

STATE OF MISSOURI



DEPARTMENT OF COMMERCE & INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

ORDER

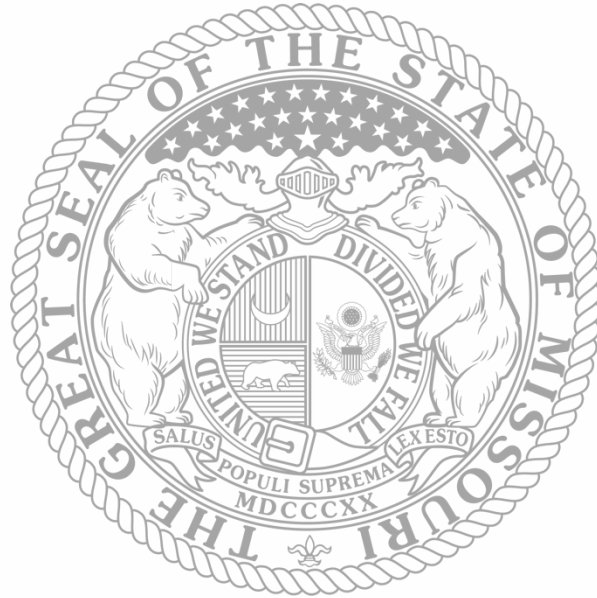
After full consideration and review of the report of the financial examination of American National General Insurance Company for the period ended December 31, 2020, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, Chlora Lindley-Myers, Director of the Missouri Department of Commerce and Insurance pursuant to section 374.205.3(3)(a), RSMo, adopt such examination report. After my consideration and review of such report, workpapers, and written submissions or rebuttals, I hereby incorporate by reference and deem the following parts of such report to be my findings and conclusions to accompany this order pursuant to section 374.205.3(4), RSMo: summary of significant finding, company history, management and control, territory and plan of operation, growth of company and loss experience, reinsurance, accounts and records, financial statements, comments on financial statement items, financial statement changes resulting from examination, and summary of recommendations.

Based on such findings and conclusions, I hereby ORDER that the report of the financial examination of American National General Insurance Company as of December 31, 2020 be and is hereby ADOPTED as filed and for American National General Insurance Company to take the following action or actions, which I consider necessary to cure any violation of law, regulation or prior order of the Director revealed by such report: (1) account for its financial condition and affairs in a manner consistent with the Director's findings and conclusions.

So ordered, signed and official seal affixed this 24th day of June, 2022.



Chlora Lindley-Myers
Chlora Lindley-Myers, Director
Department of Commerce and Insurance



REPORT OF
FINANCIAL EXAMINATION OF

AMERICAN NATIONAL GENERAL INSURANCE COMPANY

AS OF
DECEMBER 31, 2020

STATE OF MISSOURI
DEPARTMENT OF COMMERCE & INSURANCE

JEFFERSON CITY, MISSOURI

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Jefferson City, MO
May 10, 2022

Honorable Chlora Lindley-Myers, Director
Missouri Department of Commerce and Insurance
301 West High Street, Room 530
Jefferson City, Missouri 65101

Director Lindley-Myers:

In accordance with your financial examination warrant, a full-scope financial examination has been made of the records, affairs, and financial condition of

American National General Insurance Company (NAIC #39942)

hereinafter referred to as such, as ANGIC, or as the Company. Its administrative office is located at American National Center, 1949 East Sunshine, Springfield, Missouri 65899, telephone number 417-887-4990. The fieldwork for this examination began on June 29, 2021, and concluded on the above date.

SCOPE OF EXAMINATION

Period Covered

The Missouri Department of Commerce and Insurance (Department) has performed a multi-state financial examination of American National General Insurance Company. The last examination of the Company by the Department covered the period of January 1, 2011 through December 31, 2015. The current examination covers the period of January 1, 2016 through December 31, 2020, as well as a review of any material transactions and events occurring subsequent to the examination period through the date of this report.

