

**ON FOREIGN HOLDINGS, SMLLC AND SUBSIDIARIES**  
(A Wholly Owned Subsidiary of AuguStar Life Insurance Company)

Consolidated Financial Statements and Schedule

December 31, 2025 and 2024

(With Independent Auditors' Report Thereon)



## Independent Auditors' Report

The Board of Directors  
ON Foreign Holdings, SMLLC and Subsidiaries:

### ***Opinion***

We have audited the consolidated financial statements of ON Foreign Holdings, SMLLC and its Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of income, comprehensive income, changes in member's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Emphasis of Matter***

As discussed in Note 3.p to the consolidated financial statements, in 2025, the Company adopted new accounting guidance Accounting Standards Update ("ASU") 2018-12. Financial Services – Insurance (Topic 944): *Targeted Improvements to the Accounting for Long-Duration Contracts*. As disclosed in that note, the Company has elected the modified retrospective transition approach, and, accordingly, the comparative consolidated financial statements for the year ended December 31, 2024 have been revised. Our opinion is not modified with respect to this matter.



### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



### ***Other Information***

U.S. generally accepted accounting principles require that the incurred and paid claims development information and the historical claims duration information for the years ended December 31, 2025 and prior disclosed in Note 14 to the consolidated financial statements be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries with management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature of the letters 'KPMG' in blue ink, written in a casual, slightly slanted style.

KPMG Auditores Consultores Ltda.

Santiago, Chile,  
April 15, 2026

**ON FOREIGN HOLDINGS, SMLLC AND SUBSIDIARIES**  
(A Wholly Owned Subsidiary of AuguStar Life Insurance Company)

Consolidated Balance Sheets

December 31, 2025 and 2024

(Dollars in thousands)

<b>Assets</b>	<b>2025</b>	<b>2024</b>
Investments:		
Securities available-for-sale, at fair value:		
Fixed maturity securities (net allowances for credit losses of \$1,952 in 2025 and \$1,651 in 2024)	\$ 2,232,235	1,954,184
Equity securities, at fair value	135,283	102,610
Mortgage loans on real estate (net of allowances for credit losses of \$3,307 in 2025 and \$678 in 2024)	426,014	361,269
Real estate, net	326,006	303,662
Policy loans	4,461	3,648
Other long-term investments (net of allowances for credit losses of \$5,470 in 2025 and \$709 in 2024)	418,581	391,841
Short-term investments	44,524	20,600
Total investments	3,587,104	3,137,814
Cash and cash equivalents	62,490	114,929
Deferred policy acquisition costs	14,785	11,176
Reinsurance recoverable (net of allowances for credit losses of \$5 in 2025 and \$14 in 2024)	26,506	27,934
Other assets	67,667	60,955
Total assets	\$ 3,758,552	3,352,808
<b>Liabilities and Member's Equity</b>		
Fair value option reserves	\$ 2,039,733	1,927,437
Future policy benefits	1,057,412	826,898
Policyholder account balances	63,427	54,950
Other policy-related balances	38,867	64,910
Current federal and foreign income taxes	2,429	7,730
Deferred federal and foreign income taxes	15,610	6,522
Other liabilities	47,159	36,568
Total liabilities	3,264,637	2,925,015
Member's equity:		
Additional paid-in capital	236,525	235,525
Accumulated other comprehensive (loss) income	(87,427)	(188,162)
Retained earnings	344,817	378,659
Total controlling interests member's equity	493,915	426,022
Non-controlling interest	—	1,771
Total member's equity	493,915	427,793
Total liabilities and member's equity	\$ 3,758,552	3,352,808

See accompanying notes to consolidated financial statements.

**ON FOREIGN HOLDINGS, SMLLC AND SUBSIDIARIES**  
(A Wholly Owned Subsidiary of AuguStar Life Insurance Company)

Consolidated Statements of Income  
Years ended December 31, 2025 and 2024  
(Dollars in thousands)

