FINANCIAL CONDITION REPORT ON EXAMINATION

OF THE

SHELTERPOINT LIFE INSURANCE COMPANY

AS OF DECEMBER 31, 2024

EXAMINER: **THOMAS J. ALLEN, CFE**

DATE OF REPORT: **JUNE 10, 2026**

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June 12, 2026

Honorable Kaitlin Asrow
Acting Superintendent of Financial Services
New York, New York 10004

Dear Kaitlin Asrow:

In accordance with instructions contained in Appointment No. 32818, dated June 18, 2025, and annexed hereto, an examination has been made into the condition and affairs of ShelterPoint Life Insurance Company, hereinafter referred to as "the Company". The Company's home office is located at 1225 Franklin Avenue, Garden City, NY 11530.

Wherever "Department" appears in this report, it refers to the New York State Department of Financial Services.

The report indicating the results of this examination is respectfully submitted.

1. SCOPE OF EXAMINATION

The examination of the Company was a full-scope examination as defined in the National Association of Insurance Commissioners' ("NAIC") *Financial Condition Examiners' Handbook, 2025 Edition* (the "Handbook"). The examination covers the five-year period from January 1, 2020 to December 31, 2024. The examination was conducted observing the guidelines and procedures in the Handbook and, where deemed appropriate by the examiner, transactions occurring subsequent to December 31, 2024, but prior to the date of this report (i.e., the completion date of the examination) were also reviewed.

The examination was conducted on a risk-focused basis in accordance with the provisions of the Handbook published by the NAIC. The Handbook guidance provides for the establishment of an examination plan based on the examiner's assessment of risk in the insurer's operations and utilizing that evaluation in formulating the nature and extent of the examination. The examiner planned and performed the examination to evaluate the current financial condition as well as identify prospective risks that may threaten the future solvency of the insurer. The examiner identified key processes, assessed the risks within those processes and evaluated the internal control systems and procedures used to mitigate those risks. The examination also included assessing the principles used and significant estimates made by management, evaluating the overall financial statement presentation, and determining management's compliance with New York statutes and Department guidelines, Statutory Accounting Principles as adopted by the Department, and annual statement instructions.

The examination was conducted by the State of New York with participation from the State of Florida, examining the Company's subsidiary, ShelterPoint Insurance Company ("SPIC"), a Florida domiciled life insurer. Since both companies share common management and systems, and both states are accredited by the NAIC, both states deemed it appropriate to rely on each other's work.

Information about the Company's organizational structure, business approach and control environment was utilized to develop the examination approach. The Company's risks and management activities were evaluated incorporating the NAIC's nine branded risk categories. These categories are as follows:

- Pricing/Underwriting

- Reserving
- Operational
- Strategic
- Credit
- Market
- Liquidity
- Legal
- Reputational

The Company was audited annually, for the years 2020 through 2024, by the accounting firm of Deloitte & Touche, LLP ("Deloitte & Touche"). The Company received an unqualified opinion for all five years. Certain audit workpapers of Deloitte & Touche were reviewed and relied upon in conjunction with this examination. The Company has an internal audit department which was given the task of assessing the internal control structure. Where applicable, internal audit workpapers and internal audit reports were reviewed, and portions were relied upon for this examination.

The examiner reviewed the corrective actions taken by the Company with respect to the violations and recommendation contained in the prior financial condition report on examination. The results of the examiner's review are contained in item 6 of this report. The examiner reviewed the prior financial condition report on examination which also contained one comment which did not require follow-up.

This report on examination is confined to financial statements and comments on those matters which involve departure from laws, regulations, or rules, or which require explanation or description.

2. DESCRIPTION OF COMPANY

A. History

The Company was incorporated in New York as a stock insurance company under the name The First Rehabilitation Insurance Company of America on August 12, 1971. The Company was licensed on August 8, 1972 to write accident and health insurance as specified in paragraph 3 of Section 1113(a) of the New York Insurance Law and commenced business on November 1, 1972. In January 1997, the Company amended its charter to include the writing of life insurance and annuities as specified in paragraphs 1 and 2 of Section 1113(a) of the New York Insurance Law. Effective January 1, 1997, the name of the Company was changed to The First Rehabilitation Life Insurance Company of America. In 2014, the Company's name was changed to ShelterPoint Life Insurance Company. On January 24, 2014, the Company purchased 100% of the issued and outstanding stock of J.M.I.C. Life Insurance Company ("JMIC"), a Florida domiciled life and health insurer, which was licensed in 48 jurisdictions, for $8.8 million. In 2014, JMIC's name was changed to ShelterPoint Insurance Company.