Procedures

We conducted our examination in accordance with the National Association of Insurance Commissioners (NAIC) *Financial Condition Examiners Handbook (Handbook)*, except where practices, procedures, and applicable regulations of the Department or statutes of the state of Missouri prevailed. 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 the identification and evaluation of significant risks that could cause the Company's surplus to be materially misstated, both on a current and prospective basis.

This examination also included a review of significant estimates made by management and evaluation of management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. The activities considered in the examination as key to ANGIC included Investments, Premiums and Underwriting, Claims Handling and Reserving, Reinsurance, Related Parties, Taxes, and Capital and Surplus. The examination also included a review and evaluation of information technology general controls.

This examination was conducted as part of a coordinated examination of the American National Financial Group (Group), which consists of eight property and casualty insurers and five life insurance companies domiciled in the states of Texas, New York, California, Missouri, and Louisiana. The Texas Department of Insurance is the lead state regulator for the Group and was the facilitator for the examination of the life insurance companies. Missouri acted as the facilitator for the examination of the property and casualty companies. In addition to Missouri and Texas, regulators from New York, California, and Louisiana participated in the coordinated examination.

This examination report includes significant findings of fact, as mentioned in Section 374.205 Revised Statutes of Missouri (RSMo) (Examination, director may conduct, when...) and general information about the Company 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 are separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

There were no material adverse findings, significant non-compliance issues, or material changes to the financial statements noted during the examination.

COMPANY HISTORY

General

ANGIC was incorporated on December 30, 1980 and commenced business on April 1, 1981. The Company operates as a stock casualty company under the laws of Chapter 379 RSMo, (Insurance other than life).

Mergers, Acquisitions, and Major Corporate Events

ANGIC is a wholly-owned subsidiary of American National Property and Casualty Company (ANPAC). Effective July 1, 2020, ANGIC's upstream indirect parent company, American National Insurance Company (ANICO), a Texas life insurance company, completed a holding company reorganization. As a result of this reorganization, ANICO became a wholly-owned subsidiary of American National Group, Inc. (ANAT), a Delaware corporation. ANAT replaced ANICO as the publicly held company listed on the NASDAQ, under the trading symbol "ANAT".

The Subsequent Events section of this report includes information regarding certain mergers occurring after the examination period.

Dividends and Capital Contributions

There were no dividends paid or capital contributions during the examination period.

Surplus Notes

There were no surplus notes issued or outstanding during the examination period.

MANAGEMENT AND CONTROL

Board of Directors

The management of the Company is vested in a Board of Directors that is elected by the shareholders. The Company's Bylaws specify that the Board of Directors shall consist of not less than nine or more than fifteen persons. The Board of Directors elected at the annual meeting of shareholders and serving as of December 31, 2020, was as follows:

Name and Address

Timothy A. Walsh
Galveston, Texas

Michele M. Bartkowski
Glenmont, New York

Melissa G. McGrath
Glenmont, New York

Stuart M. Paulson
Springfield, Missouri

James L. Flinn
Springfield, Missouri

Jeffrey A. Mills
Springfield, Missouri

John F. Simon
League City, Texas

John Y. McCaskill
Springfield, Missouri

Matthew R. Ostiguy
East Greenbush, New York

Shannon L. Smith
Springfield, Missouri

Principal Occupation and Business Affiliation

Executive Vice President, Chief Financial Officer,
Treasurer, and Multiple Line and Property and Casualty
Operations, ANICO

Senior Vice President, Finance, ANICO

Vice President, Property and Casualty Compliance,
ANICO

Senior Vice President, Property and Casualty Claims,
ANPAC and ANGIC

Senior Vice President, Chief Risk Officer and Property
and Casualty Actuarial, ANICO

Executive Vice President, Chief Property and Casualty
Claims Officer, ANPAC and ANGIC

Executive Vice President and Chief Life and Annuity
Actuary, ANICO

Senior Vice President, Property and Casualty
Underwriting, ANPAC and ANGIC

Executive Vice President, Property and Casualty Chief
Operating Officer, ANPAC and ANGIC

Executive Vice President and Chief Agencies Officer,
Multiple Line, ANICO

Senior Officers

The officers elected and serving, as of December 31, 2020, were as follows:

<u>Name</u>	<u>Office</u>
Timothy A. Walsh	Chairman, President and Chief Executive Officer
John M. Flippin	Vice President, Corporate Secretary
Michelle A. Gage	Vice President, Controller & Treasurer
Johnny D. Johnson	Executive Vice President, Corporate Business Process Officer and Chief Information Officer
James W. Pangburn	Executive Vice President, Specialty Markets Sales and Marketing
Dwain A. Akins	Senior Vice President, Chief Corporate Compliance Officer
Brian N. Bright	Senior Vice President, Computing Services
Bernard S. Gerwel	Senior Vice President, Chief Innovation Officer
Anne M. LeMire	Senior Vice President and Chief Securities Investment Officer
Meredith M. Mitchell	Senior Vice President, Deputy Chief Information Officer
Patrick A. Smith	Senior Vice President, Multi Line Agencies Field Operations
Jeffrey A. Mills	Executive Vice President, Chief Property and Casualty Claims Officer
Shannon L. Smith	Executive Vice President, Chief Agencies Officer, Multiple Line
Michele M. Bartkowski	Senior Vice President, Finance
Scott C. Campbell	Senior Vice President, Chief Client Officer
Joseph S. Highbarger	Senior Vice President, Property and Casualty Actuarial
Bruce M. LePard	Senior Vice President, Chief Human Resources Officer
Michael S. Nimmons	Senior Vice President, Internal Audit Services
Matthew R. Ostiguy	Executive Vice President, Property and Casualty Chief Operating Officer
James P. Stelling	Executive Vice President, Health and Specialty Markets Operations
Scott F. Brast	Senior Vice President, Chief Mortgage Loan and Real Estate Investment Officer
James L. Flinn	Senior Vice President, Chief Risk Officer and Property and Casualty Actuarial
Deborah K. Janson	Senior Vice President, Corporate Office and Chief Business Planning Officer
John Y. McCaskill	Senior Vice President, Property and Casualty Underwriting
Stuart M. Paulson	Senior Vice President, Property and Casualty Claims

Principal Committees

Article V of the Bylaws states that the Board of Directors may appoint from among its members an Executive Committee and such other committees as it may deem necessary. Each committee shall consist of two or more Directors. The Executive Committee is the only established committee of the Board of Directors as of December 31, 2020. The Executive Committee members elected and serving as of December 31, 2020 were Timothy Walsh (Chairman) and Michele Bartkowski.

ANGIC utilizes the Audit Committee of its publicly traded indirect parent, American National Group, Inc., and maintains a Management Risk Committee and Reinsurance Committee together with the other American National Financial Group property and casualty companies.

Corporate Records

The Company's Articles of Incorporation (Articles) and Bylaws were reviewed. Effective December 28, 2017, ANGIC amended and restated its Articles to provide uniformity among the Articles of the American National Financial Group property and casualty companies. Effective August 14, 2017, ANGIC amended and restated its Bylaws to provide more uniformity among the Bylaws of the American National Financial Group property and casualty companies.

The minutes of the Board of Directors' meetings, Shareholders' meetings, and committee meetings were reviewed for the period under examination for proper approval of significant corporate transactions and business decisions.

