STATE OF INDIANA	)	BEFORE THE INDIANA
	) SS:	
COUNTY OF MARION	)	COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
)
Wilco Life Insurance Company)
20 Glover Avenue, 4th Floor)
Norwalk, CT 06850)

Examination of: **Wilco Life Insurance Company**

NOTICE OF ENTRY OF ORDER

Enclosed is the Final Order entered by Stephen W. Robertson, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of Wilco Life Insurance Company, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on June 1, 2020, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of Wilco Life Insurance Company shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

June 29, 2020
Date

Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7017 3040 0000 9294 9421

STATE OF INDIANA	)	BEFORE THE INDIANA
	) SS:	
COUNTY OF MARION	)	COMMISSIONER OF INSURANCE

IN THE MATTER OF:	)
	)
Wilco Life Insurance Company	)
20 Glover Avenue, 4th Floor	)
Norwalk, CT 06850	)

Examination of: **Wilco Life Insurance Company**

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Wilco Life Insurance Company (hereinafter "Company") for the time period January 1, 2014 through December 31, 2018.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter "Commissioner") by the Examiner on May 22, 2020.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on June 1, 2020 and was received by the Company on June 4, 2020.

The Company did not file any objections.

NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS:**

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the Wilco Life Insurance Company as of December 31, 2018.
2. That the Examiner's Recommendations are reasonable and necessary in order for the Wilco Life Insurance Company to comply with the laws of the State of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.

2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.

3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed this 29 day of June, 2020.

Stephen W. Robertson
Insurance Commissioner
Indiana Department of Insurance

ABOUT AFFIRMATIONS

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

STATE OF INDIANA

Department of Insurance

REPORT OF EXAMINATION

OF

WILCO LIFE INSURANCE COMPANY

NAIC CO. CODE 65900
NAIC GROUP CODE 4213

As of

December 31, 2018

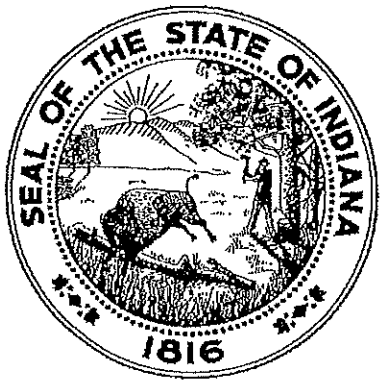

Table of Contents

STATE OF INDIANA

ERIC J. HOLCOMB, GOVERNOR

Indiana Department of Insurance
Stephen W. Robertson, Commissioner
311 W. Washington Street; Suite 103
Indianapolis, Indiana 46204-2787
Telephone: 317-232-2385
Fax: 317-232-5251
Website: in.gov/idoi

May 22, 2020

Honorable Stephen W. Robertson, Commissioner
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, IN 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 4006, an examination has been made of the affairs and financial condition of:

Wilco Life Insurance Company
12821 East New Market Street, Suite 250
Carmel, IN 46032

hereinafter referred to as the "Company", or "Wilco", an Indiana domestic stock, life and accident and health insurance company. The examination was conducted at the corporate offices of the Company in Norwalk, Connecticut.

The Report of Examination, reflecting the status of the Company as of December 31, 2018, is hereby respectfully submitted.

SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) and covered the period from January 1, 2009 through December 31, 2013. The present risk focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2014 through December 31, 2018, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted in accordance with the NAIC *Financial Condition Examiners Handbook* (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.

The examination of Wilco was called by the INDOI in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. The Minnesota Department of Commerce served as the lead state of the examination, although they did not have an in-scope company for this examination. The INDOI served as the facilitator and the Illinois Department of Insurance served as the participant.

Mark Alberts, FSA, MAAA, of Alberts Actuarial Consulting, LLC, a consulting actuary appointed by the INDOI, provided all actuarial services throughout the examination and conducted a review of the Company's actuarial related risks as of December 31, 2018.

Gregory Hahn, CFA of Winthrop Capital Management, an investment advisory firm, served as the investment specialist on the examination and conducted a review of the Company's investment portfolio as of December 31, 2018.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include 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 is 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 in the Indiana Code (IC) 27-1-3.1-10 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.

HISTORY

Wilco is a wholly owned subsidiary of Wilton Reassurance Company (Wilton Re), a Minnesota stock, life insurance company. Wilton Re is owned by Wilton Re U.S. Holdings, Inc. (WRUSH), a Delaware corporation. WRUSH is owned by Wilton Re U.S. Holdings Trust, an Ontario, Canada trust. The trust is owned by Wilton Re Ltd., a non-insurance holding company registered in Nova Scotia, Canada. Wilton Re Ltd. is deemed the ultimate parent corporation in Wilco's holding company system.

