MISSISSIPPI INSURANCE DEPARTMENT

MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

DAVID BROWNING
Deputy Commissioner of Insurance

501 N. WEST STREET, SUITE 1001
WOOLFOLK BUILDING
JACKSON, MISSISSIPPI 39201
www.mid.ms.gov

MAILING ADDRESS
Post Office Box 79
Jackson, Mississippi 39205-0079
TELEPHONE: (601) 359-3569
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June 19, 2026

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Leland Martin, President
American Federated Life Insurance Company
420 Liberty Park Court
Building A, Suite B
Flowood, MS 39232

RE: Report of Examination as of December 31, 2024

Dear Mr. Martin:

In accordance with Miss. Code Ann. § 83-5-201 et seq. (Rev. 2022), an examination of your Company has been completed. Enclosed herewith is the Order adopting the report and a copy of the final report as adopted.

Pursuant to Miss. Code Ann. § 83-5-209(6)(a) (Rev. 2022), the Mississippi Department of Insurance shall continue to hold the content of said report as private and confidential for a period of ten (10) days from the date of the Order. After the expiration of the aforementioned 10-day period, the Department will open the report for public inspection.

If you have any questions or comments, please feel free to contact me.

Sincerely,

MIKE CHANEY
COMMISSIONER OF INSURANCE

BY _____
Christina J. Kelsey
General Counsel

MC/CJK/de
Encls. Order w/exhibit

BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF MISSISSIPPI

IN RE: REPORT OF EXAMINATION OF AMERICAN FEDERATED LIFE INSURANCE COMPANY **CAUSE NO. 26-8152**

ORDER

THIS CAUSE came on for consideration before the Commissioner of Insurance of the State of Mississippi ("Commissioner"), or his designated appointee, in the Offices of the Commissioner, 1001 Woolfolk Building, 501 North West Street, 10th Floor, Jackson, Hinds County, Mississippi, pursuant to Miss. Code Ann. § 83-5-201 et seq. (Rev. 2022). The Commissioner, having fully considered and reviewed the Report of Examination together with any submissions or rebuttals and any relevant portions of the examiner's work papers, makes the following findings of fact and conclusions of law, to-wit:

JURISDICTION

I.

That the Commissioner has jurisdiction over this matter pursuant to the provisions of Miss. Code Ann. § 83-5-201 et seq. (Rev. 2022).

II.

That American Federated Life Insurance Company is a Mississippi-domiciled company licensed to write Accident and Health; Credit Life, Credit Accident and Health and Life coverages.

FINDINGS OF FACT

III.

That the Commissioner, or his appointee, pursuant to Miss. Code Ann. § 83-5-201 et seq. (Rev. 2022), called for an examination of American Federated Life Insurance Company and appointed Shelby Lambert, Examiner-In-Charge, to conduct said examination.

IV.

That on or about May 4, 2026, the draft Report of Examination concerning American Federated Life Insurance Company for the period of January 1, 2020, through December 31, 2024, was submitted to the Department by the Examiner-In-Charge, Shelby Lambert.

V.

That on or about May 28, 2026, pursuant to Miss. Code Ann. § 83-5-209(2) (Rev. 2022), the Department forwarded to the Company a copy of the draft report and allowed the Company a 15-day period to submit any rebuttal to the draft report. The Company responded in an email on or about May 29, 2026.

CONCLUSIONS OF LAW

VI.

The Commissioner, pursuant to Miss. Code Ann. § 83-5-209(3) (Rev. 2022), must consider and review the report along with any submissions or rebuttals and all relevant portions of examiner work papers and enter an Order: (1) adopting the Report of Examination as final or with modifications or corrections; (2) rejecting the Report of Examination with directions to reopen; or (3) calling for an investigatory hearing.

IT IS, THEREFORE, ORDERED, after reviewing the Report of Examination, the written submission, and all relevant examiner work papers, that the Report of Examination of American Federated Life Insurance Company, attached hereto as Exhibit "A", should be and same is hereby adopted as final.

