



DEPARTMENT OF COMMERCE & INSURANCE

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

ORDER

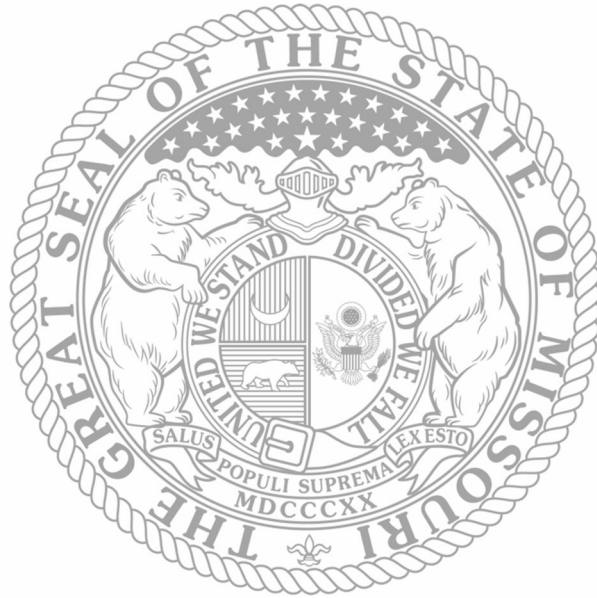
After full consideration and review of the report of the financial examination of The Reliable Life Insurance Company for the period ended December 31, 2023, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, Angela L. Nelson, Director of the 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 The Reliable Life Insurance Company as of December 31, 2023, be and is hereby ADOPTED as filed and for The Reliable Life 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 30th day of June, 2025.




Angela L. Nelson, Director
Department of Commerce and Insurance



REPORT OF
FINANCIAL EXAMINATION OF

THE RELIABLE LIFE INSURANCE COMPANY

AS OF
DECEMBER 31, 2023

STATE OF MISSOURI
DEPARTMENT OF COMMERCE & INSURANCE

JEFFERSON CITY, MISSOURI

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St. Louis, MO
May 28, 2025

Honorable Angela L. Nelson, Director
Missouri Department of Commerce and Insurance
301 West High Street, Room 530
Jefferson City, Missouri 65101

Director Nelson:

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

The Reliable Life Insurance Company (NAIC #68357)

hereinafter referred to as such, as Reliable Life, or as the Company. Its administrative office is located at 12115 Lackland Road, St. Louis, MO 63146-4003, telephone number (314)819-4300. The fieldwork for this examination began on February 19, 2024, 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 The Reliable Life Insurance Company. The last examination of the Company by the Department covered the period of January 1, 2014, through December 31, 2018. The current examination covers the period of January 1, 2019, through December 31, 2023, 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. Those activities considered in the examination as key to Reliable Life included Reserves, Investment Accounting & Reporting, Treasury Liquidity & Capital Management, Reinsurance, Underwriting, Premium Billing & Collections, Claims Handling &

Data, Related Party Transactions, and Policyholder Services. 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 Kemper Group, which consists of forty-one insurance companies domiciled in numerous states. The Illinois Department of Insurance is the lead state regulator for the group. Along with Missouri, eleven other states participated in the coordinated examination. The examination was also conducted concurrently with the examinations of the Company's Missouri-domiciled affiliates, Old Reliable Casualty Company.

This examination report includes significant findings of fact, as mentioned in Section 374.205 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

The Company was incorporated as Reliable Life & Accident Insurance Company on December 12, 1911, and was issued a Certificate of Authority as a stock life company. The Company began operations on January 22, 1912. In 1936, the Company changed its name to The Reliable Life Insurance Company.

Reliable Life was acquired by Unitrin, Inc. on May 29, 1998. Unitrin, Inc. was a publicly traded company with shares trading on the New York Stock Exchange and subsidiaries engaging in life and health insurance, property and casualty insurance, and consumer finance.

On March 5, 2001, all common stock of Reliable Life was purchased by United Insurance Company of America (United), a wholly owned subsidiary of Unitrin, Inc.

Effective December 28, 2005, ownership of Reliable Life was transferred from United Insurance Company of America to Unitrin, Inc., the ultimate controlling entity in the holding company system.

