

EXAMINATION REPORT
of
SHENANDOAH LIFE INSURANCE COMPANY
Roanoke, Virginia
as of
December 31, 2020

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

COMMONWEALTH OF VIRGINIA



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

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RICHMOND, VIRGINIA 23219
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I, Scott A. White, Commissioner of Insurance of the Commonwealth of Virginia, do hereby certify that the annexed copy of the Examination Report of Shenandoah Life Insurance Company as of December 31, 2020, 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 15th day of April 2022

Scott A. White
Commissioner of Insurance



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Richmond, Virginia
February 11, 2022

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, we have performed an examination of the financial condition, records and affairs of

SHENANDOAH LIFE INSURANCE COMPANY
Roanoke, Virginia

hereinafter referred to as the Company. 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, 2015. The current examination covers the five year period from January 1, 2016 through December 31, 2020.

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 Prosperity Life Insurance Group, LLC ("Prosperity") and its affiliates was led by the New York Department of Financial Services. The Bureau and the Arizona Insurance Department 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 is a life insurance company and was originally chartered as a capital-stock life insurance company on December 23, 1914, and operated as such until November 29, 1955. On that date, the Company was authorized by the Commission to convert to a mutual company. On February 12, 2009, the Company was placed in receivership by the Commission. Effective May 8, 2012 the Company was acquired by United Prosperity Life Insurance Company ("United Prosperity") pursuant to a Rehabilitation Plan ("Plan") approved by the Commission on October 20, 2011. This Plan included the conversion of the Company from a mutual company to a stock company pursuant to the Stock Purchase Agreement. In accordance with the Stock Purchase Agreement, United Prosperity made a capital contribution of \$32.5 million in cash in exchange for all of the outstanding stock of the demutualized company. In addition, the Company issued a \$27.5 million surplus note to Prosperity, which has subsequently been paid off. On the same date, United Prosperity, with approval from the Arizona Insurance Department, made an extraordinary dividend of all of the outstanding stock of the Company to its parent, Prosperity Insurance Group, Inc. Prosperity Insurance Group, Inc. made a simultaneous dividend of the Company's stock to its parent, Prosperity. On May 29, 2012, the Bureau issued a Letter of Concurrence stating that the dividend transactions did not constitute a change of control.

On January 1, 2019, the members of Prosperity, including funds managed by Reservoir Capital Group, LLC and Black Diamond Capital Partners, sold 100% of the ownership interests in Prosperity to Irizaba LP (Irizaba). Irizaba is a Bermuda exempted limited partnership which is comprised of a number of limited partners and Bluejacket GP LLC, a Delaware limited liability company (Bluejacket), as the general partner. On

the date of acquisition, Bluejacket was a member managed LLC with Jonathan D. Pollock being the sole member.

Prior to March 12, 2020, the Company was a wholly owned subsidiary of Prosperity. On March 2, 2020, Prosperity Holding Company (PHC), a wholly owned subsidiary of Prosperity was incorporated as a Delaware stock company. On March 12, 2020, Prosperity contributed 100% of the shares of the Company to PHC.

Effective July 28, 2020, the General Partner of Irizaba changed the name of the partnership from Irizaba LP to Prosperity Group Holdings, LP (PGH).

On November 10, 2020, Bluejacket amended and restated its Limited Liability Company Agreement for the purpose of admitting two new individuals as members. The members of Bluejacket are Jonathan D. Pollock (40% voting rights) , Mark Cicirelli (30% voting rights) and Patrick Frayne (30% voting rights). Mr. Pollock remains in control of the management of Bluejacket and PHG. At December 31, 2020, PHC owns 100% of the stock of the Company.

MANAGEMENT AND CONTROL

The bylaws of the Company provide that the business and affairs of the Company shall be managed by a board of not fewer than five and not more than nine members. A majority of the directors shall constitute a quorum for the transaction of business.