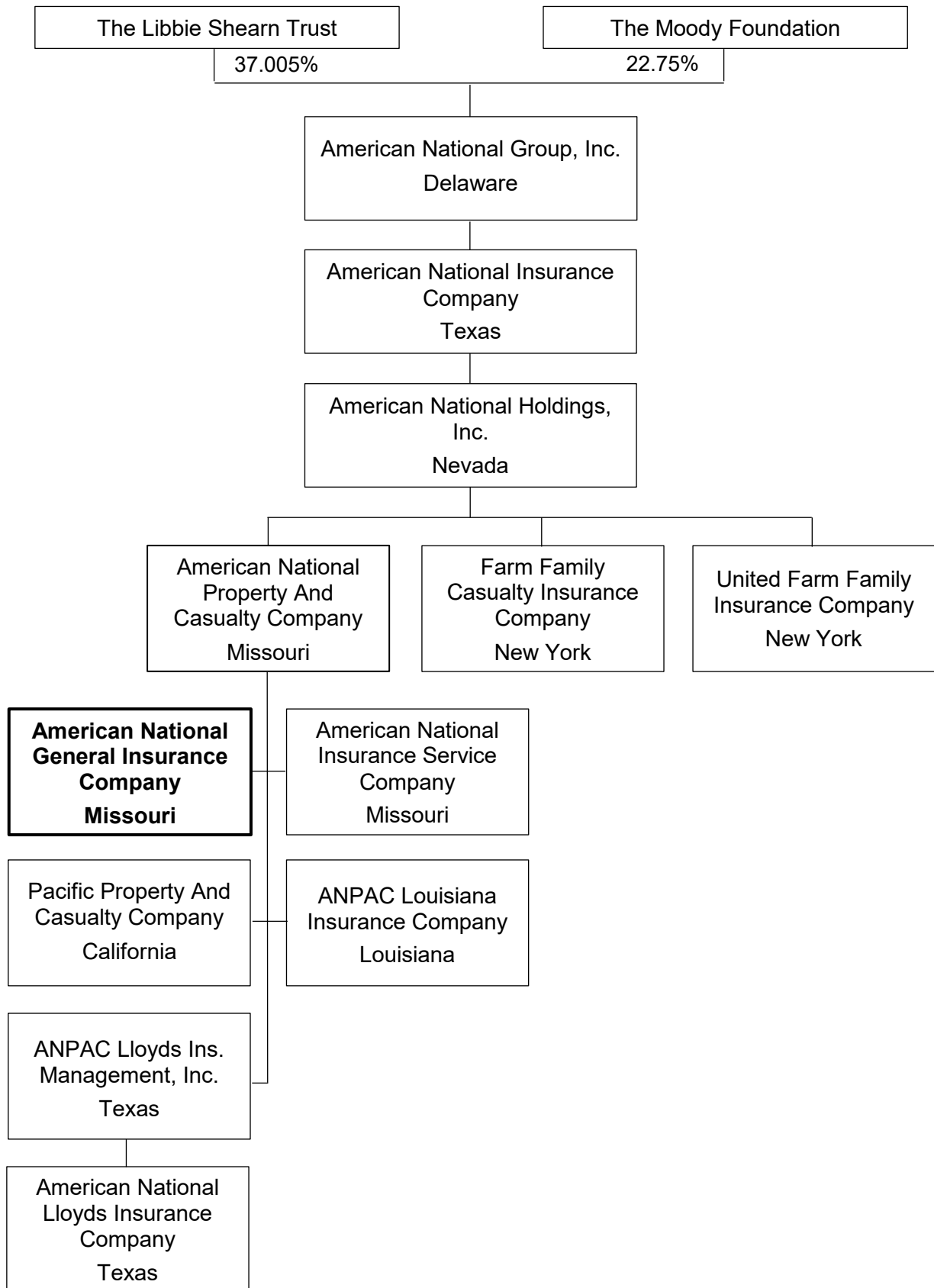
Holding Company, Subsidiaries, and Affiliates

ANGIC is a member of an Insurance Holding Company System, as defined by Section 382.010 RSMo (Definitions). ANGIC is wholly-owned by ANPAC, a Missouri stock casualty company which, in turn, was directly owned on December 31, 2020, by American National Holdings, Inc. (AN Holdings), a Nevada corporation, wholly-owned by ANICO, a Texas life insurance company. ANICO is a wholly-owned subsidiary of American National Group, Inc., a Delaware corporation that was publicly traded on the NASDAQ stock exchange at all times during the examination period. ANAT is ultimately controlled by The Moody Foundation (22.748% ownership) and The Libbie Shearn Moody Trust (37.005% ownership).

ANGIC is also affiliated with Farm Family Casualty Insurance Company (FFCIC) and United Farm Family Insurance Company (UFFIC), which are property and casualty insurance companies domiciled in the state of New York that were also wholly-owned by AN Holdings at December 31, 2020.

Organizational Chart

The abbreviated organizational chart below depicts the relevant portion of the holding company group as of December 31, 2020. All subsidiaries shown are wholly-owned unless otherwise noted. American National Lloyds Insurance Company, as a Lloyds insurer, is not a subsidiary but is managed by ANPAC Lloyds Insurance Management, Inc.



