

RGA Global Reinsurance Company, Ltd.

Financial Statements as of and for the
Years Ended December 31, 2025 and 2024, and
Independent Auditor's Report

RGAL GLOBAL REINSURANCE COMPANY, LTD.
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INDEPENDENT AUDITOR'S REPORT

To the Shareholder and Board of Directors of
RGA Global Reinsurance Company, Ltd.:

Opinion

We have audited the accompanying consolidated financial statements of RGA Global Reinsurance Company, Ltd. and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of income, comprehensive income, changes in shareholder's equity, and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matter

As discussed in Note 1, results of the Company may not be indicative of those of a stand-alone entity, as the Company is a member of a controlled group of affiliated companies. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Deloitte & Touche LLP

May 27, 2026

RGAL GLOBAL REINSURANCE COMPANY, LTD.
BALANCE SHEETS
(in thousands of U.S. dollars, except share data)

	December 31, 2025	December 31, 2024
Assets		
Fixed maturity securities available-for-sale, at fair value (amortized cost of \$7,403,610 and \$6,840,207; allowance for credit losses of \$3,493 and \$9,637)	\$ 6,787,812	\$ 6,686,366
Equity securities, at fair value	1,953	1,854
Funds withheld at interest	30,427	34,618
Short-term investments	24,556	63,019
Derivatives	416	4,472
Total investments	<u>6,845,164</u>	<u>6,790,329</u>
Cash and cash equivalents	243,720	237,068
Accrued investment income	60,614	54,405
Premiums receivable	688,221	592,962
Reinsurance ceded receivables	3,690,092	4,187,490
Deferred policy acquisition costs	69,224	62,397
Deferred tax asset	95,184	24,287
Other reinsurance balances	31,769	26,368
Receivable from parent and affiliates	2,688	2,501
Other assets	6,920	4,811
Total assets	<u>\$ 11,733,596</u>	<u>\$ 11,982,618</u>
Liabilities and shareholder's equity		
Future policy benefits	\$ 6,144,115	\$ 6,599,003
Interest-sensitive contract liabilities	725,124	849,129
Other policy claims and benefits	396,444	448,093
Other reinsurance balances	559,198	128,514
Income tax liability	28,270	—
Deferred income taxes	12,455	—
Payable to parent and affiliates	7,662	13,845
Funds withheld payable	3,162,031	3,281,750
Derivative liabilities	341,178	153,598
Other liabilities	43,130	30,204
Total liabilities	<u>11,419,607</u>	<u>11,504,136</u>
Contingent liabilities (See Note 13)		
Shareholder's equity:		
Common stock (par value \$1.00 per share; 500,000 shares authorized; shares issued: 500,000 at both December 31, 2025 and 2024)	500	500
Additional paid-in-capital	122,143	122,209
Retained earnings	500,670	320,228
Accumulated other comprehensive income (loss)	(309,324)	35,545
Total shareholder's equity	<u>313,989</u>	<u>478,482</u>
Total liabilities and shareholder's equity	<u>\$ 11,733,596</u>	<u>\$ 11,982,618</u>

See accompanying notes to financial statements.

RGA GLOBAL REINSURANCE COMPANY, LTD.
STATEMENTS OF INCOME
(in thousands of U.S. dollars)

	For the years ended December 31,	
	2025	2024
Revenues		
Net premiums	\$ 915,749	\$ 710,602
Net investment income	300,038	36,339
Investment related gains (losses), net	23,735	(144,368)
Other revenues (expenses)	(83,001)	42,184
Total revenues	<u>1,156,521</u>	<u>644,757</u>
Benefits and expenses		
Claims and other policy benefits	757,859	625,561
Future policy benefits remeasurement losses	84,794	4,487
Interest credited	1,764	(24,482)
Policy acquisition costs and other insurance expenses	47,277	47,863
Other operating expenses	50,730	56,631
Total benefits and expenses	<u>942,424</u>	<u>710,060</u>
Income (Loss) before income taxes	214,097	(65,303)
Provision for income taxes	33,655	6,502
Net income (loss)	<u>\$ 180,442</u>	<u>\$ (71,805)</u>

See accompanying notes to financial statements.

RGA GLOBAL REINSURANCE COMPANY, LTD.
STATEMENTS OF COMPREHENSIVE INCOME
(in thousands of U.S. dollars)

	For the years ended December 31,	
	2025	2024
Comprehensive income (loss)		
Net income (loss)	\$ 180,442	\$ (71,805)
Other comprehensive loss, net of income taxes:		
Foreign currency translation adjustments	(30,698)	(8,216)
Net unrealized investment losses	(553,515)	(163,761)
Effect of updating discount rates on future policy benefits	239,344	131,127
Total other comprehensive loss, net of income taxes	(344,869)	(40,850)
Total comprehensive loss	<u>\$ (164,427)</u>	<u>\$ (112,655)</u>

See accompanying notes to financial statements.

RGA GLOBAL REINSURANCE COMPANY, LTD.
STATEMENTS OF SHAREHOLDER'S EQUITY
(in thousands of U.S. dollars)

	Common Stock	Additional Paid- in-Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholder's Equity
Balance, January 1, 2024	\$ 500	\$ 122,018	\$ 392,033	\$ 76,395	\$ 590,946
Net loss	—	—	(71,805)	—	(71,805)
Other comprehensive loss, net of income taxes	—	—	—	(40,850)	(40,850)
Equity based compensation	—	191	—	—	191
Balance, December 31, 2024	500	122,209	320,228	35,545	478,482
Net income	—	—	180,442	—	180,442
Other comprehensive loss, net of income taxes	—	—	—	(344,869)	(344,869)
Equity based compensation	—	(66)	—	—	(66)
Balance, December 31, 2025	<u>\$ 500</u>	<u>\$ 122,143</u>	<u>\$ 500,670</u>	<u>\$ (309,324)</u>	<u>\$ 313,989</u>

See accompanying notes to financial statements.

RGAL GLOBAL REINSURANCE COMPANY, LTD.
STATEMENTS OF CASH FLOWS
(in thousands of U.S. dollars)

	For the years ended December 31,	
	2025	2024
Cash flows from operating activities		
Net income (loss)	\$ 180,442	\$ (71,805)
Adjustments to reconcile net income to net cash provided by operating activities:		
Change in operating assets and liabilities:		
Accrued investment income	(5,761)	(36,609)
Premiums receivable and other reinsurance balances	(105,157)	(127,049)
Reinsurance ceded receivables	497,398	366,201
Deferred policy acquisition costs	(4,796)	(3,843)
Future policy benefits, other policy claims and benefits, and other reinsurance balances	82,161	4,774,906
Deferred income taxes	324	(9,531)
Funds withheld payable	(136,527)	(94,812)
Receivable from/payable to parent and affiliates	34,028	37,659
Other assets and other liabilities, net	(17,916)	(14,176)
Amortization of net investment premiums, discounts and other	(17,438)	(13,564)
Investment related (gains) losses, net	(23,735)	144,368
Future policy benefits remeasurement losses	84,794	4,487
Depreciation and amortization expense	499	465
Other, net	29,543	(32,860)
Net cash provided by operating activities	<u>597,859</u>	<u>4,923,837</u>
Cash flows from investing activities		
Sales of fixed maturity securities available-for-sale	376,578	2,800,177
Purchases of fixed maturity securities available-for-sale	(1,009,793)	(7,358,356)
Maturities of fixed maturity securities available-for-sale	135,324	102,893
Net deposits in funds withheld at interest	4,191	10,216
Sales of short-term investments	16,668	97,437
Purchases of short-term investments	(187,837)	(199,091)
Maturities of short-term investments	214,422	77,367
Change in derivatives	(9,565)	(22,538)
Net cash used in investing activities	<u>(460,012)</u>	<u>(4,491,895)</u>
Cash flows from financing activities		
Change in securities lending obligation	—	(101,002)
Change in cash collateral for derivative positions and other arrangements	(4,065)	(11,330)
Deposits on investment-type policies and contracts	—	43,171
Withdrawals on investment-type policies and contracts	(126,670)	(256,324)
Net cash used in financing activities	<u>(130,735)</u>	<u>(325,485)</u>
Effect of exchange rate changes on cash	(460)	(68,688)
Change in cash and cash equivalents	6,652	37,769
Cash and cash equivalents, beginning of year	237,068	199,299
Cash and cash equivalents, end of year	<u>\$ 243,720</u>	<u>\$ 237,068</u>
Supplemental disclosures of cash flow information:		
Income taxes paid, net of refunds	\$ 5,183	\$ 6,163
Non-cash investing activities:		
Transfer of invested assets	\$ —	\$ 107,920

See accompanying notes to financial statements.

RGA Global Reinsurance Company, Ltd.
Notes to financial statements
For the years ended December 31, 2025 and 2024
(in U.S. dollars)

Note 1 BUSINESS AND BASIS OF PRESENTATION

Business

RGA Global Reinsurance Company, Ltd. (the "Company") was incorporated in accordance with the Bermuda Companies Act 1981 on December 14, 2005, and is registered as a Class E insurer under the Insurance Act 1978 as amended and related regulations. In 2016, Reinsurance Group of America, Incorporated ("RGA"), a United States of America ("U.S.") insurance holding company formed on December 31, 1992, contributed to RGA Reinsurance Company (Barbados) Ltd. ("RGA Barbados") all of the outstanding shares of the Company. RGA Barbados was incorporated under the laws of Barbados on June 27, 1995 and is a wholly owned subsidiary of RGA. As of December 31, 2025, all outstanding shares of the Company were owned by RGA Barbados.

The Company maintains branch licenses in Taiwan and Labuan, Malaysia and their results are included in these financial statements. In August of 2025, the Company established a new branch in Singapore.

The Company is engaged in providing traditional reinsurance, which includes individual and group life and health, disability, and critical illness reinsurance. The Company also provides financial solutions, which includes longevity reinsurance, reinsurance of asset-intensive products (primarily annuities), financial reinsurance and capital solutions.

Reinsurance is an arrangement under which an insurance company, the reinsurer, agrees to indemnify another insurance company, the ceding company, for all or a portion of the insurance risks underwritten by the ceding company. Reinsurance is designed to:

- (i) reduce the net amount at risk on individual risks, thereby enabling the ceding company to increase the volume of business it can underwrite, as well as increase the maximum risk it can underwrite on a single risk;
- (ii) enhance the ceding company's financial strength and surplus position;
- (iii) stabilize operating results by leveling fluctuations in the ceding company's loss experience; and
- (iv) assist the ceding company in meeting applicable regulatory requirements.

Basis of Presentation

The financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates include those used in determining the following:

- Premiums receivable;
- Future policy benefits and incurred but not reported claims;
- Income taxes;
- Valuation of investments, investment allowance for credit losses and investment impairments.

Actual results could differ materially from the estimates and assumptions used by management.

A portion of the Company's reinsurance receivables and policy liabilities are associated with affiliated companies, and the Company relies on affiliated companies for services. See [Note 12 - "Related-Party Transactions"](#) for further details.

As of January 1, 2026, the new Singapore branch is assuming the net assets of the Singapore branch of RGA International Reinsurance Company dac. This is not expected to have a material impact to the Company's financial statements. There were no other subsequent events that would require disclosure or adjustments to the accompanying financial statements through the date the financial statements were issued.

Note 2 SIGNIFICANT ACCOUNTING POLICIES AND PRONOUNCEMENTS

Insurance Related Activities

Premium and Fee Revenue and Receivable Recognition

Premium and Fee Revenue

Life and health premiums are recognized as revenue when due from the insured and are reported net of amounts retroceded. Benefits and expenses are reported net of amounts retroceded and are associated with earned premiums so that profits are recognized over the life of the related contract. Other revenue includes items such as certain treaty recapture fees related to short-duration products, fees associated with financial reinsurance, policy charges on interest-sensitive and investment-type products that the Company reinsures and foreign currency gains or losses. Any fees that are collected in advance of the period benefited are deferred and recognized over the period benefited.

The Company reinsures medical, disability, life and other products for a fixed period of short-duration, typically one to three years. Premiums for short-duration products are recognized over the coverage period in proportion to the amount of insurance protection provided.

For certain reinsurance transactions involving the reinsurance of in force blocks of business, the ceding company pays a premium equal to the initial required reserve (future policy benefit). In such transactions, for income statement presentation, the Company nets the expense associated with the establishment of the reserve against the premiums from the transaction.

Revenues for interest-sensitive and investment-type products consist of investment income, policy charges for the cost of insurance, policy administration and surrender charges that have been assessed against policy account balances during the period. Interest-sensitive contract liabilities for these products represent policy account balances before applicable surrender charges. Policy benefits and claims that are charged to expenses include claims incurred in the period in excess of related policy account balances and interest credited to policy account balances. Interest is credited to policyholder account balances according to terms of the policies or contracts.

For each of its reinsurance contracts, the Company must determine if the contract provides indemnification against loss or liability relating to insurance risk, in accordance with GAAP. The Company must review all contractual features, particularly those that may limit the amount of insurance risk to which the Company is subject or features that delay the timely reimbursement of claims. If the Company determines that a contract does not expose it to a reasonable possibility of a significant loss from insurance risk, the Company records the contract on a deposit method of accounting with any net amount receivable reflected as an asset within other reinsurance balances, and any net amount payable reflected as a liability within other reinsurance balances. Fees earned on the contracts are reflected as other revenues, rather than premiums.