IT IS FURTHER ORDERED that a copy of the adopted Report of Examination, accompanied with this Order, shall be served upon the Company by certified mail, postage pre-paid, return receipt requested.

IT IS FURTHER ORDERED that the Mississippi Department of Insurance shall continue to hold the content of this report as private and confidential for a period of ten (10) days from the date of this Order, pursuant to Miss. Code Ann. § 83-5-209(6)(a) (Rev. 2022).

IT IS FURTHER ORDERED, pursuant to Miss. Code Ann. § 83-5-209(4) (Rev. 2022), that within thirty (30) days of the issuance of the adopted report, American Federated Life Insurance Company shall file affidavits executed by each of its directors stating under oath that they have received a copy of the adopted report and related orders.

IT IS FURTHER ORDERED that American Federated Life Insurance Company take the necessary actions and implement the necessary procedures to ensure that all recommendations contained in the Report of Examination are properly and promptly complied with.

SO ORDERED, this the 19th day of June 2026.

David Browning

DAVID BROWNING
DEPUTY COMMISSIONER OF INSURANCE
STATE OF MISSISSIPPI

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the above and foregoing Order and a copy of the final Report of Examination, as adopted by the Mississippi Department of Insurance, was sent by certified mail, postage pre-paid, return receipt requested, on this the 19th day of June 2026, to:

Mr. Leland Martin, President
American Federated Life Insurance Company
420 Liberty Park Court
Building A, Suite B
Flowood, MS 39232

Christina J. Kelsey
General Counsel

Christina J. Kelsey
General Counsel
Counsel for the Mississippi Department of Insurance
Post Office Box 79
Jackson, MS 39205-0079
(601) 359-3577
Miss. Bar No. 9853

Mississippi Insurance Department

Report of Examination

of

AMERICAN FEDERATED LIFE INSURANCE COMPANY

as of

December 31, 2024

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EXAMINER'S AFFIDAVIT AS TO STANDARDS AND PROCEDURES USED IN AN EXAMINATION

State of Indiana,

County of Madison,

Shelby Lambert, being duly sworn, states as follows:

1. I have authority to represent the Mississippi Insurance Department in the examination of American Federated Life Insurance Company as of December 31, 2024.

2. The Mississippi Insurance Department is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.

3. I have reviewed the examination work papers and examination report, and the examination of American Federated Life Insurance Company was performed in a manner consistent with the standards and procedures required by the National Association of Insurance Commissioners and the Mississippi Insurance Department.

The affiant says nothing further.

Shelby Lambert, CFE, CIE, MCM
Examiner-In-Charge

Subscribed and sworn before me by Shelby Lambert on this 12th day of June, 2026.

(SEAL)

NOTARY PUBLIC SEAL INDIANA

Rebecca Snyder
Notary Public - State of Indiana
County of Madison
Commission Number: NP0767415
My Commission Expires
12/02/2033

Notary Public

My commission expires 12/02/2033 [date].

MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

DAVID BROWNING
Deputy Commissioner of Insurance

MISSISSIPPI INSURANCE DEPARTMENT

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FAX: (601) 576-2568

June 1, 2026

Honorable Mike Chaney
Commissioner of Insurance
Mississippi Insurance Department
1001 Woolfolk Building
501 North West Street
Jackson, Mississippi 39201

Dear Commissioner Chaney:

Pursuant to your instructions and authorization and in compliance with statutory provisions, an examination has been conducted, as of December 31, 2024, of the affairs and financial condition of:

AMERICAN FEDERATED LIFE INSURANCE COMPANY
420 Liberty Park Court
Building B
Flowood, MS 39232

License #	NAIC Group #	NAIC #	FEETS#	MATS#
8200016	00641	98736	98736-MS-2024-2	MS-MS099-58

This examination was commenced in accordance with Miss. Code Ann. § 83-5-201 *et seq*. and was performed virtually. The report of examination is herewith submitted.

SCOPE OF EXAMINATION

We have performed our single-state examination of American Federated Life Insurance Company ("the Company" or "AFLIC"). The last examination covered the period of January 1, 2015, through December 31, 2019. This examination covers the period of January 1, 2020, through December 31, 2024.

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

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

This examination report includes significant findings of fact, as mentioned in the Miss. Code Ann. § 83-5-201 and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

COMMENTS AND RECOMMENDATIONS OF PREVIOUS EXAMINATION

The previous examination report did not identify any comments or recommendations.

HISTORY OF THE COMPANY

The Company was incorporated in March 1983 as a life, accident and health insurer under the laws of the state of Mississippi with 1,000,000 shares of $1 par value common stock authorized and 200,000 shares issued. In June 1994 and April 2006, the Company's Board of Directors ("Board") issued an additional 200,000 shares of $1 par value common stock. In December 2012, the Board declared a common stock dividend of the remaining 400,000 authorized shares.

The Company is a wholly owned subsidiary of American Federated Holding Company ("AFHC"). The ultimate parent company in the holding company structure is Prospect Capital ("Prospect"),

owning 80.10% of the group, with 19.90% owned by Jack R. Lee 2006 Gift Trust and Lee Investment Partners, LLC. The Company was last examined by the Mississippi Insurance Department ("MID") as of December 31, 2019.

CORPORATE RECORDS

The minutes of the meetings of the Board during the period under examination were reviewed along with the Articles of Incorporation and Bylaws. The minutes appeared to be complete with regard to the matters brought up at the meetings, including approval of the investment portfolio and appointments of the external auditors and appointed actuary.

MANAGEMENT AND CONTROL

Stockholder

The Company is 100% owned by AFHC.

Board of Directors

The Articles of Incorporation and Bylaws vest the management and control of the Company's business affairs with the Board. The members of the duly elected Board, along with their place of residence, year appointed as a director, and principal occupation, at December 31, 2024, were as follows:

Name and Residence	Year Elected / Appointed	Principal Occupation
Francis Clark Lee Flowood, Mississippi	1995	President and Chief Executive Officer First Tower Finance Company, LLC
James Leland Martin, Jr. Jackson, Mississippi	2000	President American Federated Insurance Company and American Federated Life Insurance Company
Steven Terry Page Brandon, Mississippi	2017	Director of Accounting Tower Loan

Committees

There are no named Committees of the Board. The Board members also serve as the Audit Committee.

Officers

The officers duly elected by the Board and holding office at December 31, 2024, are as follows:

Name	Year Elected / Appointed	Title
James Leland Martin, Jr.	2000	President
Francis Clark Lee	1995	Secretary/Treasurer
Steven Terry Page	2015	Vice President
Robert Morris Berry	2019	Vice President

Conflict of Interest

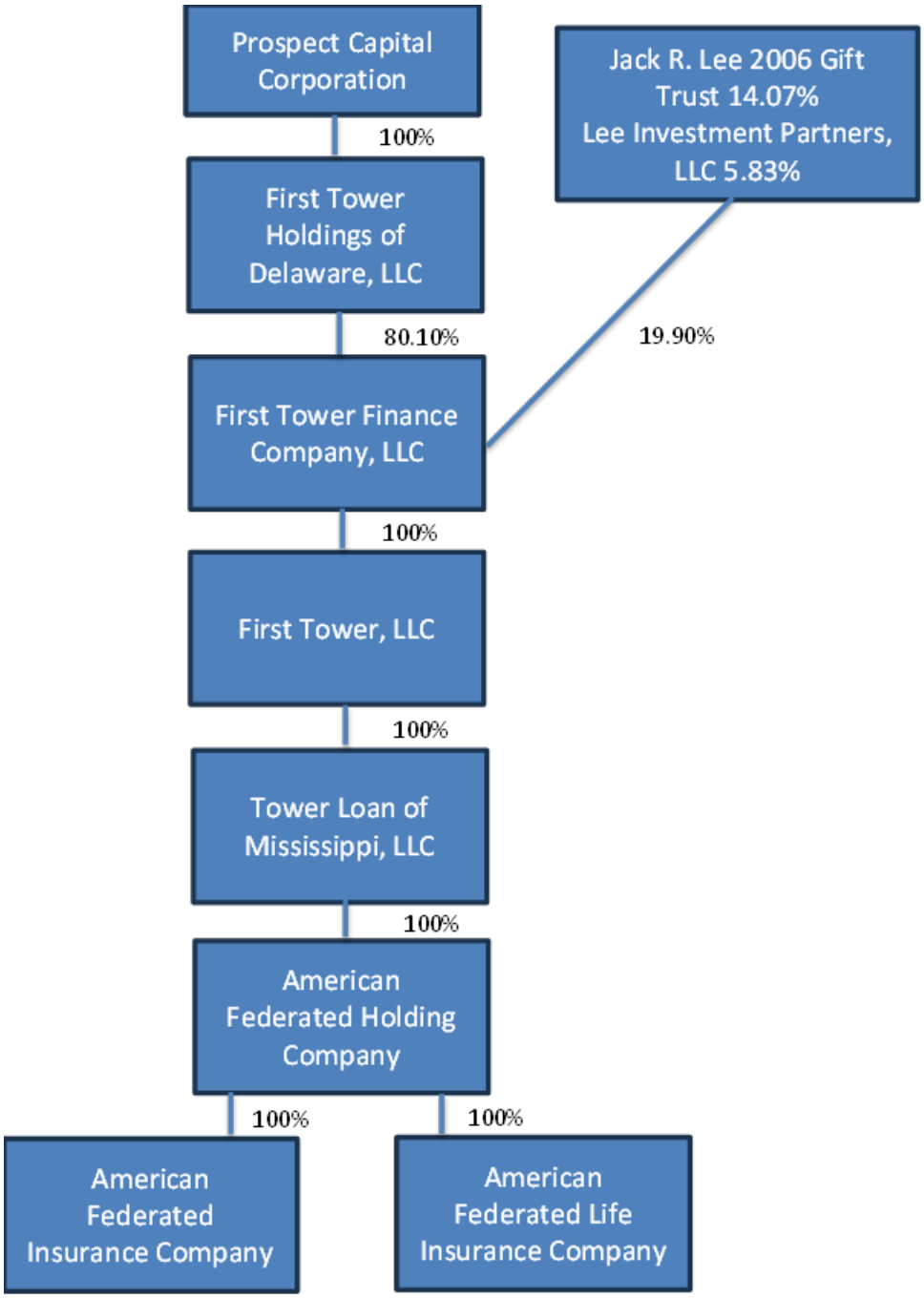
The Company has formal procedures whereby annual disclosure was made to the Board of any material interest or affiliation on the part of any officer or director that was, or would likely be, a conflict with the official duties of such persons. The statements were reviewed and it was noted that completed conflict of interest disclosures were missing for one officer/director in 2023 and 2021. All other officers and directors made the appropriate annual disclosures throughout the examination period.

HOLDING COMPANY STRUCTURE

The Company is a member of an insurance holding company system as defined in Miss. Code Ann. § 83-6-1. Holding Company Registration Statements were filed during the examination period with the MID in accordance with Miss. Code Ann. §§ 83-6-5 and 83-6-9.

Organizational Chart

The following is an abbreviated organization chart as of December 31, 2024:



Parent and Affiliated Companies

The organizational chart above denotes the direct line of ownership of the Company.

Prospect: On June 15, 2012, Prospect acquired an 80.10% majority interest in First Tower Finance Company, LLC (formerly known as First Tower Holdings, LLC), and its subsidiaries, through its

wholly owned subsidiary, First Tower Holdings of Delaware, LLC.

Prospect is a publicly traded, closed-end investment company that has elected to be regulated as a business development company under the Investment Company Act of 1940. Prospect invests primarily in first and second-lien senior loans and mezzanine debt and provides capital to middle-market companies and private equity financial sponsors for refinancing, leveraged buyouts, acquisitions, recapitalizations, later-stage growth investments and capital expenditures.

First Tower Holdings of Delaware, LLC ("FT Delaware"): FT Delaware is a wholly owned subsidiary of Prospect. FT Delaware operates as a holding company which owns 80.10% of First Tower Finance Company, LLC.

First Tower Finance Company, LLC ("FT Finance"): FT Finance is owned 80.10% by FT Delaware and 19.89% by the Jack R. Lee and Mary Katherine Lee Gift Trusts. FT Delaware and the Jack R. Lee and Katherine Lee Gift Trusts are Class A (voting) members with one Class B (non-voting) member owning .01%. FT Finance operates as a holding company which wholly owns First Tower, LLC.

On June 24, 2014, an amendment form was submitted to the Mississippi Secretary of State's Office changing the legal name of the limited liability company from First Tower Holdings, LLC to First Tower Finance Company, LLC.

First Tower, LLC ("FT"): FT is wholly-owned by FT Finance and is engaged in consumer lending and related insurance activities through its wholly-owned subsidiaries, Tower Loan of Mississippi, LLC, Tower Loan of Illinois, LLC, First Tower Loan, LLC, Gulfco of Mississippi, LLC, Gulfco of Alabama, LLC, Gulfco or Louisiana, LLC, Tower Loan of Missouri, LLC, Tower Auto Loan, LLC, and Tower Loan of Texas, LLC.

Tower Loan of Mississippi, LLC ("TL of MS"): TL of MS is wholly owned by FT and is engaged in consumer lending in the States of Mississippi and Louisiana. TL of MS provides insurance services through its wholly owned subsidiary, American Federated Holding Company.

AFHC: AFHC is wholly owned by TL of MS and acts as an insurance holding company for two insurance subsidiaries, the Company and American Federated Insurance Company ("AFIC").

AFIC: AFIC is wholly owned by AFHC. AFIC provides credit property insurance on consumer loans issued by consumer finance subsidiaries of TL of MS.

Affiliated and Related Party Transactions

The Company had the following affiliated and related party transactions during the examination period:

Administrative Expense Allocation Agreement

The Company is a party to an expense allocation agreement with AFIC, amended effective January 1, 2013. Pursuant to this agreement, certain shared expenses are initially paid out of AFIC's accounts and subsequently reimbursed by the Company for its share of the expenses. The agreement dictates that payment by the Company to AFIC of the monthly expense allocation will occur by the end of the month following the monthly expenses incurred by AFIC. During the examination period, the amounts billed to the Company by AFIC pursuant to this agreement were as follows:

2024	2023	2022	2021	2020
$246,928	$245,214	$297,998	$283,164	$231,796

General and Administrative Expense Allocation Agreement

The Company is a party to a First Amended and Restated General and Administrative Expense Allocation Agreement effective November 1, 2021, by and between the Company and various finance company affiliates under the holding company group. Under this agreement, a pro rata portion of the general and administrative expenses paid by the finance company affiliates will be allocated to the Company for reimbursement. During the examination period, the Company paid the following amounts to affiliates pursuant to this agreement:

2024	2023	2022	2021	2020
$3,324,800	$3,225,368	$3,503,831	$3,685,917	$3,496,154

Commission Agreement

The Company is a party to a First Amended and Restatement Commission Agreement effective November 1, 2021, by and between the Company and various finance company affiliates under the holding company group. Pursuant to this agreement, once the Company has received all premiums for any given month, the Company shall calculate the commissions due to each of the finance company affiliates and shall remit any commissions owed no later than the last day of the month following the month in which the commissions are earned. Commissions paid shall be reasonable and shall be equal to a percentage of the premium of each insurance policy written but shall be no higher than the maximum rate permitted under the applicable state statute. This agreement supersedes the original commission agreement effective June 15, 2012. During the examination period, the Company paid the following amounts to affiliates pursuant to this agreement:

2024	2023	2022	2021	2020
$6,867,682	$5,713,167	$7,224,679	$7,033,357	$7,827,746

Tax Allocation Agreement

The Company is a party to a Tax Allocation Agreement with AFHC, effective January 1, 2021. Pursuant to the agreement, the Company is included in consolidated tax returns with AFHC and affiliate AFIC. AFHC files the consolidated tax returns and remits payments to the appropriate tax authority. Upon filing the consolidated tax returns, AFHC will determine the amount of taxes that each company is responsible for under the agreement. The Company will pay AFHC the amount of its share of the taxes to AHFC upon demand of AFHC. Additionally, AFHC will pay to the Company the amount of any tax savings generated by a deduction, credit, exclusion, or amendment to the consolidated tax returns that are realized by AFHC.

This agreement supersedes the original Tax Allocation Agreement with AFHC, originally effective May 1, 2001, and amended January 1, 2012.

Dividends:

In addition to the above agreements, the Company paid a $2.5 million dividend to its parent company in 2020. No other dividends were paid by the Company during the examination period.

PENSIONS, STOCK OWNERSHIP AND INSURANCE PLANS

The Company's employees can participate in a qualified defined contribution benefit plan in which health, dental, vision, and short-term disability plans are provided by an affiliated company.

The Company maintained a fidelity bond with a limit of $500,000. This amount meets the NAIC suggested minimum fidelity coverage for a company of its size. The Company also maintained an insurance program that appeared to provide adequate coverage to protect it from hazards that it may encounter. The additional types of coverage in-force at December 31, 2024 included, but was not limited to, workers' compensation and employers' liability, fiduciary liability, property insurance, umbrella insurance, and cyber insurance.

TERRITORY AND PLAN OF OPERATION

The Company is licensed in Alabama, Illinois, Louisiana, Mississippi, Missouri, and Texas.

The Company provides credit life and credit accident and health products to customers of its parent, FT. While licensed in Illinois, the Company stopped writing in Illinois during 2021 due to interest rate restrictions. The Company's customer base is comprised of individuals who may not be able to secure loans through standard distribution channels, such as banks or credit cards.

GROWTH OF COMPANY

The following table indicates the growth of the Company during the period covered by this examination:

	2024	2023	2022	2021	2020
Admitted assets	$27,817,455	$25,964,513	$26,461,388	$26,224,330	$27,702,289
Aggregate reserves	13,583,994	13.246.535	14,774,452	14,793,929	15,981,557
Total liabilities	16,047,996	15,270,400	17,696,766	17,938,367	19,279,854
Capital and surplus	11,769,459	10,694,113	8,764,623	8,285,964	8,422,435
Premium earned	16,541,101	13,771,512	17,397,633	16,921,741	18,826,628
Net investment income	795,308	675,697	524,859	577,560	681,106
Death, annuity, disability benefits	4,705,527	4,224,163	5,603,118	7,050,789	6,642,465
Net income	1,071,501	1,969,102	523,362	(191,844)	(133,208)
Life insurance in-force	502,540	519,278	548,250	528,808	564,822

MORTALITY AND LOSS EXPERIENCE

The MID contracted with Davies North America to review the actuarial analysis supporting the Company's carried aggregate reserves for life contracts, aggregate reserve for accident and health contracts, uncollected premiums and agent balances, deferred premiums, liability for deposit type contracts, contract claims, and advance premiums. No adjustments to the financial statements were made. The actuarial examination indicated that the Company generally followed accurate and appropriate procedures in determining its actuarial assets, reserves and liabilities.

REINSURANCE

The Company was not party to any ceded or assumed reinsurance agreements during the examination period.

ACCOUNTS AND RECORDS

The Company's 2024 trial balance was tied to the financial statements within the statutory annual statement filed with the MID, with no material exceptions noted. The Company was audited annually by an independent certified public accounting firm. An actuarial opinion was issued by the Company's Board-appointed actuary for each year under examination.

The Company was licensed as a single-line property and casualty insurance company pursuant to Miss. Code Ann. § 83-19-31(1)(a), which required the Company to maintain a minimum capital of $400,000 and surplus of $600,000. The Company met these requirements throughout the examination period.

Pursuant to Miss. Code Ann. § 83-5-55, the Company was required to file an NAIC Life and Health Annual Statement. In each year under examination, the Company filed the appropriate Annual Statement.

STATUTORY DEPOSITS

The Company's statutory deposits with the state of Mississippi complied with Miss. Code Ann. § 83-19-31(2), which requires a statutory deposit equal to fifty percent (50%) of its capital stock, as well as Miss. Code Ann. § 83-7-21, which requires an additional $100,000 for life companies. At December 31, 2024, the Company had 1,000,000 shares of $1 par value common stock authorized, issued and outstanding. The statutory deposit held with the state of Mississippi at December 31, 2024 was in the amount of $1,661,614, which exceeded the required amount.

FINANCIAL STATEMENTS

The financial statements consist of a Statement of Assets, Liabilities, Surplus and Other Funds as of December 31, 2024, a Summary of Operations for year ended December 31, 2024, and a Reconciliation of Capital and Surplus for the examination period ended December 31, 2024.

The following financial statements are based on the statutory financial statements filed by the Company with the MID and present the financial condition of the Company for the period ending December 31, 2024.

STATEMENT OF ASSETS, LIABILITIES, SURPLUS AND OTHER FUNDS
DECEMBER 31, 2024

Assets	
Bonds	$ 22,635,478
Cash, cash equivalents, and short-term investment	2,218,889
Subtotals, cash and invested assets	24,854,367
Investment income due or accrued	226,640
Net deferred tax asset	696,783
Receivables from parent, subsidiaries and affiliates	2,039,665
Total assets	$ 27,817,455
Liabilities, Surplus, and Other Funds	
Aggregate reserve for life contracts	$ 6,812,960
Aggregate reserve for accident and health contracts	6,771,034
Contract claims:	
Life	749,690
Accident and health	172,000
General expenses due or accrued	23,121
Taxes, licenses, and fees due or accrued	168,843
Current federal and foreign income taxes	89,782
Miscellaneous liabilities:	
Asset valuation reserve	83,306
Payable to parent, subsidiaries, and affiliates	1,177,260
Total Liabilities	$ 16,047,996
Common capital stock	1,000,000
Gross paid in and contributed surplus	1,000,000
Unassigned funds (surplus)	9,769,459
Total Capital and Surplus	11,769,459
Total liabilities, surplus, and other funds	$ 27,817,455

SUMMARY OF OPERATIONS
FOR YEAR ENDED DECEMBER 31, 2024

Premium and annuity considerations for life and accident and health contracts	$ 16,541,101
Net investment income	830,731
Amortization of Interest Maintenance Income	(86,039)
Aggregate write-ins for miscellaneous income	906
Total revenues	17,286,699
Death benefits	3,569,202
Disability benefits and benefits under accident and health contracts	1,136,325
Increase in aggregate reserves for life and accident and health contracts	337,459
Total benefits	5,042,986
Commissions on premiums, annuity considerations and deposit-type contract funds	6,867,682
General insurance expenses and fraternal expenses	3,629,272
Insurance taxes, licenses, and fees, excluding federal income taxes	538,118
Total expenses	16,078,058
Net gains from operations after dividends to policyholders, refunds to members and before federal income taxes	1,208,641
Federal and foreign income taxes incurred	94,365
Net realized capital gains (losses) less capital gains tax	(42,775)
Net income	$ 1,071,501