The officers of the Company shall consist of a President, a Treasurer, and a Secretary. The Board of Directors shall elect such Senior Vice Presidents and Vice Presidents and such other officers as the Board of Directors deem necessary. The President shall be the Chief Executive Officer and shall supervise and control the business and affairs of the Company.

At December 31, 2020, the Board of Directors, Officers and standing committee members of the Company were as follows:

Directors

Principal Business Affiliation

William Beshears

Associate Portfolio Manager
Elliott Management Corporation
New York, New York

Mark Cicirelli

Portfolio Manager
Elliott Investment Management L.P.
New York, New York

Anne M. Dowling

Private Investor
New York, New York

Nicholas H. von Moltke

President and Chief Executive Officer
Prosperity Life Insurance Group
New York, New York

Jose O. Montemayor

Manager
Black Diamond Holdings, LLC
Austin, Texas

Bruce W. Schnitzer

Managing Director and Chairman
Wand Partners
New York, New York

John Struck

Managing Director
Wand Partners
New York, New York

Officers

Title

Nicholas H. von Moltke

President and Chief Executive Officer

Zachary E. Jones

Chief Financial Officer

Kathleen M. Kronau

Senior Vice President, General Counsel
and Secretary

Officers**Title**

Michal Ryduchowski	Senior Vice President, Chief Actuary and Chief Risk Officer
Johnathan J. Ambos	Vice President – Head of Middle Office
William A. Board	Vice President, Information Technology
Hogan Chen	Senior Vice President, Head of Asset Liability Management and Asset Allocation
Gregory M. Galdau	Vice President – Supplemental Accident and Health
Robert D. Hannebuth	Vice President – Operations
Jack V. Heller	Senior Vice President, Life Insurance Segment
Steve Hilbish	Vice President – Investments
Russell H. Johnson	Vice President – Internal Audit
Laura M. Kane	Vice President – Head of Human Capital
Subodh Kesri	Senior Vice President, Mergers and Acquisitions and Reinsurance
James P. Kirrane	Senior Vice President, Bank Channel and New York Segment
Kevin Y. Ling	Senior Vice President, Portfolio Manager
Denise I. Martin	Vice President – Chief Accounting Officer
Deva R. Mishra	Chief Investment Officer
William R. Nettles III	Vice President – Valuation

