

REPORT OF EXAMINATION

OF

OCEANVIEW LIFE AND ANNUITY COMPANY

DENVER, COLORADO

AS OF

DECEMBER 31, 2023

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EXAMINER'S AFFIDAVIT

**STATE OF COLORADO
COUNTY OF DENVER**

Palmer W. Nelson, CFE, being duly sworn, states as follows:

1. I have the authority to represent Alabama in the examination of Oceanview Life and Annuity Company.
2. Alabama is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination workpapers and examination report, and the examination of Oceanview Life and Annuity Company was performed in a manner consistent with the standards and procedures required by the State of Alabama.

The affiant says nothing further.

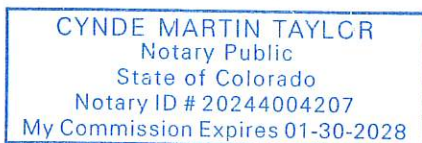

Palmer W. Nelson, CFE

Subscribed and sworn before me by Palmer W. Nelson on the 22nd day of May, 2025.

(Seal)


(Signature of Notary Public)

My commission expires 01-30-2025



EXAMINER'S AFFIDAVIT

**STATE OF COLORADO
COUNTY OF DENVER**

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Palmer W. Nelson, CFE

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(Seal)

(Signature of Notary Public)

My commission expires _____



KAY IVEY
GOVERNOR

MARK FOWLER
COMMISSIONER

STATE OF ALABAMA
DEPARTMENT OF INSURANCE

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GENERAL COUNSEL
REYN NORMAN

May 22, 2025

Honorable Mark Fowler
Commissioner of Insurance
Alabama Department of Insurance
201 Monroe Street, Suite 502
Montgomery, AL 36104

Dear Commissioner Fowler:

Pursuant to your instructions and in compliance with the statutory requirements of the State of Alabama and the resolutions adopted by the National Association of Insurance Commissioners, a full scope financial and market conduct examination as of December 31, 2023, has been made of

**Oceanview Life and Annuity Company
Denver, Colorado**

at its home office located at 1819 Wazee Street, Second Floor, Denver, Colorado 80202. The report of examination is submitted herewith. Where the description "The Company" or "OVLAC" appears herein, without qualification, it will be understood to indicate Oceanview Life and Annuity Company.

SCOPE OF EXAMINATION

We have performed an examination of Oceanview Life and Annuity Company, a multi-state insurance company. The last examination covered the period of January 1, 2013, through December 31, 2018. The current examination covers the period of January 1, 2019, through December 31, 2023.

The examination was conducted in accordance with the NAIC *Financial Condition Examiners Handbook*. The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, as mentioned in the Code of Alabama, 1975, as amended, and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature, are not included within the examination report but separately communicated to other regulators and/or the Company.

The Company's annual statements for each year under examination were compared with or reconciled to the corresponding general ledger account balances.

An examination of the Company's information systems (IS) was conducted concurrently with the financial examination. The IS examination included a review of management and organizational controls, logical and physical security controls, changes in applications controls, system and program development controls, contingency planning controls, service provider controls, operations controls, processing controls, e-commerce controls, and network and internet controls.

A market conduct examination was conducted concurrently with the financial examination. The examination included reviews of the Company's territory, plan of

operation, claims payment practices, advertising and marketing, underwriting and rating, policyholders' complaints, compliance with producers' licensing requirements, and privacy standards. See the "Market Conduct Activities" section of this report on page 12 for further discussion.

Grant Thornton, LLP was the Company's certified public accountant (CPA) for all years under examination. The examiners reviewed the CPAs' workpapers, copies of which were incorporated into the examination as deemed appropriate. The workpapers of the Company's internal audit department were reviewed and considered in the examiner's identification and assessment of risks and controls.

A signed letter of representation was obtained at the conclusion of the examination. In this letter, management attested to having valid title to all assets and to the nonexistence of unrecorded liabilities as of December 31, 2023.

ORGANIZATION AND HISTORY

Oceanview Life and Annuity Company (OVLAC) is an Alabama-domiciled life insurance company. On September 12, 2019, the Company was acquired by Oceanview U.S. Holdings, Corp. (U.S. Holdings), a Delaware corporation. U.S. Holdings is an indirect, wholly-owned subsidiary of Oceanview Holdings, Ltd. a Bermuda corporation. Prior to its acquisition by U.S. Holdings, OVLAC was domiciled in Texas and was named Longevity Insurance Company. On September 13, 2019, U.S. Holdings re-domesticated the Company from Texas to Colorado. On September 17, 2019, "Old Oceanview," a Colorado-domiciled life insurance company which had recently been formed as a wholly-owned direct subsidiary of U.S. Holdings, merged with and into the Company. On December 29, 2022, the Company re-domesticated from Colorado to Alabama. The Company's capital structure on December 31, 2023, consisted of a common stock par value of \$2,792,306, \$556,259,064 in gross paid in and contributed surplus, a \$40,000,000 surplus note, and \$22,704,586 of unassigned funds. The Company reported total capital and surplus as of December 31, 2023, of \$621,755,956.

MANAGEMENT AND CONTROL

Stockholder

As of December 31, 2023, Oceanview U.S. Holdings, Corp. (U. S. Holdings) was the sole owner of the Company. OVHC's ultimate parent is Bayview Asset Management Holdings, LLC.

Board of Directors

Members elected to the Board of Directors of the Company by the sole shareholder and serving at December 31, 2023, were as follows:

<u>Director and Residence</u>	<u>Principle Occupation</u>
William Joseph Egan New York, New York	CEO, Oceanview Life and Annuity Company
Larry Joel Adams Birmingham, Alabama	President and COO, Insurance Technology Company
Robert Michael Beuerlein The Villages, Florida	Consultant, RM Beuerlein Consulting
Brian Eric Bomstein Cooper City, Florida	General Counsel, Bayview Asset Management, LLC
John Hopkins Fischer Titusville, Florida	Retired
Michael James King Dadeville, Alabama	Retired
David Boyers O'Maley Cincinnati, Ohio	Retired
Lori Ann Oswald Birmingham, Alabama	Retired
Leslie Esther Smith Coral Gables, Florida	Managing Director, Silver Hill Funding, LLC

Officers

Officers of the Company appointed by the Board of Directors and serving at December 31, 2023 were as follows:

Officer

William Joseph Egan
Gregory Hobart Lang
Benjamin Lee Faught
James John Ryan

Title

Chief Executive Officer
Chief Financial Officer
Chief Actuary
Chief Marketing Officer

Committees

Audit Committee

The following were members of the Audit Committee as of December 31, 2023:

John Fischer, Chairman
Robert Beuerlein
Brian Bomstein

Investment Committee

The following were members of the Investment Committee as of December 31, 2023:

William Egan
John Fischer

Governance, Risk and Compliance Committee

The following were members of the Governance, Risk and Compliance Committee as of December 31, 2023:

William Egan
Robert Beuerlein
Brian Bomstein

Conflicts of Interest Committee

The following were members of the Conflicts of Interest Committee as of December 31, 2023:

Robert Beuerlein
John Fischer
Larry Adams

Conflict of Interest

The Company had a procedure for directors to verbally disclose any conflicts of interest at the Board of Director meetings. The Company also had a requirement for its employees to seek approval from a supervisor if a conflict of interest arose. It was noted that the Company answered "yes" to Annual Statement General Interrogatories #14.1, which asked if the Company's senior officers were subject to a code of ethics outlining "honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships." The Company also answered "yes" to Annual Statement General Interrogatories #18, which asked "has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person." The examiners determined that the Company's policy for directors, officers, and key employees to disclose conflicts of interest was ineffective because each officer and director was not required to deliberately make an acknowledgment of any potential conflicts.

