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

IN THE MATTER OF:)
)
Heartland National Life Insurance Company)
10555 Group 1001 Way)
Zionsville, Indiana 46077)

Examination of: **Heartland National Life Insurance Company**

NOTICE OF ENTRY OF ORDER

Enclosed is the Final Order entered by Holly W. Lambert, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of Heartland National 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 6, 2024, 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 Heartland National 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 30, 2026
Date

Jerry Ehlers
Examinations Manager

CERTIFIED MAIL NUMBER: 7004 1160 0000 3835 9975

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

IN THE MATTER OF:)
)
Heartland National Life Insurance Company)
10555 Group 1001 Way)
Zionsville, Indiana 46077)

Examination of: **Heartland National Life Insurance Company**

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Heartland National Life Insurance Company (hereinafter "Company") for the time period January 1, 2020 through December 31, 2024.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter "Commissioner") by the Examiner on May 28, 2026.

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 4, 2026, and was received by the Company on June 8, 2026.

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 Heartland National Life Insurance Company as of December 31, 2024.
2. That the Examiner's Recommendations are reasonable and necessary in order for the Heartland National 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 30th day of June, 2026.

Holly W. Lambert
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

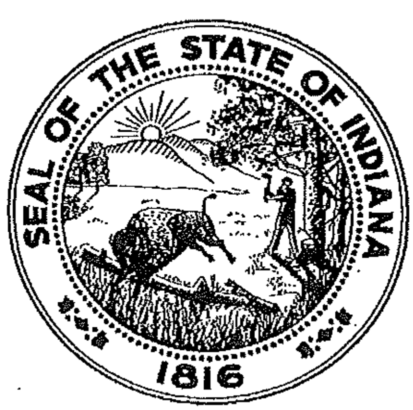
OF

HEARTLAND NATIONAL LIFE INSURANCE COMPANY

NAIC COMPANY CODE 66214

As of

December 31, 2024



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STATE OF INDIANA

MIKE BRAUN, GOVERNOR

Indiana Department of Insurance
Holly W. Lambert, Commissioner
311 W. Washington Street, Suite 103
Indianapolis, Indiana 46204-2787
Telephone: 317-232-3520
Fax: 317-232-5251
Website: in.gov/idoi

May 28, 2026

Honorable Holly W. Lambert, Commissioner
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 4237, an examination has been made of the affairs and financial condition of:

Heartland National Life Insurance Company
10555 Group 1001 Way
Zionsville, Indiana 46077

hereinafter referred to as the "Company", an Indiana domestic life and health insurance company. The examination was conducted remotely with assistance from the corporate office staff in Independence, Missouri.

The Report of Examination, reflecting the status of the Company as of December 31, 2024, 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, 2015 through December 31, 2019. The present risk-focused examination was conducted by The Thomas Consulting Group, Inc. and covered the period from January 1, 2020 through December 31, 2024, 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 actuarial specialists, Tracy Maples, MAAA, ASA and Kevin Durand, FSA, MAAA, both Senior Actuaries of Davies North America, provided all actuarial services throughout the examination and conducted a review of the Company's actuarial-related risks as of December 31, 2024.

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 mentioned 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

The Company was incorporated on April 12, 1965 as Modern Dixie Life Insurance Company and commenced business on July 14, 1965 under the laws of the State of Mississippi. On August 12, 1969, the Company's name was changed to Dixie National Life Insurance Company. On October 2, 1995, Standard Life Insurance Company of Indiana acquired 99.5% of the issued and outstanding shares of the Company. The Company's state of domicile was changed from Mississippi to Indiana effective June 30, 2004. Effective September 24, 2008, Heartland Holding Company, Inc. (HHC) purchased 99.5% of the total 1,500,000 outstanding shares of the Company. The INDOI approved the acquisition of the Company by HHC through a Form A Filing on September 10, 2008. HHC was renamed Heartland National Life Insurance Company.

CAPITAL AND SURPLUS

The Board of Directors (Board) resolution dated November 20, 2024, authorized a stock split of Class A voting shares of 300,000 and Class B non-voting shares of 600,000 shares. These shares were issued to the newly formed parent, The McDaniel 2024 Company (TMC), on December 18, 2024.

The stock certificates for this transaction did not comply with the provisions of IC 27-1-7-5, as they did not state the par value of each share or the authorized shares. Furthermore, the certificates did not state the kind and class of shares represented thereby, nor the relative rights, interests, preferences, and restrictions of such class, or a summary thereof. The financial statements included a total par value of $1.5 million, but the notes to the financial statements did not include a per share par value. **(Please see the OTHER SIGNIFICANT ISSUES section of this Report of Examination.)**

Per the Company's 2024 annual statement, the Company's total capital and surplus was $15 million, which included: common capital stock of $1.5 million; surplus notes of $7 million; gross paid-in contributed surplus of $12.3 million; and unassigned funds (surplus) of ($5.8 million). As of December 31, 2024, TMC owned 100% of the outstanding shares.

The Company received capital contributions of $2.8 million during the examination period, as shown in the table below:

2024	2023	2022	2021	2020
$ -	$500,000	$1,300,000	$1,000,000	$ -

Surplus Note

The Company had an outstanding surplus note for $7 million, issued to its parent, TMC, as of the examination date. **(Please see the SUBSEQUENT EVENTS section of this Report of Examination).**

DIVIDENDS TO STOCKHOLDERS

No dividends were paid to the Stockholders during the examination period.

MANAGEMENT AND CONTROL

Directors

The Company's Amended Articles of Incorporation provide that the business affairs of the Company are to be managed by a Board consisting of not less than five (5) directors, nor more than eleven (11). The shareholders elect the members of the Board at each annual meeting.

The following is a list of persons serving as directors as of December 31, 2024, and their principal occupations as of that date:

Name and Location	Principal Occupation
Robert Elliot Anderson Brooklyn Park, Minnesota	Retired SVP Risk Strategies Corporation
Bernard Allen Garner Independence, Missouri	President and Owner Allen Garner Law, LLC
Gregory Duncan Jacobs Zionsville, Indiana	Retired Actuarial Consultant Milliman
Brian James McDaniel Kansas City, Missouri	Owner McDaniel Insurance Services
Carl Lee McDaniel Gilman City, Missouri	Retired Educator Harrison County R-4 School
Christopher Michael McDaniel Lees Summit, Missouri	President and Chief Executive Officer Heartland National Life Insurance Company
Aaron David Mickelson Blue Springs, Missouri	Chief Financial Officer, Secretary/Treasurer Heartland National Life Insurance Company
Donna Rae Rice Blue Springs, Missouri	Retired Official Heartland National Life Insurance Company
Gary Alan Walter Manhattan, Kansas	Retired Agent Independent Insurance Agent
Vernon Ray Woelke Colleyville, Texas	Retired Director Texas Republic Capital Corporation

Note: Dennis Taylor was listed as a director through Q4 of 2024. Mr. Taylor passed away in October 2024 and was removed as director as of Q1 of 2025.

Officers

The Company's Bylaws state that the elected officers of the Company shall be a President, one (1) or more Vice Presidents, a Treasurer, a Secretary, and such Assistant Treasurers, Assistant Secretaries, or other officers as may be elected or appointed by the Board.

The following is a list of key officers and their respective titles as of December 31, 2024:

Name	Office
Christopher Michael McDaniel	President and Chief Executive Officer
Aaron David Mickelson	Chief Financial Officer, Secretary, and Treasurer
Nicholas James Micheletti	Chief Marketing Officer, Assistant Secretary, and Assistant Treasurer

Third Party Administrator

The Company entered into a Third Party Administrator Agreement with Actuarial Management Resources, effective December 1, 2019, for all new business issued, policy administration, and claims processing for all accident and health business. Clear Spring Life and Annuity Company has continued to service the Company's annuity block of business. Horace Mann continues to service a closed block of life business.

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, 2024.

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, 2024.

CORPORATE RECORDS

Articles of Incorporation

The Board resolution dated November 2024, authorized a stock split of Class A and B shares and such shares were issued in violation of IC 27-1-8-11, Sec. 11. (a) & (b) in particular and with IC 27-1-8-4; IC 27-1-8-5; IC 27-1-1-8-8 in general as the Company did not amend its Articles of Incorporation and file such Restated Articles of Incorporation with the Indiana Secretary of State and the INDOI. **(Please see the OTHER SIGNIFICANT ISSUES section of this Report of Examination).**

The Company's Amended Articles of Incorporation, effective May 16, 2019 and Amended Bylaws, effective February 23, 2017, do not comply with IC 27-1-7-11, Section 11, as they do not state that at least one (1) of the directors must reside in Indiana. **(Please see the OTHER SIGNIFICANT ISSUES section of this Report of Examination).**

Bylaws

No amendments were made to the Bylaws during the examination period.

Minutes

The Board and shareholder 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 period as the

Bylaws may provide. The 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 committee meeting minutes for the examination period, and through the fieldwork date, were reviewed for the following committees: Audit Committee, Compensation Committee, Executive Committee, Investment Committee, and Marketing Committee.

The review of the minutes of the Board and its Audit Committee for the period covered by this examination did not document the report and presentation by the Appointed Actuary on the items within the scope of the Actuarial Opinion as required by the NAIC *Life Annual Statement Instructions* pertaining to Actuarial Opinion item 3, as adopted by IC 27-1-3-13, Section 13. (a). **(Please see the OTHER SIGNIFICANT ISSUES section of this Report of Examination).**

AFFILIATED COMPANIES

Organizational Structure

As of the examination date, the Company was owned 100% by TMC, which, in turn, was 100% owned by Christopher M. McDaniel, the Ultimate Controlling Person (UCP) for the Company.

The following abbreviated organizational chart shows the Company's parent and affiliates as of December 31, 2024:

	NAIC CO. Code	Domiciliary State/County
Christopher M. McDaniel		
The McDaniel 2024 Company		MO
Heartland National Life Insurance Company	66214	**IN**
Heartland Properties of Missouri, LLC		MO
Heartland Properties Insurance & Investments, LLC		MO
Equitable Investment Holdings, LLC (inactive)		DE

Affiliated Agreements

The Company did not have any services agreement in place, but 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.

Surplus Note

The Company and the McDaniel 2024 Company have an outstanding surplus note for $7 million with semiannual coupon payments at an interest rate of 8%.

FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from any fraudulent or dishonest acts by employees through a fidelity bond issued by National Union Fire Insurance Company. The fidelity bond is adequate to meet the minimum coverage suggested by the NAIC.

The Company had additional types of coverage in force as of December 31, 2024, including, but not limited to, commercial property liability, and commercial general liability; directors and officers liability, professional liability and employment practices; cyber policy; and workers' compensation and liability policy.

TERRITORY AND PLAN OF OPERATION

The Company is licensed in 36 states and the District of Columbia, and plans to expand its writings in those jurisdictions. The Company's primary business has been the sale of multi-year guaranteed annuities, Medicare supplement, hospital indemnity, and cancer products, through independent agents. Based on Direct Premiums Written, annuity considerations were approximately $220 million (81%), and accident and health were approximately $50 million (19%), for the year 2024.

The Company's largest states, by total Direct Premiums Written as of December 31, 2024, are Florida ($54 million or 20.0%), Texas ($38.4 million or 14.2%), Illinois ($26.9 million or 9.9%), Iowa ($18.9 million or 7.0%), and Missouri ($14.8 million or 5.5%). These states accounted for 57% of total writings in 2024.

REINSURANCE

Ceded Reinsurance

The Company engages in reinsurance transactions as part of its overall underwriting and risk-management strategy. The Company's reinsurance program includes ceded coverages that limit the amount of individual claims to a fixed amount or percentage. At December 31, 2024, the Company ceded reinsurance as follows:

Life Insurance
Effective June 8, 2005, the Company permanently reinsured its block of in-force life insurance policies to Madison National Life Insurance Company (Madison National). The business ceded to Madison National comprised 100% of the Company's ceded life reserves, as of December 31, 2024.

Annuities
Effective October 16, 2023, the Company entered into a Coinsurance Agreement with Converge Re II, an unauthorized reinsurer, to reinsure its multi-year guaranteed annuity (MYGA) blocks of business under a 95% Quota Share Agreement. For the year ending December 31, 2024, ceded premiums to converge totaled $209 million, which were approximately 77% of direct earned premiums.

Accident and Health
Effective January 1, 2009, the Company entered into a Reinsurance Agreement with SILAC Insurance Company to reinsure the Company's Standard Medicare Supplement blocks of business under a 95% Quota Share Agreement.

Effective December 1, 2010, the Company entered into a coinsurance treaty with Mutual of Omaha, whereby the assuming Company agreed to reinsure the Company's Modernized Medicare Supplement business on a 95% coinsurance basis. Effective January 1, 2024, the Company entered into a new agreement with Mutual of Omaha to increase the quota share on the Company's closed Association and Modernized blocks of Medicare Supplement from 95% to 100%. The New Modernized block remains at the 95% quota share and is still an active line of business.

Assumed Reinsurance

No business was assumed by the Company during the examination period.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the INDOI and present the financial condition of the Company for the period ending December 31, 2024. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

HEARTLAND NATIONAL LIFE INSURANCE COMPANY
Assets
As of December 31, 2024

	Per Company
Bonds (Note 1)	$ 119,486,801
Real estate:	
Properties held for the production of income (Less $0 encumbrances)	935,455
Cash, cash equivalents and short-term investments (Note 1)	98,307,639
Subtotals, Cash and invested assets	218,729,894
Investment income due and accrued	1,511,757
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	2,809,757
Reinsurance:	
Amounts recoverable from reinsurers	2,031,781
Other amounts receivable under reinsurance contracts	259,690
Net deferred tax asset	1,955,270
Guaranty funds receivable or on deposit	50,188
Receivables from parent, subsidiaries and affiliates (Note 2)	7,000,000
Aggregate write-ins for other than invested assets	(4,095)
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	234,344,243
Totals	$ 234,344,243

NOTE: Amounts are shown in whole dollars, and columns may not be total due to rounding.

HEARTLAND NATIONAL LIFE INSURANCE COMPANY
Liabilities, Surplus and Other Funds
As of December 31, 2024

	Per Company
Aggregate reserve for life contracts	$ 11,388,413
Aggregate reserve for accident and health contracts	5,138,752
Liability for deposit-type contracts	21,772
Contract claims:	
Accident and Health	2,542,265
Policyholders' dividends and refunds to members apportioned for payment	41,819
Premiums and annuity considerations for life and accident and health contracts received in advance	79,118
Contract liabilities not included elsewhere:	
Other amounts payable on reinsurance	2,156,250
General expenses due or accrued	384,936
Taxes, licenses and fees due or accrued, excluding federal income taxes	268,974
Current federal and foreign income taxes	241,184
Amounts withheld or retained by reporting entity as agent or trustee	11,811
Amounts held for agents' account, including agents' credit balances	309,392
Remittances and items not allocated	1,356,730
Miscellaneous liabilities:	
Asset valuation reserve	417,641
Funds held under reinsurance treaties with unauthorized and certified reinsurers (Note 1)	194,818,389
Aggregate write-ins for liabilities	158,592
Total liabilities excluding Separate Accounts business	219,336,037
Total liabilities	
Common capital stock	1,500,000
Surplus Notes (Note 2)	7,000,000
Gross paid in and contributed surplus	12,273,909
Unassigned funds (surplus)	(5,765,704)
Surplus as regards policyholders	15,008,206
Totals	$ 234,344,243

NOTE: Amounts are shown in whole dollars, and columns may not be total due to rounding.

HEARTLAND NATIONAL LIFE INSURANCE COMPANY
Summary of Operations
For the Year Ended December 31, 2024

	Per Company
Premiums and annuity considerations for life and accident and health contracts	$ 33,164,744
Net investment income	3,938,125
Amortization of Interest Maintenance Reserve	(3,059)
Commission and expense allowances on reinsurance ceded	14,262,811
Aggregate write-ins for miscellaneous income	(2,746,958)
Total Income	$ 48,615,664
Annuity benefits	16,128
Disability benefits and benefits under accident and health contracts	5,176,932
Surrender benefits and withdrawals for life contracts	18,783
Interest and adjustments on contracts or deposit-type contract funds	133
Payments on supplementary contracts with life contingencies	8,999
Increase in aggregate reserves for life and accident and health contracts	12,540,634
Sub-totals benefits	$ 17,761,609
Commissions on premiums, annuity considerations, and deposit-type contract funds	19,073,798
General insurance expenses	8,931,386
Insurance taxes, licenses and fees, excluding federal income taxes	1,448,091
Aggregate write-ins for deductions	4,107
Total deductions	$ 47,218,991
Net gain from operations before dividends to policyholders and federal income taxes	$ 1,396,673
Dividends to policyholders and refunds to members	41,819
Net gain from operations after dividends to policyholders and before federal income taxes	$ 1,354,854
Federal and foreign income taxes incurred	678,789
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses)	$ 676,065
Net realized capital gains (losses)	0
Net income	$ 676,065

NOTE: Amounts are shown in whole dollars, and columns may not be total due to rounding.

HEARTLAND NATIONAL LIFE INSURANCE COMPANY
Reconciliation of Capital and Surplus Account

	2024	2023	2022	2021	2020
Capital and surplus, December 31 prior year	$6,531,686	$6,503,500	$6,851,782	$6,389,021	$5,407,884
Net income	676,065	345,314	(923,962)	618,683	404,519
Change in net deferred income tax	343,172	467,181	639,245	109,373	59,881
Change in nonadmitted assets	812,206	(1,266,198)	(1,338,996)	89,213	(81,799)
Change in asset valuation reserve	(354,916)	(18,110)	(24,569)	(4,508)	(877)
Change in surplus notes	7,000,000	-	-	(1,350,000)	600,000
Surplus adjustment					
Paid in	-	500,000	1,300,000	1,000,000	-
Aggregate write-ins for gains and losses in surplus	-	-	-	-	(588)
Change in surplus as regards policyholders for the year	8,476,528	28,186	(348,282)	462,761	981,137
Surplus as regards policyholders, December 31 current year *	$15,008,206	$6,531,686	$6,503,500	$6,851,782	$6,389,021

NOTE: Amounts are shown in whole dollars, and columns may not be total due to rounding.

* Adjusted to 2024 Surplus amount included in Liabilities, Surplus, and Other Funds

COMMENTS ON THE FINANCIAL STATEMENTS

(Note 1) Bonds, Cash, cash equivalents and short-term investments &
Funds held under reinsurance treaties with unauthorized and certified reinsurers

As a part of the Converge Re II, Agreement effective October 16, 2023 (an unauthorized reinsurer in Indiana), the Company reported Total Reserve Credit taken on Schedule S Part 3 Section 1, for $215 million in its 2024 annual statement. As an offset, the Company had funds withheld in a trust account, which reported $79.5 million in Cash, cash equivalents, and short-term investments, plus $115.3 million in bonds, totaling $194.8 million. This trust account was reported on the Company's statutory statements of admitted assets, liabilities, and capital and surplus as the underlying assets and as an offsetting liability included in funds held under a reinsurance treaty. There was a shortfall in funds held as of the examination date of approximately $5 million. The Credit for Reinsurance Trust was in place concurrently with the Funds Withheld Trust, and the difference between the two was the types of assets placed in them.

A second trust was established and was not accounted for in the Company's statutory statements of admitted assets, liabilities, and capital and surplus, and held assets of approximately $14.7 million as of December 31, 2024. This Credit for Reinsurance Trust is held in the name of the reinsurer for the benefit of the Company. The assets of this trust at December 31, 2024 were comprised of approximately $2 million of Cash and cash equivalents, limited liability companies that each hold a single unrated mortgage loan originated by an affiliate of Converge Re II of approximately $9.5 million, and a limited liability company that holds a single income producing piece of real estate that is managed by an affiliate of Converge Re II for approximately $3.2 million. The INDOI has approved these limited liability companies for inclusion in this trust and for the Company to receive reinsurance credit for these assets.

To address the shortfall in funds withheld, the Company also received a clean, irrevocable letter of credit from Stifel Bank and Trust Company (Stifel), issued during 2025 and expiring May 30, 2026, for $6 million. See pages 7 and 15 of this report for additional discussion.

(Note 2) Receivables from parent, subsidiaries and affiliates
Surplus Notes

The Company reported Receivables from parent, subsidiaries, and affiliates for $7 million, and also Surplus Notes in the same amount in its 2024 annual statement. See pages 6 and 15 of this report for additional discussion.

There were no recommended adjustments to the financial statements as of December 31, 2024, based on the results of this examination.

OTHER SIGNIFICANT ISSUES

Issued Stocks without Amending Articles of Incorporation

The Company was not in compliance with the provisions of IC 27-1-8-11, Sec. 11. (a) & (b) and with IC 27-1-8-4; IC 27-1-8-5; IC 27-1-8-7; IC 27-1-8-8 in general as it issued stocks without amending the existing Articles of Incorporation and without required filing with the Indiana Secretary of State and the INDOI.

The Company's outstanding stock certificates, as of the examination date, did not comply with the provisions of IC 27-1-7-5. Further, the two sets of stock certificates issued and canceled during the examination period did not comply with the existing Articles of Incorporation approved by the INDOI and the Indiana Secretary of State. The notes to the Financial Statement also did not include a per-share par value, but the financial statements did include a total par value of $1.5 million.

It is recommended that the Company comply with the provisions of Indiana Code by amending its Articles of Incorporation and filing them with the Secretary of State for Indiana and with the INDOI.

Non-Compliance of Charters and Bylaws with IC 27-1-7-11

The Restated Articles of Incorporation, Stamped Filing date May 27, 2019; and Effective: May 16, 2019, and Bylaws dated February 23, 2017 did not contain the provisions of IC 27-1-7-11 and state that at least one (1) of the directors must reside in Indiana.

It is recommended that the Company amend its Restated Articles of Incorporation and Bylaws to comply with the provisions of IC 27-1-7-11, where the Bylaws must state that at least one (1) of the directors must reside in Indiana.

Actuarial Report

The review of the minutes of the Board and its Audit Committee for the period covered by this examination period (2020-2024) did not document the report and presentation by the Appointed Actuary on the items within the scope of the Actuarial Opinion as required by the NAIC *Life Annual Statement Instructions* pertaining to Actuarial Opinion item 3, as adopted by IC 27-1-3-13, Section 13. (a).

It is recommended that the Company document the report and presentation by the Appointed Actuary on the items within the scope of the Actuarial Opinion as required by the Annual Statement Instructions.

The Company did not comply with Note 13A of the 2024 annual statement, as required by the NAIC *Life Annual Statement Instructions* adopted by IC 27-1-3-13, Section 13(a). See pages 3 and 5 of this report for additional discussion.

It is recommended that the Company comply with Note 13A of the 2024 Annual Statement as instructed in the Annual Statement Instructions.

SUBSEQUENT EVENTS

On February 11, 2025, the Commissioner approved the proposed contingent acquisition of control of the Company by LSG MCD Lender LLC, Lightstone Real Estate Partners, LLC, David Lichenstein, and Shifra Lichtenstein.

On February 14, 2025, the Company received the proceeds of the Surplus Note referenced on pages 6 and 13 of this report for additional discussion.

By a letter dated February 27, 2025, the INDOI granted the Company's request for Form A Exemption on the transfer of 100% of its outstanding stock to a newly formed holding company, TMC, following the proposed reorganization, Christopher McDaniel will continue to remain the UCP of the Company.

By a letter dated June 30, 2025, the INDOI approved the Company's request to allow a letter of credit in the amount of $6 million as an acceptable form of security for the reserve credit on Converge Re II – MYGA Treaty as of December 31, 2024, and March 31, 2025. The Company received a clean irrevocable letter of credit from Stifel for $6 million during 2025.

By a letter dated July 16, 2025, the INDOI approved the Company's request dated June 19, 2025, to hold the certain classes of assets as stated in the letter as collateral for reserve credit. This approval was restricted to the agreement referenced in the letter (Converge Re II – MYGA Treaty) and limited to the asset classes. This approval was restricted to investments made in the investments listed above on or before June 30, 2025.

Effective September 2, 2025, the Company entered into two separate reinsurance agreements with Heritage Life Insurance Company, an authorized reinsurer on its multi-year guaranteed annuities and fixed income annuities. The Company retains five (5) percent of the MYGA business and 10% of the FIA business.

By letter dated December 5, 2025, the INDOI informed the Company that it is in Hazardous Financial Condition under Indiana Administrative Code 760:1-53 ("Rule 53"). The Company received a follow-up letter dated April 28, 2026, regarding annual statement calculations. It submitted a corrective plan to the INDOI in December 2025 and will submit an updated plan in May 2026.

On March 18, 2026, the Commissioner approved the acquisition of 49% of the Company by Converge Holdings, LLC, CR MCD Investor LLC (MCD), and David Lichtenstein. Under the agreement among Christopher M. McDaniel, TMC, and MCD, MCD will acquire 14,700 shares of TMC common stock, representing 49% of TMC's issued and outstanding shares and resulting in indirect control of the Domestic Insurer. The transaction closed on April 24, 2026.

AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-In-Charge appointed by the Indiana Department of Insurance and that they, in coordination with staff assistance from The Thomas Consulting Group, Inc., and actuarial assistance from Tracy Maples, MAAA, ASA and Kevin Durand, FSA, MAAA performed an examination of Heartland National Life Insurance Company, as of December 31, 2024.

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

The 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 the condition of Heartland National Life Insurance Company as of December 31, 2024, as determined by the undersigned.

David L. Daulton, CFE
The Thomas Consulting Group, Inc.

Under the Supervision of:

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

State of: Indiana
County of: Marion

On this 30 day of June, 2026, before me personally appeared, David L. Daulton and Jerry Ehlers, to sign this document.

IN WITNESS WHEREOF, 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 12/20/2030 Amanda Jane Shipman
Notary Public

NOTARY PUBLIC SEAL INDIANA
AMANDA JANE SHIPMAN
Notary Public, State of Indiana
Boone County
Commission Number NP0745631
My Commission Expires
December 20, 2030