	<b>2025</b>	<b>2024</b>
Revenues:		
Traditional life insurance premiums	\$ 30,185	31,822
Annuity premiums and charges	172,266	32,904
Universal life policy charges	4,268	4,879
Group life and health insurance premiums	2,360	157,177
Change in value of equity securities	6,925	7,636
Net investment income	201,258	87,635
Net realized (losses) gains	(6,071)	1,608
Derivative gains (losses)	5,103	(2,037)
Bargain purchase gain <sup>1</sup>	—	109,531
Other income	1,133	(3,133)
	<u>417,427</u>	<u>428,022</u>
Benefits and expenses:		
Benefits and claims	408,094	119,469
Amortization of deferred policy acquisition costs	1,668	1,674
Commissions, net	22,611	25,122
Other operating costs and expenses	26,205	36,129
	<u>463,135</u>	<u>185,193</u>
Income before foreign income taxes	<u>(45,708)</u>	<u>242,829</u>
Foreign income taxes:		
Current expense	1,406	14,730
Deferred (benefit) expense	(18,299)	17,959
	<u>(16,893)</u>	<u>32,689</u>
Net (loss) income	<u>(28,815)</u>	<u>210,140</u>
Less: Net income attributable to the non-controlling interest	<u>27</u>	<u>80</u>
Net (loss) income attributable to controlling interest	<u>\$ (28,842)</u>	<u>210,060</u>

<sup>1</sup> Reflects the bargain purchase gain in the acquisition of Zurich Seguros Rentas Vitalicias Chile S.A. (ZRV) . Refer to Note 20 for additional information.

See accompanying notes to consolidated financial statements.

**ON FOREIGN HOLDINGS, SMLLC AND SUBSIDIARIES**  
(A Wholly Owned Subsidiary of AuguStar Life Insurance Company)

Consolidated Statements of Comprehensive Income

Years ended December 31, 2025 and 2024

(Dollars in thousands)

	<b>Before tax</b>	<b>Foreign Tax (expense) benefit</b>	<b>After tax</b>
<b>2025</b>			
Net loss	\$		(28,815)
Other comprehensive income (loss), net of taxes:			
Foreign currency translation adjustment	31,454	—	31,454
Net unrealized gains (losses) on securities available-for-sale arising during the year:			
Securities available-for-sale	59,363	(16,541)	42,822
Fair value option	63,428	(17,126)	46,302
Future policy benefits discount rate remeasurement gains (losses)	(23,559)	6,318	(17,241)
Less:			
Net gains (losses) on securities available-for-sale realized during the year	3,564	(962)	2,602
Total other comprehensive income	127,122	(26,387)	100,735
Total comprehensive income			\$ 71,920
<b>2024</b>			
Net income	\$		210,140
Other comprehensive income (loss), net of taxes:			
Foreign currency translation adjustment	(21,537)	—	(21,537)
Net unrealized gains (losses) on securities available-for-sale arising during the year:			
Securities available-for-sale	(20,167)	6,941	(13,226)
Fair value option	(24,947)	6,736	(18,211)
Future policy benefits discount rate remeasurement gains (losses)	1,481	(399)	1,082
Less:			
Net gains (losses) on securities available-for-sale realized during the year	(2,284)	617	(1,667)
Total other comprehensive loss	(62,886)	12,661	(50,225)
Total comprehensive income			\$ 159,915

See accompanying notes to consolidated financial statements.

**ON FOREIGN HOLDINGS, SMLLC AND SUBSIDIARIES**  
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Consolidated Statements of Changes in Member's Equity

Years ended December 31, 2025 and 2024

(Dollars in thousands)

	<b>Additional paid-in capital</b>	<b>Accumulated other comprehensive loss</b>	<b>Retained earnings</b>	<b>Total Controlling interests member's equity</b>	<b>Non- controlling interests</b>	<b>Total member's equity</b>
Balance, December 31, 2023	\$ 239,025	(87,291)	168,599	320,333	—	320,333
Capital contribution from parent	95,000	—	—	95,000	—	95,000
Return of capital to parent	(98,500)	—	—	(98,500)	—	(98,500)
Cumulative effect of adoption of new accounting standard <sup>1</sup>	—	(50,646)	—	(50,646)	—	(50,646)
Change in non-controlling interest ownership	—	—	—	—	1,691	1,691
Comprehensive income:						
Net income	—	—	210,060	210,060	80	210,140
Other comprehensive loss	—	(50,225)	—	(50,225)	—	(50,225)
Total comprehensive income	<u>          </u>	<u>          </u>	<u>          </u>	<u>159,835</u>	<u>80</u>	<u>159,915</u>
Balance, December 31, 2024	235,525	(188,162)	378,659	426,022	1,771	427,793
Capital contribution from parent	1,000	—	—	1,000	—	1,000
Dividends to stockholder	—	—	(5,000)	(5,000)	—	(5,000)
Change in non-controlling interest ownership	—	—	—	—	(1,798)	(1,798)
Comprehensive income:						
Net loss	—	—	(28,842)	(28,842)	27	(28,815)
Other comprehensive income	—	100,735	—	100,735	—	100,735
Total comprehensive income	<u>          </u>	<u>          </u>	<u>          </u>	<u>71,893</u>	<u>27</u>	<u>71,920</u>
Balance, December 31, 2025	<u>\$ 236,525</u>	<u>(87,427)</u>	<u>344,817</u>	<u>493,915</u>	<u>—</u>	<u>493,915</u>