CORPORATE RECORDS

The Company's Articles of Incorporation, By-Laws, and amendments thereto were inspected and found to provide for the operation of the Company in accordance with Alabama statutes and regulations and with accepted corporate practices.

Minutes of the meetings of the Stockholder and Board of Directors meetings from January 1, 2019, through the most recent meetings held at the conclusion of the examination were reviewed. The minutes appeared to be complete and to adequately document the actions of the respective governing bodies, with the following exception noted.

During the minute review, the examiner did not find that the appointed actuary presented his actuarial opinion to the Board or Audit Committee every year during the examination period, which was not in accordance with the NAIC *Annual Statement Instructions*. According to the NAIC *Annual Statement Instructions*:

The Appointed Actuary must report to the Board of Directors or the Audit Committee each year on the items within the scope of the Actuarial Opinion. The Actuarial Opinion and the Actuarial Memorandum must be made available to the Board of Directors. The minutes of the Board of Directors should indicate that the Appointed Actuary has presented such information to the

Board of Directors or the Audit Committee and that the Actuarial Opinion and the Actuarial Memorandum were made available.

HOLDING COMPANY AND AFFILIATE MATTERS

Holding Company

The Company was subject to the Alabama Insurance Holding Company Regulatory Act, as defined in ALA. CODE § 27-29-4(a)(1) (2022). The Company was registered with the Alabama Department of Insurance as registrant of the Insurance Holding Company System.

Appropriate filings required under the Holding Company Act were made from time to time by the registrant. A review of the Company's filings during the period under review indicated that required disclosures were included in the Company's filings.

Dividends to Stockholders

The Company did not declare or pay any dividends during the examination period.

Management and Service Agreements

Affiliated Agreements

The following management and service agreements between the Company and its affiliates were in effect during the examination period.

Intercompany Services Agreement

The agreement was entered into by Bayview Asset Management, LLC (Bayview) and the Company on April 10, 2019. The agreement allows for Bayview to provide the Company with legal, accounting, tax, treasury, corporate governance, marketing, sourcing and procurement, human resources, business integration, communications, strategic, data analytics, financial, enterprise risk, and information technology services. Compensation for such services shall be the management fees and other consideration received by Bayview's affiliates from the Company for the provision of services related to investment portfolio management.

The parties agreed to amend the agreement to replace the address for Bayview. Parties also agreed to amend the agreement to replace section 5.04 with, "This Agreement and any dispute arising hereunder shall be governed by, and

construed in accordance with, the law of the State of Alabama, including those laws applicable to an Alabama-domiciled insurance company, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.”

Investment Management Company Agreement

The agreement was entered into by Oceanview Asset Management, LLC (OAM) and the Company on April 10, 2019. The agreement allows OAM to act as the Company’s investment manager for a variable fee, depending on asset class, ranging from .1% for other invested assets to .4% for loans. The agreement has a provision that OAM may at its discretion, waive the monthly fee. The agreement automatically renews on December 31st of each year.

The parties agreed to amend the agreement on December 29, 2022, to replace the word “Colorado” with “Alabama” in the initial agreement. Parties also agreed to amend the agreement to replace the last sentence of section 12 with “The Client shall promptly inform the Alabama Department of Insurance upon termination of this Agreement.” The parties agreed that the agreement shall be governed by the laws of the state of Alabama and those laws applicable to Alabama domiciled insurance companies.

The Investment Management Company Agreement specified that the fees shall be payable to OAM in advance on the first day of each month. From a review of 2023 transactions, it was determined that the fees were not paid monthly and were often paid several months at a time, in arrears. It was also determined that the fees were paid to Bayview Asset Management, LLC (Bayview). OAM is a wholly-owned subsidiary of Bayview and operates under a common investment advisor registration. The Company was not in compliance with its Investment Management Company Agreement, which states “The Client shall pay to the Management Company a fixed fee for management services, payable in advance on the first day of each month ...”

Amended and Restated Servicing Agreement

The agreement was entered into by Community Loan Servicing, LLC (CLS) and the Company on December 29, 2022. The agreement allows for CLS to continue servicing and administering Loans and REO property that has been sold to the Company. Compensation for said services are in line with what CLS charges third parties.

Unaffiliated Agreements

Amended and Restated Master Services Agreement with Infosys McCamish Systems, LLC

The Company entered into the Master Services Agreement with Infosys McCamish Systems, LLC (Infosys) on March 27, 2020. The agreement replaced a previous Master Services Agreement that became effective October 12, 2019. The term of the agreement is for ten years. The agreement can be terminated before the expiration for breach of duties and other specified adverse events. Under the terms of the agreement, Infosys administers the Company's annuity business for a specified rate. In addition, the Company agrees to reimburse Infosys for certain specified expenses that are incurred in the administration of the Company's business.

Reinsurance Agreement with SCOR Global U.S. Reinsurance Company

The Company entered into a reinsurance agreement with SCOR Global U.S. Reinsurance Company on was entered into April 1, 2008. In addition to the reinsurance provisions, the agreement provides for the assuming company to fully administer the assumed business at its own expense.

ORGANIZATIONAL CHART

The following chart presents the affiliations of the entities affiliated with the Company.