Officers**Title**

Albert H. Sochor

Senior Vice President, Senior Markets

Drew D. Westall

Treasurer and Assistant Vice President,
Head of Tax

Ann-Kelley Y. Winn

Vice President – Deputy General
Counsel and Chief Compliance Officer

Teng Xu

Vice President – Actuary

Corporate Governance Committee

Jose O. Montemayor, Chairman

Anne M. Dowling

John Struck

Audit Committee

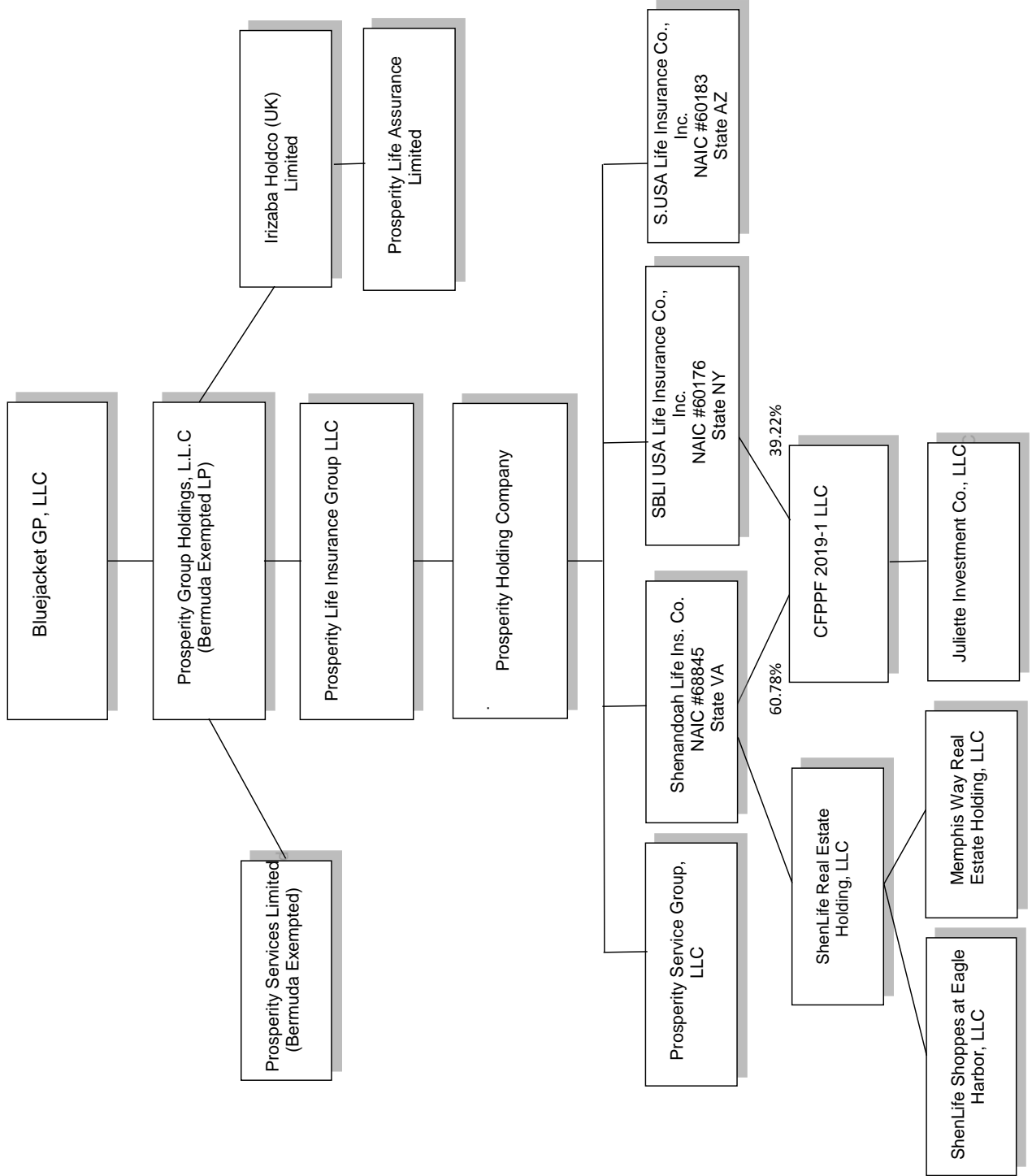
John Struck, Chairman

Mark Cicirelli

Anne M Dowling

Jose O. Montemayor

The Company has the authority to issue 1,000 shares of common stock with a par value of \$2,500 each. At December 31, 2020, all 1,000 shares of common stock were issued and outstanding and held by PHC. 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 following chart summarizes the Company's relationship with selected entities within the holding company system:



TRANSACTIONS WITH AFFILIATES

Services Agreement

At December 31, 2020 the Company has a Services Agreement with Prosperity Service Group, LLC (PSG). According to the provisions of the agreement, PSG shall provide and make available facilities, equipment and personnel essential to the Company's business operations. The services include, but are not limited to, the following:

- Management Services
- Underwriting
- Claims Handling
- Clerical and Administrative Services
- Information Services
- Accounting
- Premium Collection
- Investment Management Services
- Legal Services

As compensation for these services, the Company shall pay PSG a monthly services fee. The services fee shall equal the actual costs incurred by PSG in providing the services which will include the direct costs as well as the allocable portion of costs incurred by PSG in connection with providing such services. The basis for the reimbursement shall be reviewed from time to time by the parties, but at least annually. The Company paid PSG \$9,564,286 in 2020, \$4,598,600 in 2019, \$4,203,000 in 2018, \$5,419,000 in 2017 and \$7,751,000 in 2016 for services pursuant to this agreement.

