Home"), an indirect wholly owned subsidiary of AIG. Pursuant to the terms of this agreement, American Home has unconditionally and irrevocably guaranteed insurance policies the Company issued between March 3, 2003 and December 29, 2006.

The Company, as successor-in-interest to American General Life and Accident Insurance Company ("AGLA") has a General Guarantee Agreement with American Home. Pursuant to the terms of this agreement, American Home has unconditionally and irrevocably guaranteed policies of insurance issued by AGLA between March 3, 2003 and September 30, 2010.

The Company, as successor-in-interest to SunAmerica Annuity and Life Assurance Company ("SAAL") and SunAmerica Life Insurance Company ("SALIC") has a General Guarantee Agreement with American Home. Pursuant to the terms of this agreement, American Home has unconditionally and irrevocably guaranteed policies of insurance issued by SAAL and SALIC between January 4, 1999 and December 29, 2006.

The Company, as successor-in-interest to American General Life Insurance Company of Delaware, formerly known as AIG Life Insurance Company ("AIG Life"), has a General Guarantee Agreement with National Union Fire Insurance Company of Pittsburg, Pa. ("National Union"), an indirect wholly owned subsidiary of AIG. Pursuant to the terms of this agreement, National Union has unconditionally and irrevocably guaranteed insurance policies issued by AIG Life Holding, Inc. between July 13, 1998 and April 30, 2010.

Other

The Company engages in structured settlement transactions, certain of which involve affiliated property and casualty insurance companies that are subsidiaries of AIG. In a structured settlement arrangement, a property and casualty insurance policy claimant has agreed to settle a casualty insurance claim in exchange for fixed payments over either a fixed determinable period of time or a life contingent period. In such claim settlement arrangements, a casualty insurance claim payment provides the funding for the purchase of a single premium immediate annuity issued by the Company for the ultimate benefit of the claimant. In certain structured settlement arrangements, the affiliated property and casualty insurance company remains contingently liable for the payments to the claimant.

21. SUBSEQUENT EVENTS

Management considers events or transactions that occur after the reporting date, but before the financial statements are issued to provide additional evidence relative to certain estimates or to identify matters that require additional disclosures. The Company has evaluated subsequent events through March 20, 2026, the date the financial statements were issued.

On January 1, 2026, the Company sold all of the outstanding membership interests in SunAmerica Asset Management, LLC ("SAAMCo") to Venerable Holdings, Inc., a Delaware corporation ("Venerable"). Immediately prior to the SAAMCo sale closing, 100% of the shares of its subsidiary Corebridge Capital Services, Inc. were transferred to the Company.

Supplemental Information

The accompanying supplemental schedules and interrogatories present selected statutory financial data as of December 31, 2025 and for the year then ended for purposes of complying with the National Association of Insurance Commissioners' Annual Statement Instructions and the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual. They agree to or are included in the amounts reported in the Company's 2025 Statutory Annual Statement as filed with the Texas Department of Insurance. Captions not presented as not applicable to the Company.

AMERICAN GENERAL LIFE INSURANCE COMPANY
SUPPLEMENTAL SCHEDULE OF SELECTED FINANCIAL DATA

(in millions)		December 31, 2025
Investment income earned:		
Government bonds	$	16
Other bonds (unaffiliated)		6,524
Bonds of affiliates		30
Preferred stocks (unaffiliated)		10
Common stocks (unaffiliated)		12
Common stocks of affiliates		4
Cash and short-term investments		97
Mortgage loans		2,067
Real estate		15
Contract loans		67
Other invested assets		427
Derivative instruments		(607)
Miscellaneous income		9
Gross investment income	$	8,671
Real estate owned - book value less encumbrances	$	85
Mortgage loans - book value:		
Commercial mortgages	$	25,795
Residential mortgages		11,082
Mezzanine loans		952
Farm Loans		486
Total mortgage loans	$	38,315
Mortgage loans by standing - book value:		
Good standing	$	37,242
Good standing with restructured terms		593
Greater than 90 days delinquent		—
Interest overdue more than 90 days, not in foreclosure		34
Foreclosure in process		88
Total mortgage loans	$	37,957
Partnerships - statement value	$	6,965
Bonds and stocks of parents, subsidiaries and affiliates - statement value:		
Bonds	$	800
Common stocks		2,584
Bonds, short-term and cash equivalent bond investments by class and maturity:		
Bonds, short-term and cash equivalent bond investments by maturity - statement value:		
Due within one year or less	$	6,293
Over 1 year through 5 years		34,639
Over 5 years through 10 years		33,343
Over 10 years through 20 years		23,416
Over 20 years		25,410
Total maturity	$	123,101
Bonds, short-term and cash equivalent bond investments by class - statement value:		
Class 1	$	70,073
Class 2		46,876
Class 3		3,528
Class 4		2,062
Class 5		437
Class 6		125
Total by class	$	123,101
Total bonds, short-term and cash equivalent bond investments publicly traded		43,722
Total bonds, short-term and cash equivalent bond investments privately traded		79,379
Preferred stocks - statement value	$	280
Common stocks - market value		2,802
Short-term investments - book value		27
Cash equivalents - book value		432
Options, caps and floors owned - statement value		3,136
Collar, swap and forward agreements open - statement value		(733)
Futures contracts open - current value		(6)
Cash on deposit		552

AMERICAN GENERAL LIFE INSURANCE COMPANY
SUPPLEMENTAL SCHEDULE OF SELECTED FINANCIAL DATA - (Continued)

(in millions)		December 31, 2025
Life insurance in-force:		
Industrial	$	662
Ordinary		92,268
Credit		—
Group		4,321
Amount of accidental death insurance in-force under ordinary policies		4,271
Life insurance policies with disability provisions in-force:		
Industrial		190
Ordinary		35,491
Group life		29
Supplementary contracts in-force:		
Ordinary - not involving life contingencies:		
Amount on deposit		425
Income payable		217
Ordinary - involving life contingencies:		
Amount on deposit		364
Income payable		80
Group - not involving life contingencies:		
Amount on deposit		—
Annuities:		
Ordinary:		
Immediate - amount of income payable	$	1,450
Deferred, fully paid - account balance		89,238
Deferred, not fully paid - account balance		39,229
Group:		
Amount of income payable		766
Fully paid - account balance		554
Not fully paid - account balance		14,788
Accident and health insurance - premiums in-force:		
Other	$	54
Group		—
Credit		—
Deposit funds and dividend accumulations:		
Deposit funds - account balance	$	17,185
Dividend accumulations - account balance		453
Claim payments in 2025		
Group accident & health:		
2025	$	—
2024		—
2023		3
2022		—
2021		—
Prior		178
Other accident & health:		
2025		9
2024		1
2023		14
2022		1
2021		(79)
Prior		348

AMERICAN GENERAL LIFE INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES
DECEMBER 31, 2025

(in millions)

1. The Company's total admitted assets as of December 31, 2025 are $270.0 billion.

The Company's total admitted assets, excluding separate accounts, as of December 31, 2025 are $186.8 billion.

2. Following are the 10 largest exposures to a single issuer/borrower/investment, by investment category, excluding: (i) U.S. Government, U.S. Government agency securities and those U.S. Government money market funds listed in the Appendix to the IAO Practices and Procedures Manual as exempt, (ii) property occupied by the Company, and (iii) policy loans:

	Issuer	Description of Exposure	Amount	Percentage of Total Admitted Assets
a.	Carlyle Group	OIA	$ 1,465	0.80 %
b.	Senior Direct Lending Program LLC	BONDS	1,143	0.60
c.	Corebridge Global Real Estate Investment Corp	OIA	622	0.30
d.	Rogers Communications, Inc.	BONDS	539	0.30
e.	Exelon Corporation	BONDS	519	0.30
f.	BLACKSTONE GROUP	OIA	476	0.30
g.	Southern Company	BONDS	471	0.30
h.	Duke Energy Corporation	BONDS	419	0.20
i.	Sempra Energy	BONDS	417	0.20
j.	Cliffwater Corporate Lending Fund	BONDS	411	0.20

3. The Company's total admitted assets held in bonds and preferred stocks, by NAIC rating, are:

Bonds and Short-Term Investments			Preferred Stocks		
NAIC Rating	Amount	Percentage of Total Admitted Assets	NAIC Rating	Amount	Percentage of Total Admitted Assets
NAIC - 1	$ 70,073	37.50 %	P/RP - 1	$ 270	0.10 %
NAIC - 2	46,876	25.10	P/RP - 2	4	—
NAIC - 3	3,528	1.90	P/RP - 3	5	—
NAIC - 4	2,062	1.10	P/RP - 4	—	—
NAIC - 5	437	0.20	P/RP - 5	1	—
NAIC - 6	126	0.10	P/RP - 6	—	—

4. Assets held in foreign investments:

		Amount	Percentage of Total Admitted Assets
a.	Total admitted assets held in foreign investments	$ 32,498	17.40 %
b.	Foreign currency denominated investments	16,576	8.90
c.	Insurance liabilities denominated in that same foreign currency	—	—

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

		Amount	Percentage of Total Admitted Assets
a.	Countries rated NAIC - 1	$ 30,330	16.20 %
b.	Countries rated NAIC - 2	1,652	0.90
c.	Countries rated NAIC - 3 or below	516	0.30

(in millions)

6. Two largest foreign investment exposures to a single country, categorized by the country's NAIC sovereign rating:

	Amount	Percentage of Total Admitted Assets
a. Countries rated NAIC - 1		
Country 1: United Kingdom	$ 8,718	4.70 %
Country 2: Cayman Islands	3,413	1.80
b. Countries rated NAIC - 2		
Country 1: Mexico	512	0.30
Country 2: Indonesia	209	0.10
c. Countries rated NAIC - 3 or below		
Country 1: Colombia	156	0.10
Country 2: Dominican Republic	76	—

7. Aggregate unhedged foreign currency exposure:

	Amount	Percentage of Total Admitted Assets
Aggregate unhedged foreign currency exposure	$ 16,576	8.90 %

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

	Amount	Percentage of Total Admitted Assets
a. Countries rated NAIC - 1	$ 16,552	8.90 %
b. Countries rated NAIC - 2	22	—
c. Countries rated NAIC - 3 or below	2	—

9. Two largest unhedged foreign currency exposures to a single country, categorized by the country's NAIC sovereign rating:

	Amount	Percentage of Total Admitted Assets
a. Countries rated NAIC - 1		
Country 1: United Kingdom	$ 6,734	3.60 %
Country 2: Ireland	2,744	1.50
b. Countries rated NAIC - 2		
Country 1: Italy	19	—
Country 2: Peru	3	—
c. Countries rated NAIC - 3 or below		
Country 1: Brazil	2	—
Country 2:	—	—

(in millions)

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

		NAIC Rating	Amount	Percentage of Total Admitted Assets
a.	Scotland Gas Networks, plc	NAIC 1 - Bonds	$ 305	0.20 %
b.	5555267	MORTGAGE LOAN	295	0.20
c.	Carlyle Group	Other invested Assest	285	0.20
d.	5555184	MORTGAGE LOAN	269	0.10
e.	EnBW Energie Baden-Wuerttemberg AG	NAIC 1 - Bonds	260	0.10
f.	HSBC Holdings plc	NAIC 1 - Bonds	243	0.10
g.	Greensaif Pipelines Bidco Sarl	NAIC 1 - Bonds	243	0.10
h.	Silver (BREDS)	Other invested Assest	242	0.10
i.	5555187	MORTGAGE LOAN	235	0.10
j.	5555261	MORTGAGE LOAN	235	0.10

11. Assets held in Canadian investments are less than 2.5 percent of the reporting entity's total admitted assets.

12. Assets held in contractual sales restrictions :

	Amount	Percentage of Total Admitted Assets
Aggregate statement value of investments with contractual sales restrictions	$ 7,632	4.10 %
Largest investment with contractual sales restrictions		
a. COMCAST CORPORATION	$ 164	0.10
b. MORGAN STANLEY	133	0.10
c. PEPSICO, INC.	118	0.10

13. The Company's admitted assets held in the ten largest equity interests (including investments in the shares of mutual funds, preferred stocks, publicly traded equity securities, and other equity securities and excluding money market and bond mutual funds listed in the Appendix to the SVO Practices and Procedures Manual as exempt or Class 1) are:

		Amount	Percentage of Total Admitted Assets
a.	Carlyle Group	$ 1,218	0.70 %
b.	Federal Home Loan Banks	220	0.10
c.	GENERAL ATLANTIC	196	0.10
d.	THOMA BRAVO LLC	142	0.10
e.	BLACKSTONE GROUP	132	0.10
f.	LS Power Equity Partners	111	0.10
g.	TEACHERS INSURANCE AND ANNUITY	107	0.10
h.	CBPE Capital	100	0.10
i.	Inflexion Private Equity Partners LLP	100	0.10
j.	Nationwide Mutual Insurance Co	97	0.10

AMERICAN GENERAL LIFE INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)
DECEMBER 31, 2025

(in millions)

14. Assets held in nonaffiliated, privately placed equities:

	Amount	Percentage of Total Admitted Assets
Aggregate statement value of investment held in nonaffiliated, privately placed equities:	$ 1,365	0.70 %
Largest three investments held in nonaffiliated, privately placed equities:		
a. Carlyle Alternative Opportunities Fund L.P.	$ 328	0.20
b. Federal Home Loan Bank of Dallas	220	0.10
c. Carlyle Partners VIII L.P.	180	0.10

Ten largest fund managers:

Fund Manager	Total Invested	Diversified	Non-diversified
a. Carlyle Group	$ 1,465	$ 1,465	$ —
b. Corebridge Global Real Estate Investment Corp	622	—	622
c. BLACKSTONE GROUP	476	476	—
d. GENERAL ATLANTIC	196	196	—
e. THOMA BRAVO LLC	142	142	—
f. LS Power Equity Partners	111	111	—
g. TEACHERS INSURANCE AND ANNUITY	107	107	—
h. CBPE Capital	100	100	—
i. Inflexion Private Equity Partners LLP	100	100	—
j. Nationwide Mutual Insurance Co	97	97	—

15. Assets held in general partnership interests are less than 2.5 percent of the Company's total admitted assets.

16. Mortgage loans reported in Schedule B, include the following ten largest aggregate mortgage interests. The aggregate mortgage interest represents the combined value of all mortgages secured by the same property or same group of properties:

	Amount	Percentage of Total Admitted Assets
a. COMMERCIAL MORTGAGE LOAN, Loan No. 8002341, NY	$ 366	0.20 %
b. Agricultural Mortgage-STAT Farm Mortgage, Loan No. 5555275, GBR	332	0.20
c. COMMERCIAL MORTGAGE LOAN, Loan No. 5555267, ESP	295	0.20
d. COMMERCIAL MORTGAGE LOAN, Loan No. 8002930, CA	272	0.10
e. COMMERCIAL MORTGAGE LOAN, Loan No. 5555184, GBR	269	0.10
f. COMMERCIAL MORTGAGE LOAN, Loan No. 8002781, MA	249	0.10
g. COMMERCIAL MORTGAGE LOAN, Loan No. 8002954, NY	247	0.10
h. COMMERCIAL MORTGAGE LOAN, Loan No. 5555187, GBR	235	0.10
i. COMMERCIAL MORTGAGE LOAN, Loan No. 5555261, NLD	235	0.10
j. COMMERCIAL MORTGAGE LOAN, Loan No. 5555164, GBR	223	0.10

AMERICAN GENERAL LIFE INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)
DECEMBER 31, 2025

(in millions)

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

	Amount	Percentage of Total Admitted Assets
a. Construction loans	$ 699	0.40 %
b. Mortgage loans over 90 days past due	185	0.10
c. Mortgage loans in the process of foreclosure	295	0.20
d. Mortgage loans foreclosed	—	—
e. Restructured mortgage loans	593	0.30

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

	Residential		Commercial		Agricultural	
Loan-to-Value	Amount	Percentage of Total Admitted Assets	Amount	Percentage of Total Admitted Assets	Amount	Percentage of Total Admitted Assets
a. above 95%	$ 60	— %	$ 908	0.50 %	$ —	— %
b. 91% to 95%	60	—	128	0.10	—	—
c. 81% to 90%	838	0.40	966	0.50	—	—
d. 71% to 80%	3,133	1.70	2,457	1.30	—	—
e. below 70%	6,991	3.70	22,289	11.90	485	0.30

18. Assets held in each of the five largest investments in one parcel or group of contiguous parcels of real estate reported in Schedule A are less than 2.5 percent of the Company's total admitted assets.

19. Assets held in mezzanine real estate loans are less than 2.5 percent of the Company's total admitted assets.

20. The Company's total admitted assets subject to the following types of agreements as of the following dates:

	At Year-End		Unaudited At End of Each Quarter		
			1st Quarter	2nd Quarter	3rd Quarter
	Amount	Percentage of Total Admitted Assets	Amount	Amount	Amount
a. Securities lending (do not include assets held as collateral for such transactions)	$ 3,857	2.10 %	$ 3,499	$ 3,235	$ 3,353
b. Repurchase agreements	1,135	0.60	411	142	459
c. Reverse repurchase agreements	—	—	70	50	—
d. Dollar repurchase agreements	—	—	—	—	—
e. Dollar reverse repurchase agreements	—	—	—	—	—

AMERICAN GENERAL LIFE INSURANCE COMPANY
SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)
DECEMBER 31, 2025

(in millions)

21. The Company's potential exposure to warrants not attached to other financial instruments, options, caps, and floors:

	Owned		Written	
	Amount	Percentage of Total Admitted Assets	Amount	Percentage of Total Admitted Assets
a. Hedging	$ —	— %	$ —	— %
b. Income generation	—	—	—	—
c. Other	—	—	—	—

22. The Company's potential exposure (defined as the amount determined in accordance with the NAIC Annual Statement Instructions) for collars, swaps, and forwards as of the following dates:

	At Year-End		Unaudited At End of Each Quarter		
			1st Quarter	2nd Quarter	3rd Quarter
	Amount	Percentage of Total Admitted Assets	Amount	Amount	Amount
a. Hedging	$ 752	0.40 %	$ 824	$ 913	$ 754
b. Income generation	—	—	—	—	—
c. Replications	—	—	4,590	3,520	3,520
d. Other	—	—	—	—	—

23. The Company's potential exposure (defined as the amount determined in accordance with the NAIC Annual Statement Instructions) for futures contracts as of the following dates:

	At Year-End		Unaudited At End of Each Quarter		
			1st Quarter	2nd Quarter	3rd Quarter
	Amount	Percentage of Total Admitted Assets	Amount	Amount	Amount
a. Hedging	$ 55	— %	$ 152	$ 193	$ 48
b. Income generation	—	—	—	—	—
c. Replications	—	—	—	—	—
d. Other	—	—	—	—	—