Intercompany Transactions

The following agreements represent significant contracts executed with affiliated entities that were in effect as of December 31, 2020.

Service Agreement: ANGIC, ANPAC, ANICO, and various other affiliates are parties to this agreement effective January 1, 2008. Parties will provide or receive general office and administrative services (to include investment services) and facilities as necessary when using another Party's facility. Services and facilities may be provided either directly or through third parties.

Service Agreement: ANPAC and ANGIC have been parties to a service agreement since December 31, 1998. Under the terms of this agreement, ANPAC provides to ANGIC various operational and administrative services, such as accounting, underwriting, and claims handling services. ANPAC also provides facilities, supplies, data processing equipment, and personnel to ANGIC.

Tax Sharing Agreement: Since January 1, 2008, ANPAC, ANGIC, and other affiliates within the American National Financial Group have been party to a tax sharing agreement with the parent corporation of the Group, which, until 2020, was ANICO. Under the terms of the agreement, the parent corporation agrees to file a consolidated federal income tax return, with each subsidiaries' federal income tax expense calculated as if each subsidiary had filed a separate federal income tax return. Effective January 1, 2020, ANICO assigned its rights and obligation under the tax-sharing agreement to ANAT.

Multiple-Cedent Reinsurance Allocation Agreement: ANPAC, ANGIC, and other property and casualty subsidiaries and affiliates within the Group are parties to this agreement, effective January 1, 2015. Under the terms of this agreement, parties will share costs and reimbursements related to the multiple-line excess of loss, per-risk excess of loss, property catastrophe excess of loss, and the clash excess of loss reinsurance treaties.

TERRITORY AND PLAN OF OPERATION

ANGIC is licensed to transact the business of insurance in thirty-nine states. The largest lines of business written are private passenger auto, auto physical damage, and homeowners multiple peril, which accounted for 93.3% of direct premiums written in 2020. As of December 31, 2020, the five states with the highest volume of direct premiums written are Nevada, Utah, Louisiana, California, and Pennsylvania.

GROWTH OF COMPANY AND LOSS EXPERIENCE

Overall, ANGIC experienced premium growth during the examination period with an increase in net premiums written of approximately \$9.7 million, from \$31.4 million in 2015 to \$41.1 million in 2020. After premium growth in the first three years of the examination period, premiums written declined in 2019 and 2020, largely due to policy credits and reduced premiums and/or exposure adjustments for existing policyholders as a result of the COVID-19 pandemic.

The table below summarizes the Company’s premium writings and writing ratios for the period under examination:

(\$000s omitted)

Year	Net Premiums Written	Change in Net Premiums	Capital and Surplus	Ratio of Net Premiums to Surplus
2016	\$ 34,924	11.1%	\$ 67,265	51.9%
2017	43,286	23.9%	65,480	66.1%
2018	46,819	8.2%	62,537	74.9%
2019	43,063	-8.0%	67,985	63.3%
2020	41,114	-4.5%	72,774	56.5%

ANGIC experienced an increase in losses and loss adjustment expenses from 2016 through 2018 followed by a decline in 2019 and 2020. This was largely attributable to the impact of the COVID-19 pandemic, which resulted in a decrease in claim frequency for the automobile lines of business as policyholders drove fewer miles.

The table below summarizes the Company’s incurred losses and loss ratios for the period under examination:

(\$000s omitted)

Year	Net Premiums Earned	Net Losses and Loss Adjustment Expenses	Loss Ratio
2016	\$ 32,514	\$ 25,435	78.2%
2017	39,452	34,301	86.9%
2018	45,131	40,845	90.5%
2019	42,443	32,437	76.4%
2020	39,050	26,390	67.6%

REINSURANCE

General

The Company’s premium activity on a direct written, assumed, and ceded basis for the period under examination is detailed below:

(\$000s omitted)

Premium Type	2016	2017	2018	2019	2020
Direct Premiums Written	\$ 36,268	\$ 47,861	\$ 51,653	\$ 46,656	\$ 45,009
Reinsurance Assumed:					
Affiliates	-	-	-	-	-
Non-Affiliates	-	-	-	-	-
Reinsurance Ceded:					
Affiliates	98	3,407	3,768	2,949	3,012
Non-Affiliates	1,247	1,168	1,066	644	883
Net Premiums Written	\$ 34,924	\$ 43,286	\$ 46,819	\$ 43,063	\$ 41,114

Assumed Reinsurance

The Company did not assume any premiums during the period under examination.

Ceded Reinsurance

ANGIC cedes 100% of the premiums and liabilities associated with the credit business to its direct parent ANPAC under a quota share agreement that has been in place since 2005.

Additionally, the property and casualty insurance companies within the American National Financial Group insurance holding company system purchase external reinsurance to manage catastrophe and other exposures on a combined basis, whereby the companies share limits and retentions. Reinsurance contracts are facilitated through an intermediary, Aon Benfield, and are primarily placed with highly rated reinsurers. Ceded reinsurance contracts are primarily excess of loss contracts classified as “Corporate Catastrophe” and “Working Layers”.

Corporate Catastrophe consists of four separate corporate layers along with two stretch coverages, the combination of which provides countrywide protection ranging from 75% to 80% of \$475.0 million excess of \$25.0 million retention per occurrence, with reinstatement percentages that vary by layers. A third stretch coverage provides countrywide protection of 20% of \$482.5 million in excess of \$17.5 million retention per occurrence, with one reinstatement at 100%.

Catastrophe Aggregate provides protection of \$30 million excess of \$104 million aggregated catastrophe losses. The first \$25 million of each Property Claims services (PSC) declared catastrophe events and internally declared catastrophe events exceeding \$5 million contribute to the \$104 million retention. Second and Third Event Property Catastrophe Excess provides protection of \$15 million excess of \$10 million per catastrophe, subject to a \$13.5 million annual aggregate deductible.

Working Layers consist of Multiple Lines, Casualty Clash, Property per Risk, and Workers’ Compensation. The Multiple Line provides coverage of \$4.5 million in excess of \$1.5 million. Casualty Clash coverage consists of four working layers with an aggregate coverage of \$54 million in excess of \$6 million. Property per Risk provides coverage of \$14 million in excess of \$6 million. Workers’ Compensation coverage consist of three working layers with an aggregate coverage of \$24 million in excess of \$1 million. Retention for non-workers compensation lines is set at \$1.5 million.

The Company is contingently liable for all reinsurance losses ceded to others. This contingent liability would become an actual liability in the event that an assuming reinsurer fails to perform its obligations under the reinsurance contract.

ACCOUNTS AND RECORDS**Independent Auditor**

The certified public accounting (CPA) firm, Deloitte and Touche LLP, located in Houston, Texas, performed the statutory audit of the Company for the year 2020. The CPA firm, KPMG LLP, located in Houston, Texas, performed the statutory audit of the Company for the years 2016 through 2019. Reliance was placed upon the CPA workpapers as deemed appropriate. Such reliance included, but was not limited to, understanding of the control environment, risk assessment, control process walkthroughs and assessment of design and operating effectiveness, and detailed testing procedures.

Actuarial Opinion

The Company's actuarial opinion regarding loss reserves, loss adjustment expense (LAE) reserves, and other actuarial items was issued by Jonathan B. Winn, FCAS, MAAA, for the year 2020. Jonathan Winn is a Vice President of ANGIC in the Springfield, Missouri office. Matthew G. Killough, FCAS, MAAA, issued the actuarial opinion for years 2019 and 2018 in the examination period. Matthew Killough is employed by Milliman, Inc. in Wakefield, Massachusetts. Michael J. Miller, FCAS, MAAA, issued the actuarial opinion for years 2017 and 2016. Michael Miller is employed by Willis Towers Watson in Atlanta, Georgia.

Consulting Actuary

Pursuant to a contract with the Department, Bobby Jaegers, ACAS, MAAA, FCA of Taylor and Mulder Property and Casualty Consulting Actuaries, reviewed the underlying actuarial assumptions and methodologies used by ANGIC to determine the adequacy of loss reserves and LAE reserves. Mr. Jaegers determined that the Company made a reasonable provision for the loss and LAE reserves that were reported in the statutory financial statements, as of December 31, 2020.