Premiums Receivable

Premiums are accrued when due and in accordance with information received from the ceding company. When the Company enters into a new reinsurance agreement, it accrues premium based on the terms of the reinsurance treaty. Similarly, when a ceding company fails to report information on a timely basis, the Company records accruals based on the terms of the reinsurance treaty as well as historical experience. Other management estimates include adjustments for increases of in force reinsurance on existing treaties, lapsed premiums given historical experience, the financial health of specific ceding companies, collateral value and the legal right of offset on related amounts (i.e., allowances and claims) owed to the ceding company. Under the legal right of offset provisions in its reinsurance treaties, the Company can withhold payments for allowances and claims from unpaid premiums. Based on its review of these factors and historical experience, the Company did not believe a provision for doubtful accounts was necessary as of December 31, 2025 or 2024.

Future Policy Benefits

Utilizing the net premium model, a liability for future policy benefits for life and long-term health business is established to meet the estimated future benefits to be paid on assumed life and health reinsurance in force less the present value of estimated future net premiums to be collected. The liability is estimated using the Company's mortality, morbidity and persistency assumptions that reflect the Company's historical experience, industry data, cedant specific experience and discount rates based on the current yields of upper-medium grade fixed income instruments. These assumptions vary with the characteristics of the transaction, the year the risk was assumed, age of the insured and other appropriate factors. The Company reviews actual and anticipated experience compared to the assumptions used to establish policy benefits on a quarterly basis and will update those assumptions if evidence suggests that they should be revised. The Company completed its annual review and any necessary updates of cash flow assumptions used to calculate the liability for future policy benefits during the third quarter of 2025 and 2024. Updates may occur in other quarters if information becomes available during the quarter that indicates an assumption update is necessary.

Liabilities for future benefits for annuities in the payout phase have been established in an amount adequate to meet the estimated future obligations on policies in force using expected mortality, discount rates and other assumptions. These assumptions vary with the characteristics of the plan of insurance, year of issue, age of insured and other appropriate factors. The mortality assumptions are based on the Company's historical experience, industry data and cedant specific experience.

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A deferred profit liability ("DPL") is established when the insurance benefit extends beyond the period in which premiums are collected, and the gross premium exceeds the net premium. The DPL is generally amortized in proportion to insurance in force for traditional life insurance and expected future benefits for annuity contracts. The DPL is included in the liabilities for future policy benefits, and the amortization of the DPL is recognized as a reduction in claims and other policy benefits.

For the purpose of calculating the liability for future policy benefits, the Company's reinsurance contracts for its traditional business are grouped into annual cohorts based on the effective date of the reinsurance contract. The annual groupings are further disaggregated based on:

- How the reinsurance contracts are priced and managed;
- Geographical locations;
- Underlying currency of the contract;
- Ceding company and other factors.

Given the unique risks and highly customized nature of the Company's financial solutions business, reinsurance contracts for the financial solutions business are not aggregated with other contracts for the purpose of calculating the liability for future policy benefits.

Each quarter, the Company updates its estimate of cash flows expected over the entire life of a group of contracts using actual historical experience and current future cash flow assumptions. These updated cash flows, discounted using the original contract issuance discount rates, are used to calculate the revised net premium ratio ("NPR"), as of the beginning of the current reporting period. The present value of these updated cash flows is compared to the carrying amount of the liability as of that same date, before updating cash flow assumptions, to determine the current period change in the liability's estimate. This current period change in the liability is a component of the liability remeasurement gain or loss. In subsequent periods, the revised NPR is used to measure the liability for future policy benefits, subject to future revisions. The Company also reviews actual and anticipated experience compared to the assumptions used to establish the liability for future policy benefits on a quarterly basis. If evidence suggests that the assumptions should be revised, the cumulative effect of the change is reflected in future policy benefits remeasurement losses in the current period. The Company has elected to lock-in claims expense assumptions at contract inception and those assumptions are not subsequently reviewed or updated.

The discount rates used to measure the liability are based on upper-medium grade fixed-income instruments (A rated credit) with similar tenor to the expected liability cash flows. The discount rate assumption is updated quarterly and used to remeasure the liability at the reporting date, with the resulting change reflected in other comprehensive income (loss) ("OCI"). For unobservable discount rates, the Company uses estimates consistent with fair value guidance, maximizing the use of relevant, observable market prices and minimizing the use of unobservable inputs.

The Company utilizes the discount rate curve at contract inception for purposes of interest accretion and updating the NPR. Interest accretion is recognized in claims and other policy benefits on the statements of income. The locked-in discount curve at contract inception for contracts entered into after January 1, 2021, is based on the average upper-medium grade fixed-income instrument yields during the first calendar year of the reinsurance contract. The locked-in discount rates at contract inception for contracts that were effective prior to January 1, 2021, are based on estimates of expected investment yields.

Included in the liability for future policy benefits are unpaid claims related to long-duration contracts and an accrual for incurred but not reported ("IBNR") losses. The Company's IBNR losses accrual related to long-duration contracts is determined using case-basis estimates and lag studies of past experience. The time lag from the date of the claim or death to when the ceding company reports the claim to the Company can vary significantly by ceding company, business segment and product type. IBNR claims are estimates on an undiscounted basis, using actuarial estimates of historical claims expense, adjusted for current trends and conditions. These estimates are continually reviewed, and the ultimate liability may vary significantly from the amount recognized.

Interest-Sensitive Contract Liabilities

Liabilities for future benefits on interest-sensitive life and investment-type contract liabilities are carried at the accumulated contract holder values without reduction for potential surrender or withdrawal charges. The Company reinsures asset-intensive products, including annuities. The liabilities under asset-intensive insurance contracts or reinsurance contracts reinsured on a coinsurance basis are included in interest-sensitive contract liabilities on the balance sheets. Asset-intensive contracts principally include individual fixed annuities in the accumulation phase, individual variable annuities, and group fixed annuities. Interest-sensitive contract liabilities are equal to (i) policy account values, which consist of an accumulation of gross premium payments; (ii) credited interest less expenses, mortality charges and withdrawals; and (iii) fair value adjustments relating to business combinations. Liabilities for immediate annuities are calculated as the present value of the expected cash flows, with the locked-in discount rate determined such that there is no gain or loss at inception.

The Company reviews its estimates of actuarial liabilities for interest-sensitive contract liabilities and compares them with its actual experience. Differences between actual experience and the assumptions used in pricing these guarantees and benefits and in the establishment of the related liabilities result in variances in profit and could result in losses. The effects of changes in such estimated liabilities are included in the results of operations in the period in which the changes occur.

Unpaid Claims and Claim Expense - Short-Duration Contracts

The Company provides reinsurance of medical, disability, life and other products for a fixed period of short-duration, typically one to three years. Under the short-duration insurance accounting model, claims or benefits are recognized when insured events occur, based on the ultimate cost to settle the claim, and are adjusted to reflect changes in estimates during the life of the contract. The estimated cost to settle the claim is based on actuarial assumptions for similar claims. The Company also establishes an IBNR liability based on historical reporting patterns. Unpaid claims and claim expense for short-duration contracts are included in other policy claims and benefits on the balance sheets.

Deferred Policy Acquisition Costs

Costs of acquiring new business, which vary with and are directly related to the production of new business, have been deferred to the extent that such costs are deemed recoverable from future premiums or gross profits. Such costs include commissions and allowances as well as certain costs of policy issuance and underwriting. Non-commission costs related to the acquisition of new and renewal insurance contracts may be deferred only if they meet the following criteria:

- Incremental direct costs of a successful contract acquisition
- Portions of employees' salaries and benefits directly related to time spent performing specified acquisition activities for a contract that has been acquired or renewed
- Other costs directly related to the specified acquisition or renewal activities that would not have been incurred had that acquisition contract transaction not occurred

Deferred policy acquisition costs ("DAC") related to traditional life and interest-sensitive contracts are grouped by contract type and issue year into cohorts for consistency with the groupings used in estimating the associated liability. DAC is amortized on a constant level basis for the grouped contracts over the expected term of the related contracts to approximate straight-line amortization. The constant level basis used is based on the number of policies or policy face amount of the risk assumed in the reinsurance contract. The constant level bases used for amortization are projected using mortality and actuarial assumptions for policyholder behavior that are based on the Company's experience, industry data and other factors and are consistent with those used for the liability for future policy benefits. Changes in assumptions are reflected in DAC amortization prospectively, and actual experience relating to the number of policies reinsured will likely differ from the experience previously estimated.

Eligible DAC related to short-duration contracts are capitalized and amortized in proportion to premium.

Amortization of DAC is included in policy acquisition costs and other insurance expenses.

Reinsurance Ceded Receivables

The Company generally reports retrocession activity on a gross basis. Amounts paid or deemed to have been paid for reinsurance are reflected in reinsurance ceded receivables. Reinsurance ceded receivables related to long-duration contracts are estimated using mortality, morbidity and persistency assumptions that are similar to the liability for future policy benefits ceded. The discount rate used to measure the ceded receivable is based on the current yields of an upper-medium grade fixed income instrument. Similar to the liability for future policy benefits, ceded receivables for traditional business are grouped into annual cohorts based on the effective date of the reinsurance contract. Given the unique risks and highly customizable nature of the financial solutions business, they are not aggregated with other reinsurance contracts for the purposes of calculating the ceded receivable.

Other Reinsurance Balances

The Company assumes and retrocedes financial reinsurance contracts that do not expose it to a reasonable possibility of loss from insurance risk. These contracts are reported as deposits and are included in other reinsurance balance assets and/or liabilities. The amount of revenue reported in other revenues on these contracts represents fees and the cost of insurance under the terms of the reinsurance agreement. Assets and liabilities are reported on a net or gross basis, depending on the specific details within each treaty. Reinsurance agreements reported on a net basis, where a legal right of offset exists, are generally included in other reinsurance balances on the balance sheets. Other reinsurance assets are included in other reinsurance balances within total assets, while other reinsurance liabilities are included in other reinsurance balances within total liabilities on the balance sheets.

Investments

Fixed Maturity Securities

Fixed maturity securities classified as available-for-sale are reported at fair value and are so classified based upon the possibility that such securities could be sold prior to maturity if that action enables the Company to execute its investment philosophy and appropriately match investment results to operating and liquidity needs.

Unrealized gains and losses on fixed maturity securities classified as available-for-sale, less applicable deferred income taxes, are recorded in OCI.

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Investment income is recognized as it accrues or is legally due. Realized gains and losses on sales of investments are included in investment related gains (losses), net, as are changes in allowance for credit losses and impairments. The cost of investments sold is primarily determined based upon the specific identification method.

Equity Securities

Equity securities are carried at fair value and realized and unrealized gains and losses are included in investment related gains (losses), net.

Funds Withheld at Interest

Funds withheld at interest represent amounts contractually withheld by ceding companies in accordance with reinsurance agreements. For agreements written on a modified coinsurance ("modco") basis and agreements written on a coinsurance funds withheld basis, assets that support the transactions are defined in the treaty, and are withheld and legally owned by the ceding company. Interest, recorded in net investment income, accrues to these assets at calculated rates as defined by the treaty terms.

Funds Withheld Payable

Funds withheld payable represents amounts contractually withheld by the Company in accordance with reinsurance agreements. For agreements written on a modco basis and agreements written on a coinsurance funds withheld basis, assets that support the ceded transactions are defined in the treaty, and are withheld and legally owned by the Company. Interest expense, recorded in net investment income, accrues to these assets at calculated rates as defined by the treaty terms.

Short-Term Investments

Short-term investments represent investments with remaining maturities of one year or less, but greater than three months, at the time of acquisition and are stated at estimated fair value or amortized cost, which approximates estimated fair value. Interest on short-term investments is recorded in net investment income.

Allowance for Credit Losses and Impairments

Fixed Maturity Securities

The Company identifies fixed maturity securities that could result in a credit loss by monitoring market events that could impact issuers' credit ratings, business climates, management changes, litigation, government actions and other similar factors. The Company also monitors late payments, pricing levels, rating agency actions, key financial ratios, financial statements, revenue forecasts and cash flow projections as indicators of credit issues.

The Company reviews all securities to determine whether a decline in fair value below amortized cost has resulted from a credit loss and whether an allowance for credit loss should be recognized. In making this determination, the Company considers relevant facts and circumstances including: (1) the reasons for the decline in fair value; (2) the issuer's financial position and access to capital; and (3) the Company's intent to sell a security or whether it is more likely than not it will be required to sell the security before the recovery of its amortized cost that, in some cases, may extend to maturity.

If the Company intends to sell a security or it is more likely than not that it would be required to sell a security before the recovery of its amortized cost, less any recorded credit loss, it recognizes an impairment loss in investment related gains (losses), net for the difference between amortized cost and fair value.

Credit impairments and changes in the allowance for credit losses on fixed maturity securities are reflected in investment related gains (losses), net, while non-credit impairment losses are recognized in OCI.

