UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________ to ________

Commission File Number : 001-31911

American National Group Inc.

(Exact name of registrant as specified in its charter)

Delaware	**42-1447959**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6000 Westown Parkway

West Des Moines, Iowa 50266

(Address of principal executive offices, including zip code)

(515) 221-0002

(Registrant's telephone number, including area code)

American Equity Investment Life Holding Company

(Former name or address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $1	AEL	New York Stock Exchange
Depositary Shares, each representing a 1/1,000th interest in a share of 5.95% Fixed-Rate Reset Non-Cumulative Preferred Stock, Series A	AELPRA	New York Stock Exchange
Depositary Shares, each representing a 1/1,000th interest in a share of 6.625% Fixed-Rate Reset Non-Cumulative Preferred Stock, Series B	AELPRB	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 7, 2024, 68,659,827 shares of our common shares were outstanding, all of which are held directly by Brookfield Reinsurance Ltd and its affiliates.

TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except share and per share data)

(Unaudited)

	March 31, 2024	December 31, 2023
Assets		
Investments:		
Fixed maturity securities, available for sale, at fair value (amortized cost of $36,009,821 as of 2024 and $38,537,462 as of 2023; allowance for credit losses of $3,518 as of 2024 and $4,030 as of 2023)	$ 32,044,379	$ 34,780,482
Mortgage loans on real estate (net of allowance for credit losses of $42,013 as of 2024 and $38,135 as of 2023)	7,281,831	7,537,594
Real estate investments (2024 and 2023 include $1,353,864 and $1,327,704 related to consolidated variable interest entities)	1,363,604	1,334,247
Limited partnerships and limited liability companies (2024 and 2023 include $501,084 and $506,685 related to consolidated variable interest entities)	1,066,273	1,089,591
Derivative instruments	1,617,000	1,207,288
Other investments (2024 includes $150,001 related to consolidated variable interest entities)	1,624,752	2,277,822
Total investments	44,997,839	48,227,024
Cash and cash equivalents (2024 and 2023 include $33,602 and $35,745 related to consolidated variable interest entities)	13,495,847	9,772,586
Coinsurance deposits (net of allowance for credit losses of $1,096 as of 2024 and $1,149 as of 2023)	14,743,795	14,582,728
Market risk benefits	524,598	479,694
Accrued investment income (2024 and 2023 include $4,136 and $2,862 related to consolidated variable interest entities)	431,105	459,332
Deferred policy acquisition costs	3,184,757	3,070,280
Deferred sales inducements	2,440,714	2,367,224
Deferred income taxes	115,245	152,652
Income taxes recoverable	24,342	37,854
Other assets (2024 and 2023 include $20,184 and $18,681 related to consolidated variable interest entities)	821,281	768,928
Total assets	$ 80,779,523	$ 79,918,302

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except share and per share data)

(Unaudited)

	March 31, 2024	December 31, 2023
Liabilities and Stockholders' Equity		
Liabilities:		
Policy benefit reserves	$ 60,980,242	$ 60,901,641
Market risk benefits	3,122,918	3,146,554
Other policy funds and contract claims	182,342	188,856
Notes and loan payable	783,791	785,443
Subordinated debentures	79,200	79,107
Funds withheld for reinsurance liabilities	8,811,816	8,596,373
Other liabilities (2024 and 2023 include $80,627 and $93,520 related to consolidated variable interest entities)	3,647,641	3,172,554
Total liabilities	77,607,950	76,870,528
Stockholders' equity:		
Preferred stock, Series A; par value $1 per share; $400,000 aggregate liquidation preference; 20,000 shares authorized; issued and outstanding: 2024 and 2023 - 16,000 shares	16	16
Preferred stock, Series B; par value $1 per share; $300,000 aggregate liquidation preference; 12,000 shares authorized; issued and outstanding: 2024 and 2023 - 12,000 shares	12	12
Common stock; par value $1 per share; 200,000,000 shares authorized; issued and outstanding: 2024 - 79,572,172 shares (excluding 30,614,343 treasury shares); 2023 - 79,337,818 shares (excluding 30,765,023 treasury shares)	79,572	79,338
Additional paid-in capital	1,073,079	1,071,103
Accumulated other comprehensive loss	(3,189,720)	(2,979,657)
Retained earnings	5,184,527	4,852,448
Total stockholders' equity attributable to American Equity Investment Life Holding Company	3,147,486	3,023,260
Noncontrolling interests	24,087	24,514
Total stockholders' equity	3,171,573	3,047,774
Total liabilities and stockholders' equity	$ 80,779,523	$ 79,918,302

See accompanying notes to unaudited consolidated financial statements.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except per share data)

(Unaudited)

	Three Months Ended March 31,	
	2024	**2023**
Revenues:		
Premiums and other considerations	$ 640	$ 4,137
Annuity product charges	95,613	62,591
Net investment income	554,739	561,323
Change in fair value of derivatives	409,767	45,890
Net realized losses on investments	(94,050)	(27,787)
Other revenue	23,254	16,394
Total revenues	989,963	662,548
Benefits and expenses:		
Insurance policy benefits and change in future policy benefits (remeasurement gains (losses) of future policy benefit reserves of $109 and $354 for 2024 and 2023, respectively)	4,238	7,208
Interest sensitive and index product benefits	304,220	57,911
Market risk benefits (gains) losses	(138,770)	183,694
Amortization of deferred sales inducements	54,214	46,601
Change in fair value of embedded derivatives	162,202	404,440
Interest expense on notes and loan payable	11,581	11,018
Interest expense on subordinated debentures	1,342	1,336
Amortization of deferred policy acquisition costs	77,337	68,235
Other operating costs and expenses	77,708	74,004
Total benefits and expenses	554,072	854,447
Income (loss) before income taxes	435,891	(191,899)
Income tax expense (benefit)	93,246	(36,008)
Net income (loss)	342,645	(155,891)
Less: Net income (loss) available to noncontrolling interests	(353)	103
Net income (loss) available to American Equity Investment Life Holding Company stockholders	342,998	(155,994)
Less: Preferred stock dividends	10,919	10,919
Net income (loss) available to American Equity Investment Life Holding Company common stockholders	$ 332,079	$ (166,913)
Earnings (loss) per common share	$ 4.20	$ (2.00)
Earnings (loss) per common share - assuming dilution	$ 4.13	$ (2.00)
Weighted average common shares outstanding (in thousands):		
Earnings (loss) per common share	79,056	83,417
Earnings (loss) per common share - assuming dilution	80,376	83,417

See accompanying notes to unaudited consolidated financial statements.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Dollars in thousands)

(Unaudited)

	Three Months Ended March 31,	
	2024	**2023**
Net income (loss)	$ 342,645	$ (155,891)
Other comprehensive income (loss):		
Change in net unrealized investment gains/losses	(119,594)	851,731
Change in current discount rate for liability for future policy benefits	3,572	(4,791)
Change in instrument-specific credit risk for market risk benefits	(61,263)	70,005
Reclassification of unrealized investment gains/losses to net income	(88,618)	(18,463)
Other comprehensive income (loss) before income tax	(265,903)	898,482
Income tax effect related to other comprehensive income (loss)	55,840	(188,681)
Other comprehensive income (loss)	(210,063)	709,801
Comprehensive income	$ 132,582	$ 553,910

See accompanying notes to unaudited consolidated financial statements.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(Dollars in thousands)

(Unaudited)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Noncontrolling Interest	Total Stockholders' Equity
For the three months ended March 31, 2024							
Balance at December 31, 2023	$ 28	$ 79,338	$ 1,071,103	$ (2,979,657)	$ 4,852,448	$ 24,514	$ 3,047,774
Net income (loss) for period	—	—	—	—	342,998	(353)	342,645
Other comprehensive loss	—	—	—	(210,063)	—	—	(210,063)
Share-based compensation	—	—	1,946	—	—	—	1,946
Issuance of common stock	—	234	30	—	—	—	264
Dividends on preferred stock	—	—	—	—	(10,919)	—	(10,919)
Contributions (distributions) from noncontrolling interests	—	—	—	—	—	(74)	(74)
Balance at March 31, 2024	$ 28	$ 79,572	$ 1,073,079	$ (3,189,720)	$ 5,184,527	$ 24,087	$ 3,171,573

	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Noncontrolling Interest	Total Stockholders' Equity
For the three months ended March 31, 2023							
Balance at December 31, 2022 (a)	$ 28	$ 84,810	$ 1,325,316	$ (3,746,230)	$ 4,685,593	$ 21,233	$ 2,370,750
Net income (loss) for period	—	—	—	—	(155,994)	103	(155,891)
Other comprehensive income	—	—	—	709,801	—	—	709,801
Share-based compensation	—	—	9,904	—	—	—	9,904
Issuance of common stock	—	211	(3,842)	—	—	—	(3,631)
Treasury stock acquired, common	—	(7,268)	(285,925)	—	—	—	(293,193)
Dividends on preferred stock	—	—	—	—	(10,919)	—	(10,919)
Contributions (distributions) from noncontrolling interests	—	—	—	—	—	1,988	1,988
Balance at March 31, 2023	$ 28	$ 77,753	$ 1,045,453	$ (3,036,429)	$ 4,518,680	$ 23,324	$ 2,628,809

(a) Certain prior period amounts have been recast. See *Note 1 - Significant Accounting Policies* in our Annual Report on Form 10-K for the year ended December 31, 2023.

See accompanying notes to unaudited consolidated financial statements.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

(Unaudited)

	Three Months Ended March 31,	
	2024	**2023**
Operating activities		
Net income (loss)	$ 342,645	$ (155,891)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Interest sensitive and index product benefits	304,220	57,911
Amortization of deferred sales inducements	54,214	46,601
Annuity product charges	(95,613)	(62,591)
Change in fair value of embedded derivatives	162,202	404,440
Change in traditional life and accident and health insurance reserves	(9,563)	1,720
Policy acquisition costs deferred	(191,814)	(66,767)
Amortization of deferred policy acquisition costs	77,337	68,235
Provision for depreciation and other amortization	3,350	3,025
Amortization of discounts and premiums on investments	2,601	13,450
Realized gains/losses on investments	94,050	27,787
Distributions from equity method investments	24,601	—
Change in fair value of derivatives	(409,767)	(45,890)
Deferred income taxes	93,247	(40,895)
Share-based compensation	1,946	9,904
Change in accrued investment income	28,227	426
Change in income taxes recoverable/payable	13,512	4,677
Change in other assets	(11,255)	(34,940)
Change in other policy funds and contract claims	(7,645)	(207,895)
Change in market risk benefits, net	(138,771)	192,253
Change in collateral held for derivatives	390,978	184,088
Change in funds withheld from reinsurers	256,921	342,602
Change in other liabilities	58,489	145,648
Other	25,894	(22,855)
Net cash provided by operating activities	1,070,006	865,043
Investing activities		
Sales, maturities, or repayments of investments:		
Fixed maturity securities, available for sale	4,707,376	3,150,639
Mortgage loans on real estate	442,126	279,348
Derivative instruments	303,371	(132)
Other investments	1,103,923	705,059
Acquisitions of investments:		
Fixed maturity securities, available for sale	(2,323,893)	(2,039,525)
Mortgage loans on real estate	(191,028)	(534,632)
Real estate investments acquired	(35,649)	(120,907)
Derivative instruments	(203,551)	(205,561)
Other investments	(459,826)	(425,596)
Purchases of property, furniture and equipment	(4,631)	(4,192)
Net cash provided by investing activities	3,338,218	804,501

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(Dollars in thousands)

(Unaudited)

	Three Months Ended March 31,	
	2024	**2023**
Financing activities		
Receipts credited to annuity policyholder account balances	$ 2,348,431	$ 1,370,663
Coinsurance deposits	(91,042)	(215,927)
Return of annuity policyholder account balances	(2,910,342)	(1,601,547)
Repayment of loan payable	(1,875)	(1,875)
Acquisition of treasury stock	—	(293,193)
Proceeds from issuance of common stock, net	264	(3,631)
Change in checks in excess of cash balance	(19,480)	(54,932)
Dividends paid on preferred stock	(10,919)	(10,919)
Net cash used in financing activities	(684,963)	(811,361)
Increase in cash and cash equivalents	3,723,261	858,183
Cash and cash equivalents at beginning of period	9,772,586	1,919,669
Cash and cash equivalents at end of period	$ 13,495,847	$ 2,777,852
Supplemental disclosures of cash flow information		
Cash paid during period for:		
Interest expense	$ 6,358	$ 5,803
Income taxes	546	262,020
Income tax refunds received	14,059	52,500
Non-cash operating activity:		
Deferral of sales inducements	127,704	45,267

See accompanying notes to unaudited consolidated financial statements.

AMERICAN EQUITY INVESTMENT LIFE HOLDING COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

(Unaudited)

1. Significant Accounting Policies

Consolidation and Basis of Presentation

The accompanying consolidated financial statements of American Equity Investment Life Holding Company ("we", "us", "our" or the "Company") have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. The consolidated financial statements include variable interest entities ("VIE") in which we are the primary beneficiary. All of the adjustments in the consolidated financial statements are normal recurring items which are necessary to present fairly our financial position and results of operations on a basis consistent with the prior audited consolidated financial statements. Operating results for the three month periods ended March 31, 2024 are not necessarily indicative of the results that may be expected for any other period, including for the year ended December 31, 2024. All significant intercompany accounts and transactions have been eliminated. The preparation of financial statements requires management estimates and assumptions using subjective and complex judgments that frequently require assumptions about matters that are inherently uncertain. Our actual results could differ from these estimates. For further information related to a description of areas of judgment and estimates and other information necessary to understand our financial position and results of operations, refer to the audited consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2023.

Adopted Accounting Pronouncements

Troubled Debt Restructurings and Vintage Disclosures

In March 2022, the Financial Accounting Standards Board ("FASB") issued an accounting standards update ("ASU") on troubled debt restructurings ("TDR") and vintage disclosures related to current period gross write-offs and recoveries. This guidance eliminates the accounting guidance for TDRs by creditors and enhances disclosure requirements for certain refinancing and restructuring of loans by creditors when a borrower is experiencing financial difficulty. The guidance also requires companies to disclosure current-period gross write-offs by year of origination for financing receivables and net investments in leases. This ASU was adopted on January 1, 2023 and was applied prospectively. This guidance did not have a material impact on our consolidated financial statements.

Targeted Improvements to the Accounting for Long-Duration Insurance Contracts

In August 2018, the FASB issued an ASU that revises certain aspects of the measurement models and disclosure requirements for long duration insurance and investment contracts. The FASB's objective in issuing this ASU is to improve, simplify, and enhance the accounting for long-duration contracts. The revisions include updating cash flow assumptions in the calculation of the liability for traditional life products, introducing the term 'market risk benefit' ("MRB") and requiring all contract features meeting the definition of an MRB to be measured at fair value with the change in fair value recognized in net income excluding the change in fair value related to our own-credit risk which is recognized in AOCI and simplifying the method used to amortize deferred policy acquisition costs and deferred sales inducements to a constant level basis over the expected term of the related contracts rather than based on actual and estimated gross profits and enhancing disclosure requirements. While this ASU was effective for us January 1, 2023, the transition date (the remeasurement date) was January 1, 2021. We adopted the guidance for the liability for future policyholder benefits, deferred acquisition costs, and deferred sales inducements on a modified retrospective basis such that those balances were adjusted to conform to ASU 2018-12 on January 1, 2021. The guidance for market risk benefits was applied retrospectively.

2. Fair Values of Financial Instruments

The following sets forth a comparison of the carrying amounts and fair values of our financial instruments:

	March 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(Dollars in thousands)			
Assets				
Fixed maturity securities, available for sale	$ 32,044,379	$ 32,044,379	$ 34,780,482	$ 34,780,482
Mortgage loans on real estate	7,281,831	6,777,489	7,537,594	7,047,993
Real estate investments	1,363,604	1,382,633	1,334,247	1,336,247
Limited partnerships and limited liability companies	501,084	501,084	506,685	506,685
Derivative instruments	1,617,000	1,617,000	1,207,288	1,207,288
Other investments	1,624,752	1,624,752	2,277,822	2,277,822
Cash and cash equivalents	13,495,847	13,495,847	9,772,586	9,772,586
Coinsurance deposits	14,743,795	13,671,767	14,582,728	13,570,942
Market risk benefits	524,598	524,598	479,694	479,694
Liabilities				
Policy benefit reserves	60,638,086	56,103,251	60,549,922	56,366,631
Market risk benefits	3,122,918	3,122,918	3,146,554	3,146,554
Single premium immediate annuity (SPIA) benefit reserves	181,348	189,677	188,301	196,720
Notes and loan payable	783,791	775,660	785,443	770,570
Subordinated debentures	79,200	86,095	79,107	86,254

Fair value is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. The objective of a fair value measurement is to determine that price for each financial instrument at each measurement date. We meet this objective using various methods of valuation that include market, income and cost approaches.

We categorize our financial instruments into three levels of fair value hierarchy based on the priority of inputs used in determining fair value. The hierarchy defines the highest priority inputs (Level 1) as quoted prices in active markets for identical assets or liabilities. The lowest priority inputs (Level 3) are our own assumptions about what a market participant would use in determining fair value such as estimated future cash flows. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument. We categorize financial assets and liabilities recorded at fair value in the consolidated balance sheets as follows:

Level 1 – Quoted prices are available in active markets for identical financial instruments as of the reporting date. We do not adjust the quoted price for these financial instruments, even in situations where we hold a large position and a sale could reasonably impact the quoted price.

Level 2 – Quoted prices in active markets for similar financial instruments, quoted prices for identical or similar financial instruments in markets that are not active; and models and other valuation methodologies using inputs other than quoted prices that are observable.

Level 3 – Models and other valuation methodologies using significant inputs that are unobservable for financial instruments and include situations where there is little, if any, market activity for the financial instrument. The inputs into the determination of fair value require significant management judgment or estimation. Financial instruments that are included in Level 3 are securities for which no market activity or data exists and for which we used discounted expected future cash flows with our own assumptions about what a market participant would use in determining fair value.

NAV – Our consolidated limited partnership funds are typically measured using NAV as a practical expedient in determining fair value and are not classified in the fair value hierarchy. Our carrying value reflects our pro rata ownership percentage as indicated by NAV in the investment fund financial statements and is recorded on a quarter lag due to the timing of when financial statements are available.

Transfers of securities among the levels occur at times and depend on the type of inputs used to determine fair value of each security. We record transfers between levels as of the beginning of the reporting period.

Our assets and liabilities which are measured at fair value on a recurring basis as of March 31, 2024 and December 31, 2023 are presented below based on the fair value hierarchy levels:

	Total Fair Value	NAV	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(Dollars in thousands)				
March 31, 2024					
Assets					
Fixed maturity securities, available for sale:					
U.S. Government and agencies	$ 27,137	$ —	$ 17,068	$ 10,069	$ —
States, municipalities and territories	2,816,974	—	—	2,612,223	204,751
Foreign corporate securities and foreign governments	433,008	—	—	433,008	—
Corporate securities	19,264,788	—	—	19,054,472	210,316
Residential mortgage backed securities	995,130	—	—	972,609	22,521
Commercial mortgage backed securities	2,734,085	—	—	2,734,085	—
Other asset backed securities	5,773,257	—	—	3,488,452	2,284,805
Other investments	351,142	—	140,458	60,683	150,001
Real estate investments	1,248,703	—	—	—	1,248,703
Limited partnerships and limited liability companies	501,084	358,429	—	—	142,655
Derivative instruments	1,617,000	—	—	1,617,000	—
Cash and cash equivalents	13,495,847	—	13,495,847	—	—
Market risk benefits (a)	524,598	—	—	—	524,598
	$ 49,782,753	$ 358,429	$ 13,653,373	$ 30,982,601	$ 4,788,350
Liabilities					
Funds withheld liability - embedded derivative	$ (298,254)	$ —	$ —	$ —	$ (298,254)
Fixed index annuities - embedded derivatives	5,273,407	—	—	—	5,273,407
Market risk benefits (a)	3,122,918	—	—	—	3,122,918
	$ 8,098,071	$ —	$ —	$ —	$ 8,098,071
December 31, 2023					
Assets					
Fixed maturity securities, available for sale:					
U.S. Government and agencies	$ 171,141	$ —	$ 27,593	$ 143,548	$ —
States, municipalities and territories	3,098,940	—	—	2,876,723	222,217
Foreign corporate securities and foreign governments	493,739	—	—	493,739	—
Corporate securities	20,603,416	—	—	20,347,979	255,437
Residential mortgage backed securities	1,402,501	—	—	1,402,501	—
Commercial mortgage backed securities	2,952,547	—	—	2,952,547	—
Other asset backed securities	6,058,198	—	—	4,467,224	1,590,974
Other investments	1,795,511	—	875,596	919,915	—
Real estate investments	1,217,271	—	—	—	1,217,271
Limited partnerships and limited liability companies	506,685	353,554	—	—	153,131
Derivative instruments	1,207,288	—	—	1,207,288	—
Cash and cash equivalents	9,772,586	—	9,772,586	—	—
Market risk benefits (a)	479,694	—	—	—	479,694
	$ 49,759,517	$ 353,554	$ 10,675,775	$ 34,811,464	$ 3,918,724
Liabilities					
Funds withheld liability - embedded derivative	$ (256,776)	$ —	$ —	$ —	$ (256,776)
Fixed index annuities - embedded derivatives	5,181,894	—	—	—	5,181,894
Market risk benefits (a)	3,146,554	—	—	—	3,146,554
	$ 8,071,672	$ —	$ —	$ —	$ 8,071,672

(a) See *Note 8 - Policyholder Liabilities* for additional information related to market risk benefits, including the balances of and changes in market risk benefits as well as significant inputs and assumptions used in the fair value measurements of market risk benefits.

The following table provides a reconciliation of the beginning and ending balances for our Level 3 assets and liabilities, which are measured at fair value on a recurring basis using significant unobservable inputs for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
	2024	2023
	(Dollars in thousands)	
Fixed maturity securities, available for sale - States, municipalities and territories		
Beginning balance	$ 222,217	$ —
Purchases and sales, net	—	—
Transfers in	15,220	97,659
Transfers out	—	—
Total realized/unrealized gains (losses)		
Included in net income	—	—
Included in other comprehensive income (loss)	(32,686)	—
Ending balance	$ 204,751	$ 97,659
Fixed maturity securities, available for sale - Corporate securities		
Beginning balance	$ 255,437	$ 402,348
Purchases and sales, net	23,369	(26,278)
Transfers in	2,396	347
Transfers out	(69,454)	—
Total realized/unrealized gains (losses):		
Included in net income	—	—
Included in other comprehensive income (loss)	(1,432)	(1,120)
Ending balance	$ 210,316	$ 375,297
Fixed maturity securities, available for sale - Residential mortgage backed securities		
Beginning balance	$ —	$ —
Purchases and sales, net	—	—
Transfers in	22,521	—
Transfers out	—	—
Total realized/unrealized gains (losses):		
Included in net income	—	—
Included in other comprehensive income (loss)	—	—
Ending balance	$ 22,521	$ —
Fixed maturity securities, available for sale - Other asset backed securities		
Beginning balance	$ 1,590,974	$ 442,918
Purchases and sales, net	697,098	227,032
Transfers in	24,210	130,502
Transfers out	—	—
Total realized/unrealized gains (losses):		
Included in net income	—	—
Included in other comprehensive income (loss)	(27,477)	7,776
Ending balance	$ 2,284,805	$ 808,228
Other investments		
Beginning balance	$ —	$ —
Transfers in	150,001	—
Transfers out	—	—
Total realized/unrealized gains (losses):		
Included in net income	—	—
Included in other comprehensive income (loss)	—	—
Ending balance	$ 150,001	$ —

	Three Months Ended March 31,	
	2024	2023
	(Dollars in thousands)	
Real estate investments		
Beginning balance	$ 1,217,271	$ 940,559
Purchases and sales, net	36,155	120,908
Change in fair value	(4,723)	(7,836)
Ending balance	$ 1,248,703	$ 1,053,631
Limited partnerships and limited liability companies		
Beginning balance	$ 153,131	$ 64,209
Purchases and sales, net	(1,635)	94,137
Change in fair value	(8,841)	5,981
Ending balance	$ 142,655	$ 164,327
Funds withheld liability - embedded derivative		
Beginning balance	$ (256,776)	$ (441,864)
Transfers in	—	—
Change in fair value	(41,478)	64,380
Ending balance	$ (298,254)	$ (377,484)
Fixed index annuities - embedded derivatives		
Beginning balance	$ 5,181,894	$ 4,820,845
Premiums less benefits	15,845	(121,181)
Change in fair value, net	75,668	205,469
Ending balance	$ 5,273,407	$ 4,905,133

Transfers into and out of Level 3 during the three months ended March 31, 2024 and 2023 were primarily the result of changes in observable pricing information.