Entity (Indentation indicates control or ownership)	Domicile	NAIC Code	FEIN	% Owned
Bayview Asset Management Holdings, LLC	DE	na	47-3055075	100%
Bayview Asset Management, LLC	DE	na	26-2961971	100%
Poseidon Guaranty, PCC	DC	na	85-0953658	100%
Bayview Capital GP V, LLC (1)	DE	na	35-2575937	100%
Bayview Opportunity Domestic V AIV, L.P.	Cayman Islands	na	98-1419817	(1)
Bayview Opportunity Offshore V AIV 1, L.P.	Cayman Islands	na	98-1420279	(1)
Bayview Opportunity Offshore V AIV 2, L.P.	Cayman Islands	na	98-1420517	(1)
Bayview Opportunity V Oceanview, L.P.	Bermuda	na	98-1419592	(2)
Oceanview Holdings, Ltd.	Bermuda	na	98-1419633	100%
Oceanview Reinsurance, Ltd.	Bermuda	na	98-1423084	100%
Oceanview Bermuda Reinsurance, Ltd.	Bermuda	na	98-1663114	(3)
Oceanview U.S. Holdings Parent, LLC	DE	na	87-4405177	100%
Oceanview U.S. Holdings, Corp.	DE	na	37-1899902	100%
Oceanview Life and Annuity Company	AL	68446	75-1222043	100%
Crown CFO 2022-1, LLC	DE	na	88-2779292	100%
Crown CFO 2022-2, LLC	DE	na	88-3041787	100%
Keys 2022-1, LLC	DE	na	88-3630663	100%
Oceanview International Investments, LLC	DE	na	75-1222043	100%
OVLAC Holdings Trust I	DE	na	75-1222043	100%
OVLAC EBO Trust I	NY	na	75-1222043	100%
OVLAC EBO Trust II	NY	na	75-1222043	100%
OVLAC Pass-Through Trust I	DE	na	75-1222043	100%
Oceanview Acquisitions I, LLC	DE	na	83-0656641	100%
Fellis Acquisitions OV Trust	DE	na	na	100%
Leo Acquisitions OV Trust	DE	na	37-1899902	100%
Libra Acquisitions OV Trust	DE	na	83-0656641	100%
Lyric Acquisitions OV Trust	DE	na	88-6706053	100%
OA Depositor, LLC	DE	na	85-1780264	100%
Oceanview AF Acquisitions Trust	DE	na	87-6545172	100%
Oceanview Dispositions, LLC	DE	na	83-0823627	100%
Oceanview GL Acquisitions Trust	DE	na	na	100%
Oceanview JPB, LLC	DE	na	38-4084325	100%
Oceanview LC Acquisitions Trust	DE	na	83-0656641	100%
OA Asset Selector, LLC	DE	na	84-4853486	100%
Oceanview Commercial Mortgage Finance, LLC	DE	na	83-0706728	100%
OCMF Seller A, LLC	DE	na	37-1905805	100%
OCMF Mezz Sub A, LLC	DE	na	83-1603368	100%
OCMF Seller B, LLC	DE	na	84-3469663	100%
Oceanview Residual Holdings, LLC	DE	na	37-1899902	100%
Oceanview Security, Ltd.	Cayman Islands	na	98-1750412	(4)
Community Loan Servicing, LLC (f/k/a Bayview Loan Servicing, LLC)	DE	na	03-0527286	100%
Bayview Loans, LLC	DE	na	84-2650296	100%
Bayview Capital GP MSR, LLC (5)	DE	na	45-2706295	100%
Bayview Fund Management, LLC	DE	na	26-1361832	100%
Bayview MSR Opportunity Domestic Fund, L.P.	DE	na	45-2706369	100%
Bayview MSR Opportunity Offshore Fund, L.P.	Cayman Islands	na	98-1010344	100%
Bayview Capital GP MSR, LLC	DE	na	45-2706295	100%
Bayview Opportunity Master Fund V, L.P.	Cayman Islands	na	98-1343473	100%
Bayview Opportunity Master Fund VI, L.P.	Cayman Islands	na	98-1537999	100%
Bayview Opportunity Master Fund VII, L.P.	Cayman Islands	na	98-1555621	100%
Bayview Opportunity Master Fund VII, L.P.	Cayman Islands	na	98-1668594	100%
Bayview MSR Opportunity Master Fund, L.P.	Cayman Islands	na	98-1009801	(6)
Bayview MSR Opportunity Corp.	DE	na	45-2885996	100%
Lakeview Loan Servicing, LLC	DE	na	27-4023565	100%
Lakeview Community Capital, LLC	AZ	na	32-0517445	100%
Lakeview Household Insurance Solutions, LLC	DE	na	35-4927809	100%
FFS Holdings, LLC	DE	na	32-0705241	100%
LKV Holdings, LLC	DE	na	36-5038236	100%
Poseidon Guaranty II, IC	DC	na	85-2980830	100%
PSIH, LLC	DE	na	84-3148202	100%
Poseidon Structured Mortgage Insurance Company	NC	13694	27-0550064	100%
Poseidon Mortgage Guaranty Company	NC	40525	56-1307714	100%
Poseidon Commercial Insurance Company of North Carolina	NC	16659	85-4021736	100%

(1) Bayview Capital V GP, LLC serves as the general partner for each entity that is a partner within the Oceanview structure.

(2) Owned 1.473%, 39.421%, 23.363% and 35.743%, respectively, by BV Capital V GP, LLC, Bayview Opportunity Domestic V AIV, L.P., Bayview Opportunity Offshore V AIV 1, L.P., Bayview Opportunity Offshore V AIV 2, L.P.

(3) Owned 75% by Oceanview Reinsurance, Ltd. and 25% by Oceanview U.S. Holdings Parent, LLC.

(4) Owned 75% by Oceanview Holdings, Ltd. and 25% by Oceanview U.S. Holdings Parent, LLC.

(5) Bayview Capital GP MSR, LLC serves as the general partner for Bayview MSR Opportunity Master Fund, L.P.

(6) Bayview MSR Opportunity Master Fund, L.P. is owned by the following limited partners, in the percentages noted below:

Bayview Capital GP MSR, LLC	0.026%
Bayview Opportunity Master Fund V, L.P.	6.138%
Bayview Opportunity Master Fund VI, L.P.	3.647%
Bayview Opportunity Master Fund VII, L.P.	2.817%
Bayview Opportunity Master Fund VII, L.P.	3.461%
Bayview MSR Opportunity Domestic, L.P.	29.299%
Bayview MSR Opportunity Offshore, L.P.	54.612%

FIDELITY BONDS AND OTHER INSURANCE

The Company was a named insured on fidelity coverage provided by Continental Insurance Company. In addition to the fidelity coverage, the Company also had insurance coverage for the following:

- Management Liability Coverage provided by Continental Insurance Company
- Management Liability Coverage provided by Columbia Casualty Company

The Company was an insured entity on all policies.

The Company's fidelity coverage was less than the minimum amount suggested in the NAIC *Financial Condition Examiners Handbook*.

EMPLOYEE AND AGENT WELFARE

The Company's officers and managers supervise the Company's operations. The Company has marketing, actuarial, and accounting staff that conduct necessary functions and activities. The Company has engaged a third-party administrator to administer its annuity contracts and the small amount of life and health policies that remain outstanding. The Company utilizes Insurance Marketing Organizations to market its annuity products. The annuity products are sold by independent agents.

The Company provided the following core benefits to its employees:

- Life and accidental death insurance
- Short and long term disability
- Sick leave
- Vacation days
- Paid holidays

In addition, the Company offers voluntary benefits including:

- Health insurance, including prescription drugs, dental insurance, and vision insurance
- Retirement, 401-k program
- Flexible spending accounts
- Education reimbursement program

The Company does not provide any post-employment benefits to its employees.

The Company's producers are independent contractors, and no supplemental benefits are provided to the producers.

Compliance with 18 U.S.C. § 1033

ALA. ADMIN. CODE 482-1-146-.11 (2009) requires the Company to determine if prospective and current employees are in conflict with 18 U.S.C. § 1033, which prohibits persons with certain felony offenses from engaging in the business of insurance.

The Company provided its procedures used to comply with ALA. ADMIN. CODE 482-1-146-.11 (2009), which included conducting background checks on new hires and requiring existing employees to self-disclose to the Company any post-hire felony convictions. The examiners determined that the expectation of self-disclosure was not an effective procedure. The Company was not in compliance with ALA. ADMIN. CODE 482-1-146-.11(1)(b) (2009), which states:

(1) A Section 1033 insurer subject to the Commissioner's examination authority shall have and apply the following:

(b) An internal procedure after initial employment or contracting, applied on a periodic basis, to ascertain the existence of a felony conviction for a Section 1033 offense.

MARKET CONDUCT ACTIVITIES

Territory

As of December 31, 2023, the Company was licensed to sell insurance and annuities in 48 states and the District of Columbia.

Plan of Operation

The Company's products consisted of Multi-Year Guaranteed Annuities and Fixed Indexed Annuities. The Company sells annuity products through banks, brokers, and independent marketing organizations with approximately 365 independent producers.

Advertising and Marketing

The Company's website (<https://oceanviewlife.com>) provided product information and product descriptions of annuity contracts offered by the Company. The Company had a limited number of social media advertisements via Facebook, Instagram, and LinkedIn. The Company utilized social media to promote its brand and recruitment.