The Company estimates the amount of the credit loss component of a fixed maturity security impairment as the difference between amortized cost and the present value of the expected cash flows of the security. The Company excludes accrued interest from the amortized cost and the present value of the expected cash flows of the security. The present value is determined using the best estimate cash flows discounted at the effective interest rate implicit to the security at the date of purchase or the current yield to accrete an asset-backed or floating rate security. The techniques and assumptions for establishing the best estimate cash flows vary depending on the type of security. The asset-backed securities' cash flow estimates are based on security-specific facts and circumstances that may include collateral characteristics, expectations of delinquency and default rates, loss severity and prepayment speeds and structural support, including subordination and guarantees.

The Company writes off uncollectible fixed maturity securities when (1) it has sufficient information to determine that the issuer of the security is insolvent or (2) it has received notice that the issuer of the security has filed for bankruptcy, and the collectability of the asset is expected to be adversely impacted by the bankruptcy.

Derivative Instruments

Overview

The Company utilizes a variety of derivative instruments including swaps, options and forwards, primarily to manage or hedge interest rate risk, credit risk, foreign currency risk and various other market risks associated with its business. The Company does not invest in derivatives for speculative purposes. It is the Company's policy to enter into derivative contracts primarily with highly rated parties. See [Note 8 - "Derivative Instruments"](#) for additional detail on the Company's derivative positions.

Accounting and Financial Statement Presentation of Derivatives

Derivatives are carried on the Company's balance sheets primarily in derivatives or derivative liabilities, at fair value. Certain derivatives are subject to master netting provisions and reported as a net asset or liability. On the date a derivative contract is executed, the Company designates the derivative as (1) a cash flow hedge, (2) a net investment hedge in a foreign operation or (3) freestanding derivatives held for other risk management purposes, which primarily involve managing asset or liability risks associated with the Company's reinsurance treaties that do not qualify for hedge accounting.

Changes in the fair value of freestanding derivative instruments, which do not receive accounting hedge treatment, are primarily reflected in investment related gains (losses), net.

Hedge Documentation and Hedge Effectiveness

To qualify for hedge accounting, at the inception of the hedging relationship, the Company formally documents its risk management objective and strategy for undertaking the hedging transaction, as well as its designation of the hedge as either (i) a cash flow hedge or (ii) a hedge of a net investment in a foreign operation ("NIFO"). In this documentation, the Company sets forth how the hedging instrument is expected to hedge the designated risks related to the hedged item and sets forth the method that will be used to retrospectively and prospectively assess the hedging instrument's effectiveness. A derivative designated as a hedging instrument must be assessed as being highly effective in offsetting the designated risk of the hedged item. Hedge effectiveness is formally assessed at inception and periodically throughout the life of the designated hedging relationship.

Under a cash flow hedge, changes in the fair value of the hedging derivative measured as effective are reported within accumulated other comprehensive income (loss) ("AOCI") and the deferred gains or losses on the derivative are reclassified into the statements of income when the Company's earnings are affected by the variability in cash flows of the hedged item. The fair values of the hedging derivatives are exclusive of any accruals that are separately reported within net investment income or other operating expenses, if applicable, to match the location of the hedged item.

In a NIFO hedge, changes in the fair value of the hedging derivative that are measured as effective are reported within AOCI consistent with the translation adjustment for the hedged net investment in the foreign operation.

The Company discontinues hedge accounting prospectively when: (i) it is determined that the derivative is no longer highly effective in offsetting changes in the estimated cash flows of a hedged item; (ii) the derivative expires, is sold, terminated or exercised; (iii) it is no longer probable that the hedged forecasted transaction will occur; or (iv) the derivative is de-designated as a hedging instrument.

When hedge accounting is discontinued because it is determined that the derivative is not highly effective, the derivative continues to be carried in the balance sheets at fair value, with changes in fair value recognized in investment related gains (losses), net. Provided the hedged forecasted transaction occurrence is still probable, the changes in estimated fair value of derivatives recorded in OCI related to discontinued cash flow hedges are released into the statements of income when the Company's earnings are affected by the variability in cash flows of the hedged item.

When hedge accounting is discontinued because it is no longer probable that the forecasted transactions will occur on the anticipated date or within two months of that date, the derivative continues to be carried in the balance sheets at its estimated fair value, with changes in estimated fair value recognized currently in investment related gains (losses), net. Deferred gains and losses of a derivative recorded in OCI pursuant to the discontinued cash flow hedge of a forecasted transaction that is no longer probable are recognized immediately in investment related gains (losses), net.

In all other situations in which hedge accounting is discontinued, the derivative is carried at its estimated fair value in the balance sheets, with changes in its estimated fair value recognized in the current period as investment related gains (losses), net.

Fair Value Measurements

General accounting principles for *Fair Value Measurements and Disclosures* define fair value, establish a framework for measuring fair value, establish a fair value hierarchy based on the inputs used to measure fair value and enhance disclosure requirements for fair value measurements. In compliance with these principles, the Company has categorized its assets and liabilities, based on the priority of the inputs to the valuation technique, into a three level hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), the second highest priority to quoted prices in markets that are not active or inputs that are observable either directly or indirectly (Level 2) and the lowest priority to unobservable inputs (Level 3).

If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the asset or liability.

See [Note 9 - "Fair Value of Assets and Liabilities"](#) for further details on the Company's assets and liabilities recorded at fair value.

Income Taxes

The Company provides for Bermuda and foreign income taxes currently payable, as well as those deferred due to temporary differences between the tax basis of assets and liabilities and the reported amounts, and are recognized in net income or in certain cases in OCI. The Company's accounting for income taxes represents management's best estimate of various events and transactions considering the laws enacted as of the reporting date.

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Deferred tax assets and liabilities are measured by applying the relevant jurisdictions' enacted tax rate for the period in which the temporary differences are expected to reverse to the temporary difference change for that period. The Company will establish a valuation allowance if management determines, based on available information, that it is more likely than not that deferred income tax assets will not be realized.

Significant judgment is required in determining whether valuation allowances should be established as well as the amount of such allowances. When making such a determination, consideration is given to, among other things, the following:

- (i) taxable income in prior carryback years;
- (ii) future reversals of existing taxable temporary differences;
- (iii) future taxable income exclusive of reversing temporary differences and carryforwards; and
- (iv) tax planning strategies.

Any such changes could significantly affect the amounts reported in the financial statements in the year these changes occur.

The Company reports uncertain tax positions in accordance with GAAP. In order to recognize the benefit of an uncertain tax position, the position must meet the more likely than not criteria of being sustained. Unrecognized tax benefits due to tax uncertainties that do not meet the more likely than not criteria are included within income tax liability and are expensed in the period that such determination is made. The Company classifies interest related to tax uncertainties as interest expense in other operating expenses whereas penalties related to tax uncertainties are classified as a component of income tax.

See [Note 10 - "Income Tax"](#) for further discussion.

Other Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit and highly liquid debt instruments purchased with an original maturity of three months or less.

Receivable From/Payable To Parent and Affiliates

Receivable from/payable to parent and affiliates is primarily comprised of non-reinsurance related receivables/payables. See [Note 12 - "Related-Party Transactions"](#) for further details about transactions with affiliated companies.

Other Assets

Other assets primarily include capitalized assets, right-of-use assets, investments in transit and cash collateral pledged on derivative positions. Capitalized assets are stated at cost, less accumulated depreciation and amortization. Carrying values are reviewed at least annually for indicators of impairment in value.

Other Liabilities

Other liabilities primarily include investments in transit payable, interest payable on derivative positions and lease liabilities.

Foreign Currency Translation

Assets, liabilities and results of foreign operations are recorded based on the functional currency of each foreign operation. The determination of the functional currency is based on economic facts and circumstances pertaining to each foreign operation. The Company's material functional currencies are the U.S. dollar, Japanese yen, British pound, Australian dollar, Korean won, Malaysian ringgit and New Taiwan dollar. The translation of the functional currency into U.S. dollars is performed for balance sheet accounts using current exchange rates in effect at the balance sheet date and for revenue and expense accounts using weighted average exchange rates during each year. Gains or losses, net of applicable deferred income taxes, resulting from such translation are included in accumulated currency translation adjustments, in AOCI until the underlying functional currency operation is sold or substantially liquidated.

Equity Based Compensation

The Company expenses the fair value of stock awards included in its incentive compensation plans. The fair value of the award is expensed over the performance or service period, which generally corresponds to the vesting period, and is recognized as an increase to additional paid-in-capital in shareholder's equity, and stock-based compensation expense is reflected in other operating expenses. The Company recognized an immaterial amount of equity compensation expense in 2025 and 2024.

Note 3 NEW ACCOUNTING STANDARDS

Changes to the general accounting principles are established by the Financial Accounting Standards Board ("FASB") in the form of accounting standards updates to the FASB Accounting Standards Codification™. Accounting standards updates not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Company's financial statements.

Standards not yet adopted as of December 31, 2025 (anticipated date of adoption December 31, 2026):

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Description	Effect on the Financial Statements
Income Taxes	
This standard improves income tax disclosure requirements, which requires disaggregated information about a reporting entity's effective tax rate reconciliation, information on income taxes paid and other disclosure requirements. Early adoption is permitted.	The adoption of the new standard will be applied prospectively. Retrospective application is permitted. The adoption of the new standard will expand the Company's disclosures but will have no impact on its results of operations or financial position.

NOTE 4 FUTURE POLICY BENEFITS

The Company reviews actual and anticipated experience compared to the assumptions used to establish policy benefits on a quarterly basis and will update those assumptions if evidence suggests that they should be revised. It is the Company's policy to complete its annual assumptions review during the third quarter of each year. However, updates may occur in other quarters if information becomes available during the quarter that indicates an assumption update is necessary.

Traditional Business

Significant assumptions used to compute the liability for future policy benefits for the traditional business include mortality, morbidity, lapse rates and discount rates (both accretion and current). During 2025 and 2024, the Company completed its annual assumptions review resulting in an immaterial and \$2 million increase in the Company's liability for future policy benefits for its traditional business, respectively. The increase in the liability in 2025 and 2024 was primarily the result of updating the mortality and lapse assumptions used to measure the liability for future policy benefits. The Company also updated the underlying market data used to determine the current discount rate resulting in changes to the discount rate assumption used to measure the net liability for future policy benefits.

The following tables provide the balances of and changes in the Company's liability for future policy benefits for long-duration reinsurance contracts for its traditional business, which primarily consists of individual life, group life and critical illness reinsurance, for the years ended December 31, 2025 and 2024 (dollars in thousands):

	2025	2024
Present Value of Expected Net Premiums		
Beginning of year balance at original discount rate	\$ 7,753,995	\$ 6,983,294
Effect of changes in cash flow assumptions	78,698	81,794
Effect of actual variances from expected experience	221,247	253,143
Adjusted balance, beginning of year	8,053,940	7,318,231
Issuances ⁽¹⁾	1,011,422	975,159
Interest accrual ⁽²⁾	161,454	136,506
Net premiums collected ⁽³⁾	(577,606)	(454,783)
Foreign currency translation	395,892	(221,118)
Ending balance at original discount rate	9,045,102	7,753,995
Effect of changes in discount rate assumptions	(3,465,116)	(3,118,525)
Balance, end of year	\$ 5,579,986	\$ 4,635,470
Present Value of Expected Future Policy Benefits		
Beginning of year balance at original discount rate	\$ 8,264,015	\$ 7,494,579
Effect of changes in cash flow assumptions	78,926	83,623
Effect of actual variances from expected experience	253,637	224,570
Adjusted balance, beginning of year	8,596,578	7,802,772
Issuances ⁽¹⁾	1,011,154	972,446
Interest accrual ⁽²⁾	178,499	151,345
Benefit payments ⁽⁴⁾	(660,001)	(424,216)
Foreign currency translation	412,791	(238,332)
Ending balance at original discount rate	9,539,021	8,264,015
Effect of changes in discount rate assumptions	(3,643,691)	(3,278,642)
Balance, end of year	\$ 5,895,330	\$ 4,985,373
Liability for future policy benefits	\$ 315,344	\$ 349,903
Less: reinsurance recoverable	(52,731)	(65,267)
Net liability for future policy benefits	\$ 262,613	\$ 284,636
Weighted average duration of the liability (in years)	14	13
Weighted average interest accretion rate	2.0 %	1.9 %
Weighted average current discount rate	4.7 %	4.8 %

(1) Issuances: The present value, using the original discount rate, of the expected net premiums or the expected future policy benefits related to new reinsurance contracts that became effective during the current year and new policies assumed on existing contracts.

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- (2) Interest accrual: The interest earned on the beginning present value of either the expected net premiums or the expected future policy benefits using the original interest rate.
- (3) Net premiums collected: The portion of gross premiums collected from the ceding company that is used to fund expected benefit payments.
- (4) Benefit payments: The release of the present value, using the original discount rate, of the expected future policy benefits due to death, lapse/withdrawal and other benefit payments based on current assumptions.

Financial Solutions Business

Significant assumptions used to compute the liability for future policy benefits for the financial solutions business include mortality, morbidity, lapse rates and discount rates (both accretion and current). During 2025 and 2024, the Company completed its annual assumptions review resulting in a \$2 million decrease and \$3 million increase in the Company's liability for future policy benefits for its financial solutions business, respectively. The decrease in the liability in 2025 and the increase in the liability in 2024 were primarily the result of updating the lapse and mortality assumptions used to measure the liability for future policy benefits. The Company also updated the underlying market data used to determine the current discount rate resulting in changes to the discount rate assumption used to measure the net liability for future policy benefits.

The following tables provide the balances of and changes in the Company's liability for future policy benefits for its financial solutions business, which primarily consists of reinsurance of asset-intensive products (primarily annuities) and longevity reinsurance, including the DPL related to the longevity reinsurance, for the years ended December 31, 2025 and 2024 (dollars in thousands):

	2025	2024
Present Value of Expected Net Premiums		
Beginning of year balance at original discount rate	\$ 9,545,052	\$ 10,024,407
Effect of changes in cash flow assumptions	(52,285)	22,824
Effect of actual variances from expected experience	10,072	562,430
Adjusted balance, beginning of year	9,502,839	10,609,661
Issuances ⁽¹⁾	541,480	5,151,045
Interest accrual ⁽²⁾	346,129	359,304
Net premiums collected ⁽³⁾	(1,726,136)	(6,384,084)
Foreign currency translation	713,153	(190,874)
Ending balance at original discount rate	9,377,465	9,545,052
Effect of changes in discount rate assumptions	(1,129,475)	(1,177,207)
Balance, end of year	\$ 8,247,990	\$ 8,367,845
Present Value of Expected Future Policy Benefits		
Beginning of year balance at original discount rate	\$ 15,809,392	\$ 11,389,543
Effect of changes in cash flow assumptions	(54,321)	25,619
Effect of actual variances from expected experience	5,553	573,150
Adjusted balance, beginning of year	15,760,624	11,988,312
Issuances ⁽¹⁾	541,480	5,151,045
Interest accrual ⁽²⁾	495,443	453,748
Benefit payments ⁽⁴⁾	(1,334,985)	(1,162,808)
Foreign currency translation	723,071	(620,905)
Ending balance at original discount rate	16,185,633	15,809,392
Effect of changes in discount rate assumptions	(2,567,103)	(1,732,773)
Balance, end of year	\$ 13,618,530	\$ 14,076,619
Liability for future policy benefits	\$ 5,370,540	\$ 5,708,774
Less: reinsurance recoverable	(3,079,561)	(3,715,550)
Net liability for future policy benefits	\$ 2,290,979	\$ 1,993,224
Weighted average duration of the liability (in years)	9	10
Weighted average interest accretion rate	3.4 %	3.6 %
Weighted average current discount rate	5.0 %	4.4 %

- (1) Issuances: The present value, using the original discount rate, of the expected net premiums or the expected future policy benefits related to new reinsurance contracts that became effective during the current year and new policies assumed on existing contracts.
- (2) Interest accrual: The interest earned on the beginning present value of either the expected net premiums or the expected future policy benefits using the original interest rate.
- (3) Net premiums collected: The portion of gross premiums collected from the ceding company that is used to fund expected benefit payments.
- (4) Benefit payments: The release of the present value, using the original discount rate, of the expected future policy benefits due to death, lapse/withdrawal and other benefit payments based on current assumptions.

Reconciliation and Other Disclosures

The reconciliation of the rollforward of the liability for future policy benefits to the balance sheets as of December 31, 2025 and 2024 is as follows (dollars in thousands):

	2025	2024
Liability for future policy benefits included in the rollforwards:		
Traditional	\$ 315,344	\$ 349,903
Financial solutions	5,370,540	5,708,774
Claims liability and IBNR claims	458,231	540,326
Total liability for future policy benefits	\$ 6,144,115	\$ 6,599,003

The amount of undiscounted and discounted expected future gross premiums and expected future benefit payments for the liability for future policy benefits included in the rollforwards as of December 31, 2025 and 2024 is as follows (dollars in thousands):

	2025		2024	
	Undiscounted	Discounted	Undiscounted	Discounted
Expected future gross premiums				
Traditional	\$ 16,185,073	\$ 6,834,740	\$ 13,785,424	\$ 5,667,778
Financial solutions	13,958,866	8,845,395	13,976,124	8,739,201
Expected future policy benefit payments				
Traditional	\$ 14,173,648	\$ 5,895,330	\$ 12,308,797	\$ 4,985,373
Financial solutions	24,000,353	13,618,530	23,014,427	14,076,619

The amount of gross premiums and interest expense recognized in the statements of income for the liability for future policy benefits included in the rollforwards for the years ended December 31, 2025 and 2024 is as follows (dollars in thousands):

	Gross Premiums		Interest Expense	
	2025	2024	2025	2024
Traditional	\$ 531,761	\$ 439,819	\$ 17,045	\$ 14,839
Financial solutions	339,451	284,321	149,314	94,444
	\$ 871,212	\$ 724,140	\$ 166,359	\$ 109,283

During the years ended December 31, 2025 and 2024, no material charges were incurred resulting from net premiums exceeding gross premiums.

Note 5 DEFERRED POLICY ACQUISITION COSTS

The following tables provide the balances of and changes in DAC for the years ended December 31, 2025 and 2024 (dollars in thousands):

For the year ended December 31, 2025:			
	Traditional	Financial Solutions	Total
Balance, beginning of year	\$ 60,172	\$ 2,225	\$ 62,397
Capitalization	7,175	2,364	9,539
Amortization expense	(3,963)	(749)	(4,712)
Foreign currency translation	2,049	(49)	2,000
Balance, end of year	\$ 65,433	\$ 3,791	\$ 69,224
For the year ended December 31, 2024:			
	Traditional	Financial Solutions	Total
Balance, beginning of year	\$ 60,049	\$ —	\$ 60,049
Capitalization	7,291	2,629	9,920
Amortization expense	(5,901)	(184)	(6,085)
Foreign currency translation	(1,267)	(220)	(1,487)
Balance, end of year	\$ 60,172	\$ 2,225	\$ 62,397

Note 6 REINSURANCE

Ceded Reinsurance

In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding reinsurance to other insurance or reinsurance companies under excess coverage and coinsurance contracts.

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Retrocession reinsurance treaties do not relieve the Company from its obligations to the ceding companies. Failure of retrocessionaires to honor their obligations could result in losses to the Company. The Company regularly evaluates the financial condition of the insurance and reinsurance companies from which it assumes and to which it cedes reinsurance. Allowances would be established for amounts deemed uncollectible. At December 31, 2025 and 2024, no allowances were deemed necessary.

Retrocessions are arranged through the Company's retrocession pools for amounts in excess of the Company's retention limit, which was increased as of January 1, 2025. As of December 31, 2025, all rated retrocession pool participants followed by the A.M. Best Company were rated "B++ (good)" or better.

For both years ended December 31, 2025 and 2024, the Company had an immaterial amount of claims recoverable from affiliates.

The effect of reinsurance on net premiums is as follows for the years ended December 31, 2025 and 2024 (dollars in thousands):

	2025	2024
Reinsurance assumed:		
Affiliated	\$ 43,875	\$ 49,971
Non-affiliated	1,126,673	908,262
Total reinsurance assumed	<u>1,170,548</u>	<u>958,233</u>
Reinsurance ceded:		
Affiliated	(219,300)	(219,299)
Non-affiliated	(35,499)	(28,332)
Total reinsurance ceded	<u>(254,799)</u>	<u>(247,631)</u>
Net premiums	<u>\$ 915,749</u>	<u>\$ 710,602</u>

The effect of reinsurance on claims and other policy benefits and future policy benefits remeasurement losses is as follows for the years ended December 31, 2025 and 2024 (dollars in thousands):

	2025	2024
Reinsurance assumed:		
Affiliated	\$ 26,891	\$ 70,680
Non-affiliated	1,019,726	791,696
Total reinsurance assumed	<u>1,046,617</u>	<u>862,376</u>
Reinsurance ceded:		
Affiliated	(179,690)	(206,307)
Non-affiliated	(24,274)	(26,021)
Total reinsurance ceded	<u>(203,964)</u>	<u>(232,328)</u>
Net claims and other policy benefits and future policy benefits remeasurement losses	<u>\$ 842,653</u>	<u>\$ 630,048</u>

The effect of reinsurance on life reinsurance in force is shown in the following schedule as of December 31, 2025 and 2024 (dollars in millions):

	2025	2024
Life insurance in force assumed:		
Affiliated	\$ 5,194	\$ 4,243
Non-affiliated	241,199	216,384
Total life insurance in force assumed	<u>246,393</u>	<u>220,627</u>
Life insurance in force ceded:		
Affiliated	(28,980)	(19,283)
Non-affiliated	(16,937)	(19,182)
Total life insurance in force ceded	<u>(45,917)</u>	<u>(38,465)</u>
Life insurance in force net:		
Affiliated	(23,786)	(15,040)
Non-affiliated	224,262	197,202
Total life insurance in force net	<u>\$ 200,476</u>	<u>\$ 182,162</u>
Assumed/net percentage	122.90 %	121.12 %

Assumed Reinsurance

At December 31, 2025 and 2024, respectively, the Company provided approximately \$487 million and \$518 million of financial reinsurance, as measured by pre-tax statutory surplus, risk based capital and other financial reinsurance structures, to other insurance companies under financial reinsurance or capital solutions transactions to assist ceding companies in meeting applicable regulatory requirements. Generally, such financial reinsurance is provided by the Company committing cash or

assuming insurance liabilities, which are collateralized by future profits on the reinsured business. The Company earns a fee based on the amount of net outstanding financial reinsurance.

Reinsurance treaties, whether facultative or automatic, may provide for recapture rights on the part of the ceding company. Recapture rights permit the ceding company to reassume all, or a portion of, the risk formerly ceded to the reinsurer after an agreed-upon period of time, generally 10 years, or in some cases due to changes in the financial condition or ratings of the reinsurer. Recapture of business previously ceded does not affect premiums ceded prior to the recapture of such business but would reduce premiums in subsequent periods. Additionally, some reinsurance treaties give the ceding company the right to require the Company to place assets in trust for their benefit to support the ceding company's statutory reserve credits, in the event of a downgrade of the Company's credit ratings and/or other statutory measure to specified levels, generally non-investment grade levels, or if minimum levels of financial condition are not maintained. As of December 31, 2025, the Company was not required to post additional collateral and did not have a reinsurance treaty recaptured as a result of credit downgrade or defined statutory measure decline.

Note 7 INVESTMENTS

Fixed Maturity Securities Available-for-Sale

The Company holds various types of fixed maturity securities available-for-sale and classifies them as corporate securities ("Corporate"), Japanese government and agencies ("Japanese government"), Korean government and agencies ("Korean government"), asset-backed securities ("ABS"), commercial mortgage-backed securities ("CMBS"), residential mortgage-backed securities ("RMBS"), U.S. government and agencies ("U.S. government"), state and political subdivisions, and other foreign government, supranational and foreign government-sponsored enterprises ("Other foreign government"). ABS, CMBS, and RMBS are collectively referred to as "structured securities."

The following tables provide information relating to investments in fixed maturity securities by type as of December 31, 2025 and 2024 (dollars in thousands):

December 31, 2025:	Amortized Cost	Allowance for Credit Losses	Unrealized Gains	Unrealized Losses	Estimated Fair Value	% of Total
Available-for-sale:						
Corporate	\$ 3,547,915	\$ 3,470	\$ 194,921	\$ 173,531	\$ 3,565,835	52.4 %
Japanese government	1,819,300	—	15	561,928	1,257,387	18.5
Korean government	1,215,088	—	1	91,154	1,123,935	16.6
ABS	54,519	—	7,075	290	61,304	0.9
CMBS	85,751	23	6,811	2,753	89,786	1.3
RMBS	49,960	—	8,869	281	58,548	0.9
U.S. government	324,765	—	5,756	401	330,120	4.9
State and political subdivisions	18,326	—	388	178	18,536	0.3
Other foreign government	287,986	—	9,087	14,712	282,361	4.2
Total fixed maturity securities	\$ 7,403,610	\$ 3,493	\$ 232,923	\$ 845,228	\$ 6,787,812	100.0 %

December 31, 2024:	Amortized Cost	Allowance for Credit Losses	Unrealized Gains	Unrealized Losses	Estimated Fair Value	% of Total
Available-for-sale:						
Corporate	\$ 3,810,490	\$ 9,614	\$ 145,608	\$ 84,120	\$ 3,862,364	57.8 %
Japanese government	1,765,112	—	—	233,999	1,531,113	22.9
Korean government	645,855	—	12,489	21	658,323	9.9
ABS	75,073	—	8,199	573	82,699	1.2
CMBS	109,789	23	6,105	4,139	111,732	1.7
RMBS	60,218	—	8,239	414	68,043	1.0
U.S. government	37,147	—	368	809	36,706	0.5
State and political subdivisions	18,673	—	43	601	18,115	0.3
Other foreign government	317,850	—	6,160	6,739	317,271	4.7
Total fixed maturity securities	\$ 6,840,207	\$ 9,637	\$ 187,211	\$ 331,415	\$ 6,686,366	100.0 %

The Company monitors its concentrations of financial instruments on an ongoing basis and mitigates credit risk by maintaining a diversified investment portfolio that limits exposure to any one issuer. The Company's exposure to concentrations in credit risk includes single issuers, including agencies, with market values greater than 10% of equity. The five largest issuers based on estimated fair value as of December 31, 2025 and 2024 are as follows (dollars in thousands):

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	2025		2024	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Fixed maturity securities guaranteed or issued by:				
Japanese government	\$ 1,819,300	\$ 1,257,387	\$ 1,765,112	\$ 1,531,113
Korean government	1,215,088	1,123,935	645,855	658,323
U.S. government	324,765	330,120	37,147	36,706
Berkshire Hathaway Inc	147,243	118,525	146,804	140,617
Volkswagen	62,756	64,739	75,284	75,519

As of December 31, 2025, the Company held fixed maturity securities from individual issuers with market values greater than 10% equity that totaled \$865 million. As of December 31, 2024, the Company held fixed maturity securities from individual issuers with market values greater than 10% equity that totaled \$325 million.

The amortized cost and estimated fair value of fixed maturity securities classified as available-for-sale as of December 31, 2025, are shown by contractual maturity in the table below (dollars in thousands). Actual maturities can differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Structured securities are shown separately in the table below as they are not due at a single maturity date.

	Amortized Cost	Estimated Fair Value
Available-for-sale:		
Due in one year or less	\$ 186,686	\$ 189,859
Due after one year through five years	980,981	1,031,758
Due after five years through ten years	1,211,002	1,275,107
Due after ten years	4,834,711	4,081,450
Structured securities	190,230	209,638
Total	<u>\$ 7,403,610</u>	<u>\$ 6,787,812</u>

Corporate Fixed Maturity Securities

The tables below show the major sectors of the Company's corporate fixed maturity holdings as of December 31, 2025 and 2024 (dollars in thousands):

December 31, 2025:

	Amortized Cost	Estimated Fair Value	% of Total
Finance	\$ 1,457,031	\$ 1,434,999	40.2 %
Industrial	1,691,700	1,739,935	48.8
Utility	399,184	390,901	11.0
Total	<u>\$ 3,547,915</u>	<u>\$ 3,565,835</u>	<u>100.0 %</u>

December 31, 2024:

	Amortized Cost	Estimated Fair Value	% of Total
Finance	\$ 1,657,281	\$ 1,669,330	43.2 %
Industrial	1,742,141	1,781,665	46.1
Utility	411,068	411,369	10.7
Total	<u>\$ 3,810,490</u>	<u>\$ 3,862,364</u>	<u>100.0 %</u>

Allowance for Credit Losses and Impairments - Fixed Maturity Securities Available-for-Sale

As discussed in [Note 2 - "Significant Accounting Policies and Pronouncements,"](#) allowances for credit losses on fixed maturity securities are recognized in investment related gains (losses), net. The Company estimates the amount of the credit loss component of a fixed maturity security impairment as the difference between amortized cost and the present value of the expected cash flows of the security. Any remaining difference between the fair value and amortized cost is recognized in OCI.

The following tables present the rollforward of the allowance for credit losses in fixed maturity securities by type for the years ended December 31, 2025 and 2024 (dollars in thousands):

For the year ended December 31, 2025:

	Corporate	CMBS	Total
Balance, beginning of year	\$ 9,614	\$ 23	\$ 9,637
Credit losses with no previous allowance	(428)	—	(428)
Securities disposed	(51)	—	(51)
Change in credit losses with a previous allowance	(5,529)	—	(5,529)
Foreign currency translation	(136)	—	(136)
Balance, end of year	<u>\$ 3,470</u>	<u>\$ 23</u>	<u>\$ 3,493</u>

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For the year ended December 31, 2024:	Corporate	CMBS	Total
Balance, beginning of year	\$ 13,929	\$ —	\$ 13,929
Credit losses with no previous allowance	—	23	23
Change in credit losses with a previous allowance	(3,967)	—	(3,967)
Foreign currency translation	(348)	—	(348)
Balance, end of year	<u>\$ 9,614</u>	<u>\$ 23</u>	<u>\$ 9,637</u>

Unrealized Losses for Fixed Maturity Securities Available-for-Sale

The Company's determination of whether a decline in value necessitates the recording of an allowance for credit losses includes an analysis of whether the issuer is current on its contractual payments, evaluating whether it is probable that the Company will be able to collect all amounts due according to the contractual terms of the security, and analyzing the overall ability of the Company to recover the amortized cost of the investment.

The following tables present the estimated fair value and gross unrealized losses for the 333 and 418 fixed maturity securities for which both the estimated fair value had declined and remained below amortized cost and an allowance for credit loss has not been recorded as of December 31, 2025 and 2024 (dollars in thousands). These investments are presented by class and grade of security, as well as the length of time the related fair value has continuously remained below amortized cost.

December 31, 2025:	Less than 12 months		12 months or greater		Total	
	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses
Investment grade securities:						
Corporate	\$ 147,667	\$ 3,644	\$ 1,082,542	\$ 166,698	\$ 1,230,209	\$ 170,342
Japanese government	38,606	1,112	1,217,014	560,816	1,255,620	561,928
Korean government	1,117,566	91,154	—	—	1,117,566	91,154
ABS	2,989	11	4,082	279	7,071	290
CMBS	—	—	30,654	2,443	30,654	2,443
RMBS	—	—	3,063	281	3,063	281
U.S. government	37,081	116	822	285	37,903	401
State and political subdivisions	1,921	22	4,912	156	6,833	178
Other foreign government	35,051	850	128,954	13,862	164,005	14,712
Total investment grade securities	<u>1,380,881</u>	<u>96,909</u>	<u>2,472,043</u>	<u>744,820</u>	<u>3,852,924</u>	<u>841,729</u>
Below investment grade securities:						
Corporate	3,726	756	7,774	1,358	11,500	2,114
Total fixed maturity securities	<u>\$ 1,384,607</u>	<u>\$ 97,665</u>	<u>\$ 2,479,817</u>	<u>\$ 746,178</u>	<u>\$ 3,864,424</u>	<u>\$ 843,843</u>

December 31, 2024:	Less than 12 months		12 months or greater		Total	
	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses
Investment grade securities:						
Corporate	\$ 1,120,674	\$ 40,357	\$ 496,617	\$ 43,119	\$ 1,617,291	\$ 83,476
Japanese government	1,175,966	139,289	355,148	94,710	1,531,114	233,999
Korean government	6,318	21	—	—	6,318	21
ABS	11,398	170	3,976	403	15,374	573
CMBS	1,945	9	43,809	3,810	45,754	3,819
RMBS	—	—	3,321	414	3,321	414
U.S. government	31,536	516	815	293	32,351	809
State and political subdivisions	4,450	122	7,188	479	11,638	601
Other foreign government	153,039	3,245	57,966	3,494	211,005	6,739
Total investment grade securities	<u>2,505,326</u>	<u>183,729</u>	<u>968,840</u>	<u>146,722</u>	<u>3,474,166</u>	<u>330,451</u>
Below investment grade securities:						
Corporate	—	—	4,371	644	4,371	644
Total fixed maturity securities	<u>\$ 2,505,326</u>	<u>\$ 183,729</u>	<u>\$ 973,211</u>	<u>\$ 147,366</u>	<u>\$ 3,478,537</u>	<u>\$ 331,095</u>

The Company did not intend to sell, and more likely than not would not be required to sell, the securities outlined in the tables above, as of the dates presented. However, unforeseen facts and circumstances may cause the Company to sell fixed maturity securities in the ordinary course of managing its portfolio to meet certain diversification, credit quality and liquidity guidelines. Changes in unrealized losses are primarily due to changes in risk-free interest rates and credit spreads.

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Net Investment Income

Major categories of net investment income consist of the following for the years ended December 31, 2025 and 2024 (dollars in thousands):

	2025	2024
Fixed maturity securities available-for-sale	\$ 246,241	\$ 192,162
Equity securities	102	101
Funds withheld at interest	126,515	(102,442)
Short-term investments and cash and cash equivalents	6,009	4,710
Derivatives	(68,880)	(49,153)
Investment income	309,987	45,378
Investment expense	(9,949)	(9,039)
Net investment income	<u>\$ 300,038</u>	<u>\$ 36,339</u>

As of December 31, 2025, the Company held non-income producing securities with amortized costs, net of allowances, and estimated fair values of \$19 million. As of December 31, 2024, the Company held non-income producing securities with amortized costs, net of allowances, of \$13 million and estimated fair values of \$17 million. Generally, securities are non-income producing when principal or interest is not paid primarily as a result of bankruptcies or credit defaults.

Investment Related Gains (Losses), Net

Investment related gains (losses), net consist of the following for the years ended December 31, 2025 and 2024 (dollars in thousands):

	2025	2024
Fixed maturity securities available-for-sale:		
Change in allowance for credit losses	\$ 6,008	\$ 3,944
Impairments on fixed maturity securities	(109)	—
Realized gains on investment activity	16,940	29,850
Realized losses on investment activity	(7,949)	(92,797)
Net gains on equity securities	96	184
Net gains (losses) on derivatives	2,689	(88,799)
Other, net	6,060	3,250
Total investment related gains (losses), net	<u>\$ 23,735</u>	<u>\$ (144,368)</u>

For the years ended December 31, 2025 and 2024, there were no securities purchased from or sold to affiliates for cash.

Collateral Arrangements

The Company enters into various collateral arrangements with counterparties that require both the pledging and acceptance of invested assets as collateral. Pledged invested assets are included in the balance sheets. Invested assets received as collateral are held in separate custodial accounts and are not recorded on the Company's balance sheets. Subject to certain constraints, the Company is permitted by contract to sell or repledge collateral it receives; however, as of December 31, 2025 and 2024, none of the collateral received had been sold or repledged.

The Company also holds assets in trust to satisfy collateral requirements under derivative transactions and certain third-party reinsurance treaties.

The following table includes invested assets pledged and received as collateral and assets in trust held to satisfy collateral requirements as of December 31, 2025 and 2024 (dollars in thousands):

	2025		2024	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Invested assets pledged as collateral	\$ 594,695	\$ 443,848	\$ 264,039	\$ 227,635
Invested assets received as collateral	n/a	1,225,968	n/a	917,627
Assets in trust held to satisfy collateral requirements	5,638,392	5,233,314	5,411,995	5,390,817

Funds Withheld at Interest

For agreements written on a modco basis and agreements written on a coinsurance funds withheld basis, assets that support the transactions are defined in the treaty, are withheld and legally owned by the ceding company and are reflected as funds withheld at interest within assets on the Company's balance sheets.

Note 8 DERIVATIVE INSTRUMENTS

Accounting for Derivative Instruments and Hedging Activities

See [Note 2 - "Significant Accounting Policies and Pronouncements"](#) for a detailed discussion of the accounting treatment for derivative instruments. See [Note 9 - "Fair Value of Assets and Liabilities"](#) for additional disclosures related to the fair value hierarchy for derivative instruments.

Types of Derivatives Used by the Company

Foreign Currency Derivatives

Foreign currency swaps are used by the Company to reduce the risk from fluctuations in foreign currency exchange rates associated with its assets and liabilities denominated in foreign currencies. With a foreign currency swap transaction, the Company agrees with another party to exchange, at specified intervals, the difference between one currency and another at a forward exchange rate calculated by reference to an agreed upon principal amount. The principal amount of each currency is exchanged at the termination of the currency swap by each party.

Foreign currency forwards are used by the Company to reduce the risk from fluctuations in foreign currency exchange rates associated with its assets and liabilities denominated in foreign currencies. With a foreign currency forward transaction, the Company agrees with another party to deliver a specified amount of an identified currency at a specified future date. The price is agreed upon at the time of the contract and payment for such a contract is made in a different currency at the specified future date.

Foreign currency options are used by the Company to reduce the risk from fluctuations in foreign currency exchange rates associated with its assets and liabilities denominated in foreign currencies. With a foreign currency option transaction, the Company purchases an option contract that gives it the right, but not the obligation, to exchange a specified amount of one currency for a specified amount of a different currency on or before a specific date. The contracts may also be net settled in cash, based on differentials in the foreign currency exchange rate and the strike price.

Credit Derivatives

The Company sells protection under credit default swap index tranches to diversify its credit risk exposure in certain portfolios and, in combination with purchasing securities, to replicate characteristics of similar investments based on the credit quality and term of the credit default swap. Credit default triggers for indexed reference entities are defined in the contracts. The Company's maximum exposure to credit loss equals the notional value for credit default swaps. In the event of default of a referencing entity, the Company is typically required to pay the protection holder the full notional value less a recovery amount determined at auction.

Additionally, the Company enters into long buy protection credit default swap options to also hedge credit risk and reduce credit exposure from cash positions.

Interest Rate Derivatives

Forward bond purchase commitments are used by the Company to hedge against the variability in the purchase price of securities. With forward bond purchase commitments, the forward price is agreed upon at the time of the contract and payment for such contract is made at the future specified settlement date of the securities. The Company uses forward bond purchase commitments in cash flow hedges.

Summary of Derivative Positions

Freestanding derivatives are included in derivatives or derivative liabilities, at fair value. The following table presents the notional amounts and gross fair value of derivative instruments prior to taking into account the netting effects of master netting agreements as of December 31, 2025 and 2024 (dollars in thousands):

	Primary Underlying Risk	2025				2024		
		Notional Amount	Carrying Value/ Fair Value		Notional Amount	Carrying Value/ Fair Value		
			Assets	Liabilities		Assets	Liabilities	
Derivatives not designated as hedging instruments:								
Foreign currency forwards	Foreign currency	\$ 136,900	\$ —	\$ 2,803	\$ 300,578	\$ 9,220	\$ 2,895	
Foreign currency options	Foreign currency	225,000	416	—	350,000	1,038	—	
Credit default swaps	Credit	1,476,500	—	395	997,500	—	113	
Total non-designated derivatives		1,838,400	416	3,198	1,648,078	10,258	3,008	
Derivatives designated as hedging instruments:								
Foreign currency swaps	Foreign currency	1,831,646	—	311,065	1,831,646	—	139,198	
Forward bond purchase commitments	Interest rate	93,322	—	26,273	99,454	264	14,712	
Total hedging derivatives		1,924,968	—	337,338	1,931,100	264	153,910	
Total derivatives		\$3,763,368	\$ 416	\$ 340,536	\$3,579,178	\$ 10,522	\$ 156,918	

Cash Flow Hedges

Certain derivative instruments are designated as cash flow hedges when they meet the requirements of GAAP for *Derivatives and Hedging*. The Company designates and accounts for the following as cash flow hedges: (i) foreign currency swaps, in which the cash flows of assets are denominated in different currencies, commonly referred to as cross-currency swaps; and (ii) forward bond purchase commitments.

The following table presents the cash flow hedge components of AOCI, before income taxes, and where the gain or loss related to cash flow hedges is recognized on the statements of income for the years ended December 31, 2025 and 2024 (dollars in thousands):

	Amounts Included in AOCI
Balance as of January 1, 2024	\$ (38,238)
Losses, net deferred in OCI	(164,561)
Amounts reclassified to net investment income	49,153
Balance as of December 31, 2024	(153,646)
Losses, net deferred in OCI	(251,811)
Amounts reclassified to net investment income	68,880
Balance as of December 31, 2025	<u>\$ (336,577)</u>

As of December 31, 2025, approximately \$69 million of before-tax deferred net losses on derivative instruments recorded in AOCI are expected to be reclassified to net investment income during the next twelve months.

The following table presents the effect of derivatives in cash flow hedging relationships on the statements of income for the years ended December 31, 2025 and 2024 (dollars in thousands):

Derivative Type	Losses Deferred in OCI	Losses Reclassified into
		Income from AOCI
For the year ended December 31, 2025:		Net Investment Income
Interest rate	\$ (13,597)	\$ (5)
Foreign currency	(238,214)	(68,875)
Total	<u>\$ (251,811)</u>	<u>\$ (68,880)</u>
For the year ended December 31, 2024:		
Interest rate	\$ (7,793)	—
Foreign currency	(156,768)	(49,153)
Total	<u>\$ (164,561)</u>	<u>\$ (49,153)</u>

For the years ended December 31, 2025 and 2024, there were no material amounts reclassified into earnings relating to instances in which the Company discontinued cash flow hedge accounting because the forecasted transaction did not occur by the anticipated date or within the additional time period permitted by GAAP for *Derivatives and Hedging*.

Hedges of Net Investments in Foreign Operations

The Company does not have any current NIFO hedges and had no gain or loss deferred in OCI for the years ended December 31, 2025 and 2024.

The cumulative foreign currency translation loss recorded in AOCI related to these hedges was \$9 million as of December 31, 2025 and 2024. If a hedged foreign operation was sold or substantially liquidated, the amounts in AOCI would be reclassified to the statements of income. A pro rata portion would be reclassified upon partial sale of a hedged foreign operation. There were no sales or substantial liquidations of net investments in foreign operations that would have required the reclassification of gains or losses from AOCI into investment income during the periods presented.

Non-qualifying Derivatives and Derivatives for Purposes Other Than Hedging

The Company uses various other derivative instruments for risk management purposes that either do not qualify or have not been elected for hedge accounting treatment. The gain or loss related to the change in fair value for these derivative instruments is recognized in investment related gains (losses), net, except where otherwise noted.

A summary of the effect of non-qualifying derivatives on the Company's statements of income for the years ended December 31, 2025 and 2024 is as follows (dollars in thousands):

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Type of Non-qualifying Derivative	Statements of Income Location of Gains (Losses)	Gains (Losses)	
		2025	2024
Foreign currency forwards	Investment related gains (losses), net	\$ (5,081)	\$ (90,882)
Foreign currency options	Investment related gains (losses), net	(5,262)	(6,192)
Credit default swaps	Investment related gains (losses), net	13,167	8,266
Credit default index swaps options	Investment related gains (losses), net	(135)	—
Total non-qualifying derivatives		\$ 2,689	\$ (88,808)

Credit Derivatives

The following table presents the estimated fair value, maximum amount of future payments and weighted average years to maturity of credit default swaps sold by the Company as of December 31, 2025 and 2024 (dollars in thousands):

Rating Agency Designation of Referenced Credit Obligations ⁽¹⁾	2025			2024		
	Estimated Fair Value of Credit Default Swaps	Maximum Amount of Future Payments under Credit Default Swaps ⁽²⁾	Weighted Average Years to Maturity ⁽³⁾	Estimated Fair Value of Credit Default Swaps	Maximum Amount of Future Payments under Credit Default Swaps ⁽²⁾	Weighted Average Years to Maturity ⁽³⁾
BBB						
Credit default swaps referencing indices	\$ (395)	\$ 1,476,500	4.6	\$ (113)	\$ 997,500	4.8

(1) Rating agency designations are based on ratings from Standard and Poor's ("S&P") when available. Other credited rating agencies or internal ratings may be used when S&P ratings are not available.

(2) Assumes the value of the referenced credit obligations is zero.

(3) The weighted average years to maturity of the credit default swaps is calculated based on weighted average notional amounts.

Netting Arrangements and Credit Risk

Certain of the Company's freestanding derivatives are subject to enforceable master netting arrangements and reported as a net asset or liability in the balance sheets. The Company nets all derivatives that are subject to such arrangements.

The Company has elected to include all freestanding derivatives in the table below, irrespective of whether they are subject to an enforceable master netting arrangement or a similar agreement.

The following table provides information relating to the netting of the Company's derivative instruments as of December 31, 2025 and 2024 (dollars in thousands):

	Gross Amounts Recognized	Gross Amounts Offset in the Balance Sheets	Net Amounts Presented in the Balance Sheets	Financial Instruments/ Collateral ⁽¹⁾	Net Amount
December 31, 2025:					
Derivative assets	\$ 416	\$ —	\$ 416	\$ (416)	\$ —
Derivative liabilities	340,536	—	340,536	(340,536)	—
December 31, 2024:					
Derivative assets	\$ 10,522	\$ (6,050)	\$ 4,472	\$ (4,472)	\$ —
Derivative liabilities	156,918	(6,050)	150,868	(150,868)	—

(1) Includes initial margin posted to a central clearing partner for financial instruments and excludes the excess of collateral received/pledged from/to the counterparty.

The Company may be exposed to credit-related losses in the event of non-performance by counterparties to derivative financial instruments. Generally, the credit exposure of the Company's derivative contracts is limited to the fair value and accrued interest of non-collateralized derivative contracts in an asset position at the reporting date. As of December 31, 2025, the Company had no credit exposure.

Derivatives may be exchange-traded or they may be privately negotiated contracts, which are referred to as over-the-counter ("OTC") derivatives. Certain of the Company's OTC derivatives are cleared and settled through central clearing counterparties ("OTC cleared") and others are bilateral contracts between two counterparties. Additionally, the Company is required to pledge initial margin for certain OTC-bilateral derivative transactions. The Company manages its credit risk related to OTC derivatives by entering into transactions with creditworthy counterparties, maintaining collateral arrangements and through the use of master netting agreements that provide for a single net payment to be made by one counterparty to another at each due date and upon termination. The Company is only exposed to the default of the central clearing counterparties for OTC cleared derivatives, and these transactions require initial and daily variation margin collateral postings. Exchange-traded derivatives are settled on a daily basis, thereby reducing the credit risk exposure in the event of non-performance by counterparties to such financial instruments.

Note 9 FAIR VALUE OF ASSETS AND LIABILITIES

Fair Value Measurement

General accounting principles for *Fair Value Measurements and Disclosures* define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. These principles also establish a three-level fair value hierarchy that requires an entity to maximize the use of observable inputs and to minimize the use of unobservable inputs when measuring fair value:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities. Active markets are defined through various characteristics for the measured asset/liability, such as having many transactions and narrow bid/ask spreads.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or market standard valuation techniques and assumptions that use significant inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the related assets or liabilities and include those whose value is determined using market standard valuation techniques described above. Prices are determined using valuation methodologies such as discounted cash flow models and other similar techniques that require management's judgment or estimation in developing inputs that are consistent with those other market participants would use when pricing similar assets and liabilities.

Assets and Liabilities by Hierarchy Level

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2025 and 2024 are summarized below (dollars in thousands):

December 31, 2025:	Total	Fair Value Measurements Using:		
		Level 1	Level 2	Level 3
Assets:				
Fixed maturity securities available-for-sale:				
Corporate	\$ 3,565,835	\$ —	\$ 3,225,936	\$ 339,899
Japanese government	1,257,387	—	1,257,387	—
Korean government	1,123,935	—	1,123,935	—
ABS	61,304	—	51,308	9,996
CMBS	89,786	—	89,786	—
RMBS	58,548	—	58,548	—
U.S. government	330,120	329,298	822	—
State and political subdivisions	18,536	—	18,536	—
Other foreign government	282,361	—	282,361	—
Total fixed maturity securities available-for-sale	6,787,812	329,298	6,108,619	349,895
Equity securities	1,953	—	—	1,953
Cash equivalents	12,160	12,160	—	—
Short-term investments	671	—	619	52
Derivatives	416	—	416	—
Total	\$ 6,803,012	\$ 341,458	\$ 6,109,654	\$ 351,900
Liabilities:				
Derivative liabilities	\$ 340,536	\$ —	\$ 340,536	\$ —
Total	\$ 340,536	\$ —	\$ 340,536	\$ —

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December 31, 2024:	Total	Fair Value Measurements Using:		
		Level 1	Level 2	Level 3
Assets:				
Fixed maturity securities available-for-sale:				
Corporate	\$ 3,862,364	\$ —	\$ 3,494,692	\$ 367,672
Japanese government	1,531,113	—	1,531,113	—
Korean government	658,323	—	658,323	—
ABS	82,699	—	62,919	19,780
CMBS	111,732	—	111,732	—
RMBS	68,043	—	68,043	—
U.S. government	36,706	35,891	815	—
State and political subdivisions	18,115	—	18,115	—
Other foreign government	317,271	—	317,271	—
Total fixed maturity securities available-for-sale	6,686,366	35,891	6,263,023	387,452
Equity securities	1,854	—	—	1,854
Cash equivalents	39,416	37,325	2,091	—
Short-term investments	27,643	12,082	15,561	—
Derivatives	4,472	—	4,472	—
Total	\$ 6,759,751	\$ 85,298	\$ 6,285,147	\$ 389,306
Liabilities:				
Derivative liabilities	\$ 150,868	\$ —	\$ 150,868	\$ —
Total	\$ 150,868	\$ —	\$ 150,868	\$ —

The Company may utilize information from third parties, such as pricing services and brokers, to assist in determining the fair value for certain assets and liabilities; however, management is ultimately responsible for all fair values presented in the Company's financial statements. This includes responsibility for monitoring the fair value process, ensuring objective and reliable valuation practices and pricing of assets and liabilities, and approving changes to valuation methodologies and pricing sources. The selection of the valuation technique(s) to apply considers the definition of an exit price and the nature of the asset or liability being valued and significant expertise and judgment is required.

The Company performs initial and ongoing analysis and review of the various techniques utilized in determining fair value to ensure that they are appropriate and consistently applied, and that the various assumptions are reasonable. The Company analyzes and reviews the information and prices received from third parties to ensure that the prices represent a reasonable estimate of the fair value and to monitor controls around pricing, which includes quantitative and qualitative analysis and is overseen by the Company's investment and accounting personnel. Examples of procedures performed include, but are not limited to, review of pricing trends, comparison of a sample of executed prices of securities sold to the fair value estimates, comparison of fair value estimates to management's knowledge of the current market, and ongoing confirmation that third party pricing services use, wherever possible, market-based parameters for valuation. In addition, the Company utilizes both internal and external cash flow models to analyze the reasonableness of fair values utilizing credit spread and other market assumptions, where appropriate. As a result of the analysis, if the Company determines there is a more appropriate fair value based upon the available market data, the price received from the third party is adjusted accordingly. The Company also determines if the inputs used in estimated fair values received from pricing services are observable by assessing whether these inputs can be corroborated by observable market data.

For assets and liabilities reported at fair value, the Company utilizes, when available, fair values based on quoted prices in active markets that are regularly and readily obtainable. Generally, these are very liquid investments and the valuation does not require management judgment. When quoted prices in active markets are not available, fair value is based on market valuation techniques, market comparable pricing and the income approach. The use of different techniques, assumptions and inputs may have a material effect on the estimated fair values of the Company's securities holdings. For the years presented, the application of market standard valuation techniques applied to similar assets and liabilities has been consistent.

The methods and assumptions the Company uses to estimate the fair value of assets and liabilities measured at fair value on a recurring basis are summarized below.

Fixed Maturity Securities - The fair values of the Company's publicly-traded fixed maturity securities are generally based on prices obtained from independent pricing services. Prices from pricing services are sourced from multiple vendors, and a vendor hierarchy is maintained by asset type based on historical pricing experience and vendor expertise. The Company generally receives prices from multiple pricing services for each security but ultimately uses the price from the vendor that is highest in the hierarchy for the respective asset type. To validate reasonableness, prices are periodically reviewed as explained above. Consistent with the fair value hierarchy described above, securities with quotes from pricing services are generally reflected within Level 2, as they are primarily based on observable pricing for similar assets and/or other market observable inputs. If the pricing information received from third party pricing services is not reflective of market activity or other inputs observable in the market, the Company may challenge the price through a formal process with the pricing service.

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If the Company ultimately concludes that pricing information received from the independent pricing service is not reflective of fair value, non-binding broker quotes are used, if available. If the Company concludes that the values from both pricing services and brokers are not reflective of fair value, an internally developed valuation may be prepared; however, this occurs infrequently. Internally developed valuations or non-binding broker quotes are also used to determine fair value in circumstances where vendor pricing is not available. These valuations may use significant unobservable inputs, which reflect the Company's assumptions about the inputs that market participants would use in pricing the asset. Observable market data may not be available in certain circumstances, such as market illiquidity and credit events related to the security. Internally developed valuations and non-binding broker quotes are generally based on significant unobservable inputs and are reflected as Level 3 in the valuation hierarchy.

The inputs used in the valuation of corporate and government securities include, but are not limited to, standard market observable inputs that are derived from, or corroborated by, market observable data including market yield curve, duration, call provisions, observable prices and spreads for similar publicly traded or privately placed issues that incorporate the credit quality and industry sector of the issuer. For internal pricing of private placements and structured securities, valuation is based primarily on matrix pricing or other similar techniques using standard market inputs including spreads for actively traded securities, spreads off benchmark yields, expected prepayment speeds and volumes, current and forecasted loss severity, rating, weighted average coupon, weighted average maturity, average delinquency rates, geographic region, debt service coverage ratios and issuance-specific information including, but not limited to: collateral type, payment terms of the underlying assets, payment priority within the tranche, structure of the security, transaction performance and vintage of loans.

When observable inputs are not available, the market standard valuation techniques for determining the estimated fair value of certain types of securities that trade infrequently, and therefore have little or no price transparency, rely on inputs that are significant to the estimated fair value that are not observable in the market or cannot be derived principally from or corroborated by observable market data, such as market illiquidity. Other significant unobservable inputs used in the fair value measurement of the Company's private debt investments include a multiple of earnings before interest, taxes, depreciation and amortization ("EBITDA"). These unobservable inputs can be based in large part on management judgment or estimation and cannot be supported by reference to market activity. Even though unobservable, these inputs are based on assumptions deemed appropriate given the circumstances and are believed to be consistent with what other market participants would use when pricing such securities.

Equity Securities - Equity securities consist principally of preferred stock of privately traded companies. Non-binding broker quotes and internally developed evaluations for equity securities are generally based on significant unobservable inputs and are reflected as Level 3 in the fair value hierarchy.

Cash Equivalents and Short-Term Investments - Cash equivalents and short-term investments include money market instruments and other highly liquid debt instruments which are generally valued using unadjusted quoted prices in active markets that are accessible for identical assets and are primarily classified as Level 1. The fair value of certain other cash equivalents and short-term investments, such as bonds with original maturities twelve months or less, are based upon other market observable data and are typically classified as Level 2. However, certain short-term investments may incorporate significant unobservable inputs resulting in a Level 3 classification. Various time deposits, certificates of deposit and sweeps carried as cash equivalents or short-term investments are not measured at estimated fair value and therefore are excluded from the tables presented.

Derivative Assets and Derivative Liabilities - All of the derivative instruments utilized by the Company are classified within Level 2 on the fair value hierarchy. These derivatives are principally valued using an income approach. Valuations of interest rate contracts are based on present value techniques, which utilize significant inputs that may include the swap yield curve, Secured Overnight Financing Rate basis curves, Overnight Index Swaps curves, and repurchase rates. Valuations of foreign currency contracts are based on present value techniques, which utilize significant inputs that may include the swap yield curve, currency spot rates, and cross currency basis curves. Valuations of credit contracts are based on present value techniques, which utilize significant inputs that may include the swap yield curve, credit curves, and recovery rates.

Quantitative Information Regarding Internally-Priced Assets

The following table presents quantitative information about significant unobservable inputs used in Level 3 fair value measurements that are developed internally by the Company as of December 31, 2025 and 2024 (dollars in thousands):

	Estimated Fair Value		Valuation Technique	Unobservable Input	Weighted Average	
	2025	2024			2025	2024
Assets:						
Corporate	\$ 16,542	\$ 15,262	Market comparable securities	EBITDA Multiple	6.7x	6.7x

Changes in Level 3 Assets

Transfers out of Level 3 are primarily the result of the Company obtaining observable pricing information or a third party pricing quotation that appropriately reflects the fair value of those assets.

The reconciliations for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are as follows (dollars in thousands):

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For the year ended December 31, 2025:	Fixed maturity securities - available-for-sale			Equity securities	Short-term investments
	Corporate	Structured securities			
Fair value, beginning of year	\$ 367,672	\$ 19,780	\$ 1,854	\$ —	
Total gains/losses (realized/unrealized)					
Included in earnings, net:					
Net investment income	1,025	—	—	—	
Investment related gains (losses), net	6,485	513	99	—	
Included in OCI	(27,954)	(348)	—	—	
Purchases ⁽¹⁾	5,054	10,000	—	52	
Sales ⁽¹⁾	—	(9,949)	—	—	
Settlements ⁽¹⁾	(3,285)	(10,000)	—	—	
Transfers out of Level 3	(9,098)	—	—	—	
Fair value, end of year	\$ 339,899	\$ 9,996	\$ 1,953	\$ 52	
Total gains/losses (realized/unrealized) recorded for the year relating to those Level 3 assets that were still held at the end of the year					
Included in earnings, net:					
Net investment income	\$ 1,025	\$ —	\$ —	\$ —	
Investment related gains (losses), net	5,502	—	99	—	
Included in OCI	(27,954)	688	—	—	

(1) The amount reported within purchases, sales and settlements is the purchase price (for purchases) and the sales/settlement proceeds (for sales and settlements) based upon the actual date purchased or sold/settled. Items purchased and sold/settled in the same year are excluded from the rollforward. The Company had no issuances during the year.

For the year ended December 31, 2024:	Fixed maturity securities - available-for-sale			Equity securities
	Corporate	Structured securities		
Fair value, beginning of year	\$ 275,650	\$ 24,321	\$ 1,871	
Total gains/losses (realized/unrealized)				
Included in earnings, net:				
Net investment income	624	—	—	
Investment related gains (losses), net	2,746	—	(17)	
Included in OCI	(34,006)	249	—	
Purchases ⁽¹⁾	145,800	—	—	
Sales ⁽¹⁾	(13,417)	—	—	
Settlements ⁽¹⁾	(9,725)	—	—	
Transfers out of Level 3	—	(4,790)	—	
Fair value, end of year	\$ 367,672	\$ 19,780	\$ 1,854	
Total gains/losses (realized/unrealized) recorded for the year relating to those Level 3 assets that were still held at the end of the year				
Included in earnings, net:				
Net investment income	\$ 454	\$ —	\$ —	
Investment related gains (losses), net	3,349	—	(17)	
Included in OCI	(34,197)	249	—	

(1) The amount reported within purchases, sales and settlements is the purchase price (for purchases) and the sales/settlement proceeds (for sales and settlements) based upon the actual date purchased or sold/settled. Items purchased and sold/settled in the same year are excluded from the rollforward. The Company had no issuances during the year.

Nonrecurring Fair Value Measurements

The Company did not have any assets measured at estimated fair value on a nonrecurring basis during the years ended December 31, 2025 and 2024.

Fair Value of Financial Instruments Carried at Other Than Fair Value

The following table presents the carrying values and estimated fair values of the Company's financial instruments, which were not measured at fair value on a recurring basis, as of December 31, 2025 and 2024 (dollars in thousands). This table excludes any payables or receivables for collateral transactions. The estimated fair value of the excluded amounts approximate carrying value as they equal the amount of cash collateral received/paid.

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December 31, 2025:	Carrying Value ⁽¹⁾	Estimated Fair Value	Fair Value Measurement Using:		
			Level 1	Level 2	Level 3
Assets:					
Funds withheld at interest	\$ 30,427	\$ 30,427	\$ —	\$ —	\$ 30,427
Cash and cash equivalents	231,560	231,560	231,560	—	—
Short-term investments	23,885	23,885	23,885	—	—
Accrued investment income	60,614	60,614	—	60,614	—
Liabilities:					
Interest-sensitive contract liabilities ⁽²⁾	\$ 228,314	\$ 228,314	\$ —	\$ —	\$ 228,314
Funds withheld payable	3,162,031	3,162,031	—	—	3,162,031
December 31, 2024:					
Assets:					
Funds withheld at interest	\$ 34,618	\$ 34,618	\$ —	\$ —	\$ 34,618
Cash and cash equivalents	197,652	197,652	197,652	—	—
Short-term investments	35,376	35,376	35,376	—	—
Accrued investment income	54,405	54,405	—	54,405	—
Liabilities:					
Interest-sensitive contract liabilities ⁽²⁾	\$ 267,791	\$ 267,791	\$ —	\$ —	\$ 267,791
Funds withheld payable	3,281,750	3,281,750	—	—	3,281,750

- (1) Carrying values presented herein may differ from those in the Company's balance sheets because certain items within the respective financial statement captions may be measured at fair value on a recurring basis.
- (2) Carrying values and estimated fair values presented herein include a reinsurance recoverable of \$497 million and \$581 million as of December 31, 2025 and 2024, respectively.

Funds Withheld at Interest and Funds Withheld Payable - The carrying value of funds withheld at interest and funds withheld payable approximates fair value except where the funds withheld are specifically identified in the agreement. When funds withheld are specifically identified in the agreement, the fair value is based on the fair value of the underlying assets that are held by the ceding company. A variety of sources and pricing methodologies, which are not transparent to the Company and may include significant unobservable inputs, are used to value the securities that are held in distinct portfolios, therefore the valuation of these funds withheld balances are considered Level 3 in the fair value hierarchy.

Cash and Cash Equivalents and Short-term Investments - The carrying values of cash and cash equivalents and short-term investments approximate fair values due to the short-term maturities of these instruments and are considered Level 1 in the fair value hierarchy.

Accrued Investment Income - The carrying value for accrued investment income approximates fair value as there are no adjustments made to the carrying value. This is considered Level 2 in the fair value hierarchy.

Interest-Sensitive Contract Liabilities - The carrying and fair values of interest-sensitive contract liabilities reflected in the table above exclude contracts with significant mortality risk. The fair value of the Company's interest-sensitive contract liabilities utilizes a market standard technique with both capital market inputs and policyholder behavior assumptions, as well as cash values adjusted for recapture fees. The capital market inputs to the model, such as interest rates, are generally observable. Policyholder behavior assumptions are generally not observable and may require use of significant management judgment. The valuation of interest-sensitive contract liabilities is considered Level 3 in the fair value hierarchy.

Note 10 INCOME TAX

Bermuda enacted the Corporate Income Tax Act of 2023 on December 27, 2023. Effective January 1, 2025, Bermuda imposed a 15% corporate income tax rate applicable to resident Bermuda companies and permanent establishments with consolidated annual revenue of €750 million or more, applicable to RGA. The Company incurred Bermuda corporate income tax expense for the year ended December 31, 2025 of \$31 million.

Pursuant to an irrevocable election made in 2020 under the Malaysia Income Tax Act of 1967 ("ITA"), the Labuan branch is subject to tax on reinsurance income at 8% and non-reinsurance income at 24%. Total income tax expense (benefit) in the Labuan branch for the years ended December 31, 2025 and 2024 was \$(2) million and \$4 million, respectively.

The Taiwan branch is subject to a 20% income tax rate in Taiwan. Total income tax expense in the Taiwan branch for the years ended December 31, 2025 and 2024 was \$4 million and \$3 million, respectively.

The Company's earnings are not effectively connected to the U.S, therefore, there are no U.S. income taxes required in 2025 or 2024.

Note 11 SHAREHOLDER'S EQUITY

The Company is registered under the Bermuda Insurance Act 1978 (the "Act") and amendments thereto and related regulations, which require that the Company maintain a minimum solvency margin. The minimum solvency margin required at December 31,

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2025 and 2024 is the greater of \$8 million or 2% of the first \$500 million of statutory assets of the Company plus 1.5% of statutory assets of the Company above \$500 million. The Company is required to calculate an enhanced capital requirement ("ECR") and target capital level ("TCL") as prescribed by or under rules made under Section 6A of the Act, which are additional capital and surplus requirements to the minimum solvency margin. The Company's ECR is the higher of the Bermuda Solvency Capital Requirement model and the minimum margin of solvency. The TCL is calculated as 120% of the ECR. As of December 31, 2025 and 2024, the Company has met the requirements. As of December 31, 2025 and 2024, statutory capital and surplus of the Company was \$313 million and \$447 million, respectively.

The Bermuda Monetary Authority considers prepaid and fixed assets non-admitted assets. As non-admitted assets, such balances were reflected as a reduction of statutory surplus.

In 2025 and 2024, the Company did not receive any capital contributions or pay any dividends.

Note 12 RELATED-PARTY TRANSACTIONS

The Company transacts business with affiliated companies on a regular basis. These transactions primarily consist of reinsurance agreements, notes with affiliates, administrative service agreements, investment management agreements, and the Company may purchase or sell securities with affiliated companies. The table below contains material related-party reinsurance transactions, other than those previously disclosed in [Note 6 - "Reinsurance."](#) as of December 31, 2025 and 2024 (in thousands):

	2025	2024
Future policy benefits	\$ 51,283	\$ 297,376
Funds withheld payable	3,162,031	3,281,750

The Company regularly transacts business with affiliates under various service agreements and investment management agreements. As of December 31, 2025 and 2024, the Company had receivables from affiliates of \$3 million and payables to affiliates of \$8 million and \$14 million, respectively, associated with these agreements.

See [Note 7 - "Investments"](#) for information on security purchases and sales with affiliated companies.

Note 13 CONTINGENCIES

Litigation

The Company is subject to litigation and regulatory investigations or actions from time to time. Based on current knowledge, management does not believe that loss contingencies arising from pending legal, regulatory and governmental matters will have a material adverse effect on the financial condition, results of operations or cash flows of the Company. However, in light of the inherent uncertainties involved in future or pending legal, regulatory and governmental matters, some of which are beyond the Company's control, and indeterminate or potentially substantial amount of damages sought in any such matters, an adverse outcome could be material to the Company's financial condition, results of operations or cash flows for any particular reporting period. A legal reserve is established when the Company is notified of an arbitration demand, litigation or regulatory action, or is notified that an arbitration demand, litigation or regulatory action is imminent, it is probable that the Company will incur a loss as a result and the amount of the probable loss is reasonably capable of being estimated.

Note 14 OTHER COMPREHENSIVE INCOME (LOSS)

The following table presents the components of the Company's OCI for the years ended December 31, 2025 and 2024 (dollars in thousands):

For the year ended December 31, 2025:	Before-Tax Amount	Tax (Expense) Benefit	After-Tax Amount
Foreign currency translation adjustments, change arising during the year	\$ (37,207)	\$ 6,509	\$ (30,698)
Unrealized losses on investments: ⁽¹⁾			
Unrealized net holding losses arising during the year	(698,955)	104,682	(594,273)
Less: Reclassification adjustment for net losses realized in net income	(47,930)	7,172	(40,758)
Net unrealized losses	(651,025)	97,510	(553,515)
Effect of updating discount rates on future policy benefits	282,109	(42,765)	239,344
Other comprehensive loss	<u>\$ (406,123)</u>	<u>\$ 61,254</u>	<u>\$ (344,869)</u>

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For the year ended December 31, 2024:

	Before-Tax Amount	Tax (Expense) Benefit	After-Tax Amount
Foreign currency translation adjustments, change arising during the year	\$ (9,343)	\$ 1,127	\$ (8,216)
Unrealized losses on investments: ⁽¹⁾			
Unrealized net holding losses arising during the year	(298,269)	45,339	(252,930)
Less: Reclassification adjustment for net losses realized in net loss	(104,905)	15,736	(89,169)
Net unrealized losses	(193,364)	29,603	(163,761)
Effect of updating discount rates on future policy benefits	154,541	(23,414)	131,127
Other comprehensive loss	<u>\$ (48,166)</u>	<u>\$ 7,316</u>	<u>\$ (40,850)</u>

(1) Includes cash flow hedges. See [Note 8 - "Derivative Instruments"](#) for additional information on cash flow hedges.

A summary of the components of net unrealized depreciation of balances carried at fair value for the years ended December 31, 2025 and 2024 is as follows (dollars in thousands):

	2025	2024
Change in net unrealized depreciation on:		
Fixed maturity available-for-sale	\$ (468,101)	\$ (77,962)
Cash flow hedges and other investments ⁽¹⁾	(182,924)	(115,402)
Net unrealized depreciation	<u>\$ (651,025)</u>	<u>\$ (193,364)</u>

(1) See [Note 8 - "Derivative Instruments"](#) for additional information on cash flow hedges.

The balances of and changes in each component of AOCI for the years ended December 31, 2025 and 2024 were as follows (dollars in thousands):

	Accumulated Currency Translation Adjustments	Unrealized Depreciation of Investments ⁽¹⁾	Effect of Updating Discount Rates on Future Policy Benefits	Accumulated Other Comprehensive Income (Loss)
Balance, January 1, 2024	\$ 11,989	\$ (104,414)	\$ 168,820	\$ 76,395
OCI before reclassifications	(9,343)	(298,269)	154,541	(153,071)
Amounts reclassified from AOCI	—	104,905	—	104,905
Deferred income tax benefit (expense)	1,127	29,603	(23,414)	7,316
Balance, December 31, 2024	3,773	(268,175)	299,947	35,545
OCI before reclassifications	(37,207)	(698,955)	282,109	(454,053)
Amounts reclassified from AOCI	—	47,930	—	47,930
Deferred income tax benefit (expense)	6,509	97,510	(42,765)	61,254
Balance, December 31, 2025	<u>\$ (26,925)</u>	<u>\$ (821,690)</u>	<u>\$ 539,291</u>	<u>\$ (309,324)</u>

(1) Includes cash flow hedge of \$(337) million and \$(154) million as of December 31, 2025 and 2024, respectively. See [Note 8 - "Derivative Instruments"](#) for additional information on cash flow hedges.

The following table presents the amounts of AOCI reclassifications for the years ended December 31, 2025 and 2024 (dollars in thousands):

Details about AOCI Components	Amount Reclassified from AOCI		Affected Line Item in Statements of Income
	2025	2024	
Net unrealized investment losses:			
Net unrealized gains (losses) on available-for-sale securities	\$ 20,950	\$ (55,752)	Investment related losses, net
Cash flow hedges - interest rate	(5)	—	(1)
Cash flow hedges - foreign currency	(68,875)	(49,153)	(1)
Total	(47,930)	(104,905)	
Provision for income taxes	7,172	15,736	
Total reclassifications for the year	<u>\$ (40,758)</u>	<u>\$ (89,169)</u>	

(1) See [Note 8 - "Derivative Instruments"](#) for information on cash flow hedges.

GLOSSARY OF SELECTED TERMS

Throughout these financial statements, the Company may use certain abbreviations, acronyms and terms which are defined below.

Entities

Term or Acronym	Definition
The Company	RGA Global Reinsurance Company, Ltd.
RGA	Reinsurance Group of America, Incorporated
RGA Barbados	RGA Reinsurance Company (Barbados) Ltd.

Certain Terms and Acronyms

Term or Acronym	Definition
ABS	Asset-backed securities
Allowance	An amount paid by the reinsurer to the ceding company to help cover the ceding company's acquisition and other costs, especially commissions. Allowances are usually calculated as a large percentage (often 100%) of first-year premiums reinsured and smaller percentages of renewal premiums reinsured.
AOCI	Accumulated other comprehensive income (loss)
Assumed reinsurance	Insurance risk that a reinsurer accepts (assumes) from a ceding company.
Bermuda Insurance Act	Bermuda's Insurance Act 1978 which distinguishes between insurers carrying on long-term business, insurers carrying on special purpose business and insurers carrying on general business.
Ceding company (also known as cedant)	An insurer that transfers, or cedes, risk to a reinsurer.
CMBS	Commercial mortgage-backed securities, a part of our investment portfolio that consists of securities made up of commercial mortgages. Stated on our balance sheet at fair value.
Coinsurance (also known as original terms reinsurance)	A form of reinsurance under which the ceding company shares its premiums, death claims, surrender benefits, dividends and policy loans with the reinsurer, and the reinsurer pays expense allowances to reimburse the ceding company for a share of its expenses.
Coinsurance funds withheld	A variant on coinsurance, in which the ceding company withholds assets equal to reserves and shares investment income on those assets with the reinsurer.
Corporate	Corporate securities
Counterparty	A party to a contract requiring or offering the exchange of risk.
Critical illness (CI) insurance (also known as dread disease insurance)	Insurance that provides a guaranteed fixed sum upon diagnosis of a specified illness or condition such as cancer, heart disease, or permanent total disability. The coverage can be offered on a stand-alone basis or as an add-on to a life insurance policy.
DAC	Deferred policy acquisition costs: Costs of acquiring new business, which vary with and are directly related to the production of new business, have been deferred to the extent that such costs are deemed recoverable from future premiums or gross profits.
DPL	Deferred profit liability
EBITDA	Earnings before interest, taxes, depreciation and amortization
ECR	Enhanced capital requirement in accordance with the provisions of the Bermuda Insurance Act.
Expected mortality	Number of deaths predicted to occur in a defined group of people.
Face amount	Amount payable at the death of the insured or at the maturity of the policy.
Facultative reinsurance	A type of reinsurance in which the reinsurer underwrites an individual risk submitted by the ceding company for a risk that is unusual, large, highly substandard or not covered by an automatic reinsurance treaty. Such risks are typically submitted to multiple reinsurers for competitive offers.
FASB	Financial Accounting Standards Board
Financial reinsurance (also known as financially-motivated reinsurance)	A form of capital-motivated reinsurance that satisfies all regulatory requirements for risk transfer and is often designed to produce very predictable reinsurer profits as a percentage of the capital provided.
GAAP	U.S. generally accepted accounting principles
Group life insurance	Insurance policy under which the lives of a group of people, most commonly employees of a single company, are insured in accordance with the terms of one master contract.
IBNR	Incurred but not reported
Individual life insurance	An insurance policy that insures the life of usually one and sometimes two or more related individuals, rather than a group of people.
ITA	The Malaysia Income Tax Act of 1967
Japanese government	Japanese government and agencies
Korean government	Korean government and agencies
Modified coinsurance (Modco)	A variant on coinsurance in which the ceding company retains all the reserves, as well as assets backing reserves, and pays the reinsurer interest on the reinsurer's share of the reserves.
Morbidity	A measure of the incidence of sickness or disease within a specific population group.
NIFO	Net investments in foreign operations
NPR	Net premium ratio

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OCI	Other comprehensive income (loss)
OTC	Derivatives that are privately negotiated contracts, which are known as over-the-counter derivatives.
OTC cleared	OTC derivatives that are cleared and settled through central clearing counterparties.
Other foreign government	Other foreign government, supranational and foreign government-sponsored enterprises
Portfolio	The totality of risks assumed by an insurer or reinsurer.
Premium	Amount paid to insure a risk.
Production	New business produced during a specified period.
Recapture	The right of the ceding company to cancel reinsurance under certain conditions.
Reinsurance	The transfer of insurance risk from an insurer, referred to as the ceding company, to a reinsurer, in conjunction with the payment of a reinsurance premium. Through reinsurance, a reinsurer 'insures' an insurer.
Reserves	The amount required to be carried as a liability in the financial statement of an insurer or reinsurer to provide for future commitments under outstanding policies and contracts.
Retention limit	The maximum amount of risk a company will insure on one life.
Retrocession	A transfer of reinsurance risk from a reinsurer to another reinsurer, referred to as the retrocessionaire, in conjunction with the payment of a retrocession premium. Through retrocession, a retrocessionaire reinsures a reinsurer.
Retrocessionaire	A reinsurer that reinsures another reinsurer; see Retrocession.
RMBS	Residential mortgage-backed securities, a part of our investment portfolio that consists of securities made up of residential mortgages. Stated on our balance sheet at fair value.
S&P	Standard & Poor's
Statutory capital	The excess of statutory assets over statutory reserves, both of which are calculated in accordance with standards established by insurance regulators.
Structured securities	Asset-backed securities, commercial mortgage-backed securities and residential mortgage-backed securities
TCL	Target capital level
Treaty (also known as a contract)	A reinsurance agreement between a reinsurer and a ceding company. The three most common types of reinsurance treaties are YRT (yearly renewable term), coinsurance and modified coinsurance. The three most common methods of accepting reinsurance are automatic, facultative and facultative-obligatory.
U.S.	United States of America
U.S. government	U.S. government and agencies
Underwriting	The process that assesses the risk inherent in an application for insurance prior to acceptance of the policy.
Valuation	The periodic calculation of reserves, the funds that insurance companies are required to hold in order satisfy all future insurance obligations.
Yearly Renewable Term (YRT)	A type of reinsurance which covers only mortality risk, with each year's premium based on the current amount of risk.