On March 2, 2014, Wilton Re entered into a Stock Purchase Agreement with CNO Financial Group (CNO), pursuant to which CNO agreed to sell Wilton Re all issued and outstanding shares of Conseco Life Insurance Company (CLIC). The transaction closed on July 1, 2014, after the receipt of insurance regulatory approvals and satisfaction of other customary closing conditions. CLIC changed its name to Wilco Life Insurance Company effective June 25, 2015.

CAPITAL AND SURPLUS

Wilton Re owned 100% of the Company's issued and outstanding stock as of the examination date. There were 5,250,000 authorized shares of common stock with a par value of $1 per share and 4,178,222 shares issued and outstanding throughout the examination period.

DIVIDENDS TO STOCKHOLDERS

The Company paid the following dividends to Wilton Re during the examination period:

Year	Total	Ordinary Dividends	Extraordinary Dividends
2018	$ -	$ -	$ -
2017	30,823,841	-	30,823,841
2016	-	-	-
2015	55,175,616	21,400,000	33,775,616
2014	-	-	-
Total	$ 85,999,457	$ 21,400,000	$ 64,599,457

In accordance with IC 27-1-23-4(h), the payment of dividends to holding companies or affiliated insurers may not exceed the greater of 10% of the prior year's surplus or the net gain from operations of such insurer. The Company paid four (4) extraordinary dividends during the examination period with the prior approval of the INDOI. The amounts of the extraordinary dividends in excess on the Company's available unassigned funds were recorded as reductions in gross paid-in and contributed surplus. These are reflected in the annual statements as negative paid-in surplus amounts. Other dividends paid during the examination period were ordinary in nature and did not require prior regulatory approval. In accordance with IC 27-1-23-1.5, the Company notified the INDOI of all declared dividends to the parent during the examination period.

The following amounts were reported as surplus contributions during the examination period.

Year	Surplus Contributions
2018	$ -
2017	(19,176,159)
2016	(50,000,000)
2015	(22,183,367)
2014	(304,347,287)
Total	$ (395,706,813)

The negative amounts, years 2015 through 2017, represent the portion of paid Extraordinary Dividends that were in excess of the Company's available unassigned funds. This recording of dividends complied with instruction from the INDOI and Indiana Code IC 27-1-3-24.

The negative amount for year 2014 represents the reclassification of the Company's unassigned deficit of $304,347,287 to paid in surplus. This resulted from the quasi-reorganization of the Company's capital under SSAP No. 72 - Quasi-Reorganizations following the sale of the Company, and with prior notice to the INDOI, effective July 1, 2014.

TERRITORY AND PLAN OF OPERATION

Wilco is licensed in all states except New York. The Company is also licensed in the District of Columbia, Guam, Puerto Rico and US Virgin Islands. The top states based on direct premiums are California (18%), Texas (14%), and Florida (6%).

Currently, Wilco is not actively marketing any new products and as a result, sales of universal life, equity indexed universal life, term life, and whole life products have declined to an immaterial amount. Prior to its acquisition by Wilton Re in 2014, Wilco's accident and health business was moved to an Indiana domestic insurance company, Washington National Insurance Company (WNIC), a former affiliate. Wilco discontinued writing new business in 2007 and in-force business consists mainly of universal life and traditional life insurance policies.

GROWTH OF THE COMPANY

The following exhibit summarizes the financial results, (in 000s), of the Company during the examination period:

Year	Admitted Assets	Liabilities	Surplus and Other Funds	Premiums Earned	Net Income
2018	$ 2,794,927	$ 2,633,528	$ 161,399	$ 101,317	$ 40,573
2017	2,902,242	2,788,414	113,828	108,830	2,211
2016	3,197,405	3,040,516	156,889	99,156	11,090
2015	3,485,610	3,284,985	200,625	128,623	56,152
2014	3,743,765	3,507,966	235,799	156,017	64,171

The decrease in net income in 2016 was due to a decrease in premiums and annuity considerations and the decline in net investment income slightly offset by the change in contingency reserve and a decrease in federal income tax expense.

The decrease in net income in 2017 was due to a decline in net investment income, an increase in federal income tax expense, and the change in contingency reserve offset by the increase in premiums and annuity considerations.