As of December 31, 2024, the Company had 20,000 shares of common stock outstanding and capital and paid in and contributed surplus of $2,500,000 and $2,065,594, respectively.

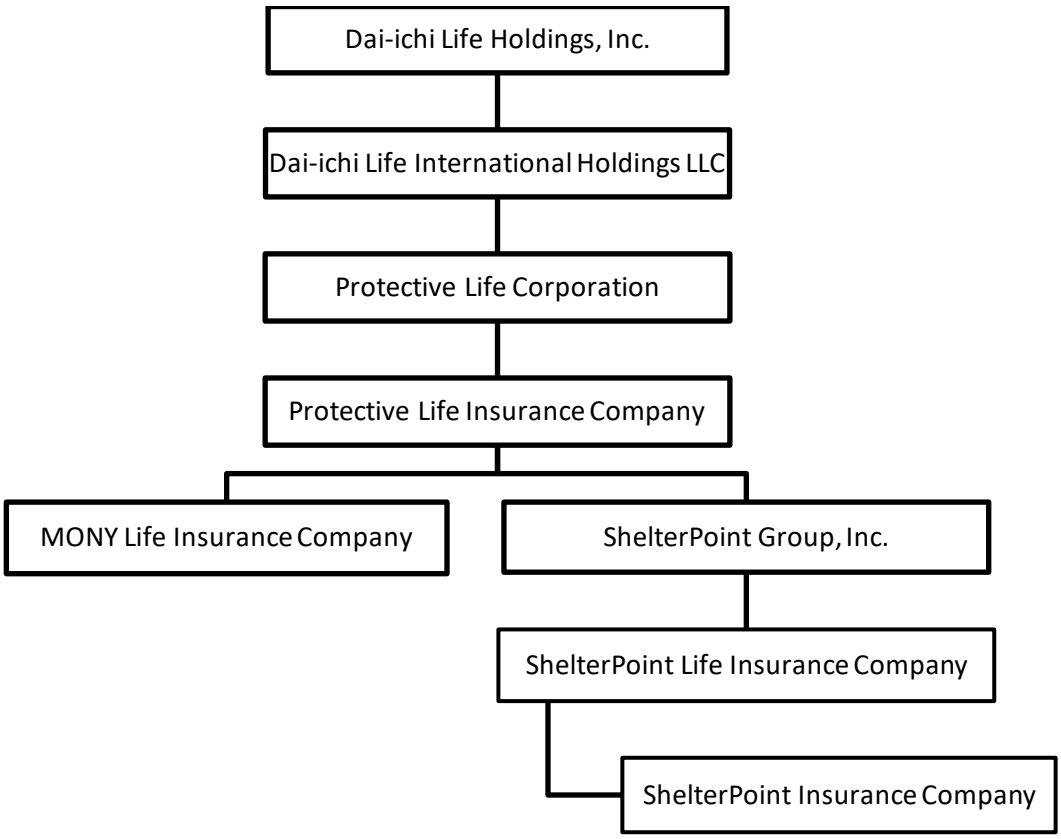
On November 1, 2024, Protective Life Insurance Company ("PLICO") completed the acquisition of ShelterPoint Group, Inc. ("SPGI"), the Company's parent.

B. Holding Company

The Company is a wholly owned subsidiary of SPGI, formerly known as Rehab Services Corporation, an insurance holding company incorporated in the State of New York. SPGI is in turn owned by PLICO. PLICO is a wholly-owned subsidiary of Protective Life Corporation ("PLC") which is a U.S. subsidiary of Dai-ichi Life Holdings, Inc.

C. Organizational Chart

An organization chart reflecting the relationship between the Company and significant entities in its holding company system as of December 31, 2024, follows:



D. Service Agreements

The Company had six significant service agreements in effect with affiliates during the examination period.