Quantitative Information about Level 3 Fair Value Measurements

The following table provides quantitative information about the significant unobservable inputs used for recurring fair value measurements categorized within Level 3, excluding investments where third party valuation inputs were not reasonably available. The market risk benefits are also excluded from the table. See *Note 8 - Policyholder Liabilities* for information on the unobservable inputs used in the fair value measurements of market risk benefits. See discussion of the valuation technique and significant unobservable inputs used for the embedded derivative component of our fixed index annuities in the *Fixed index annuities-embedded derivatives* paragraph below.

	March 31, 2024					
	Assets / (Liabilities) Measured at Fair Value	**Valuation Techniques(s)**	**Unobservable Input Description**	**Input / Range of Inputs**		**Weighted Average**
Assets:	**(in thousands)**					
Fixed maturity securities:						
Corporate securities	$ 83,513	Discounted cash flow	Liquidity premium	20 basis points		
Other asset backed securities	1,399,798	Discounted cash flow	Discount rate	3.20%	25.00%	6.44%
			Weighted average lives	1.13 years	11.77 years	4.39 years
Real estate investments	1,248,703	Broker price opinion				
Limited partnerships and limited liability companies - real estate	32,974	Discounted cash flow	Residual capitalization rate	5.19%	5.45%	5.32%
			Discount rate	6.50%	6.75%	6.63%
Limited partnerships and limited liability companies - infrastructure	109,681	Discounted cash flow	Discount rate	10.75%	10.75%	10.75%

	December 31, 2023					
	Assets / (Liabilities) Measured at Fair Value	**Valuation Techniques(s)**	**Unobservable Input Description**	**Input / Range of Inputs**		**Weighted Average**
Assets:	**(in thousands)**					
Fixed maturity securities:						
Corporate securities	$ 83,666	Discounted cash flow	Liquidity premium	20 basis points		
Other asset backed securities	591,992	Discounted cash flow	Discount rate	5.26%	25.00%	6.92%
			Weighted average lives	1.14 years	12.09 years	5.69 years
Real estate investments	1,217,271	Broker price opinion (a)				
Limited partnerships and limited liability companies - real estate	46,705	Discounted cash flow	Residual capitalization rate	5.25%	5.25%	5.25%
			Discount rate	6.50%	6.75%	6.61%
Limited partnerships and limited liability companies - infrastructure	106,426	Discounted cash flow	Discount rate	11.00%	11.00%	11.00%

(a) At December 31, 2023 we updated our valuation technique for real estate investments. See description of valuation technique, inputs and reason for update in the *Real estate investments* paragraph below.

The following methods and assumptions were used in estimating the fair values of financial instruments during the periods presented in these consolidated financial statements.

Fixed maturity securities

The fair values of fixed maturity securities in an active and orderly market are determined by utilizing independent pricing services. The independent pricing services incorporate a variety of observable market data in their valuation techniques, including:

- reported trading prices,
- benchmark yields,
- broker-dealer quotes,
- benchmark securities,
- bids and offers,
- credit ratings,
- relative credit information, and
- other reference data.

The independent pricing services also take into account perceived market movements and sector news, as well as a security's terms and conditions, including any features specific to that issue that may influence risk and marketability. Depending on the security, the priority of the use of observable market inputs may change as some observable market inputs may not be relevant or additional inputs may be necessary.

The independent pricing services provide quoted market prices when available. Quoted prices are not always available due to market inactivity. When quoted market prices are not available, the third parties use yield data and other factors relating to instruments or securities with similar characteristics to determine fair value for securities that are not actively traded. We generally obtain one value from our primary external pricing service. In situations where a price is not available from this service, we may obtain quotes or prices from additional parties as needed. Market indices of similar rated asset class spreads are considered for valuations and broker indications of similar securities are compared. Inputs used by the broker include market information, such as yield data and other factors relating to instruments or securities with similar characteristics. Valuations and quotes obtained from third party commercial pricing services are non-binding and do not represent quotes on which one may execute the disposition of the assets.

We validate external valuations at least quarterly through a combination of procedures that include the evaluation of methodologies used by the pricing services, comparison of the prices to a secondary pricing source, analytical reviews and performance analysis of the prices against trends, and maintenance of a securities watch list. Additionally, as needed we utilize discounted cash flow models or perform independent valuations on a case-by-case basis using inputs and assumptions similar to those used by the pricing services. Although we do identify differences from time to time as a result of these validation procedures, we did not make any significant adjustments as of March 31, 2024 and December 31, 2023.

Fixed maturity security valuations that include at least one significant unobservable input are reflected in Level 3 in the fair value hierarchy and can include fixed maturity securities across all asset classes.

Mortgage loans on real estate

Mortgage loans on real estate are not measured at fair value on a recurring basis. The fair values of mortgage loans on real estate are calculated using discounted expected cash flows using competitive market interest rates currently being offered for similar loans. The fair values of impaired mortgage loans on real estate that we have considered to be collateral dependent are based on the fair value of the real estate collateral (based on appraised values) less estimated costs to sell. The inputs utilized to determine fair value of all mortgage loans are unobservable market data (competitive market interest rates); therefore, fair value of mortgage loans falls into Level 3 in the fair value hierarchy.

Real estate investments

The fair values of residential real estate investments held through consolidation of investment company VIEs are initially recorded based on the cost to purchase the properties and subsequently recorded at fair value on a recurring basis and falls within Level 3 of the fair value hierarchy.

The fair value of the residential real estate properties was determined using broker price opinions (BPOs). A BPO is an appraisal methodology commonly used in the industry to estimate net proceeds from the sale of a home. The significant inputs into the valuation include market comparable home sales, age and size of the home, location and property conditions. We moved from a discounted cash flow methodology to a BPO appraisal methodology during 2023 to better align property values with current market conditions.

Limited partnerships and limited liability companies

Two of our consolidated variable interest entities, which are fair valued on a recurring basis, invest in limited liability companies that invest in operating entities which hold multifamily real estate properties. The fair value of the limited liability companies was obtained from a third party and is based on the fair value of the underlying real estate held by the various operating entities. The real estate is initially calculated based on the cost to purchase the properties and subsequently calculated based on a discounted cash flow methodology.

During 2023, we purchased an investment in an infrastructure limited liability company through a consolidated VIE that is measured at fair value on a recurring basis. We initially recorded the investment at the cost to purchase the investment and subsequently recorded based on a discounted cash flow methodology.

Our consolidated limited partnership fund, which is measured using NAV as a practical expedient, is a closed-end fund that invests in infrastructure credit assets. Redemptions are not allowed until the fund's termination date and liquidation begins. As of March 31, 2024 and December 31, 2023, our unfunded commitments for our consolidated limited partnership fund was $183.0 million and $180.9 million, respectively.

Derivative instruments

The fair values of our call options are based upon the amount of cash that we will receive to settle each derivative instrument on the reporting date. These amounts are determined by our investment team using industry accepted valuation models and are adjusted for the nonperformance risk of each counterparty net of any collateral held. Inputs include market volatility and risk free interest rates and are used in income valuation techniques in arriving at a fair value for each option contract. The nonperformance risk for each counterparty is based upon its credit default swap rate. We have no performance obligations related to the call options purchased to fund our fixed index annuity policy liabilities.

Other investments

Certain financial instruments included in other investments are measured at fair value on a recurring basis. The fair value for these investments are determined using the same methods discussed above for fixed maturity securities.

During Q1 2024, we purchased an investment company limited partnership, which invests in residual interest investments, and is a consolidated VIE. We initially recorded the investment at cost to purchase the investment. Due to proximity of the purchase to quarter end, the cost of $150.0 million approximates fair value as of March 31, 2024 and falls within Level 3 of the fair value hierarchy.

The following table presents financial instruments included in Other investments which are not measured at fair value on a recurring basis and fall within Level 2 of the fair value hierarchy.

	March 31, 2024	December 31, 2023
	(Dollars in thousands)	
FHLB common stock (1)	$ 10,000	$ 10,000
Collateral loans (2)	853,457	64,594
Company owned life insurance ("COLI") (3)	406,859	404,598

(1) FHLB common stock is carried at cost which approximates fair value.

(2) For certain of our collateral loans, we have concluded the carrying value approximates fair value.

(3) The fair value of our COLI approximates the cash surrender value of the policies.

Cash and cash equivalents

Amounts reported in the consolidated balance sheets for these instruments are reported at their historical cost which approximates fair value due to the nature of the assets assigned to this category.

Policy benefit reserves, coinsurance deposits and SPIA benefit reserves

The fair values of the liabilities under contracts not involving significant mortality or morbidity risks (principally deferred annuities), are stated at the cost we would incur to extinguish the liability (i.e., the cash surrender value) as these contracts are generally issued without an annuitization date. The coinsurance deposits related to the annuity benefit reserves have fair values determined in a similar fashion. For period-certain annuity benefit contracts, the fair value is determined by discounting the benefits at the interest rates currently in effect for newly issued immediate annuity contracts. We are not required to and have not estimated the fair value of the liabilities under contracts that involve significant mortality or morbidity risks, as these liabilities fall within the definition of insurance contracts that are exceptions from financial instruments that require disclosures of fair value. Policy benefit reserves, coinsurance deposits and SPIA benefit reserves without life contingencies are not measured at fair value on a recurring basis. SPIA benefit reserves without life contingencies are recognized in other policy funds and contract claims on the Consolidated Balance Sheets. All of the fair values presented within these categories fall within Level 3 of the fair value hierarchy as most of the inputs are unobservable market data.

Other policy funds - FHLB

The fair values of the Company's funding agreements with the FHLB are estimated using discounted cash flow calculations based on interest rates currently being offered for similar agreements with similar maturities.

Notes and loan payable

The fair value of our senior unsecured notes is based upon quoted market price. The carrying value of the term loan approximates fair value as the interest rate is reset on a quarterly basis utilizing SOFR adjusted for a credit spread. Both of these are categorized as Level 2 within the fair value hierarchy and are not remeasured at fair value on a recurring basis.

Subordinated debentures

Fair values for subordinated debentures are estimated using discounted cash flow calculations based principally on observable inputs including our incremental borrowing rates, which reflect our credit rating, for similar types of borrowings with maturities consistent with those remaining for the debt being valued. These fair values are categorized as Level 2 within the fair value hierarchy. Subordinated debentures are not measured at fair value on a recurring basis.

Funds withheld liability - embedded derivative

We estimate the fair value of the embedded derivative based on the fair value of the assets supporting the funds withheld payable under modified coinsurance and funds withheld coinsurance reinsurance agreements. The fair value of the embedded derivative is classified as Level 3 based on valuation methods used for the assets held supporting the reinsurance agreements.

Fixed index annuities - embedded derivatives

We estimate the fair value of the embedded derivative component of our fixed index annuity policy benefit reserves at each valuation date by (i) projecting policy contract values and minimum guaranteed contract values over the expected lives of the contracts and (ii) discounting the excess of the projected contract value amounts at the applicable risk free interest rates adjusted for our nonperformance risk related to those liabilities. The projections of policy contract values are based on our best estimate assumptions for future policy growth and future policy decrements. Our best estimate assumptions for future policy growth include assumptions for the expected index credit on the next policy anniversary date which are derived from the fair values of the underlying call options purchased to fund such index credits and the expected costs of annual call options we will purchase in the future to fund index credits beyond the next policy anniversary. The projections of minimum guaranteed contract values include the same best estimate assumptions for policy decrements as were used to project policy contract values.

Within this determination we have the following significant unobservable inputs: 1) the expected cost of annual call options we will purchase in the future to fund index credits beyond the next policy anniversary and 2) our best estimates for future policy decrements, primarily lapse rates. As of both March 31, 2024 and December 31, 2023, we utilized an estimate of 2.35% for the long-term expected cost of annual call options, which is based on estimated long-term account value growth and a historical review of our actual option costs.

Our best estimate assumptions for lapse rates are based on our actual experience and our outlook as to future expectations for such assumptions. These assumptions are reviewed on a quarterly basis and are updated as our experience develops and/or as future expectations change. The following table presents average lapse rate assumptions, by contract duration, used in estimating the fair value of the embedded derivative component of our fixed index annuity policy benefit reserves at each reporting date:

	Average Lapse Rates	
Contract Duration (Years)	**March 31, 2024**	**December 31, 2023**
1 - 5	1.92%	1.96%
6 - 10	3.84%	3.71%
11 - 15	3.73%	3.71%
16 - 20	8.43%	8.97%
20+	4.92%	4.91%

Lapse rates are generally expected to increase as surrender charge percentages decrease for policies without a lifetime income benefit rider. Lapse expectations reflect a significant increase in the year in which the surrender charge period on a contract ends.

The fair value of our fixed index annuities embedded derivatives is net of coinsurance ceded of $1,156.2 million and $1,182.6 million as of March 31, 2024 and December 31, 2023, respectively. Change in fair value, net for each period in our embedded derivatives is included in Change in fair value of embedded derivatives in the Consolidated Statements of Operations.

Certain derivatives embedded in our fixed index annuity contracts are our most significant financial instrument measured at fair value that are categorized as Level 3 in the fair value hierarchy. The contractual obligations for future annual index credits within our fixed index annuity contracts are treated as a "series of embedded derivatives" over the expected life of the applicable contracts. We estimate the fair value of these embedded derivatives at each valuation date by the method described above under F**ixed index annuities - embedded derivatives.** The projections of minimum guaranteed contract values include the same best estimate assumptions for policy decrements as were used to project policy contract values.

The most sensitive assumption in determining policy liabilities for fixed index annuities is the rates used to discount the excess projected contract values. As indicated above, the discount rate reflects our nonperformance risk. If the discount rates used to discount the excess projected contract values at March 31, 2024, were to increase by 100 basis points, the fair value of the embedded derivatives would decrease by $360.4 million recorded through operations as a decrease in the change in fair value of embedded derivatives. A decrease by 100 basis points in the discount rates used to discount the excess projected contract values would increase the fair value of the embedded derivatives by $413.6 million recorded through operations as an increase in the change in fair value of embedded derivatives.

3. Investments

At March 31, 2024 and December 31, 2023, the amortized cost and fair value of fixed maturity securities were as follows:

	Amortized Cost (1)	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
	(Dollars in thousands)				
March 31, 2024					
Fixed maturity securities, available for sale:					
U.S. Government and agencies	$ 28,354	$ 13	$ (1,230)	$ —	$ 27,137
States, municipalities and territories	3,392,780	9,188	(584,994)	—	2,816,974
Foreign corporate securities and foreign governments	513,299	643	(80,934)	—	433,008
Corporate securities	21,952,356	124,669	(2,808,944)	(3,293)	19,264,788
Residential mortgage backed securities	1,093,654	9,209	(107,733)	—	995,130
Commercial mortgage backed securities	3,121,755	2,701	(390,371)	—	2,734,085
Other asset backed securities	5,907,623	22,009	(156,150)	(225)	5,773,257
	$ 36,009,821	$ 168,432	$ (4,130,356)	$ (3,518)	$ 32,044,379
December 31, 2023					
Fixed maturity securities, available for sale:					
U.S. Government and agencies	$ 172,683	$ 606	$ (2,148)	$ —	$ 171,141
States, municipalities and territories	3,654,571	17,477	(573,108)	—	3,098,940
Foreign corporate securities and foreign governments	563,890	1,669	(71,820)	—	493,739
Corporate securities	23,036,862	175,014	(2,605,048)	(3,412)	20,603,416
Residential mortgage backed securities	1,503,639	11,598	(112,736)	—	1,402,501
Commercial mortgage backed securities	3,405,647	995	(454,095)	—	2,952,547
Other asset backed securities	6,200,170	30,530	(171,884)	(618)	6,058,198
	$ 38,537,462	$ 237,889	$ (3,990,839)	$ (4,030)	$ 34,780,482

(1) Amortized cost excludes accrued interest receivable of $352.8 million and $360.9 million as of March 31, 2024 and December 31, 2023, respectively.

The amortized cost and fair value of fixed maturity securities at March 31, 2024, by contractual maturity are shown below. Actual maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. All of our mortgage and other asset backed securities provide for periodic payments throughout their lives and are shown below as separate lines.

	Available for sale	
	Amortized Cost	Fair Value
	(Dollars in thousands)	
Due in one year or less	$ 635,069	$ 628,657
Due after one year through five years	5,295,239	5,166,955
Due after five years through ten years	4,174,379	3,788,971
Due after ten years through twenty years	7,149,272	6,209,035
Due after twenty years	8,632,830	6,748,289
	25,886,789	22,541,907
Residential mortgage backed securities	1,093,654	995,130
Commercial mortgage backed securities	3,121,755	2,734,085
Other asset backed securities	5,907,623	5,773,257
	$ 36,009,821	$ 32,044,379

Net unrealized losses on investments reported as a separate component of stockholders' equity were comprised of the following:

	March 31, 2024	December 31, 2023
	(Dollars in thousands)	
Net unrealized losses on investments	$ (3,963,901)	$ (3,755,689)
Deferred income tax valuation allowance reversal	22,534	22,534
Deferred income tax expense	831,961	788,236
Net unrealized losses reported as accumulated other comprehensive loss	$ (3,109,406)	$ (2,944,919)

The National Association of Insurance Commissioners ("NAIC") assigns designations to fixed maturity securities. These designations range from Class 1 (highest quality) to Class 6 (lowest quality). In general, securities are assigned a designation based upon the ratings they are given by the Nationally Recognized Statistical Rating Organizations. The NAIC designations are utilized by insurers in preparing their annual statutory statements. NAIC Class 1 and 2 designations are considered "investment grade" while NAIC Class 3 through 6 designations are considered "non-investment grade." Based on the NAIC designations, we had 97% and 98% of our fixed maturity portfolio rated investment grade at March 31, 2024 and December 31, 2023, respectively.

The following table summarizes the credit quality, as determined by NAIC designation, of our fixed maturity portfolio as of the dates indicated:

	March 31, 2024		December 31, 2023	
NAIC Designation (1)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(Dollars in thousands)			
1	$ 21,333,429	$ 18,916,331	$ 22,493,843	$ 20,209,842
2	13,523,795	12,096,461	14,910,687	13,529,169
3	657,003	613,090	583,131	527,556
4	183,294	152,918	201,610	168,191
5	88,840	67,345	88,581	68,538
6	5,398	3,922	9,400	10,132
	$ 35,791,759	$ 31,850,067	$ 38,287,252	$ 34,513,428

(1) The table excludes residual tranche securities that are not rated with an amortized cost of $218,062 and $250,210, and fair value of $194,312 and $267,054 as of March 31, 2024 and December 31, 2023, respectively.

The following table shows our investments' gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities (consisting of 3,525 and 3,639 securities, respectively) have been in a continuous unrealized loss position, at March 31, 2024 and December 31, 2023:

	Less than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses (1)	Fair Value	Unrealized Losses (1)	Fair Value	Unrealized Losses (1)
			(Dollars in thousands)			
March 31, 2024						
Fixed maturity securities, available for sale:						
U.S. Government and agencies	$ 3,990	$ (20)	$ 22,732	$ (1,210)	$ 26,722	$ (1,230)
States, municipalities and territories	114,901	(10,035)	2,522,955	(574,959)	2,637,856	(584,994)
Foreign corporate securities and foreign governments	17,385	(92)	382,787	(80,842)	400,172	(80,934)
Corporate securities	1,280,454	(34,771)	14,276,990	(2,774,173)	15,557,444	(2,808,944)
Residential mortgage backed securities	51,291	(836)	653,903	(106,897)	705,194	(107,733)
Commercial mortgage backed securities	55,259	(1,517)	2,497,882	(388,854)	2,553,141	(390,371)
Other asset backed securities	1,430,802	(61,836)	2,003,652	(94,314)	3,434,454	(156,150)
	$ 2,954,082	$ (109,107)	$ 22,360,901	$ (4,021,249)	$ 25,314,983	$ (4,130,356)
December 31, 2023						
Fixed maturity securities, available for sale:						
U.S. Government and agencies	$ 55,087	$ (279)	$ 47,639	$ (1,869)	$ 102,726	$ (2,148)
States, municipalities and territories	451,091	(44,832)	2,290,704	(528,276)	2,741,795	(573,108)
Foreign corporate securities and foreign governments	1,555	(195)	427,021	(71,625)	428,576	(71,820)
Corporate securities	3,275,031	(237,744)	13,625,542	(2,367,304)	16,900,573	(2,605,048)
Residential mortgage backed securities	145,093	(7,614)	858,821	(105,122)	1,003,914	(112,736)
Commercial mortgage backed securities	431,947	(69,007)	2,416,868	(385,088)	2,848,815	(454,095)
Other asset backed securities	968,026	(29,606)	3,057,618	(142,278)	4,025,644	(171,884)
	$ 5,327,830	$ (389,277)	$ 22,724,213	$ (3,601,562)	$ 28,052,043	$ (3,990,839)

(1) Unrealized losses have been reduced to reflect the allowance for credit losses of $3.5 million and $4.0 million as of March 31, 2024 and December 31, 2023, respectively.

The unrealized losses at March 31, 2024 are principally related to the timing of the purchases of certain securities, which carry less yield than those available at March 31, 2024. Approximately 98% of the unrealized losses on fixed maturity securities shown in the above table for both March 31, 2024 and December 31, 2023, respectively, are on securities that are rated investment grade, defined as being the highest two NAIC designations.

We expect to recover our amortized cost on all securities except for those securities on which we recognized an allowance for credit loss. In addition, because we did not have the intent to sell fixed maturity securities with unrealized losses and it was not more likely than not that we would be required to sell these securities prior to recovery of the amortized cost, which may be maturity, we did not write down these investments to fair value through the Consolidated Statements of Operations.

Changes in net unrealized gains/losses on investments for the three months ended March 31, 2024 and 2023 are as follows:

	Three Months Ended March 31,	
	2024	2023
	(Dollars in thousands)	
Fixed maturity securities available for sale carried at fair value	$ (208,212)	$ 833,268
Adjustment for effect on other balance sheet accounts:		
Deferred income tax asset/liability	43,725	(174,986)
	43,725	(174,986)
Change in net unrealized gains/losses on investments carried at fair value	$ (164,487)	$ 658,282

Proceeds from sales of available for sale fixed maturity securities for the three months ended March 31, 2024 and 2023 were $4.9 billion and $2.3 billion, respectively. Scheduled principal repayments, calls and tenders for available for sale fixed maturity securities for the three months ended March 31, 2024 and 2023 were $0.6 billion and $0.9 billion, respectively.

Net realized losses on investments for the three months ended March 31, 2024 and 2023, are as follows:

	Three Months Ended March 31,	
	2024	2023
	(Dollars in thousands)	
Available for sale fixed maturity securities:		
Gross realized gains	$ 15,887	$ 25,988
Gross realized losses	(104,505)	(44,451)
Net credit loss recovery (provision)	512	(829)
	(88,106)	(19,292)
Other investments:		
Gross realized gains	—	1,777
Gross realized losses	—	(432)
	—	1,345
Mortgage loans on real estate:		
Increase in allowance for credit losses	(3,468)	(8,654)
Recovery of specific allowance	—	—
Loss on sale of mortgage loans	(2,476)	(1,186)
	(5,944)	(9,840)
Total net realized losses	$ (94,050)	$ (27,787)

Realized losses on available for sale fixed maturity securities in 2024 and 2023 were realized primarily due to strategies to reposition the fixed maturity security portfolio that result in improved net investment income, credit risk or duration profiles as they pertain to our asset liability management. Realized gains and losses on sales are determined on the basis of specific identification of investments based on the trade date.

We review and analyze all investments on an ongoing basis for changes in market interest rates and credit deterioration. This review process includes analyzing our ability to recover the amortized cost basis of each investment that has a fair value that is materially lower than its amortized cost and requires a high degree of management judgment and involves uncertainty. The evaluation of securities for credit loss is a quantitative and qualitative process, which is subject to risks and uncertainties.