The Company's advertising materials were reviewed for the examination period. The Company's advertising file contained specimen copies of all the Company's advertisements that were printed, published, or prepared. The examiner's review did not reveal any advertisements that misrepresented policy benefits, forms, or conditions, made unfair or incomplete comparisons with other policies, or made false, deceptive, or misleading statements or representations.

Policyholders' Complaints

The Alabama Department of Insurance has received one complaint that involved the Company. The complaint was received subsequent to the examination period. The examination indicated that Company had a complaint register in place to record its complaints, both consumer direct and those received by the Alabama Department of Insurance, in its register. The Company had a policy and procedures in place that were distributed to management on how to process and record its complaints.

Claims Payment Practices

Paid Claims

A review of the Company's Alabama death benefits paid to its beneficiaries during the examination period was performed. There were 26 Alabama death claims during the examination period. The examiners reviewed all 26 claims to verify that benefits were issued timely once the proof of loss was provided to the Company. The Company's policy provisions indicate if payment was not issued within 31 days of the receipt of the proof of loss that the Company is to pay interest rate of 10% annually. It was determined that one contract benefit was not paid within 31 days of the receipt of the proof of loss. The Company failed to provide the interest payment to the beneficiary as required by the Company policy provisions.

The Company's contract provisions state, in part:

INTEREST ON DEATH BENEFIT. Interest on the Death Benefit will be paid at the rate applicable to this Contract for funds left on deposit from the date of the Owner's death until the claim is paid. We will pay additional interest at a rate of 10% annually if the Death Benefit payment is not issued within 31 days of the latest of: The date We receive satisfactory Due Proof of Death; The date We receive sufficient information for Us to determine liability, the extent of the liability, and the appropriate payee legally entitled to the Death Benefit; and The date that legal impediments to payment of proceeds that depend on the action of parties other than Us are resolved. Legal impediments to payment include, but are not limited to: (a) the establishment of guardianships and conservatorships; (b) the appointment and qualification of trustees, executors, and administrators; and (c) the submission of information required to satisfy a state or federal reporting requirement.

Surrenders

There was a total of 59 Alabama surrendered contracts during the examination period. All 59 surrenders were reviewed. The review indicated that the surrender charges were correctly applied and the remittances to annuitants were accurate.

Compliance with Producer Licensing Requirements

Appointments

The examiner selected a sample of Alabama Direct Written Premiums. The population was equal to 1,778, which resulted in a sample of 116. The examination indicated that the Company did not properly appoint four producers as required by ALA. CODE § 27-7-30(a) (2001), which requires: "Each insurer appointing a producer in this state shall file with the commissioner, in a format approved by the commissioner, a notice of appointment within 15 days from the date the agency contract is executed or the first insurance application is submitted, whichever occurs first."

It is also noted that the Company is contingently liable for a fine up to three times the amount of the premiums written by producers that were not appointed in accordance with ALA. CODE § 27-7-4(a) (2001), which states:

No person shall in this state sell, solicit, or negotiate insurance for any class or classes of insurance unless the person is then licensed for that line of authority in accordance with this chapter. Any insurer accepting business directly from a person not licensed for that line of authority and not appointed by the insurer

shall be liable to a fine up to three times the premium received from the person.

Terminations

The examiners reviewed the Company's population of Alabama terminated producers which was equal to 62. The examiner determined that Company did not send letters of termination to 62 Alabama terminated producers as required by ALA. CODE § 27-7-30.1(a) (2001), which states:

Within 15 days after making the notification required by subsection (e) of Section 27-7-30, the insurer shall mail a copy of the notification to the producer at his or her last known address. If the producer is terminated for cause for any of the reasons listed in Section 27-7-19, the insurer shall provide a copy of the notification to the producer at his or her last known address by certified mail, return receipt requested, postage prepaid or by overnight delivery using a nationally recognized carrier.

It was also determined that the Company did not report two of the terminated producers to the Commissioner of Insurance as required by ALA. CODE § 27-7-30(e) (2001), which states:

Subject to the producer's contract rights, if any, an insurer or authorized representative of the insurer may terminate a producer's appointment at any time. An insurer or authorized representative of the insurer that terminates the appointment, employment, or contract with a producer for any reason shall within 30 days following the effective date of the termination, using a format prescribed by the commissioner, give notice of the termination to the commissioner.

Underwriting and Rating

Policy Forms and Rating

The Company filed its rates and forms with the Alabama Department of Insurance during the examination period. The Company filed its rates in accordance with ALA. ADMIN. CODE 482-1-024.03(6)(2003), which states:

Notices of rate increases and rate filings in general for accident and health policies, riders and endorsements are hereby requested to be filed with this Department on an informational basis only. This information shall be

considered proprietary and trade secret information and shall not be subject to disclosure by the Commissioner to persons outside the Department of Insurance except as agreed to by the insurer or as ordered by a court of competent jurisdiction. No rate filings are requested for life insurance policies.

Underwriting Practices

The Company wrote multi-year guaranteed annuities and fixed index annuities during the examination period. A random sample of 116 Alabama direct written premiums was selected. The examination tested compliance with ALA. ADMIN. CODE 482-1-137(2022). The examination indicated that the Company did not produce records of its disclosures for 4 records as required by ALA. ADMIN. CODE 482-1-137-08(1)(2022), which state that:

Insurers, general agents, independent agencies and producers shall maintain or be able to make available to the commissioner records of the information collected from the consumer, disclosures made to the consumer, including summaries of oral disclosures, and other information used in making the recommendations that were the basis for insurance transactions for three (3) years after the insurance transaction is completed by the insurer. An insurer is permitted, but shall not be required, to maintain documentation on behalf of a producer.

Privacy Standards

The Company sent out privacy notices to new business contract holders when an annuity was written. The Company provided notices to its customers that indicated the types of information collected, the way the information is used, and the manner that it is collected. The notice also informed the customer that the Company did not disclose any information to any nonaffiliated third parties.

The Company privacy notice emphasized and explained the Company's policies. The Companies' policies followed the guidelines established in ALA. ADMIN. CODE 482-1-122 (2001).

The Company does not share customer and/or consumer personal information with any nonaffiliated third parties. The Company had proper controls in place for employees and producers for the disclosure of nonpublic personal financial, health or medical information.

SPECIAL DEPOSITS

The Company maintained the following deposits with the respective statutory authority at December 31, 2023, as required or permitted by law.

<u>State</u>	<u>Book Adjusted Carrying Value</u>	<u>Fair Value</u>
Alabama	\$2,554,334	\$2,543,565
Arkansas	\$110,000	\$110,000
Florida	\$1,000,000	\$1,000,000
Georgia	\$30,133	\$30,133
Massachusetts	\$106,562	\$97,789
Nevada	\$217,285	\$220,493
New Mexico	\$229,067	\$221,862
North Carolina	\$426,849	\$426,849
South Carolina	\$135,000	\$135,000
Texas	\$1,575,000	\$1,575,000
Virginia	\$260,000	\$260,000

FINANCIAL CONDITION AND GROWTH OF THE COMPANY

The following information presents significant financial information that reflects the growth of the Company for the years indicated.