DIVIDENDS TO STOCKHOLDERS

On April 26, 2016, the Company paid an ordinary cash dividend of \$9,400,000. On August 1, 2016, the Company paid an ordinary cash dividend of \$9,500,000. On August 2, 2017, the Company paid an ordinary cash dividend of \$13,250,000. On December 13, 2019, the Company paid an ordinary cash dividend of \$14,950,000. These aforementioned dividends were paid to the Company's sole shareholder at the time, Prosperity. Because these dividends were considered ordinary, they did not require prior approval of the Bureau.

TERRITORY AND PLAN OF OPERATION

At December 31, 2020, the Company had an active license to transact business in the following jurisdictions:

Alabama	Iowa	Nevada	South Dakota
Alaska	Kansas	New Hampshire	Tennessee
Arizona	Kentucky	New Jersey	Texas
Arkansas	Louisiana	New Mexico	Utah
Colorado	Maryland	North Carolina	Vermont
Delaware	Massachusetts	North Dakota	Virginia
District of Columbia	Michigan	Ohio	Washington
Florida	Minnesota	Oklahoma	West Virginia
Georgia	Mississippi	Oregon	Wisconsin
Hawaii	Missouri	Pennsylvania	Wyoming
Illinois	Montana	Rhode Island	
Indiana	Nebraska	South Carolina	

In the Commonwealth of Virginia, the Company is authorized to write life, credit life, annuities, accident and sickness, credit accident and sickness, and managed care health insurance. The Company has authority to write one or more of these lines in other states. The Company's new business activities include issuance of recently developed new products and ongoing new product development.

GROWTH OF THE COMPANY

The following data represents the growth of the Company for the ten-year period ending December 31, 2020. The data is compiled from the Company's filed Annual Statements, previous examination reports, and the current examination report.

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Unassigned Surplus</u>
2011*	\$1,432,126,756	\$1,416,501,814	\$ 15,624,942
2012	1,379,868,229	1,292,696,254	87,171,975
2013	1,278,807,467	1,197,741,329	81,066,138
2014	1,204,439,048	1,118,984,546	85,454,502
2015	1,131,843,341	1,043,967,035	87,876,306
2016	1,077,355,210	993,630,102	83,725,108
2017	1,036,412,786	941,789,819	94,622,967
2018	994,688,178	886,061,220	108,626,958
2019	1,001,213,046	901,825,477	99,387,569
2020	1,421,190,052	1,328,936,663	92,253,389

Insurance in Force (in thousands)

<u>Year</u>	<u>Ordinary</u>	<u>Group</u>	<u>Total</u>
2011*	\$ 8,546,829	\$ 2,996	\$ 8,549,825
2012	7,879,227	2,493	7,881,720
2013	7,281,188	2,033	7,283,221
2014	6,812,126	1,710	6,813,836
2015	6,367,174	1,329	6,368,503
2016	5,972,871	1,098	5,973,969
2017	5,583,869	865	5,584,734
2018	5,176,782	685	5,177,467
2019	4,809,928	529	4,810,457
2020	4,461,117	398	4,461,515

*The Company was placed in receivership on February 12, 2009. The last examination prior to receivership was conducted as of December 31, 2006. On May 8, 2012, the Company exited receivership. The 2007 – 2011 years were not subject to examination. The information for this year was obtained directly from the Company's Annual Statement filed with the Bureau and was not subject to examination.

REINSURANCE

Ceded:

The Company has several reinsurance agreements in effect for reinsurance ceded at December 31, 2020. The Company reinsures mortality risks via conventional yearly renewable term (YRT) and coinsurance (CO) treaties, using either quota share or excess of specified retentions. These treaties are generally on an automatic basis with the option for facultative submission on risks that are not automatic. The majority of the policies reinsured are individual traditional life and universal life, including supplementary benefits such as disability waiver of premium and accidental death benefits. The Company does reinsure some Accident and Health business (group LTD, individual disability and Medicare supplemental insurance). Both the group LTD and individual disability business is reinsured with a third party. The Company's retention limits for life and waiver of premium policies are as follows:

<u>Issue Age</u>	<u>Standard – Table D</u>	<u>Table E – Table H</u>	<u>Table I and Above</u>
0 – 60	\$300,000	\$250,000	\$200,000
61+	250,000	200,000	150,000

The Company's retention limit for accidental death benefits is \$150,000. At December 31, 2020, the Company does not currently have catastrophic coverage.

Outlined below are the major reinsurers to which the Company cedes business and the amount of reserve credit taken at December 31, 2020.

<u>Company</u>	<u>State of Domicile</u>	<u>Type</u>	<u>Reserve Credit</u>
<u>Life</u>			
Reinsurance Group of America, Inc.	Missouri	CO/YRT	\$53,024,061
Swiss Re Life & Health America, Inc.	Connecticut	CO/YRT	14,859,688
Canada Life Insurance Company	Michigan	CO/YRT	10,705,611
Hannover Life Reassurance Company of America	Florida	CO	3,535,169
SCOR Global Life USA Reinsurance Company	Kansas	CO/YRT	3,259,140
American United Life Insurance Company	Indiana	CO/YRT	1,877,968

<u>Company</u>	<u>State of Domicile</u>	<u>Type</u>	<u>Reserve Credit</u>
<u>Accident and Health</u>			
Union Security Insurance Company	Kansas	Group LTD	\$2,058,047
Hartford Life and Accident Insurance Company	Connecticut	Group LTD	1,010,881

The total reserve credit taken by the Company for ceded business at December 31, 2020 is \$92,685,983, or 7.1% of the total reported aggregate reserves.

Assumed:

At December 31, 2020, essentially all of the reinsurance that the Company assumes (100%, or \$466.9 million) is annuity and pension risk transfer business from two companies. The Company assumes \$398.3 million on a coinsurance with funds withheld basis from an affiliated company, S.USA Life Insurance Company, Inc. ("SUSA"). The Company assumes \$68.6 million on a coinsurance basis from Universal Life Insurance Company, an unaffiliated company. The total reserve associated with the Company's assumed business at December 31, 2020 is \$467,063,589, or 36.0% 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, 2020. No examination adjustments were made to the statutory financial statements filed by the Company with the Bureau for the period ending December 31, 2020.

ASSETS

	<u>Assets</u>	Nonadmitted <u>Assets</u>	Net Admitted <u>Assets</u>
Bonds	\$880,957,220		\$880,957,220
Stocks:			
Preferred stocks	5,000,000		5,000,000
Common stocks	2,669,809		2,669,809
Mortgage loans on real estate:			
First liens	23,837,034		23,837,034
Cash and short-term investments	28,369,612		28,369,612
Contract loans	24,311,880	61,031	24,250,849
Other invested assets	30,225,079		30,225,079
Receivable for securities	18,330		18,330
	<hr/>	<hr/>	<hr/>
Subtotals, cash and invested assets	\$995,388,964	\$61,031	\$995,327,933
Investment income due and accrued	6,923,202		6,923,202
Premiums and considerations:			
Uncollected premiums and agents' balances in course of collection	3,208,737		3,208,737
Deferred premiums, agents' balances and installments booked but deferred and not yet due	9,230,122		9,230,122
Reinsurance:			
Amounts recoverable from reinsurers	2,859,005		2,859,005
Funds held by or deposited with reinsured companies	398,139,322		398,139,322
Other amounts receivable under reinsurance contracts	1,196,056		1,196,056
Current federal income tax recoverable and interest thereon	824,871		824,871
Net deferred tax asset	4,177,791	2,036,831	2,140,960
Guaranty funds receivable or on deposit	437,908		437,908
Electronic data processing equipment and software	484,036	484,036	0
Furniture and equipment	229,350	229,350	0
Receivables from parent, subsidiaries and affiliates	753,931		753,931
Other amounts receivable	148,005		148,005
Aggregate write-ins for other than invested assets	897,954	897,954	0
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$1,424,899,254</u>	<u>\$3,709,202</u>	<u>\$1,421,190,052</u>

LIABILITIES, SURPLUS AND OTHER FUNDS

Aggregate reserve for life contracts	\$1,203,361,349
Aggregate reserve for accident and health contracts	374,480
Liability for deposit-type contracts	52,605,913
Contract claims:	
Life	7,995,869
Accident and health	2,896,006
Dividends apportioned for payment	275,871
Premiums and annuity considerations for life and accident and health contracts received in advance	920,831
Contract liabilities not included elsewhere:	
Other amounts payable on reinsurance	2,816,491
Interest Maintenance Reserve	35,897,326
Commissions to agents due or accrued	107,108
Commissions and expense allowances payable on reinsurance assumed	678,423
General expenses due or accrued	4,916,880
Taxes, licenses and fees due or accrued, excluding federal income taxes	339,993
Unearned investment income	685,552
Amounts withheld or retained by company as agent or trustee	22,420
Amounts held for agents' account	30,414
Remittances and items not allocated	145,059
Miscellaneous liabilities:	
Asset valuation reserve	7,905,139
Funds held under reinsurance treaties with unauthorized reinsurers	499,561
Payable to parent, subsidiaries and affiliates	65,845
Payable for securities	5,000,000
Aggregate write-ins for liabilities	1,396,133
Total liabilities	<u>\$1,328,936,663</u>
Common capital stock	\$2,500,000
Gross paid in and contributed surplus	30,000,000
Unassigned funds (surplus)	<u>59,753,389</u>
Total capital and surplus	<u>\$92,253,389</u>
Total liabilities, capital and surplus	<u><u>\$1,421,190,052</u></u>

SUMMARY OF OPERATIONS

Premiums and annuity considerations for life and accident and health contracts	\$486,173,861
Considerations for supplementary contracts with life contingencies	(35,519)
Net investment income	38,132,112
Amortization of Interest Maintenance Reserve	3,499,865
Commissions and expense allowances on reinsurance ceded	5,646,876
Reserve amounts on reinsurance ceded	(2,175,558)
Aggregate write-ins for miscellaneous income	5,988,127
Total	<u>\$537,229,764</u>
Death benefits	\$56,753,148
Matured endowments	377,535
Annuity benefits	14,490,100
Disability benefits and benefits under accident and health contracts	14,931,128
Surrender benefits and withdrawals for life contracts	30,717,594
Interest and adjustments on contract or deposit-type contract funds	862,035
Payments on supplementary contracts with life contingencies	1,819,691
Increase in aggregate reserves for life and accident and health contracts	375,613,970
Total	<u>\$495,565,201</u>
Commissions on premiums, annuity considerations and deposit-type contract funds	6,009,730
Commissions and expense allowances on reinsurance assumed	24,774,224
General insurance expenses	16,192,972
Insurance taxes, licenses and fees, excluding federal income taxes	1,777,126
Increase in loading on deferred and uncollected premiums	30,038
Aggregate write-ins for deductions	39,429
Total	<u>\$544,388,720</u>
Net gain from operations before dividends to policyholders and before federal income taxes	(\$7,158,956)
Dividends to policyholders	244,826
Net gain from operations after dividends to policyholders and before federal income taxes	(\$7,403,782)
Federal income taxes incurred	(4,762,846)
Net gain from operations after federal income tax and before realized capital gains	(\$2,640,936)
Net realized capital gains	106,038
Net income	<u><u>(\$2,534,898)</u></u>

RECONCILIATION OF CAPITAL AND SURPLUS

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Capital and surplus, December 31, prior year	<u>\$87,876,306</u>	<u>\$83,725,108</u>	<u>\$94,622,967</u>	<u>\$108,626,958</u>	<u>\$99,387,569</u>
Net income (loss)	\$14,108,913	\$27,440,677	\$14,962,718	\$8,054,749	(\$2,534,898)
Change in net unrealized capital gains (losses)	10,035	(135)	(169,169)	17,288	(1,310,530)
Change in net deferred income tax	(2,106,920)	(8,790,552)	(1,940,524)	(2,767,670)	(2,137,859)
Change in nonadmitted assets	3,612,730	4,352,004	884,354	1,253,742	(504,012)
Change in liability for reinsurance in unauthorized and certified companies	50	13	(216,221)	216,251	3
Change in asset valuation reserve	580,282	1,039,815	459,757	(1,737,924)	(733,279)
Dividends to stockholders	(18,900,000)	(13,250,000)		(14,950,000)	
Aggregate write ins for gains and losses in surplus	<u>(1,456,288)</u>	<u>106,037</u>	<u>23,076</u>	<u>674,175</u>	<u>86,395</u>
Net change in capital and surplus	<u>(\$4,151,198)</u>	<u>\$10,897,859</u>	<u>\$14,003,991</u>	<u>(\$9,239,389)</u>	<u>(\$7,134,180)</u>
Capital and surplus, December 31, current year	<u>\$83,725,108</u>	<u>\$94,622,967</u>	<u>\$108,626,958</u>	<u>\$99,387,569</u>	<u>\$92,253,389</u>

CASH FLOW**CASH FROM OPERATIONS**

Premiums collected net of reinsurance	\$122,422,859
Net investment income	38,788,304
Miscellaneous income	14,876,320
Total	<u>\$176,087,483</u>
Benefit and loss related payments	113,461,700
Commissions, expenses paid and aggregate write-ins for deductions	46,213,951
Dividends paid to policyholders	352,806
Federal income taxes (recovered)	(1,285,706)
Total	<u>\$158,742,751</u>
Net cash from operations	<u>\$17,344,732</u>

CASH FROM INVESTMENTS

Proceeds from investments sold, matured or repaid:	
Bonds	\$447,846,408
Stocks	1,837,500
Mortgage loans	4,853,468
Other invested assets	10,494,110
Total investment proceeds	<u>\$465,031,486</u>
Costs of investments acquired (long-term only):	
Bonds	\$509,696,361
Stocks	1,705,800
Other invested assets	2,086,977
Miscellaneous applications	3,717,448
Total investments acquired	<u>\$517,206,586</u>
Net (decrease) in contract loans and premium notes	<u>(\$1,398,685)</u>
Net cash from investments	<u>(\$50,776,415)</u>

CASH FROM FINANCING AND MISCELLANEOUS SOURCES

Cash provided (applied):	
Net deposits on deposit-type contracts and other insurance liabilities	37,419,340
Other cash (applied)	(921,370)
Net cash from financing and miscellaneous sources	<u>\$36,497,970</u>

**RECONCILIATION OF CASH, CASH EQUIVALENTS AND
SHORT-TERM INVESTMENTS**

Net change in cash, cash equivalents and short-term investments	\$3,066,287
Cash, cash equivalents and short-term investments:	
Beginning of year	25,303,325
End of year	<u>\$28,369,612</u>

SUBSEQUENT EVENT

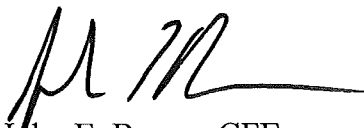
On June 29, 2021, the Company received a capital contribution of \$3,000,000 from its parent, PHC.

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, Kevin Knight, CFE, Hai Nguyen and Michael Peterson participated in the work of the examination.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. E. Bunce', with a long horizontal flourish extending to the right.

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

April 8, 2022

Virginia State Corporation Commission
Bureau of Insurance
P.O. Box 1157
Richmond, VA 23218

Attention: David H. Smith, Chief Examiner

**RE: Shenandoah Life Insurance Company
Examination Report as of December 31, 2020**

Dear Mr. Smith,

Please accept this letter as acknowledge of receipt of the Draft Examination Report by the Virginia Bureau of Insurance.

Please provide an electronic copy of the finalized report; no hard copies are required for the Company's present and future needs.

If anything further is needed from Shenandoah Life Insurance Company in regards to this examination report, please let me know.

Sincerely,



Nicholas von Moltke
CEO and President