We have a policy and process to identify securities that could potentially have credit loss. This process involves monitoring market events and other items that could impact issuers. The evaluation includes but is not limited to such factors as:

- the extent to which the fair value has been less than amortized cost or cost;
- whether the issuer is current on all payments and all contractual payments have been made as agreed;
- the remaining payment terms and the financial condition and near-term prospects of the issuer;
- the lack of ability to refinance due to liquidity problems in the credit market;
- the fair value of any underlying collateral;
- the existence of any credit protection available;
- our intent to sell and whether it is more likely than not we would be required to sell prior to recovery for debt securities;
- consideration of rating agency actions; and
- changes in estimated cash flows of mortgage and asset backed securities.

We determine whether an allowance for credit loss should be established for debt securities by assessing pertinent facts and circumstances surrounding each security. Where the decline in fair value of debt securities is attributable to changes in market interest rates or to factors such as market volatility, liquidity and spread widening, and we anticipate recovery of all contractual or expected cash flows, we do not consider these investments to have credit loss because we do not intend to sell these investments and it is not more likely than not we will be required to sell these investments before a recovery of amortized cost, which may be maturity.

If we intend to sell a debt security or if it is more likely than not that we will be required to sell a debt security before recovery of its amortized cost basis, credit loss has occurred and the difference between amortized cost and fair value will be recognized as a loss in operations.

If we do not intend to sell and it is not more likely than not we will be required to sell the debt security but also do not expect to recover the entire amortized cost basis of the security, a credit loss would be recognized in operations for the amount of the expected credit loss. We determine the amount of expected credit loss by calculating the present value of the cash flows expected to be collected discounted at each security's acquisition yield based on our consideration of whether the security was of high credit quality at the time of acquisition. The difference between the present value of expected future cash flows and the amortized cost basis of the security is the amount of credit loss recognized in operations. The recognized credit loss is limited to the total unrealized loss on the security (i.e., the fair value floor).

The determination of the credit loss component of a mortgage backed security is based on a number of factors. The primary consideration in this evaluation process is the issuer's ability to meet current and future interest and principal payments as contractually stated at time of purchase. Our review of these securities includes an analysis of the cash flow modeling under various default scenarios considering independent third party benchmarks, the seniority of the specific tranche within the structure of the security, the composition of the collateral and the actual default, loss severity and prepayment experience exhibited. With the input of third party assumptions for default projections, loss severity and prepayment expectations, we evaluate the cash flow projections to determine whether the security is performing in accordance with its contractual obligation.

We utilize models from a leading structured product software specialist serving institutional investors. These models incorporate each security's seniority and cash flow structure. In circumstances where the analysis implies a potential for principal loss at some point in the future, we use the "best estimate" cash flow projection discounted at the security's effective yield at acquisition to determine the amount of our potential credit loss associated with this security. The discounted expected future cash flows equates to our expected recovery value. Any shortfall of the expected recovery when compared to the amortized cost of the security will be recorded as credit loss.

The determination of the credit loss component of a corporate bond is based on the underlying financial performance of the issuer and their ability to meet their contractual obligations. Considerations in our evaluation include, but are not limited to, credit rating changes, financial statement and ratio analysis, changes in management, significant changes in credit spreads, breaches of financial covenants and a review of the economic outlook for the industry and markets in which they trade. In circumstances where an issuer appears unlikely to meet its future obligation, an estimate of credit loss is determined. Credit loss is calculated using default probabilities as derived from the credit default swaps markets in conjunction with recovery rates derived from independent third party analysis or a best estimate of credit loss. This credit loss rate is then incorporated into a present value calculation based on an expected principal loss in the future discounted at the yield at the date of purchase and compared to amortized cost to determine the amount of credit loss associated with the security.

We do not measure a credit loss allowance on accrued interest receivable as we write off any accrued interest receivable balance to net investment income in a timely manner when we have concerns regarding collectability.

Amounts on available for sale fixed maturities that are deemed to be uncollectible are written off and removed from the allowance for credit loss. A write-off may also occur if we intend to sell a security or when it is more likely than not we will be required to sell the security before the recovery of its amortized cost.

The following table provides a rollforward of the allowance for credit loss:

	Three Months Ended March 31, 2024			
	Corporate Securities	**Residential Mortgage Backed Securities**	**Other Asset Backed Securities**	**Total**
	(Dollars in thousands)			
Beginning balance	$ 3,412	$ —	$ 618	$ 4,030
Change in allowance on securities with previous allowance	—	—	—	—
Recoveries of amounts previously written off	(119)	—	(393)	(512)
Ending balance	$ 3,293	$ —	$ 225	$ 3,518

	Three Months Ended March 31, 2023			
	Corporate Securities	**Residential Mortgage Backed Securities**	**Other Asset Backed Securities**	**Total**
	(Dollars in thousands)			
Beginning balance	$ 3,214	$ 133	$ —	$ 3,347
Change in allowance on securities with previous allowance	(1,300)	—	—	(1,300)
Recoveries of amounts previously written off	—	—	—	—
Ending balance	$ 1,914	$ 133	$ —	$ 2,047

4. Mortgage Loans on Real Estate

Our financing receivables consist of the following three portfolio segments: commercial mortgage loans, agricultural mortgage loans and residential mortgage loans. Our mortgage loan portfolios are summarized in the following table. There were commitments outstanding of $575.8 million at March 31, 2024.

	March 31, 2024	December 31, 2023
	(Dollars in thousands)	
Commercial mortgage loans:		
Principal outstanding	$ 3,480,752	$ 3,550,204
Deferred fees and costs, net	(2,826)	(2,494)
Unamortized discounts and premiums, net	(2,317)	(2,711)
Amortized cost	3,475,609	3,544,999
Valuation allowance	(20,432)	(17,902)
Commercial mortgage loans, carrying value	3,455,177	3,527,097
Agricultural mortgage loans:		
Principal outstanding	576,185	581,287
Deferred fees and costs, net	(1,600)	(1,654)
Amortized cost	574,585	579,633
Valuation allowance	(1,202)	(2,590)
Agricultural mortgage loans, carrying value	573,383	577,043
Residential mortgage loans:		
Principal outstanding	3,207,707	3,384,737
Deferred fees and costs, net	453	558
Unamortized discounts and premiums, net	65,490	65,802
Amortized cost	3,273,650	3,451,097
Valuation allowance	(20,379)	(17,643)
Residential mortgage loans, carrying value	3,253,271	3,433,454
Mortgage loans, carrying value	$ 7,281,831	$ 7,537,594

Our commercial mortgage loan portfolio consists of loans collateralized by the related properties and diversified as to property type, location and loan size. Our lending policies establish limits on the amount that can be loaned to one borrower and other criteria to attempt to reduce the risk of default. The commercial mortgage loan portfolio is summarized by geographic region and property type as follows:

	March 31, 2024		December 31, 2023	
	Principal	Percent	Principal	Percent
	(Dollars in thousands)			
Geographic distribution				
East	$ 455,366	13.1 %	$ 471,707	13.3 %
Middle Atlantic	273,050	7.8 %	274,017	7.7 %
Mountain	401,678	11.5 %	404,143	11.4 %
New England	90,619	2.6 %	87,041	2.4 %
Pacific	831,311	23.9 %	835,085	23.5 %
South Atlantic	879,052	25.3 %	927,547	26.1 %
West North Central	178,616	5.1 %	183,856	5.2 %
West South Central	333,171	9.6 %	328,918	9.3 %
International	37,889	1.1 %	37,890	1.1 %
	$ 3,480,752	100.0 %	$ 3,550,204	100.0 %
Property type distribution				
Office	$ 358,570	10.3 %	$ 360,328	10.1 %
Retail	789,223	22.7 %	801,977	22.6 %
Industrial/Warehouse	892,092	25.6 %	940,546	26.5 %
Apartment	1,041,957	29.9 %	1,047,740	29.5 %
Hotel	320,171	9.2 %	319,733	9.0 %
Mixed Use/Other	78,739	2.3 %	79,880	2.3 %
	$ 3,480,752	100.0 %	$ 3,550,204	100.0 %

Our agricultural mortgage loan portfolio consists of loans with an outstanding principal balance of $576.2 million and $581.3 million as of March 31, 2024 and December 31, 2023, respectively. These loans are collateralized by agricultural land and are diversified as to location within the United States. Our residential mortgage loan portfolio consists of loans with an outstanding principal balance of $3.2 billion and $3.4 billion as of March 31, 2024 and December 31, 2023, respectively. These loans are collateralized by the related properties and diversified as to location within the United States.

Mortgage loans on real estate are generally reported at cost adjusted for amortization of premiums and accrual of discounts, computed using the interest method and net of valuation allowances. Interest income is accrued on the principal amount of the loan based on the loan's contractual interest rate. Interest income is included in Net investment income on our Consolidated Statements of Operations. Accrued interest receivable, which was $62.8 million and $69.5 million as of March 31, 2024 and December 31, 2023, respectively, is included in Accrued investment income on our Consolidated Balance Sheets.

Loan Valuation Allowance

We establish a valuation allowance to provide for the risk of credit losses inherent in our mortgage loan portfolios. The valuation allowance is maintained at a level believed adequate by management to absorb estimated expected credit losses. The valuation allowance is based on amortized cost, which excludes accrued interest receivable. We do not measure a credit loss allowance on accrued interest receivable as we write off any uncollectible accrued interest receivable balances to net investment income in a timely manner. We did not charge off any uncollectible accrued interest receivable on our commercial, agricultural or residential mortgage loan portfolios for the three month periods ended March 31, 2024 or 2023, respectively.

The valuation allowances for each of our mortgage loan portfolios are estimated by deriving probability of default and recovery rate assumptions based on the characteristics of the loans in each portfolio, historical economic data and loss information, and current and forecasted economic conditions. Key loan characteristics impacting the estimate for our commercial mortgage loan portfolio include the current state of the borrower’s credit quality, which considers factors such as loan-to-value (“LTV”) and debt service coverage (“DSC”) ratios, loan performance, underlying collateral type, delinquency status, time to maturity, and original credit scores. Key loan characteristics impacting the estimate for our agricultural and residential mortgage loan portfolios include the current state of the borrowers' credit quality, delinquency status, time to maturity and original credit scores.

The following table represents a rollforward of the valuation allowance on our mortgage loan portfolios:

	Three Months Ended March 31, 2024			
	Commercial	Agricultural	Residential	Total
	(Dollars in thousands)			
Beginning allowance balance	$ (17,902)	$ (2,590)	$ (17,643)	$ (38,135)
Charge-offs	—	—	213	213
Recoveries	—	—	—	—
Change in provision for credit losses	(2,530)	1,388	(2,949)	(4,091)
Ending allowance balance	$ (20,432)	$ (1,202)	$ (20,379)	$ (42,013)

	Three Months Ended March 31, 2023			
	Commercial	Agricultural	Residential	Total
	(Dollars in thousands)			
Beginning allowance balance	$ (22,428)	$ (1,021)	$ (13,523)	$ (36,972)
Charge-offs	—	—	—	—
Recoveries	—	—	—	—
Change in provision for credit losses	(2,654)	(335)	(5,665)	(8,654)
Ending allowance balance	$ (25,082)	$ (1,356)	$ (19,188)	$ (45,626)

Charge-offs include allowances that have been established on loans that were satisfied either by taking ownership of the collateral or by some other means such as discounted pay-off or loan sale. When ownership of the property is taken it is recorded at the lower of the loan's carrying value or the property's fair value (based on appraised values) less estimated costs to sell. The real estate owned is recorded as a component of Real estate investments and the loan is recorded as fully paid, with any allowance for credit loss that has been established charged off. Fair value of the real estate is determined by third party appraisal. There were 14 real estate properties totaling $9.7 million at March 31, 2024 and 12 real estate properties totaling $6.5 million in which ownership of the property was taken to satisfy an outstanding loan at December 31, 2023. Recoveries are situations where we have received a payment from the borrower in an amount greater than the carrying value of the loan (principal outstanding less specific allowance).

Credit Quality Indicators

We evaluate the credit quality of our commercial and agricultural mortgage loans by analyzing LTV and DSC ratios and loan performance. We evaluate the credit quality of our residential mortgage loans by analyzing loan performance.

LTV and DSC ratios for our commercial mortgage loans are originally calculated at the time of loan origination and are updated annually for each loan using information such as rent rolls, assessment of lease maturity dates and property operating statements, which are reviewed in the context of current leasing and in place rents compared to market leasing and market rents. A DSC ratio of less than 1.0 indicates that a property's operations do not generate sufficient income to cover debt payments. An LTV ratio in excess of 100% indicates the unpaid loan amount exceeds the value of the underlying collateral. All of our commercial mortgage loans that have a debt service coverage ratio of less than 1.0 are performing under the original contractual loan terms at March 31, 2024 and December 31, 2023.

The amortized cost of our commercial mortgage loan portfolio by LTV and DSC ratios based on the most recent information collected was as follows at March 31, 2024 and December 31, 2023 (by year of origination):

	2024		2023		2022		2021		2020		Prior		Total	
As of March 31, 2024:	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**
Debt Service Coverage Ratio:							**(Dollars in thousands)**							
Greater than or equal to 1.5	$ —	— %	$ 3,456	46 %	$ 285,438	62 %	$ 271,985	57 %	$ 348,016	50 %	$ 1,479,369	47 %	$ 2,388,264	50 %
Greater than or equal to 1.2 and less than 1.5	—	— %	—	— %	81,084	48 %	4,453	54 %	27,150	52 %	282,786	60 %	395,473	57 %
Greater than or equal to 1.0 and less than 1.2	—	— %	27,144	33 %	86,871	29 %	328,457	45 %	30,270	56 %	63,302	71 %	536,044	46 %
Less than 1.0	—	— %	—	— %	53,486	54 %	26,968	52 %	18,378	54 %	56,996	63 %	155,828	57 %
Total	$ —	— %	$ 30,600	35 %	$ 506,879	53 %	$ 631,863	51 %	$ 423,814	51 %	$ 1,882,453	50 %	$ 3,475,609	51 %

	2023		2022		2021		2020		2019		Prior		Total	
As of December 31, 2023:	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**
Debt Service Coverage Ratio:														
Greater than or equal to 1.5	$ 3,444	46 %	$ 285,481	62 %	$ 272,661	57 %	$ 370,299	51 %	$ 449,973	55 %	$ 1,056,159	44 %	$ 2,438,017	50 %
Greater than or equal to 1.2 and less than 1.5	—	— %	76,122	49 %	4,500	55 %	36,534	57 %	108,232	64 %	177,489	57 %	402,877	58 %
Greater than or equal to 1.0 and less than 1.2	40,727	38 %	105,578	32 %	328,722	45 %	28,935	54 %	—	— %	63,972	71 %	567,934	46 %
Less than 1.0	—	— %	53,470	54 %	26,960	52 %	—	— %	2,545	80 %	53,196	52 %	136,171	53 %
Total	$ 44,171	39 %	$ 520,651	53 %	$ 632,843	51 %	$ 435,768	52 %	$ 560,750	57 %	$ 1,350,816	47 %	$ 3,544,999	51 %

LTV and DSC ratios for our agricultural mortgage loans are calculated at the time of loan origination and are evaluated annually for each loan using land value averages. A DSC ratio of less than 1.0 indicates that a property's operations do not generate sufficient income to cover debt payments. An LTV ratio in excess of 100% indicates the unpaid loan amount exceeds the value of the underlying collateral. All of our agricultural mortgage loans that have a debt service coverage ratio of less than 1.0 are performing under the original contractual loan terms at March 31, 2024 and December 31, 2023.

The amortized cost of our agricultural mortgage loan portfolio by LTV and DSC ratios based on the most recent information collected was as follows at March 31, 2024 and December 31, 2023 (by year of origination):

	2024		2023		2022		2021		2020		Prior		Total	
As of March 31, 2024:	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**
Debt Service Coverage Ratio:							**(Dollars in thousands)**							
Greater than or equal to 1.5	$ —	— %	$ 26,865	59 %	$ 61,331	53 %	$ 45,598	56 %	$ 90,066	45 %	$ 34,000	42 %	$ 257,860	50 %
Greater than or equal to 1.2 and less than 1.5	—	— %	17,755	59 %	88,146	53 %	51,510	51 %	26,352	34 %	—	— %	183,763	50 %
Greater than or equal to 1.0 and less than 1.2	897	36 %	3,988	43 %	3,058	55 %	9,224	57 %	894	58 %	—	— %	18,061	52 %
Less than 1.0	—	— %	—	— %	37,943	36 %	25,954	50 %	48,877	48 %	2,127	33 %	114,901	44 %
Total	$ 897	36 %	$ 48,608	58 %	$ 190,478	50 %	$ 132,286	53 %	$ 166,189	44 %	$ 36,127	41 %	$ 574,585	49 %

	2023		2022		2021		2020		2019		Prior		Total	
As of December 31, 2023:	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**	**Amortized Cost**	**Average LTV**
Debt Service Coverage Ratio:														
Greater than or equal to 1.5	$ 26,890	59 %	$ 61,374	54 %	$ 46,060	57 %	$ 91,060	46 %	$ —	— %	$ 34,000	42 %	$ 259,384	50 %
Greater than or equal to 1.2 and less than 1.5	17,798	59 %	89,548	54 %	51,819	52 %	27,433	32 %	—	— %	—	— %	186,598	51 %
Greater than or equal to 1.0 and less than 1.2	3,988	43 %	3,080	55 %	9,246	57 %	902	59 %	—	— %	—	— %	17,216	53 %
Less than 1.0	—	— %	38,675	37 %	26,514	51 %	49,105	48 %	2,141	33 %	—	— %	116,435	45 %
Total	$ 48,676	58 %	$ 192,677	51 %	$ 133,639	54 %	$ 168,500	44 %	$ 2,141	33 %	$ 34,000	42 %	$ 579,633	49 %

We closely monitor loan performance for our commercial, agricultural and residential mortgage loan portfolios. Aging of financing receivables is summarized in the following table (by year of origination):

	2024	2023	2022	2021	2020	Prior	Total
As of March 31, 2024:				(Dollars in thousands)			
Commercial mortgage loans							
Current	$ —	$ 30,600	$ 506,879	$ 631,863	$ 423,814	$ 1,882,453	$ 3,475,609
30 - 59 days past due	—	—	—	—	—	—	—
60 - 89 days past due	—	—	—	—	—	—	—
90 days or more past due	—	—	—	—	—	—	—
Total commercial mortgage loans	$ —	$ 30,600	$ 506,879	$ 631,863	$ 423,814	$ 1,882,453	$ 3,475,609
Agricultural mortgage loans							
Current	$ 897	$ 48,608	$ 190,478	$ 130,102	$ 166,189	$ 36,127	$ 572,401
30 - 59 days past due	—	—	—	—	—	—	—
60 - 89 days past due	—	—	—	—	—	—	—
90 days or more past due	—	—	—	2,184	—	—	2,184
Total agricultural mortgage loans	$ 897	$ 48,608	$ 190,478	$ 132,286	$ 166,189	$ 36,127	$ 574,585
Residential mortgage loans							
Current	$ 28,212	$ 1,169,009	$ 1,415,122	$ 326,677	$ 152,853	$ 18,766	$ 3,110,639
30 - 59 days past due	—	—	2,760	—	—	—	2,760
60 - 89 days past due	—	12,381	26,227	3,765	5,079	395	47,847
90 days or more past due	—	25,880	52,277	22,965	9,155	2,127	112,404
Total residential mortgage loans	$ 28,212	$ 1,207,270	$ 1,496,386	$ 353,407	$ 167,087	$ 21,288	$ 3,273,650

	2023	2022	2021	2020	2019	Prior	Total
As of December 31, 2023:				(Dollars in thousands)			
Commercial mortgage loans							
Current	$ 44,171	$ 520,651	$ 632,843	$ 435,768	$ 560,750	$ 1,350,816	$ 3,544,999
30 - 59 days past due	—	—	—	—	—	—	—
60 - 89 days past due	—	—	—	—	—	—	—
90 days or more past due	—	—	—	—	—	—	—
Total commercial mortgage loans	$ 44,171	$ 520,651	$ 632,843	$ 435,768	$ 560,750	$ 1,350,816	$ 3,544,999
Agricultural mortgage loans							
Current	$ 48,676	$ 182,273	$ 131,448	$ 168,500	$ 2,141	$ 34,000	$ 567,038
30 - 59 days past due	—	—	—	—	—	—	—
60 - 89 days past due	—	—	—	—	—	—	—
90 days or more past due	—	10,404	2,191	—	—	—	12,595
Total agricultural mortgage loans	$ 48,676	$ 192,677	$ 133,639	$ 168,500	$ 2,141	$ 34,000	$ 579,633
Residential mortgage loans							
Current	$ 1,183,248	$ 1,493,165	$ 365,704	$ 161,426	$ 22,654	$ 794	$ 3,226,991
30 - 59 days past due	21,367	58,420	10,253	5,731	4,988	—	100,759
60 - 89 days past due	5,017	22,383	3,908	1,839	99	—	33,246
90 days or more past due	18,558	38,255	23,707	5,275	3,398	908	90,101
Total residential mortgage loans	$ 1,228,190	$ 1,612,223	$ 403,572	$ 174,271	$ 31,139	$ 1,702	$ 3,451,097

Commercial, agricultural and residential mortgage loans are considered nonperforming when they become 90 days or more past due. When loans become nonperforming, we place them on non-accrual status and discontinue recognizing interest income. If payments are received on a nonperforming loan, interest income is recognized to the extent it would have been recognized if normal principal and interest would have been received timely. If payments are received to bring a nonperforming loan back to less than 90 days past due, we will resume accruing interest income on that loan. There were 198 loans in non-accrual status at March 31, 2024 and 155 loans in non-accrual status at December 31, 2023. During the three months ended March 31, 2024 and 2023, we recognized interest income of $270 thousand and $15 thousand, respectively, on loans which were in non-accrual status at the respective period end.

Loan Modifications

Our commercial, agricultural and residential mortgage loans may be subject to loan modifications. Loan modifications may be granted to borrowers experiencing financial difficulty and could include principal forgiveness, interest rate reduction, an other-than-significant delay or a term extension. We consider the following factors in determining whether or not a borrower is experiencing financial difficulty:

- borrower is in default,
- borrower has declared bankruptcy,
- there is growing concern about the borrower's ability to continue as a going concern,
- borrower has insufficient cash flows to service debt,
- borrower's inability to obtain funds from other sources, and
- there is a breach of financial covenants by the borrower.

A loan modification typically does not result in a change in valuation allowance as it is already incorporated into our allowance methodology. However, if we grant a borrower experiencing financial difficulty principal forgiveness, the amount of principal forgiven would be written off, which would reduce the amortized cost of the loan and result in an adjustment to the valuation allowance.

There were no significant mortgage loan modifications for the three months ended March 31, 2024 and 2023, respectively.

5. Variable Interest Entities

We have relationships with various types of entities which may be VIEs. Certain VIEs are consolidated in our financial results.

Consolidated Variable Interest Entities

We are invested in multiple investment company real estate limited partnerships which own various limited liability companies that invest in residential real estate properties and one real estate limited liability company that invests in a commercial real estate property. These entities are VIE's as the legal entities equity investors have insufficient equity at risk and lack of power to direct the activities that most significantly impact the economic performance. We determined we are the primary beneficiary as a result of our power to control the entities through our significant ownership. Due to the nature of the investment company real estate investments, the investments balance will fluctuate based on changes in the fair value of the properties as well as when purchases and sales of properties are made. The investment balance in the commercial real estate property is held at depreciated cost, and is expected to decrease over time.

We are invested in two investment company limited liability companies that invest in operating entities which hold multifamily real estate properties. The entities are VIEs and we have determined we are the primary beneficiary as a result of our power to control the entities through our significant ownership. The investment balance, which represent equity interests in the investment company limited liability companies, fluctuate based on changes in the fair value of the properties and the performance of the operating entities.

We are invested in a limited partnership feeder fund which invests in a separate limited partnership fund, which holds infrastructure credit assets. The feeder fund limited partnership is a VIE, and we determined we are the primary beneficiary as a result of our significant ownership of the limited partnership and our obligation to absorb losses or receive benefits from the VIE. We have consolidated the assets and liabilities of the limited partnership, which primarily consists of equity interest in a limited partnership.

We are invested in one investment company limited partnership which holds residual interest investments. The entity is a VIE as we have determined we are the primary beneficiary. Because the limited partnership is an investment, changes in fair value of the underlying residual interest investments are reported as a component of net investment income.