<sup>1</sup> Adoption of ASU 2018-12 Financial Services - Insurance (Topic 944) Targeted Improvements to the Accounting for Long-Duration Contracts ("LDTI")

See accompanying notes to consolidated financial statements.

**ON FOREIGN HOLDINGS, SMLLC AND SUBSIDIARIES**  
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Consolidated Statements of Cash Flows  
Years ended December 31, 2025 and 2024  
(Dollars in thousands)

	<b>2025</b>	<b>2024</b>
Cash flows from operating activities:		
Net (loss) income	\$ (28,815)	210,140
Adjustments to reconcile net income to net cash used in operating activities:		
Interest credited to policyholder account values	5,585	6,387
Universal life and investment-type product policy fees	(3,750)	(4,340)
Capitalization of deferred policy acquisition costs	(4,353)	(3,089)
Amortization of deferred policy acquisition costs	1,667	1,673
Amortization and depreciation	5,450	2,740
Net realized losses (gains) on investments and derivatives	968	429
Bargain purchase gain on acquisition	—	(109,531)
Deferred tax at acquisition	—	(23,028)
Change in value of equity securities	(6,925)	(7,636)
Deferred income tax (benefit) expense	(18,299)	17,959
Monetary correction	(156,953)	(84,347)
Decrease in reinsurance recoverable	6,847	9,275
Increase (decrease) in other assets	15,265	(11,562)
Decrease (increase) in future policy benefits and claims	108,252	(24,544)
(Decrease) increase in federal and foreign income tax payable	(5,710)	6,729
Increase (decrease) in other liabilities	8,510	(41,981)
Other, net	(8)	(6)
Net cash used in operating activities	(72,269)	(54,732)
Cash flows from investing activities:		
Proceeds from maturity of fixed maturity available-for-sale securities	109,677	55,967
Proceeds from sales, calls, redemptions, prepayments, and paydowns of fixed maturity available-for-sale securities	61,288	78,743
Proceeds from sale of equity securities	21,328	9,556
Proceeds from repayment of mortgage loans on real estate	30,633	13,112
Proceeds from sale of real estate	8,036	13,857
Cost of fixed maturity available-for-sale securities acquired	(85,552)	(45,283)
Cost of equity securities acquired	(38,052)	(9,744)
Cost of mortgage loans on real estate acquired	(43,005)	(20,350)
Cost of real estate acquired	(3,179)	(726)
Cost of property, plant and equipment acquired	(912)	(3,990)
Derivative payments, net	(3,978)	(2,152)
Net (decrease) increase in short-term investments	(20,814)	11,508
Acquisition, net of cash acquired	—	(81,873)
Change in policy loans, net	(465)	38
Change in other invested assets, net	(9,095)	10,520
Net cash provided by investing activities	25,910	29,183

**ON FOREIGN HOLDINGS, SMLLC AND SUBSIDIARIES**  
(A Wholly Owned Subsidiary of AuguStar Life Insurance Company)

Consolidated Statements of Cash Flows (Continued)

Years ended December 31, 2025 and 2024

(Dollars in thousands)

	<b>2025</b>	<b>2024</b>
Cash flows from financing activities:		
Universal life and investment product account deposits	\$ 17,415	17,241
Universal life and investment product account withdrawals	(15,754)	(10,975)
Dividends paid to parent	(5,000)	—
Capital contribution from parent	—	95,000
Return of capital to parent	—	(98,500)
Change in short-term borrowings	42	(200)
Net cash (used) provided by financing activities	(3,297)	2,566
Foreign currency translation adjustment	(2,783)	2,550
Net decrease in cash and cash equivalents	(52,439)	(20,433)
Cash and cash equivalents, beginning of year	114,929	135,362
Cash and cash equivalents, end of year	\$ 62,490	114,929
Supplemental disclosures:		
Federal income tax paid	\$ 11,547	277
Non cash items:		
Net assets acquired associated with business acquisition	—	2,415,867
Net liabilities assumed associated with business acquisition	—	(2,222,746)
Non-cash contribution from parent	1,000	—

See accompanying notes to consolidated financial statements.