Type of Agreement and Department File Number	Effective Date	Provider of Services	Recipient of Services	Specific Services Covered	Income/(Expense)* For Each Year of the Examination
Administrative Services - Cost Allocation Agreement File No. 48164	01/24/2014	The Company	SPIC	Various services including accounting and reporting, underwriting, policy issuance, claims, legal, investment, and actuarial	2020 $378,249 2021 $683,962 2022 $682,585 2023 $929,145 2024 $613,069
Amended and Restated Net Worth Maintenance Agreement File No. 48269 Amendment No. 1 File No. 48269a	01/24/2014 09/01/2014	The Company	SPIC	The Company is to furnish support to maintain SPIC's RBC ratio at a minimum of 500%	2020 $ 0 2021 $ 0 2022 $ 0 2023 $ 0 2024 $ 0
Agreement for Investment Services File No. 65853	11/01/2024	PLC	The Company	Investment management services	2024 $ 0
Agreement for Data Processing Programming Services File No. 65853	11/01/2024	PLC	The Company	Data processing programming services	2024 $ 0
Agreement for Legal Services File No. 65853	11/01/2024	PLC	The Company	Legal services	2024 $ 0

Type of Agreement and Department File Number	Effective Date	Provider of Services	Recipient of Services	Specific Services Covered	Income/(Expense)* For Each Year of the Examination
Administrative Services Agreement File No. 65853	11/01/2024	PLICO	The Company	Certain administrative services including marketing; compliance; policy administration and issuance; accounting and financial reporting; licensing and commission payment and underwriting	2024 $5,489,148

No fees were charged to the Company under the investment services, data processing programming services, and legal services agreements with PLC in November and December 2024, as the systems and processes for assessing fees pursuant to these intercompany agreements were not in place until 2025.

E. Management

The Company's by-laws provide that the board of directors shall be comprised of not less than seven and not more than 21 directors. Directors are elected by the sole shareholder to serve until the next annual meeting. As of December 31, 2024, the board of directors consisted of seven members. Meetings of the board are held quarterly.

The seven board members and their principal business affiliation, as of December 31, 2024, were as follows:

Name	Principal Business Affiliation	Year First Elected
Lance Black Alabama	Executive Vice President - Mergers & Acquisitions Protective Life Corporation	2024
Maureen Buckley* New York	Retired President and Chief Executive Officer RiverSource Life Insurance Company of New York	2024

Name	Principal Business Affiliation	Year First Elected
Wade Harrison Alabama	Executive Vice President and Chief Operating Officer Protective Life Corporation	2024
Philip Passafiume Alabama	Executive Vice President and Chief Investment Officer Protective Life Corporation	2024
Milan Radonich* Connecticut	Retired Partner Tiger Risk Partners	2011
John Roberts* Maine	Retired Chief Executive Officer and President Assured Employee Benefits	2016
Paul Wells Alabama	Executive Vice President and Chief Financial Officer Protective Life Corporation	2024

*Not affiliated with the Company or any other company in the holding company system

Effective February 24, 2026, Maureen Buckley resigned from the board of directors. Rebecca Hanna and Wayne Stuenkel were elected as directors effective February 24, 2026.

The examiner's review of the minutes of the meetings of the board of directors and its committees indicated that meetings were well attended and that each director attended a majority of meetings.

The following is a listing of the principal officers of the Company as of December 31, 2024:

Name	Title
Wade Harrison	President, Chief Executive Officer and Chairman of the Board
Paul Wells	Executive Vice President and Chief Financial Officer
Mark Drew	Executive Vice President and Chief Legal Officer
Philip Passafiume	Executive Vice President and Chief Investment Officer
M. Lee Bartlett	Senior Vice President, Corporate Tax
Derry Herring	Senior Vice President and Chief Auditor
Barbara Pugh	Senior Vice President and Chief Accounting Officer
Leston Welsh	Senior Vice President and President, Employee Benefits Division
George Cash*	Vice President, Compliance
Justin Allen	Vice President, Chief Information Security Officer
Frank Lassiter	Treasurer
Felicia Lee	Secretary

*Designated consumer services officer per Section 216.4(c) of 11 NYCRR 216 (Insurance Regulation 64)

Effective April 18, 2025, Megan Richards was elected Assistant Secretary and subsequently resigned effective July 22, 2025.