MANAGEMENT AND CONTROL

Directors

The Bylaws provide that the business affairs of the Company are to be managed by a Board of Directors (Board) consisting of no less than five (5) and no more than nine (9) directors. IC 27-1-7-11 requires that at least one (1) of the directors must be a resident of Indiana. The shareholders, at each annual meeting, elect the members of the Board.

The following is a listing of persons serving as directors as of December 31, 2018, and their principal occupations as of that date:

Name and Address	Principal Occupation
Chris C. Stroup Wilton, Connecticut	Chairman Wilton Re Services, Inc.
Enrico J. Treglia Danbury, Connecticut	Chief Operating Officer Wilton Re Services, Inc.
Michael E. Fleitz Wilton, Connecticut	Chief Executive Officer Wilton Re Services, Inc.
John J. Quinn Indianapolis, Indiana	Owner John Quinn Consulting
Mark R. Sarlitto Cross River, New York	General Counsel and Secretary Wilton Re Services, Inc.

Officers

The Bylaws state that the elected officers of the Company shall consist of a President, one (1) or more Vice Presidents, a Treasurer, a Secretary and such other officers as may be elected in accordance with the provisions of the Bylaws. The Board may also create the offices of one (1) or more Assistant Treasurers and Assistant Secretaries. Each of these officers is elected by the Board and shall hold office one (1) year or until their respective successors are duly chosen and shall have qualified. One person may hold two or more such offices, except the offices of the President and Secretary.

The following is a list of key officers and their respective titles as of December 31, 2018:

Name	Office
Michael E. Fleitz	Chief Executive Officer
Raymond A. Eckert	President
Michael L. Greer	Senior Vice President
Steven D. Lash	Senior Vice President, Chief Financial Officer (Treasurer)
Mark R. Sarlitto	Senior Vice President, General Counsel and Secretary
Enrico J. Treglia	Senior Vice President, Chief Operating Officer
Robert C. Fahr	Vice President, Controller

CONFLICT OF INTEREST

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that all directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of December 31, 2018.

OATH OF OFFICE

IC 27-1-7-10(i) stipulates that every director, when elected, shall take and subscribe to an oath stating that he or she will faithfully, honestly, and diligently administer the affairs of the Company and will not knowingly violate any of the laws applicable to such Company. It was determined that all directors listed in the Management and Control section of this Report of Examination have subscribed to an oath as of December 31, 2018.

CORPORATE RECORDS

Articles of Incorporation

There was one amendment made to the Articles of Incorporation during the examination period on February 10, 2015. The name of the Company was changed from Conseco Life Insurance Company to Wilco Life Insurance Company. The INDOI approved the change in February 2016.

Bylaws

There was one amendment made to the Bylaws during the examination period on May 7, 2015. The Bylaws were changed to reflect the change in the name of the Company from Conseco Life Insurance Company to Wilco Life Insurance Company.

Minutes

The Board and shareholders meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted.

IC 27-1-7-7(b) states an annual meeting of Shareholders, Members, or Policyholders shall be held within five (5) months after the close of each fiscal year of the Company and at such time within that period as the Bylaws may provide. The Company's Bylaws do not specify the date or time the annual meeting of shareholders is to be held. For each year under review, the annual meeting of shareholders was held within five (5) months following the close of each fiscal year.

The Company does not have any committees of its own. The Board performs the duties of the Investment Committee during the Board meetings. The Company utilizes the Audit Committee of Wilton Re Ltd. The Audit Committee meeting minutes for the examination period were reviewed through the fieldwork date.

AFFILIATED COMPANIES

Organizational Structure

The following abbreviated organizational chart shows the Company's upstream affiliates as of December 31, 2018:

	NAIC Co. Code	Domiciliary State/Country
Wilton Re Limited		Canada
Wilton Re U.S. Holdings Trust		DE
Wilton Re U.S. Holdings, Inc.		MN
Wilton Reassurance Company	66133	NY
Wilton Reassurance Life Company of New York	60704	TX
Texas Life Insurance Company	69396	**IN**
Wilco Life Insurance Company	**65900**	IL
Wilcac Life Insurance Company	62413	MO
Redding Reassurance Company 3 LLC	16399	

Affiliated Agreements

The following affiliated agreements and transactions were disclosed as part of the Form B – Holding Company Registration Statement and were filed with the INDOI, as required, in accordance with IC 27-1-23-4.

Service Agreements
The Company is party to a Service Agreement with its affiliate, Wilton Re Services, Inc. (WRSI), pursuant to which WRSI provides certain accounting, actuarial and administrative services. Under the services agreement with WRSI, the Company incurs charges related to employee compensation which includes a Long-Term Incentive Program (LTIP). A vesting period of three to five years applies after which final unit values are determined based on actual performance. The Company has been allocated a share of the expense with the LTIP payable carried as a component of general expense due or accrued. Once the vesting period is complete and the LTIP awards are paid, the Company's LTIP payable will be settled with WRSI. As of December 31, 2018, the portion of the Company's General Expenses Due or Accrued attributable to the LTIP payable was $10,087,607.

Tax Allocation Agreement
The Company, along with its life insurance affiliates, files a consolidated Federal income tax return with its parent, Wilton Re. The method of allocation among the companies is subject to written agreements approved by each company's Board of Directors. Allocation is based upon the separate return calculations with the credit for net losses granted when utilized on a separate company basis or in consolidation.

FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through a fidelity bond issued by Federal Insurance Company. The bond has a single loss coverage limit of $3,500,000, with a $100,000 deductible. The fidelity bond is adequate to meet the prescribed minimum coverage specified by the NAIC.

The Company had additional types of coverage in-force at December 31, 2018, including but not limited to commercial property liability, cyber coverage, fiduciary liability, management indemnity/directors and officers liability and workers' compensation insurance.

PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS

The Company provides certain health care and life insurance benefits under a postretirement plan for certain former employees. The unfunded plan is closed to new participants. The liability was $24,915 as of December 31, 2018 and was included in general expenses due and accrued. The Company recorded expenses of $5,043 on the plan in 2018.

The Company provides payments under a deferred compensation plan to two former employees. The plan is closed and is in payout status. The liability was $92,064 as of December 31, 2018 and was included in general expenses due and accrued. The Company recorded expenses of $10,008 on the plan in 2018.

The Company had no employees as of December 31, 2018.

SPECIAL AND STATUTORY DEPOSITS

The Company reported the following deposits, (in 000s), as of December 31, 2018:

State	Book Value	Fair Value
For All Policyholders:		
Arkansas	$ 117	$ 115
Florida	1,357	1,368
Georgia	92	93
Indiana	11,310	11,418
Maine	213	212
Mississippi	2,303	2,270
Missouri	305	302
Montana	404	397
New Mexico	439	440
North Carolina	844	839
Tennessee	212	210
Virginia	620	613
Guam	50	50
Puerto Rico	161	161
U.S. Virgin Islands	502	496
All Other Special Deposits:	180,748	191,581
Total Deposits	$ 199,677	$ 210,565

REINSURANCE

Assumed Reinsurance

The Company has no material assumed reinsurance activity. No new reinsurance assumed agreements of any financial significance nor any significant new business has been added to existing agreements.

Ceded Reinsurance

The Company was acquired by Wilton Re in July 2014. As part of a series of transactions occurring prior to the sale of the Company to Wilton Re, a significant block of health business was transferred from the Company to WNIC through two reinsurance transactions. The portion of this block of health business related to business with Senior Health Insurance Company of Pennsylvania was ceded to WNIC through a modified coinsurance arrangement. As of December 31, 2018, this cession involves approximately $120 million of modified coinsurance reserves and a corresponding amount of funds retained by Wilco pursuant to the arrangement.

In the companion reinsurance transaction, the remainder of the CLIC health insurance business was reinsured with WNIC through a 100% indemnity agreement. At December 31, 2018, this block accounted for approximately $3 million in ceded reserve credits for Wilco.

In 2007, CLIC sold most of its older in-force, fixed annuity business through a coinsurance agreement with Jackson National Life Insurance Company (Jackson). As a result of this transaction, all future policy activity relating to this block of business will be ceded to Jackson. At December 31, 2018, this transaction accounted for ceded policy reserves totaling $47.7 million.

The Company also cedes a significant portion of its risk associated with interest-sensitive products, including universal life insurance and annuity products to a variety of domestic and foreign reinsurers. These ceded reinsurance arrangements are mainly affected through yearly renewable term and coinsurance agreements. The majority of the ceded reinsurance program consists of quota share agreements in which the Company cedes a stated percentage of its risk to the assuming reinsurer.

The Company no longer actively writes new business. For business sold prior to September 2001, the Company maintained a maximum net retention of $500,000 per life for domestic business. International retention limits are $100,000 for universal life products and $400,000 for term life products. For life business sold since September 2001, the Company's retention limit is $750,000 per insured life.

ACCOUNTS AND RECORDS

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The trial balances prepared from the Company's general ledger for the years ended December 31, 2017 and December 31, 2018, were agreed to the respective Annual Statements. The Annual Statements for the years ended December 31, 2014 through December 31, 2018, were agreed to each year's independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory.

FINANCIAL STATEMENTS

WILCO LIFE INSURANCE COMPANY
Assets
As of December 31, 2018
(in 000s)

	Per Examination*
Bonds	$ 2,325,753
Stocks:	
Preferred stocks	92,283
Common stocks	18,948
Mortgage loans on real estate:	
First liens	25,231
Cash, cash equivalents and short-term investments	85,249
Contract loans	121,930
Derivatives	101
Other invested assets	52,242
Receivables for securities	1,312
Subtotals, cash and invested assets	2,723,048
Investment income due and accrued	27,159
Premiums and considerations:	
Uncollected premiums and agents' balances in course of collection	2,290
Deferred premiums, agents' balances and installments booked but deferred and not yet due	11,403
Reinsurance:	
Amounts recoverable from reinsurers	6,507
Other amounts receivable under reinsurance contracts	1,683
Current federal and foreign income tax recoverable and interest thereon	1,642
Net deferred tax asset	20,977
Guaranty funds receivable or on deposit	200
Health care and other amounts receivable	18
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	2,794,927
Total**	$ 2,794,927

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts, including immaterial rounding differences.
** The balances include immaterial balancing differences.

WILCO LIFE INSURANCE COMPANY
Liabilities, Surplus and Other Funds
As of December 31, 2018
(in 000s)

	Per Examination*
Aggregate reserve for life contracts	$ 2,145,280
Aggregate reserve for accident and health contracts	111,222
Liability for deposit-type contracts	79,326
Contract claims:	
Life	64,499
Accident and health	11,227
Policyholders' dividends and coupons due and unpaid	13
Provision for policyholders' dividends and coupons payable in following calendar year – estimated amounts:	
Dividends apportioned for payment	454
Premiums and annuity considerations for life and accident and health contracts received in advance less discount; including accident and health premiums	917
Contract liabilities not included elsewhere:	
Surrender values on canceled contracts	19
Other amounts payable on reinsurance, including assumed and ceded	9,066
Interest maintenance reserve	105,113
Commissions to agents due or accrued-life and annuity contracts, accident and health, and deposit-type contracts funds	2
Commissions and expense allowances payable on reinsurance assumed	58
General expenses due or accrued	16,379
Taxes, licenses and fees due or accrued, excluding federal income taxes	440
Unearned investment income	1,124
Amounts withheld or retained by company as agent or trustee	(95)
Amounts held for agents' account, including agents' credit balances	1,251
Remittances and items not allocated	16,268
Miscellaneous liabilities:	
Asset valuation reserve	25,092
Reinsurance in unauthorized and certified companies	266
Payable to parent, subsidiaries and affiliates	854
Payable for securities	250
Aggregate write-ins for liabilities	44,504
Total liabilities excluding Separate Account business	2,633,528
Total liabilities	2,633,528
Common capital stock	4,178
Gross paid in and contributed surplus	129,892
Unassigned funds (surplus)	27,328
Surplus	157,221
Total capital and surplus	161,399
Total liabilities, capital and surplus**	$ 2,794,927

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts, including immaterial rounding differences.

** The balances include immaterial balancing differences.

WILCO LIFE INSURANCE COMPANY
Summary of Operations
For the Year Ended December 31, 2018
(in 000s)

	Per Examination*
Premiums and annuity considerations for life and accident and health contracts	$ 100,779
Considerations for supplementary contracts with life contingencies	538
Net investment income	141,816
Amortization of Interest Maintenance Reserve	17,673
Commissions and expense allowances on reinsurance ceded	4,736
Reserve adjustments on reinsurance ceded	(11,803)
Miscellaneous income:	
Aggregate write-ins for miscellaneous income	254
Total	253,994
Death benefits	209,917
Matured endowments	1,136
Annuity benefits	8,433
Disability benefits and benefits under accident and health contracts	243
Coupons, guaranteed annual pure endowments and similar benefits	5
Surrender benefits and withdrawals for life contracts	71,716
Interest and adjustments on contract or deposit-type contract funds	375
Payments on supplementary contracts with life contingencies	1,944
Increase in aggregate reserves for life and accident and health contracts	(107,544)
Total	186,225
Commissions on premium, annuity considerations, and deposit-type contract funds (direct business only)	4,416
Commissions and expense allowances on reinsurance assumed	317
General insurance expenses	19,162
Insurance taxes, licenses and fees, excluding federal income taxes	3,691
Increase in loading on deferred and uncollected premiums	246
Aggregate write-ins for deductions	(109)
Totals	213,948
Net gain from operations before dividends to policyholders and federal income taxes	40,045
Dividends to policyholders	755
Net gain from operations after dividends to policyholders and before federal income taxes	39,290
Federal and foreign income taxes incurred (excluding tax on capital gains)	(478)
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses)	39,769
Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax	804
Net income**	$ 40,573

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts, including immaterial rounding differences.

** The balances include immaterial balancing differences.

WILCO LIFE INSURANCE COMPANY
Capital and Surplus Account Reconciliation
(in 000s)

	2018*	2017*	2016*	2015*	2014*
Capital and surplus, December 31, prior year	$113,828	$ 156,889	$ 200,625	$ 235,799	$ 138,333
Net income	40,573	2,211	11,090	56,152	64,171
Change in net unrealized capital gains or (losses) less capital gains tax	(350)	13,056	(4,613)	(5,389)	8,283
Change in net deferred income tax	(5,374)	(63,202)	(10,319)	(14,236)	(19,799)
Change in nonadmitted assets	11,089	62,193	9,158	3,066	30,586
Change in liability for reinsurance in unauthorized and certified companies	43	502	86	(897)	-
Change in asset valuation reserve	1,591	(7,822)	862	3,768	9,448
Change in paid-in surplus	-	-	-	-	267
Surplus adjustment:					
Paid in	-	(19,176)	(50,000)	(22,183)	(304,347)
Change in surplus as a result of reinsurance	-	-	-	(4,510)	4,510
Dividends to stockholders	-	(30,824)	-	(55,176)	-
Aggregate write-ins for gains and losses in surplus	-	-	-	4,232	304,347
Net change in capital and surplus for the year	47,571	(43,061)	(43,736)	(35,174)	97,466
Capital and surplus, December 31, current year**	$ 161,399	$ 113,828	$ 156,889	$ 200,625	$ 235,799

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts, including immaterial rounding differences.

** The balances include immaterial balancing differences.

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2018, based on the results of this examination.

OTHER SIGNIFICANT ISSUES

There were no other significant issues.

SUBSEQUENT EVENTS

The Company, in an April 2020 communication to the Indiana Department of Insurance regarding efforts to settle the class action lawsuit, *Burnett, et al. v. Conseco Life Insurance Company, Inc., CNO Financial Group, Inc., and CNO Services, LLC* ("Burnett"), noted that a proposed agreement was finalized and submitted to the Indiana federal court for preliminary approval. The settlement provides that class counsel fees and administrative expenses will be paid from the $27 million settlement and approximately $16.7 million will be paid to class members. All class members who do not opt-out are eligible for a cash payment of at least $500.00. Thirteen (13) class members reside in Indiana. If the court approves the proposed settlement, the Company anticipates funding the settlement by the end of 2020.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, regulatory decisions, and the impact on the financial markets, all of which are uncertain and cannot be predicted. Due to the timing of the examination and field work, the effects of the pandemic on this entity are not fully addressed within this examination report.

There were no further events subsequent to the examination date and prior to the completion of field work which were considered material events requiring disclosure in this Report of Examination.

AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that he, in coordination with staff assistance from Noble Consulting Services, Inc., investment assistance from Winthrop Capital Management and actuarial assistance from Alberts Actuarial Consulting, LLC, performed an examination of Wilco Life Insurance Company, as of December 31, 2018.

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

This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standards and no audit opinion is expressed on the financial statements contained in this report.

The attached Report of Examination is a true and complete report of condition of Wilco Life Insurance Company as of December 31, 2018, as determined by the undersigned.

Paul Ellis

Paul Ellis, CFE
Noble Consulting Services, Inc.

Under the Supervision of:

Jerry Ehlers

Jerry Ehlers, CFE, AES
Examinations Manager
Indiana Department of Insurance

State of: Indiana
County of: Marion

On this 22 day of May, 2020, before me personally appeared, Paul Ellis and Jerry Ehlers, to sign this document.

IN WITNESS WHEROF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires: FEB. 16, 2028

Dianne Deitch
Notary Public

DIANNE DEITCH
Notary Public - Seal
Marion County - State of Indiana
Commission Number NP0725200
My Commission Expires Feb 16, 2028

DIANNE DEITCH
Notary Public