**ON FOREIGN HOLDINGS, SMLLC AND SUBSIDIARIES**  
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Notes to Consolidated Financial Statements

December 31, 2025 and 2024

(Dollars in thousands)

**(1) Organization and Business Description**

Organization

ON Foreign Holdings, SMLLC (“ONFH” or the “Company”) is a Delaware holding company wholly owned by AuguStar Life Insurance Company (“ALIC”), a stock life insurance company. ALIC is 100% owned by Constellation Insurance, Inc. (“CII”), a stock holding company. CII is 100% owned by Constellation Insurance Holdings, Inc. (“CIHI”), a stock company organized under Ohio insurance laws. CIHI is owned directly by ONLH Holdings LP (“ONLP”), a limited partnership under the control of Constellation Insurance, LP (“Constellation”). Constellation is ultimately backed by Caisse de dépôt et placement du Québec (“CDPQ”) and Ontario Teachers’ Pension Plan Board (Ontario Teachers), two of the world’s largest, premier, long-term institutional investors.

The Company owns 100% of ON Overseas Holdings Inc. (“ONOH”), formerly ON Overseas Holdings S.A.R.L., a holding company and 100% of AuguStar Lending, LLC (“ALL”), a Delaware financial lending institution. ONOH owns 100% of ON Netherlands Holdings Inc. (“ONNH”), formerly ON Netherlands Holdings S.A.R.L., a holding company. ONOH and ONNH were re-domiciled in Netherlands until December 31, 2024, then relocated to Luxemburg until May 31, 2025 when they relocated to Delaware. ONNH owns AuguStar Seguros y Reaseguros S.A. (“ASDP”), formerly Ohio National Seguros de Vida y Reaseguros S.A., a Peruvian insurance company, ON Global Holdings, SMLLC (“ONGH”), a Delaware holding company; and O.N. International do Brasil Participacoes, Ltda. (“OHIO”), which was formed to hold the equity method investment made when CII entered into a 50% joint venture agreement with a Brazilian insurance company. ONGH owns 92% of AuguStar Sudamericana S.A. (“ASSA”), formerly Ohio National Sudamerica S.A., a Chilean holding company; and ONNH owns 8%. ASSA owns 100% of AuguStar Seguros de Vida S.A. (“ASDV”), formerly Ohio National Seguros de Vida S.A., a Chilean insurance company.

On May 8, 2023, Ohio National Seguros de Vida S.A. entered into an agreement for the acquisition of the Zurich Insurance Group annuity portfolio, held by Zurich Chile Seguros de Vida S.A. (“Zurich”), of approximately \$2.6 billion in reserves held in Chile. The transaction was executed through a division of Zurich, resulting in the formation of a new life insurance entity, Zurich Chile Seguros Rentas de Vitalicias S.A. (“ZCR”). This new company, fully owned by Zurich, was assigned all assets and liabilities related to the annuity operations. On November 4, 2024, ZCR merged by absorption with Zurich Seguros de Rentas Vitalicias Chile S.A. (“ZRV”), fully owned by Zurich. Following this merger, ZRV remained as the surviving entity. On December 2, 2024, Ohio National Seguros de Vida S.A. acquired 99.25% shares of ZRV from Zurich. The remaining 0.75% shares is held by minority investors. See Note 20 for additional information related to the acquisition.

On January 22, 2025, Zurich Seguros Rentas Vitalicias Chile S.A. (ZRV) changed its name to AuguStar Seguros de Vida S.A. (“ASDV”). On August 1, 2025, the merger of Ohio National Seguros de Vida S.A. into AuguStar Seguros de Vida S.A. (“ASDV”) was completed. As a result of this merger, ASDV became the successor entity, assuming all the assets and liabilities of Ohio National Seguros de Vida S.A. As of December 31, 2025, the shares held by minority investors accounted for 0.011%. Management determined that the effect of the non-controlling interest is not material and therefore, it is not being disclosed separately.