On December 1, 2009, all stock of Reliable Life was transferred from Unitrin, Inc. to United Insurance Company of America. As a result of the transfer, United became Reliable Life's immediate parent while Unitrin, Inc. remained the ultimate controlling entity in the holding company system.

On August 25, 2011, Unitrin Inc. changed its name to Kemper Corporation (a Delaware corporation).

Mergers, Acquisitions, and Major Corporate Events

There were no mergers, acquisitions, or other major corporate events, as applicable, during the examination period.

Dividends and Capital Contributions

The Company paid the following dividend to its parent, United Insurance Company of America, during the examination period. The dividend was not extraordinary.

Year	Amount
2020	\$ 1,300,000
Total	\$ 1,300,000

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 are elected by the shareholders. The Company's Articles of Incorporation specify that there shall be nine directors. The Board of Directors elected and serving as of December 31, 2023, were as follows:

Name and Address

James Alexander
Carmel, New York

John Boschelli
Geneva, Illinois

Jose Galiano
Chesterfield, Missouri

Maxwell Mindak
Elmhurst, Illinois

Kenneth Bohrer
Cincinnati, Ohio

Steven Froning
La Habra, California

Troy McGill
Cross Plains, Wisconsin

Christopher Moses
Chicago, Illinois

Principal Occupation and Business Affiliation

Senior Vice President and Chief Accounting Officer
Kemper Corporation

Executive Vice President and Chief Investment Officer
Kemper Corporation

Vice President, Head of Operations
Kemper Life

Senior Vice President, Chief Risk Officer
Kemper Corporation

Vice President, Finance
Kemper Life

Senior Vice President, Business Transformation Analytics
Kemper Life

Senior Vice President, Tax
Kemper Corporation

Vice President, Treasury
Kemper Corporation

Senior Officers

The officers elected and serving, as of December 31, 2023, were as follows:

Name

Christopher Flint
Jennifer Kopps-Wagner
Christian Dancer

Office

Chairman of the Board & President
Senior Vice President & Secretary
Treasurer

Principal Committees

The Bylaws give Reliable Life’s Board of Directors authority to create committees to be composed of two or more members who shall serve at the pleasure of the Board. The Board appointed the Audit Committee of United Insurance Company of America to also serve as the Audit Committee for Reliable Life. The following committees were in place as of December 31, 2023.

Executive Committee

Maxwell Mindak
John Boschelli
James Alexander

Finance Committee

Maxwell Mindak
John Boschelli
James Alexander

Corporate Records

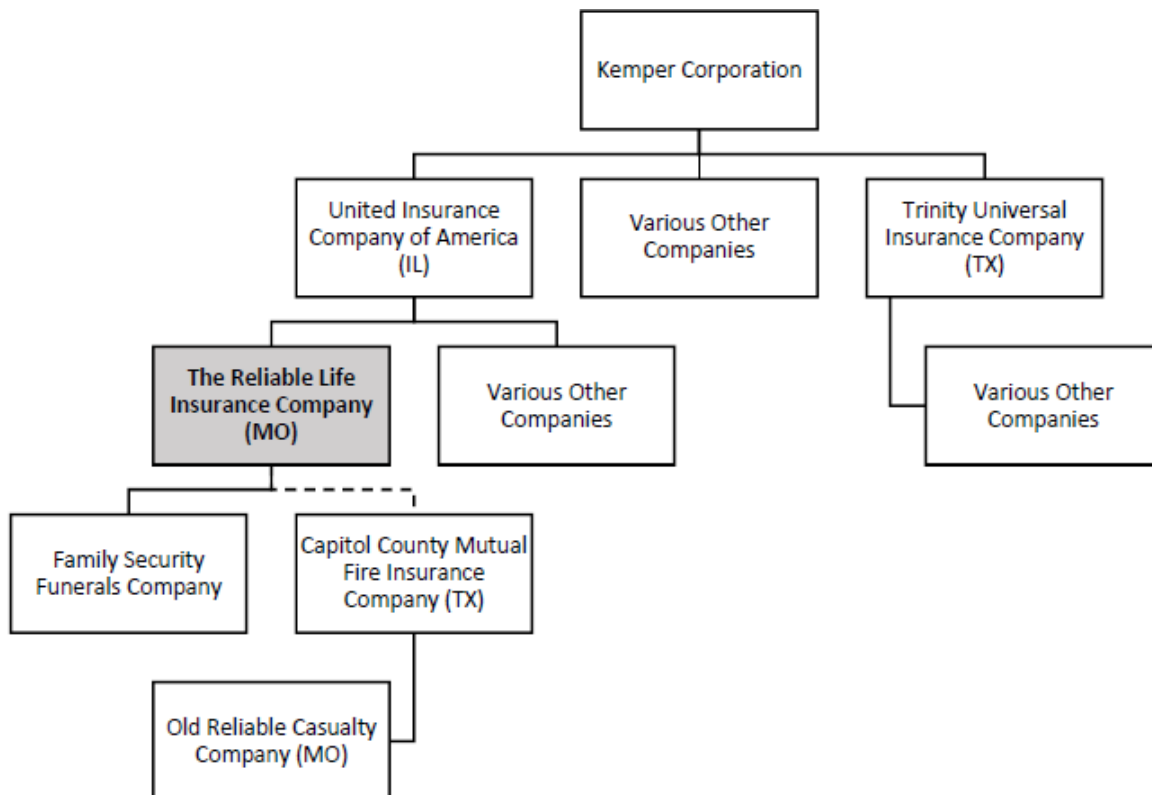
The Company's Articles of Incorporation and Bylaws were reviewed. There were no revisions to either document during the examination period. The minutes of the Board of Directors, shareholders, and committees were reviewed for the period under examination.