Effective July 9, 2025, Dominique Lebel was elected Senior Vice President and Chief Risk Officer.

Effective September 1, 2025, Jeffery Wasco was elected Senior Vice President, Employee Benefits, replacing Leston Welsh who resigned effective August 25, 2025.

Effective September 26, 2025, Paul Correia was elected Appointed Actuary.

Effective January 25, 2026, Melinda Peevy was elected Secretary, replacing Felicia Lee. Ms. Peevy was subsequently elected Vice President and Managing Counsel and Secretary effective March 30, 2026.

Effective January 25, 2026, Andrew Buck was elected Assistant Secretary.

Effective January 25, 2026, Ramona Leopard was elected Assistant Secretary.

Effective February 2, 2026, Carl Barkson was elected Vice President, Head of Corporate Accounting.

3. TERRITORY AND PLAN OF OPERATIONS

The Company is authorized to write life insurance, annuities and accident and health insurance as defined in paragraphs 1, 2 and 3 of Section 1113(a) of the New York Insurance Law.

The Company is licensed to transact business in 16 states and the District of Columbia and is an accredited reinsurer in Florida. In 2024, 99.8% of the life premiums and 94.8% of the accident and health premiums were received from New York. Policies are written on a non-participating basis.

A. Statutory and Special Deposits

As of December 31, 2024, the Company had $1,750,000 (par value) of United States Treasury Notes on deposit with the State of New York, its domiciliary state, for the benefit of all policyholders, claimants and creditors of the Company. Per confirmations obtained from the Company's independent auditor from the following states, an additional $500,000 (par value) and $550,000 (par value) were being held by the states of Massachusetts and North Carolina, respectively.

B. Direct Operations

The Company's primary products are the New York Statutory Disability Benefit ("DBL") and Paid Family Leave ("PFL"). The Company offers group term life and group accident and health coverage which includes paid family and medical leave, short-term disability, long term disability, excess major medical, vision, hospital cash benefit, and gap-supplemental medical.

The Company's agency operations are conducted on both a general agency and broker basis. Group accident and health insurance plans are sold by brokers and agents. At year-end 2024, the Company's field force consisted of approximately 8,800 active non-captive agents and approximately 60 active general agencies.

C. Reinsurance

As of December 31, 2024, the Company had reinsurance treaties in effect with two companies, both of which were authorized or accredited.

Long term disability policies are ceded to Sun Life and Health Insurance Company (U.S.), a Michigan domiciled insurer, on a facultative quota share basis with the Company retaining 20% of each risk. Under this agreement, total ceded premiums as of December 31, 2024 were $74,250.

RGA Reinsurance Company ("RGA") reinsured the Company's group life, and group accidental death and dismemberment catastrophe losses for $10,000,000 in excess of $500,000 per occurrence, under the Company's directly written or assumed group flat term life policy, group medical excess policy, group accidental death and dismemberment rider of the DBL policy, and group life and group accidental death and dismemberment policies. The contract with RGA was terminated effective January 1, 2025.

The Company assumed $17,261,862 in premiums in 2024 related to its 100% quota share agreement with SPIC.

4. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital and surplus as of December 31, 2024, as contained in the Company's 2024 filed annual statement, a condensed summary of operations and a reconciliation of the capital and surplus account for each of the years under review. The examiner's review of a sample of transactions did not reveal any differences which materially affected the Company's financial condition as presented in its financial statements contained in the December 31, 2024, filed annual statement.

A. Independent Accountants

The firm Deloitte & Touche was retained by the Company to audit the combined statutory basis statements of financial position of the Company as of December 31 of each year in the examination period, and the related statutory-basis statements of operations, capital and surplus, and cash flows for the years then ended.

Deloitte & Touche concluded that the Company's statutory financial statements presented fairly, in all material respects, the financial position of the Company at the respective audit dates. Balances reported in these audited financial statements were reconciled to the corresponding years' annual statements with no discrepancies noted.