RECONCILIATION OF CAPITAL AND SURPLUS
FOR EXAMINATION PERIOD ENDED DECEMBER 31, 2024

	2024	2023	2022	2021	2020
Capital and Surplus					
December 31, previous year	$10,694,113	$8,764,622	$8,285,963	$8,422,435	$10,887,092
Net income or (loss)	1,071,501	1,969,102	523,362	(191,844)	(133,208)
Change in net deferred income tax	93,309	9,493	210,157	69,996	83,793
Change in non-admitted assets	(79,720)	(32,966)	(236,506)	-	21,025
Change in asset valuation reserve	(9,744)	(16,138)	(18,353)	(14,623)	63,733
Paid in surplus	300,000	-	-	400,000	-
Surplus transferred to capital (Stock Dividend)	(300,000)	-	-	(400,000)	-
Dividends to stockholders	-	-	-	-	(2,500,000)
Net change for the year	1,075,346	1,929,491	478,660	(136,471)	(2,464,657)
Capital and Surplus					
December 31, current year	$11,769,459	$10,694,113	$8,784,623	$8,285,964	$8,422,435

RECONCILIATION OF EXAMINATION ADJUSTMENTS TO SURPLUS
DECEMBER 31, 2024

There were no changes made to the assets, liabilities or surplus balances reported by the Company for the year ended December 31, 2024. The capital and surplus reported by the Company of $11,769,459 is accepted as reasonably stated for purposes of the balance sheet per the examination and in compliance with Miss. Code Ann. §83-19-31.

MARKET CONDUCT ACTIVITIES

Policyholder Services

The Company maintained a complaint log during the period under examination. All complaints appeared to have been appropriately resolved, and no policyholder abuse was noted.

Underwriting and Rating

It appeared that all applicable policy forms had been appropriately approved by the MID.

Claims Handling

Claim files were reviewed for general indicators of policyholder treatment concerns. The Company appears to be investigating and responding to claims timely and maintaining adequate claims documentation.

Producer Licensing

The Company appeared to have the appropriate licensure to issue its products, and agents appeared to be properly licensed and appointed.

Privacy

Privacy notices were communicated to the Company's policyholders.

COMMITMENTS AND CONTINGENT LIABILITIES

Procedures performed during the course of the examination revealed no pending litigation, commitments or other contingent liabilities to which the Company was a party.

SUBSEQUENT EVENTS

During the first quarter of 2025, the MID approved extraordinary dividends of $2 million for AFLIC. The MID reviewed the extraordinary dividend request and determined that the extraordinary dividend would not significantly impact the Company's RBC Ratio, Surplus position, or trigger any Hazardous Financial Conditions.

The Company became licensed in the state of Tennessee in 2025 and began writing business in the state.

COMMENTS AND RECOMMENDATIONS

There were no comments or recommendations noted during the examination that would warrant inclusion in this report.

ACKNOWLEDGMENT

The examiners representing the Mississippi Insurance Department and participating in this examination were:

Examiner-in-Charge:	Shelby Lambert, CFE, CIE, MCM
Supervising Examiner:	James Menck, CFE, CPA, CIA CFE (Fraud)
Examiner:	Carl Richard, CFE
Examiner:	Kendell Sanders, AFE
Consulting Actuary:	Kevin Durand, FSA, MAAA
Department Designee:	Mark Cooley, CFE

The courteous cooperation of the officers and employees responsible for assisting in the examination is hereby acknowledged and appreciated.

Respectfully submitted,

Shelby Lambert, CFE, CIE, MCM
Examiner-in-Charge

Mark Cooley

Mark Cooley, CFE
Department Designee