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Capital and Surplus</u>	<u>Premiums</u>
2019	\$646,077,141	\$512,006,878	\$134,070,263	\$0
2020	\$1,883,496,644	\$1,677,259,195	\$206,237,449	\$975,007,520
2021	\$3,661,730,723	\$3,353,272,244	\$308,458,477	\$1,620,835,820
2022	\$6,498,220,220	\$6,047,124,081	\$451,096,139	\$1,739,112,152
2023	\$8,385,634,363	\$7,763,878,407	\$621,755,956	\$1,811,434,245

REINSURANCE

Reinsurance Assumed

Indemnity Reinsurance – Reliance Standard Life Insurance Company

The reinsurance agreement in effect as of the December 31, 2023, examination date was for 100% quota share indemnity insurance relating to claims made on \$500,000,000 of funding agreements issued by the Federal Home Loan Bank of

Chicago. The indemnity reinsurance was on a coinsurance with funds held basis. The agreement was entered into with Reliance Standard Life Insurance Company on December 17, 2019, and the duration of the agreement is unlimited. The agreement contained arbitration, error and omissions, and insolvency clauses. Premium provisions set forth in the contract stipulate that premiums shall be paid on a monthly basis as part of the net monthly cash flow amount equal to the Quota Share, and equal to the Gross Statutory Reserve for such Contract.

The agreement was amended on December 18, 2019, to add an additional payment from the ceding company in the amount of \$5,579,432. The additional payment serves to offset the reduction in collateral of eligible assets held in the Funds Withheld Account.

The agreement was amended on October 30, 2020, to add an additional \$151,000,000 ceded funding agreement.

The agreement was amended on May 26, 2022, to add an additional \$150,000,000 in ceded funding agreements.

Reinsurance Ceded

Retrocession Agreement – Oceanview Reinsurance Ltd. Bermuda December 31, 2020

The reinsurance agreement in effect as of the December 31, 2023, examination date was for 100% quota share of the claims made under the contract ceded to OVLAC by Reliance Standard Life Insurance Company. The indemnity reinsurance was on a coinsurance with funds held basis. The contract is a funding agreement issued by Federal Home Loan Bank of Chicago in the approximate amount of \$151,000,000. Both parties signed the agreement on December 31, 2020, and the duration of the agreement is unlimited. The agreement contained arbitration, error and omissions, and insolvency clauses. Premium provisions set forth in the contract stipulated that premiums shall be paid on a monthly basis as part of the net monthly cash flow amount equal to the Quota Share and equal to the Gross Statutory Reserve for such Contract.

Retrocession Agreement – Oceanview Reinsurance Ltd. Bermuda December 31, 2020

The reinsurance agreement in effect as of the December 31, 2023, examination date was for 100% quota share of the claims made under the contract ceded to OVLAC by

Reliance Standard Life Insurance Company. The indemnity reinsurance was on a coinsurance with funds held basis. The contract was a funding agreement issued by Federal Home Loan Bank of Chicago in the approximate amount of \$400,000,000. Both parties signed the agreement on December 31, 2020, and the duration of the agreement is unlimited. The agreement contained arbitration, error and omissions, and insolvency clauses. Premium provisions set forth in the contract stipulated that premiums shall be paid on a monthly basis as part of the net monthly cash flow amount equal to the Quota Share, and equal to the Gross Statutory Reserve for such Contract.

Retrocession Agreement – Oceanview Reinsurance Ltd. Bermuda December 31, 2021

The reinsurance agreement in effect as of the December 31, 2023, examination date was for 90% quota share of the claims made under the annuity contracts ceded. The indemnity reinsurance was on a coinsurance with funds held basis. The annuities ceded totaled approximately \$150,000,000. Both parties signed the agreement on December 31, 2021, and the duration of the agreement is unlimited. The agreement contained arbitration, error and omissions, and insolvency clauses. Premium provisions set forth in the contract stipulated that premiums shall be paid on a monthly basis as part of the net monthly cash flow amount equal to the Quota Share, and equal to the Gross Statutory Reserve for such Contract.

Retrocession Agreement – Oceanview Bermuda Reinsurance Ltd. June 30, 2022

The reinsurance agreement in effect as of the December 31, 2023, examination date was for 90% quota share of the claims made under the annuity contracts ceded. The indemnity reinsurance was on a coinsurance with funds held basis. Both parties signed the agreement on June 30, 2021, and the duration of the agreement is unlimited. The agreement contained arbitration, error and omissions, and insolvency clauses. Premium provisions set forth in the contract stipulated that premiums shall be paid on a monthly basis as part of the net monthly cash flow amount equal to the Quota Share, and equal to the Gross Statutory Reserve for such Contract.

Retrocession Agreement – Amended Oceanview Reinsurance Ltd. Bermuda December 31, 2022

The reinsurance agreement in effect as of the December 31, 2023, examination date was for 75% quota share of the claims made under the 2022 annuity contracts ceded and 0% to 90% quota share of the future flow business of certain OVLAC fixed

annuity contracts. The indemnity reinsurance was on a coinsurance with funds held basis. Both parties signed the agreement on December 31, 2022, and the duration of the agreement is unlimited. The agreement contained arbitration, error and omissions, and insolvency clauses. Premium provisions set forth in the contract stipulated that premiums shall be paid on a monthly basis as part of the net monthly cash flow amount equal to the Quota Share, and equal to the Gross Statutory Reserve for such Contract.

Indemnity Reinsurance - SCOR Global Life U.S. Reinsurance Company June 30, 2008

The reinsurance agreement in effect as of the December 31, 2023, examination date was for 100% of the insurance liabilities of SCOR Life Insurance Company (now OVLAC). The indemnity reinsurance was on a coinsurance basis. Both parties signed the agreement on June 30, 2008, and the duration of the agreement is unlimited. The agreement contained arbitration, error and omissions, and insolvency clauses. Premium provisions set forth in the contract stipulated that the reinsurer is entitled to 100% of the premiums, repayments, and policy loans and that funds shall be remitted to the reinsurer within 30 days of receipt by the insurer.

ACCOUNTS AND RECORDS

The Company maintained its accounting, premiums, and loss data electronically. The Company maintained additional electronic workpapers, reconciliations, and statements in its database of imaged records.

The Company's independent audit was performed by Grant Thornton, LLP, a certified public accounting firm.

The Company outsources the internal audit function to an independent audit firm, Forvis Mazars, that performs work under the direction of the Audit Committee.

The Company did not file the 2023 Management's Report of Internal Control over Financial Reporting with the Alabama Department of Insurance in accordance with ALA. ADMIN. CODE 482-1-141-.17, which states:

Every insurer required to file an audited financial report pursuant to this chapter ... shall prepare a report of the insurer's or group of insurers' internal control over financial reporting. ... The report shall be filed with the commissioner along with the Communication of Internal Control Related Matters Noted in an audit described under Rule 482-1-141-.11.

In Schedule Y, Part 1 of the 2023 Annual Statement, the Company did not include the ultimate controlling person of the holding company group in accordance with the NAIC *Annual Statement Instructions*, which state that "... any person(s) (that includes natural person) deemed to be an ultimate controlling person, must be included in the organizational chart."

The Company did not include all related entities in Schedule Y, Part 1 in accordance with the NAIC *Annual Statement Instructions*, which state: "Attach a chart or listing presenting the identities of and interrelationships between the parent, all affiliated insurers and reporting entities; and other affiliates, identifying all insurers and reporting entities..."

The Company did not complete Schedule Y, Part 1A of the 2023 Annual Statement. The Company was not in compliance with NAIC *Annual Statement Instructions*, which state:

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

All insurer and reporting entity members of the holding company system shall prepare a schedule for inclusion in each of the individual annual statements that is common for the group...