AMERICAN GENERAL LIFE INSURANCE COMPANY
SUPPLEMENTAL SUMMARY INVESTMENT SCHEDULE
DECEMBER 31, 2025

(in millions)	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
Investment Categories	**Amount**	**Percentage**	**Amount**	**Securities Lending Reinvested Collateral Amount**	**Total Amount**	**Percentage**
Issuer credit obligations						
U.S. government obligations	$ 1,248	0.7	$ 1,248	$ —	$ 1,248	0.7 %
Other U.S. government obligations	88	0.1	88	—	88	0.1
Non-U.S. sovereign jurisdiction securities	1,494	0.8	1,494	—	1,494	0.8
Municipal bonds - general obligations (direct & guaranteed)	313	0.2	313	—	313	0.2
Municipal bonds - special revenue	1,927	1.1	1,927	—	1,927	1.1
Project finance bonds issued by operating entities	5,457	3.1	5,457	—	5,457	3.1
Corporate bonds	54,192	30.5	54,192	—	54,192	30.5
Mandatory convertible bonds	—	—	—	—	—	—
Single entity backed obligations	2,074	1.2	2,074	—	2,074	1.2
SVO-Identified bond exchange traded funds - fair value	—	—	—	—	—	—
SVO-Identified bond exchange traded funds - systematic value	—	—	—	—	—	—
Bonds issued by funds representing operating entities	9,431	5.3	9,431	—	9,431	5.3
Bank loans - issued	—	—	—	—	—	—
Bank loans - acquired	3,436	1.9	3,436	—	3,436	1.9
Mortgages loans that qualify as SVO-Identified credit tenant loans	10	—	10	—	10	—
Certificates of deposit	—	—	—	—	—	—
Other issuer credit obligations	2	—	2	—	2	—
Total issuer credit obligations	$ 79,672	44.9	$ 79,672	$ —	$ 79,672	44.9
Asset-backed securities						
Financial asset-backed securities - self-liquidating	29,479	16.6	29,479	—	29,479	16.6
Financial asset-backed securities - not self-liquidating	1,122	0.6	1,122	—	1,122	0.6
Non-financial asset-backed securities	12,801	7.2	12,801	—	12,801	7.2
Total asset-backed securities	43,402	24.4	43,402	—	43,402	24.4
Preferred stocks:						
Industrial and miscellaneous (Unaffiliated)	$ 280	0.2	$ 280	$ —	$ 280	0.2
Parent, subsidiaries and affiliates	—	—	—	$ —	—	—
Total preferred stocks	$ 280	0.2	$ 280	$ —	$ 280	0.2
Common stocks:						
Industrial and miscellaneous Publicly traded (Unaffiliated)	$ —	—	$ —	$ —	$ —	—
Industrial and miscellaneous Other (Unaffiliated)	225	0.1	225	—	225	0.1
Parent, subsidiaries and affiliates Publicly traded	—	—	—	—	—	—
Parent, subsidiaries and affiliates Other	2,584	1.5	2,577	—	2,577	1.5
Mutual funds	—	—	—	—	—	—
Unit investment trusts	—	—	—	—	—	—
Closed-end funds	—	—	—	—	—	—
Exchange traded funds	—	—	—	—	—	—
Total common stocks	$ 2,809	1.6	$ 2,802	$ —	$ 2,802	1.6
Mortgage loans:						
Farm mortgages	$ 486	0.3	$ 486	$ —	$ 486	0.3
Residential mortgages	11,082	6.2	11,082	$ —	11,082	6.2
Commercial mortgages	25,795	14.5	25,795	$ —	25,795	14.5
Mezzanine real estate loans	952	0.5	952	$ —	952	0.5
Total valuation allowance	(361)	(0.2)	(361)	$ —	(361)	(0.2)
Total mortgage loans	$ 37,954	21.3	$ 37,954	$ —	$ 37,954	21.3
Real estate:						
Properties occupied by company	$ —	—	$ —	$ —	$ —	—
Properties held for production of income	67	—	67	$ —	67	—
Properties held for sale	18	—	18	$ —	18	—
Total real estate	$ 85	—	$ 85	$ —	$ 85	—

AMERICAN GENERAL LIFE INSURANCE COMPANY
SUPPLEMENTAL SUMMARY INVESTMENT SCHEDULE
DECEMBER 31, 2025

(in millions)	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
Investment Categories	**Amount**	**Percentage**	**Amount**	**Securities Lending Reinvested Collateral Amount**	**Total Amount**	**Percentage**
Cash, cash equivalents and short-term investments:						
Cash	**$ 552**	**0.3**	**$ 552**	**$ —**	**$ 552**	**0.3**
Cash equivalents	**432**	**0.2**	**432**	**$ —**	**432**	**0.2**
Short-term investments	**27**	**—**	**27**	**$ —**	**27**	**—**
Total cash, cash equivalents and short-term investments	**1,011**	**0.5**	**1,011**	**$ —**	**1,011**	**0.5**
Contract loans	**1,164**	**0.6**	**1,141**	**$ —**	**1,141**	**0.6**
Derivatives	**2,797**	**1.6**	**2,797**	**$ —**	**2,797**	**1.6**
Other invested assets	**6,887**	**3.9**	**6,887**	**$ —**	**6,887**	**3.9**
Receivables for securities	**78**	**—**	**78**	**$ —**	**78**	**—**
Securities Lending	**—**	**—**	**—**	**$ —**	**—**	**—**
Derivative cash collateral and deferred asset for SSAP 108	**1,758**	**1.0**	**1,758**	**$ —**	**1,758**	**1.0**
Total invested assets	**$177,897**	**100.0**	**$177,867**	**$ —**	**$177,867**	**100.0 %**

AMERICAN GENERAL LIFE INSURANCE COMPANY
SUPPLEMENTAL SCHEDULE OF REINSURANCE DISCLOSURES
December 31, 2025

The following information regarding reinsurance contracts is presented to satisfy the disclosure requirements in SSAP No. 61R, Life, Deposit-Type and Accident and Health Reinsurance, which apply to reinsurance contracts entered into, renewed or amended on or after January 1, 1996.

1. Has the Company reinsured any risk with any other entity under a reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) that is subject to Appendix A-791, Life and Health Reinsurance Agreements, and includes a provision that limits the reinsurer's assumption of significant risks identified in Appendix A-791?

   Yes [ ] No [X]

   If yes, indicate the number of reinsurance contracts to which such provisions apply: _____

   If yes, indicate if deposit accounting was applied for all contracts subject to Appendix A-791 that limit significant risks.

   Yes [ ] No [ ] N/A [X]

2. Has the Company reinsured any risk with any other entity under a reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) that is not subject to Appendix A-791, for which reinsurance accounting was applied and includes a provision that limits the reinsurer's assumption of risk?

   Yes [ ] No [X]

   If yes, indicate the number of reinsurance contracts to which such provisions apply: _____

   If yes, indicate whether the reinsurance credit was reduced for the risk-limiting features.

   Yes [ ] No [ ] N/A [X]

3. Does the Company have any reinsurance contracts (other than reinsurance contracts with a federal or state facility) that contain one or more of the following features which may result in delays in payment in form or in fact:

   (a) Provisions that permit the reporting of losses to be made less frequently than quarterly;

   (b) Provisions that permit settlements to be made less frequently than quarterly;

   (c) Provisions that permit payments due from the reinsurer to not be made in cash within ninety (90) days of the settlement date (unless there is no activity during the period); or

   (d) The existence of payment schedules, accumulating retentions from multiple years, or any features inherently designed to delay timing of the reimbursement to the ceding entity.

   Yes [ ] No [X]

4. Has the Company reflected reinsurance accounting credit for any contracts that are not subject to Appendix A-791 and not yearly renewable term reinsurance, which meet the risk transfer requirements of SSAP No. 61R?

Type of contract:	Response:	Identify reinsurance contract(s):	Has the insured event(s) triggering contract coverage been recognized?
Assumption reinsurance – new for the reporting period	Yes [ ] No [X]		**N/A**
Non-proportional reinsurance, which does not result in significant surplus relief	Yes [ ] No [X]		**N/A**

5. Has the Company ceded any risk, which is not subject to Appendix A-791 and not yearly renewable term reinsurance, under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statements, and either:

   (a) Accounted for that contract as reinsurance under statutory accounting principles (SAP) and as a deposit under generally accepted accounting principles (GAAP); or

   Yes [ ] No [X] N/A [ ]

   (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

   Yes [ ] No [X] N/A [ ]

   If the answer to item (a) or item (b) is yes, include relevant information regarding GAAP to SAP differences from the accounting policy footnote to the audited statutory-basis financial statements to explain why the contract(s) is treated differently for GAAP and SAP below:

   _____

American Home Assurance Company
An AIG Company

NAIC Code: 19380

Statutory Basis Financial Statements
As of December 31, 2025 and 2024
and for the years ended December 31, 2025, 2024 and 2023



AMERICAN HOME ASSURANCE COMPANY

Statutory Basis Financial Statements

As of December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023

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Report of Independent Auditors

To the Board of Directors of American Home Assurance Company:

Opinions

We have audited the accompanying statutory basis financial statements of American Home Assurance Company (the "Company"), which comprise the statutory basis statements of admitted assets and of liabilities, capital and surplus as of December 31, 2025 and 2024, and the related statutory basis statements of operations and changes in capital and surplus, and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "financial statements").

Unmodified Opinion on Statutory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the admitted assets, liabilities, and capital and surplus of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in accordance with the accounting practices prescribed or permitted by the New York State Department of Financial Services described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying 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, 2025 and 2024, or the results of its operations or its cash flows for each of the three years in the period ended December 31, 2025.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 audit. 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 U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, the financial statements are prepared by the Company on the basis of the accounting practices prescribed or permitted by the New York State Department of Financial Services, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the 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.

Emphasis of Matter

As discussed in Notes 1, 6 and 7 to the financial statements, the Company has entered into significant transactions with certain affiliated entities. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the 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 the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 US 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 financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 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.

PricewaterhouseCoopers LLP

New York, New York
April 22, 2026

Statements of Admitted Assets

	December 31, 2025	December 31, 2024
Cash and invested assets:		
Bonds, primarily at amortized cost (fair value: 2025 - $13,910; 2024 - $12,465)	$ 13,891	12,907
Common stocks, at carrying value (cost: 2025 - $293; 2024 - $292)	271	281
Preferred stocks, at carrying value (cost: 2025 - $0; 2024 - $4)	1	1
Other invested assets (cost: 2025 - $1,037; 2024 - $1,274)	1,353	1,524
Mortgage loans	694	937
Derivative instruments	—	25
Cash and cash equivalents	548	614
Receivable for securities sold	19	17
Total cash and invested assets	**$ 16,777**	**$ 16,306**
Investment income due and accrued	$ 119	$ 114
Agents' balances or uncollected premiums:		
Premiums in course of collection	924	924
Premiums and installments booked but deferred and not yet due	317	251
Accrued retrospective premiums	161	190
High deductible recoverable on paid losses	4	10
Reinsurance recoverable on paid losses	710	676
Funds held by or deposited with reinsurers	105	137
Net deferred tax assets	208	203
Receivables from parent, subsidiaries and affiliates	133	140
Other assets	158	125
Allowance for uncollectible accounts	(23)	(17)
Total admitted assets	**$ 19,593**	**$ 19,059**

See Notes to Statutory Basis Financial Statements

Statements of Liabilities, Capital and Surplus

	December 31, 2025	December 31, 2024
Liabilities		
Reserves for losses and loss adjustment expenses	$ 8,147	$ 8,069
Unearned premium reserves	2,513	2,506
Commissions, premium taxes, and other expenses payable	134	130
Reinsurance payable on paid loss and loss adjustment expenses	222	254
Current federal and foreign taxes payable to parent	60	4
Funds held by company under reinsurance treaties	1,028	1,143
Provision for reinsurance	46	54
Ceded reinsurance premiums payable, net of ceding commissions	792	726
Collateral deposit liability	246	265
Payable for securities purchased	132	30
Payable to parent, subsidiaries and affiliates	78	71
Derivative instruments	15	—
Borrowed money	5	—
Other liabilities	258	402
Total liabilities	**$ 13,676**	**$ 13,654**
Capital and Surplus		
Common capital stock, $30 par value, 1,758,158 shares authorized, 1,054,994 shares issued and outstanding	32	32
Capital in excess of par value	4,179	4,179
Unassigned surplus	910	455
Special surplus funds from reinsurance	796	739
Total capital and surplus	**$ 5,917**	**$ 5,405**
Total liabilities, capital and surplus	**$ 19,593**	**$ 19,059**

See Notes to Statutory Basis Financial Statements

Statements of Operations and Changes in Capital and Surplus

	For the Years Ended December 31,		
	2025	**2024**	**2023**
Statements of Operations			
Underwriting income:			
Premiums earned	**$ 4,471**	$ 4,145	$ 4,252
Underwriting deductions:			
Losses incurred	**2,295**	2,109	2,345
Loss adjustment expenses	**398**	495	352
Other underwriting expenses	**1,183**	1,525	1,425
Total underwriting deductions	**$ 3,876**	**$ 4,129**	**$ 4,122**
Net underwriting gain (loss)	**$ 595**	**$ 16**	**$ 130**
Investment gain:			
Net investment income earned	**863**	736	781
Net realized capital gains (loss) (net of capital gains tax expense (benefit): 2025 - $4; 2024 - $(23); 2023 - $(4))	**(322)**	(230)	(153)
Net investment gain (loss)	**$ 541**	**$ 506**	**$ 628**
Net loss from agents' or premium balances charged-off	**(6)**	—	(1)
Other income (expense)	**(18)**	(32)	(19)
Net Income (loss) after capital gains taxes and before federal income taxes	**1,112**	**490**	**738**
Federal and foreign income tax benefit (expense)	**277**	85	16
Net Income (loss)	**$ 835**	**$ 405**	**$ 722**
Changes in Capital and Surplus			
Capital and surplus, as of December 31, previous year	**$ 5,405**	$ 7,111	$ 7,858
Adjustment to beginning surplus (Note 2)	**(20)**	(14)	25
Capital and surplus, as of January 1,	**5,385**	7,097	7,883
Changes in accounting principles (refer to Note 2)			
Cumulative effect of changes in accounting principles	**—**	—	14
Other changes in capital and surplus:			
Net Income	**835**	405	722
Change in net unrealized capital (losses) gain (net of capital gain (loss) tax expense (benefit): 2025 - $50; 2024 - $7; 2023 - $(7))	**209**	(24)	2
Change in net deferred income tax	**65**	(36)	(136)
Change in nonadmitted assets	**(72)**	(21)	2
Change in provision for reinsurance	**11**	(10)	(7)
Return of capital	**—**	(1,604)	(946)
Change in par value of common stock	**—**	4	(4)
Dividends to stockholder	**(475)**	(540)	(450)
Foreign exchange translation	**(41)**	134	31
Change in assumed mortgage guaranty contingency reserve	**—**	(2)	(4)
Change in ceded mortgage guaranty contingency reserve	**—**	2	4
Total changes in capital and surplus	**532**	**(1,692)**	**(772)**
Capital and Surplus, as of December 31,	**$ 5,917**	**$ 5,405**	**$ 7,111**

See Notes to Statutory Basis Financial Statements

Statements of Cash Flows

	For the Years Ended December 31,		
	2025	**2024**	**2023**
Cash from Operations:			
Premiums collected, net of reinsurance	**$ 4,287**	$ 4,335	$ 4,589
Net investment income	**812**	707	696
Miscellaneous income (expense)	**(16)**	17	26
Sub-total	**5,083**	**5,059**	**5,311**
Benefit and loss related payments	**2,151**	2,282	2,663
Commission and other expense paid	**1,590**	1,840	1,797
Federal and foreign income taxes recovered	**238**	66	7
Net cash provided from (used in) operations	**$ 1,104**	**$ 871**	**$ 844**
Cash from Investments:			
Proceeds from investments sold, matured, or repaid:			
Bonds	**3,470**	5,149	4,458
Stocks	**1**	26	55
Mortgage loans	**269**	197	373
Other investments	**554**	392	345
Total proceeds from investments sold, matured, or repaid	**$ 4,294**	**$ 5,764**	**$ 5,231**
Cost of investments acquired:			
Bonds	**4,119**	4,181	3,984
Stocks	**-**	1	119
Mortgage loans	**33**	25	289
Other investments	**242**	86	163
Total cost of investments acquired	**4,394**	**4,293**	**4,555**
Net cash provided from (used in) investing activities	**$ (100)**	**$ 1,471**	**$ 676**
Cash from Financing and Miscellaneous Sources:			
Return of capital	**—**	(1,604)	(946)
Change in par value of common stock	**—**	4	(4)
Intercompany payments	**(453)**	(119)	(293)
Dividends to stockholder	**(475)**	(540)	(450)
Borrowed fund repaid	**5**	—	—
Net deposit activity on deposit-type contracts and other insurance	**(1)**	(1)	(2)
Collateral deposit liability receipts	**(19)**	3	(154)
Other receipts (payments)	**(127)**	88	50
Net cash provided from (used in) financing and miscellaneous activities	**$ (1,070)**	**$ (2,169)**	**$ (1,799)**
Net change in cash, cash equivalents and short-term investments	**(66)**	173	(279)
Cash, cash equivalents, and short-term investments:			
Beginning of year	**614**	**441**	**720**
End of year	**$ 548**	**$ 614**	**$ 441**

Refer to Note 11D for description of non-cash items.

See Notes to Statutory Basis Financial Statements

1. Organization and Summary of Significant Statutory Basis Accounting Policies

A. Basis of Organization and Presentation

Organization

American Home Assurance Company ("the Company" or "American Home") is a direct wholly-owned subsidiary of AIG Property Casualty U.S., Inc. ("AIG PC US"), a Delaware corporation, which is in turn owned by AIG Property Casualty Inc. ("AIG PC"), a Delaware corporation. The Company's ultimate parent is American International Group, Inc. (the "Ultimate Parent" or "AIG"). AIG conducts its property and casualty operations through multiple line companies writing substantially all commercial (casualty, property, specialty and financial liability) and consumer (accident & health and personal lines) insurance both domestically and abroad.

The Company is party to an inter-company pooling agreement (the "Combined Pooling Agreement"), among the seventeen companies listed below; collectively named the Combined Pool. Effective January 1, 2025, the Combined Pooling Agreement was amended and restated to include three new Pool members. The member companies of the Combined Pool, their National Association of Insurance Commissioners ("NAIC") company codes, inter-company pooling percentages under the Combined Pooling Agreement, and states of domicile, are as follows:

Company	NAIC Company	Pool Participation Percentage as of January 1, 2025	Pool Participation Percentage as of December 31, 2024	State of Domicile
National Union Fire Insurance Company of Pittsburgh, Pa. (National Union)*	19445	35%	35%	Pennsylvania
American Home Assurance Company (American Home)	19380	32%	32%	New York
Lexington Insurance Company (Lexington)	19437	30%	30%	Delaware
Commerce and Industry Insurance Company (C&I)	19410	3%	3%	New York
AIG Property Casualty Company (APCC)	19402	0%	0%	Illinois
The Insurance Company of the State of Pennsylvania (ISOP)	19429	0%	0%	Illinois
New Hampshire Insurance Company (New Hampshire)	23841	0%	0%	Illinois
AIG Specialty Insurance Company (Specialty)	26883	0%	0%	Illinois
AIG Assurance Company (Assurance)	40258	0%	0%	Illinois
Granite State Insurance Company (Granite)	23809	0%	0%	Illinois
Illinois National Insurance Co. (Illinois National)	23817	0%	0%	Illinois
AIU Insurance Company (AIU)	19399	0%	0%	New York
Glatfelter Insurance Company (Glatfelter)	26611	0%	0%	Delaware
Marbleshore Specialty Insurance Company (Marbleshore)	13551	0%	0%	Delaware
Western World Insurance Company (Western World)	13196	0%	N/A	New Hampshire
Stratford Insurance Company (Stratford)	40436	0%	N/A	New Hampshire
Tudor Insurance Company (Tudor)	37982	0%	N/A	New Hampshire

* Lead Company of the Combined Pool

As shown in the table above, the Company's participation in the Combined Pool remained the same. As such, there were no changes to the Company's *Total capital and surplus* on January 1, 2025 as a consequence of the amendment to the Combined Pooling Agreement.

Refer to Note 6 for additional information on the Combined Pool and the effects of the changes in the intercompany pooling arrangements (the "2025 Repooling Transaction").