**ON FOREIGN HOLDINGS, SMLLC AND SUBSIDIARIES**  
(A Wholly Owned Subsidiary of AuguStar Life Insurance Company)

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

(Dollars in thousands)

The Company consolidates subsidiaries in which it has a controlling financial interest. The portion of equity not attributable to the Company is recognized as non-controlling interest. As of December 31, 2025, the non-controlling interest is not material to the consolidated financial statements and, accordingly, is included within Members' equity in the accompanying Consolidated Balance Sheets. Net income attributable to non-controlling interest is also not material for the periods presented.

On April 30, 2024, the Superintendencia de Banca, Seguros y AFP ("SBS") issued the Resolución SBS N° 01866-2024, thereby authorizing Ohio National Seguros de Vida y Reaseguros S.A. to incorporate reinsurance activities into its business operations, adopting this name on June 4, 2024. Later, on December 3, 2025 Ohio National Seguros de Vida y Reaseguros S.A. changed its name to "AuguStar Seguros y Reaseguros S.A." ("ASDP").

*Business*

ASDV provides insurance and other retirement products to the Chilean market. The primary product ASDV has offered is a single premium immediate fixed annuity funded through pension contributions. ASDV also sells individual life, credit life, and disability and survival insurance in Chile. During 2019, ASDV decided to cease sales of its single premium immediate fixed annuity product to exclusively focus on growing its life insurance product lines going forward. In September 2024, ASDV announced the relaunch of this product. The decision followed a comprehensive strategic review of the Company's businesses, growth opportunities and the Company's competitive strengths.

ASDP provides universal and term life products to the Peruvian market. ASDP assumes group life (burial and survivorship) and health insurance (disability) sold through the Peruvian Social Security system as authorized by the Peruvian banking, insurance and pension fund regulator, SBS. In 2025, the Company introduced "Renta Particular", a deposit-type investment product similar to a Guaranteed Investment Contract (GIC).

Both the ASDV and ASDP activity related to their disability, survival and burial insurance transactions are referred to as SIS throughout the footnotes.

OHIO's joint venture investment operates in the benefits segment providing personal health insurance, pension/retirement products, vehicle liability insurance, and provides claims adjusting and processing services for other insurance carriers and brokers of vehicle liability insurance in the Brazilian marketplace.

**(2) Basis of Presentation**

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). All significant intercompany transactions and balances have been eliminated in consolidation.

**(3) Summary of Significant Accounting Policies**

The significant accounting policies followed by the Company that materially affect financial reporting are summarized below.

**ON FOREIGN HOLDINGS, SMLLC AND SUBSIDIARIES**  
(A Wholly Owned Subsidiary of AuguStar Life Insurance Company)

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

(Dollars in thousands)

**(a) Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to adopt accounting policies and make estimates and assumptions that affect amounts reported in the consolidated financial statements. In applying these policies and estimates, management makes subjective and complex judgments that frequently require assumptions about matters that are inherently uncertain. Actual results could differ from estimates.

The most significant estimates and assumptions include those used in determining the balance, the liability for future policy benefits and claims; contingencies; provision for income taxes; deferred taxes; contingencies; allowance for loan losses for mortgage loans on real estate, allowance for credit losses on reinsurance recoverables and fixed maturity securities; and valuation of and impairment losses on investments. Although some variability is inherent in these estimates, the recorded amounts reflect management's best estimates based on facts and circumstances as of the consolidated balance sheet date. Management believes the amounts provided are appropriate.

**(b) Fair Value**

Certain assets and liabilities are measured at estimated fair value in the Company's Consolidated Balance Sheets. The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date. The fair value option ("FVO") provides entities with an option to use fair value as the initial and subsequent accounting measurement for assets and liabilities that meet the definition of a financial asset or liability. For the insurance liabilities and reinsurance recoverables of the group annuity business acquired, the Company has elected the FVO. The change in fair value (inclusive of foreign currency remeasurement gains and losses) except for the portion of the fair value change attributable to the change in nonperformance risk ("NPR") of the company, which is recorded as a separate component of other comprehensive income (loss), is reported in Future policy benefits and claims liabilities on the Consolidated Balance Sheets. Note 6 to the consolidated financial statements includes further disclosures of estimated fair values.

**(c) Investments**

Net Investment Income and Net Realized Gains

Income on investments is reported within Net investment income on the Consolidated Statements of Income. Gains and losses on sales of investments, changes in allowance for credit losses, and impairment losses are reported within Net realized gains on the Consolidated Statements of Income.