The Company did not complete Schedule Y, Part 3 of the 2023 Annual Statement. The Company was not in compliance with the NAIC *Annual Statement Instructions*, which state:

PART 3 - ULTIMATE CONTROLLING PARTY AND LISTING OF OTHER U.S. INSURANCE GROUPS OR ENTITIES UNDER THAT ULTIMATE CONTROLLING PARTY'S CONTROL

All insurer and reporting entity members of the holding company system (including mutual insurance companies) shall prepare a common schedule for inclusion in each of the individual annual statements.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the Alabama Department of Insurance and present the financial condition of the Company for the period ending December 31, 2023. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

Statement of Assets.....	23
Statements of Liabilities, Surplus and Other Funds	24
Statement of Summary of Operations	25
Capital and Surplus Account.....	26

OCEANVIEW LIFE INSURANCE CORPORATION
STATEMENT OF ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Assets	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds (Note 1)	\$3,381,601,733	-	-	\$3,381,601,733
Preferred stocks	167,240,801	-	-	167,240,801
Common stocks	1,829,200	-	-	1,829,200
First lien mortgage loans	2,965,752,354	-	-	2,965,752,354
Other than first lien mortgage loans	136,114,727	-	-	136,114,727
Cash	116,786,701	-	-	116,786,701
Cash equivalents	502,635,121	-	-	502,635,121
Short-term investments	66,037,176	-	-	66,037,176
Derivatives (Note 2)	13,138,208	-	-	13,138,208
Other invested assets	38,985,256	-	-	38,985,256
Subtotals, cash and invested assets	\$7,390,121,277	-	-	\$7,390,121,277
Investment income due and accrued	\$98,285,368	-	-	\$98,285,368
Funds held by or deposited by reinsured companies	821,527,261	-	-	821,527,261
Current federal and foreign income tax recoverable and interest thereon	6,572,468	-	-	6,572,468
Net deferred tax asset	100,317,816	90,190,035	-	10,127,781
Aggregate write-ins for other than invested assets (Note 3)	59,416,406	416,198	-	59,000,208
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	8,476,240,596	90,606,233	-	8,385,634,363
TOTAL ASSETS	\$8,476,240,596	90,606,233	-	\$8,385,634,363

**THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL
PART THEREOF**

OCEANVIEW LIFE INSURANCE CORPORATION
STATEMENT OF LIABILITIES, SURPLUS, AND OTHER FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Liabilities	Current Year
Aggregate reserve for life contracts	\$5,633,657,215
Liability for deposit-type contracts	190,000,000
Contract claims:	
Life	7,465,336
Interest maintenance reserve	24,069,801
General expenses due or accrued	3,127,051
Taxes, licenses and fees due or accrued, excluding federal income taxes	1,402,184
Remittances and items not allocated	55,679,499
Funds held under reinsurance treaties with unauthorized and certified reinsurers	1,802,053,343
Payable to parent, subsidiaries and affiliates	5,500,000
Derivatives	1,363,309
Payable for securities	24,955,137
Aggregate write-ins for liabilities	14,605,531
Total liabilities	\$7,763,878,407
Common capital stock	\$2,792,306
Surplus notes	40,000,000
Gross paid in and contributed surplus	556,259,064
Unassigned funds	22,704,586
Surplus	618,963,650
Total Liabilities, surplus and other funds	\$8,385,634,363

OCEANVIEW LIFE INSURANCE CORPORATION

STATEMENT OF SUMMARY OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, 2021, 2020, 2019

	2023	2022	2021	2020	2019
Premiums and annuity considerations for life and accident and health contracts	\$ 1,811,434,245	\$ 1,739,112,152	\$ 1,620,835,820	\$ 975,007,520	\$ -
Net investment income	446,028,205	250,561,764	59,462,906	25,672,869	1,521,837
Amortization of Interest Maintenance Reserve	526,125	418,717	274,777	37,512	(805)
Commissions and expense allowances on reinsurance ceded	30,415,080	34,317,286	17,272,220	1,389,071	61,824
Total	\$ 2,288,403,655	\$ 2,024,409,919	\$ 1,697,845,723	\$ 1,002,106,972	\$ 1,582,856
Annuity benefits	87,650,803	65,108,733	14,180,457	542,202	-
Surrender benefits and withdrawals for life contracts	564,390,957	31,655,485	6,629,741	245,452	-
Interest and adjustments on contract or deposit-type contract funds	-	-	-	7,586,244	280,222
Increase in aggregate reserves for life and accident and health contracts	1,423,638,899	1,813,143,126	1,616,592,686	972,442,595	-
Totals	\$ 2,075,680,659	\$ 1,909,907,344	\$ 1,637,402,884	\$ 980,816,493	\$ 280,222
Commissions on premiums, annuity considerations, and deposit-type contract funds	59,881,228	51,182,468	35,436,746	23,967,382	9,851
Commissions and expense allowances on reinsurance assumed	10,946,420	10,075,378	8,855,920	7,230,153	259,866
General insurance expenses and fraternal expenses	17,049,377	12,725,091	14,003,791	10,004,712	2,183,856
Insurance taxes, licenses and fees, excluding federal income taxes	1,330,325	3,015,759	2,467,305	1,561,318	68,662
Totals	\$ 2,164,888,009	\$ 1,986,906,040	\$ 1,698,166,646	\$ 1,023,580,058	\$ 2,802,457
Net gain from operations before dividends to policyholders, refunds to members and federal income taxes	123,515,646	37,503,878	(320,923)	(21,473,086)	(1,219,601)
Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes	123,515,646	37,503,878	(320,923)	(21,473,086)	(1,219,601)
Federal and foreign income taxes incurred	50,791,307	40,115,809	29,078,767	14,654,945	(124,090)
Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses)	72,724,339	(2,611,931)	(29,399,690)	(36,128,031)	(1,095,511)
Net realized capital gains (losses) less capital gains tax	75,445	2,709,193	6,325,173	(4,693,201)	-
Net income	\$ 72,799,784	\$ 97,262	\$ (23,074,517)	\$ (40,821,232)	\$ (1,095,511)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART THEREOF

OCEANVIEW LIFE INSURANCE CORPORATION
CAPITAL AND SURPLUS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, 2021, 2020, 2019

	2023	2022	2021	2020	2019
Capital and surplus, December 31, prior year	\$ 451,096,139	\$ 269,846,901	\$ 206,237,449	\$ 134,070,264	\$ 7,682,154
Net income	72,799,784	97,262	(23,074,517)	(40,821,232)	(1,095,511)
Change in net unrealized capital gains (losses) less capital gains tax	(992,606)	(5,714,307)	7,360,442	(2,580,962)	(14,653)
Change in unrealized foreign exchange capital gain	7,276,701	-	-	-	-
Change in net deferred income tax	19,841,036	32,825,235	25,857,722	20,046,659	1,443,682
Change in nonadmitted assets	(18,265,098)	(29,770,144)	(23,173,994)	(18,251,184)	(1,102,886)
Change in asset valuation reserve	-	21,199,616	(14,748,626)	(6,239,250)	(211,740)
Change in surplus notes	40,000,000	-	-	-	-
Paid in surplus	50,000,000	124,000,000	130,000,000	120,000,000	127,103,509
Aggregate write-ins for gains and losses in surplus	-	-	-	13,154	265,709
Net change in capital and surplus for the year	170,659,817	142,637,662	102,221,027	72,167,185	126,388,110
Capital and surplus, December 31, current year	\$ 621,755,956	\$ 451,096,139	\$ 308,458,477	\$ 206,237,449	\$ 134,070,264

**THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL
PART THEREOF**

NOTES TO FINANCIAL STATEMENTS

Note 1

Bonds

\$3,381,601,733

The above captioned amount is the same as reported in the 2023 Annual Statement. The examination found that the examination findings did not materially impact the carrying value.