B. Net Admitted Assets

Bonds	$267,781,831
Common stocks	12,353,882
Cash, cash equivalents and short term investments	115,653,591
Investment income due and accrued	2,157,075
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	63,920,835
Reinsurance:	
Amounts recoverable from reinsurers	1,870
Other amounts receivable under reinsurance contracts	4,401,127
Current federal and foreign income tax recoverable and interest thereon	7,506,835
Net deferred tax asset	8,396,647
Electronic data processing equipment and software	1,065,573
Receivables from parent, subsidiaries and affiliates	6,732
Health care and other amounts receivable	(12,617)
State tax recoverable	1,812,819
Total admitted assets	$485,046,200

C. Liabilities, Capital and Surplus

Aggregate reserve for life contracts	$ 587,688
Aggregate reserve for accident and health contracts	114,198,988
Contract claims:	
Life	736,107
Accident and health	18,347,635
Premiums and annuity considerations for life and accident and health contracts received in advance	28,174,653
Contract liabilities not included elsewhere:	
Other amounts payable on reinsurance	2,531,889
Interest maintenance reserve	74,767
Commissions to agents due or accrued	13,757,160
Commissions and expense allowances payable on reinsurance assumed	1,810,636
General expenses due or accrued	7,002,305
Taxes, licenses and fees due or accrued, excluding federal income taxes	381,815
Amounts withheld or retained by company as agent or trustee	1,238,226
Miscellaneous liabilities:	
Asset valuation reserve	1,351,993
Payable to parent, subsidiaries and affiliates	5,734,311
PFL risk adjustment payable	72,668,143
Amounts due to third-party administrators	104,422
Deferred non-insurance revenue	343,020
Other liabilities	27,238
Total liabilities	$269,070,996
Common capital stock	$ 2,500,000
Gross paid in and contributed surplus	2,065,594
Unassigned funds (surplus)	211,409,610
Surplus	$213,475,204
Total capital and surplus	$215,975,204
Total liabilities, capital and surplus	$485,046,200

D. Condensed Summary of Operations

	2020	2021	2022	2023	2024
Premiums and considerations	$307,514,516	$478,525,014	$536,171,188	$512,608,812	$479,117,485
Investment income	3,266,127	2,647,757	7,032,999	18,162,067	21,184,287
Miscellaneous income	2,141,847	2,267,198	2,373,639	5,471,950	2,569,760
Total income	$312,922,490	$483,439,969	$545,577,826	$536,242,829	$502,871,532
Benefit payments	$131,730,827	$189,879,378	$218,664,779	$244,150,239	$281,947,950
Increase (decrease) in reserves	18,758,027	21,859,630	15,284,723	(7,935,396)	1,510,906
Commissions	42,775,830	58,081,993	64,325,672	61,607,631	58,341,235
General expenses and taxes	40,636,901	50,829,873	56,259,431	60,009,721	61,316,304
Miscellaneous deductions	35,857,438	38,029,284	72,923,859	48,146,676	66,015,626
Total deductions	$269,759,023	$358,680,158	$427,458,464	$405,978,871	$469,132,021
Net gain	$ 43,163,467	$124,759,811	$118,119,362	$130,263,958	$ 33,739,511
Federal and foreign income taxes incurred	10,688,496	25,036,523	25,397,264	27,581,713	42,769
Net gain from operations before net realized capital gains (losses)	$ 32,474,971	$ 99,723,288	$ 92,722,098	$102,682,245	$ 33,696,742
Net realized capital gains (losses)	(5,343)	(3,739)	(52,002)	(5,624)	(25,718)
Net income	$ 32,469,628	$ 99,719,549	$ 92,670,096	$102,676,621	$ 33,671,024

E. Capital and Surplus Account

	2020	2021	2022	2023	2024
Capital and surplus, December 31, prior year	$63,152,040	$ 94,825,114	$162,901,190	$207,176,751	$250,902,616
Net income	$32,469,628	$ 99,719,549	$ 92,670,096	$102,676,621	$ 33,671,024
Change in net unrealized capital gains (losses)	473,175	380,057	366,868	390,671	1,915,801
Change in net deferred income tax	1,305,022	1,636,680	980,594	(365,693)	(569,830)
Change in non-admitted assets and related items	2,441,549	(5,417,397)	(1,449,203)	2,843,608	5,471,548
Change in asset valuation reserve	(36,173)	(52,539)	(297,163)	(363,196)	(183,858)
Capital changes:					
Paid in	0	0	0	500,000	0
Surplus adjustments:					
Paid in	19,873	(3,190,275)	4,372	(456,148)	38,690
Dividends to stockholders	(5,000,000)	(25,000,000)	(48,000,000)	(61,500,000)	(75,270,786)
Net change in capital and surplus for the year	$31,673,074	$ 68,076,075	$ 44,275,564	$ 43,725,863	$ (34,927,411)
Capital and surplus, December 31, current year	$94,825,114	$162,901,190	$207,176,751	$250,902,616	$215,975,204

5. SUBSEQUENT EVENTS

The Company paid an extraordinary dividend of $24,729,215 to SPGI on March 12, 2025 and paid an ordinary dividend of $33,600,000 to SPGI on June 30, 2025.