The 2025 Repooling Transaction is presented in the supporting loss schedules as an adjustment to the opening balances so that the activity for the period is not distorted by the effects of this transaction.

The Company accepts commercial business primarily through a network of independent retail and wholesale brokers and through independent agency networks. In addition, the Company accepts consumer business primarily through agents and brokers, as well as through direct marketing and partner organizations. There were no Managing Agents or Third Party Administrators who placed direct written premium with the Company in an amount exceeding more than 5.0 percent of surplus of the Company for the years ending December 31, 2025, 2024, and 2023.

The Company is diversified in terms of classes of its business, distribution network and geographic locations. The Company has direct written premium concentrations of 5.0 percent or more in the following locations:

State / Location	2025	2024	2023
California	$ 52	$ 48	$ 58
Florida	50	51	54
United Arab Emirates	91	85	80
New York	41	52	46
Texas	30	23	24

Basis of Presentation

The accompanying financial statements of the Company have been prepared in conformity with accounting practices prescribed or permitted by the New York State Department of Financial Services ("NY SAP"). Certain balances relating to prior periods have been reclassified to conform to the current year's presentation.

Additionally, the financial statements include the Company's U.S. and foreign operations, along with its Dubai, Caribbean, Jamaica and Argentina branch operations.

The Company's financial information as of and for the years ended December 31, 2025, 2024 and 2023 have been presented in accordance with the terms of the Combined Pooling Agreement.

B. Permitted and Prescribed Practices

NY SAP recognizes only statutory accounting practices prescribed or permitted by the New York State Department of Financial Services ("NY DFS") for determining and reporting the financial position and results of operations of an insurance company and for the purpose of determining its solvency under the New York Insurance Code. The NAIC Statutory Accounting Principles included within the Accounting Practices and Procedures Manual ("NAIC SAP") have been adopted as a component of prescribed practices by the NY DFS. The Superintendent of the NY DFS (the "Superintendent") has the right to permit other specific practices that differ from prescribed practices.

NY SAP has prescribed the practice of discounting workers' compensation known case loss reserves on a non-tabular basis. This practice is not prescribed under NAIC SAP.

Accounting practices prescribed by the Insurance Department of the Commonwealth of Pennsylvania ("PA SAP") provide for the availability of certain offsets in the calculation of the *Provision for reinsurance*, which offsets are not prescribed under NAIC SAP. The Company applied PA SAP with concurrence from the NY DFS to reflect the transfer of collection risk on certain of the Company's asbestos related reinsurance recoverable balances, to an authorized third party reinsurer, as another form of collateral acceptable to the Commissioner with respect to the reinsurance recoverable balance from the original reinsurers.

The Company applied a permitted practice to account for the retroactive aggregate excess of loss reinsurance arrangement entered into with National Indemnity Company ("NICO"), a subsidiary of Berkshire Hathaway, Inc., (the "ADC") as prospective reinsurance. However, any gain associated with the ADC has been reported in a segregated surplus account and does not form part of the Company's *Unassigned surplus*, subject to the applicable dividend restrictions; such amounts must be restricted in surplus until such time as payments received from NICO exceed premiums paid for the retrocession. Segregated surplus balances were $789, $731 and $627 at December 31, 2025, 2024 and 2023, respectively. The effects of the ADC comprise the majority of total segregated surplus; accordingly, Statutory surplus, NAIC SAP, excluding segregated surplus was $4,864, $4,446, $6,285, at December 31, 2025, 2024 and 2023, respectively. For more information, see Note 7.

The use of the aforementioned permitted and prescribed practices has not affected the Company's ability to comply with the NY DFS's risk based capital ("RBC") and surplus requirements for the 2025, 2024 and 2023 reporting periods.

A reconciliation of the net income (loss) and capital and surplus between NAIC SAP and practices prescribed or permitted by NY SAP is shown below:

December 31,	SSAP #	FS Ref	2025	2024	2023
Net Income, NY SAP			**$ 835**	$ 405	$ 722
State prescribed or permitted practices - addition (charge):					
Change in non-tabular discounting	65	(a)	**6**	50	15
Adverse Development Cover	62	(b)	**—**	—	—
Net Income , NAIC SAP			**$ 829**	**$ 355**	**$ 707**
Statutory surplus, NY SAP			**$ 5,917**	$ 5,405	$ 7,111
State prescribed or permitted practices - addition (charge):					
Non-tabular discounting	65	(a)	**208**	203	152
Credits for collection risk on certain asbestos reinsurance recoveries	62	(c)	**49**	28	40
Statutory surplus, NAIC SAP			**$ 5,660**	**$ 5,174**	**$ 6,919**

(a) Impacts *Reserves for losses and loss adjustment expenses* within the *Statements of Liabilities, Capital and Surplus and Losses incurred* within the *Statements of Operations and Changes in Capital and Surplus*.
(b) Impacts *Reserves for losses and loss adjustment expenses, Retroactive reinsurance payable* and *Retroactive reinsurance reserves - ceded* within the *Combined Statements of Liabilities, Capital and Surplus*, and *Losses incurred* and *Other income* within the *Combined Statements of Operations and Changes in Capital and Surplus*.
(c) Impacts *Provision for reinsurance within the Statements of Liabilities, Capital and Surplus* and the change in *Provision for reinsurance within the Statements of Operations and Changes in Capital and Surplus*.

C. Use of Estimates in the Preparation of the Financial Statements

The preparation of statutory basis financial statements in accordance with NY SAP requires the application of accounting policies that often involve a significant degree of judgment. The Company's accounting policies that are most dependent on the application of estimates and assumptions are considered critical accounting estimates and are related to the determination of:

- Loss reserves;
- Reinsurance assets;
- Fair value of certain financial assets, impacting those investments measured at fair value in the *Statements of Admitted Assets, Liabilities, Surplus and Other Funds*, as well as unrealized gains (losses) included in capital and surplus; and
- Income tax assets and liabilities, including the recoverability and admissibility of net deferred tax assets.

These accounting estimates require the use of assumptions about matters, some of which are highly uncertain at the time of estimation. To the extent actual experience differs from the assumptions used, the Company's statutory basis financial condition, results of operations and cash flows could be materially affected.

D. Accounting Policy Differences

NAIC SAP is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("US GAAP"). NAIC SAP varies from US GAAP in certain significant respects, including:

Transactions	NAIC SAP Treatment	US GAAP Treatment
Policy Acquisition Costs Principally brokerage commissions and premium taxes arising from the issuance of insurance contracts.	Costs are immediately expensed and are included in *Other Underwriting Expenses*, except for reinsurance ceding commissions received in excess of the cost to acquire business which are recognized as a deferred liability and amortized over the period of the reinsurance agreement.	Costs directly related to the successful acquisition of new or renewal insurance contracts are deferred and amortized over the term of the related insurance coverage.
Unearned Premiums, Unpaid Losses and Loss Expense Liabilities	Presented net of reinsurance.	Presented gross of reinsurance with corresponding reinsurance recoverable assets for ceded unearned premiums and reinsurance recoverable on unpaid losses.

Transactions	NAIC SAP Treatment	US GAAP Treatment
Retroactive reinsurance contracts	Gains and losses are recognized in earnings immediately and surplus is segregated to the extent pretax gains are recognized. Certain retroactive affiliate or related party reinsurance contracts are accounted for as prospective reinsurance if there is no gain in surplus as a result of the transaction.	Gains are deferred and amortized over the settlement period of the ceded claim recoveries. Losses are immediately recognized in the *Statements of Operations*.
Investments in Bonds held as: 1) available for sale 2) fair value option	Investment grade securities (rated by NAIC as class 1 or 2) are carried at amortized cost. Non-investment grade securities (NAIC rated 3 to 6) are carried at the lower of amortized cost or fair value.	All available for sale investments are carried at fair value with changes in fair value, net of applicable taxes, reported in accumulated other comprehensive income within shareholder's equity. Fair value option investments are carried at fair value with changes in fair value, net of applicable projected income taxes, reported in *Net Investment Income*.
Investments in Common Stocks	Carried at fair value with unrealized gains and losses reported, net of applicable taxes, in the *Statements of Changes in Capital and Surplus*.	All equity securities that do not follow the equity method of accounting, are measured at fair value with changes in fair value recognized in earnings.
Investments in Limited Partnerships, Hedge Funds and Private Equity Interests	Carried at the underlying US GAAP equity with results from the investment's operations recorded, net of applicable taxes, as unrealized gains (losses) directly in the *Statements of Changes in Capital and Surplus*.	If aggregate interests allow the holding entity to exercise more than significant influence (typically more than 3%), the investment is recorded as an equity method investment wherein the pool's pro rata share of income or loss for the period, is recorded as net investment income and adjusted against the carrying value of the asset. Similar equity method investments in investment company entities (e.g.: hedge funds) is adjusted for the pool's pro rata share of income or loss for the period which is based on the Net Asset Value ("NAV") with changes in value recorded to *Net Investment Income*. Where the aggregate interests do not allow the entity to exercise significant influence (typically less than 3%), the investment is recorded as equity investment fair valued through net investment income. Similar equity investment in investment companies (e.g.: hedge funds) are recorded at NAV with changes in value recorded to *Net Investment Income*.
Investments in Subsidiary, Controlled and Affiliated Entities (SCAs)	Subsidiaries are not consolidated.	Consolidation is required when there is a determination that the affiliated entity is a variable interest entity ("VIE") and the reporting entity has a variable interest and the power to direct the activities of the VIE. The VIE assessment would consider various factors including limited partnership (LP) status and inherent rights of equity investors.
	The equity investment in SCAs are accounted for under the equity method and recorded as Common stock investments. Dividends are recorded within *Net Investment Income*.	Investments in SCAs that are voting interest entities (VOE) with majority voting rights are generally consolidated. Investments in SCAs where the holding entity exercises significant influence (generally ownership of >3% voting interests for LPs and similar entities and between 20 percent and 50 percent for other entities) are recorded at equity value. The change in equity is included within *Net Investment Income*.

Transactions	NAIC SAP Treatment	US GAAP Treatment
Other-than-temporary impairments	Bonds, other than loan-backed and structured securities, which are considered to be other-than-temporarily impaired, are written down to fair value with a realized loss recognized in the *Consolidated Statements of Operations.*	The non-credit portion of impairments relating to debt securities that the entity does not intend to sell and for which it is not more likely than not that the entity will be required to sell before anticipated recovery is recorded in other comprehensive income.
Derivatives	Embedded derivatives are not separated from the host contract and not accounted for separately as derivative instruments.	Contracts may include embedded derivatives that are bifurcated from the host contracts and accounted for separately at fair value.
Statement of Cash Flows	Statutory *Statements of Cash Flows* must be presented using the direct method. Changes in cash, cash equivalents, and short-term investments and certain sources of cash are excluded from operational cash flows.	The *Statements of Cash Flows* can be presented using the direct or indirect methods, however are typically presented using the indirect method. Presentation is limited to changes in cash and cash equivalents (short-term investments are excluded).
Deferred Federal Income Taxes	Deferred income taxes are established for the temporary differences between tax and book assets and liabilities, subject to limitations on admissibility of tax assets. Changes in deferred income taxes are recorded within capital and surplus and have no impact on the *Statements of Operations*.	The provision for deferred income taxes is recorded as a component of income tax expense, as a component of the *Statements of Operations*, except for changes associated with items that are included within other comprehensive income where such items are recorded net of applicable income taxes.
Statutory Adjustments (applied to certain assets including goodwill, furniture and equipment, prepaid expenses, overdue receivable balances and unsecured reinsurance amounts)	Certain asset balances designated as nonadmitted, such as some intangible assets and certain investments in affiliated entities are excluded from the *Statements of Admitted Assets* and are reflected as deductions from capital and surplus.	All assets and liabilities are included in the financial statements. Provisions for uncollectible receivables are established as valuation allowances and are recognized as expense within the *Statements of Operations*.
Stock Repurchase	When a reporting entity's stock is acquired and retired the cost of the acquired and retired stock reduces statutory surplus. The capital stock account shall be reduced by the par value of the acquired and retired stock and the paid-in or contributed surplus is reduced by the excess of cost over par value or stated value.	The cost of a repurchase of shares in excess of par is allocated between additional paid-in capital and retained earnings or the excess may be charged entirely to retained earnings.

The effects on the financial statements of the variances between NAIC SAP and US GAAP, although not reasonably determinable, are presumed to be material.

E. Significant Statutory Accounting Policies

Premiums

Premiums

Premiums for insurance and assumed reinsurance contracts are recorded as gross premiums written as of the effective date of the policy. Premiums are earned primarily on a pro-rata basis over the term of the related insurance coverage. Premiums collected prior to the effective date of the policy are recorded as an advance premium liability and not considered income until due. Extended reporting endorsements are reflected as premiums written and are earned on a pro-rata basis over the stated term of the endorsement unless the term of the endorsement is indefinite, in which case premiums are fully earned at inception of the endorsement along with the recognition of associated loss and loss adjustment expense (“LAE”).

Unearned premium reserves are established on an individual policy basis, reflecting the terms and conditions of the coverage being provided. Unearned premium reserves represent the portion of premiums written relating to the unexpired terms of coverage as of the date of the financial statements. For policies with coverage periods equal to or greater than thirteen months and generally not subject to cancellation or modification by the Company, premiums are earned using a prescribed percentage of completion method. Additional unearned premium reserves for policies exceeding thirteen months are established as greater of three prescribed tests.

Reinsurance premiums are typically earned over the same period as the underlying policies, or risks, covered by the contracts. As a result, the earnings pattern of a reinsurance contract generally written for a 12 month term may extend up to 24 months, reflecting the inception dates of the

underlying attaching policies throughout the 12 month period of the reinsurance contract. Reinsurance premiums ceded are recognized as a reduction in revenues over the period reinsurance coverage is provided.

Insurance premiums billed and outstanding for 90 days or more are nonadmitted and charged against *Unassigned funds (surplus)*.

Premiums for retrospectively rated contracts are initially recorded based on the expected loss experience and are earned on a pro-rata basis over the term of the related insurance coverage. Additional or returned premium is recorded if the estimated loss experience differs from the initial estimate and is immediately recognized in earned premium. The Company records accrued retrospectively rated premiums as written premiums. Adjustments to premiums for changes in the level of exposure to insurance risk are generally determined based upon audits conducted after the policy expiration date.

Gross written premiums net of ceded written premiums ("Net written premiums") that were subject to retrospective rating features as of December 31, 2025, 2024 and 2023 were as follows:

Years ended December 31,	2025	2024	2023
Net written premiums subject to retrospectively rated contracts	$ 34	$ 32	$ 40
Percentage of total net written premiums	0.8 %	0.8 %	0.9 %

As of December 31, 2025 and 2024, the admitted portion of accrued premiums related to the Company's retrospectively rated contracts were $161 and $190, respectively, which will be billed in future periods based primarily on the payment of the underlying expected losses and LAE. Unsecured amounts associated with these accrued retrospective premiums were $28 and $40 as of December 31, 2025 and 2024, respectively. Ten percent of the amount of accrued retrospective premiums receivable not offset by retrospective return premiums or other liabilities to the same party, other than loss and LAE reserves, or collateral (collectively referred to as the unsecured amount) have been nonadmitted in the amount of $4 and $4 as of December 31, 2025 and 2024, respectively.

High Deductible

The Company establishes loss reserves for high deductible policies net of the insured's contractual deductible (such deductibles are referred to as "reserve credits"). The Company establishes a nonadmitted asset for ten percent of paid losses recoverable in excess of collateral held on an individual insured basis, or for one hundred percent of paid losses recoverable where no collateral is held and amounts are outstanding for more than ninety days. Additionally, the Company establishes an allowance for doubtful accounts for such paid losses recoverable in excess of collateral and after nonadmitted assets. Similarly, the Pool does not recognize reserve credit offsets to its estimate of loss reserves where such credits are deemed uncollectible, as the Company ultimately bears credit risk on the underlying policies' insurance obligations.

The following tables show the counterparty exposure on unpaid claims and billed recoverable on paid claims for high deductibles by line of business, as of December 31, 2025 and 2024:

December 31, 2025	Gross Loss Reserves	Reserve Credits on Unpaid Claims	Recoverable on Paid Claims	Total
Auto Liability	**$ 744**	**$ 622**	**$ 1**	**$ 623**
General Liabilities	**631**	**592**	**1**	**593**
Workers Compensation	**3,698**	**3,177**	**5**	**3,182**
Total	**$ 5,073**	**$ 4,391**	**$ 7**	**$ 4,398**

As of December 31, 2025, both on-balance sheet and off-balance sheet collateral pledged to the Company related to deductible and paid recoverables was $107 and $2,979, respectively. Unsecured high deductible amounts related to unpaid claims and for paid recoverables for 2025 were $1,311, or 30% of the total high deductible. Additionally, as of December 31, 2025, the Company had recoverables on paid claims greater than 90 days overdue of $4, of which $2 have been nonadmitted.

December 31, 2024	Gross Loss Reserves	Reserve Credits on Unpaid Claims	Recoverable on Paid Claims	Total
Auto Liability	$ 639	$ 544	$ 2	$ 546
General Liabilities	554	519	2	521
Workers Compensation	3,306	2,781	10	2,791
Total	**$ 4,499**	**$ 3,844**	**$ 14**	**$ 3,858**

As of December 31, 2024, both on-balance sheet and off-balance sheet collateral pledged to the Company related to deductible and paid recoverables was $127 and $2,636, respectively. Unsecured high deductible amounts related to unpaid claims and for paid recoverables for 2024 were $1,094, or 28% of the total high deductible. Additionally, as of December 31, 2024, the Company had recoverables on paid claims greater than 90 days overdue of $8, of which $4 have been nonadmitted.

The following table shows the deductible amounts for the highest ten unsecured high deductible policies as of December 31, 2025 and 2024:

Counterparty*	Unsecured High Deductible Amounts	
December 31,	2025	2024
Counterparty 1	$ 111	$ 100
Counterparty 2	86	84
Counterparty 3	70	70
Counterparty 4	69	45
Counterparty 5	51	45
Counterparty 6	44	44
Counterparty 7	36	36
Counterparty 8	29	21
Counterparty 9	28	20
Counterparty 10	22	19

*Actual counterparty is not named and may vary year over year. Additionally, a group of entities under common control is regarded as a single counterparty.

Deposit Accounting

Direct insurance transactions where management determines there is insufficient insurance risk transfer are recorded as deposits unless the policy was issued (i) in respect of the insured's requirement for evidence of coverage pursuant to applicable statutes (insurance statutes or otherwise), contractual terms or normal business practices, (ii) in respect of an excess insurer's requirement for an underlying primary insurance policy in lieu of self-insurance, or (iii) in compliance with filed forms, rates and/or rating plans.

Assumed and ceded reinsurance contracts, which do not transfer a sufficient amount of insurance risk are recorded as deposits with the net consideration paid or received recognized as a deposit asset or liability, respectively. Deposit assets are admitted if (i) the assuming company is licensed, accredited or qualified by the PA DOI, or (ii) the collateral (i.e., funds withheld, letters of credit or trusts) provided by the reinsurer meets all the requirements of the NY SAP, as applicable. The deposit asset or liability is adjusted by calculating the effective yield on the deposit to reflect the actual payments made or received to date and expected future payments with a corresponding credit or charge to *Other Income (Expense)* in the *Statements of Operations*.

Deposit assets are recorded to *Other assets* within the *Statements of Admitted Assets*, refer to Note 11A. Deposit liabilities are recorded to *Other liabilities* within the *Statements of Liabilities, Capital and Surplus*, refer to Note 11B.

Premium Deficiency

The Company periodically reviews its expected ultimate losses with respect to its unearned premium reserves. A premium deficiency loss and related liability are established if the unearned premium reserves and related future investment income are collectively not sufficient to cover the expected ultimate loss projection. For purposes of premium deficiency tests, contracts are grouped in a manner consistent with the manner in which the insurance contracts are acquired, serviced, and measured for the profitability of such contracts. As of December 31, 2025 and 2024, the Company did not incur any premium deficiency losses.

Retroactive Reinsurance

Reinsurance transactions involving the transfer of loss and LAE reserves associated with loss events that occurred prior to the effective date of the transfer are recorded as retroactive reinsurance and reported separately from *Reserves for losses and loss adjustment expenses* in the *Statements of Liabilities, Capital and Surplus*. Initial pre-tax gains or losses are recorded in *Retroactive reinsurance gain* within the *Statements of Operations and Changes in Capital and Surplus* with surplus gains recorded as *Special surplus funds from reinsurance,* which is a component of *Capital and Surplus* that is restricted from dividend payment. Amounts recorded in *Special surplus funds from reinsurance* are considered to be earned surplus (i.e., transferred to *Unassigned surplus*) only when, and to the extent that, cash recoveries from the assuming entity exceed the consideration paid by the ceding entity. *Special surplus funds from reinsurance* are maintained separately for each respective retroactive reinsurance agreement. *Special surplus funds from reinsurance* account write-in entry on the balance sheet is adjusted, upward or downward, to reflect any subsequent increase or reduction in reserves ceded. The reduction in the special surplus funds is limited to the lesser of amounts recovered by the Company in excess of consideration paid or the surplus gain in relation to such agreement.

To the extent that the transfer of loss and LAE reserves associated with loss events that occurred prior to the effective date of the transfer is between affiliated entities and neither entity records a gain or loss in surplus, the transaction qualifies as an exception in the NAIC SAP accounting guidance and is accounted for as prospective reinsurance.

Insurance Related Acquisition Costs

Commissions, premium taxes, and certain underwriting costs are expensed as incurred and are included in *Other underwriting expenses*. The Company records an unearned ceding commission accrual equal to the excess of the ceding commissions received from reinsurers compared to the anticipated acquisition cost of the business ceded. This amount is amortized as an increase to income over the effective period of the reinsurance agreement in proportion to the amount of insurance coverage provided.

Provisions for Allowances and Unauthorized or Overdue Reinsurance

The recoverability of certain assets, including insurance receivables with counterparties, is reviewed periodically by management. A minimum reserve, as required under the NAIC Annual Statement Instructions for Property and Casualty Companies for Schedule F–Provision for Overdue Reinsurance for uncollectible reinsurance, is recorded with an additional reserve required if an entity's experience indicates that a higher amount should be provided. The minimum reserve is recorded as a liability and the change between years is recorded as a gain or loss directly to *Unassigned surplus in the Statement of Liabilities, Capital and Surplus.* Any reserve over the minimum amount is recorded on the statement of operations by reversing the accounts previously utilized to establish the reinsurance recoverable. Various factors are taken into consideration when assessing the recoverability of these asset balances including: the age of the related amounts due and the nature of the unpaid balance, disputed balances, historical recovery rates and any significant decline in the credit standing of the counterparty. The Company has prepared Schedule F applying
State of Pennsylvania substantive reinsurance authorization rules and State of New York form of collateral rules, with concurrence from the PA DOI.

PA SAP is applied in the determination of the Company's *Provision for reinsurance* with concurrence from the NY DFS.

Reserves for Losses and Loss Adjustment Expenses

Reserves for case IBNR and LAE losses are determined on the basis of actuarial specialists' evaluations and other estimates, including historical loss experience. The methods of making such estimates and for establishing the resulting reserves are reviewed and updated based on available information, and any resulting adjustments are recorded in the current period. Accordingly, newly established reserves for losses and LAE, or subsequent changes, are charged to income as incurred. In the event of loss recoveries through reinsurance agreements, loss and LAE reserves are reported net of reinsurance amounts recoverable for unpaid losses and LAE. Losses and LAE ceded through reinsurance are netted against losses and LAE incurred. Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsurance policy based upon the terms of the underlying contract. See Note 5 for further discussion of policies and methodologies for estimating the liabilities and losses.

Workers' compensation reserves are discounted in accordance with NY DFS statutes; see Note 5 for further details.

Salvage and subrogation recoverables are estimated using past experience adjusted for current trends, and any other factors that would modify past experience. Estimated salvage and subrogation recoveries (net of associated expenses) are deducted from the liability for unpaid claims or losses.

Structured Settlements

In the ordinary course of business, the Company enters into structured settlements to settle certain claims. Structured settlements involve the purchase of an annuity to fund future claim obligations. In the event the life insurers providing the annuity, on certain structured settlements, are not able to meet their obligations, the Company would be liable for the payments of benefits. As of December 31, 2025, the Company has not incurred a loss and there has been no default by any of the life insurers included in the transactions. Management believes that based on the financial strength of the life insurers involved in these structured settlements (mostly affiliates) the likelihood of a loss is remote.

The estimated loss reserves eliminated by such structured settlement annuities and the unrecorded loss contingencies as of December 31, 2025 and 2024 were $1,035 and $1,060, respectively.

As of December 31, 2025, the Company had annuities with aggregate statement values in excess of one percent of its policyholders' surplus with life insurer affiliates as follows:

Life Insurance Company	State of Domicile	Licensed in New York	Statement Value
American General Life Insurance Company	Texas	No	$ 115
American General Life Insurance Company of Delaware	Delaware	No	199
The United State Life Insurance Company in the City of New York	New York	Yes	678

Fair Value of Financial Instruments

The degree of judgment used in measuring the fair value of financial instruments generally inversely correlates with the level of observable valuation inputs. The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Financial instruments with quoted prices in active markets generally have more pricing observability and less judgment is used in measuring fair value. Conversely, financial instruments for which no quoted prices are available have less observability and are measured at fair value using valuation models or other pricing techniques that require more judgment. Pricing observability is affected by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction, liquidity and general market conditions.

Assets and liabilities recorded at fair value are measured and classified in accordance with a fair value hierarchy consisting of three ‘levels’ based upon the observability of inputs available in the marketplace as discussed below:

- Level 1: Fair value measurements that are based upon quoted prices (unadjusted) in active markets that we have the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. The quoted price for such instruments is not subject to adjustment.
- Level 2: Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Fair value measurements based on valuation techniques that use significant inputs that are unobservable. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, we must make certain assumptions as to the inputs a hypothetical market participant would use to value that asset or liability. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The Company’s policy is to recognize transfers in and out at the end of the reporting period, consistent with the date of the determination of fair value (See Note 4 for the balance and activity of financial instruments). The valuation methods and assumptions used in estimating the fair values of financial instruments are as follows:

- The fair values of bonds, mortgage loans, unaffiliated common stocks and preferred stocks are based on fair values that reflect the price at which a security would sell in an arm’s length transaction between a willing buyer and seller. As such, sources of valuation include third party pricing sources, stock exchanges, brokers or custodians or the NAIC Capital Markets and Investment Analysis Office ("NAIC IAO").
- The fair value of derivatives is determined using quoted prices in active markets and other market evidence whenever possible, including market-based updates, broker or dealer quotations or alternative pricing sources.
- The carrying value of all other financial instruments approximates fair value due to the short term nature.

Cash Equivalents and Short-Term Investments

Cash equivalents are short-term, highly liquid investments, with original maturities of three months or less, that are both; (a) readily convertible to known amounts of cash; and (b) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Highly liquid debt securities with maturities of greater than three months but less than twelve months from the date of purchase are classified as short-term investments. Short-term investments are carried at amortized cost which approximates fair value.

Bonds and Asset Backed and Structured Securities (excluding non-rated residual tranches or interests)

Bonds include any securities representing a creditor relationship, whereby there is a fixed schedule for one or more future payments such as US government agency securities, municipal securities, corporate and convertible bonds, and fixed income instruments.Asset-Backed securities ("ABS") include residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS"), collateralized loan obligations ("CLO"), asset-backed securities, and other collateralized securities.

Bonds and ABS with an NAIC designation (as obtained from the NAIC Investment Analysis Office ("IAO")) of "1" or "2" (considered to be investment grade) are carried at amortized cost. Bonds and ABS with an NAIC designation of "3", "4", "5", "5GI", "6" or "6*" (considered to be non-investment grade) are carried at the lower of amortized cost or fair value. Asset-Backed Securities fair values are primarily determined using independent pricing services and broker quotes. Bonds and ABS that have not been filed with the NAIC IAO, and have not received a designation in over a year are assigned a 5GI or 6* designation depending on if the obligor is current on contracted principal and interest. Bond and ABS securities that have been filed and received a 6* designation can carry a value greater than zero. Bond and ABS securities are assigned a 5GI designation when the following conditions are met: a) the documentation required for a full credit analysis did not exist, b) the issuer/obligor has made all contractual interest and principal payments, and c) an expectation of repayment of interest and principal exists. Amortization of premium or discount on bonds and ABS is calculated using the effective yield method.

Additionally, mortgage-backed securities ("MBS") and ABS prepayment assumptions were obtained from an outside vendor or internal estimates. The retrospective adjustment method is used to account for the effect of unscheduled payments affecting high credit quality securities, while securities with less than high credit quality and securities for which the collection of all contractual cash flows is not probable are both accounted for using the prospective adjustment method.

Non-rated residual tranches or interests

Non-rated residual tranches or interests are carried at the lower of cost or fair value. Changes in carrying value are record as *Unrealized gains or (losses)* in the *Statement of Changes in Capital and Surplus.*

Mortgage Loans

Mortgage loans on real estate are carried at unpaid principal balances, net of unamortized premiums, discounts and impairments. Pre-payments of principal are recorded as a reduction in the mortgage loan balance. If a mortgage loan provides for a prepayment penalty or acceleration fee in the event the loan is liquidated prior to its scheduled termination date, such fees are reported as investment income when received. Interest income includes interest collected, the change in interest income due and accrued, the change in unearned interest income, and the amortization of premiums, discounts, and deferred fees.

Impaired loans are identified by management as loans in which it is probable that all amounts due according to the contractual terms of the loan agreement will not be collected. The Company accrues income on impaired loans to the extent it is deemed collectible and the loan continues to perform under its original or restructured contractual terms. Non-performing loan interest income that is delinquent more than 90 days is generally recognized on a cash basis.

Mortgage loans are considered impaired when collection of all amounts due under contractual terms is not probable. Impairment is measured using either i) the present value of expected future cash flows discounted at the loan's effective interest rate, ii) the loan's observable market price, if available, or iii) the fair value of the collateral if the loan is collateral dependent. An allowance is typically established for the difference between the impaired value of the loan and its current carrying amount. Additional allowance amounts are established for incurred but not specifically identified impairments, based on statistical models primarily driven by past due status, debt service coverage, loan-to-value ratio, property occupancy, profile of the borrower and of the major property tenants, and economic trends in the market where the property is located. When all or a portion of a loan is deemed uncollectible, the uncollectible portion of the carrying amount of the loan is charged off against the allowance.

Preferred Stocks

Perpetual preferred stocks with an NAIC rating of "P1" or "P2", having characteristics of equity securities are carried at fair value. Redeemable preferred stocks with an NAIC rating of "RP1" or "RP2", which have characteristics of debt securities, are carried at book value. All preferred stocks with an NAIC rating of "3" through "6" are carried at the lower of book or fair value.

Unaffiliated Common Stock Securities

Unaffiliated common stock investments are carried at fair value with changes in fair value recorded as *Unrealized gains or (losses)* in *Unassigned funds (surplus)*, or as realized losses in the event a decline in value is determined to be other than temporary. For Federal Home Loan Bank ("FHLB") capital stock, which is only redeemable at par, the fair value shall be presumed to be par, unless considered other-than-temporarily impaired.

Common and preferred stock investments whose fair value is less than their carrying value or is at a significant discount to acquisition value are considered to be potentially impaired. For securities with unrealized losses, an analysis is performed. Factors include:

- If management intends to sell a security that is in an unrealized loss position then an OTTI loss is considered to have occurred;
- If the investments are trading at a significant (25 percent or more) discount to par, amortized cost (if lower) or cost for an extended period of time based on facts and circumstances of the investment; or
- If a discrete credit event occurs resulting in: (i) the issuer defaulting on a material outstanding obligation; (ii) the issuer seeking protection from creditors under bankruptcy law or any similar laws intended for court supervised reorganization of insolvent enterprises; or, (iii) the issuer proposing a voluntary reorganization pursuant to which creditors are asked to exchange their claims for cash or securities having a fair value substantially lower than par value of their claims; or
- If there are other factors precluding a full recovery of the investment.

Investments in subsidiaries and affiliated companies

Investments in non-publicly traded affiliates are recorded based on the underlying equity of the respective entity's financial statements as presented on a basis consistent with the nature of the affiliates' operations (including any nonadmitted amounts). The Company's share of undistributed earnings and losses of affiliates is recorded as unrealized gains (losses) in *Unassigned surplus.*

Investments in joint ventures, partnerships and limited liability companies

Other invested assets include joint ventures and partnerships and are accounted for under the equity method, based on the most recent financial statements of the entity. Changes in carrying value are recorded as unrealized gains (losses). Additionally, other invested assets include investments in collateralized loans that are recorded at the lower of amortized cost and the fair value of the underlying collateral. Changes in carrying value resulting from adjustments where the fair value is less than amortized cost are recorded as unrealized gains (losses) in *Unassigned surplus*, while changes resulting from amortization are recorded as *Net investment income.*

Derivatives

Derivative financial instruments are accounted for at fair value using quoted prices in active markets and other market evidence whenever possible, including market-based inputs to valuation models, broker or dealer quotations or alternative pricing sources, reduced by the amount of collateral held or posted by the Company with respect to the derivative position. Changes in carrying value are recorded as unrealized gains (losses) in *Unassigned surplus*.

Net investment income and gain/loss

Investment income is recorded as earned and includes interest, dividends and earnings from subsidiaries, loans and joint ventures. Realized gains or losses on the disposition or impairment of investments are determined on the basis of specific identification.

Investment income due and accrued is assessed for collectability. The Company records a valuation allowance on investment income receivable when it is probable that an amount is uncollectible by recording a charge against investment income in the period such determination is made. Any amounts receivable over 90 days past due, or 180 days past due for mortgage loans, that do not have a valuation allowance are nonadmitted by the Company.

Evaluating Investments for Other-Than-Temporary Impairment

If a bond is determined to have an OTTI in value the cost basis is written down to fair value as its new cost basis, with the corresponding charge to *Net realized capital gains (losses)* as a realized loss.

For bonds, other than asset-backed and structured securities, an OTTI shall be considered to have occurred if it is probable that the Company will not be able to collect all amounts due under the original contractual terms.

For asset-backed and structured securities, an OTTI shall be considered to have occurred if the fair value of a security is below its amortized cost and management intends to sell or does not have the ability and intent to retain the security until recovery of the amortized cost (i.e., intent based impairment) and recognized as realized capital gains. When assessing the intent to sell a security, management evaluates relevant facts and circumstances including, but not limited to, decisions to rebalance the investment portfolio, sales of securities to meet cash flow needs and sales of securities to take advantage of favorable pricing.

In general, a security is considered for OTTI if it meets any of the following criteria:

- The Company may not realize a full recovery on their investment based on lack of ability or intent to hold a security to recovery;
- Fundamental credit risk of the issuer exists; or
- Other qualitative/quantitative factors exist indicating an OTTI has occurred.

When a credit-related OTTI is present, the amount of OTTI recognized as a realized capital loss is equal to the difference between the investment's amortized cost basis and the present value of cash flows expected to be collected regardless of management's ability or intent to hold the security.

Common and preferred stock investments whose fair value is less than their carrying value or is at a significant discount to acquisition value are considered to be potentially impaired. For securities with unrealized losses, an analysis is performed. Factors include:

- If management intends to sell a security that is in an unrealized loss position then an OTTI loss is considered to have occurred;
- If the investments are trading at a significant (25 percent or more) discount to par, amortized cost (if lower) or cost for an extended period of time based on facts and circumstances of the investment; or
- If a discrete credit event occurs resulting in: (i) the issuer defaulting on a material outstanding obligation; (ii) the issuer seeking protection from creditors under bankruptcy law or any similar laws intended for court supervised reorganization of insolvent enterprises; or, (iii) the issuer proposing a voluntary reorganization pursuant to which creditors are asked to exchange their claims for cash or securities having a fair value substantially lower than par value of their claims; or
- If there are other factors precluding a full recovery of the investment.

Limited partnership investments whose fair value is less than its book value with a significant unrealized loss are considered for OTTI. OTTI factors that are periodically considered include:

- If an order of liquidation or other fundamental credit issues with the partnership exists;
- If there is a significant reduction in scheduled cash flow activities between the Company and the partnership or fund during the year;
- If there is an intent to sell, or the Company may be required to sell, the investment prior to the recovery of cost of the investment; or
- If other qualitative/quantitative factors indicating an OTTI exist based on facts and circumstances of the investment.

Foreign Currency Translation

Foreign currency denominated assets and liabilities are translated into U.S. dollars using rates of exchange prevailing at the period end date. Revenues, expenses, gains, losses and surplus adjustments, of non-U.S. operations are translated into U.S. dollars based on weighted average exchange rate for the period. All gains or losses due to translation adjustments are recorded as unrealized gains (losses) within *Unassigned surplus* in the *Statements of Liabilities, Capital and Surplus*. All realized gains and losses due to exchange differences between settlement date and transaction date resulting from foreign currency transactions, not in support of foreign insurance operations, are included in *Net realized capital gains (losses)* in the *Statements of Operations and Changes in Capital and Surplus.*

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

The Company's employees participate in various AIG-sponsored defined benefit pension and postretirement plans. AIG, as sponsor, is ultimately responsible for the maintenance of these plans in compliance with applicable laws. The Company is not directly liable for obligations under these plans. AIG charges the Company and its insurance company affiliates pursuant to intercompany expense sharing agreements; the expenses are then shared by the pool participants in accordance with the pooling agreement.

The Company incurred employee related costs related to defined benefit and defined contribution plans during 2025, 2024 and 2023 of $5, $5 and $11, respectively.

Income Taxes

The Company files a consolidated U.S. federal income tax return with AIG. AIG has more than 100 subsidiaries which form part of this tax return. A complete listing of the participating subsidiaries is included in Note 8.

The Company is allocated U.S. federal income taxes based upon an amended and restated tax sharing agreement (the “Tax Sharing Agreement”) with AIG, effective January 1, 2023, and approved by the Company's Board of Directors. This agreement provides that the Company shall incur tax results that would have been paid or received by such company if it had filed a separate federal income tax return, with limited exceptions.

Additionally, while the agreement described above governs the current and deferred income tax recorded in the income tax provision, the amount of cash that will be paid or received for U.S. federal income taxes may at times be different. The terms of this agreement are based on principles consistent with the allocation of income tax expense or benefit on a separate company basis, except that:

- The sections of the Internal Revenue Code relating to the Base Erosion Anti-abuse Tax ("BEAT") are applied, but only if the AIG consolidated group is subject to BEAT in the Consolidated Tax Liability,
- The impact of Deferred Intercompany Transactions (as defined in Treas. Reg. §1.1502-13(b)(1), if the “intercompany items” from such transaction, as defined in Treas. Reg. §1.1502-13(b)(2), have not been taken into account pursuant to the “matching rule” of Treas. Reg. §1.1502-13(c)), are excluded from current taxation, provided however, that the Company records the appropriate deferred tax asset and/or deferred tax liability related to the gain or loss and includes such gain or loss in its separate return tax liability in the subsequent tax year when the deferred tax liability or deferred tax asset becomes current; and

- Regarding the Corporate Alternative Minimum Tax ("CAMT"), the Company is considered an applicable reporting entity with tax allocation agreement exclusions. Therefore, the Company is not required to calculate or recognize CAMT in its current or deferred tax computations, and the Company (i) is excluded from charges for any portion of AIG's CAMT, (ii) is not allocated any portion of AIG's CAMT credit carryover (if any), and (iii) reasonably expects that AIG (and/or other members of the consolidated tax group) is meeting any CAMT obligations.

The Company has an enforceable right to recoup federal income taxes in the event of future net losses that it may incur or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes.

Under the Tax Sharing Agreement, income tax liabilities related to uncertain tax positions and tax authority audit adjustments ("TAAAs") shall remain with the Company for which the income tax liabilities relate. Furthermore, if and when such income tax liabilities are realized or determined to no longer be necessary, the responsibility for any additional income tax liabilities, benefits or rights to any refunds due, remains with the Company.

In accordance with Circular Letter 1979-33 issued by the NY DFS, AIG shall establish and maintain an escrow account for amounts where the Company's separate return liability exceeds the AIG consolidated tax liability. As of December 31, 2025, the Company's separate return liability did not exceed the AIG consolidated tax liability and therefore no amounts were maintained in escrow.

Deferred Taxes

The Company evaluates the recoverability of deferred tax assets and establishes a valuation allowance, if necessary, to reduce the deferred tax asset to an amount that is more likely than not to be realized ("adjusted gross deferred tax asset"). The evaluation of the recoverability of the deferred tax asset and the need for a valuation allowance requires management to weigh all positive and negative evidence to reach a conclusion that it is more likely than not that all or some portion of the deferred tax asset will not be realized. The weight given to the evidence is commensurate with the extent to which it can be objectively verified. The more negative evidence that exists, the more positive evidence is necessary and the more difficult it would be to support a conclusion that a valuation allowance is not needed.

The Company's framework for assessing the recoverability of deferred tax assets requires it to consider all available evidence, including:

- the nature, frequency, and amount of cumulative financial reporting income and losses in recent years;
- the sustainability of recent operating profitability of our subsidiaries;
- the predictability of future operating profitability of the character necessary to realize the net deferred tax asset;
- the carryforward periods for the net operating loss, capital loss and foreign tax credit carryforwards, including the effect of reversing taxable temporary differences; and
- prudent and feasible actions and tax planning strategies that would be implemented, if necessary, to protect against the loss of the deferred tax asset.

The adjusted gross deferred tax asset is then assessed for statutory admissibility. The reversing amount eligible for loss carryback or the amount expected to be realized in three years is admissible, subject to the defined surplus limitation. The remaining adjusted gross deferred tax asset can be admitted to the extent of offsetting deferred tax liabilities.

2. Accounting Adjustments to Statutory Basis Financial Statements

A. Change in Accounting Principles

In 2025 , 2024 and 2023, there were no significant changes or modifications in the Statements of Statutory Accounting Principles ("SSAP").

In August, 2023 (with revisions in September 2024), the National Association of Insurance Commissioners (NAIC) Statutory Accounting Principles Working Group (SAPWG) adopted the provisions of the Principles-Based Bond Definition (PBBD) Project, which is a principles based methodology to classify bonds based upon the substance of the agreement. A bond is defined as "any security representing a creditor relationship, whereby there is a fixed schedule for one or more future payments, and which qualifies as either an issuer credit obligation or an asset-back security. Previously, the bond classification was based upon legal form.

Issuer credit obligations ("ICO") are bonds, for which the primary source of repayment is the general credit worthiness of an operating entity or entities. An asset-backed security ("ABS") is a bond issued by an entity (an 'ABS Issuer') created for the primary purpose of raising debt capital backed by financial assets or cash generating non-financial assets owned by the ABS Issuer, for which the primary source of repayment is derived from the cash flows associated with the underlying defined collateral rather than the cash flows of an operating entity.
Securities that no longer meet the definition of an ICO or ABS, will be reported as other invested asset. ICO's and ABS's are accounted under SSAP No. 26 Bonds and SSAP No. 43, Asset-Backed Securities, respectively. The accounting for other assets will be based upon the characteristics of the investment.

The adoption of the change in accounting principle is effective January 1, 2025; however, specific transition guidance was provided to account

for the change prospectively. Reclassification of a bond into a new classification based upon the revised guidance will not result in any gain or loss and comparative disclosures are not required to be restated. The adoption of the provisions of the PBBD had $0 impact on the company.

B. Adjustments to Surplus

During 2025, 2024 and 2023 the Company identified corrections that resulted in after-tax statutory adjustments to beginning capital and surplus of $(20), $(14) and $25, respectively. In accordance with SSAP No. 3, *Accounting Changes and Corrections of Errors* ("SSAP 3"), the corrections of errors have been reported in the 2025, 2024 and 2023 statutory basis financial statements as adjustments to *Unassigned surplus*. The impact of the 2025 corrections had no impact on the 2024 and 2023 pre-tax income. Management has concluded that the effects of these errors on the previously issued financial statements were immaterial based on a quantitative and qualitative analysis. The impact to surplus, assets and liabilities as of January 1, 2025, 2024 and 2023 is presented in the following tables:

2025 Adjustments	Policyholders' Surplus	Total Admitted Assets	Total Liabilities
Balance At December 31, 2024	**$ 5,405**	**$ 19,059**	**$ 13,654**
Adjustments to beginning Capital and Surplus:			
Income tax corrections	**(20)**	**(20)**	**—**
Total adjustments to beginning Capital and Surplus	**(20)**	**(20)**	**—**
Balance at January 1, 2025 as adjusted	**$ 5,385**	**$ 19,039**	**$ 13,654**

An explanation for each of the adjustments for prior period corrections is described below:

Income tax corrections - The decrease in admitted assets includes the tax impact of the asset correction and a correction to foreign tax credits claimed in the Company's previously filed tax returns.

2024 Adjustments	Policyholders' Surplus	Total Admitted Assets	Total Liabilities
Balance At December 31, 2023	**$ 7,111**	**$ 20,945**	**$ 13,834**
Adjustments to beginning Capital and Surplus:			
Asset corrections	(24)	(24)	—
Income tax corrections	10	10	—
Total adjustments to beginning Capital and Surplus	(14)	(14)	—
Balance at January 1, 2024 as adjusted	**$ 7,097**	**$ 20,931**	**$ 13,834**

An explanation for each of the adjustments for prior period corrections is described below:

Asset corrections - The decrease is due to non-admitting the unaudited assets of a certain SSAP 97 OIA investment. Additionally, further decline is driven by the result of foreign withholding tax on reinsurance activity not being appropriately pooled.

Income tax corrections - The increase in the tax assets is primarily the result of the tax effect of the corresponding change in asset corrections, as well as deferred tax validation adjustments related to investments.

2023 Adjustments	Policyholders' Surplus	Total Admitted Assets	Total Liabilities
Balance At December 31, 2022	**$ 7,858**	**$ 21,990**	**$ 14,132**
Adjustments to beginning Capital and Surplus:			
Liability corrections	29	—	(29)
Income tax corrections	(4)	(3)	1
Total adjustments to beginning Capital and Surplus	25	(3)	(28)
Balance at January 1, 2023 as adjusted	**$ 7,883**	**$ 21,987**	**$ 14,104**

An explanation for each of the adjustments for prior period corrections is described below:

Liability Corrections - The decrease in total liabilities is primarily due to (a) an overstatement of assumed Loss reserves and (b) an overstatement of Unearned premium reserve.

Income tax corrections – The decrease in the tax assets and liabilities is primarily the result of (a) corrections to prior period balances for adjustments to the current and deferred tax assets and liabilities and (b) the tax effect of the corresponding change in asset realization and liability corrections.

3. Investments

A. Bond Investments

The reconciliations from carrying value to fair value of the Company's bond investments as of December 31, 2025 and 2024 are outlined in the tables below:

December 31, 2025	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Issuer Credit Obligations:	—			
U.S. Government Obligations	$ 360	$ 3	$ (26)	$ 337
Other U.S. Government Obligations	—	—	—	—
Non-U.S. Sovereign Jurisdiction	211	12	—	223
Municipal Bonds – General Obligation	292	9	(7)	294
Municipal Bonds – Special Revenue	674	10	(20)	665
Project Finance Bonds Issued by Operating Entities	64	—	(1)	63
Corporate Bonds	5,178	95	(155)	5,117
Mandatory Convertible Bonds	—	—	—	—
Single Entity Backed Obligations	111	2	(7)	106
Bonds Issued by Funds Representing Operating Entities	617	20	(9)	627
Mortgage Loans that Qualify as SVO-Identified Credit Tenant Loans	—	—	—	—
Other Issuer Credit Obligations	23	—	—	23
Bank Loans	204	1	—	205
Total Issuer Credit Obligations	$ 7,734	$ 152	$ (225)	$ 7,660
Asset Backed Securities:				
Agency Residential Mortgage-Backed Securities – Fully Guaranteed (Exempt from RBC)	$ 20	$ —	$ (1)	$ 20
Agency Commercial Mortgage-Backed Securities – Fully Guaranteed (Exempt from RBC)	83	2	—	84
Agency Residential Mortgage-Backed Securities – Not/Partially Guaranteed (Not Exempt from RBC)	2,065	24	(94)	1,995
Agency Commercial Mortgage-Backed Securities – Not/Partially Guaranteed (Not Exempt from RBC)	54	1	—	55
Non-Agency Residential Mortgage-Backed Securities	1,175	157	(9)	1,324
Non-Agency Commercial Mortgage-Backed Securities	1,286	17	(9)	1,294
Non-Agency – CLOs/CBOs/CDOs	399	3	—	402
Lease-Backed Securities – Practical Expedient	144	2	(1)	144
Other Financial Asset-Backed Securities	672	8	(4)	675
Other Financial Asset-Backed Securities – Not Self-Liquidating	36	—	—	36
Other Non-Financial Asset-Backed Securities	223	2	(4)	221
Total Asset Backed Securities	$ 6,157	$ 216	$ (122)	$ 6,250
Total Bonds Available for Sale	$ 13,891	$ 368	$ (347)	$ 13,910

December 31, 2024	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. governments	$ 571	$ 1	$ (34)	$ 538
All other governments	291	11	(7)	295
States, territories and possessions	189	4	(9)	184
Political subdivisions of states, territories and possessions	128	1	(5)	124
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities and their political subdivisions	2,469	2	(190)	2,281
Industrial and miscellaneous	9,259	204	(420)	9,043
Total	**$ 12,907**	**$ 223**	**$ (665)**	**$ 12,465**

The carrying values and fair values of bonds at December 31, 2025, by contractual maturity, are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay certain obligations with or without call or prepayment penalties.

December 31, 2025	Carrying Value	Fair Value
Due in one year or less	**$ 205**	**$ 205**
Due after one year through five years	**2,765**	**2,807**
Due after five years through ten years	**3,185**	**3,166**
Due after ten years	**1,579**	**1,482**
Structured securities	**6,157**	**6,250**
Total	**$ 13,891**	**$ 13,910**

B. Mortgage Loan Investments

The minimum and maximum lending rates for mortgage loans during 2025 were:

Category	Minimum Lending Rate %	Maximum Lending Rate %
Office	**5.8%**	**18.0%**

The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was 84 percent. The Company's mortgage loan portfolio is current as to payments of principal and interest, for both periods presented. There were no significant amounts of nonperforming mortgages (defined as those loans where payment of contractual principal or interest is more than 90 days past due) during any of the periods presented. The Company did not have any advanced amounts for taxes or assessments.

The following table details an analysis of mortgage loans as of December 31, 2025 and 2024:

	Farm	Residential		Commercial			Total
		Insured	All Other	Insured	All Other	Mezzanine	
2025							
Recorded Investment							
Current	**$ —**	**$ —**	**$ —**	**$ —**	**$ 663**	**$ 24**	**$ 687**
30 - 59 days past due	**—**	**—**	**—**	**—**	**4**	**—**	**4**
60 - 89 days past due	**—**	**—**	**—**	**—**	**—**	**—**	**—**
90 - 179 days past due	**—**	**—**	**—**	**—**	**3**	**—**	**3**
Greater than 180 days past due	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total	**$ —**	**$ —**	**$ —**	**$ —**	**$ 670**	**$ 24**	**$ 694**
2024							
Recorded Investment							
Current	$ -	$ -	$ -	$ -	**$ 859**	**$ 40**	**$ 898**
30 - 59 days past due	-	-	-	-	**-**	**-**	**-**
60 - 89 days past due	-	-	-	-	**-**	**-**	**-**
90 - 179 days past due	-	-	-	-	**39**	**-**	**39**
Greater than 180 days past due	-	-	-	-	**-**	**-**	**-**
Total	$ -	$ -	$ -	$ -	**$ 897**	**$ 40**	**$ 937**

At December 31, 2025 and 2024, the Company held $74 and $141, respectively, in impaired mortgages with $44 and $59, respectively, of related allowances for credit losses. There were $21 and $21 in impaired mortgage loans without a related allowance at both periods ended December 31, 2025 and 2024.

C. Asset-Backed and Structured Securities

The Company did not record any non-credit OTTI losses during 2025, 2024 and 2023 for Asset Backed Securities.

As of December 31, 2025, 2024 and 2023, the Company held asset backed securities for which it recognized $0, $0 and $5, respectively, of credit-related OTTI based on the present value of projected cash flows being less than the amortized cost of the securities.

The following table shows the aggregate unrealized losses and related fair value relating to those securities for which an OTTI has not been recognized as of the reporting date and the length of time that the securities have been in a continuous unrealized loss position:

Years Ended December 31,	**2025**	2024
Aggregate unrealized losses:		
Less than 12 Months	**$ (4)**	$ (23)
12 Months or longer	**(119)**	(201)
Aggregate related fair value of securities with unrealized losses:		
Less than 12 Months	**$ 479**	$ 1,961
12 Months or longer	**973**	1,326

D. Unrealized losses

The fair value of the Company's bonds and stocks that had gross unrealized losses (where fair value is less than amortized cost) as of December 31, 2025 and 2024 are set forth in the tables below:

December 31, 2025	Less than 12 Months		12 Months or Longer		Total	
Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Bonds available for sale:						
Issuer Credit Obligations	**448**	**(6)**	**1,899**	**(221)**	**2,347**	**(227)**
Asset Backed Securities	**479**	**(4)**	**973**	**(119)**	**1,452**	**(123)**
Total Bonds Available for Sale	**927**	**(10)**	**2,872**	**(340)**	**3,799**	**(350)**
Common Stock - Unaffliated	**—**	**—**	**4**	**(3)**	**4**	**(3)**
Total Common Stock - Unaffliated	**—**	**—**	**4**	**(3)**	**4**	**(3)**
Preferred Stocks	**1**	**—**	**—**	**—**	**1**	**—**
Total Preferred Stocks	**1**	**—**	**—**	**—**	**1**	**—**
Total bonds and stocks	**928**	**(10)**	**2,876**	**(343)**	**3,804**	**(353)**

December 31, 2024	Less than 12 Months		12 Months or Longer		Total	
Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. governments	$ 370	$ (7)	$ 70	$ (27)	$ 440	$ (34)
All other governments	217	(6)	25	(6)	242	(12)
States, territories and possessions	106	(7)	15	(2)	121	(9)
Political subdivisions of states, territories and possessions	32	—	38	(5)	70	(5)
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities and their political subdivisions	1,227	(17)	844	(172)	2,071	(189)
Industrial and miscellaneous	2,971	(105)	2,501	(390)	5,472	(495)
Total bonds	**$ 4,923**	**$ (142)**	**$ 3,493**	**$ (602)**	**$ 8,416**	**$ (744)**
Non-affiliated	**1**	**(5)**	**4**	**(1)**	**5**	**(6)**
Total common stocks	**$ 1**	**$ (5)**	**$ 4**	**$ (1)**	**$ 5**	**$ (6)**
Preferred stocks	**—**	**—**	**—**	**—**	**—**	**—**
Total Preferred stocks	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Total bonds and stocks	**$ 4,924**	**$ (147)**	**$ 3,497**	**$ (603)**	**$ 8,421**	**$ (750)**

E Realized Gains Losses

Proceeds from sales and associated gross realized gains (losses) for the years ended December 31, 2025, 2024 and 2023 were as follows:

Years ended December 31,	2025		2024		2023	
	Bonds	Equity Securities	Bonds	Equity Securities	Bonds	Equity Securities
Proceeds from sales	**$ 3,611**	**$ 1**	$ 5,347	$ 12	$ 3,813	$ 117
Gross realized gains	**10**	**1**	24	4	55	16
Gross realized losses	**(110)**	**—**	(203)	(4)	(186)	—

F. Derivative Financial Instruments

The Company holds currency derivatives and credit default swaps. Derivative products include currency swaps, currency forwards and default swaps. The Company's currency derivative were entered into to manage risk from currency exchange rate fluctuations, and the impact of such fluctuations to surplus and cash flows on investments or loss reserves. While not accounted for under hedge accounting, the currency derivatives are economic hedges of the Company's exposure to fluctuations in the value of receipts on certain investments held by the Company denominated in foreign currencies (primarily GBP and EUR), or of the Company's exposure to fluctuations in recorded amounts of loss reserves denominated in foreign currencies (primarily JPY). The Company's credit default swaps were entered into to manage credit risk exposure to reinsurance counterparties.

Market Risk

The Company is exposed under these types of contracts to fluctuations in value of the swaps and forwards and variability of cash flows due to changes in interest rates and exchange rates.

Credit Risk

The current credit exposure of the Company's derivative contracts is limited to the fair value of such contracts. Credit risk is managed by entering into transactions with creditworthy counterparties and obtaining collateral.

Cash Requirements

The Company is subject to collateral requirements on some of the Company's derivative contracts. Additionally, the Company is required to make currency exchanges on fixed dates and fixed amounts or fixed exchange rates, or make a payment in the amount of foreign currency physically received on certain foreign denominated investments. For credit default swaps, the Company is required to make premium payments on a fixed payment date.

The Company has determined that the currency derivatives do not qualify for hedge accounting under the criteria set forth in SSAP No. 86, *Accounting for Derivative Instruments and Hedging Transactions* ("SSAP 86"). As a result, the Company's currency rate contracts are accounted for at fair value and the changes in fair value are recorded as unrealized gains (losses) within the *Statements of Operations and Changes in Capital and Surplus* until the contract expires, paid down or is redeemed early. In the event a contract is fully redeemed before its expiration, the related unrealized amounts will be recognized in *Net realized capital gains (losses)*. Furthermore, if the contract has periodic payments or fully matures, any related unrealized amounts are recognized in *Net investment income earned*.

The Company did not apply hedge accounting to any of its derivatives for any period in these financial statements. The following tables summarize the outstanding notional amounts, the fair values and the realized and unrealized gains or losses of the derivative financial instruments held by the Company for the years ended December 31, 2025 and 2024:

	December 31, 2025		Years ended December 31, 2025	
Derivative Financial Instrument	**Outstanding Notional Amount**	**Fair Value**	**Realized capital gains/ (losses)**	**Unrealized capital gains / (losses)**
Swaps	**$ 56**	**$ 2**	**$ 1**	**$ (14)**
Forwards	**743**	**(17)**	**—**	**(27)**
Total	**$ 799**	**$ (15)**	**$ 1**	**$ (41)**

	December 31, 2024		Years ended December 31, 2024	
Derivative Financial Instrument	**Outstanding Notional Amount**	**Fair Value**	**Realized Capital gains/(losses)**	**Unrealized capital gains / losses**
Swaps	$ 150	$ 15	$ 1	$ 5
Forwards	1,051	10	(32)	(2)
Total	**$ 1,201**	**$ 25**	**$ (31)**	**$ 3**

G. Other Invested Assets

The following table shows the components of the company's other invested assets.