We are invested in one investment company limited liability company that invests in core infrastructure assets typically held through an interest in limited liability companies. The entity is a VIE and we have determined we are the primary beneficiary as a result of our power to control the entities through significant ownership and our obligation to absorb losses or receive benefits from the VIE. The VIE meets the definition of an investment company, which requires the investment balance to be held at fair value.

The carrying amounts of our consolidated VIE assets, which can only be used to settle obligations of the consolidated VIEs, and liabilities of consolidated VIEs for which creditors do not have recourse were as follows:

	March 31, 2024		December 31, 2023	
	Total Assets	Total Liabilities	Total Assets	Total Liabilities
	(Dollars in thousands)			
Real estate investments	$ 1,408,777	$ 79,501	$ 1,383,120	$ 92,299
Real estate limited liability companies	33,421	138	47,005	149
Limited partnership funds	359,768	216	353,610	289
Residual interest	150,001	—	—	—
Infrastructure limited liability companies	110,904	772	107,942	783
	$ 2,062,871	$ 80,627	$ 1,891,677	$ 93,520

Unconsolidated Variable Interest Entities

We provided debt funding to various special purpose vehicles, which are used to acquire and hold various types of loans or receivables. These legal entities are deemed VIEs because there is insufficient equity at risk. We have determined we are not the primary beneficiary as we do not control the activities that most significantly impact the economic performance of the VIEs. Our investments in these VIEs are reported in Fixed maturity securities, available for sale in the Consolidated Balance Sheets.

The carrying value and maximum loss exposure for our unconsolidated VIEs were as follows:

	March 31, 2024		December 31, 2023	
	Asset Carrying Value	Maximum Exposure to Loss	Asset Carrying Value	Maximum Exposure to Loss
	(Dollars in thousands)			
Fixed maturity securities, available for sale	$ 2,304,405	$ 2,304,405	$ 2,438,074	$ 2,438,074

6. Derivative Instruments

We use derivative instruments to manage risks. We have derivatives that are designated as hedging instruments and others that are not designated as hedging instruments. Any change in the fair value of the derivatives is recognized immediately in the Consolidated Statements of Operations.

The notional and fair values of our derivative instruments, including derivative instruments embedded in fixed index annuity contracts, presented in the Consolidated Balance Sheets are as follows:

	March 31, 2024		December 31, 2023	
	Notional	Fair Value	Notional	Fair Value
	(Dollars in thousands)			
Derivatives not designated as hedging instruments				
Assets				
Derivative instruments				
Call options	$ 41,614,193	$ 1,617,000	$ 41,547,731	$ 1,207,288
	$ 41,614,193	$ 1,617,000	$ 41,547,731	$ 1,207,288
Liabilities				
Policy benefit reserves - annuity products				
Fixed index annuities - embedded derivatives, net		$ 5,273,407		$ 5,181,894
Funds withheld for reinsurance liabilities				
Reinsurance related embedded derivative		(298,254)		(256,776)
		$ 4,975,153		$ 4,925,118

Derivatives Designated as Hedging Instruments

We used interest rate swaps designated and accounted for as fair value hedges to protect a portfolio of fixed-rate fixed maturity securities against changes in fair value due to changes in interest rates. Our interest rate swap contracts allowed us to pay a fixed rate and receive a floating rate utilizing the Secured Overnight Financing Rate at specified intervals based on a notional amount. Interest rate swaps were carried at fair value and presented as Derivative instruments on the Consolidated Balance Sheets.

For derivative instruments that were designated and qualified as a fair value hedge, the gain or loss on the portion of the derivative instrument included in the assessment of hedge effectiveness and the offsetting gain or loss on the hedged item attributable to the hedged risk were recognized in the same line item in the Consolidated Statements of Operations. The change in unrealized gain or loss attributable to interest rate changes on the fixed maturity securities that were designated as part of the hedge were reclassified out of Accumulated other comprehensive income (loss) into Change in fair value of derivatives in the Consolidated Statements of Operations. The remaining change in unrealized gain or loss on the hedged item not associated with the risk being hedged was recognized as a component of Other comprehensive income.

The following represents the amortized cost and cumulative fair value hedging adjustments included in the hedged assets:

Line Item in the Consolidated Balance Sheets in Which Hedged Item is Included	Amortized Cost of Hedged Item		Cumulative Amount of Fair Value Basis Adjustment Gain (Loss)	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
	(Dollars in thousands)			
Fixed maturities, available for sale:				
Current hedging relationships	$ —	$ —	$ —	$ —
Discontinued hedging relationships	1,205,204	1,261,509	(57,146)	(62,385)

The following represents a summary of the gains (losses) related to the derivatives and hedged items that qualify for fair value hedge accounting:

	Derivative	Hedged Item	Net	Amount Excluded: Recognized in Income Immediately
	(Dollars in thousands)			
For the three months ended March 31, 2024				
Interest rate swaps	$ —	$ —	$ —	$ —
For the three months ended March 31, 2023				
Interest rate swaps	$ (12,991)	$ 14,116	$ 1,125	$ —

Derivatives Not Designated as Hedging Instruments

We have fixed index annuity products that guarantee the return of principal to the policyholder and credit interest based on a percentage of the gain in a specified market index. When fixed index annuity deposits are received, a portion of the deposit is used to purchase derivatives consisting of call options on the applicable market indices to fund the index credits due to fixed index annuity policyholders. Substantially all such call options are one year options purchased to match the funding requirements of the underlying policies. The call options are marked to fair value with the change in fair value included as a component of revenues. The change in fair value of derivatives includes the gains or losses recognized at the expiration of the option term and the changes in fair value for open positions. On the respective anniversary dates of the index policies, the index used to compute the index credit is reset and we purchase new call options to fund the next index credit. We manage the cost of these purchases through the terms of our fixed index annuities, which permit us to change caps, participation rates, and/or asset fees, subject to guaranteed minimums on each policy's anniversary date. By adjusting caps, participation rates, or asset fees, we can generally manage option costs except in cases where the contractual features would prevent further modifications.

The changes in fair value of derivatives not designated as hedging instruments included in the Consolidated Statements of Operations are as follows:

	Three Months Ended March 31,	
	2024	2023
	(Dollars in thousands)	
Change in fair value of derivatives:		
Call options	$ 409,767	$ 43,444
Warrants	—	1,321
	$ 409,767	$ 44,765
Change in fair value of embedded derivatives:		
Fixed index annuities - embedded derivatives	$ 203,680	$ 340,060
Reinsurance related embedded derivative	(41,478)	64,380
	$ 162,202	$ 404,440

Derivative Exposure

We attempt to mitigate potential risk of loss due to the nonperformance of the counterparties through a regular monitoring process which evaluates the program's effectiveness. We do not purchase derivative instruments that would require payment or collateral to another institution and our derivative instruments do not contain counterparty credit-risk-related contingent features. We are exposed to risk of loss in the event of nonperformance by the counterparties and, accordingly, we purchase our derivative instruments from multiple counterparties and evaluate the creditworthiness of all counterparties prior to purchase of the contracts. All non-exchange traded derivative instruments have been purchased from nationally recognized financial institutions with a Standard and Poor's credit rating of A- or higher at the time of purchase and the maximum credit exposure to any single counterparty is subject to concentration limits. We also have credit support agreements with each counterparty that allow us to request the counterparty to provide collateral to us when the fair value of our exposure to the counterparty exceeds specified amounts.

The notional amount and fair value of our call options by counterparty and each counterparty's current credit rating are as follows:

			March 31, 2024		December 31, 2023	
Counterparty	**Credit Rating (S&P)**	**Credit Rating (Moody's)**	**Notional Amount**	**Fair Value**	**Notional Amount**	**Fair Value**
			(Dollars in thousands)			
Bank of America	A+	Aa1	$ 5,257,044	$ 155,608	$ 5,090,138	$ 101,863
Barclays	A+	A1	1,507,128	58,281	1,787,748	60,495
Canadian Imperial Bank of Commerce	A+	Aa2	1,696,844	60,795	1,438,835	48,660
Citibank, N.A.	A+	Aa3	2,522,575	94,411	3,042,872	61,580
Credit Suisse	A+	A3	42,607	1,532	378,613	7,130
Goldman Sachs	A+	A1	590,973	13,441	250,609	2,958
J.P. Morgan	A+	Aa2	4,709,373	183,431	4,389,528	91,162
Mizuho	A	A1	10,983,889	512,485	10,450,652	358,820
Morgan Stanley	A+	Aa3	1,008,975	44,079	1,459,836	30,590
Royal Bank of Canada	AA-	A1	3,502,832	140,472	3,752,133	138,639
Societe Generale	A	A1	3,048,019	109,999	3,048,268	86,041
Truist	A	A2	1,465,739	55,459	1,500,167	50,502
UBS AG	A+	Aa3	2,195,505	52,831	1,954,997	51,108
Wells Fargo	A+	Aa2	3,082,690	134,176	2,998,787	117,626
Exchange traded			—	—	4,548	114
			$ 41,614,193	$ 1,617,000	$ 41,547,731	$ 1,207,288

As of March 31, 2024 and December 31, 2023, we held $1.6 billion and $1.2 billion, respectively, of cash and cash equivalents and other investments from counterparties for derivative collateral, which is included in Other liabilities on our Consolidated Balance Sheets. This derivative collateral limits the maximum amount of economic loss due to credit risk that we would incur if the counterparties failed completely to perform according to the terms of the contracts to $22.1 million and $3.5 million at March 31, 2024 and December 31, 2023, respectively.

The future index credits on our fixed index annuities are treated as a "series of embedded derivatives" over the expected life of the applicable contract. We do not purchase call options to fund the index liabilities which may arise after the next policy anniversary date. We must value both the call options and the related forward embedded options in the policies at fair value.

We cede certain fixed index annuity product liabilities to third party reinsurers on a modified coinsurance basis which results in an embedded derivative. The obligation to pay the total return on the assets supporting liabilities associated with this reinsurance agreement represents a total return swap. The fair value of the total return swap is based on the unrealized gains and losses of the underlying assets held in the modified coinsurance portfolio. The reinsurance related embedded derivative is reported in Funds withheld for reinsurance liabilities on the Consolidated Balance Sheets and the change in the fair value of the embedded derivative is reported in Change in fair value of embedded derivatives on the Consolidated Statements of Operations.

7. Deferred Policy Acquisition Costs and Deferred Sales Inducements

Deferred Policy Acquisition Costs

The following tables present the balances and changes in deferred policy acquisition costs:

	Three Months Ended March 31, 2024			
	Fixed Index Annuities	Fixed Rate Annuities	Single Premium Immediate Annuities	Total
	(Dollars in thousands)			
Balance, beginning of period	$ 2,957,464	$ 109,187	$ 3,629	$ 3,070,280
Capitalizations	159,143	32,655	16	191,814
Amortization expense	(69,525)	(7,671)	(141)	(77,337)
Balance, end of period	$ 3,047,082	$ 134,171	$ 3,504	$ 3,184,757

	Year Ended December 31, 2023			
	Fixed Index Annuities	Fixed Rate Annuities	Single Premium Immediate Annuities	Total
	(Dollars in thousands)			
Balance, beginning of period	$ 2,649,322	$ 120,105	$ 4,216	$ 2,773,643
Capitalizations	557,749	18,536	52	576,337
Amortization expense	(249,607)	(29,454)	(639)	(279,700)
Balance, end of period	$ 2,957,464	$ 109,187	$ 3,629	$ 3,070,280

Deferred Sales Inducements

The following tables present the balances and changes in deferred sales inducements:

	Three Months Ended March 31, 2024		
	Fixed Index Annuities	Fixed Rate Annuities	Total
	(Dollars in thousands)		
Balance, beginning of period	$ 2,342,486	$ 24,738	$ 2,367,224
Capitalizations	127,687	17	127,704
Amortization expense	(53,526)	(688)	(54,214)
Balance, end of period	$ 2,416,647	$ 24,067	$ 2,440,714

	Year Ended December 31, 2023		
	Fixed Index Annuities	Fixed Rate Annuities	Total
	(Dollars in thousands)		
Balance, beginning of period	$ 2,017,960	$ 27,723	$ 2,045,683
Capitalizations	513,726	67	513,793
Amortization expense	(189,200)	(3,052)	(192,252)
Balance, end of period	$ 2,342,486	$ 24,738	$ 2,367,224

8. Policyholder Liabilities

Liability for Future Policy Benefits

The liability for future policy benefits consists only of the liability associated with single premium immediate annuities (SPIA) with life contingencies. As this business has no future expected premiums, the rollforward presented below is the present value of expected future benefits. The balances of and changes in the liability for future policy benefits for the three months ended March 31, 2024 and year ended December 31, 2023 is as follows:

	Present Value of Expected Future Policy Benefits	
	Three Months Ended March 31, 2024	Year Ended December 31, 2023
	(Dollars in thousands)	
Balance, beginning of period	$ 303,200	$ 318,677
Beginning balance at original discount rate	317,634	342,453
Effect of changes in cash flow assumptions	—	(4,607)
Effect of actual variances from expected experience	(102)	(1,887)
Adjusted beginning of year balance	317,532	335,959
Issuances	796	6,945
Interest accrual	3,295	13,710
Derecognition (lapses and benefit payments)	(9,493)	(38,980)
Ending balance at original discount rate	312,130	317,634
Effect of changes in discount rate assumptions	(18,187)	(14,434)
Balance, end of period	$ 293,943	$ 303,200

The reconciliation of the net liability for future policy benefits to the liability for future policy benefits included in policy benefit reserves in the Consolidated Balance Sheets is as follows:

	March 31, 2024	December 31, 2023
	(Dollars in thousands)	
Liability for future policy benefits	$ 293,943	$ 303,200
Deferred profit liability	22,281	22,455
Liability for future policy benefits included in policy benefit reserves	316,224	325,655
Less: Reinsurance recoverable	(2,615)	(2,496)
Net liability for future policy benefits, after reinsurance recoverable	$ 313,609	$ 323,159

The weighted-average liability duration of the liability for future policy benefits is as follows:

	March 31, 2024	December 31, 2023
SPIA With Life Contingency:		
Weighted-average liability duration of the liability for future policy benefits (years)	7.15	6.56

The following table presents the amount of undiscounted expected future benefit payments and expected gross premiums:

	March 31, 2024	December 31, 2023
	(Dollars in thousands)	
SPIA With Life Contingency:		
Expected future benefit payments	$ 410,285	$ 447,669
Expected future gross premiums	—	—

The amount of revenue and interest associated with the liability for future policy benefits recognized in the Consolidated Statement of Operations for the three months ended March 31, 2024 and year ended December 31, 2023 is as follows:

	Three Months Ended March 31, 2024		Year Ended December 31, 2023	
	Gross Premiums or Assessments	Interest Expense	Gross Premiums or Assessments	Interest Expense
	(Dollars in thousands)			
SPIA With Life Contingency	$ 764	$ 3,271	$ 7,608	$ 13,626
Total	$ 764	$ 3,271	$ 7,608	$ 13,626

The weighted-average interest rate is as follows:

	March 31, 2024	December 31, 2023
Interest accretion rate	4.26 %	4.26 %
Current discount rate	5.23 %	5.00 %

Market Risk Benefits

The balances of and changes in the net market risk benefit (MRB) assets and liabilities for the three months ended March 31, 2024 and year ended December 31, 2023 is as follows:

	Three Months Ended March 31, 2024		Year Ended December 31, 2023	
	Fixed Rate Annuities	Fixed Index Annuities	Fixed Rate Annuities	Fixed Index Annuities
	(Dollars in thousands)			
Balance, beginning of period	$ 60,187	$ 2,606,673	$ 37,863	$ 2,187,758
Balance, beginning of period, before effect of changes in the instrument-specific credit risk	63,573	2,544,939	44,355	2,453,169
Issuances	7	41,126	32	289,939
Interest accrual	973	42,184	3,139	155,512
Attributed fees collected	284	33,800	1,216	128,437
Benefits payments	—	—	—	—
Effect of changes in interest rates	(3,912)	(208,365)	(380)	(126,255)
Effect of changes in equity markets	—	(64,867)	—	(48,164)
Effect of changes in equity index volatility	—	28,599	—	(77,023)
Effect of changes in future expected policyholder behavior	73	297	(1,509)	(11,582)
Effect of changes in other future expected assumptions	—	—	16,720	(219,094)
Balance, end of period, before effect of changes in the instrument-specific credit	60,998	2,417,713	63,573	2,544,939
Effect of changes in the instrument-specific credit risk	(1,899)	121,508	(3,386)	61,734
Balance, end of period	59,099	2,539,221	60,187	2,606,673
Reinsured MRB, end of period	18,256	609,566	18,391	640,826
Balance, end of period, net of reinsurance	$ 40,843	$ 1,929,655	$ 41,796	$ 1,965,847
Net amount at risk (a)	$ 268,085	$ 11,725,220	$ 266,438	$ 11,721,734
Weighted average attained age of contract holders (years)	70	71	70	71

(a) Net amount at risk is defined as the current guarantee amount in excess of the current account balance.

The following is a reconciliation of market risk benefits by amounts in an asset position and in a liability position to market risk benefit amounts included in Market risk benefit asset and Market risk benefit reserves, respectively, in the Consolidated Balance Sheets:

	March 31, 2024		
	Asset	Liability	Net Liability
	(Dollars in thousands)		
Fixed Index Annuities	$ 522,323	$ 3,061,544	$ 2,539,221
Fixed Rate Annuities	2,275	61,374	59,099
Total	$ 524,598	$ 3,122,918	$ 2,598,320

	December 31, 2023		
	Asset	Liability	Net Liability
		(Dollars in thousands)	
Fixed Index Annuities	$ 477,306	$ 3,083,979	$ 2,606,673
Fixed Rate Annuities	2,388	62,575	60,187
Total	$ 479,694	$ 3,146,554	$ 2,666,860

Reinsured Market Risk Benefits

The following table presents the balances and changes in reinsured market risk benefit assets and liabilities associated with fixed index annuities for the three months ended March 31, 2024 and year ended December 31, 2023:

	Three Months Ended March 31, 2024		Year Ended December 31, 2023	
	Fixed Rate Annuities	Fixed Index Annuities	Fixed Rate Annuities	Fixed Index Annuities
		(Dollars in thousands)		
Balance, beginning of period	$ 18,391	$ 640,826	$ 10,656	$ 593,959
Issuances	—	57	—	146,898
Interest accrual	274	9,527	775	33,503
Attributed fees collected	7	10,276	67	32,036
Benefits payments	—	—	—	—
Effect of changes in interest rates	(634)	(42,876)	1,407	14,700
Effect of changes in equity markets	—	(21,174)	—	(22,775)
Effect of changes in equity index volatility	—	6,817	—	(18,656)
Effect of changes in future expected policyholder behavior	218	6,113	(128)	5,855
Effect of changes in other future expected assumptions	—	—	5,614	(144,694)
Balance, end of period	$ 18,256	$ 609,566	$ 18,391	$ 640,826
Net amount at risk (a)	$ 75,941	$ 2,877,855	$ 75,281	$ 2,853,318
Weighted average attained age of contract holders (years)	70	70	70	70

(a) Net amount at risk is defined as the current guarantee amount in excess of the current account balance.

The following is a reconciliation of reinsurance market risk benefits by amounts in an asset position and in liability position to market risk benefit amounts included in Coinsurance deposits and Other liabilities, respectively, in the Consolidated Balance Sheets:

	March 31, 2024		
	Asset	Liability	Net Asset
		(Dollars in thousands)	
Fixed Index Annuities	$ 785,410	$ 175,844	$ 609,566
Fixed Rate Annuities	18,488	232	18,256
Total	$ 803,898	$ 176,076	$ 627,822

	December 31, 2023		
	Asset	Liability	Net Asset
		(Dollars in thousands)	
Fixed Index Annuities	$ 820,006	$ 179,180	$ 640,826
Fixed Rate Annuities	18,628	237	18,391
Total	$ 838,634	$ 179,417	$ 659,217

Significant Inputs for Fair Value Measurement - Market Risk Benefits

The following tables provides a summary of the significant inputs and assumptions used in the fair value measurements of market risk benefits:

	March 31, 2024				
	Fair Value (in thousands)	Valuation Technique	Significant Inputs and Assumptions	Range	Weighted Average
Market risk benefits	$ 2,598,320	Discounted cash flow	Utilization (a)	0.04% - 47.37%	6.54%
Ceded market risk benefits	627,822		Option budget (b)	1.85% - 2.75%	2.30%
			Risk-free interest rate (c)	3.31% - 5.04%	3.65%
			Nonperformance risk (d)	0.39% - 2.59%	1.91%
			Mortality (e)	0.01% - 46.00%	3.99%
			Lapse (f)	0.25% - 40.00%	3.64%

	December 31, 2023				
	Fair Value (in thousands)	Valuation Technique	Significant Inputs and Assumptions	Range	Weighted Average
Market risk benefits	$ 2,666,860	Discounted cash flow	Utilization (a)	0.04% - 47.37%	6.55%
Ceded market risk benefits	659,217		Option budget (b)	1.85% - 2.75%	2.29%
			Risk-free interest rate (c)	2.98% - 4.76%	3.35%
			Nonperformance risk (d)	0.53% - 2.66%	1.98%
			Mortality (e)	0.01%- 46.00%	3.97%
			Lapse (f)	0.25%- 40.00%	3.70%

(a) The utilization assumption represents the percentage of policyholders who will elect to receive lifetime income benefit payments in a given year. The range and weighted average of this assumption can vary from year to year depending on the characteristics of policies in a given cohort within the range. A decrease (increase) in the utilization assumption used in the fair value of market risk benefits could lead to favorable (unfavorable) changes in the market risk benefits.

(b) The option budget assumption represents the expected cost of annual call options we will purchase in the future. An increase (decrease) in the option budget assumption used in the fair value of market risk benefits could lead to favorable (unfavorable) changes in the market risk benefits.

(c) The risk-free interest rate assumption impacts the discount rate used in the discounted future cash flow valuation. An increase (decrease) in the risk-free interest rate assumption used in the fair value of market risk benefits could lead to favorable (unfavorable) changes in the market risk benefits.

(d) The nonperformance risk assumption impacts the discount rate used in the discounted future cash flow valuation and includes our own credit risk based on the current market credit spreads for debt-like instruments we have issued and are available in the market. Additionally, the nonperformance risk assumption includes the counterparty credit risk used in the fair value measurement of ceded market risk benefits which is determined using the current market credit spreads based on the counterparty credit rating. An increase (decrease) in the nonperformance risk assumption for own credit risk used in the fair value of market risk benefits could lead to favorable (unfavorable) changes in the market risk benefits. An decrease (increase) in the nonperformance risk assumption for counterparty credit risk used in the fair value of ceded market risk benefits could lead to favorable (unfavorable) changes in the ceded market risk benefits.

(e) The mortality rate assumptions are set based on a combination of company and industry experience, adjusted for improvement factors. Mortality rates vary by age and by demographic characteristics such as gender. An increase (decrease) in the mortality rate assumptions used in the fair value of market risk benefits could lead to favorable (unfavorable) changes in the market risk benefits.

(f) The lapse rate assumptions represent the expected rate of full surrenders which are set based on product type or feature and whether a policy is subject to surrender charges. An increase (decrease) in lapse rate assumptions used in the fair value of market risk benefits could lead to favorable (unfavorable) changes in the market risk benefits.

During the three months ended March 31, 2024, the Company did not make any changes to the significant inputs and assumptions used in the fair value measurements of market risk benefits.

During the year ended December 31, 2023, the Company made the following notable changes to significant inputs and assumptions resulting in changes in the fair value measurement of market risk benefits:

- Utilization assumptions were increased resulting in an increase to the market risk benefits liability and a decrease to net income.
- Option budget assumptions were changed to increase the near term assumption and decrease the long-term assumption. There was no change to the grading of these assumptions. The net impact of these changes resulted in an increase in the market risk benefits and a decrease to net income.
- Mortality assumptions were increased resulting in a decrease to the market risk benefits liability and an increase to net income.
- Lapse assumptions were increased resulting in a decrease to the market risk benefits liability and an increase to net income.

Policyholder Account Balances

The following table presents the balances and changes in policyholders' account balances:

	Three Months Ended March 31, 2024		Year Ended December 31, 2023	
	Fixed Rate Annuities	Fixed Index Annuities	Fixed Rate Annuities	Fixed Index Annuities
	(Dollars in thousands)			
Balance, beginning of period	$ 5,913,965	$ 55,453,972	$ 6,589,577	$ 53,826,234
Issuances	1,232,426	1,866,523	840,022	7,555,709
Premiums received	566	17,116	12,472	152,532
Policy charges	(2,256)	(123,631)	(3,428)	(217,523)
Surrenders and withdrawals	(1,464,230)	(1,965,003)	(1,668,966)	(6,122,084)
Benefit payments	(3,715)	(232,754)	(13,085)	(836,507)
Interest credited	43,851	444,399	163,918	1,096,493
Other	5,426	1,099	(6,545)	(882)
Balance, end of period	$ 5,726,033	$ 55,461,721	$ 5,913,965	$ 55,453,972
Weighted-average crediting rate	3.03 %	3.22 %	2.66 %	2.03 %
Net amount at risk (a)	$ 268,085	$ 11,725,220	$ 266,438	$ 11,721,734
Cash surrender value	$ 5,385,577	$ 50,946,469	$ 5,571,171	$ 50,983,033

(a) Net amount at risk is defined as the current guarantee amount in excess of the current account balance.

The following table presents the reconciliation of policyholders' account balances to policy benefit reserves in the Consolidated Balance Sheets:

	March 31, 2024	December 31, 2023
	(Dollars in thousands)	
Fixed index annuities policyholder account balances	$ 55,461,721	$ 55,453,972
Fixed rate annuities policyholder account balances	5,726,033	5,913,965
Embedded derivative adjustment (b)	(548,478)	(818,754)
Liability for future policy benefits	293,943	303,200
Deferred profit liability	22,281	22,455
Other	24,742	26,803
Total	$ 60,980,242	$ 60,901,641

(b) The embedded derivative adjustment reconciles the account balance to the gross GAAP liability and represents the combination of the host contract and the fair value of the embedded derivatives.

The following table presents the balance of account values by range of guaranteed minimum crediting rates and the related range of the difference, in basis points, between rates being credited to policyholders and the respective guaranteed minimums:

	March 31, 2024					
	Range of guaranteed minimum crediting rate	At guaranteed minimum	1 to 50	51 to 150	Greater than 150 basis points above	Total
			(Dollars in thousands)			
Fixed Index Annuities	0.00% - 0.50%	$ —	$ 1,265,350	$ 452,749	$ 1,127,714	$ 2,845,813
	0.50% - 1.00%	2,161,233	962,799	1,870,378	131,984	5,126,394
	1.00% - 1.50%	39,737	7,902	—	—	47,639
	1.50% - 2.00%	50	—	—	—	50
	2.00% - 2.50%	118,170	63,016	8	—	181,194
	2.50% - 3.00%	699,138	—	—	—	699,138
	Greater than 3.00%	—	—	—	—	—
	Allocated to index strategies					46,561,493
Total		$ 3,018,328	$ 2,299,067	$ 2,323,135	$ 1,259,698	$ 55,461,721
Fixed Rate Annuities	0.00% - 0.50%	$ 358	$ —	$ —	$ —	$ 358
	0.50% - 1.00%	50,765	167,501	1,479,169	2,586,341	4,283,776
	1.00% - 1.50%	463,258	238	—	—	463,496
	1.50% - 2.00%	352,534	27,694	198,956	218	579,402
	2.00% - 2.50%	17,408	23	—	—	17,431
	2.50% - 3.00%	329,920	6,686	—	—	336,606
	Greater than 3.00%	44,964	—	—	—	44,964
Total		$ 1,259,207	$ 202,142	$ 1,678,125	$ 2,586,559	$ 5,726,033

	December 31, 2023					
	Range of guaranteed minimum crediting rate	At guaranteed minimum	1 to 50	51 to 150	Greater than 150 basis points above	Total
			(Dollars in thousands)			
Fixed Index Annuities	0.00% - 0.50%	$ —	$ 1,032,438	$ 466,789	$ 1,012,155	$ 2,511,382
	0.50% - 1.00%	2,276,625	1,008,139	1,995,206	131,412	5,411,382
	1.00% - 1.50%	43,029	8,190	—	—	51,219
	1.50% - 2.00%	50	—	—	—	50
	2.00% - 2.50%	121,921	68,698	8	—	190,627
	2.50% - 3.00%	759,353	—	—	—	759,353
	Greater than 3.00%	—	—	—	—	—
	Allocated to index strategies					46,529,959
Total		$ 3,200,978	$ 2,117,465	$ 2,462,003	$ 1,143,567	$ 55,453,972
Fixed Rate Annuities	0.00% - 0.50%	$ 53	$ —	$ —	$ —	$ 53
	0.50% - 1.00%	51,581	172,470	2,813,380	1,417,915	4,455,346
	1.00% - 1.50%	430,052	237	—	—	430,289
	1.50% - 2.00%	352,184	29,378	224,846	217	606,625
	2.00% - 2.50%	18,714	23	—	—	18,737
	2.50% - 3.00%	349,890	6,783	—	—	356,673
	Greater than 3.00%	46,242	—	—	—	46,242
Total		$ 1,248,716	$ 208,891	$ 3,038,226	$ 1,418,132	$ 5,913,965

9. Notes and Loan Payable

Notes and loan payable includes the following:

	March 31, 2024	December 31, 2023
	(Dollars in thousands)	
Senior notes due 2027		
Principal	$ 500,000	$ 500,000
Unamortized debt issue costs	(2,196)	(2,353)
Unamortized discount	(132)	(142)
Term loan due 2027		
Original principal	300,000	300,000
Principal paydown	(13,125)	(11,250)
Unamortized debt issue costs	(756)	(812)
	$ 783,791	$ 785,443

On June 16, 2017, we issued $500 million aggregate principal amount of senior unsecured notes due 2027 which bear interest at 5.0% per year and will mature on June 15, 2027 (the "2027 Notes"). The 2027 Notes were issued at a $0.3 million discount, which is being amortized over the term of the 2027 Notes using the effective interest method. Contractual interest is payable semi-annually in arrears each June 15th and December 15th. The initial transaction fees and costs totaling $5.8 million were capitalized as deferred financing costs and are being amortized over the term of the 2027 Notes using the effective interest method.

On February 15, 2022, we entered into a five-year, $300 million unsecured delayed draw term loan credit agreement. On July 6, 2022, we borrowed $300 million under this agreement. We will pay a floating rate of interest on the term loan utilizing SOFR adjusted for a credit spread. The term loan matures on February 15, 2027 and is amortizing at 2.5% annually for the first three years and 5.0% for the last two years.

10. Commitments and Contingencies

We are occasionally involved in litigation, both as a defendant and as a plaintiff. In addition, state and federal regulatory bodies, such as state insurance departments, the Securities and Exchange Commission ("SEC") and the Department of Labor, regularly make inquiries and conduct examinations or investigations concerning our compliance with, among other things, insurance laws, securities laws and the Employee Retirement Income Security Act of 1974, as amended.

In accordance with applicable accounting guidelines, we establish an accrued liability for litigation and regulatory matters when those matters present loss contingencies that are both probable and estimable. As a litigation or regulatory matter is developing we, in conjunction with outside counsel, evaluate on an ongoing basis whether the matter presents a loss contingency that meets conditions indicating the need for accrual and/or disclosure, and if not, the matter will continue to be monitored for further developments. If and when the loss contingency related to litigation or regulatory matters is deemed to be both probable and estimable, we will establish an accrued liability with respect to that matter and will continue to monitor the matter for further developments that may affect the amount of the accrued liability.

There can be no assurance that any pending or future litigation will not have a material adverse effect on our business, financial condition, or results of operations.

In addition to our commitments to fund mortgage loans, we have unfunded commitments at March 31, 2024 to limited partnerships of $562.9 million, fixed maturity securities of $1.0 billion, and other investments of $30.6 million.

Through our FHLB membership, we have issued funding agreements to the FHLB in exchange for cash advances. As of March 31, 2024, we had no FHLB funding agreements outstanding. We are required to provide collateral in excess of the funding agreement amounts outstanding.

11. Earnings (Loss) Per Common Share and Stockholders' Equity

Earnings (Loss) Per Common Share

The following table sets forth the computation of earnings (loss) per common share and earnings (loss) per common share - assuming dilution:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	(Dollars in thousands, except per share data)	
Numerator:		
Net income (loss) available to common stockholders - numerator for earnings (loss) per common share	$ 332,079	$ (166,913)
Denominator:		
Weighted average common shares outstanding	79,056,171	83,416,966
Effect of dilutive securities:		
Stock options and deferred compensation agreements	320,788	597,119
Restricted stock and restricted stock units	999,345	737,283
Antidilutive impact due to net loss	—	(1,334,402)
Denominator for earnings (loss) per common share - assuming dilution	80,376,304	83,416,966
Earnings (loss) per common share	$ 4.20	$ (2.00)
Earnings (loss) per common share - assuming dilution	$ 4.13	$ (2.00)

There were no options to purchase shares of our common stock outstanding excluded from the computation of diluted earnings (loss) per common share during the three months ended March 31, 2024 and 2023, as the exercise price of all options outstanding was less than the average market price of our common shares for those periods.

Stockholders' Equity

On June 10, 2020, we issued 12,000 shares of 6.625% Fixed-Rate Reset Non-Cumulative Preferred Stock, Series B ("Series B") with a $1.00 par value per share and a liquidation preference of $25,000 per share, for aggregate net proceeds of $290.3 million.

On November 21, 2019 we issued 16,000 shares of 5.95% Fixed-Rate Reset Non-Cumulative Preferred Stock, Series A ("Series A") with a $1.00 par value per share and a liquidation preference of $25,000 per share, for aggregate net proceeds of $388.9 million.

Dividends on the Series A and Series B preferred stock are payable on a non-cumulative basis only when, as and if declared, quarterly in arrears on the first day of March, June, September and December of each year, commencing on March 1, 2020 for Series A and on December 1, 2020 for Series B. For the three months ended March 31, 2024 and 2023, we paid dividends totaling $5.9 million and $5.9 million for Series A preferred stock and $5.0 million and $5.0 million for Series B preferred stock, respectively. The Series A and Series B preferred stock rank senior to our common stock with respect to dividends, to the extent declared, and in liquidation, to the extent of the liquidation preference. The Series A and Series B preferred stock are not subject to any mandatory redemption, sinking fund, retirement fund, purchase fund or similar provisions.

Brookfield Asset Management Equity Investment

On October 18, 2020, we announced an agreement with Brookfield Asset Management, Inc. and its affiliated entities (collectively, "Brookfield") under which Brookfield would acquire up to a 19.9% ownership interest of common stock in the Company. The equity investment by Brookfield took place in two stages: an initial purchase of a 9.9% equity interest at $37.00 per share which closed on November 30, 2020 with Brookfield purchasing 9,106,042 shares, and a second purchase of an additional 6,775,000 shares which were issued to Brookfield at $37.33 per share in January of 2022, resulting in total ownership of approximately 16%. Brookfield also received the right to nominate one candidate for the Company's Board of Directors following the initial equity investment.

Share Repurchase Program

As part of a share repurchase program, the Company's Board of Directors approved the repurchase of Company common stock of $500 million on November 19, 2021, and an additional $400 million on November 11, 2022. The share repurchase program has offset dilution from the issuance of shares to Brookfield, and its purpose was to institute a regular cash return program for shareholders.

On March 17, 2023 we entered into an accelerated share repurchase (ASR) agreement with JPMorgan Chase Bank, National Association to repurchase an aggregate of $200 million of our common stock. Under the ASR agreement, we received an initial share delivery of approximately 4.8 million shares representing approximately 80% of the number of shares initially underlying the ASR. The average price paid for the initial share delivery under the ASR was $33.12 per common share. The ASR agreement was determined to be an equity contract. The ASR was terminated on July 13, 2023, and a payment of $14 million was made to settle for the final volume-weighted average price associated with the initial share delivery.

From the 2020 inception of the share repurchase program through March 31, 2024, we have repurchased approximately 31.2 million shares of our common stock at an average price of $35.21 per common share. As of March 31, 2024, we had $276 million remaining under our share repurchase program.

Treasury Stock

As of March 31, 2024, we held 30,614,343 shares of treasury stock with a carrying value of $1.0 billion. As of December 31, 2023, we held 30,765,023 shares of treasury stock with a carrying value of $1.0 billion.

12. Subsequent Events

Common Stock Dividend

On April 5, 2024, the Board of Directors of American Equity Investment Life Holding Company declared a cash dividend of $0.38 per share to Company common stockholders as of the close of NYSE trading on April 15, 2024. The dividend was paid to common stockholders on April 29, 2024.

Agreement and Plan of Merger

On May 2, 2024, the Company completed the transactions contemplated by the Agreement and Plan of Merger, dated as of July 4, 2023 (the "Merger Agreement"), by and among the Company, Brookfield Reinsurance Ltd., a Bermuda exempted company limited by shares ("Parent" or "Brookfield Reinsurance"), Arches Merger Sub Inc., an Iowa corporation and an indirect, wholly owned subsidiary of Parent ("Merger Sub") and, solely for the purposes set forth in the Merger Agreement, Brookfield Asset Management Ltd., a company incorporated under the laws of the Province of British Columbia ("BAM"). Pursuant to the Merger Agreement, the Company merged with and into Merger Sub, with the Company surviving as a wholly owned subsidiary of Parent (the "Brookfield Merger"). At the effective time of the Brookfield Merger, each issued and outstanding share of common stock, par value $1.00 per share, of the Company was converted into the right to receive (i) $38.85 per share in cash, without interest and (ii) the Stock Consideration equal to 0.45464 fully-paid and nonassessable shares of class A limited voting shares of BAM. Due to the recent closing of the acquisition, the complete valuation and initial purchase price accounting for the business combination is not available as of the date of release of these financial statements.

Preferred Stock Dividend

In accordance with the terms of the Series A Preferred Stock, the Board of Directors of American National Group Inc. (as the successor entity to the Company) has declared a cash dividend of $371.8750000 per share of Series A Preferred Stock (equivalent to $0.371875000 per depositary share representing the Series A Preferred Stock). The dividend will be payable on June 1, 2024 to shareholders of Series A Preferred Stock of record as of May 17, 2024.

Additionally, in accordance with the terms of the Series B Preferred Stock, the Board of Directors of American National Group Inc. (as the successor entity to the Company) has declared a cash dividend of $414.0625000 per share of Series B Preferred Stock (equivalent to $0.414062500 per depositary share representing the Series B Preferred Stock). The dividend will be payable on June 1, 2024 to shareholders of Series B Preferred Stock of record as of May 17, 2024.

Post-Effective Merger and Redomestication

On May 7, 2024 (the "Post-Closing Effective Date"), the Company completed its previously announced merger with American National Group, LLC, a Delaware limited liability company ("ANAT") and an indirect, wholly-owned subsidiary of Brookfield Reinsurance. Pursuant to the Agreement and Plan of Merger, dated as of May 7, 2024, by and among the Company and ANAT (the "Post-Effective Merger Agreement"), ANAT merged with and into the Company (the "Post-Effective Merger") in accordance with the Iowa Business Corporation Act (the "IBCA"), with the Company surviving the Merger as an indirect wholly-owned subsidiary of Brookfield Reinsurance (such entity, the "Iowa Surviving Company"). In connection with the Post-Effective Merger, the Iowa Surviving Company adopted an amendment to its articles of incorporation, a copy of which is incorporated by reference as Exhibit 3.1 to this Form 10-Q, and became the successor issuer of ANAT's preferred shares designated as "Preferred Stock, Series C". The Company's issued and outstanding shares of 5.95% Fixed-Rate Reset NonCumulative Preferred Stock, Series A, par value $1.00 per share (the "Series A Preferred Stock") and 6.625% Fixed-Rate Reset Non-Cumulative Preferred Stock, Series B, par value $1.00 per share (the "Series B Preferred Stock") were unaffected by the Post-Effective Merger and remain outstanding.

Pursuant to a Plan of Domestication, dated as of May 7, 2024 (the "Plan of Domestication"), the Iowa Surviving Company discontinued its existence as an Iowa Corporation as provided under IBCA, including Section 931 of the IBCA, and, pursuant to the General Corporation Law of the State of Delaware (the "DGCL"), including Section 388 of the DGCL, continued its existence under the DGCL as a corporation incorporated in the State of Delaware (the "Reincorporation", and such corporation, the "Delaware Surviving Company"). In connection with the Reincorporation, the Delaware Surviving Company changed its name from American Equity Investment Life Holding Company to American National Group Inc. and adopted a new certificate of incorporation (the "Certificate of Incorporation") and bylaws, copies of which are incorporated by reference as Exhibits 3.2 and 3.3 to this Form 10-Q. The Certificate of Incorporation and bylaws of American National Group Inc. are effective as of the Post-Closing Effective Date.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis reviews our unaudited consolidated financial position at March 31, 2024, and the unaudited consolidated results of operations for the three month periods ended March 31, 2024 and 2023, and where appropriate, factors that may affect future financial performance. This analysis should be read in conjunction with our unaudited consolidated financial statements and notes thereto appearing elsewhere in this Form 10-Q, and the audited consolidated financial statements, notes thereto and selected consolidated financial data appearing in our Annual Report on Form 10-K for the year ended December 31, 2023. Interim operating results for the three months ended March 31, 2024 are not necessarily indicative of the results expected for the entire year. Preparation of financial statements requires use of management estimates and assumptions.

Cautionary Statement Regarding Forward-Looking Information

All statements, trend analysis and other information contained in this report and elsewhere (such as in filings by us with the SEC, press releases, presentations by us or management or oral statements) may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended. Forward-looking statements give expectations or forecasts of future events and do not relate strictly to historical or current facts. They may relate to markets for our products, trends in our operations or financial results, strategic alternatives, future operations, strategies, plans, partnerships, investments, share buybacks and other financial developments. They use words and terms such as anticipate, assume, believe, can, continue, could, enable, estimate, expect, foreseeable, goal, improve, intend, likely, may, model, objective, opportunity, outlook, plan, potential, project, remain, risk seek, should, strategy, target, will, would, and other words and terms of similar meaning or that are otherwise tied to future periods or future performance, in each case in all forms of speech and derivative forms, or similar words, as well as any projections of future events or results. Forward-looking statements, by their nature, are subject to a variety of assumptions, risks, and uncertainties that could cause actual results to differ materially from the results projected. Many of these risks and uncertainties cannot be controlled by the Company. Factors that may cause our actual decisions or results to differ materially from those contemplated by these forward-looking statements include, among other things:

- our recently completed Merger with Brookfield Reinsurance and the Post-Effective Merger with ANAT.
- recent changes to our jurisdiction of incorporation from Iowa to Delaware.
- results differing from assumptions, estimates, and models.
- interest rate condition changes.
- investment losses or failures to grow as quickly as expected due to market, credit, liquidity, concentration, default, and other risks.
- option costs increases.
- counterparty credit risks.
- third parties service-provider failures to perform or to comply with legal or regulatory requirements.
- poor attraction and retention of customers or distributors due to competitors' greater resources, broader array of products, and higher ratings.
- information technology and communication systems failures or security breaches.
- credit or financial strength downgrades.
- inability to raise additional capital to support our business and sustain our growth on favorable terms.
- U.S. and global capital market and economic deterioration due to major public health issues, including the COVID-19 pandemic, political or social developments, or otherwise.
- failure to authorize and pay dividends on our preferred stock.
- subsidiaries' inability to pay dividends or make other payments to us.
- failure at reinsurance, investment management, or third-party capital arrangements.
- failure to prevent excessive risk-taking.
- failure of policies and procedures to protect from operational risks.
- increased litigation, regulatory examinations, and tax audits.
- changes to laws, regulations, accounting, and benchmarking standards.
- takeover or combination delays or deterrence by laws, corporate governance documents, or change-in-control agreements.
- effects of climate changes, or responses to it.
- failure of efforts to meet environmental, social, and governance standards and to enhance sustainability.
- strained shareholder relationships or disadvantageous takeover proposals.

For a detailed discussion of these and other factors that might affect our performance, see Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023. Forward-looking statements speak only as of the date the statement was made and the Company undertakes no obligation to update such forward-looking statements. There can be no assurance that other factors not currently disclosed or anticipated by the Company will not materially adversely affect our results of operations or plans. Investors are cautioned not to place undue reliance on any forward-looking statements made by us or on our behalf.

Our Business and Profitability

We specialize in the sale of individual annuities (primarily fixed and fixed index deferred annuities) through independent marketing organizations ("IMOs"), agents, banks and broker-dealers. Fixed and fixed index annuities are an important product for Americans looking to fund their retirement needs as annuities have the ability to provide retirees a paycheck for life. We have one business segment which represents our core business comprised of the sale of fixed index and fixed rate annuities.

Under U.S. GAAP, premium collections for deferred annuities are reported as deposit liabilities instead of as revenues. Similarly, cash payments to policyholders are reported as decreases in the liabilities for policyholder account balances and not as expenses. Sources of revenues for products accounted for as deposit liabilities are net investment income, surrender charges assessed against policy withdrawals and fees deducted from policyholder account balances for lifetime income benefit riders, net realized gains (losses) on investments and changes in fair value of derivatives. Components of expenses for products accounted for as deposit liabilities are interest sensitive and index product benefits (primarily interest credited to account balances), changes in fair value of embedded derivatives, changes in market risk benefits, amortization of deferred sales inducements and deferred policy acquisition costs, other operating costs and expenses and income taxes.

Our profitability depends in large part upon:

- the amount of assets under our management,
- investment spreads we earn on our policyholder account balances,
- our ability to manage our investment portfolio to maximize returns and minimize risks such as interest rate changes and defaults or credit losses,
- our ability to appropriately price for lifetime income benefit riders offered on certain of our fixed rate and fixed index annuity policies,
- our ability to manage interest rates credited to policyholders and costs of the options purchased to fund the annual index credits on our fixed index annuities,
- our ability to manage the costs of acquiring new business (principally commissions paid to agents and distribution partners and bonuses credited to policyholders),
- our ability to maintain and continue to generate fee based revenue,
- our ability to manage our operating expenses, and
- income taxes.

While the business looks considerably different today than it did when it was started back in 1995, the themes have been consistent. We offer our customers simple fixed and fixed index annuity products, which we primarily sell through independent insurance agents in the IMO distribution channel. We have consistently been a leader in the IMO market. Additionally, we have continued to expand our sales in the bank and broker dealer channel. We will benefit from two secular trends: the demographic trends of people retiring or getting close to retirement who want to accumulate wealth through index based investing while protecting their principal and the need of retirees and pre-retirees to have a way to deaccumulate their wealth into income for life. A traditional brokerage based equity bond portfolio can’t really meet these unique needs, but a fixed index annuity can as part of a holistic financial plan. Finally, there is a scarcity value to what we do: that is originating billions of dollars of annuity funding each year at scale from the IMO channel and bank and broker dealer channel.

We began to implement an updated strategy, referred to as AEL 2.0, after having undertaken a thorough review of our business in 2020. AEL 2.0 is designed to capitalize on the scarcity value of our annuity origination and couple it with an “open architecture” investment management platform for investing the annuity assets. Our approach to investment management is to partner with best in class investment management firms across a wide array of asset classes and capture part of the asset management value chain economics for our shareholders. This enables us to operate at the intersection of both asset management and insurance. Our strategy focuses on four key pillars: Go-to-Market, Investment Management, Capital Structure and Foundational Capabilities.

On July 5, 2023, Brookfield Reinsurance and American Equity Investment Life Holding Company announced that they had entered into a definitive agreement whereby Brookfield Reinsurance will acquire all of the outstanding shares of common stock of American Equity it does not already own in a cash and stock transaction that values American Equity at approximately $4.3 billion. On May 2, 2024, the Company completed the transactions contemplated by the definitive agreement. See Note 12 - Subsequent Events for more information.

On May 7, 2024, the Company merged with American National Group, LLC. The Company discontinued its existence as an Iowa Corporation and continued its existence as a corporation incorporated in the State of Delaware. In connection with the Reincorporation, the Company changed its name from American Equity Investment Life Holding Company to American National Group Inc. See Note 12 - Subsequent Events for more information. This is considered a common control transaction. As a result, financial results of the Company will be combined with American National Group, LLC as of the date they came under common control which is the effective date of the acquisition by Brookfield Reinsurance.

On May 7, 2024, S&P upgraded its financial strength rating on American Equity Investment Life Insurance Company from "A-" to "A", its long-term issuer credit rating on American Equity Investment Life Holding Company from "BBB-" to "BBB", and its preferred stock ratings from "BB" to "BB+".

On July 6, 2023, Fitch affirmed its "A-" financial strength rating on American Equity Investment Life Insurance Company and its life insurance subsidiaries and its "BBB" issuer default rating on American Equity Investment Life Holding Company. On May 7, 2024, Fitch upgraded and its senior unsecured debt ratings from "BBB-" to "BBB" and its preferred stock ratings from "BB" to BB+".

On September 9, 2022, A.M. Best affirmed its "A-" financial strength rating on American Equity Investment Life Insurance Company and its subsidiaries, American Equity Investment Life Insurance Company of New York and Eagle Life Insurance Company, its "bbb-" long-term issuer credit rating of American Equity Investment Life Holding Company, its "bbb-" senior unsecured debt ratings, and its "bb" perpetual, non-cumulative preferred stock ratings. The outlook for these credit ratings of "stable" was also affirmed by A.M. Best on September 9, 2022. Following the announcement of the merger agreement with Brookfield Reinsurance, A.M. Best placed these credit ratings on watch, noting the ratings will likely remain under review pending completion of the merger.

Earnings from products accounted for as deposit liabilities are primarily generated from the excess of net investment income earned over the interest credited or the cost of providing index credits to the policyholder, or the "investment spread." Our investment spread is summarized as follows:

	Three Months Ended March 31,	
	2024	2023
Average yield on invested assets	4.42%	4.48%
Aggregate cost of money	1.93%	1.81%
Aggregate investment spread	2.49%	2.67%
Impact of:		
Investment yield - additional prepayment income	0.01%	—%
Cost of money benefit from over hedging	0.15%	—%

The cost of money for fixed index annuities and average crediting rates for fixed rate annuities are computed based upon policyholder account balances and do not include the impact of amortization of deferred sales inducements. With respect to our fixed index annuities, the cost of money includes the average crediting rate on amounts allocated to the fixed rate strategy and expenses we incur to fund the annual index credits. Proceeds received upon expiration of call options purchased to fund annual index credits are recorded as part of the change in fair value of derivatives and are largely offset by an expense for interest credited to annuity policyholder account balances. See Critical Accounting Policies and Estimates - Policy Liabilities for Fixed Index Annuities and Financial Condition - Derivative Instruments included in Management's Discussion and Analysis in our Annual Report on Form 10-K for the year ended December 31, 2023.

Average yield on invested assets decreased primarily as a result of lower returns on our private assets and partnerships and an increase in investment expenses partially offset by an increase in new money yields. See **Net investment income**. The aggregate cost of money decreased primarily due to an increase in the benefit from over hedging as compared to the prior period. We have the flexibility to reduce our crediting rates if necessary and could decrease our cost of money by approximately 124 basis points if we reduce current rates to guaranteed minimums.

Results of Operations for the Three Months Ended March 31, 2024 and 2023

Annuity deposits by product type collected during the three months ended March 31, 2024 and 2023, were as follows:

	Three Months Ended March 31,	
	2024	2023
	(Dollars in thousands)	
American Equity Investment Life Insurance Company:		
Fixed index annuities	$ 1,299,330	$ 735,839
Annual reset fixed rate annuities	566	693
Multi-year fixed rate annuities	99,144	156,034
Single premium immediate annuities	818	427
	1,399,858	892,993
Eagle Life Insurance Company:		
Fixed index annuities	393,229	228,599
Annual reset fixed rate annuities	340	1,269
Multi-year fixed rate annuities	555,822	248,229
	949,391	478,097
Consolidated:		
Fixed index annuities	1,692,559	964,438
Annual reset fixed rate annuities	906	1,962
Multi-year fixed rate annuities	654,966	404,263
Single premium immediate annuities	818	427
Total before coinsurance ceded	2,349,249	1,371,090
Coinsurance ceded	552,888	637,999
Net after coinsurance ceded	$ 1,796,361	$ 733,091

Annuity deposits before and after coinsurance ceded increased 71% and 145%, respectively, during the first quarter of 2024 compared to the same period in 2023. The increase in sales for the three months ended March 31, 2024 compared to the same period in 2023 was primarily driven by increases in fixed index annuity sales as a result of our income product sales, which benefited from a higher demand for guaranteed income solutions as a result of high volatility in the markets. In addition, annuity deposits benefited from an increase in multi-year fixed rate annuities (MYGA) which reflects pricing support from the 2023 amendment to our reinsurance agreement with AeBe ISA LTD ("AeBe") to cede new MYGA flow business.

The decrease in coinsurance ceded annuity deposits is primarily due to the agreement with North End Re to reduce the quota share of all newly issued flow policies to zero effective October 1, 2023.

Net income (loss) available to common stockholders increased to $332.1 million in the first quarter of 2024 compared to $(166.9) million for the same period in 2023**.** The increase in net income (loss) available to common stockholders for the three months ended March 31, 2024 was driven primarily by a decrease in the change in fair value of embedded derivatives, a gain from the change in market risk benefits, an increase in the change in fair value of derivatives, an increase in annuity product charges and an increase in other revenue partially offset by a decrease in net investment income, an increase in net realized losses on investments, an increase in interest sensitive and index product benefits, an increase in amortization of deferred acquisition costs and deferred sales inducements, and an increase in other operating costs and expenses.

Net income, in general, is impacted by the volume of business in force and the investment spread earned on this business. The average amount of annuity account balances outstanding (net of annuity liabilities ceded under coinsurance agreements) increased 0.3% to $47.4 billion for the first quarter of 2024 compared to $47.3 billion for the same period in 2023. Our investment spread measured in dollars was $320.9 million for the first quarter of 2024 compared to $340.5 million for the same period in 2023. Investment income for the first quarter of 2024 was negatively impacted by lower returns on private assets and partnerships and an increase in investment expenses. (see **Net investment income**).

Net income was also impacted by the change in fair value of derivatives and embedded derivatives, which fluctuates from period to period based upon changes in fair values of call options purchased to fund the annual index credits for fixed index annuities and changes in interest rates used to discount the embedded derivative liability. Net income (loss) for the three months ended March 31, 2024 was positively impacted by an decrease in the change in fair value of embedded derivatives and positively impacted by an increase in the change in fair value of derivatives. See **Change in fair value of derivatives** and **Change in fair value of embedded derivatives.**

In addition, net income (loss) is impacted by the change in the market risk benefits (gains) losses which fluctuates from period to period primarily based on changes in interest rates, equity market movement, equity index volatility and policyholder behavior. Net income for the three months ended March 31, 2024 was positively impacted by decreases in the expense associated with the change in the market risk benefits. See **Market risk benefit (gains) losses.**

Non-GAAP operating income available to common stockholders, a non-GAAP financial measure, increased to $143.6 million in the first quarter of 2024 compared to $124.3 million for the same period in 2023.

In addition to net income (loss) available to common stockholders, we have consistently utilized non-GAAP operating income available to common stockholders, a non-GAAP financial measure commonly used in the life insurance industry, as an economic measure to evaluate our financial performance. Non-GAAP operating income available to common stockholders equals net income (loss) available to common stockholders adjusted to eliminate the impact of items that fluctuate from quarter to quarter in a manner unrelated to core operations, and we believe measures excluding their impact are useful in analyzing operating trends. The most significant adjustments to arrive at non-GAAP operating income available to common stockholders eliminate the impact of fair value accounting for our fixed index annuity business and are not economic in nature but rather impact the timing of reported results. We believe the combined presentation and evaluation of non-GAAP operating income available to common stockholders together with net income (loss) available to common stockholders provides information that may enhance an investor's understanding of our underlying results and profitability.

Non-GAAP operating income available to common stockholders is not a substitute for net income (loss) available to common stockholders determined in accordance with GAAP. The adjustments made to derive non-GAAP operating income available to common stockholders are important to understand our overall results from operations and, if evaluated without proper context, non-GAAP operating income available to common stockholders possesses material limitations. As an example, we could produce a low level of net income available to common stockholders or a net loss available to common stockholders in a given period, despite strong operating performance, if in that period we experience significant net realized losses from our investment portfolio. We could also produce a high level of net income available to common stockholders in a given period, despite poor operating performance, if in that period we generate significant net realized gains from our investment portfolio. As an example of another limitation of non-GAAP operating income available to common stockholders, it does not include the decrease in cash flows expected to be collected as a result of credit losses on financial assets. Therefore, our management reviews net realized investment gains (losses) and analyses of our net investment income, including impacts related to credit losses, in connection with their review of our investment portfolio. In addition, our management examines net income (loss) available to common stockholders as part of their review of our overall financial results.

The adjustments made to net income (loss) available to common stockholders to arrive at non-GAAP operating income available to common stockholders for the three months ended March 31, 2024 and 2023 are set forth in the table that follows:

	Three Months Ended March 31,	
	2024	2023
	(Dollars in thousands)	
Reconciliation from net income (loss) available to common stockholders to non-GAAP operating income available to common stockholders:		
Net income (loss) available to American Equity Investment Life Holding Company common stockholders	$ 332,079	$ (166,913)
Adjustments to arrive at non-GAAP operating income available to common stockholders:		
Net realized losses on financial assets, including credit losses	93,997	24,384
Change in fair value of derivatives and embedded derivatives	(173,388)	206,202
Capital markets impact on the change in fair value of market risk benefits	(169,555)	136,950
Net investment income	(1,622)	(2,491)
Other revenue	5,969	5,969
Expenses incurred related to acquisition	4,477	—
Income taxes	51,626	(79,765)
Non-GAAP operating income available to common stockholders	$ 143,583	$ 124,336

The increase in non-GAAP operating income available to common stockholders for the three months ended March 31, 2024 compared to the same period in 2023 was primarily due to the favorable impact of increases in annuity product charges and increases in other revenue partially offset by decreases in net investment income, increases in the cost of money and increases in other operating expenses.

Annuity product charges (surrender charges assessed against policy withdrawals and fees deducted from policyholder account balances for lifetime income benefit riders) increased 53% to $95.6 million in the first quarter of 2024 compared to $62.6 million for the same period in 2023. The components of annuity product charges are set forth in the table that follows:

	Three Months Ended March 31,	
	2024	2023
	(Dollars in thousands)	
Surrender charges	$ 61,560	$ 26,542
Lifetime income benefit riders (LIBR) fees	34,053	36,049
	$ 95,613	$ 62,591
Withdrawals from annuity policies subject to surrender charges	$ 956,570	$ 460,767
Average surrender charge collected on withdrawals subject to surrender charges	6.4 %	5.8 %
Fund values on policies subject to LIBR fees	$ 4,083,503	$ 4,300,875
Weighted average per policy LIBR fee	0.83 %	0.84 %

The increase in annuity product charges for the three months ended March 31, 2024 compared to the same period in 2023 was attributable to increases in withdrawals from annuity policies subject to surrender charges partially offset by decreases in fees assessed for lifetime income benefit riders due to a smaller volume of business in force subject to the fee.

Net investment income decreased 1% to $554.7 million in the first quarter of 2024 compared to $561.3 million for the same period in 2023. The decrease was primarily attributable to decreases in the average yield earned on average invested assets during the three months ended March 31, 2024 compared to the same period in 2023. Average invested assets excluding derivative instruments was $49.3 billion for the first quarter of 2024 which was consistent with the average invested asset balance of $49.3 billion for the same period in 2023.

The average yield earned on average invested assets was 4.42% for the first quarter of 2024 compared to 4.48% for the same period in 2023. The decrease in yield earned on average invested assets for the three months ended March 31, 2024 compared to the same period in 2023 was primarily due to lower returns on private assets and partnerships and an increase in investment expenses.

The expected return on investments purchased during the three months ended March 31, 2024 was 5.52%, net of third-party investment management expenses, including $3.4 billion of fixed maturity securities and cash equivalents with an expected return of 5.27% and $0.3 billion of privately sourced assets with an expected return of 8.08%. The expected return on investments purchased during the three months ended March 31, 2023 was 7.19%, net of third-party investment management expenses, including $1.3 billion of privately sourced assets with an expected return of 7.89%.

Change in fair value of derivatives primarily consists of call options purchased to fund annual index credits on fixed index annuities. The components of change in fair value of derivatives are as follows:

	Three Months Ended March 31,	
	2024	2023
	(Dollars in thousands)	
Call options:		
Proceeds received at option expiration	$ 260,227	$ 3,601
Pro rata amortization of option cost	(186,050)	(157,271)
Change in unrealized gains/losses	335,590	197,114
Warrants	—	1,321
Interest rate swaps	—	1,125
	$ 409,767	$ 45,890

The differences between the change in fair value of derivatives between periods for call options are primarily due to the performance of the indices upon which our call options are based which impacts the level of gains on call option expirations, the fair values of those call options and changes in the fair values of those call options between periods. The changes in gain (loss) on option expiration and unrealized gains/losses on call options for the three months ended March 31, 2024 compared to the same period in 2023 are due to equity market performance for the three months ended March 31, 2024 compared to the same period in 2023. A substantial portion of our call options are based upon the S&P 500 Index with the remainder based upon other equity and bond market indices. The range of index appreciation (after applicable caps, participation rates and asset fees) for options expiring during the three months ended March 31, 2024 and 2023 is as follows:

	Three Months Ended March 31,	
	2024	2023
S&P 500 Index		
Point-to-point strategy	0.0% - 15.3%	0.0% - 0.0%
Monthly average strategy	0.0% - 13.0%	0.0% - 0.0%
Monthly point-to-point strategy	0.0% - 22.7%	0.0% - 0.0%
Volatility control index point-to-point strategy	0.0% - 8.3%	0.0% - 1.3%
Fixed income (bond index) strategies	0.0% - 4.7%	0.0% - 6.0%

The change in fair value of derivatives is also influenced by the aggregate cost of options purchased. The aggregate cost of options for the three months ended March 31, 2024 was higher than for the same period in 2023 as option costs increased during the first quarter of 2024 compared to the same period of 2023. The aggregate cost of options is also influenced by the amount of policyholder funds allocated to the various indices and market volatility which affects option pricing. See Critical Accounting Policies - Policy Liabilities for Fixed Index Annuities included in Management's Discussion and Analysis in our Annual Report on Form 10-K for the year ended December 31, 2023.

Net realized gains (losses) on investments includes gains and losses on the sale of securities and other investments and changes in allowances for credit losses on our securities and mortgage loans on real estate. Net realized gains (losses) on investments fluctuate from year to year primarily due to changes in the interest rate and economic environments and the timing of the sale of investments. See *Note 3 - Investments* and *Note 4 - Mortgage Loans on Real Estate* to our unaudited consolidated financial statements and Financial Condition - Credit Losses for a detailed presentation of the types of investments that generated the gains (losses) as well as discussion of credit losses on securities recognized during the periods presented and Financial Condition - Investments and *Note 4 - Mortgage Loans on Real Estate* to our unaudited consolidated financial statements for discussion of credit losses recognized on mortgage loans on real estate.

Securities sold at losses are generally due to our long-term fundamental concern with the issuers' ability to meet their future financial obligations or to improve our risk or duration profiles as they pertain to our asset liability management.

Other revenue increased 42% to $23.3 million in the first quarter of 2024 compared to $16.4 million for the same period in 2023. The components of other revenue are summarized as follows:

	Three Months Ended March 31,	
	2024	2023
	(Dollars in thousands)	
Asset liability management fees	$ 5,965	$ 5,991
Amortization of deferred gain	17,289	10,403
	$ 23,254	$ 16,394

The increase in other revenue for the three months ended March 31, 2024 compared to the same period in 2023 was due to an increase in amortization of deferred gains resulting from additional gains deferred related to flow business ceded under the North End Re and AeBe reinsurance treaties.

Interest sensitive and index product benefits increased 425% to $304.2 million in the first quarter of 2024 compared to $57.9 million for the same period in 2023. The components of interest sensitive and index product benefits are summarized as follows:

	Three Months Ended March 31,	
	2024	2023
	(Dollars in thousands)	
Index credits on index policies	$ 242,268	$ 3,533
Interest credited (including changes in minimum guaranteed interest for fixed index annuities)	61,952	54,378
	$ 304,220	$ 57,911

The increase in index credits for the three months ended March 31, 2024 compared to the same period in 2023 was due to changes in the level of appreciation of the underlying indices (see discussion above under **Change in fair value of derivatives**) and the amount of funds allocated by policyholders to the respective index options. Total proceeds received upon expiration of the call options purchased to fund the annual index credits were $260.2 million for the three months ended March 31, 2024, compared to $3.6 million for the same period in 2023. The increase in interest credited for the three months ended March 31, 2024 compared to the same period in 2023 was due to an increase in the average fixed rate being earned on funds earning a fixed rate of interest.

Market risk benefits (gains) losses decreased to $(138.8) million in the first quarter of 2024 compared to $183.7 million for the same period in 2023. The decrease in market risk benefits (gains) losses for the three months ended March 31, 2024 compared to the same period in 2023 was primarily due to the impact of changes in interest rates and equity markets for the three months ended March 31, 2024 compared to the same period in 2023. See *Note 8 - Policyholder Liabilities* to our unaudited consolidated financial statements for further discussion on market risk benefits.

Amortization of deferred sales inducements increased 16% to $54.2 million in the first quarter of 2024 compared to $46.6 million for the same period in 2023. The increase in amortization for 2024 compared to 2023 was primarily due to an increase in deferred sales inducements capitalized resulting from an increase annuity deposits. Amortization of deferred sales inducements is calculated on a constant-level basis over the expected term of the related contracts. Bonus products represented 65% and 63% of our net annuity account values at March 31, 2024 and March 31, 2023, respectively. See *Note 7 - Deferred Policy Acquisition Costs and Deferred Sales Inducements* to our unaudited consolidated financial statements for further discussion on deferred sales inducements.

Change in fair value of embedded derivatives includes changes in the fair value of our fixed index annuity embedded derivatives (see *Note 6 - Derivative Instruments* to our unaudited consolidated financial statements). The components of change in fair value of embedded derivatives are as follows:

	Three Months Ended March 31,	
	2024	2023
	(Dollars in thousands)	
Fixed index annuities - embedded derivatives	$ 203,680	$ 340,060
Reinsurance related embedded derivative	(41,478)	64,380
	$ 162,202	$ 404,440

The change in fair value of the fixed index annuity embedded derivatives resulted from (i) changes in the expected index credits on the next policy anniversary dates, which are related to the change in fair value of the call options acquired to fund those index credits discussed above in **Change in fair value of derivatives**; (ii) changes in the expected annual cost of options we will purchase in the future to fund index credits beyond the next policy anniversary; (iii) changes in the discount rates used in estimating our embedded derivative liabilities; and (iv) the growth in the host component of the policy liability. See Critical Accounting Policies - Policy Liabilities for Fixed Index Annuities included in Management's Discussion and Analysis in our Annual Report on Form 10-K for the year ended December 31, 2023.

The primary reasons for the decrease in the change in fair value of the fixed index annuity embedded derivatives during the three months ended March 31, 2024 compared to the same period of 2023 were increases in the net discount rate used in the calculation during the three months ended March 31, 2024 compared to decreases in the net discount rate for the same period of 2023 and an increase in policyholder surrenders during the three months ended March 31, 2024 compared to the three months ended March 31, 2023. The discount rates used in estimating our embedded derivative liabilities fluctuate based on the changes in the general level of risk free interest rates and our own credit spread.

The reinsurance agreements executed in 2022 with AeBe and 2021 with North End Re to cede certain fixed index annuity product liabilities on a coinsurance funds withheld and modified coinsurance basis contain embedded derivatives. The fair value of these embedded derivatives are based on the unrealized gains and losses of the underlying assets held in the funds withheld and modified coinsurance portfolios. For the three months ended March 31, 2024 the fair value of the underlying assets decreased compared to a increase in the fair value of the assets for the three months ended March 31, 2023. The magnitude of the decreases in the fair value of the underlying assets were primarily a result of changes in the general level of interest rates from period to period. See *Note 6 - Derivative Instruments* for discussion on the reinsurance related embedded derivative.

Amortization of deferred policy acquisition costs increased 13% to $77.3 million in the first quarter of 2024 compared to $68.2 million for the same period in 2023. Amortization of deferred policy acquisition costs is calculated on a constant-level basis over the expected term of the related contracts. The increase in amortization for the three months ended March 31, 2024 compared to the same period in 2023 is primarily due to an increase in deferred policy acquisition costs capitalized resulting from an increase in annuity deposits. See *Note 7 - Deferred Policy Acquisition Costs and Deferred Sales Inducements* to our unaudited consolidated financial statements for further discussion on deferred policy acquisition costs.

Other operating costs and expenses increased 5% to $77.7 million in the first quarter of 2024 compared to $74.0 million for the same period in 2023 and are summarized as follows:

	Three Months Ended March 31,	
	2024	2023
	(Dollars in thousands)	
Salary and benefits	$ 52,929	$ 48,252
Other	24,779	25,752
Total other operating costs and expenses	$ 77,708	$ 74,004

Salary and benefits increased $4.7 million for the three months ended March 31, 2024 compared to the same period in 2023, primarily due to an increase in headcount and an increase in the expense associated with our equity and cash incentive compensation programs ("incentive compensation programs"). The increase in expenses related to our incentive compensation programs was primarily due to increases in the expected payouts due to a larger number of employees participating in the programs.

Income tax expense (benefit) was $93.2 million in the first quarter of 2024 compared to $(36.0) million for the same period in 2023. The changes in income tax expense (benefit) were primarily due to changes in income before income taxes as well as changes in the effective income tax rates. The effective income tax rates were 21.4% and 18.8% for the three months ended March 31, 2024 and 2023, respectively. The increase in the effective income tax rate for the three months ended March 31, 2024 compared to the three months ended March 31, 2023 is primarily due to a non-recurring true up of tax expense which was recognized in the first quarter of 2023 resulting in a decrease in the effective tax rate for the three months ended March 31, 2023.

Income tax expense (benefit) and the resulting effective tax rate are based upon two components of income (loss) before income taxes ("pretax income") that are taxed at different tax rates. Life insurance income is generally taxed at a statutory rate of approximately 21.5% reflecting the absence of state income taxes for substantially all of the states that the life insurance subsidiaries do business in. The income (loss) for the parent company and other non-life insurance subsidiaries (the "non-life insurance group") is generally taxed at a statutory tax rate of 28.7% reflecting the combined federal and state income tax rates. The effective income tax rates resulting from the combination of the income tax provisions for the life and non-life sources of income (loss) vary from period to period based primarily on the relative size of pretax income from the two sources.

We did not provide for a valuation allowance for the deferred income tax asset attributable to unrealized losses on available for sale fixed maturity securities. Management expects that the passage of time will result in the reversal of the unrealized losses on available for sale fixed maturity securities due to the fair value increasing as these securities near maturity. We have the intent and ability to hold these securities to maturity and do not believe it would be necessary to liquidate these securities at a loss. In addition, we have the ability to sell fixed maturity securities in unrealized gain positions to offset realized deferred income tax assets attributable to unrealized losses on available for sale fixed maturity securities. To the extent future changes in facts and circumstances impact our intent and ability to hold these assets to recovery, this could impact the realization of the deferred tax asset.

Financial Condition

Investments

Our investment strategy is to maximize current income and total investment return through active management while maintaining a responsible asset allocation strategy containing high credit quality investments and providing adequate liquidity to meet our cash obligations to policyholders and others. Our investment strategy is also reflective of insurance statutes, which regulate the type of investments that our life subsidiaries are permitted to make and which limit the amount of funds that may be used for any one type of investment.

As previously noted, as part of our AEL 2.0 investment pillar, we have increased our allocation to private assets in part by partnering with proven asset managers in our focus expansion sectors of commercial real estate, residential real estate including mortgages and single family rental homes, infrastructure debt and equity, middle market lending and lending to revenue, technology and software sector companies.

The composition of our investment portfolio is summarized as follows:

	March 31, 2024		December 31, 2023	
	Carrying Amount	Percent	Carrying Amount	Percent
	(Dollars in thousands)			
Fixed maturity securities:				
U.S. Government and agencies	$ 27,137	0.1 %	$ 171,141	0.4 %
States, municipalities and territories	2,793,464	7.8 %	3,075,024	7.7 %
Foreign corporate securities and foreign governments	362,123	1.0 %	408,936	1.0 %
Corporate securities	13,582,325	37.3 %	16,076,506	40.0 %
Residential mortgage backed securities	799,296	2.2 %	1,208,317	3.0 %
Commercial mortgage backed securities	2,334,887	6.4 %	2,624,123	6.5 %
Other asset backed securities	4,810,804	13.2 %	5,202,395	12.9 %
Total fixed maturity securities	24,710,036	68.0 %	28,766,442	71.5 %
Mortgage loans on real estate	6,969,972	19.1 %	7,231,667	18.0 %
Real estate investments	1,363,604	3.7 %	1,334,247	3.3 %
Limited partnerships and limited liability companies	1,066,273	2.9 %	1,089,591	2.7 %
Derivative instruments	1,617,000	4.4 %	1,207,288	3.0 %
Other investments	685,358	1.9 %	590,271	1.5 %
	36,412,243	100.0 %	40,219,506	100.0 %
Coinsurance investments (1)	8,585,596		8,007,518	
	$ 44,997,839		$ 48,227,024	

(1) Investments held by American Equity Life in a segregated account to support liabilities reinsured under both coinsurance with funds withheld and modified coinsurance reinsurance agreements.

Fixed Maturity Securities

Our fixed maturity security portfolio is managed to minimize risks such as interest rate changes and defaults or credit losses while earning a sufficient and stable return on our investments. The largest portion of our fixed maturity securities are in investment grade (typically NAIC designation 1 or 2) publicly traded or privately placed corporate securities.

A summary of our fixed maturity securities by NRSRO ratings is as follows:

	March 31, 2024			December 31, 2023		
Rating Agency Rating (2)	**Amortized Cost**	**Carrying Amount**	**Percent of Fixed Maturity Securities**	**Amortized Cost**	**Carrying Amount**	**Percent of Fixed Maturity Securities**
	(Dollars in thousands)					
Aaa/Aa/A	$ 17,217,079	$ 14,946,678	60.9 %	$ 19,237,683	$ 17,030,736	59.8 %
Baa	9,983,466	8,715,703	35.6 %	12,036,591	10,801,336	37.9 %
Total investment grade	27,200,545	23,662,381	96.5 %	31,274,274	27,832,072	97.7 %
Ba	648,806	607,167	2.5 %	539,417	489,286	1.7 %
B	167,341	147,926	0.6 %	144,657	128,150	0.4 %
Caa	111,156	85,074	0.3 %	21,295	18,497	0.1 %
Ca and lower	25,990	24,799	0.1 %	30,504	31,383	0.1 %
Total below investment grade	953,293	864,966	3.5 %	735,873	667,316	2.3 %
	28,153,838	24,527,347	100.0 %	32,010,147	28,499,388	100.0 %
Coinsurance investments (1)	7,637,921	7,322,720		6,277,105	6,014,040	
	$ 35,791,759	$ 31,850,067		$ 38,287,252	$ 34,513,428	

(1) Investments held by American Equity Life in a segregated account to support liabilities reinsured under both coinsurance with funds withheld and modified coinsurance reinsurance agreements.

(2) The table excludes residual tranche securities that are not rated with an amortized cost of $218,062 and $250,210 and carrying amount of $194,312 and $267,054 as of March 31, 2024 and December 31, 2023, respectively.

The NAIC's Securities Valuation Office ("SVO") is responsible for the day-to-day credit quality assessment of securities owned by state regulated insurance companies. The purpose of such assessment and valuation is for determining regulatory capital requirements and regulatory reporting. Insurance companies report ownership to the SVO when such securities are eligible for regulatory filings. The SVO conducts credit analysis on these securities for the purpose of assigning a NAIC designation and/or unit price. Typically, if a security has been rated by an NRSRO, the SVO utilizes that rating and assigns a NAIC designation based upon the following system:

NAIC Designation	NRSRO Equivalent Rating
1	Aaa/Aa/A
2	Baa
3	Ba
4	B
5	Caa
6	Ca and lower

There are 20 NAIC designation modifiers that are applied to each NAIC designation to determine a security's NAIC designation category.

For most of the bonds held in our portfolio the NAIC designation matches the NRSRO equivalent rating. However, for certain loan-backed and structured securities, as defined by the NAIC, the NAIC rating is not always equivalent to the NRSRO rating presented in the previous table. The NAIC has adopted revised rating methodologies for certain loan-backed and structured securities comprising non-agency residential mortgage backed securities ("RMBS") and commercial mortgage backed securities ("CMBS"). The NAIC's objective with the revised rating methodologies for these structured securities is to increase the accuracy in assessing expected losses and use the improved assessment to determine a more appropriate capital requirement for such structured securities. The revised methodologies reduce regulatory reliance on rating agencies and allow for greater regulatory input into the assumptions used to estimate expected losses from structured securities.

The use of this process by the SVO may result in certain non-agency RMBS and CMBS being assigned an NAIC designation that is different than the equivalent NRSRO rating. The NAIC designations for non-agency RMBS and CMBS are based on security level expected losses as modeled by an independent third party (engaged by the NAIC) and the statutory carrying value of the security, including any purchase discounts or impairment charges previously recognized. Evaluation of non-agency RMBS and CMBS held by insurers using the NAIC rating methodologies is performed on an annual basis.

Our fixed maturity security portfolio is managed to minimize risks such as defaults or impairments while earning a sufficient and stable return on our investments. Our strategy with respect to our fixed maturity securities portfolio has been to invest primarily in investment grade securities. Investment grade is NAIC 1 and 2 securities and Baa3/BBB- and better securities on the NRSRO scale. We expect this strategy to meet the objective of minimizing risk while also managing asset capital charges on a regulatory capital basis.

A summary of our fixed maturity securities by NAIC designation is as follows:

	March 31, 2024				December 31, 2023			
NAIC Designation (2)	Amortized Cost	Fair Value	Carrying Amount	Percent of Total Carrying Amount	Amortized Cost	Fair Value	Carrying Amount	Percent of Total Carrying Amount
	(Dollars in thousands)				(Dollars in thousands)			
1	$ 17,579,598	$ 15,268,740	$ 15,268,740	62.3 %	$ 19,330,614	$ 17,116,519	$ 17,116,519	60.1 %
2	9,738,038	8,496,188	8,496,188	34.6 %	11,895,433	10,680,088	10,680,088	37.5 %
3	591,653	560,412	560,412	2.3 %	517,425	476,419	476,419	1.7 %
4	150,371	130,786	130,786	0.5 %	168,694	147,692	147,692	0.5 %
5	88,780	67,299	67,299	0.3 %	88,581	68,538	68,538	0.2 %
6	5,398	3,922	3,922	— %	9,400	10,132	10,132	— %
	28,153,838	24,527,347	24,527,347	100.0 %	32,010,147	28,499,388	28,499,388	100.0 %
Coinsurance investments (1)	7,637,921	7,322,720	7,322,720		6,277,105	6,014,040	6,014,040	
	$ 35,791,759	$ 31,850,067	$ 31,850,067		$ 38,287,252	$ 34,513,428	$ 34,513,428	

(1) Investments held by American Equity Life in a segregated account to support liabilities reinsured under both coinsurance with funds withheld and modified coinsurance reinsurance agreements.

(2) The table excludes residual tranche securities that are not rated with an amortized cost of $218,062 and $250,210 and fair value and carrying amount of $194,312 and $267,054 as of March 31, 2024 and December 31, 2023, respectively.

The amortized cost and fair value of fixed maturity securities at March 31, 2024, by contractual maturity, are presented in *Note 3 - Investments* to our unaudited consolidated financial statements in this Form 10-Q, which is incorporated by reference in this Item 2.

Unrealized Losses

The amortized cost and fair value of fixed maturity securities that were in an unrealized loss position were as follows:

	Number of Securities	Amortized Cost	Unrealized Losses, Net of Allowance	Allowance for Credit Losses	Fair Value
			(Dollars in thousands)		
March 31, 2024					
Fixed maturity securities, available for sale:					
U.S. Government and agencies	15	$ 27,951	$ (1,230)	$ —	$ 26,721
States, municipalities and territories	485	3,184,147	(569,800)	—	2,614,347
Foreign corporate securities and foreign governments	32	431,422	(70,401)	—	361,021
Corporate securities	1,451	15,452,091	(2,464,045)	(3,293)	12,984,753
Residential mortgage backed securities	183	784,221	(107,512)	—	676,709
Commercial mortgage backed securities	261	2,670,131	(349,578)	—	2,320,553
Other asset backed securities	340	3,309,730	(148,314)	(225)	3,161,191
	2,767	25,859,693	(3,710,880)	(3,518)	22,145,295
Coinsurance investments (1)	758	3,589,164	(419,476)	—	3,169,688
	3,525	$ 29,448,857	$ (4,130,356)	$ (3,518)	$ 25,314,983
December 31, 2023					
Fixed maturity securities, available for sale:					
U.S. Government and agencies	20	$ 104,874	$ (2,148)	$ —	$ 102,726
States, municipalities and territories	489	3,276,193	(558,314)	—	2,717,879
Foreign corporate securities and foreign governments	35	468,184	(62,535)	—	405,649
Corporate securities	1,575	17,198,639	(2,266,287)	(3,412)	14,928,940
Residential mortgage backed securities	209	1,091,278	(112,553)	—	978,725
Commercial mortgage backed securities	275	3,024,365	(412,925)	—	2,611,440
Other asset backed securities	446	3,996,185	(163,133)	(618)	3,832,434
	3,049	29,159,718	(3,577,895)	(4,030)	25,577,793
Coinsurance investments (1)	590	2,887,194	(412,944)	—	2,474,250
	3,639	$ 32,046,912	$ (3,990,839)	$ (4,030)	$ 28,052,043

(1) Investments held by American Equity Life in a segregated account to support liabilities reinsured under both coinsurance with funds withheld and modified coinsurance reinsurance agreements.

The unrealized losses at March 31, 2024 are principally related to the timing of the purchases of certain securities, which carry less yield than those available at March 31, 2024. Approximately 98% and 98% of the unrealized losses on fixed maturity securities shown in the above table for March 31, 2024 and December 31, 2023, respectively, are on securities that are rated investment grade, defined as being the highest two NAIC designations.

The increase in unrealized losses from December 31, 2023 to March 31, 2024 was primarily due to increases in treasury yields during the three months ended March 31, 2024. The 10-year U.S. Treasury yields at March 31, 2024 and December 31, 2023 were 4.20% and 3.88%, respectively. The 30-year U.S. Treasury yields at March 31, 2024 and December 31, 2023 were 4.34% and 4.03%, respectively.

The following table sets forth the composition by credit quality (NAIC designation) of fixed maturity securities with gross unrealized losses:

NAIC Designation (2)	Carrying Value of Securities with Gross Unrealized Losses	Percent of Total	Gross Unrealized Losses (1)	Percent of Total
	(Dollars in thousands)			
March 31, 2024				
1	$ 13,261,367	60.3 %	$ (2,338,657)	63.7 %
2	7,981,295	36.3 %	(1,256,954)	34.3 %
3	549,710	2.5 %	(31,484)	0.9 %
4	130,786	0.6 %	(19,585)	0.5 %
5	66,353	0.3 %	(21,533)	0.6 %
6	1,896	— %	(209)	— %
	21,991,407	100.0 %	(3,668,422)	100.0 %
Coinsurance investments (3)	3,169,688		(419,476)	
	$ 25,161,095		$ (4,087,898)	
December 31, 2023				
1	$ 15,299,508	59.8 %	$ (2,254,792)	63.0 %
2	9,631,686	37.7 %	(1,240,985)	34.7 %
3	412,128	1.6 %	(40,770)	1.1 %
4	145,172	0.6 %	(21,005)	0.6 %
5	66,883	0.3 %	(20,174)	0.6 %
6	1,838	— %	(148)	— %
	25,557,215	100.0 %	(3,577,874)	100.0 %
Coinsurance investments (3)	2,474,250		(412,944)	
	$ 28,031,465		$ (3,990,818)	

(1) Gross unrealized losses have been adjusted to reflect the allowance for credit loss of $3.5 million and $4.0 million as of March 31, 2024 and December 31, 2023, respectively.

(2) The table excludes residual tranche securities that are not rated with a carrying value of $153,888 and $20,578 and gross unrealized losses of $42,458 and $21 as of March 31, 2024 and December 31, 2023, respectively.

(3) Investments held by American Equity Life in a segregated account to support liabilities reinsured under both coinsurance with funds withheld and modified coinsurance reinsurance agreements.

Our investments' gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at March 31, 2024 and December 31, 2023, along with a description of the factors causing the unrealized losses is presented in *Note 3 - Investments* to our unaudited consolidated financial statements in this Form 10-Q, which is incorporated by reference in this Item 2.

The amortized cost and fair value of fixed maturity securities in an unrealized loss position and the number of months in a continuous unrealized loss position (fixed maturity securities that carry an NRSRO rating of BBB/Baa or higher are considered investment grade) were as follows:

	Number of Securities	Amortized Cost, Net of Allowance (1)	Fair Value	Gross Unrealized Losses, Net of Allowance (1)
			(Dollars in thousands)	
March 31, 2024				
Fixed maturity securities, available for sale:				
Investment grade:				
Less than six months	133	$ 666,136	$ 640,207	$ (25,929)
Six months or more and less than twelve months	71	818,612	790,509	(28,103)
Twelve months or greater	2,460	23,353,525	19,811,946	(3,541,579)
Total investment grade	2,664	24,838,273	21,242,662	(3,595,611)
Below investment grade:				
Less than six months	11	135,725	134,398	(1,327)
Six months or more and less than twelve months	5	9,139	7,844	(1,295)
Twelve months or greater	85	676,692	606,503	(70,189)
Total below investment grade (2)	101	821,556	748,745	(72,811)
	2,765	25,659,829	21,991,407	(3,668,422)
Coinsurance investments (3)	758	3,589,164	3,169,688	(419,476)
	3,523	$ 29,248,993	$ 25,161,095	$ (4,087,898)
December 31, 2023				
Fixed maturity securities, available for sale:				
Investment grade:				
Less than six months	267	$ 3,672,980	$ 3,356,334	$ (316,646)
Six months or more and less than twelve months	153	1,408,827	1,353,478	(55,349)
Twelve months or greater	2,529	23,345,164	20,221,382	(3,123,782)
Total investment grade	2,949	28,426,971	24,931,194	(3,495,777)
Below investment grade:				
Less than six months	4	11,946	10,165	(1,781)
Six months or more and less than twelve months	9	55,147	46,680	(8,467)
Twelve months or greater	85	641,025	569,176	(71,849)
Total below investment grade (2)	98	708,118	626,021	(82,097)
	3,047	29,135,089	25,557,215	(3,577,874)
Coinsurance investments (3)	590	2,887,194	2,474,250	(412,944)
	3,637	$ 32,022,283	$ 28,031,465	$ (3,990,818)

(1) Amortized cost and gross unrealized losses have been adjusted to reflect the allowance for credit loss of $3.5 million and $4.0 million as of March 31, 2024 and December 31, 2023, respectively.

(2) The table excludes 2 and 2 residual tranche securities that are not rated with an amortized cost of $196,346 and $20,599, a fair value of $153,888 and $20,578, and gross unrealized losses of $42,458 and $21 as of March 31, 2024 and December 31, 2023, respectively.

(3) Investments held by American Equity Life in a segregated account to support liabilities reinsured under both coinsurance with funds withheld and modified coinsurance reinsurance agreements.

The amortized cost and fair value of fixed maturity securities (excluding U.S. Government and agencies) segregated by investment grade (NRSRO rating of BBB/Baa or higher) and below investment grade that had unrealized losses greater than 20%, when comparing fair value to amortized cost, and the number of months in a continuous unrealized loss position were as follows:

	Number of Securities	Amortized Cost, Net of Allowance (1)	Fair Value	Gross Unrealized Losses, Net of Allowance (1)
			(Dollars in thousands)	
March 31, 2024				
Investment grade:				
Less than six months	84	$ 1,057,662	$ 828,842	$ (228,820)
Six months or more and less than twelve months	40	293,444	225,124	(68,320)
Twelve months or greater	347	4,820,006	3,459,525	(1,360,481)
Total investment grade	471	6,171,112	4,513,491	(1,657,621)
Below investment grade:				
Less than six months	3	30,636	23,423	(7,213)
Six months or more and less than twelve months	7	28,765	21,312	(7,453)
Twelve months or greater	8	72,148	53,476	(18,672)
Total below investment grade	18	131,549	98,211	(33,338)
	489	6,302,661	4,611,702	(1,690,959)
Coinsurance investments (2)	272	1,042,489	735,031	(307,458)
	761	$ 7,345,150	$ 5,346,733	$ (1,998,417)
December 31, 2023				
Investment grade:				
Less than six months	30	$ 209,705	$ 162,277	$ (47,428)
Six months or more and less than twelve months	88	709,471	549,468	(160,003)
Twelve months or greater	321	4,777,499	3,524,402	(1,253,097)
Total investment grade	439	5,696,675	4,236,147	(1,460,528)
Below investment grade:				
Less than six months	4	5,853	4,359	(1,494)
Six months or more and less than twelve months	6	61,424	46,059	(15,365)
Twelve months or greater	6	81,192	61,306	(19,886)
Total below investment grade	16	148,469	111,724	(36,745)
	455	5,845,144	4,347,871	(1,497,273)
Coinsurance investments (2)	285	1,180,716	857,195	(323,521)
	740	$ 7,025,860	$ 5,205,066	$ (1,820,794)

(1) Amortized cost and gross unrealized losses have been adjusted to reflect the allowance for credit loss of $3.5 million and $4.0 million as of March 31, 2024 and December 31, 2023, respectively.

(2) Investments held by American Equity Life in a segregated account to support liabilities reinsured under both coinsurance with funds withheld and modified coinsurance reinsurance agreements.

The amortized cost and fair value of fixed maturity securities, by contractual maturity, that were in an unrealized loss position are shown below. Actual maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. All of our mortgage and other asset backed securities provide for periodic payments throughout their lives, and are shown below as a separate line.

	Available for sale	
	Amortized Cost	Fair Value
	(Dollars in thousands)	
March 31, 2024		
Due in one year or less	$ 189,926	$ 184,356
Due after one year through five years	2,068,377	1,950,235
Due after five years through ten years	3,457,425	3,073,143
Due after ten years through twenty years	5,890,231	4,947,687
Due after twenty years	7,489,652	5,831,421
	19,095,611	15,986,842
Residential mortgage backed securities	784,221	676,709
Commercial mortgage backed securities	2,670,131	2,320,553
Other asset backed securities	3,309,730	3,161,191
	25,859,693	22,145,295
Coinsurance investments (1)	3,589,164	3,169,688
	$ 29,448,857	$ 25,314,983
December 31, 2023		
Due in one year or less	$ 586,768	$ 580,734
Due after one year through five years	2,649,827	2,512,087
Due after five years through ten years	3,865,169	3,492,857
Due after ten years through twenty years	6,152,389	5,298,397
Due after twenty years	7,793,737	6,271,119
	21,047,890	18,155,194
Residential mortgage backed securities	1,091,278	978,725
Commercial mortgage backed securities	3,024,365	2,611,440
Other asset backed securities	3,996,185	3,832,434
	29,159,718	25,577,793
Coinsurance investments (1)	2,887,194	2,474,250
	$ 32,046,912	$ 28,052,043

(1) Investments held by American Equity Life in a segregated account to support liabilities reinsured under both coinsurance with funds withheld and modified coinsurance reinsurance agreements.

International Exposure

We hold fixed maturity securities with international exposure. As of March 31, 2024, 14.0% of the carrying value of our fixed maturity securities was comprised of corporate debt securities of issuers based outside of the United States and debt securities of foreign governments. Our fixed maturity securities with international exposure are primarily denominated in U.S. dollars. Our investment professionals analyze each holding for credit risk by economic and other factors of each country and industry. The following table presents our international exposure in our fixed maturity portfolio by country or region:

	March 31, 2024		
	Amortized Cost	Carrying Amount/ Fair Value	Percent of Total Carrying Amount
	(Dollars in thousands)		
Europe	$ 1,525,728	$ 1,323,098	5.4 %
Asia/Pacific	327,815	277,281	1.1 %
Latin America	242,552	206,952	0.9 %
Non-U.S. North America	712,677	619,441	2.5 %
Australia & New Zealand	689,434	615,900	2.5 %
Other	474,704	391,103	1.6 %
	3,972,910	3,433,775	14.0 %
Coinsurance investments (1)	2,019,743	1,928,811	
	$ 5,992,653	$ 5,362,586	

(1) Investments held by American Equity Life in a segregated account to support liabilities reinsured under both coinsurance with funds withheld and modified coinsurance reinsurance agreements.

All of the securities presented in the table above are investment grade (NAIC designation of either 1 or 2), except for the following:

	March 31, 2024	
	Amortized Cost	Carrying Amount/ Fair Value
	(Dollars in thousands)	
Europe	$ 101,055	$ 93,290
Asia/Pacific	8	8
Latin America	36,265	34,613
Non-U.S. North America	21,871	19,453
Australia & New Zealand	229	216
Other	78,280	62,085
	237,708	209,665
Coinsurance investments (1)	67,940	51,618
	$ 305,648	$ 261,283

(1) Investments held by American Equity Life in a segregated account to support liabilities reinsured under both coinsurance with funds withheld and modified coinsurance reinsurance agreements.

Watch List

At each balance sheet date, we identify invested assets which have characteristics (i.e., significant unrealized losses compared to amortized cost and industry trends) creating uncertainty as to our future assessment of credit losses. As part of this assessment, we review not only a change in current price relative to amortized cost but the issuer's current credit rating and the probability of full recovery of principal based upon the issuer's financial strength. For corporate issuers, we evaluate the financial stability and quality of asset coverage for the securities relative to the term to maturity for the issues we own. For structured securities, we evaluate changes in factors such as collateral performance, default rates, loss severity and expected cash flows. At March 31, 2024, the amortized cost and fair value of securities on the watch list (all fixed maturity securities) are as follows:

General Description	Number of Securities	Amortized Cost	Allowance for Credit Losses	Amortized Cost, Net of Allowance	Net Unrealized Gains (Losses), Net of Allowance	Fair Value
			(Dollars in thousands)			
States, municipalities and territories	2	$ 22,715	$ —	$ 22,715	$ (5,039)	$ 17,676
Corporate securities - Public securities	4	27,500	—	27,500	(3,217)	24,283
Corporate securities - Private placement securities	1	5,180	(3,293)	1,887	(177)	1,710
Residential mortgage backed securities	47	63,665	—	63,665	(9,881)	53,784
Commercial mortgage backed securities	16	139,983	—	139,983	(23,656)	116,327
Other asset backed securities	1	894	—	894	53	947
Collateralized loan obligations	22	159,090	(225)	158,865	(11,564)	147,301
	93	$ 419,027	$ (3,518)	$ 415,509	$ (53,481)	$ 362,028

We expect to recover the unrealized losses, net of allowances, as we did not have the intent to sell and it is not more likely than not that we would be required to sell these securities prior to recovery of the amortized cost basis, net of allowances. Our analysis of these securities and their credit performance at March 31, 2024 is as follows:

States, municipalities and territories: The decline in value of the largest security is in this category is primarily due to the security being recently restructured as part of bankruptcy proceedings and uncertainty around the impact of the restructure.

Corporate securities: The corporate securities included on the watch list primarily represent securities in the utilities industry that have potential exposure related to the wildfires in Maui and a security in the utilities industry that is under financial stress due to the impact of power outages.

Structured securities: The structured securities included on the watch list have generally experienced higher levels of stress due to current economic conditions.

Credit Losses

We have a policy and process to identify securities in our investment portfolio for which we recognize credit loss. See *Note 3 - Investments* to our unaudited consolidated financial statements.

During the three months ended March 31, 2024, we did not recognize any additional credit losses on investment securities.

During the three months ended March 31, 2023, we recognized $0.8 million of credit losses due to our intent to sell certain securities that were in an unrealized loss position.

Several factors led us to believe that full recovery of amortized cost is not expected on the securities for which we recognized credit losses. A discussion of these factors, our policy and process to identify securities that could potentially have credit loss is presented in *Note 3 - Investments* to our unaudited consolidated financial statements in this Form 10-Q, which is incorporated by reference in this Item 2.