Fixed Maturity and Equity Securities

Fixed maturity securities classified as available-for-sale are reported at their estimated fair value. Unrealized gains and losses, net of adjustments to deferred policy acquisition costs, future policy benefits and claims and deferred income taxes, are recorded as a separate component of Accumulated other comprehensive loss in equity on the Consolidated Balance Sheets.

Certain fixed maturity securities held by ASDV are denominated in Unidad de Fomento ("UF"), a unit of account developed during the 1960s whose value in pesos is indexed to Chilean inflation. UF are converted to the Chilean peso at each valuation date.

**ON FOREIGN HOLDINGS, SMLLC AND SUBSIDIARIES**  
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Notes to Consolidated Financial Statements

December 31, 2025 and 2024

(Dollars in thousands)

Certain fixed maturity securities held by ASDP include government bonds primarily denominated in Peruvian soles and the estimated fair value of these bonds is based primarily on valuations from the SBS.

Equity Securities are reported at their estimated fair value in the Consolidated Balance Sheets. Unrealized gains and losses are recorded in Change in value of equity securities in the Consolidated Statements of Income.

Realized gains (losses) on the sale of investments are determined based on specific security identification on the trade date.

For mortgage-backed securities, the Company recognizes income using a constant effective yield method based on prepayment assumptions and the estimated economic life of the securities. When estimated prepayments differ significantly from actual prepayments, the effective yield is recalculated to reflect actual payments to date and anticipated future payments. Any resulting adjustment is included in Net investment income on the Consolidated Statements of Income. All other investment income is recorded using the interest method without anticipating the impact of prepayments.

Dividends are recorded on the ex-dividend date and interest is accrued as earned using an effective yield method for the amortization of premiums and accretion of discounts.

See Note 7 for management's description and analysis of the portfolios.

Mortgage Loans on Real Estate

Mortgage loans on real estate are carried at the unpaid principal balance on the Consolidated Balance Sheets. An allowance for loan losses is presented parenthetically.

Annual changes in the allowance are recorded in Net realized gains on the Consolidated Statements of Income. Loans in foreclosure and loans considered to be impaired as of the consolidated balance sheet date are placed on nonaccrual status. Interest received on nonaccrual status mortgage loans is included in Net investment income on the Consolidated Statements of Income in the period received.

Real Estate

Real estate is carried at cost less accumulated depreciation. Depreciation is determined using the straight-line method over the estimated useful life of the assets.

The Company had no non-income producing commercial and residential properties in 2025 and 2024.

The cost basis of the real estate was \$339,771 and \$311,015 at December 31, 2025 and 2024, respectively. Accumulated depreciation was \$13,765 and \$7,353 at December 31, 2025 and 2024, respectively. No impairment was recorded in 2025 or 2024. Related depreciation expenses were \$6,196 and \$1,564 for the years ended December 31, 2025 and 2024.

Policy Loans

Policy loans, which are collateralized by the related insurance policy, are held at the outstanding principal balance and do not exceed the net cash surrender value. As such, no allowance for credit loss for policy loans is required. Interest income on such loans is recorded as earned using the contractually agreed upon

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interest rate and included in Net investment income as reported on the Consolidated Statements of Income. Generally, accrued interest is capitalized on the policy's anniversary date.

Other Long-term Investments

The direct financing leases entered into prior to the adoption of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 842, *Leases* ("ASC 842"), which consist principally of building and land purchase and leasing arrangements, will continue to be accounted for as capital leases under FASB ASC Topic 840, *Leases* ("ASC 840"). Direct financing leases are carried at minimum lease payments to be received less unearned income. Building leases have a 56% - 74% loan-to-value ("LTV") at inception and a 4 to 30 year repayment schedule. Land leases generally have a 51% - 74% LTV at inception, a five-year repayment schedule and have several principal and interest cash flow structures.

Effective January 1, 2019, contracts under FASB ASC Topic 840 no longer qualify for lease accounting under Topic 842 and will be accounted for as financing receivables under Topic 310. Contracts originated prior to January 1, 2019, will continue to be presented as direct financing leases.

Syndicated loans are classified under Other long-term investments. These loans represent a financing method in which two or more entities provide capital to one or more companies through a loan agreement. Due to the absence of an active secondary market for such financial instruments and the lack of a standardized methodology for establishing a suitable benchmark for each credit, they are measured at their amortized cost. Management regularly reviews syndicated loans and private debt to evaluate the necessity of recording impairment losses for other-than-temporary declines in fair value of investments, when indicators are present OTTI is recorded through net realized gains and losses.

Investments in private limited partnerships and limited liability companies are classified as Other invested assets within Other long-term investments on the Consolidated Balance Sheets. These investments are carried at the underlying value calculated according to the fund's last statement and adds or subtracts the trades that have happened since the date of that statement. The statements of the investments are usually not received in time for the Company to apply the equity method at each reporting period. Therefore, the equity pick-up on these investments has been recorded on a one-month lag. Investment income from these investments is included in Net investment income on the Consolidated Statements of Income.

In 2014, the Company entered into a joint venture agreement, which is accounted for under the equity method. The financial statements of the joint venture are not received in time for the Company to apply the equity method at each reporting period. Therefore, the equity pick-up on this investment has been recorded on a three-month lag. Investment income from this investment is included in Net investment income on the Consolidated Statements of Income. Management regularly reviews its limited partnerships to evaluate the necessity of recording impairment losses for other-than-temporary declines in fair value of investments, when indicators are present an other-than-temporary impairment ("OTTI") is recorded through Net investment income on the Consolidated Statements of Income.

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The components of Other long-term investments were as follows as of December 31:

		<b>2025</b>	<b>2024</b>
Direct financing leases	\$	27,509	35,436
Financing receivables		333,472	292,064
Joint venture		21,355	21,055
Derivatives		2,902	877
Syndicated loans		3,224	14,206
Other invested assets		30,119	28,203
Total	\$	418,581	391,841

Short-term Investments

Short-term investments include securities and other investments with remaining maturities of one year or less, but greater than three months, at the time of purchase and are stated at estimated fair value.

**(d) Derivatives**

The Company enters into derivative transactions that do not meet the criteria for hedge accounting or have not been designated in hedging relationships by the Company pursuant to FASB ASC Topic 815, *Derivatives and Hedging*. The Company purchases cross currency swaps and currency forwards to hedge the cash flow risk associated with foreign-denominated bonds. The swap involves exchanging principal and fixed interest payments on a bond in one currency for principal and fixed interest payments on a similar loan in another currency. The parties to the swap exchange principal amounts at the beginning and the end of the swap. The two specified principal amounts are set to be approximately equal to one another given the exchange rate at the time the swap is initiated. Forward contracts involve locking a fixed exchange rate for a currency transaction in the future.

As of December 31, 2025 and 2024, ASDV held five and six, respectively, cross currency swaps to convert the cash flows from U.S. dollars- and Euro- denominated bonds into UF-denominated cash flows. Additionally, as of December 31, 2025 and 2024, ASDV held four and three, respectively, forward contracts to convert cash flows from U.S. dollars- and Euro- denominated bonds into UF-denominated cash flows.

These transactions provide the Company with an economic hedge, which is used as part of its overall risk management strategies. The cross currency swaps and forward contracts are carried at estimated fair value under Other long-term investments on the Consolidated Balance Sheets, with changes in estimated fair value recorded in Derivative instruments on the Consolidated Statements of Income. Derivatives in a liability position are recorded in Other liabilities on the Consolidated Balance Sheets.

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***(e) Cash and Cash Equivalents***

For the purposes of the Consolidated Statements of Cash Flows, the Company considers all short-term investments with original maturities of three months or less to be cash equivalents.

***(f) Deferred Acquisition Costs***

The Company incurs costs in connection with acquiring new and renewal insurance business. Costs that are related directly to the successful acquisition or renewal of insurance contracts are capitalized as deferred acquisition costs (“DAC”). Such costs include:

- incremental direct costs of contract acquisitions;
- other costs related directly to the insurer’s acquisition activities noted above that would not have been incurred had the issuance of the contract not occurred; and
- certain advertising costs that meet the deferral criteria.

All other acquisition costs such as general advertising, market research, training, administration and unsuccessful acquisition efforts are expensed as incurred.

DAC for long-duration products is amortized on a constant-level basis that approximates straight-line amortization on an individual contract basis.

DAC is amortized using actuarial assumptions that are consistent with those used in estimating the related reserve for future policy benefits. The actuarial assumptions are updated annually, concurrently with any related assumption changes for the reserve for future policy benefits. The Company has elected to use the grouped method for calculating straight-line amortization for its long-duration products. When applicable, contracts are grouped consistently with the groupings used to estimate the liability for future policy benefits. Since contracts within a grouping may vary, contracts within a group are weighted to achieve appropriate amortization and ensure DAC is derecognized when a policy is no longer in force. Amortization driver is as follows:

- Original Face Amount: Group Annuities, Traditional Whole Life, Term Life, Variable Universal Life (“VUL”), Voluntary Retirement Savings (“APV”) and, Universal Life (“UL”).