Holding Company, Subsidiaries, and Affiliates

Reliable Life is a member of an Insurance Holding Company System, as defined by Section 382.010 RSMo (Definitions). Affiliations are described in the Company History section above. Kemper Corporation is the ultimate controlling entity within the holding company system. As of December 31, 2023, the Company had one subsidiary, Family Security Funerals Company, which had no statutory equity value.

Organizational Chart

The following organizational chart depicts the applicable portion of the holding company group as of December 31, 2023.



Intercompany Transactions

The following agreements represent significant contracts executed with affiliated entities that were in effect as of December 31, 2023. A brief description of these agreements are as follows:

Tax Allocation Agreement: Agreement between the Company and Unitrin, Inc. Under this agreement, the tax liability apportioned to each member is based on the relative federal income tax liability each company would have incurred on a separate company basis. The Company pays or receives its estimated payment or refund on a quarterly basis. Final settlement is due within 30 days of filing the combined return.

Management & Administrative Service Contract: Agreement between the Company and Capitol County Mutual Fire Insurance Company. Under the contract, the Company is responsible for the management of Capitol County Mutual Fire Insurance Company's business.

Assignment and Consent Agreement: Agreement between the Company and Trinity Universal Insurance Company (Trinity). Under the agreement, the Company provides the administration of the policies assumed by Trinity under a quota share reinsurance agreement between Trinity and Capitol County Mutual Fire Insurance Company. The Company is reimbursed at cost for the expenses incurred to provide the services.

General Services Agreement: Agreement between the Company, Old Reliable, Infinity Insurance Company, and Merastar Insurance Company. Under this agreement, Infinity Insurance Company and Merastar Insurance Company provide services to the Company that include accounting and financial, accounts payable, cash management, and other administrative services. The Company pays market cost for these services.

TERRITORY AND PLAN OF OPERATION

Reliable Life is licensed in the District of Columbia and in all states except New York and Louisiana. The Company is licensed in Missouri under Chapter 376 RSMo (Life and Accident Insurance) to write life, accident and health insurance and annuities.

The Company sells primarily low face value whole life policies and term life. The Company also sells a small amount of individual and group accident and health policies. The majority of business is written in Texas, which accounts for about 80% of premiums, with the remaining business written primarily in Missouri and Arkansas.

Reliable Life is part of the Kemper Home Service Companies segment along with several affiliated companies. These companies operate as traditional home services companies marketing their products through a network of employee agents. The agents sell and service products in person to their target customer base of moderate and low-income individuals and families. Premiums are typically collected by the agents in person on a monthly basis.