Mortgage Loans on Real Estate

Our financing receivables consist of three mortgage loan portfolio segments: commercial mortgage loans, agricultural mortgage loans and residential mortgage loans. Our commercial mortgage loan portfolio consists of loans with an outstanding principal balance of $3.5 billion and $3.6 billion as of March 31, 2024 and December 31, 2023, respectively. This portfolio consists of mortgage loans collateralized by the related properties and is diversified as to property type, location and loan size. Our mortgage lending policies establish limits on the amount that can be loaned to one borrower and other criteria to attempt to reduce the risk of default. Our agricultural mortgage loan portfolio consists of loans with an outstanding principal balance of $576.2 million and $581.3 million as of March 31, 2024 and December 31, 2023, respectively. These loans are collateralized by agricultural land and are diversified as to location within the United States. Our residential mortgage loan portfolio consists of loans with an outstanding principal balance of $3.2 billion and $3.4 billion as of March 31, 2024 and December 31, 2023, respectively. These loans are collateralized by the related properties and diversified as to location within the United States. Mortgage loans on real estate are generally reported at cost adjusted for amortization of premiums and accrual of discounts, computed using the interest method and net of valuation allowances.

At March 31, 2024 and December 31, 2023, the largest principal amount outstanding for any single commercial mortgage loan was $79.2 million and $79.2 million, respectively, and the average loan size was $6.0 million and $6.0 million, respectively. In addition, the average loan-to-value ratio for commercial and agricultural mortgage loans combined was 50.3% and 50.5% at March 31, 2024 and December 31, 2023, respectively, based upon the underwriting and appraisal at the time the loan was made. This loan-to-value ratio is indicative of our conservative underwriting policies and practices for originating mortgage loans and may not be indicative of collateral values at the current reporting date. Our current practice is to only obtain market value appraisals of the underlying collateral at the inception of the loan unless we identify indicators of impairment in our ongoing analysis of the portfolio, in which case, we either calculate a value of the collateral using a capitalization method or obtain a third party appraisal of the underlying collateral. The commercial mortgage loan portfolio is summarized by geographic region and property type in *Note 4 - Mortgage Loans on Real Estate* to our unaudited consolidated financial statements in this Form 10-Q, incorporated by reference in this Item 2.

In the normal course of business, we commit to fund mortgage loans up to 90 days in advance. At March 31, 2024, we had commitments to fund commercial mortgage loans totaling $194.5 million, with interest rates ranging from 6.68% to 10.42%. For the three months ended March 31, 2024, we received $63.4 million in cash for loans being paid in full compared to $51.2 million for the three months ended March 31, 2023. Some of the loans being paid off have either reached their maturity or are nearing maturity. At March 31, 2024, we had commitments to fund agricultural mortgage loans totaling $17.3 million, with interest rates ranging from 3.75% to 10.78%, and had commitments to fund residential mortgage loans totaling $364.0 million with interest rates ranging from 6.70% to 12.00%.

See *Note 4 - Mortgage Loans on Real Estate* to our unaudited consolidated financial statements, incorporated by reference, for a presentation of our valuation allowance, and foreclosure activity. We have a process by which we evaluate the credit quality of each of our mortgage loans. This process utilizes each loan's loan-to-value and debt service coverage ratios as primary metrics. See *Note 4 - Mortgage Loans on Real Estate* to our unaudited consolidated financial statements, incorporated by reference, for a summary of our portfolio by loan-to-value and debt service coverage ratios.

We closely monitor loan performance for our commercial, agricultural and residential mortgage loan portfolios. Commercial, agricultural and residential loans are considered nonperforming when they are 90 days or more past due. Aging of financing receivables is summarized in the following table:

	Current	30-59 days past due	60-89 days past due	Over 90 days past due	Total
As of March 31, 2024:			**(Dollars in thousands)**		
Commercial mortgage loans	$ 3,475,609	$ —	$ —	$ —	$ 3,475,609
Agricultural mortgage loans	572,401	—	—	2,184	574,585
Residential mortgage loans	3,110,639	2,760	47,847	112,404	3,273,650
Total mortgage loans	$ 7,158,649	$ 2,760	$ 47,847	$ 114,588	$ 7,323,844
As of December 31, 2023:					
Commercial mortgage loans	$ 3,544,999	$ —	$ —	$ —	$ 3,544,999
Agricultural mortgage loans	567,038	—	—	12,595	579,633
Residential mortgage loans	3,226,991	100,759	33,246	90,101	3,451,097
Total mortgage loans	$ 7,339,028	$ 100,759	$ 33,246	$ 102,696	$ 7,575,729

Private Assets

The following table is a breakout of our private asset investments as of March 31, 2024 and December 31, 2023.

	March 31, 2024		December 31, 2023	
Private Asset Class	**Amount**	**Percent**	**Amount**	**Percent**
	(Dollars in thousands)			
Real estate loans				
Commercial	$ 3,161,925	6.4 %	$ 3,237,657	6.5 %
Residential	3,408,750	7.0 %	3,582,533	7.2 %
Agricultural	574,585	1.2 %	579,633	1.2 %
Total real estate loans	7,145,260	14.6 %	7,399,823	14.9 %
Private credit				
Middle market	2,246,830	4.6 %	2,141,365	4.3 %
Specialty finance	622,892	1.3 %	661,800	1.3 %
Infrastructure debt	761,005	1.5 %	757,631	1.5 %
Total private credit	3,630,727	7.4 %	3,560,796	7.1 %
Equity				
Residential real estate	1,279,927	2.6 %	1,223,814	2.5 %
Commercial real estate	76,884	0.2 %	97,233	0.2 %
Infrastructure	195,839	0.4 %	193,700	0.4 %
Core private equity	313,651	0.6 %	335,162	0.7 %
Total equity	1,866,301	3.8 %	1,849,909	3.8 %
Total private assets	$ 12,642,288	25.8 %	$ 12,810,528	25.8 %

The investment balances within the table above include fixed maturity securities and mortgage loans at amortized cost and real estate and other investments at carrying values as reflected in the Consolidated Balance Sheets.

Derivative Instruments

Our derivative instruments consist of call options purchased to provide the income needed to fund the annual index credits on our fixed index annuity products and interest rate swaps used to hedge against changes in fair value due to changes in interest rates. The interest rate swaps were fully disposed of as of December 31, 2023. The fair value of the call options is based upon the amount of cash that would be required to settle the call options obtained from the counterparties adjusted for the nonperformance risk of the counterparty. The nonperformance risk for each counterparty is based upon its credit default swap rate. We have no performance obligations related to the call options. The fair value of the pay fixed/receive float interest rate swaps were determined using internal valuation models that generate discounted expected future cash flows by constructing a projected Secure Overnight Financing Rate (SOFR) curve over the term of the swap.

Our interest rate swaps qualified for hedge accounting and our call options do not qualify for hedge accounting. Any change in the fair value of the derivatives is recognized immediately in the Consolidated Statements of Operations. A presentation of our derivative instruments along with a discussion of the business strategy involved with our derivatives for both our derivatives designated as hedging instruments and our derivatives not designated as hedging instruments is included in *Note 6 - Derivative Instruments* to our unaudited consolidated financial statements in this Form 10-Q, which is incorporated by reference in this Item 2.

Liquidity and Capital Resources

Our insurance subsidiaries generally have adequate cash flows from annuity deposits and investment income to meet their policyholder and other obligations. Net cash flows from annuity deposits and funds returned to policyholders as surrenders, withdrawals and death claims were $(654.5) million for the three months ended March 31, 2024 compared to $(483.5) million for the three months ended March 31, 2023, with the decrease attributable to a $1,062.9 million increase in net annuity deposits after coinsurance partially offset by a $1,233.9 million (after coinsurance) increase in funds returned to policyholders. We continue to invest the net proceeds from policyholder transactions and investment activities in high quality fixed maturity securities, mortgage loans, and other high quality private assets. We have a highly liquid investment portfolio that can be used to meet policyholder and other obligations as needed.

We, as the parent company of our insurance subsidiaries, are a legal entity separate and distinct from our subsidiaries, and have no business operations. We need liquidity primarily to service our debt (senior notes, term loan and subordinated debentures issued to a subsidiary trust), pay operating expenses and pay dividends to preferred stockholders. Our assets consist primarily of the capital stock and surplus notes of our subsidiaries. Accordingly, our future cash flows depend upon the availability of dividends, surplus note interest payments and other statutorily permissible payments from our subsidiaries, such as payments under our investment advisory agreements and tax allocation agreement with our subsidiaries. We expect these sources will provide adequate cash flow for us to meet our current and reasonably foreseeable future obligations.

The ability of our life insurance subsidiaries to pay dividends or distributions, including surplus note payments, will be limited by applicable laws and regulations of the states in which our life insurance subsidiaries are domiciled, which subject our life insurance subsidiaries to significant regulatory restrictions. These laws and regulations require, among other things, our insurance subsidiaries to maintain minimum solvency requirements and limit the amount of dividends these subsidiaries can pay.

Currently, American Equity Life may pay dividends or make other distributions without the prior approval of the Iowa Insurance Commissioner, unless such payments, together with all other such payments within the preceding twelve months, exceed the greater of (1) American Equity Life's net gain from operations for the preceding calendar year, or (2) 10% of American Equity Life's statutory capital and surplus at the preceding December 31. For 2024, up to $373.1 million can yet be distributed as dividends by American Equity Life without prior approval of the Iowa Insurance Commissioner. In January 2024, a $320 million dividend was paid and approved by American Equity Life to the Company. In addition, dividends and surplus note payments may be made only out of statutory earned surplus, and all surplus note payments are subject to prior approval by regulatory authorities in the life subsidiary's state of domicile. At March 31, 2024, American Equity Life had $1.6 billion of statutory earned surplus and $3.8 billion of total adjusted capital.

The maximum distribution permitted by law or contract is not necessarily indicative of an insurer's actual ability to pay such distributions, which may be constrained by business and regulatory considerations, such as the impact of such distributions on surplus, which could affect the insurer's ratings or competitive position, the amount of premiums that can be written and the ability to pay future dividends or make other distributions. Further, state insurance laws and regulations require that the statutory surplus of our life subsidiaries following any dividend or distribution must be reasonable in relation to their outstanding liabilities and adequate for their financial needs. Along with solvency regulations, the primary driver in determining the amount of capital used for dividends is the level of capital needed to maintain desired financial strength ratings from rating agencies. Both regulators and rating agencies could become more conservative in their methodology and criteria, including increasing capital requirements for our insurance subsidiaries which, in turn, could negatively affect the cash available to us from insurance subsidiaries. As of March 31, 2024, we estimate American Equity Life has sufficient statutory capital and surplus, combined with capital available to the holding company, to maintain its insurer financial strength rating objective. However, this capital may not be sufficient if significant future losses are incurred or a rating agency modifies its rating criteria and access to additional capital could be limited.

Cash and cash equivalents of the parent holding company at March 31, 2024, were $964.5 million. We also have the ability to issue equity, debt or other types of securities through one or more methods of distribution. The terms of any offering would be established at the time of the offering, subject to market conditions.

In January 2022, American Equity Life became a member of the Federal Home Loan Bank of Des Moines ("FHLB") which provides access to collateralized borrowings and other FHLB products. We may also issue funding agreements to the FHLB. Both the collateralized borrowings and funding agreements require us to pledge qualified assets as collateral. Obligations arising from funding agreements, which totaled $0.0 million as of March 31, 2024 are used in investment spread activities.

New Accounting Pronouncements

See *Note 1 - Significant Accounting Policies* to our unaudited consolidated financial statements in this Form 10-Q, which is incorporated by reference in this Item 2.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We seek to invest our available funds in a manner that will maximize shareholder value and fund future obligations to policyholders and debtors, subject to appropriate risk considerations. We seek to meet this objective through investments that: (i) consist substantially of investment grade fixed maturity securities, (ii) have projected returns which satisfy our spread targets, and (iii) have characteristics which support the underlying liabilities. Many of our products incorporate surrender charges, market interest rate adjustments or other features, including lifetime income benefit riders, to encourage persistency.

We seek to maximize the total return on our fixed maturity securities through active investment management. Accordingly, we have determined that our available for sale portfolio of fixed maturity securities is available to be sold in response to: (i) changes in market interest rates, (ii) changes in relative values of individual securities and asset sectors, (iii) changes in prepayment risks, (iv) changes in credit quality outlook for certain securities, (v) liquidity needs, and (vi) other factors.

Interest rate risk is our primary market risk exposure. Substantial and sustained increases and decreases in market interest rates can affect the profitability of our products and the fair value of our investments. The profitability of most of our products depends on the spreads between interest yield on investments and rates credited on insurance liabilities. We have the ability to adjust crediting rates (caps, participation rates or asset fee rates for fixed index annuities) on substantially all of our annuity liabilities at least annually (subject to minimum guaranteed values). Substantially all of our annuity products have surrender and withdrawal penalty provisions designed to encourage persistency and to help ensure targeted spreads are earned. In addition, a significant amount of our fixed index annuity policies and many of our annual reset fixed rate deferred annuities were issued with a lifetime income benefit rider which we believe improves the persistency of such annuity products. However, competitive factors, including the impact of the level of surrenders and withdrawals, may limit our ability to adjust or maintain crediting rates at levels necessary to avoid narrowing of spreads under certain market conditions.

A major component of our interest rate risk management program is structuring the investment portfolio with cash flow characteristics consistent with the cash flow characteristics of our insurance liabilities. We use models to simulate cash flows expected from our existing business under various interest rate scenarios. These simulations enable us to measure the potential gain or loss in fair value of our interest rate-sensitive financial instruments, to evaluate the adequacy of expected cash flows from our assets to meet the expected cash requirements of our liabilities and to determine if it is necessary to lengthen or shorten the average life and duration of our investment portfolio. The "duration" of a security is the time weighted present value of the security's expected cash flows and is used to measure a security's sensitivity to changes in interest rates. When the durations of assets and liabilities are similar, exposure to interest rate risk is minimized because a change in value of assets should be largely offset by a change in the value of liabilities.

If interest rates were to increase 10% (43 basis points) from levels at March 31, 2024, we estimate that the fair value of our fixed maturity securities would decrease by approximately $1,042.0 million. The impact on stockholders' equity of such decrease (net of income taxes) would be a decrease of $823.2 million in accumulated other comprehensive income and a decrease in stockholders' equity. The models used to estimate the impact of a 10% change in market interest rates incorporate numerous assumptions, require significant estimates and assume an immediate and parallel change in interest rates without any management of the investment portfolio in reaction to such change. Consequently, potential changes in value of our financial instruments indicated by the simulations will likely be different from the actual changes experienced under given interest rate scenarios, and the differences may be material. Because we actively manage our investments and liabilities, our net exposure to interest rates can vary over time. However, any such decreases in the fair value of our fixed maturity securities (unless related to credit concerns of the issuer requiring recognition of a credit loss) would generally be realized only if we were required to sell such securities at losses prior to their maturity to meet our liquidity needs, which we manage using the surrender and withdrawal provisions of our annuity contracts and through other means. See Financial Condition - Liquidity for Insurance Operations included in Management's Discussion and Analysis in our Annual Report on Form 10-K for the year ended December 31, 2023 for a further discussion of the liquidity risk.

The amortized cost of fixed maturity securities that are callable at the option of the issuer, excluding securities with a make-whole provision, was $1.7 billion as of March 31, 2024. We have reinvestment risk related to these redemptions to the extent we cannot reinvest the net proceeds in assets with credit quality and yield characteristics similar to the redeemed bonds. Such reinvestment risk typically occurs in a declining rate environment. In addition, we have $4.1 billion of floating rate investments as of March 31, 2024. The majority of these investments are based on the 3 month SOFR rate and are reset quarterly. Should rates decline to levels which tighten the spread between our average portfolio yield and average cost of interest credited on annuity liabilities, we have the ability to reduce crediting rates (caps, participation rates or asset fees for fixed index annuities) on most of our annuity liabilities to maintain the spread at our targeted level. At March 31, 2024, approximately 95% of our annuity liabilities were subject to annual adjustment of the applicable crediting rates at our discretion, limited by minimum guaranteed crediting rates specified in the policies. At March 31, 2024, approximately 15% of our annuity liabilities were at minimum guaranteed crediting rates.

We purchase call options on the applicable indices to fund the annual index credits on our fixed index annuities. These options are primarily one-year instruments purchased to match the funding requirements of the underlying policies. Fair value changes associated with those investments are substantially offset by an increase or decrease in the amounts added to policyholder account balances for fixed index products. The difference between proceeds received at expiration of these options and index credits, as shown in the following table, is primarily due to under or over-hedging as a result of policyholder behavior being different than our expectations.

	Three Months Ended March 31,	
	2024	2023
	(Dollars in thousands)	
Proceeds received at expiration of options related to such credits	$ 260,227	$ 3,601
Annual index credits to policyholders on their anniversaries	242,268	3,533

On the anniversary dates of the index policies, we purchase new one-year call options to fund the next annual index credits. The risk associated with these prospective purchases is the uncertainty of the cost, which will determine whether we are able to earn our spread on our fixed index business. We manage this risk through the terms of our fixed index annuities, which permit us to change caps, participation rates and asset fees, subject to contractual features. By modifying caps, participation rates or asset fees, we can limit option costs to budgeted amounts, except in cases where the contractual features would prevent further modifications. Based upon actuarial testing which we conduct as a part of the design of our fixed index products and on an ongoing basis, we believe the risk that contractual features would prevent us from controlling option costs is not material.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

In accordance with the Securities Exchange Act Rules 13a-15(e) and 15d-15(e), our management, under the supervision of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report on Form 10-Q. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded the design and operation of our disclosure controls and procedures were effective as of March 31, 2024 in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by us in the reports that we file or submit under the Exchange Act.

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See *Note 10 - Commitments and Contingencies* to the unaudited consolidated financial statements in this Form 10-Q, which is incorporated by reference in this Item 1, for any required disclosure.

Item 1A. Risk Factors

We describe certain factors that may affect our business or operations under "Risk Factors" in Part I, Item 1A, of our 2023 Annual Report on Form 10-K, as modified by the following. Risk Factor numbers A-1 through A-6 and 20 are deleted. The following risk factor is added:

The Company recently completed its Merger with Brookfield Reinsurance and its Post-Effective Merger with ANAT. The Company could experience challenges or unanticipated costs in integrating its operations with those of ANAT which could adversely affect our results of operations and financial condition.

On July 4, 2023, we entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Brookfield Reinsurance Ltd. (“Brookfield Reinsurance”), Arches Merger Sub, Inc. (“Merger Sub”), a wholly owned subsidiary of Brookfield Reinsurance, and solely for the purposes set forth in the Merger Agreement, Brookfield Asset Management Ltd. (“BAM”), pursuant to which Merger Sub will merge with and into the Company (the “Merger”) with the Company surviving the Merger and becoming a wholly-owned subsidiary of Brookfield Reinsurance. The Merger closed on May 2, 2024.

On May 7, 2024, the Company entered into an Agreement and Plan of Merger with American National Group, LLC (“ANAT”), a Delaware limited liability company and a wholly-owned indirect subsidiary of Parent, pursuant to which, among other things, (i) ANAT merged with and into the Company (the “Post-Effective Merger”), with the Company surviving in the Post-Effective Merger and (ii) the Company becoming the successor issuer of ANAT’s preferred shares designated as “Preferred Stock, Series C”. Following the Post-Effective Merger, the Company discontinued its existence as an Iowa Corporation as provided under the Iowa Business Corporation Act (the “IBCA”), including Section 931 of the IBCA, and pursuant to the General Corporation Law of the State of Delaware (the “DGCL”), including Section 388 of the DGCL, continued its existence as a corporation incorporated in the State of Delaware (the “Reincorporation”). In connection with the Reincorporation, the Company changed its name from American Equity Investment Life Holding Company to American National Group Inc.

American National Group Inc.could experience challenges in successfully integrating the American Equity Life Investment Holding Company operations with those of ANAT, particularly in harmonizing operational processes, technology platforms, and corporate cultures. The complexity inherent in integrating our operations with those of ANAT could distract management and impact operational efficiency and could adversely affect American National Group Inc.'s results of operations and financial condition.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Securities

The following table presents the amount of our share purchase activity for the periods indicated:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program (a)	Approximate Dollar Value of Shares That May Yet Be Purchased Under Program
	(shares)	(dollars)	(shares)	(dollars in thousands)
January 1, 2024 - January 31, 2024	—	$ —	—	$ 275,825
February 1, 2024 - February 29, 2024	—	$ —	—	$ 275,825
March 1, 2024 - March 31, 2024	—	$ —	—	$ 275,825
Total	—		—	

(a) On November 19, 2021, the Company's Board of Directors authorized the repurchase of an additional $500 million of Company common stock. On November 11, 2022, the Company's Board of Directors authorized the repurchase of an additional $400 million of Company common stock. On March 17, 2023, the Company entered into an accelerated share repurchase (ASR) agreement to repurchases an aggregate of $200 million of Company common stock, and 4.8 million shares were delivered under this agreement. The Company has terminated the ASR agreement.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

Note Regarding Reliance on Statements in Our Contracts and Other Exhibits: We include agreements and other exhibits to this report to provide information regarding their terms and not to provide any other factual or disclosure information about us, our subsidiaries or affiliates, or the other parties to the agreements, or for any other purpose. The agreements and other exhibits may contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement or other arrangement and (i) should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (ii) have in many cases been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement; (iii) may apply standards of materiality in a way that is different from what may be viewed as material to investors; and (iv) were made only as of the date of the applicable agreement or other exhibit, or such other date or dates as may be specified in the document and are subject to more recent developments. Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time.

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated July 4, 2023, by and among American Equity Investment Life Holding Company, Brookfield Reinsurance Ltd. and Arches Merger Sub Inc. and, solely for the purposes set forth therein, Brookfield Asset Management Ltd.† (Incorporated by reference to Exhibit 2.1 to Form 8-K filed July 5, 2023)†
2.2	Agreement and Plan of Merger, dated May 7, 2024, between American Equity Investment Life Holding Company and American National Group, LLC. (Incorporated by reference to Exhibit 2.1 to Form 8-K filed on May 8, 2024)
2.3	Plan of Domestication, dated May 7, 2024. (Incorporated by reference to Exhibit 2.2 to Form 8-K filed on May 8, 2024)
3.1	Articles of Amendment to the Articles of Incorporation of American Equity Investment Life Holding Company. (Incorporated by reference to Exhibit 3.1 to Form 8-K filed on May 8, 2024)
3.2	Certificate of Incorporation of American National Group Inc. (Incorporated by reference to Exhibit 3.2 to Form 8-K filed on May 8, 2024)
3.3	Bylaws of American National Group Inc. (Incorporated by reference to Exhibit 3.3 to Form 8-K filed on May 8, 2024)
10.1 *	CEO Separation Letter, dated as of April 30, 2024, by and between the Company and Anant Bhalla. (Incorporated by reference to Exhibit 10.1 to Form 8-K filed on May 2, 2024)
10.2	Form of Tax Reimbursement Agreement. (Incorporated by reference to Exhibit 10.2 to Form 8-K filed on May 2, 2024)
31.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following materials from American National Group Inc.'s Quarterly Report on Form 10-Q for the period ended March 31, 2024 formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Changes in Stockholders' Equity, (v) the Consolidated Statements of Cash Flows and (vi) the Notes to Unaudited Consolidated Financial Statements.
104	The cover page from American National Group Inc.'s Quarterly Report on Form 10-Q for the period ended March 31, 2024 formatted in iXBRL and contained in Exhibit 101.

* Denotes management contract or compensatory plan.

† Schedules omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted schedule to the SEC upon request; provided, however, that the Company may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any schedules or exhibits so furnished.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 10, 2024	AMERICAN NATIONAL GROUP INC.
	By: /s/ Reza Syed
	Reza Syed
	Chief Financial Officer & Executive Vice President

Exhibit 31.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Timothy A. Walsh, certify that:

1. I have reviewed this quarterly report on Form 10-Q of American National Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2024

By: /s/ Timothy A. Walsh
Timothy A. Walsh
Chief Executive Officer and President
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Reza Syed, certify that:

1. I have reviewed this quarterly report on Form 10-Q of American National Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2024

By: /s/ Reza Syed
Reza Syed
Chief Financial Officer and Executive Vice President
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of American National Group Inc. (the "Company") on Form 10-Q for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Timothy A. Walsh, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934;

and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 10, 2024

By: /s/ Timothy A. Walsh
Timothy A. Walsh
Chief Executive Officer and President
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of American National Group Inc. (the "Company") on Form 10-Q for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Reza Syed, Chief Financial Officer and Executive Vice President of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934;

and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 10, 2024

By: /s/ Reza Syed
Reza Syed
Chief Financial Officer and Executive Vice President
(Principal Financial Officer)