United Group Programs, Inc., who previously administered the Company's group supplemental medical expense ("Gap") product, filed for Chapter 7 bankruptcy on August 15, 2025. A total of 55 of the Company's policies, including 18 active policies, were impacted by the bankruptcy. On August 26, 2025, the Company began administering the policies on an in-house basis.

6. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following are the violations, recommendation and comment contained in the prior report on examination and the subsequent actions taken by the Company in response to each violation and recommendation:

Item	Description
A	The Company violated Section 2108(a)(4) of the New York Insurance Law by compensating Mahindra for acting as an independent adjuster after Mahindra did not possess a valid independent adjuster's license beginning January 1, 2019. The review revealed that the Company terminated its relationship with Mahindra as an independent adjustor for DBL claims and then took this claims adjuster function in-house and entered into an Employment Access Agreement whereby the Company hired the adjusters previously employed by Mahindra. This Agreement was effective as of November 23, 2021. The Company entered into a Data Entry Service Agreement with Mahindra effective January 22, 2022, which limited the role of Mahindra and its employees to data entry and did not include any claims adjudication services or authority. The DBL claims adjudication function is performed by Company employees entirely as an in-house function and no further outsourcing arrangements of DBL claims adjudication, either domestic or offshore, have been made.
B	The Company violated Section 82.2(a) and Section 82.2(a)(2) of New York Insurance Regulation No. 203 by failing to adopt a formal enterprise risk management function and establish a written risk policy. The review revealed that a formal enterprise risk management function was adopted and a written risk policy was established in December 2022. Following the acquisition of SPGI by PLICO on November 1, 2024, all enterprise risk oversight and policies were integrated with PLICO's risk management function.
C	The examiner recommended that the Company's board of directors adopt a formal enterprise risk management function and a written risk policy. The review revealed that the Company's board of directors ratified the Audit Committee's recommendation to approve a formal enterprise risk management function and written risk policy during the meeting of the board on December 14, 2022.

Item	Description
D	The full effect of COVID-19 on the U.S. and global insurance and reinsurance industry is still unknown at the time of releasing this report. The Department is expecting the COVID-19 outbreak to impact a wide range of insurance products resulting in coverage disputes, reduced liquidity of insurers, and other areas of operations of insurers. The Department and all insurance regulators, with the assistance of the NAIC, are monitoring the situation through a coordinated effort and will continue to assess the impacts of the pandemic of the U.S. insurers.

Respectfully submitted,

Thomas J. Allen, CFE
Examination Resources, LLC

STATE OF IOWA)
) SS:
COUNTY OF DALLAS)

Thomas J. Allen, being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of his knowledge and belief.

Thomas J. Allen

Subscribed and sworn to before me

this 10th day of June 2026

Jesus Rodriguez

NOTARIAL SEAL IOWA
JESUS RODRIGUEZ
Commission Number 855808
My Comm. Expires 05/02/2027

Respectfully submitted,

/s/
Anthony Mauro
Principal Insurance Examiner

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

Anthony Mauro, being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of his knowledge and belief.

/s/
Anthony Mauro

Subscribed and sworn to before me

this_____ day of _____

APPOINTMENT NO. 32818

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

*I, **ADRIENNE A. HARRIS**, Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:*

THOMAS J. ALLEN
(EXAMINATION RESOURCES, LLC)

as a proper person to examine the affairs of the

SHELTERPOINT LIFE INSURANCE COMPANY

and to make a report to me in writing of the condition of said

COMPANY

with such other information as she shall deem requisite.

In Witness Whereof, I have hereunto subscribed my name and affixed the official Seal of the Department at the City of New York

this 18th day of June, 2025

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU