EXAMINATION REPORT
of
GENWORTH LIFE AND ANNUITY INSURANCE COMPANY
Richmond, Virginia
as of
December 31, 2018

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

SCOTT A. WHITE
COMMISSIONER OF INSURANCE
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

COMMONWEALTH OF VIRGINIA

P.O. BOX 1157
RICHMOND, VIRGINIA 23218

1300 E. MAIN STREET
RICHMOND, VIRGINIA 23219

TELEPHONE: (804) 371-9741
www.scc.virginia.gov/boi

I, Scott A. White, Commissioner of Insurance of the Commonwealth of Virginia, do hereby certify that the annexed copy of the Examination Report of Genworth Life and Annuity Insurance Company, as of December 31, 2018, is a true copy of the original report on file with this Bureau.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed to the original the seal of the Bureau at the City of Richmond, Virginia this 5th day of June 2020

Scott A. White
Commissioner of Insurance

(SEAL)

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Richmond, Virginia
May 8, 2020

Honorable James J. Donelon
Secretary – Southeastern Zone
Louisiana Department of Insurance
Baton Rouge, Louisiana

Honorable Scott A. White
Commissioner of Insurance
Virginia Bureau of Insurance
Richmond, Virginia

Dear Commissioners:

Pursuant to your instructions and by authority of Section 38.2-1317 of the Code of Virginia, a National Association of Insurance Commissioners ("NAIC") Association Examination of the records and affairs of the

GENWORTH LIFE AND ANNUITY INSURANCE COMPANY
Richmond, Virginia

hereinafter referred to as the Company, has been completed. The report thereon is hereby submitted for your consideration.

SCOPE OF THE EXAMINATION

The last examination of the Company was made by representatives of the State Corporation Commission's (the "Commission") Bureau of Insurance (the "Bureau") as of December 31, 2014. This examination covers the four year period from January 1, 2015 through December 31, 2018.

This examination was conducted in accordance with the NAIC Financial Condition Examiners' Handbook (Handbook). The Handbook requires that the Bureau plan and perform the examination to evaluate the Company's 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 coordinated examination of Genworth and its affiliates was led by the Virginia Bureau of Insurance. The States of Delaware and New York participated in the group examination.

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.

This examination report includes significant findings of fact 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 chartered as a stock life insurance company by a Special Act of the General Assembly of Virginia on March 31, 1871, and commenced business in April 1871 as The Life Insurance Company of Virginia.

In 1996, the Company came under the control of the General Electric Company ("GE"), a New York corporation, when GE acquired, through its down-stream affiliates, The Life Insurance Company of Virginia.

Effective January 1, 1999, The Harvest Life Insurance Company, an affiliate and Ohio-domiciled life insurance company, merged with and into the Company. Concurrent with this event, the name of the merged company was changed from The Life Insurance Company of Virginia to GE Life and Annuity Assurance Company.

In May 2004, in connection with the initial public offering ("IPO") of the common stock of Genworth Financial, Inc. ("Genworth"), GE Financial Assurance Holdings, Inc. ("GEFAHI"), a wholly owned indirect subsidiary of GE, transferred substantially all of its assets to Genworth, including all of the outstanding capital stock of GNA Corporation, now known as Genworth North America Corporation, ("GNA"), the Company's indirect parent at the time. As a result, the Company became an indirect wholly owned subsidiary of Genworth. At December 31, 2004, approximately 30% of Genworth's common stock was owned by public shareholders and approximately 70% of Genworth's common stock was owned by GEFAHI.

In March, September and December 2005, GEFAHI completed secondary offerings of shares of Genworth's common stock. Concurrently with the March 2005 secondary offering, Genworth repurchased shares of its common stock from GEFAHI. As a result of these transactions, at December 31, 2005 approximately 82% of Genworth's common stock was owned by public shareholders and approximately 18% was beneficially owned by GE.

On January 1, 2006, the Company was renamed Genworth Life and Annuity Insurance Company. In March 2006, GE disposed of its remaining ownership interest in Genworth. GE completed the disposition through a secondary offering of 71 million shares of Genworth common stock and Genworth's concurrent repurchase of 15 million shares from GE.

On January 1, 2007, Federal Home Life Insurance Company ("Federal Home") and First Colony Life Insurance Company ("First Colony") were merged with and into the Company. The Company was the surviving entity. Federal Home and First Colony were both stock life insurance companies operating under charters granted by the Commonwealth of Virginia and both were affiliates of the Company. These mergers were approved by the Bureau. As a result of the mergers, all agreements between either Federal Home or First Colony and the Company were terminated on January 1, 2007.

At December 31, 2018, the Company is owned by Genworth Life Insurance Company ("GLIC"), which is owned by GNA, which in turn is owned by Genworth.

MANAGEMENT AND CONTROL

The bylaws of the Company provide that the business and property of the Company shall be managed by a board of no less than one director. A majority of the directors shall constitute a quorum for the transaction of business. Directors need not be residents of Virginia or stockholders of the Company.

The bylaws also provide that the board may designate three or more directors to constitute an Executive Committee. The Executive Committee shall have and may exercise all the authority of the board of directors except to declare dividends upon the capital stock of the Company. Additionally, the board of directors may designate any other committees as may be deemed desirable.

The officers of the Company shall consist of a Chairperson of the Board, a President, one or more Executive Vice Presidents, one or more Senior Vice Presidents, one or more Vice Presidents, a Secretary, a Treasurer and such other officers as the Board of Directors may from time to time deem necessary. The Chairperson of the Board shall preside at all meetings of the shareholder and of the Board of Directors in place of the President. The President shall be the Chief Executive Officer and shall have general supervision and control of the business and affairs of the Company.

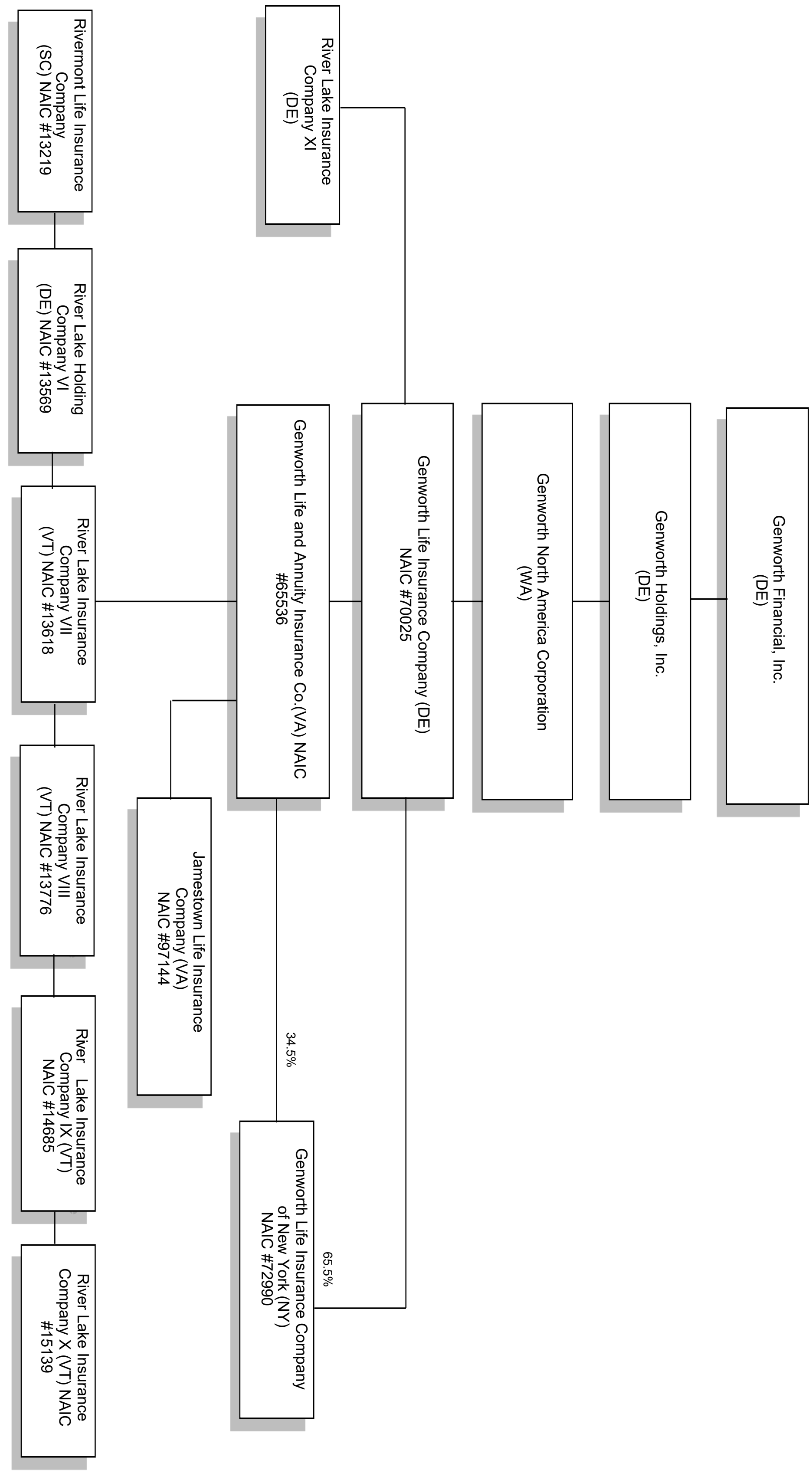
At December 31, 2018, the Board of Directors and Officers of the Company were as follows:

Directors	Principal Business Affiliation
Gregory S. Karawan	Vice President Genworth Financial, Inc.
Thomas J. McInerney	President and Chief Executive Officer Genworth Financial, Inc.
David W. O'Leary	President and Chief Executive Officer, US Life Insurance Genworth Financial, Inc.
Daniel J. Sheehan, IV	Executive Vice President and Chief Investment Officer Genworth Financial, Inc.

Officers	Title
David W. O'Leary	President and Chief Executive Officer
Thomas J. McInerney	Senior Vice President and Chairperson of the Board
Lisa J. Baldyga	Treasurer
Thomas E. Duffy	Senior Vice President, General Counsel and Secretary
Matthew P. Keppler	Senior Vice President and Chief Actuary
Jeffrey S. Wright	Senior Vice President and Chief Financial Officer
Kelly Groh	Senior Vice President
Michael T. McGarry	Senior Vice President and Chief Information Officer
Daniel J. Sheehan, IV	Senior Vice President and Chief Investment Officer
Vincent L. Bodner	Senior Vice President
Lawrence M. Niseson	Senior Vice President
Elena K. Edwards	Senior Vice President
Angela R. Simmons	Vice President and Controller

The Company has the authority to issue two classes of capital stock: 50,000 shares of common stock with a par value of $1,000 each and 200,000 shares of non-voting preferred stock with a par value of $1,000 each. At December 31, 2018, 25,651 shares of common stock were issued and outstanding and held by GLIC, which is ultimately owned by Genworth. There were no shares of preferred stock outstanding at December 31, 2018.

By virtue of its ownership, the Company is a member of an insurance holding company system pursuant to Section 38.2-1322 of the Code of Virginia. The chart on the following page summarizes the Company's relationship with selected entities within the holding company system.


Genworth Financial, Inc. (DE)
Genworth Holdings, Inc. (DE)
Genworth North America Corporation (WA)
Genworth Life Insurance Company (DE) NAIC #70025
River Lake Insurance Company XI (DE)
Genworth Life and Annuity Insurance Co.(VA) NAIC #65536
Genworth Life Insurance Company of New York (NY) NAIC #72990
34.5%
65.5%
Jamestown Life Insurance Company (VA) NAIC #97144
River Lake Insurance Company VII (VT) NAIC #13618
Rivermont Life Insurance Company (SC) NAIC #13219
River Lake Holding Company VI (DE) NAIC #13569
River Lake Insurance Company VIII (VT) NAIC #13776
River Lake Insurance Company IX (VT) NAIC #14685
River Lake Insurance Company X (VT) NAIC #15139

TRANSACTIONS WITH AFFILIATES

Services and Shared Expenses Agreement

The Company is party to and participates in an amended and restated services and shared expenses agreement with its affiliates. Under the agreement, the affiliates agree to provide and to accept certain general services and use of facilities depending on which affiliate needs a service or facility and which affiliate has excess capacity. Such services and facilities will include but are not limited to, the following:

1. Data processing and related services;
2. Communication, marketing, advertising and sales promotion services;
3. Investment and accounting services;
4. Legal, human resources and personnel services;
5. Actuarial, underwriting and claims services;
6. Furniture, fixtures, equipment and office facilities.

During 2018, the Company was allocated expenses totaling $78,271,998 and received payments totaling $14,084,729 pursuant to this agreement. The net balance of these expenses are settled on a quarterly basis.

Tax Allocation Agreement

At December 31, 2018, the Company participates in a tax allocation agreement with its affiliates. Pursuant to this agreement a consolidated federal income tax return is filed. The provisions from the tax allocation agreement met the requirements from the NAIC Examiners' Handbook, including, but not limited to, a) having a written agreement approved by the board of directors, b) balances are settled within a reasonable time and c) the agreement complies with IRS regulations.

Dividends and Capital Contributions

During the period under review, the following transactions involving dividend payments and capital contributions among affiliates took place:

- On January 16, 2015, the Company received a return of capital from RLIC VIII in the amount of $152,865,981, which consisted of $1,319,254 in cash, securities with a book value of $149,539,357 and accrued interest of $2,007,370. On February 19, 2015, the Company made a capital contribution to GLICNY in the amount of $13,167,939. This capital contribution to GLICNY had previously been recorded by the Company as a contribution payable at December 31, 2014. On April 8, 2015, the Company made a cash dividend payment in the amount of $40,500,000 to its parent, GLIC and a capital contribution in the amount of $21,332,061 to GLICNY.

During 2015, the Company made capital contributions to RLIC X in the amount of $8,285,136. These transactions received regulatory approval, when necessary.

- On March 15, 2016, and April 18, 2016, the Company paid $987,619 and $1,260,753, respectively, in cash as a capital contribution to RLIC X. On April 8, 2016, the Company received $100,866,088 in cash as contributed surplus from RLIC VII. On April 15, 2016, the Company repaid GNA $36,098,585 for a previous capital contribution recorded in 2009 and 2012. The repayment was recorded in paid in surplus. On April 20, 2016, the Company received cash of $34,950,160 and $46,962,675 as a return of capital from RLIC and RLIC II, respectively, which were dissolved on April 1, 2016. On July 15, 2016, the Company paid $174,239,815 in cash to Genworth Holdings, Inc. ("Genworth Holdings") as benefit settlement due to RLIC and RLIC II dissolution. On September 28, 2016, the Company received $30,000,000 in cash from RLIC X as a dividend payment. On September 29, 2016, the Company received cash from RLIC IV of $50,404,461 as a dividend payment and $15,174,956 as a return on capital prior to RLIC IV dissolution. On October 4, 2016, the Company received cash from RLIC IV of $250,000 as a return of capital and $4,529 as a residual dividend. On December 9, 2016, the Company paid $4,654,301 in cash to RLIC VI as a capital contribution to meet initial capitalization. On December 30, 2016, the Company received cash from GNWLAAC Real Estate Holdings, LLC of $83,908 as a return of capital. These transactions received regulatory approval, when necessary.

- On December 13, 2017, the Company received $30,706,415 from RLIC X as a return of capital. On December 14, 2017, the Company received $27,200,000 in cash from RLIC VI as a dividend payment. On December 21, 2017, the Company received $9,000,000 in cash from RLIC IX as a dividend payment. These transactions received regulatory approval, when necessary.

TERRITORY AND PLAN OF OPERATION

At December 31, 2018, the Company was licensed to transact the business of insurance in the District of Columbia and all states except New York. The Company is authorized to write the following lines in the Commonwealth of Virginia:

Life
Industrial Life
Credit Life
Variable Life
Annuities
Variable Annuities
Fixed Indexed Annuities
Accident and Sickness
Credit Accident and Sickness

The Company has authority to write one or more of these aforementioned lines in other jurisdictions.

On March 7, 2016, the Company suspended sales of its traditional life insurance and and fixed annuity products, but continues to service its existing blocks of business. Prior to the suspension of the sales of its products, the Company distributed products through two primary channels: financial intermediaries (banks, securities brokerage firms and independent broker/dealers) and independent producers (brokerage general agencies, affluent market producer groups and specialized brokers). The Company also distributed a limited number of products through a direct sales force and defined contribution plan record keepers.

The Company also previously offered the following products, which have not been sold since 2011: variable annuities, guaranteed investment contracts ("GICs"), funding agreements, fixed indexed annuities and deferred annuities, structured settlements, term life insurance, whole life insurance, universal life insurance, term universal life insurance, variable life insurance, and Medicare supplemental insurance.

On October 23, 2016, China Oceanwide Holdings Group Co., Ltd. ("China Oceanwide") and Genworth entered into an agreement under which China Oceanwide agreed to acquire all of the outstanding shares of Genworth for a total transaction value of approximately $2.7 billion, or $5.43 per share. The acquisition is to be completed through Asia Pacific Global Capital Co., Ltd., one of China Oceanwide's investment platforms. The transaction is subject to approval by Genworth's stockholders, as well as other closing conditions, including the receipt of required regulatory approvals. As of the last day of field work for this examination, the acquisition is still pending.

GROWTH OF THE COMPANY

The following data represents the growth of the Company for the ten-year period ending December 31, 2018. The data is compiled from the Company's filed Annual Statements, previous examination reports, and the current examination report (amounts shown are in thousands).

Year	Admitted Assets	Liabilities	Capital Stock	Paid-in & Contributed Surplus	Special Surplus & Unassigned Funds
2009	$25,113,007	$23,177,288	$25,651	$1,390,217	$519,851
2010	25,149,350	23,372,755	25,651	1,385,719	365,225
2011	23,484,472	21,641,541	25,651	1,380,624	436,656
2012	24,030,733	21,755,401	25,651	1,488,155	741,526
2013	24,161,744	21,926,761	25,651	1,483,809	725,523
2014	24,241,989	22,093,819	25,651	1,485,173	637,346
2015	23,410,502	21,741,722	25,651	1,485,173	157,956
2016	22,447,754	20,960,304	25,651	1,456,618	5,181
2017	22,444,513	21,155,755	25,651	1,456,618	(193,511)
2018	21,184,052	20,030,147	25,651	1,456,618	(328,364)

Life Insurance In Force

Year	Industrial	Ordinary	Credit Life	Group
2009	$66,321	$650,160,493	$ 20	$84,325
2010	62,787	667,229,967	0	74,438
2011	59,545	693,103,029	0	69,188
2012	56,323	704,049,647	0	68,525
2013	53,225	683,552,501	0	64,853
2014	50,346	678,093,020	0	57,816
2015	41,522	661,953,746	0	56,686
2016	36,483	635,940,926	0	50,232
2017	34,725	607,065,222	0	40,754
2018	32,895	576,575,586	0	38,594

SEPARATE ACCOUNT BUSINESS

The Company, by resolutions adopted by its board of directors, has established separate accounts pursuant to Section 38.2-3113 of the Code of Virginia. This was part of a plan to support the issuance of variable life products and variable annuity products which are registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940, as amended. The investment policy of these accounts is to invest or reinvest assets in the shares of mutual funds. At December 31, 2018, the Company reported $5,451,072,026 in separate account balances compared with $6,722,116,514 for the prior year.

REINSURANCE

Ceded

The Company uses reinsurance to transfer mortality/morbidity risk and limit catastrophic claims. It cedes business on various plans of reinsurance, including coinsurance, yearly-renewable term (YRT), modified coinsurance (MODCO), and different combinations of these plans. Reinsurance is ceded on quota-share, excess, automatic, and facultative bases. All the Company's reinsurance treaties contain an acceptable insolvency clause.

One of the Company's major strategies for its term and universal life (UL) business is to finance the excess of the statutory reserves required under Regulation XXX (14 VAC 5-319) over the reserves calculated on a basis with more appropriate margins ("excess reserves"). This financing is accomplished by ceding this business to various affiliated entities, isolating blocks by affiliate, and subsequently financing the excess reserves by securitizations, via letters of credit, or using excess of loss treaties. The affiliates are River Lake Insurance Company VI – X and Rivermont Life Insurance Company ("Rivermont") which are domiciled in South Carolina, Vermont, and Delaware. The Company also ceded business to its affiliates River Lake Insurance Company, River Lake Insurance Company II, River Lake Insurance Company IV and Brookfield Life and Annuity Insurance Company ("Brookfield Life and Annuity") prior to their dissolution in 2016. Several of these companies are not authorized reinsurers in Virginia, and thus reinsurance reserve credit is only permitted by maintaining sufficient collateral.

The Company also cedes business to two other affiliates: Jamestown and GLIC. Most of this business became effective in the early-to-mid 2000's and is for various UL and term plans ceded on a Coinsurance and MODCO basis. The following chart summarizes the reserves ceded to affiliates for which the Company is taking reserve credits:

Ceded Reserves as of:

Legal Entity:	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Brookfield	-	-	-	$205,306,784
GLIC	$1,162,991,167	$1,348,509,331	$1,486,668,209	1,691,500,544
Jamestown	60,836,646	58,549,058	52,588,767	104,224,286
RL I	-	-	-	1,155,560,563
RL II	-	-	-	985,257,428
RL IV	-	-	-	4,161,308
RL VI	807,984,145	810,551,630	793,983,231	540,657,900
RL VII	577,656,864	633,847,062	692,011,088	746,404,009
RL VIII	1,038,108,436	1,011,966,799	985,964,249	943,864,710
RL IX	772,962,720	796,443,888	800,806,940	804,483,740
RL X	744,436,245	661,017,224	561,703,975	439,517,758
Rivermont	441,182,474	425,640,069	411,260,985	404,853,411
Total Ceded to Affiliates:	$5,606,158,697	$5,746,525,061	$5,784,987,444	$8,025,792,441

The total reinsurance ceded to affiliates accounts for approximately 32%, or $5.6 billion of the Company's total reinsurance ceded reserves at December 31, 2018.

Approximately one third of the Company's reinsurance is ceded to Union Fidelity Life Insurance Company of Illinois ("UFLIC"). This company was formerly an affiliate of the Company when they were both owned by GE. The reinsurance agreement with UFLIC was entered into during 2004 and was associated with the Company's divestiture from GE. UFLIC agreed to maintain trust accounts for the Company's benefit in the amount of the reinsurance reserves ceded to UFLIC. Under the treaty, the Company cedes structured settlement annuities and the general account portion of variable annuities to UFLIC. Additionally, the separate account portion of variable annuities is ceded on a MODCO basis to UFLIC; however, no reserve credit is associated with MODCO reinsurance. The reinsurance ceded to UFLIC accounted for approximately 34%, or $5.9 billion, of the Company's total reinsurance ceded reserves at December 31, 2018.

The Company cedes life and A&H business to approximately thirty-seven other non-affiliate reinsurers, excluding UFLIC. The table below lists the other non-affiliate reinsurers to which the Company cedes at least 5% of its total reinsurance ceded reserves at December 31, 2018:

Reinsurer	Reserve Credit
Protective Life Insurance Company	$2,010,444,757
Hannover Life Reassurance Company of America	$1,735,862,859
RGA Reinsurance Company	$1,045,576,931

Effective January 1, 2016 the Company recaptured all term policies previously ceded to River Lake Insurance Company and River Lake Insurance Company II and entered into a new reinsurance agreement with Protective Life Insurance Company to cede certain term business written or assumed by the Company which included term business recaptured from River Lake Insurance Company I and River Lake Insurance Company II. Reserves ceded under this agreement were $2.0 billion, or 11.5% of the Company's total reinsurance ceded reserves at December 31, 2018.

Effective December 1, 2013, the Company entered into a reinsurance agreement with Hannover Life Reassurance Company of America ("Hannover") to cede certain UL and term business on a coinsurance with funds withheld, MODCO and YRT basis. Effective December 1, 2018 the agreement was amended to include, on a 100% quota-share YRT basis, UL business issued in 1980 through 1998 and a 20% quota-share of the Colony Term UL business issued in 2009 through 2014 previously reinsured on a 100% quota-share YRT basis via a separate reinsurance agreement with Hannover. Reserves ceded under this agreement were $1.5 billion, or 8.7%, of the Company's total reinsurance ceded reserves at December 31, 2018.

Effective January 1, 2012, the Company recaptured all term policies previously ceded to its affiliate River Lake Insurance Company III and entered into a new reinsurance agreement with RGA Reinsurance Company to cede substantially all of the policies recaptured from River Lake Insurance Company III. Reserves ceded under this agreement were $1.0 billion, or 5.7%, of the Company's total reinsurance ceded reserves at December 31, 2018.

The Company has a YRT catastrophic coverage agreement with seven non-affiliate reinsurers. The current catastrophic agreement is effective April 1, 2018 for a one-year period. The catastrophic agreement covers losses resulting from acts of terrorism including nuclear, biological, chemical, bio-chemical and radiological risks and covers losses in excess of $10 million from one loss event subject to a combined maximum liability of $50 million per loss event to all pool participants. Pandemics are excluded from the catastrophic coverage.

The total reserve credit taken by the Company for ceded business at December 31, 2018 is approximately $17.5 billion, or 58% of the total aggregate reserves.

Assumed

The majority of the reinsurance that the Company assumes (approximately 96%, or $3.6 billion) is from two affiliates, GLIC and GLICNY. Almost all of this assumed business is then retro-ceded to one of the River Lake or Rivermont companies as part of the excess reserve financing, or to Protective Life.

Effective July 1, 2003, the Company assumed certain term and graded premium whole life insurance business from GLIC. Effective October 1, 2004 the Company assumed certain term life insurance business from GLIC. Reserves assumed under these agreements were $1.6 billion, or 42% of the Company's total assumed reserves at December 31, 2018.

Effective April 1, 2011 the Company amended and restated its existing UL treaty with GLIC to assume certain additional UL policies from GLIC. Reserves assumed under this agreement were $1.3 billion, or 36%, of the Company's total assumed reserves at December 31, 2018.

Effective July 1, 2003 the Company assumed certain term and graded premium whole life insurance business from GLICNY. Reserves assumed under this agreement were $362 million, or 9.8%, of the Company's total assumed reserves at December 31, 2018.

Effective April 1, 2017 the Company assumed certain UL, single premium whole life and term business from GLIC pursuant to several agreements. Reserves assumed under these agreements were $298 million, or 8.1%, of the Company's total assumed reserves at December 31, 2018.

The total reserve associated with the Company's assumed business at December 31, 2018 is approximately $3.69 billion, or 12% of the total reported aggregate reserves.

FINANCIAL STATEMENTS

The following financial statements present the financial condition of the Company for the period ending December 31, 2018. No examination adjustments were made to the statutory financial statements filed by the Company with the Bureau for the period ending December 31, 2018.

ASSETS

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	$11,329,001,120		$11,329,001,120
Stocks:			
Preferred stocks	46,953,970	500,000	46,453,970
Common stocks	204,438,621	5,000	204,433,621
Mortgage loans on real estate:			
First liens	1,867,213,267		1,867,213,267
Real Estate:			
Properties occupied by the company	12,099,308		12,099,308
Cash and short-term investments	307,174,308		307,174,308
Contract loans	516,370,234	8,910,255	507,459,979
Derivatives	42,254,161		42,254,161
Other invested assets	84,004,737		84,004,737
Receivables for securities	5,026,907	37,255	4,989,652
Securities lending reinvested collateral assets	23,986,370		23,986,370
Subtotals, cash and invested assets	$14,438,523,003	$9,452,510	$14,429,070,493
Investment income due and accrued	131,536,250		131,536,250
Premiums and considerations:			
Uncollected premiums and agents' balances in the course of collection	55,835,296		55,835,296
Deferred premiums, agents' balances and installments booked but deferred and not yet due	436,646,492	47,926	436,598,566
Reinsurance:			
Amounts recoverable from reinsurers	64,373,909	591,049	63,782,860
Funds held by or deposited with reinsured companies	389,162,626		389,162,626
Other amounts receivable under reinsurance contracts	18,478,797		18,478,797
Current federal income tax recoverable and interest thereon	24,895,387		24,895,387
Net deferred tax asset	360,182,995	206,873,519	153,309,476
Guaranty funds receivable or on deposit	7,350,235		7,350,235
Electronic data processing equipment and software	9,987,267	9,856,252	131,015
Furniture and equipment	585,068	585,068	0
Aggregate write-ins for other than invested assets	23,289,588	460,614	22,828,974
Total assets excluding Separate Accounts	$15,960,846,913	$227,866,938	$15,732,979,975
From Separate Accounts Statement	5,451,072,026		5,451,072,026
Total assets	$21,411,918,939	$227,866,938	$21,184,052,001

LIABILITIES, SURPLUS AND OTHER FUNDS

Aggregate reserve for life contracts	$11,999,559,838
Aggregate reserve for accident and health contracts	1,288,627
Liability for deposit-type contracts	775,901,275
Contract claims:	
Life	107,928,035
Accident and health	604
Policyholders' dividends due and unpaid	311,364
Premiums and annuity considerations for life and accident and health contracts received in advance	6,530,967
Contract liabilities not included elsewhere:	
Other amounts payable on reinsurance	127,255,549
Interest maintenance reserve	24,991,920
Commissions to agents due or accrued	38,899
Commission and expense allowances payable on reinsurance assumed	124,181
General expenses due or accrued	1,482,350
Transfers to Separate Accounts due or accrued	(14,174,873)
Taxes, licenses and fees due or accrued, excluding federal income taxes	9,199,100
Unearned investment income	7,164,451
Amounts withheld or retained by company as agent or trustee	11,276,910
Remittances and items not allocated	22,034,079
Miscellaneous liabilities:	
Asset valuation reserve	75,165,910
Reinsurance in unauthorized companies	1,116
Funds held under reinsurance treaties with unauthorized reinsurers	1,147,072,793
Payable to parent, subsidiaries and affiliates	4,599,625
Funds held under coinsurance	232,532,000
Payable for securities	4,672,325
Payable for securities lending	23,986,370
Aggregate write ins for liabilities	10,132,000
Total liabilities excluding Separate Accounts business	$14,579,075,415
From Separate Accounts statement	5,451,072,026
Total liabilities	$20,030,147,441
Common capital stock	$25,651,000
Gross paid in and contributed surplus	1,456,618,456
Unassigned funds (surplus)	(328,364,896)
Total capital and surplus	$1,153,904,560
Total liabilities, capital and surplus	$21,184,052,001

SUMMARY OF OPERATIONS

Premiums and annuity considerations for life and accident and health contracts	$6,369,245
Considerations for supplementary contracts with life contingencies	17,081,740
Net investment income	639,785,845
Amortization of Interest Maintenance Reserve	1,159
Commissions and expense allowances on reinsurance ceded	274,200,491
Reserve adjustments on reinsurance ceded	(11,415,873)
Miscellaneous Income:	
Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	116,202,101
Charges and fees for deposit-type contract	9,563
Aggregate write-ins for miscellaneous income	29,280,951
Total	$1,071,515,222
Death benefits	$400,249,819
Matured endowments	3,037,911
Annuity benefits	402,463,487
Disability benefits and benefits under accident and health contracts	3,895,416
Surrender benefits and withdrawals for life contracts	701,697,713
Interest and adjustments on contract or deposit-type contract funds	25,469,132
Payments on supplementary contracts with life contingencies	13,385,395
Increase in aggregate reserves for life and accident and health contracts	(46,428,128)
Total	$1,503,770,745
Commissions on premiums, annuity considerations and deposit-type contract funds	64,897,141
Commissions and expense allowances on reinsurance assumed	59,572,623
General insurance expenses	137,412,940
Insurance taxes, licenses and fees, excluding federal income taxes	25,446,617
Increase in loading on deferred and uncollected premiums	18,902,823
Net transfers to or (from) Separate Accounts net of reinsurance	(565,577,152)
Aggregate write-ins for deductions	38,193,955
Total	$1,282,619,692
Net gain from operations before federal income taxes	($211,104,470)
Federal income taxes incurred	(18,776,454)
Net gain from operations after federal income taxes and before capital gains or (losses)	($192,328,016)
Net realized capital (losses)	(17,209,576)
Net (loss)	($209,537,592)

RECONCILIATION OF CAPITAL AND SURPLUS

	2015	2016	2017	2018
Capital and surplus, December 31, prior year	$2,148,169,717	$1,668,780,174	$1,487,450,560	$1,288,757,533
Net income (loss)	(283,140,543)	(301,245,558)	(32,129,830)	(209,537,592)
Change in net unrealized capital gains (losses)	(347,956,698)	34,055,907	(28,884,504)	(138,690,657)
Change in unrealized foreign exchange capital gains				(531,750)
Change in net deferred income tax	100,335,679	(209,492,423)	(128,055,794)	34,047,639
Change in nonadmitted assets	(79,990,932)	213,940,622	39,252,516	13,099,619
Change in liability for reinsurance in unauthorized companies	228,773,302	59,664,521	293,299	8,532
Change in reserve on account of change in valuation basis				
Change in asset valuation reserve	(14,919,491)	(10,898,899)	1,639,672	23,700,248
Surplus adjustment:				
Paid in		(28,553,975)		
Change in surplus as a result of reinsurance	(41,990,860)	68,744,801	(39,595,814)	39,884,545
Dividends to stockholders	(40,500,000)			
Aggregate write-ins for gains and losses in surplus		(7,544,610)	(11,212,572)	103,166,443
Net change in capital and surplus	($479,389,543)	($181,329,614)	($198,693,027)	($134,852,973)
Capital and surplus, December 31, current year	$1,668,780,174	$1,487,450,560	$1,288,757,533	$1,153,904,560

CASH FLOW

CASH FROM OPERATIONS

Premiums collected net of reinsurance	$30,607,358
Net investment income	619,047,674
Miscellaneous income	448,161,778
Total	$1,097,816,810
Benefit and loss related payments	$1,445,083,605
Net transfers to Separate Accounts	(586,266,086)
Commissions, expenses paid and aggregate write-ins for deductions	283,311,412
Dividends paid to policyholders	14,664
Federal income taxes paid	6,303,768
Total	$1,148,447,363
Net cash from operations	($50,630,553)

CASH FROM INVESTMENTS

Proceeds from investments sold, matured or repaid:	
Bonds	$1,614,424,320
Stocks	570,542
Mortgage loans	210,892,234
Real estate	160,000
Other invested assets	7,677,074
Miscellaneous proceeds	49,976,385
Total investment proceeds	$1,883,700,555
Costs of investments acquired (long-term only):	
Bonds	$1,663,262,644
Stocks	8,500,000
Mortgage loans	302,930,831
Real estate	1,877,186
Other invested assets	149,779
Miscellaneous applications	2,458,586
Total investments acquired	$1,979,179,026
Net (decrease) in contract loans and premium notes	($15,875,880)
Net cash from investments	($79,602,591)

CASH FROM FINANCING AND MISCELLANEOUS SOURCES

Cash provided (applied):	
Net deposits on deposit-type contracts and other insurance liabilities	218,627
Other cash provided	77,228,814
Net cash from financing and miscellaneous sources	$77,447,441

RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS

Net change in cash and short-term investments	($52,785,703)
Cash and short-term investments:	
Beginning of year	359,960,011
End of year	$307,174,308

SUBSEQUENT EVENTS

1. On January 11, 2019, the Bureau approved the proposed acquisition of control by China Oceanwide of Genworth's insurance companies domiciled in Virginia. After that date, several events and occurrences prevented the parties from closing on the transaction. Some of the obstacles were resolved by the parties, resulting in changes to the transaction. Therefore, based on the new information, on March 31, 2020, the Bureau reapproved the proposed acquisition of control. On that same date, Genworth and China Oceanwide agreed to a 14th waiver and agreement of each party's right to terminate the previously announced merger agreement. The 14th waiver extends the previous deadline of completing the transaction from March 31, 2020 to no later than June 30, 2020.

2. On December 12, 2019, Genworth closed on the sale of its majority stake in Genworth MI Canada, Inc. ("Genworth Canada") to Brookfield Business Partners, L.P. ("Brookfield"). The net cash proceeds, including a special dividend paid in October 2019 and adjustments for foreign exchange, fees and expenses, were approximately $1.8 billion. In connection with and prior to the closing of the transaction, Genworth completed an internal reorganization contributing 100% of its ownership interest in Genworth Mortgage Holdings, Inc. ("GHMI") to Genworth Holdings. As a result of this contribution, Genworth Holdings owns 100% of GMHI, which owns 100% of the issued and outstanding voting securities of Genworth's U.S. mortgage insurance companies, including Genworth Mortgage Insurance Corporation ("GMIC").

3. On December 12, 2019, the Company received a return of capital from River Lake IX in the amount of $20,107,606.*

4. On December 13, 2019, the Company made a capital contribution to River Lake VI in the amount of $44,564,812.*

5. During 2019, the Company received a return of capital from GNWLAAC Real Estate Holdings, LLC in the amount of $8,800,000.

6. On February 12, 2020, Rivermont returned contributed surplus to the Company in the amount of $198,000,469, which consisted of $15,420,703 in cash, securities with a book value of $180,887,876 and accrued interest of $1,691,890.*

7. On March 11, 2020, the World Health Organization declared the spreading coronavirus (COVID-19) outbreak a pandemic. On March 13, 2020, President Donald J. Trump declared the coronavirus pandemic a national emergency in the United States. The epidemiological threat posed by COVID-19 is having disruptive

effects on the economy, including disruption of the global supply of goods, reduction in the demand for labor, and reduction in the demand for U.S. products and services, resulting in a sharp increase in unemployment. The economic disruptions caused by COVID-19 and the increased uncertainty about the magnitude of the economic slowdown has also caused extreme volatility in the financial markets.

The full effect of COVID-19 on the U.S. and global insurance and reinsurance industry is still unknown at the time of releasing this report. The Bureau is expecting the COVID-19 outbreak to impact a wide range of insurance products resulting in coverage disputes, reduced liquidity of insurers, and other areas of operations of insurers. The Bureau and all insurance regulators with the assistance of the NAIC are monitoring the situation through a coordinated effort and will continue to assess the impacts of the pandemic on U.S insurers. As lead state, the Bureau has been in communication with Genworth regarding the impact of COVID-19 on its business operations and its financial position. No current material operational, solvency or liquidity concerns resulted from the high level assessment of Genworth's operational and solvency position as a result of COVID-19.

*These transactions relate to the recapture of the business in River Lake IX and Rivermont by the Company which was then retroceded to River Lake VI.

ACKNOWLEDGEMENT

The courteous cooperation extended by the Company's officers and employees during the course of the examination is gratefully acknowledged.

In addition to the undersigned, Craig Chupp, FSA, MAAA, Chris Collins, CFE, Bonnie Corrigan, Kevin Knight, CFE, Hai Nguyen and Michael Peterson participated in the work of the examination.

Respectfully submitted,

John E. Bunce, CFE
Assistant Chief Examiner
Commonwealth of Virginia
Representing the Southeastern Zone, NAIC

6620 West Broad Street
Richmond, Virginia 23230
804 662 2400 Phone
804 922 5547 Fax
www.genworth.com

June 3, 2020

David H. Smith, Chief Examiner
Virginia State Corporation Commission
Bureau of Insurance
P.O. Box 1157
Richmond, Virginia 23218

RE: Response to Report of Examination of the Genworth Life and Annuity Insurance Company as of December 31, 2018

Dear Mr. Smith:

I am writing on behalf of Genworth Life and Annuity Insurance Company (the "Company") in connection with the Report of Examination (the "Report") of the Company as of December 31, 2018, prepared by the Virginia Bureau of Insurance (the "Bureau") and submitted to the Company for review and comment on April 24, 2020.

The Company acknowledges receipt of the Report and has thoroughly reviewed its contents.

We would like the electronic version of the report to be submitted to the Company.

The Company wishes to thank you and your examination staff for the courtesy and cooperation extended to the Company during the exam.

If there are any questions, please do not hesitate to contact me at David.OLeary@genworth.com or Angela Simmons at Angelar.Simmons@genworth.com.

Sincerely,

David W. O'Leary
President and Chief Executive Officer
Genworth Life and Annuity Insurance Company