The Company reported a significant number of invalid CUSIPs and securities with unmatched NAIC designations in Schedule D of the 2023 Annual Statement.

As respects CUSIPs, the NAIC *Annual Statement Instructions*, states to include:

The security identifier reported (Column 1 for CUSIP, CINS, PPN or Column 33 for ISIN) must be the same as the identifier used when filing securities with the NAIC pursuant to the Purposes and Procedures Manual of the NAIC Investment Analysis Office instructions.

Column 1 - CUSIP Identification

As respects the NAIC designations, the NAIC *Annual Statement Instructions*, states to include:

Column 6 - NAIC Designation, NAIC Designation Modifier and SVO Administrative Symbol

Provide the appropriate NAIC Designation (1 through 6), NAIC Designation Modifier (A through G) and SVO Administrative Symbol combination for each security.

Note 2

Derivatives

\$13,138,208

The above captioned amount is the same as reported in the 2023 Annual Statement. The examination found that the examination findings did not materially impact the carrying value.

The Company did not accurately report counterparties in Schedule DB - Part A and Schedule DB - Part D of the 2023 Annual Statement.

As respects reporting in Schedule DB – Part A, the NAIC *Annual Statement Instructions*, which states to include:

Column 5 - Exchange, Counterparty or Central Clearinghouse

Show the name ... of the exchange, counterparty or central clearinghouse.

As respects reporting in Schedule DB – Part D, the NAIC *Annual Statement Instructions*, which states to include:

Column 1 - Description of Exchange, Counterparty or Central Clearinghouse

... show the name ... for the counterparty or central clearinghouse.

Note 3

Aggregate write-ins for other than invested assets

\$53,300,208

The above captioned amount is \$6,300,000 less than the \$59,000,208 reported in the 2023 Annual Statement.

The Company recorded a write-in asset of \$6,300,000 representing the value of insurance licenses acquired through purchase of the Company. These assets were reported as a part of the aggregate write-ins and more specifically with other assets and receivables in a write in asset, "AR Payments" totaling \$36,520,961. The examiners determined that the Company admitting these assets was not in accordance with statutory accounting principles. While insurance licenses may have economic value in certain transactional contexts (e.g. mergers or acquisitions), they do not meet the definition of an admitted asset under SSAP No. 4. The assets (a) lack a readily determinable market value; (b) are not freely transferrable without regulatory approval; and (c) do not provide liquidity or support the insurer's ability to meet policyholder obligations. The value of such licenses is more appropriately characterized as part of goodwill or other intangible assets, which are explicitly non-admitted under statutory accounting. Any realization of economic benefit occurs only upon a change in ownership and is subject to regulatory approval. The balance is not admitted in accordance with SSAP No. 4 which states:

"The ability to meet policyholder obligations is predicated on the existence of readily marketable assets available when both current and future obligations are

due. Assets having economic value other than those which can be used to fulfill policyholder obligations, or those assets which are unavailable due to encumbrances or other third-party interests should not be recognized on the balance sheet,” and are, therefore, considered nonadmitted.

Analysis of Changes to Surplus

Analysis of Changes to Surplus			
Capital and Surplus at December 31, 2023 per Annual Financial Statement			\$621,755,956
	<u>Increase</u>	<u>Decrease</u>	
Aggregate write-ins for other than invested assets		\$6,300,000	
Net increase or decrease			<u>\$6,300,000</u>
Capital and Surplus at December 31, 2023 after adjustment			\$615,455,956

COMMENTS AND RECOMMENDATIONS

Conflicts of Interest – Page 6

It is recommended that the Company require its directors, officers, and key employees sign a conflict of interest disclosure each year.

Corporate Records – Page 6

It is recommended that the Company’s appointed actuary present his actuarial opinion to the Board or Audit Committee, and the Company reflect this presentation within its Board and/or Audit Committee minutes in accordance with the NAIC *Annual Statement Instructions*, which states:

The Appointed Actuary must report to the Board of Directors or the Audit Committee each year on the items within the scope of the Actuarial Opinion. The Actuarial Opinion and the Actuarial Memorandum must be made available to the Board of Directors. The minutes of the Board of Directors should indicate that the Appointed Actuary has presented such information to the Board of Directors or the Audit Committee and that the Actuarial Opinion and the Actuarial Memorandum were made available.

Management and Service Agreements – Page 7

It is recommended that the Company comply with its Investment Management Company Agreement, which states “The Client shall pay to the Management Company a fixed fee for management services, payable in advance on the first day of each month ...”

Fidelity Bonds and Other Insurance – Page 11

It is recommended that the Company obtain fidelity coverage that meets or exceeds the minimum amount suggested by the NAIC *Financial Condition Examiners Handbook*.

Compliance with 18 U.S.C § 1033 – Page 12

It is recommended that the Company implement an effective internal procedure in compliance with ALA. ADMIN. CODE 482-1-146-.11(1)(b) (2009), which states:

- (1) A Section 1033 insurer subject to the Commissioner’s examination authority shall have and apply the following:
- (b) An internal procedure after initial employment or contracting, applied on a periodic basis, to ascertain the existence of a felony conviction for a Section 33 offense.

Claims Payment Practices – Page 13

It is recommended that the Company follow its policy provisions as respects interest due to annuity contract holders in accordance with the contract provisions which state:

INTEREST ON DEATH BENEFIT. Interest on the Death Benefit will be paid at the rate applicable to this Contract for funds left on deposit from the date of the Owner’s death until the claim is paid. We will pay additional interest at a rate of 10% annually if the Death Benefit payment is not issued within 31 days of the latest of: The date We receive satisfactory Due Proof of Death; The date We receive sufficient information for Us to determine liability, the extent of the liability, and the appropriate payee legally entitled to the Death Benefit; and The date that legal impediments to payment of proceeds that depend on the action of parties other than Us are resolved. Legal impediments to payment include, but are not limited to: (a) the establishment of guardianships and conservatorships; (b) the appointment and qualification of

trustees, executors, and administrators; and (c) the submission of information required to satisfy a state or federal reporting requirement.

Compliance with Producer Licensing Requirements – Page 14

It is recommended that the Company properly appoint its producers in compliance with ALA. CODE § 27-7-30(a) (2001) which states:

Each insurer appointing a producer in this state shall file with the commissioner, in a format approved by the commissioner, a notice of appointment within 15 days from the date the agency contract is executed or the first insurance application is submitted, whichever occurs first.

It is recommended that the Company notify the Commissioner of Insurance of terminated producers in compliance with ALA. CODE § 27-7-30(e) (2001) which states:

Within 15 days after making the notification required by subsection (e) of Section 27-7-30, the insurer shall mail a copy of the notification to the producer at his or her last known address. If the producer is terminated for cause for any of the reasons listed in Section 27-7-19, the insurer shall provide a copy of the notification to the producer at his or her last known address by certified mail, return receipt requested, postage prepaid or by overnight delivery using a nationally recognized carrier.

It is recommended that the Company mail notifications of terminations to the producers' last known address in compliance with ALA. CODE § 27-7-30.1(a) (2001) which states:

Subject to the producer's contract rights, if any, an insurer or authorized representative of the insurer may terminate a producer's appointment at any time. An insurer or authorized representative of the insurer that terminates the appointment, employment, or contract with a producer for any reason shall within 30 days following the effective date of the termination, using a format prescribed by the commissioner, give notice of the termination to the commissioner.