Information Systems

As part of the coordinated examination, Eric Kameda, AFE, CISA, Yaw Asamoah, Cybele Hinson, CPA, and Shiyu Fang, Information Systems Financial Examiners with the Texas Department of Insurance, conducted a review of information systems for the property and casualty companies within the American National Financial Group.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the Department and present the financial condition of American National General Insurance Company for the period ending December 31, 2020. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the financial statements and should be considered an integral part of the financial statements. The failure of any column of numbers to add to its respective total is due to rounding or truncation.

There may have been additional differences found in the course of this examination, which are not shown in the "Comments on Financial Statement Items." These differences were determined to be immaterial concerning their effect on the financial statements, and therefore were only communicated to the Company and noted in the workpapers for each individual key activity.

ASSETS

As of December 31, 2020

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$ 98,428,446	\$ -	\$ 98,428,446
Cash, Cash Equivalents, and Short- Term Investments	15,162,514	-	15,162,514
Investment Income Due and Accrued Premiums and Considerations:	893,920	-	893,920
Deferred Premiums, Agents' Balances, and Installments Booked but Deferred and Not Yet Due	8,480,587	-	8,480,587
Reinsurance:			
Amounts Recoverable from Reinsurers	1,670	-	1,670
Current Federal and Foreign Income Tax Recoverable and Interest Thereon	200,180	-	200,180
Guaranty Funds Receivable or on Deposit	8,377	-	8,377
Receivables from Parent, Subsidiaries, and Affiliates	98,681	-	98,681
Aggregate Write-Ins for Other-Than- Invested Assets	183,897	3,026	180,871
TOTAL ASSETS	\$ 123,458,271	\$ 3,026	\$ 123,455,245

LIABILITIES, SURPLUS AND OTHER FUNDS

As of December 31, 2020

Losses	\$ 19,407,772
Loss Adjustment Expenses	3,732,552
Commissions Payable, Contingent Commissions, and Other Similar Charges	531,846
Other Expenses	8,098
Taxes, Licenses, and Fees	293,010
Unearned Premiums	14,506,709
Advance Premiums	237,016
Ceded Reinsurance Premiums Payable (Net of Ceding Commissions)	47,922
Amounts Withheld or Retained by Company for Account of Others	11,155
Remittances and Items Not Allocated	11,942
Payable to Parent, Subsidiaries, and Affiliates	1,326,152
Aggregate Write-Ins for Liabilities	10,567,007
TOTAL LIABILITIES	\$ 50,681,179
Common Capital Stock	2,500,000
Gross Paid In and Contributed Surplus	12,500,000
Unassigned Funds (Surplus)	57,774,066
TOTAL CAPITAL AND SURPLUS	\$ 72,774,066
TOTAL LIABILITIES AND SURPLUS	\$ 123,455,245

STATEMENT OF INCOME
For the Year Ended December 31, 2020

Premiums Earned	\$ 39,050,429
DEDUCTIONS:	
Losses Incurred	23,718,300
Loss Adjustment Expenses Incurred	2,671,934
Other Underwriting Expenses Incurred	10,117,186
Total Underwriting Deductions	<u>\$ 36,507,420</u>
Net Underwriting Gain (Loss)	\$ 2,543,009
Net Investment Income Earned	3,993,077
Net Realized Capital Gains	(27,757)
Net Investment Gain (Loss)	\$ 3,965,320
Net Gain (Loss) from Agents' or Premium Balances Charged Off	(199,276)
Finance and Service Charges Not Included in Premiums	21,088
Federal and Foreign Income Taxes Incurred	1,442,568
NET INCOME (LOSS)	<u>\$ 4,887,573</u>

RECONCILIATION OF CAPITAL AND SURPLUS
Changes from January 1, 2016 to December 31, 2020