	2025	2024
Investments in joint ventures, partnerships and limited liability companies	1,373	1,546
Other Investments	29	30
Non-Admitted assets	(49)	(52)
Total other invested assets	1,353	1,524

The Company holds certain alternative investments, including private equity funds and hedge funds, using NAV as a practical expedient. Such investments have individually varying investment strategies and a variety of redemption terms and conditions. The Company believes that using NAV as a practical expedient for these investments is a fair and close approximation of the investment's liquidation value. In Q4 2025, the Company entered into an agreement to exchange certain alternative investments for an interest in a fund investment with a third-party asset manager CVC Capital Partners plc (CVC) in 2026. As a result of this agreement, certain alternative investments are recorded by the Company at the exchange value in the agreement rather than NAV.

During 2025, 2024 and 2023, the Company recorded OTTI losses on investments in joint ventures and partnerships of $93, $16, and $14, respectively.

H. Investment Income

Investment income due and accrued over 90 days past due of $0 was non-admitted in December 31, 2025. Investment income due and accrued over 90 days past due of $0 was non-admitted in December 31, 2024. Investment expenses of $37, $39 and $45 were included in Net investment income earned for the years ended December 31, 2025, 2024 and 2023, respectively.

The gross, nonadmitted assets and admitted amounts for interest income due and accrued were as follows:

Interest Income Due and Accrued	Amount
Gross	$ 119
Nonadmitted	—
Admitted	$ 119

I. Restricted Assets

The Company had securities deposited with regulatory authorities, as required by law, with a carrying value of $2,607 and $1,904 as of December 31, 2025 and 2024, respectively.

4. Fair Value of Financial Instruments

The following tables present information about financial instruments carried at fair value on a recurring basis and indicate the level of the fair value measurement as of December 31, 2025 and 2024:

December 31, 2025	Level 1	Level 2	Level 3	Total
Bonds available for sale:				
Issuer Credit Obligations	$ —	$ 201	$ 3	$ 204
Asset Backed Securities	—	12	22	34
Common stocks	1	5	—	6
Preferred stock	—	1	—	1
Derivative assets	—	3	—	3
Derivative liabilities	—	(18)	—	(18)
Total	$ 1	$ 204	$ 25	$ 230

December 31, 2024	Level 1	Level 2	Level 3	Total
Bonds	$ —	$ 594	$ 136	$ 730
Common stocks	1	4	112	117
Preferred Stock	—	—	1	1
Derivative assets	—	45	—	45
Derivative liabilities	—	(20)	—	(20)
Total	**$ 1**	**$ 623**	**$ 249**	**$ 873**

A. Fair Value Measurements in Level 3 of the Fair Value Hierarchy

The following tables show the balance and activity of financial instruments classified as level 3 in the fair value hierarchy for the years ended December 31, 2025 and 2024:

	Beginning Balance at January 1, 2025	Transfers into Level 3	Transfers out of Level 3	Total Gains (Losses) included in Net Income	Total Gains (Losses) Included in Surplus	Purchases, Sales, Issuances, Settlements, Net	Balance at December 31, 2025
Bonds							
Issuer Credit Obligations	**$ 63**	**$ 36**	**$ (59)**	**$ (8)**	**$ 1**	**$ (30)**	**$ 3**
Asset Backed Securities	**73**	**27**	**(72)**	**1**	**5**	**(12)**	**22**
Common stocks	**112**	**3**	**(113)**	**1**	**—**	**(3)**	**—**
Preferred stocks	**1**	**1**	**(2)**	**—**	**—**	**—**	**—**
Mutual funds	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Derivative - Credit default swap	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total	**$ 249**	**$ 67**	**$ (246)**	**$ (6)**	**$ 6**	**$ (45)**	**$ 25**

	Beginning Balance at January 1, 2024	Transfers into Level 3	Transfers out of Level 3	Total Gains (Losses) included in Net Income	Total Gains (Losses) included in Surplus	Purchases, Sales, Issuances, Settlements, Net	Balance at December 31, 2024
Bonds	$ 111	$ 88	$ (37)	$ (1)	$ (4)	$ (21)	$ 136
Preferred Stocks	19	3	(19)	(4)	2	—	1
Common stocks	109	4	(6)	(2)	(1)	8	112
Mutual funds	11	—	(10)	—	(1)	—	—
Derivative - Credit default swap	—	(1)	—	(1)	1	1	—
Total	**$ 250**	**$ 94**	**$ (72)**	**$ (8)**	**$ (3)**	**$ (12)**	**$ 249**

Assets are transferred out of Level 3 when circumstances change such that significant inputs can be corroborated with market observable data or when the asset is no longer carried at fair value. This may be due to a significant increase in market activity for the asset, a specific event, one or more significant inputs becoming observable or when a long-term interest rate significant to a valuation becomes short-term and this observable. Transfers out of Level 3 can also occur due to favorable credit migration resulting in a higher NAIC designation. Securities are generally transferred into Level 3 due to a decrease in market transparency, downward credit migration and an overall increase in price disparity for certain individual security types. The Company's policy is to recognize transfers in and out at the end of the reporting period, consistent with the date of the determination of fair value.

The table below presents information about the significant unobservable inputs used for recurring fair value measurements for certain Level 3 instruments, and includes only those instruments for which information about the inputs is reasonably available to us, such as data from independent third-party valuation service providers and from internal valuation models. Because input information from third-parties with respect to certain Level 3 instruments may not be reasonably available to the Company, balances shown below may not equal total amounts reported for such Level 3 assets.

	Fair Value at December 31, 2025	Valuation Technique	Unobservable Input	Range (Weighted Average)
Assets:				
Asset Backed Securities	**$ 4**	**Discounted cash flow**	**Yield**	**7.23% - 7.23% (7.23%)**

B. Fair Value of all Financial Instruments

The table below details the fair value of all financial instruments except for those accounted for under the equity method as of December 31, 2025 and 2024:

December 31, 2025	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carry Value)
Bonds available for sale:						
Issuer Credit Obligations	**$ 7,660**	**$ 7,734**	**$ —**	**$ 7,599**	**$ 61**	**$ —**
Asset Backed Securities	**6,250**	**6,157**	**—**	**5,030**	**1,221**	**—**
Total Bonds Available for Sale	**$ 13,910**	**$ 13,891**	**$ —**	**$ 12,629**	**$ 1,282**	**$ —**
Cash and Cash equivalents	**319**	**319**	**319**	**—**	**—**	**—**
Common stocks	**114**	**114**	**1**	**8**	**105**	**—**
Preferred stocks	**1**	**1**	**—**	**1**	**—**	**—**
Mortgage loans	**685**	**694**	**—**	**—**	**685**	**—**
Derivative assets	**3**	**3**	**—**	**3**	**—**	**—**
Derivative liabilities	**(18)**	**(18)**	**—**	**(18)**	**—**	**—**
Total	**$ 15,014**	**$ 15,004**	**$ 320**	**$ 12,623**	**$ 2,072**	**$ —**

December 31, 2024	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carry Value)
Bonds	$ 12,465	$ 12,907	$ —	$ 11,292	$ 1,173	$ —
Cash equivalents and short term investments	119	119	119	—	—	—
Common stocks	281	281	1	6	275	—
Derivative assets	45	45	—	45	—	—
Derivative liabilities	(20)	(20)	—	(20)	—	—
Mortgage loans	901	937	—	—	901	—
Preferred Stocks	1	1	—	—	1	—
Total	**$ 13,792**	**$ 14,270**	**$ 120**	**$ 11,323**	**$ 2,350**	**$ —**

5. Reserves for Losses and Loss Adjustment Expenses

A roll forward of the Company's net reserves for losses and LAE as of December 31, 2025, 2024 and 2023, is set forth in the table below:

December 31,	2025	2024	2023
Reserves for losses and LAE, end of prior year	**$ 8,069**	$ 7,919	$ 8,172
Incurred losses and LAE related to:			
Current accident year	**2,822**	2,700	2,726
Prior accident year	**(129)**	(96)	(29)
Total incurred losses and LAE	**$ 2,693**	$ 2,604	$ 2,697
Paid losses and LAE related to:			
Current accident year	**(632)**	(624)	(868)
Prior accident year	**(1,983)**	(1,830)	(2,082)
Total paid losses and LAE	**$ (2,615)**	**$ (2,454)**	**$ (2,950)**
Reserves for losses and LAE, end of current year	**$ 8,147**	**$ 8,069**	**$ 7,919**

During 2025, after applying the impact of the ADC, the Pool reported net favorable incurred loss and LAE of approximately $129. This favorable incurred includes $11 of favorable due to changes in discount. This results in a favorable prior year development ("PYD") of $118.

The favorable PYD was mostly driven by favorable development in Workers Compensation, Special Property, Commercial Multi-Peril and Other Liability Claims Made, partially offset by unfavorable development in Other Liability Occurrence and Commercial Auto Liability.

During 2024, after applying the impact of the ADC, the Company reported net favorable incurred loss and LAE of approximately $96. This favorable incurred includes $17 unfavorable due to changes in discount as a result of interest rate fluctuation. This results in a favorable prior year development ("PYD") of $113.

The favorable PYD was mostly driven by favorable development in Workers Compensation, Other Liability Claims Made and Special Property, partially offset by adverse development in Other Liability Occurrence.

During 2023, after applying the impact of the ADC, the Company reported net favorable incurred loss and LAE of approximately $29. This favorable incurred includes $8 favorable due to changes in discount as a result of interest rate fluctuation. This results in a favorable prior year development ("PYD") of $21.

The favorable PYD was mostly driven by favorable development in Workers Compensation and Personal Insurance, partially offset by adverse development in Other Liability Claims Made and Special Property.

The Company's reserves for losses and LAE have been reduced for anticipated salvage and subrogation of $193, $203 and $202 for the years ended December 31, 2025, 2024 and 2023, respectively. The Company paid $4, $7 and $8 in the reporting period to settle 68, 74 and 86 claims related to extra contractual obligations or bad faith claims stemming from lawsuits for the years ended December 31, 2025, 2024 and 2023, respectively.

A. Asbestos/Environmental Reserves

The Company has indemnity claims asserting injuries from toxic waste, hazardous substances, asbestos and other environmental pollutants and alleged damages to cover the clean-up costs of hazardous waste dump sites (environmental claims). Estimation of environmental claims loss reserves is a difficult process, as these claims, which emanate from policies written in 1986 and prior years, cannot be estimated by conventional reserving techniques. Environmental claims development is affected by factors such as inconsistent court resolutions, the broadening of the intent of policies and scope of coverage and increasing number of new claims. The Company and other industry members have and will continue to litigate the broadening judicial interpretation of policy coverage and the liability issues. If the courts continue in the future to expand the intent of the policies and the scope of the coverage, as they have in the past, additional liabilities would emerge for amounts in excess of reserves held. This emergence cannot now be reasonably estimated, but could have a material impact on the Company's future operating results or financial position.

The Company has exposure to asbestos and/or environmental losses and LAE costs arising from pre-1986 general liability, product liability, commercial multi-peril and excess liability insurance or reinsurance policies as noted below:

	Asbestos Losses			Environmental Losses		
December 31,	**2025**	**2024**	**2023**	**2025**	**2024**	**2023**
Direct						
Loss and LAE reserves, beginning of year	**$ 505**	$ 522	$ 537	**$ 191**	$ 204	$ 219
Incurred losses and LAE	**48**	54	29	**(1)**	—	—
Calendar year paid losses and LAE	**(46)**	(71)	(44)	**(13)**	(13)	(15)
Loss and LAE Reserves, end of year	**$ 507**	**$ 505**	**$ 522**	**$ 177**	**$ 191**	**$ 204**
Assumed reinsurance						
Loss and LAE reserves, beginning of year	**$ 218**	$ 234	$ 244	**$ 15**	$ 15	$ 16
Incurred losses and LAE	**2**	(8)	(4)	**—**	—	—
Calendar year paid losses and LAE	**(4)**	(8)	(6)	**—**	—	(1)
Loss and LAE Reserves, end of year	**$ 216**	**$ 218**	**$ 234**	**$ 15**	**$ 15**	**$ 15**
Net of reinsurance						
Loss and LAE reserves, beginning of year	**$ 1**	$ 1	$ 1	**$ —**	$ —	$ —
Incurred losses and LAE	**—**	—	—	**—**	—	—
Calendar year paid losses and LAE	**—**	—	—	**—**	—	—
Loss and LAE Reserves, end of year	**$ 1**	**$ 1**	**$ 1**	**$ —**	**$ —**	**$ —**

The Company estimates the full impact of the asbestos and environmental exposure by establishing case basis reserves on all known losses and establishes bulk reserves for IBNR losses and LAE based on management's judgment after reviewing all the available loss, exposure, and other information.

Included in the above table are loss and LAE - IBNR and bulk reserves arising from pre-1986 general liability, product liability, commercial multi-peril and excess liability insurance or reinsurance policies as noted below:

Asbestos	Loss Reserves		LAE Reserves	
December 31,	2025	2024	2025	2024
Direct basis:	$ 194	$ 214	$ 35	$ 32
Assumed reinsurance basis:	81	82	6	6
Net of ceded reinsurance basis:	—	—	—	—

Environmental	Loss Reserves		LAE Reserves	
December 31,	2025	2024	2025	2024
Direct basis:	$ 74	$ 75	$ 32	$ 34
Assumed reinsurance basis:	3	8	2	4
Net of ceded reinsurance basis:	—	—	—	—

B. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

The Company discounts its workers' compensation (both tabular and non-tabular) reserves.

The Company's tabular discount is obtained from the Company's Lifetime Benefit Calculator (LBC), which is a tool used by the claims handlers to calculate case reserves. The LBC enables the Company to determine its tabular case reserve discount using a given interest rate curve. To be consistent with the non-tabular discount, we used a 4.5% interest rate for PA/DE domiciled companies (DE's maximum allowable rate), which is subject to regulator approval, and a 5% interest for NY domiciled companies (as prescribed by NY) when determining the tabular case reserve discount. Tabular discount only applied to case reserves, not IBNR reserves. The December 31, 2025 and 2024 liabilities include $537 and $579 of such discounted reserves, respectively.

Tabular Reserve Discount

The table below presents the amount of tabular discount applied to the Company's reserves as of December 31, 2025, 2024 and 2023.

Lines of Business	2025	2024	2023
Workers' Compensation			
Case Reserves	$ 47	$ 36	$ 98

As of December 31, 2025, 2024 and 2023, the tabular case reserve discount is presented net of the ceded discount related to the ADC of $52, $54, and $95, respectively.

Non-Tabular Discount

The Company's non-tabular workers' compensation case reserves are discounted using the Company's own payout pattern and a 5 percent interest rate, as prescribed by NY SAP.

The table below presents the amount of non-tabular discount applied to the Company's reserves as of December 31, 2025, 2024 and 2023.

Lines of Business	2025	2024	2023
Workers' Compensation			
Case Reserves	$ 208	$ 203	$ 152

As of December 31, 2025, 2024 and 2023, the non-tabular case reserve discount is presented net of the ceded discount related to the ADC of $122, $145, and $116,respectively.

6. Related Party Transactions

A. Combined Pooling Agreement

As described in Note 1, effective January 1, 2025, the Combined pooling Agreement was amended and restated, with Western World, Stratford and Tudor ("Western World Insurers") becoming zero percent participants in the Combined Pool. The Company's' participation in the pool remained the same. There were no changes to surplus as a result of the changes to the Combined Pooling Agreement. Significant portions of the balances below were previously ceded from the Western World Insurers to the Combined Pool via the now commuted quota share (refer to Note 6B).

National Union is the lead pool Company. See the table in Note 1A for the listing of all of the other participants of the Combined Pool, their NAIC Company numbers and participation percentages in the Combined Pool.

The following table shows the changes in Assets, Liabilities and the Statement of Income for the Combined Pool as a result of the 2025 Repooling Transaction.

Assets:		**Amount**
Agents' balances or uncollected premiums	$	72
Deferred premiums, agents' balances		2
Amounts recoverable from reinsurers		75
Other insurance assets		1
Total Assets	**$**	**150**
Liabilities:		
Reserve for losses and loss adjustment expenses	$	240
Unearned premium reserves (net)		80
Ceded reinsurance premiums payable		100
Provision for reinsurance		2
Other insurance liabilities		32
Total Liabilities	**$**	**454**
Statement of Operations and Changes in Surplus		
Net premiums written	$	320
Change in unearned premium reserves	$	(80)
Premiums earned	**$**	**240**
Losses and loss adjustment expenses incurred	$	240
Net underwriting gain (loss)	**$**	**—**
Net Impact Corresponding to Consideration Received / (Paid)	**$**	**304**

B. Significant Transactions

The following table summarizes transactions (excluding reinsurance and cost allocation transactions) that occurred during 2025, 2024 and 2023 between the Company and affiliated companies in which the value exceeded one-half of one percent of the Company's admitted assets as of December 31, 2025, 2024 and 2023:

			2025			
			Assets Received by the Company		**Assets Transferred by the Company**	
Date of Transaction	**Explanation of Transaction**	**Name of Affiliate**	**Statement Value**	**Description**	**Statement Value**	**Description**
Various	**Tax Payment**	**AIG**	**$ —**	**-**	**$ 237**	**Cash**

			2024			
			Assets Received by the Company		Assets Transferred by the Company	
Date of Transaction	Explanation of Transaction	Name of Affiliate	Statement Value	Description	Statement Value	Description
6/20/2024	Return of Capital	AIG PC US	—	-	795	Cash
6/20/2024	Common stock	AIG PC US	—	-	5	Cash
12/5/2024	Return of Capital	AIG PC US	—	-	795	Cash
12/5/2024	Common stock	AIG PC US	—	-	5	Cash

			2023			
			Assets Received by the Company		Assets Transferred by the Company	
Date of Transaction	Explanation of Transaction	Name of Affiliate	Statement Value	Description	Statement Value	Description
12/21/2023	Return of Capital	AIG PC US	—	-	946	Cash
12/21/2023	Common Capital Stock	AIG PC US	—	-	4	Cash

For a listing of Intercompany Dividends to parent, please see note 9A.

Western-World Commutation

Effective January 1, 2025, the Western World Insurers entered into a commutation agreement that transferred the business previously ceded by the Western World Insurers to NUFIC back to the Balance sheet of the Western World Insurers. Net unearned premium reserves of $250 and Net loss reserves of $667 were transferred in the transaction. Immediately after the commutation the Western World Insurers joined the Combined Pool.

Share Repurchase

On December 5, 2024, the Company repurchased 158,947 shares of its authorized and outstanding shares of common stock at a book value of $5,033.15 per share (in whole dollars) for a total repurchase price of $800 which was distributed in cash to its immediate parent. As a result of this transaction, the Company's capital stock was decreased by $5 and its gross paid in and contributed surplus was decreased by $795. The transaction was approved by the Company's board of directors and NY DFS.

On June 20, 2024, the Company repurchased 153,885 shares of its authorized and outstanding shares of common stock at a book value of $5,198.71 per share (in whole dollars) for a total repurchase price of $800 which was distributed in cash to its immediate parent. As a result of this transaction, the Company's capital stock was decreased by $5 and its gross paid in and contributed surplus was decreased by $795. The transaction was approved by the Company's board of directors and NY DFS.

On June 11, 2024, the Company amended and restated its charter for the purpose of increasing the par value of the 1,758,158 authorized shares of common stock from $20 per share to $30 per share, thereby increasing the amount of authorized capital from $35 to $53. This transaction was approved by the Company's board of directors and NY DFS.

On December 21, 2023, the Company repurchased 188,228 shares of its authorized and outstanding shares of common stock at a book value of $5,047.10 per share (in whole dollars) for a total repurchase price of $950, which was distributed in cash to its immediate parent. As a result of this transaction, the Company's capital stock was decreased by $4 and its gross paid in and contributed surplus was decreased by $946. The transaction was approved by the Company's board of directors and NY DFS.

Blackboard Commutation

Effective January 1, 2024, Glatfelter and Marbleshore ("Blackboard Insurers") entered into a commutation agreement that transferred the business previously ceded by the Blackboard Insurers to National Union back to the Balance Sheet of the Blackboard Insurers. Net loss reserve of $102 were transferred in the transaction. Immediately after the commutation the Blackboard Insurers joined the Combined Pool.

C. Amounts Due to or from Related Parties

At December 31, 2025 and 2024, the Company reported the following receivables/payables balances from/to its Ultimate Parent, subsidiaries and affiliates (excluding reinsurance transactions). Intercompany agreements have defined settlement terms and related receivables are reported as nonadmitted if balances due remain outstanding more than ninety days past the due date as specified in the agreement.

As of December 31,	2025	2024
Balances with National Union	$ 61	$ 65
Balances with other member pool companies	4	—
Balances with other affiliates	68	75
Receivable from parent, subsidiaries and affiliates	**$ 133**	**$ 140**
Balances with other member pool companies	41	42
Balances with other affiliates	37	29
Payable to parent, subsidiaries and affiliates	**$ 78**	**$ 71**

Current federal and foreign taxes payable under the Tax Sharing Agreement at December 31, 2025 and 2024 were $60 and $4, respectively.

AIG uses centralized cash management in which AIG controls all cash transactions and maintains certain cash accounts on behalf of its subsidiaries, including American Home. The balance included in intercompany receivable is $44 and $60 at December 31, 2025 and 2024, respectively.

The Company did not change its methods of establishing terms regarding any transactions with its affiliates during the years ended December 31, 2025 or 2024.

D. Guarantees or Contingencies for Related Parties

The Company has issued guarantees whereby it unconditionally and irrevocably guarantees all present and future obligations and liabilities arising from the policies of insurance issued by certain insurers who, as of the guarantee issue date, were members of the AIG holding company group. The guarantees were provided in order to secure or maintain the guaranteed companies' rating status issued by certain rating agencies, as disclosed in Note 10.

E. Management, Service Contract and Cost Sharing Arrangements

As an affiliated company of AIG, the Company utilizes centralized services from AIG and its affiliates. The Company is allocated a charge for these services, based on the amount of incremental expense associated with operating the Company as a separate legal entity. The amount of expense allocated to the Company each period was determined based on an analysis of services provided to the Company.

The following table summarizes fees incurred related to affiliates that exceeded one-half of one percent of the Company's admitted assets during 2025, 2024 and 2023:

Affiliates	2025	2024	2023
AIG Global Claims Services, Inc.	$ 131	$ 131	$ 134
AIG PC Global Services, Inc.	187	120	165
Total	**$ 318**	**$ 251**	**$ 299**

F. Borrowed Money

The Company (among other affiliates) is a borrower under a Loan Agreement, with AIG, as lender, pursuant to which the Company may borrow funds from AIG from time to time (the "Loan Facility"). The aggregate amount of all loans that may be outstanding under the Loan Facility at a given time is $500.

As of December 31, 2025 and 2024, the Company had no outstanding liability pursuant to this Loan Facility.

Significant debt terms and covenants include the following:

- The Company must preserve and maintain its legal existence while maintaining all rights, privileges and franchises necessary to the normal conduct of its business;
- The Company must take, or cause to be taken, all other actions reasonably necessary or desirable to preserve and defend the rights of the Lender to payment hereunder, and to assure to the Lender the benefits hereof; and

- The Company must not merge with or into or consolidate with any other person, sell, transfer or dispose of all or substantially all of its assets or undergo any change in the control of its voting stock unless (a) such merger or consolidation is with or into a wholly-owned subsidiary of Lender, (b) such sale or transfer is to a wholly-owned subsidiary of the Lender or (c) The Company receives the prior written authorization from the Lender.

There have been no violations of the terms and covenants associated with the debt issuance.

The Dubai branch of the Company has an outstanding liability for borrowed money, issued on December 23, 2025, in the amount of $5 due to AIG Transaction Execution Limited (ATEL). The principal amount is due on the one month anniversary of the date on which the loan was made. At the option of the Company, early repayment may be made. Interest at a rate equal to 3.712% is required to be paid at maturity. For the year ended December 31, 2025 , total interest paid in whole dollars was $15,982.

Refer to Note 11 E regarding funds borrowed from FHLB.

7. Reinsurance

In the ordinary course of business, the Company may use both treaty and facultative reinsurance to minimize its net loss exposure to a) any single catastrophic loss event; b) an accumulation of losses from a number of smaller events; or c) provide greater risk diversification. Based on the terms of the reinsurance contracts, a portion of expected IBNR losses will be recoverable in accordance with terms of the reinsurance protection purchased. This determination is necessarily based on the estimate of IBNR and accordingly, is subject to the same uncertainties as the estimate of IBNR. Ceded amounts related to paid and unpaid losses and loss expenses with respect to these reinsurance agreements are generally substantially collateralized. The Company remains liable to the extent that the reinsurers do not meet their obligation under the reinsurance contracts after any collateral is exhausted, and as such, the financial condition of the reinsurers is regularly evaluated and monitored for concentration of credit risk. In addition, the Company assumes reinsurance from other insurance companies.

The following table presents direct, assumed reinsurance and ceded reinsurance written and earned premiums for the years ended December 31, 2025, 2024 and 2023:

Years Ended December 31,	2025		2024		2023	
	Written	Earned	Written	Earned	Written	Earned
Direct premiums	$ 443	$ 447	$ 451	$ 461	$ 460	$ 388
Reinsurance premiums assumed:						
Affiliates	7,653	7,778	7,733	7,662	7,649	7,642
Non-affiliates	166	194	170	121	200	158
Gross Premiums	**$ 8,262**	**$ 8,419**	**$ 8,354**	**$ 8,244**	**$ 8,309**	**$ 8,188**
Reinsurance premiums ceded:						
Affiliates	1,214	1,419	1,482	1,501	1,546	1,341
Non-affiliates	2,586	2,529	2,584	2,598	2,544	2,595
Net Premiums	**$ 4,462**	**$ 4,471**	**$ 4,288**	**$ 4,145**	**$ 4,219**	**$ 4,252**

As of December 31, 2025 and 2024, and for the years then ended, the Company's unearned premium reserves, paid losses and LAE, and reserves for losses and LAE (including IBNR), have been reduced for reinsurance ceded as follows:

	Unearned Premium Reserves	Paid Losses and LAE	Reserves for Losses and LAE
December 31, 2025:			
Affiliates	**$ 484**	**$ 83**	**$ 5,919**
Non-affiliates	**963**	**627**	**6,381**
Total	**$ 1,447**	**$ 710**	**$ 12,300**
December 31, 2024:			
Affiliates	$ 654	$ 85	$ 6,138
Non-affiliates	907	591	6,694
Total	**$ 1,561**	**$ 676**	**$ 12,832**

A. Reinsurance Return Commission

The maximum amount of return commission which would have been due to reinsurers if all of the Company's reinsurance had been cancelled as of December 31, 2025 and 2024 with the return of the unearned premium reserve is as follows:

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
December 31, 2025						
Affiliates	**$ 3,625**	**$ 660**	**$ 484**	**$ 89**	**$ 3,142**	**$ 571**
All Other	**140**	**26**	**963**	**177**	**(823)**	**(151)**
Total	**$ 3,765**	**$ 686**	**$ 1,447**	**$ 266**	**$ 2,319**	**$ 420**
December 31, 2024						
Affiliates	$ 3,702	$ 776	$ 654	$ 122	$ 3,048	$ 655
All Other	167	35	907	169	(740)	(134)
Total	**$ 3,869**	**$ 811**	**$ 1,561**	**$ 291**	**$ 2,308**	**$ 521**

B. Unsecured Reinsurance Recoverable

The aggregate unsecured reinsurance balances (comprising recoverables for paid and unpaid losses and LAE and unearned premium reserves) in excess of three percent of policyholders' surplus at December 31, 2025 and 2024 with respect to an individual reinsurer, and each of such reinsurer's related group members having an unsecured aggregate reinsurance balance with the Company, are as follows:

Reinsurer	2025	2024
Affiliates:		
Combined Pool*	**$ 5,756**	$ 5,984
Eaglestone	**432**	444
Other affiliates	**207**	321
Total affiliates	**$ 6,395**	**$ 6,749**
Berkshire Hathaway Group	**154**	143
Swiss Reinsurance Group	**281**	306
Munich Reinsurance Group	**241**	303
Hannover Re Group	**326**	306
Everest Re Group	**342**	327
Lloyds of London**	**186**	143
Total Non-affiliates	**$ 1,530**	**$ 1,528**
Total affiliates and non-affiliates	**$ 7,925**	**$ 8,277**

* Includes intercompany pooling impact of $449 related to Unearned Premium Reserve, $5,150 related to Reserves for Losses and LAE and $23 related to Paid losses and LAE as of and for the year ended December 31, 2025, and $515, $5,324, and $23, respectively, as of and for the year ended December 31, 2024.
** Lloyds of London was below 3% threshold for 2024

C. Reinsurance Recoverable in Dispute

At December 31, 2025 and 2024, the aggregate of all disputed items did not exceed ten percent of capital and surplus and there were no amounts in dispute for any single reinsurer that exceeded five percent of capital and surplus. The total reinsurance recoverable balances in dispute are $56 and $36 as of December 31, 2025 and 2024, respectively.

D. Retroactive Reinsurance

On January 20, 2017, the Combined Pool entered into an adverse development reinsurance agreement with NICO under which the Combined Pool ceded to NICO eighty percent of its reserve risk above an attachment point on substantially all of its U.S. Commercial long-tail exposures for accident years 2015 and prior. Under this agreement, the Combined Pool ceded to NICO eighty percent of net paid losses on subject business on or after January 1, 2016 in excess of $25,000 of net paid losses, up to an aggregate limit of $25,000. At NICO's 80 percent share, NICO's limit of liability under the contract is $20,000. The Combined Pool paid consideration of approximately $10,188 in February 2017, including interest at 4 percent per annum from January 1, 2016 through date of payment. American Home's share of the consideration paid was $3,566. NICO placed the consideration received into a collateral trust account as security for NICO's claim payment obligations, and Berkshire Hathaway Inc. has provided a parental guarantee to secure NICO's obligations under the agreement.

American Home accounted for this transaction as prospective reinsurance, except that the surplus gain associated with the ADC has been reported in a segregated surplus account and does not form a part of the Company's *Unassigned surplus*.

The total surplus gain recognized by the Combined Pool as of December 31, 2025, 2024 and 2023 was $2,117, $1,971, and $1,514, respectively. American Home's share of this gain as of December 31, 2025, 2024 and 2023 was $789, $731 and $627, respectively. The surplus gain is presented as segregated surplus and subject to the applicable dividend restrictions. This amount must be restricted in surplus until such time as the actual retroactive reinsurance recovered from NICO exceeds the consideration paid for the cession.

E. Reinsurance Agreements Qualifying for Reinsurer Aggregation

In 2011, the Combined Pool companies entered into a loss portfolio transfer reinsurance agreement with Eaglestone, an affiliate, which provides coverage up to a limit of $5,000 for the Pool's net asbestos exposures. Effective the same date, Eaglestone retroceded the majority of this exposure to NICO, an unaffiliated company. NICO provides coverage up to a limit of $3,500 for subject business covered under the agreement. NICO administers claims and pursues amounts recoverable from the Combined Pool companies' reinsurers with respect to paid losses and loss adjustment expenses. To the extent that the prior reinsurers pay, the amounts are collected and retained by NICO. NICO maintains funds in trust for the benefit of Eaglestone under the contract; as of December 31, 2025 and 2024 the amount in trust was $1,814 and $1,660, respectively. The amount of the unexhausted limit under the NICO agreement as of December 31, 2025 and 2024 was $797 and $906, respectively. The Company has accounted for its cession to Eaglestone as prospective reinsurance.

8. Income Taxes

U.S. TAX LAW CHANGES

On July 4, 2025, new U.S. tax legislation was signed into law (known as the "One Big Beautiful Bill Act" or "OBBB Act") which, among other provisions, makes permanent many of the tax provisions enacted in 2017 as part of the Tax Cuts and Jobs Act that were set to expire at the end of 2025. The OBBB Act does not have a material impact to the Company.

The components of the Company's net deferred tax assets/liabilities ("DTA"/"DTL") as of December 31, 2025 and 2024 are as follows:

	12/31/2025			12/31/2024			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross DTA	$ 353	$ 217	$ 570	$ 325	$ 256	$ 581	$ 28	$ (39)	$ (11)
Statutory Valuation Allowance	—	—	—	—	27	27	—	(27)	(27)
Adjusted Gross DTA	353	217	570	325	229	554	28	(12)	16
Nonadmitted DTA	46	—	46	11	—	11	35	—	35
Subtotal Admitted DTA	307	217	524	314	229	543	(7)	(12)	(19)
DTL	81	235	316	111	229	340	(30)	6	(24)
Net Admitted DTA/(DTL)	$ 226	$ (18)	$ 208	$ 203	$ —	$ 203	$ 23	$ (18)	$ 5

At December 31, 2025, the Company recorded gross deferred tax assets ("DTA") of $570. Management believes that it is more likely than not that these assets will be realized in the foreseeable future. Therefore, the Company has not recorded a valuation allowance against its deferred tax asset. Tax planning strategies had no impact on the determination of the net admitted DTA.

The following table shows the summary of the calculation for the net admitted DTA as of December 31, 2025 and 2024:

	12/31/2025			12/31/2024			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Carried back losses that reverse in subsequent three calendar years	$ 187	$ —	$ 187	$ 89	$ —	$ 89	$ 98	$ —	$ 98
Adjusted gross DTAs realizable within 36 months or 15 percent of statutory surplus (the lesser of 1 and 2 below)	21	—	21	114	—	114	(93)	—	(93)
1. Adjusted gross DTAs realizable within 36 months	21	—	21	114	—	114	(93)	—	(93)
2. 15 percent of statutory surplus	NA	NA	856	NA	NA	780	NA	NA	76
Adjusted gross DTAs that can be offset against DTLs	99	217	316	111	229	340	(12)	(12)	(24)
Total DTA admitted as the result of application of SSAP 101	$ 307	$ 217	$ 524	$ 314	$ 229	$ 543	$ (7)	$ (12)	$ (19)

	2025	2024
Ratio percentage used to determine recovery period and threshold limitation amount	471 %	424 %
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in (2) above.	$ 5,709	$ 5,202

The following table shows the components of the current income tax expense (benefit) for the periods listed:

For the Years Ended December 31,	2025	2024	Change
Federal income tax	$ 265	$ 73	$ 192
Foreign income tax	12	12	—
Subtotal	277	85	192
Federal income tax on net capital gains	4	(23)	27
Federal and foreign income taxes incurred	$ 281	$ 61	$ 220

The following table shows the components of the DTA split between ordinary and capital DTA as of December 31, 2025 and 2024:

	2025	2024	Change
Ordinary			
Discounting of unpaid losses	$ 120	$ 115	$ 5
Nonadmitted assets	41	28	13
Unearned premium reserve	107	109	(2)
Bad debt expense	5	3	2
Investments	42	31	11
Intangible assets	2	3	(1)
Compensation and benefits accrual	8	9	(1)
Deferred ceding commission liability	19	17	2
Other temporary differences	9	10	(1)
Subtotal	353	325	28
Nonadmitted	46	11	35
Admitted ordinary deferred tax assets	$ 307	$ 314	$ (7)
Capital			
Investments	$ 217	$ 256	$ (39)
Subtotal	217	256	(39)
Statutory valuation allowance adjustment	—	27	(27)
Admitted capital deferred tax assets	217	229	(12)
Admitted deferred tax assets	$ 524	$ 543	$ (19)

The following table shows the components of the DTL split between ordinary and capital DTL as of December 31, 2025 and 2024:

	2025	2024	Change
Ordinary			
Investments	$ 73	$ 97	$ (24)
Tax Act adjustment to discounting of unpaid losses	—	5	(5)
Compensation and benefits accrual	8	9	(1)
Subtotal	81	111	(30)
Capital			
Investments	$ 234	$ 228	$ 6
Other temporary differences	1	1	—
Subtotal	235	229	6
Deferred tax liabilities	316	340	(24)
Net deferred tax assets/liabilities	**$ 208**	**$ 203**	**$ 5**

The change in net deferred tax assets is comprised of the following:

	2025	2024	Change
Adjusted gross deferred tax assets	$ 570	$ 554	$ 16
Total deferred tax liabilities	(316)	(340)	24
Net deferred tax assets/ (liabilities)	254	214	40
Tax effect of unrealized gains (losses)			(54)
Total change in net deferred tax			**$ 94**
Change in deferred tax - current year			64
Change in deferred tax - current year - other surplus items			1
Change in deferred tax - current year - total			65
Change in deferred tax – prior period correction			29
Total change in deferred tax - current year			**$ 94**

The following table shows the components of opening surplus adjustments on current and deferred taxes for the year ended December 31, 2025:

	Current	Deferred	Total
SSAP 3 impact:			
SSAP 3 - general items	$ (21)	$ 1	$ (20)
SSAP 3 - statutory valuation allowance	—	28	28
Subtotal SSAP 3	$ (21)	$ 29	$ 8
SSAP 3 - unrealized gain/loss	—	(4)	(4)
SSAP 3 - adjusted tax assets and liabilities	(21)	25	4
SSAP 3 - nonadmitted impact	—	(25)	(25)
Total SSAP 3 impact	**$ (21)**	**$ —**	**$ (21)**

The provision for federal and foreign income taxes is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The following table presents a reconciliation of such differences in arriving at total taxes related to the Company for the years ended December 31, 2025, 2024 and 2023:

Description	2025 Amount	2025 Tax Effect	2024 Amount	2024 Tax Effect	2023 Amount	2023 Tax Effect
Net Income (Loss) Before Federal Income Taxes and Capital Gains Taxes	**$ 1,116**	**$ 234**	$ 465	$ 98	$ 734	$ 154
Book to Tax Adjustments:						
Tax Exempt Income, Net of Proration	**(2)**	**—**	(6)	(1)	(6)	(1)
Stock Options And Other Compensation	**(1)**	**—**	(2)	—	(4)	(1)
Change in Nonadmitted Assets	**(61)**	**(13)**	(19)	(4)	(9)	(2)
Change in Other Surplus items	**(6)**	**(1)**	95	20	49	10
Intercompany Dividends	**(25)**	**(5)**	(34)	(7)	(42)	(9)
Foreign Taxes	**—**	**3**	—	—	—	—
Statutory Valuation Allowance	**—**	**—**	—	(8)	—	(8)
Return to Provision	**—**	**(1)**	—	(1)	—	—
Lag Elimination Impact	**—**	**—**	—	—	13	3
Other	**2**	**(1)**	5	1	4	2
Total Book to Tax Adjustments	**(93)**	**(18)**	39	—	5	(6)
Total Income Tax	**$ 1,023**	**$ 216**	**$ 504**	**$ 98**	**$ 739**	**$ 148**
Federal and Foreign Income Taxes Incurred	**—**	**277**	—	85	—	16
Federal Income Tax on Net Capital Gains	**—**	**4**	—	(23)	—	(4)
Change in Net Deferred Income Taxes	**—**	**(65)**	—	36	—	136
Total Income Tax	**$ —**	**$ 216**	**$ —**	**$ 98**	**$ —**	**$ 148**

As of December 31, 2025 the Company had no operating loss, foreign tax credits carry forwards, AMT credit carry forwards, capital loss carry forwards or any other unused tax credits available to offset against future taxable income

There were no deposits reported as admitted assets under Section 6603 of the Internal Revenue Service (IRS) Code as of December 31, 2025. The Company does not believe that the liability related to any federal or foreign tax loss contingencies will significantly change within the next 12 months. A reasonable estimate of such change cannot be made at this time.

As of December 31, 2025, there was a $15 liability related to tax return errors and omissions and a $17 liability related to uncertain tax positions.

The U.S. is the only major tax jurisdiction of the Company. The Company is currently under examination by the IRS for the tax years 2011 through 2019 and are engaging in the Appeals process for certain disagreed issues related to tax years 2007 through 2010.

The following federal income taxes for 2023 to 2025 are available for recoupment in the event of future net losses:

	Year	Ordinary	Capital	Total
26.b.	2023	—	—	—
26.b.	2024	104	—	104
26.b.	2025	265	1	266

The following table lists those companies that form part of the 2025 AIG consolidated federal income tax return:

Company	Company	Company	Company	Company
AIG Aerospace Adjustment Services, Inc.	AIG Aerospace Insurance Services, Inc.	AIG Assurance Company	AIG BG Holdings LLC	AIG Capital Corporation
AIG Claims, Inc.	AIG Commercial Equipment Finance, Inc.	AIG Employee Services, Inc.	AIG FCOE, Inc.	AIG Financial Products Corp.
AIG Global Operations (Ireland) Limited	AIG Home Protection Company, Inc.	AIG Insurance Management Services, Inc.	AIG International Inc.	AIG Markets, Inc.
AIG Matched Funding Corp.	AIG MEA Investments and Services, LLC	AIG MGU Holdings Inc.	AIG North America, Inc.	AIG PC Global Services Inc.
AIG Procurement Services, Inc.	AIG Property Casualty Company	AIG Property Casualty International, LLC	AIG Property Casualty U.S., Inc.	AIG Property Casualty, Inc.
AIG Securities Lending Corp.	AIG Shared Services	AIG Shared Services Corporation	AIG Shared Services Corporation - Management	AIG Shared Services Corporation (Philippines)
AIG Specialty Insurance Company	AIG UNITED GUARANTY AGENZIA DI ASSICURAZIONE	AIG Warranty Services of Florida, Inc.	AIG WarrantyGuard, Inc.	AIG.COM, Inc.
AIG-FP Capital Preservation Corp.	AIG-FP Matched Funding Corp.	AIG-FP Pinestead Holdings Corp.	AIGGRE Europe Real Estate Fund I	AIGGRE U.S. Real Estate Fund I
AIGGRE U.S. Real Estate Fund II	AIGGRE U.S. Real Estate Fund IV Lexington	AIGGRE U.S. Real Estate Fund IV Sidecar	AIU Insurance Company	AM Holdings LLC
American Home Assurance Company	American International Facilities Management	American International Group, Inc.	American International Realty Corporation	American International Reinsurance
Arthur J. Glatfelter Agency, Inc.	Blackboard Customer Care Insurance Services	Glatfelter Insurance Company	Blackboard Services, LLC	Marbleshore Specialty Insurance Company
Blackboard U.S. Holdings, Inc.	Commerce and Industry Insurance Company	Corebridge REI Bartlett Investor III LLC	Corebridge REI Lexington Holdco LLC	Corebridge REI Papermill Investor III LLC
Design Professionals Association	Eaglestone Reinsurance Company	First Principles Capital Management, LLC	GIG of Missouri, Inc.	Glatfelter Claims Management, Inc.
Glatfelter Properties, LLC	Glatfelter Underwriting Services, Inc.	Global Loss Prevention, Inc.	Granite State Insurance Company	GRE DC Ballpark Investor, LLC
GRE U.S. LT Apartments Investor Lexington	Health Direct, Inc.	Illinois National Insurance Co.	JVJE Real Estate Holdings, LLC	LBMA Equipment Services, Inc.
Lexington Insurance Company	Lexington Specialty Insurance Agency, Inc.	MG Reinsurance Limited	MIP PE Holdings, LLC	Morefar Marketing, Inc.
Mt. Mansfield Company, Inc.	National Union Fire Insurance	National Union Fire Insurance Company	New Hampshire Insurance Company	PCG 2019 Corporate Member Limited
Pearce & Pearce, Inc.	Risk Specialists Companies	Service Net Solutions of Florida, LLC	Service Net Warranty, LLC	SNW Insurance Agency, LLC
Spruce Peak Realty, LLC	Stowe Mountain Holdings, Inc.	Stratford Insurance Company	Susquehanna Agents Alliance, LLC	The Glatfelter Agency, Inc.
The Insurance Company of the State of Pennsylvania	Tudor Insurance Company	Validus Specialty Underwriting Services, Inc.	Volunteer Firemen's Insurance Services, Inc.	Western World Insurance Company

9. Capital and Surplus and Dividend Restrictions

A. Dividend Restrictions

Under New York law, the Company may pay dividends only from *Unassigned surplus* determined on a statutory basis.

New York domiciled companies are restricted (on the basis of the lower of 10 percent of statutory earned surplus as defined in NY Insurance Law section 4105, adjusted for special surplus items, as of the last statement on file with the Superintendent, or 100 percent of adjusted net investment income for the preceding thirty-six month period ended as of the last statement on file with the Superintendent) as to the amount of ordinary dividends they may declare or pay in any twelve-month period without the prior approval of the NY DFS. The maximum dividend amount the Company can pay in 2026, as of December 31, 2025 is $492.

Other than the limitations above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to the stockholders.

The Company paid the following dividends during 2025.

2025				State approval	
Date paid		Amount	Type of Dividend	Required	Obtained
03/25/25	$	50	Ordinary	No	No
06/24/25		200	Ordinary	No	No
09/24/25		225	Ordinary	No	No
Total dividends paid	$	475			

The Company paid the following dividends in 2024.

2024				State approval	
Date paid		Amount	Type of Dividend	Required	Obtained
03/25/24	$	200	Ordinary	No	No
06/25/24		200	Ordinary	No	No
09/23/24		140	Ordinary	No	No
Total dividends paid	**$**	**540**			

B. Capital & Surplus

Changes in balances of special surplus funds are due to adjustments in the amounts of reserves transferred under retroactive reinsurance agreements and when cash recoveries exceed the consideration paid.

The portion of *Unassigned surplus* at December 31, 2025 and 2024 represented or reduced by each item below is as follows:

	2025	As Adjusted * 2024	2024
Unrealized gains and losses (net of taxes)	$ 319	$ 104	$ 107
Nonadmitted asset values	(242)	(171)	(146)
Provision for reinsurance	(46)	(54)	(54)

* As Adjusted includes SSAP 3 prior year adjustments

The Company exceeded minimum RBC requirements at both December 31, 2025 and 2024.

10. Contingencies

A. Legal Proceedings

In the normal course of business, AIG and its subsidiaries are, like others in the insurance and financial services industries in general, subject to regulatory and government investigations and actions, and litigation and other forms of dispute resolution in a large number of proceedings pending in various domestic and foreign jurisdictions. Certain of these matters involve potentially significant risk of loss due to potential for significant jury awards and settlements, punitive damages or other penalties. Many of these matters are also highly complex and seek recovery on behalf of a class or similarly large number of plaintiffs. It is therefore inherently difficult to predict the size or scope of potential future losses arising from these matters. In AIG's insurance and reinsurance operations, litigation and arbitration concerning the scope of coverage under insurance and reinsurance contracts, and litigation and arbitration in which its subsidiaries defend or indemnify their insureds under insurance contracts, are generally considered in the establishment of loss reserves. Separate and apart from the foregoing matters involving insurance and reinsurance coverage, AIG, its subsidiaries and their respective officers and directors are subject to a variety of additional types of legal proceedings brought by holders of AIG securities, customers, employees and others, alleging, among other things, breach of contractual or fiduciary duties, bad faith and violations of federal and state statutes and regulations. With respect to these other categories of matters not arising out of claims for insurance or reinsurance coverage, the Company establishes reserves for loss contingencies when it is probable that a loss will be incurred and the amount of the loss can be reasonably estimated. In many instances, the Company is unable to determine whether a loss is probable or to reasonably estimate the amount of such a loss and, therefore, the potential future losses arising from legal proceedings may exceed the amount of liabilities that has been recorded in its financial statements covering these matters. While such potential future charges could be material, based on information currently known to management, management does not believe, other than may be discussed below, that any such charges are likely to have a material adverse effect on the Company's financial position or results of operation.

Additionally, from time to time, various regulatory and governmental agencies review the transactions and practices of AIG and its subsidiaries in connection with industry-wide and other inquiries into, among other matters, the business practices of current and former operating insurance subsidiaries. The Company has cooperated, and will continue to cooperate, in producing documents and other information in response to such requests.

B. Leases

Lease expenses are allocated to the Company based upon the percentage of space occupied with the final share of cost based upon its percentage participation in the Combined Pool.

C. Other Commitments

As part of its hedge fund, private equity and real estate equity portfolio investments, as of December 31, 2025, the Company may be called upon for additional capital investments of up to $357.

At December 31, 2025 the Company had $22 of outstanding commitments related to various funding obligations associated with investments in commercial and residential mortgage loans.

D. Guarantees

The Company had issued guarantees whereby it unconditionally and irrevocably guaranteed all present and future obligations and liabilities arising from the policies of insurance issued by certain insurers who, as of the guarantee issue date, were members of the AIG holding company group. The guarantees were provided in order to secure or maintain the guaranteed companies' rating status issued by certain rating agencies. The Company would be required to perform under the guarantee in the event that a guaranteed entity failed to make payments due under policies of insurance issued during the period of the guarantee. The Company has not been required to perform under any of the guarantees. The Company remains contingently liable for all policyholder obligations associated with insurance policies issued by the guaranteed entity during the period in which the guarantee was in force.

Each guaranteed entity has reported invested assets in excess of their direct (prior to reinsurance) policyholder liabilities. Additionally, the Company is party to an agreement with AIG whereby AIG has agreed to make any payments due under the guarantees in the Company's place and stead. Furthermore, for any former affiliate that has been sold, the purchaser has provided the Company with hold harmless agreements relative to the guarantee of the divested affiliate. Accordingly, management believes that the likelihood of payment under any of the guarantees is remote.

The following schedule sets forth the effective and termination dates (agreements with guarantees in run off), of each guarantee, the amount of direct policyholder obligations guaranteed, the invested assets and policyholder surplus for each guaranteed entity as of December 31, 2025:

Guaranteed Company		Date Issued	Date Terminated	Policyholder Obligations @ 12/31/2025	Invested Assets @ 12/31/2025	Estimated Loss @ 12/31/2025	Policyholders' Surplus 12/31/2025
21st Century Advantage Insurance Company (f/k/a AIG Advantage Insurance Company)		12/15/1997	8/31/2009	$ —	$ —	$ —	$ —
21st Century North America Insurance Company (f/k/a American International Insurance Company)		11/5/1997	8/31/2009	6	685	—	694
21st Century Pinnacle Insurance Company (f/k/a American International Insurance Company of New Jersey)		12/15/1997	8/31/2009	—	21	—	22
AIG Edison Life Insurance Company (f/k/a GE Edison Life Insurance Company)		8/29/2003	3/31/2011	5,170	57,294	—	2,599
American General Life and Accident Insurance Company	*	3/3/2003	9/30/2010	1,406	258,953	—	12,503
American General Life Insurance Company	*	3/3/2003	12/29/2006	6,626	258,953	—	12,503
American International Assurance Company (Australia) Limited	**	11/1/2002	10/31/2010	443	1,799	—	574
Chartis Europe, S.A. (f/k/a AIG Europe, S.A.)	*	9/15/1998	12/31/2012	7,160	9,645	—	2,456
AIG Seguros Mexico, S.A. de C.V. (f/k/a AIG Mexico Seguros Interamericana, S.A. de C.V.)	*	12/15/1997	3/31/2015	146	192	—	187
Chartis UK (f/k/a Landmark Insurance Company, Limited (UK))	*	3/2/1998	11/30/2007	147	7,023	—	2,329
Farmers Insurance Hawaii (f/k/a AIG Hawaii Insurance Company, Inc.)		11/5/1997	8/31/2009	—	29	—	28
Lloyd's Syndicate (1414) Ascot (Ascot Underwriting Holdings Ltd.)		1/20/2005	10/31/2007	2	2,345	—	268
SunAmerica Annuity and Life Assurance Company (Anchor National Life Insurance Company)	*	1/4/1999	12/29/2006	437	258,953	—	12,503
SunAmerica Life Insurance Company	*	1/4/1999	12/29/2006	1,493	258,953	—	12,503
The United States Life Insurance Company in the City of New York	*	3/3/2003	4/30/2010	2,067	34,786	—	2,239
The Variable Annuity Life Insurance Company	*	3/3/2003	12/29/2006	2,958	81,961	—	2,552
Total				$ 28,061	$ 1,231,592	$ —	$ 63,960

* Current affiliates

**AIA was formerly a subsidiary of AIG. In previous years AIA provided the direct policyholder obligations as of each year end. However, starting in 2014 AIA declined to provide financial information related to these guarantees. The financial information reflects amounts as of December 31, 2012, at which time the guaranteed entities had invested assets in excess of direct policyholder obligations and were in a positive surplus position. Such amounts continue to remain the Company's best estimate given available financial information. The guaranteed policyholder obligations will decline as the policies expire.

E. Joint and Several Liabilities

AIUI and the Company are jointly and severally obligated to the policyholders of their Japan branches, in connection with transfers of the business of those Japan branches to Japan-domiciled affiliates in 2013 and 2014, respectively. Under the terms of the transfer agreement, the Japan affiliates have agreed to be responsible for 100% of the obligations associated with such policies, and management expects such companies to satisfy their obligation. The Company carries no reserves with respect to such liabilities. The Japanese affiliates carried $2 and $5 of loss reserves in respect of such policies as of December 31, 2025 and 2024, respectively. As of December 31, 2025, if the Japan affiliates were to fail to satisfy their obligations, the Company's share of the aggregate exposure under the pooling agreement is $1.

Each Pool member is also jointly and severally obligated to the other Pool members, in proportion to their pool share, in the event any other Pool member fails.

11. Other Significant Matters

A. Other Assets

As of December 31, 2025 and 2024, other admitted assets as reported in the accompanying *Statements of Admitted Assets* were comprised of the following balances:

Other admitted assets	2025	2024
Deposit accounting assets	$ 8	$ 8
Equities in underwriting pools and associations	5	5
Guaranty funds receivable on deposit	4	4
Loss funds on deposit	119	104
Contra Investments	(72)	(68)
Other assets	79	71
Collateral on derivative liabilities	15	1
Total other admitted assets	158	$ 125

B. Other Liabilities

As of December 31, 2025 and 2024, other liabilities as reported in the accompanying *Statements of Liabilities, Capital and Surplus* were comprised of the following balances:

Other liabilities	2025	2024
Assumed Mortgage Guaranty Contingency Reserve	$ 191	191
Ceded Mortgage Guaranty Contingency Reserve	(191)	(191)
Escrow Deposit Liability	119	112
Other accrued liabilities	107	176
Retroactive reinsurance reserves - assumed	23	29
Retroactive reinsurance reserves - ceded	(38)	(39)
Deferred commission earnings	91	82
Escrow funds (NICO)	19	30
Servicing carrier liability	12	14
Collateral on derivative assets	—	24
Paid loss clearing contra liability (loss reserve offset for paid claims)	(75)	(26)
Total other liabilities	$ 258	**402**

C. Other (Expense) Income

For the years ended December 31, 2025, 2024 and 2023, other (expense) income as reported in the accompanying *Statements of Operations and Changes in Capital and Surplus* were comprised of the following balances:

Other income (expense)	2025	2024	2023
Fee income on deposit programs	$ 3	$ 3	$ 3
Interest expense on reinsurance program	(24)	(42)	(29)
Other income	3	7	7
Total other expense	$ (18)	**$ (32)**	**$ (19)**

D. Non-Cash items

For the years ended December 31, 2025, 2024 and 2023, the amounts reported in the *Statements of Cash Flow* are net of the following non-cash items:

Non-cash transactions	Classification	2025	2024	2023
Funds Held:				
Premiums collected	Operating	$ (6)	$ (1)	$ (8)
Benefit and loss related payments	Operating	(17)	15	23
Interest	Operating	(19)	(39)	(26)
Commission and other expense paid	Operating	9	5	9
Funds held	Miscellaneous	(33)	(20)	(1)
Securities received/transferred:				
Securities received	Investing	497	495	308
Securities transferred	Investing	(141)	(91)	(596)

E. Federal Home Loan Bank ("FHLB") Agreements

The Company is a member of the FHLB of New York. Such membership requires ownership of stock in the FHLB. The Company owned an aggregate of $4 and $4 of stock in the FHLB at December 31, 2025 and 2024, respectively.

Through its membership, the Company has conducted business activity (borrowings) with the FHLB. The Company utilizes the FHLB facility to supplement liquidity or for other uses deemed appropriate by management. The outstanding borrowings are being used primarily for interest rate risk management purposes in connection with certain reinsurance arrangements, and the balances are expected to decline as underlying premiums are collected. The Company is required to pledge certain mortgage-backed securities, government and agency securities and other qualifying assets to secure advances obtained from the FHLB. The FHLB applies a haircut to collateral pledged to determine the amount of borrowing capacity it will provide to its member. As of December 31, 2025, the Company had an actual borrowing capacity of $979 based on qualified pledged collateral. At December 31, 2025, the Company had borrowings of $0 from the FHLB.

F. Unused commitments and lines of credit for financing arrangements

	2025		2024	
	Unused Commitments	Unused Lines of Credit	Unused Commitments	Unused Lines of Credit
Short-Term (contracts terminating in 12 months or less)	$ —	$ 5	$ —	$ —
Long-Term (contracts terminating in more than 12 months)	$ —	$ 1,479	$ —	$ 1,510
TOTAL	$ —	$ 1,484	$ —	$ 1,510

G. Insurance-Linked Securities

As of December 31, 2025 and 2024, the Company was not a ceding insurer in catastrophe bond reinsurance transactions in force.

H. Reconciliation to Annual Statement

There were no adjustments to the amounts previously reported to the Department in the 2025 Annual Statements, to those reported in the accompanying statutory basis financial statements

The following is a reconciliation of amounts previously reported to the Department in the 2024 Annual Statements, to those reported in the accompanying statutory basis financial statements:

December 31, 2024	Assets	Liabilities	Net Income	Surplus
As per annual statements	**$ 19,072**	**$ 13,657**	**$ 415**	**$ 5,415**
Realized collateral adjustment	**(13)**	**(3)**	**(10)**	**(10)**
As per audited financial statements	**$ 19,059**	**$ 13,654**	**$ 405**	**$ 5,405**

The 2024 reconciliation above reflects the impact of the following adjustments:

Realized collateral adjustment - To adjust for a collateral transaction that was incorrectly cleared through realized gains (losses).

There were no adjustments to the amounts previously reported to the Department in the 2023 Annual Statements, to those reported in the accompanying statutory basis financial statements.

12. Subsequent Events

Subsequent events have been considered through April 22, 2026 for these Financial Statements issued on April 22, 2026.

Type I – Recognized Subsequent Events:

None.

Type II – Nonrecognized Subsequent Events:

None.