Underwriting and Rating – Page 15

It is recommended that Company keep complete records of its Annuity Disclosures as required by ALA. ADMIN. CODE 482-1-137-08(1)(2022), which states:

Insurers, general agents, independent agencies and producers shall maintain or be able to make available to the commissioner records of the information collected from the consumer, disclosures made to the consumer, including summaries of oral disclosures, and other information used in making the recommendations that were the basis for insurance transactions for three (3) years after the insurance transaction is completed by the insurer. An insurer is permitted, but shall not be required, to maintain documentation on behalf of a producer.

Accounts and Records – Page 20

It is recommended that the Company file Management's Report of Internal Control over Financial Reporting with the Alabama Department of Insurance in accordance with ALA. ADMIN. CODE 482-1-141-.17, which states:

Every insurer required to file an audited financial report pursuant to this chapter ... shall prepare a report of the insurer's or group of insurers' internal control over financial reporting. ... The report shall be filed with the commissioner along with the Communication of Internal Control Related Matters Noted in an audit described under Rule 482-1-141-.11.

It is recommended that the Company include the ultimate controlling person of the holding company group in Schedule Y, Part 1 in accordance with the NAIC *Annual Statement Instructions*, which state that "... any person(s) (that includes natural person) deemed to be an ultimate controlling person, must be included in the organizational chart."

It is recommended that the Company include all related entities in Schedule Y, Part 1 in accordance with the NAIC *Annual Statement Instructions*, which state: "Attach a chart or listing presenting the identities of and interrelationships between the parent, all affiliated insurers and reporting entities; and other affiliates, identifying all insurers and reporting entities..."

It is recommended that the Company complete Schedule Y, Part 1A of the Annual Statement in accordance with the NAIC *Annual Statement Instructions*, which state:

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

All insurer and reporting entity members of the holding company system shall prepare a schedule for inclusion in each of the individual annual statements that is common for the group...

It is recommended that the Company complete Schedule Y, Part 3 of the Annual Statement in accordance with the NAIC *Annual Statement Instructions*, which state:

PART 3 - ULTIMATE CONTROLLING PARTY AND LISTING OF
OTHER U.S. INSURANCE GROUPS OR ENTITIES UNDER THAT
ULTIMATE CONTROLLING PARTY'S CONTROL

All insurer and reporting entity members of the holding company system (including mutual insurance companies) shall prepare a common schedule for inclusion in each of the individual annual statements.

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It is recommended that the Company accurately report its securities' CUSIPs in Schedule D of the annual statement in accordance with NAIC *Annual Statement Instructions*, which states to include:

The security identifier reported (Column 1 for CUSIP, CINS, PPN or Column 33 for ISIN) must be the same as the identifier used when filing securities with the NAIC pursuant to the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* instructions.

Column 1 - CUSIP Identification

It is recommended that the Company accurately report NAIC designations in Schedule D of the annual statement in accordance with the NAIC *Annual Statement Instructions*, which states to include:

Column 6 - NAIC Designation, NAIC Designation Modifier and SVO Administrative Symbol

Provide the appropriate NAIC Designation (1 through 6), NAIC Designation Modifier (A through G) and SVO Administrative Symbol combination for each security.

It is recommended that the Company accurately report counterparties in Schedule DB - Part A of the annual statement in accordance with the NAIC *Annual Statement Instructions*, which states to include:

Column 5 - Exchange, Counterparty or Central Clearinghouse

Show the name ... of the exchange, counterparty or central clearinghouse.

It is recommended that the Company accurately report counterparties in Schedule DB - Part D of the annual statement in accordance with the NAIC *Annual Statement Instructions*, which states to include:

Column 1 - Description of Exchange, Counterparty or Central Clearinghouse

... show the name ... for the counterparty or central clearinghouse.

It is recommended that the Company non-admit the carrying value of acquired insurance licenses in accordance with SSAP No. 4, which states:

“The ability to meet policyholder obligations is predicated on the existence of readily marketable assets available when both current and future obligations are due. Assets having economic value other than those which can be used to fulfill policyholder obligations, or those assets which are unavailable due to encumbrances or other third-party interests should not be recognized on the balance sheet,” and are, therefore, considered nonadmitted.

COMPLIANCE WITH PREVIOUS RECOMMENDATIONS

The most recent full scope examination was conducted by Texas as of December 31, 2018. There were not any previous report recommendations that required follow up to ensure compliance.

CONTINGENT LIABILITIES AND PENDING LITIGATION

The examination for contingent liabilities and pending litigation included a review of the Company’s Annual Statement disclosures, minutes of the corporate governing bodies, pending claims, and the usual examination of the accounts for unrecorded

items. The review did not identify any items that would have a material impact on the Company's financial statements in the event of an adverse outcome.

SUBSEQUENT EVENTS

The Company's holding company was acquired by new owners. On February 19, 2025, Bayview Opportunity V Oceanview, LP sold 9.9% of the already-outstanding common stock of Oceanview Holdings, Ltd. to HPS Investment Partners, LLC (HPS). The Company separately entered into an investment management agreement with HPS under which HPS will manage a portion of the Company's investment portfolio.

The Company managers responded to inquiries to indicate that the Company's reinsurance strategy has not changed since December 31, 2023, but significant reinsurance activity has occurred. In March 2024, the Company entered into an agreement with its affiliate, Oceanview Reinsurance, Ltd. (OVRe), to recapture and terminate the retrocession of \$500 million of funding agreement reserves that had been ceded to OVRe in December 2019, and which were scheduled to mature in December 2024. In June 2024, the Company entered into a new reinsurance agreement ("OSL Retail agreement") with its affiliate, Oceanview Secure Reinsurance, Ltd. (OSL), ceding approximately \$600 million of reserves to OSL at June 30, 2024, and allowing the Company, at its option, to cede up to 80% of its retail annuity business for any quarter through year-end 2025. The Company ceded approximately \$400 million of reserves under the OSL Retail Agreement for third quarter 2024 and did not cede any reserves under the OSL Retail Agreement in fourth quarter 2024. In December 2024, the Company entered into a new reinsurance agreement ("FA Reinsurance Agreement") with OSL, ceding approximately \$650 million of funding agreement reserves to OSL.

Nikki Pall, the former Vice President of Operations left the Company in 2024 and was replaced by Troy Glover, Executive Vice President - Operations.

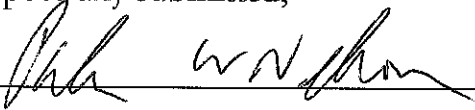
CONCLUSION

Acknowledgement is hereby made of the courtesy and cooperation extended by all persons representing Oceanview Life and Annuity Company during the examination.

The customary insurance examination procedures, as recommended by the National Association of Insurance Commissioners, have been followed in connection with the verification and valuation of assets and the determination of liabilities set forth in this report.

In addition to the undersigned, Theo Goodin, AIE, ALMI, MCM, Jackson Goodwin, Joe Jacobsen, CFE, David Martin, David Gordon, CISA, CIA, CFE (Fraud), CDFE, John Albertini, CCISO, CISSP, CISM, CISA, Crystal Brown, Edward Toy, Nan Nguyen, ASA, MAAA, Patricia Matson, FSA, MAAA, Vadim Marchenko, ASA, MAAA, and Janine Bender, ASA, MAAA, all representing the Alabama Department of Insurance, participated in the examination of Oceanview Life and Annuity Company.

Respectfully submitted,



Palmer W. Nelson, CFE, CIE, MCM
Examiner-in-charge
Alabama Department of Insurance