(\$000s omitted)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Capital and Surplus,					
Beginning of Year	\$ 65,006	\$ 67,265	\$ 65,480	\$ 62,537	\$ 67,985
Net Income (Loss)	1,670	(1,300)	(2,263)	3,174	4,888
Change in Net Unrealized Capital Gains (Losses)					
Less Capital Gains Tax	433	(37)	(2)	72	(73)
Change in Net Deferred Income Tax	(591)	89	147	(594)	(26)
Change in Nonadmitted Assets	744	(532)	(824)	2,796	-
Aggregate Write-Ins for Gains and Losses in Surplus	2	(6)	-	(1)	-
Net Change in Capital and Surplus	<u>\$ 2,258</u>	<u>\$ (1,785)</u>	<u>\$ (2,943)</u>	<u>\$ 5,448</u>	<u>\$ 4,789</u>
Capital and Surplus, End of Year	<u>\$ 67,265</u>	<u>\$ 65,480</u>	<u>\$ 62,537</u>	<u>\$ 67,985</u>	<u>\$ 72,774</u>

COMMENTS ON FINANCIAL STATEMENT ITEMS

None.

FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION

None.

SUMMARY OF RECOMMENDATIONS

None.

SUBSEQUENT EVENTS

On August 6, 2021, ANAT entered into an Agreement and Plan of Merger (Merger Agreement) with Brookfield Asset Management Reinsurance Partners Ltd. (BAM Re), an exempted company limited by shares existing under the laws of Bermuda, and Freestone Merger Sub Inc. (Merger Sub), a Delaware corporation and an indirect, wholly-owned subsidiary of BAM Re. Pursuant to the terms of the Merger agreement, effective May 25, 2022, Merger Sub merged with and into ANAT, with ANAT as the surviving entity, which became an indirect, wholly-owned subsidiary of BAM Re. The merger was unanimously approved by the Company's Board of Directors and was approved by the written consent of stockholders owning a majority of ANAT's common stock. The merger was the subject of Form A approvals issued by the Department as well as the insurance departments of Texas, New York, California and Louisiana.

Effective December 1, 2021, AN Holdings merged with and into ANH Investments, LLC (ANHI), a Nevada limited liability company, with ANHI surviving the merger. The assets, liabilities, and management of ANHI immediately following such merger were the same as those of AN Holdings immediately prior to such merger.

The COVID-19 pandemic has continued to develop, with significant uncertainty remaining regarding the full effect of COVID-19 on the U.S. and global insurance and reinsurance industry. The Department has been in communication with the Company regarding the impact of COVID-19 on its business operations and financial position. The Department continues to closely monitor the impact of the pandemic on the Company and will take necessary action if a solvency concern arises.


ACKNOWLEDGMENT

The assistance and cooperation extended by the officers and the employees of American National General Insurance Company during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Brian Hammann, CFE, CPA, and Lisa Li, CFE, CPA, ARe, examiners for the Missouri Department of Commerce and Insurance, also participated in this examination.

VERIFICATION

State of Missouri)
) ss
County of Cole)

I, Ronald Musopole, CFE, CIA, MBA, on my oath swear that to the best of my knowledge and belief the above examination report is true and accurate and is comprised of only facts appearing upon the books, records, or other documents of American National General Insurance Company, its agents or other persons examined, or as ascertained from the testimony of its officers or agents or other persons examined concerning its affairs, and such conclusions and recommendations as the examiners find reasonably warranted from the facts.



Ronald Musopole, CFE, CIA, MBA
Examiner-In-Charge
Missouri Department of Commerce and
Insurance

Sworn to and subscribed before me this 2nd day of June, 2022.

My commission expires: March 4, 2024 
Notary Public



KATHRYN LATIMER
My Commission Expires
March 4, 2024
Cole County
Commission #12418395

SUPERVISION

The examination process has been monitored and supervised by the undersigned. The examination report and supporting workpapers have been reviewed and approved. Compliance with NAIC procedures and guidelines as contained in the *Financial Condition Examiners Handbook* has been confirmed, except where practices, procedures, and applicable regulations of the Missouri Department of Commerce and Insurance and statutes of the state of Missouri prevailed.



Sara McNeely, CFE
Assistant Chief Financial Examiner
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