GROWTH OF COMPANY AND LOSS EXPERIENCE

The table below summarizes the Company's growth and loss experience for the period under examination:

(\$000s omitted)

Year	Net Premiums	Change in Net Premiums	Benefits and Losses	Capital and Surplus	Ratio of Net Premiums to Surplus	Net Income (Loss)
2019	\$ 0	\$ 0	\$ 0	\$ 13,088	n/a	\$ 1,210
2020	0	0	0	12,141	n/a	433
2021	0	0	0	15,512	n/a	853
2022	0	0	0	16,278	n/a	777
2023	0	0	0	16,276	n/a	(2,413)

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	2019	2020	2021	2022	2023
Direct Premiums Written	\$ 116,813	\$ 117,615	\$ 122,566	\$ 124,680	\$ 122,485
Reinsurance Assumed:					
Affiliates					
Non-Affiliates					
Reinsurance Ceded:					
Affiliates	116,813	117,615	122,566	124,680	122,485
Non-Affiliates					
Net Premiums Written	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Assumed Reinsurance

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

Ceded Reinsurance

Pursuant to the Coinsurance Agreement effective May 1, 2009, Reliable cedes 100% of its past, present and future premiums to its parent company, United Insurance Company of America. This 100% cession agreement effectively eliminates all pricing, underwriting and loss reserving risks for the Company. As a result, the Company carried no loss or loss adjustment expense reserves as of December 31, 2023.

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 & Touche LLP, in Chicago, Illinois, performed the statutory audit of the Company for the years 2019 - 2023. Reliance was placed upon the CPA workpapers as deemed appropriate.

Actuarial Opinion

The Company's actuarial opinion regarding reserves and other actuarial items was issued by Jack Gibson, FSA, CERA, MAAA, for all years in the examination period. Gibson is employed by Willis Towers Watson in Chicago, Illinois.

Consulting Actuary

The actuarial analysis was performed by the lead state at the group level and covered Old Reliable. Illinois outsourced the actuarial review to the firm Risk & Regulatory Consulting (RRC). RRC reviewed the underlying actuarial assumptions and methodologies used by Old Reliable to determine the adequacy of loss reserves and LAE reserves.

Information Systems

In conjunction with this examination, John Albertini, CISA, CISM, CISSP, C|CISO, MBA and David Gordon, CISA, CIA, CFE (Fraud), CDFE, MBA, Information Systems Financial Examiners with INS Regulatory Insurance Services, Inc., conducted a review of the Company's information systems.

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 The Reliable Life Insurance Company for the period ending December 31, 2023. 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, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$ 50,544,072	\$	\$ 50,544,072
Cash, Cash Equivalents, and Short-Term Investments	(1,369,760)		(1,369,760)
Other Invested Assets	1,115,045		1,115,045
Investment Income Due and Accrued	609,317		609,317
Premiums and Considerations:			
Uncollected Premiums and Agents' Balances in the Course of Collection	(9,768,871)		(9,768,871)
Reinsurance:			
Amounts Recoverable from Reinsurers	3,644,653		3,644,653
Other Amounts Receivable Under Reinsurance Contracts	1,800,693		1,800,693
Net Deferred Tax Asset	4,647,711	1,950,659	2,697,052
Guaranty Funds Receivable or on Deposit	108,366		108,366
Receivables from Parent, Subsidiaries, and Affiliates	103		103
Aggregate Write-Ins for Other-Than-Invested Assets	918,740	81,380	837,360
TOTAL ASSETS	\$ 52,250,069	\$ 2,032,039	\$ 50,218,030

LIABILITIES, SURPLUS AND OTHER FUNDS

As of December 31, 2023

Commissions and Expense Allowances Payable on Reinsurance Assumed	\$ 2,860
General Expenses Due or Accrued	641,876
Taxes, Licenses, and Fees Due or Accrued, Excluding Federal Income Taxes	418,332
Current Federal and Foreign Income Taxes	4,705,191
Amounts Withheld or Retained by Company as Agent or Trustee	3
Remittances and Items Not Allocated	1,537,132
Miscellaneous Liabilities:	
Asset Valuation Reserve	135,821
Payable to Parent, Subsidiaries, and Affiliates	13,287,961
Aggregate Write-Ins for Liabilities	13,212,396
TOTAL LIABILITIES	\$ 33,941,572
Common Capital Stock	4,000,000
Gross Paid In and Contributed Surplus	17,500,000
Unassigned Funds (Surplus)	(5,223,542)
TOTAL CAPITAL AND SURPLUS	16,276,458
TOTAL LIABILITIES AND SURPLUS	\$ 50,218,030

SUMMARY OF OPERATIONS
For the Year Ended December 31, 2023

Net Investment Income	\$ 2,102,445
Amortization of Interest Maintenance Reserve	14,697
Miscellaneous Income:	
Aggregate Write-Ins for Miscellaneous Income	37,122
Total Revenue	\$ 2,154,264
Total Underwriting Deductions	\$ 0
Net Gain (Loss) From Operations Before Dividends to Policyholders and Federal Income Taxes	\$ 2,154,264
Federal and Foreign Income Taxes Incurred	(4,540,841)
Net Realized Capital Gains (Losses)	(26,800)
NET INCOME (LOSS)	\$ (2,413,377)

RECONCILIATION OF CAPITAL AND SURPLUS
Changes from January 1, 2019, to December 31, 2023

(\$000's omitted)

	2019	2020	2021	2022	2023
Capital and Surplus,					
Beginning of Year	\$ 11,746	\$ 13,088	\$ 12,141	\$ 15,512	\$ 16,278
Net Income (Loss)	1,210	433	853	777	(2,413)
Change in Net Unrealized Capital Gains (Losses)					
Less Capital Gains Tax	(17)				
Change in Net Deferred Income Tax	(145)	223	(51)	319	4,026
Change in Nonadmitted Assets	263	(366)	369	(293)	(1,577)
Change in Asset Valuation Reserve	32	(6)	(34)	(36)	(37)
Surplus Adjustments:					
Paid In		11,500			
Dividends to stockholders		(1,300)			
Aggregate Write-Ins for Gains and Losses in Surplus		(11,431)	2,234		
Net Change in Capital and Surplus	1,343	(947)	3,371	766	(2)
Capital and Surplus, End of Year	\$ 13,088	\$ 12,141	\$ 15,512	\$ 16,278	\$ 16,276

COMMENTS ON FINANCIAL STATEMENT ITEMS

None.

FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION

None.

SUMMARY OF RECOMMENDATIONS

None.

SUBSEQUENT EVENTS

There were no significant subsequent events noted from December 31, 2023, through the date of the report.

ACKNOWLEDGMENT

The assistance and cooperation extended by the officers and the employees of Kemper Corporation, on behalf of The Reliable Life Insurance Company, during the course of this examination are hereby acknowledged and appreciated. In addition to the undersigned, Conner Nilges, CFE, examiner for the Missouri Department of Commerce and Insurance, also participated in this examination.

VERIFICATION

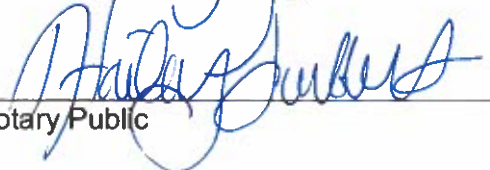
State of Missouri)
) ss
County of Cole)

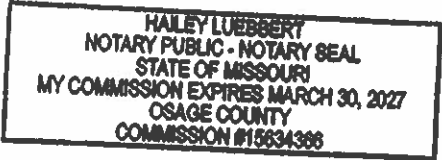
I, Joshua Nash, CPA, CFE, on my oath swear that to the best of my knowledge and belief the above examination report is true and accurate and is comprised of only facts appearing upon the books, records, or other documents of The Reliable Life Insurance Company, its agents or other persons examined, or 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.



Joshua Nash, CPA, CFE
Examiner-In-Charge
Missouri Department of Commerce and
Insurance

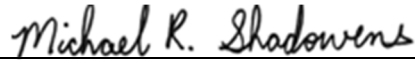
Sworn to and subscribed before me this 28th day of May, 2025.

My commission expires March 31, 2027 
Notary Public



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.

Handwritten signature of Michael R. Shadowens in black ink.

Michael R. Shadowens, CFE
Assistant Chief Financial Examiner
Missouri Department of Commerce and
Insurance