The amortization of DAC is included in the consolidated statement of income within “Amortization of deferred policy acquisition costs, deferred sales inducements and value of business acquired”.

***(g) Other Assets***

Other assets are primarily comprised of premiums receivables, miscellaneous receivables, and fixed assets.

Premiums receivable consist of amounts receivable on individual life and annuity policies and group life and health products and are accrued and recognized when due under policy terms. The carrying value of premiums receivable approximates fair value at December 31, 2025 and 2024. The carrying value of miscellaneous receivables approximates fair value at December 31, 2025 and 2024.

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Fixed assets are stated at cost, less accumulated depreciation. Depreciation is determined using the straight-line method over the estimated useful life of the assets. The estimated useful life is 30 years for real estate, 2 to 10 years for equipment and 2 to 10 years for computer software and hardware. The estimated useful life for Company occupied real estate is 30 years.

The Company reviews the estimated useful lives of the long-lived fixed assets and assesses for impairment when certain events or changes in operations occur. No impairment losses were recognized in 2025 or 2024.

The following table summarizes the company's Other Assets as of December 31:

	<u>2025</u>	<u>2024</u>
Fixed Assets, net	\$ 7,076	3,167
Intangibles	7,107	7,224
Investment receivables	24,366	9,911
Premiums receivables	6,719	32,503
Miscellaneous receivables	<u>22,399</u>	<u>8,150</u>
Total	<u>\$ 67,667</u>	<u>60,955</u>

**(h) Revenues and Benefits**

Traditional Life Insurance Products

Traditional life insurance products include those products with fixed and guaranteed premiums and benefits and consist primarily of whole life, limited-payment life, term life, and certain annuities with life contingencies.

Premiums for traditional life insurance products are recognized as revenue when due. Benefits and expenses are associated with earned premiums so that profits are recognized over the life of the contract. This association is accomplished through the provision for future policy benefits and the deferral and amortization of policy acquisition costs.

Universal Life Insurance Products

Universal life insurance products include variable universal life. Revenues for universal life insurance products consist of cost of insurance charges, asset fees, policy administration fees, and surrender charges that have been earned and assessed against policy account balances during the period. The timing of revenue recognition as it relates to fees assessed on universal life contracts is determined based upon the nature of such fees. Cost of insurance charges and policy administrative fees are assessed on a daily or monthly basis, and recognized as revenue when assessed and earned. Certain amounts assessed that represent compensation for services to be provided in future periods, such as unearned front-end loads, are reported as unearned revenue and recognized in income over the life of the contract. The charges are deferred as incurred and are generally amortized over the expected life of the contract using the same methodology, factors, and assumption used to amortize DAC. Surrender charges are recognized upon surrender of a contract in accordance with contractual terms. Policy benefits and claims that are charged to expense include benefits

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and claims incurred in the period in excess of related policy account balances, maintenance costs, and interest credited to policy account balances.

Group Life and Health Insurance Products

Group life and health insurance premiums are recognized as revenue in accordance with the terms of the policies, which is generally ratably over the policy term. Policy claims are charged to expense in the period that the claims are incurred.

Service Fee Income

The Company acts as an agent for Chile's Group Life and Insurance program. The agreement requires the Company to receive and distribute funds associated with the program and record a fee to income for the services rendered. The Company determines if there is a receivable or a payable based on a formula indicated in the agreement. Amounts exceeding the guaranteed amounts, if any, are recognized as a payable and amounts below the guaranteed amounts decrease the payable or are recognized as a receivable

**(i) Future Policy Benefits**

The Company establishes Future Policyholder Benefit liabilities "FPB" for amounts payable under traditional non-participating and limited payment long duration insurance and reinsurance policies which include but are not limited to term life, whole life and annuities. Also included under FPB are death benefit liabilities for SIS products and short duration contracts. Generally, amounts are payable over an extended period of time and related liabilities are calculated as the present value of future expected benefits to be paid and discounted claims settlement expense reduced by the present value of future expected net premiums. Such liabilities are established based on methods and underlying assumptions in accordance with U.S. GAAP and applicable actuarial standards.

FPBs are measured as cohorts (e.g., groups of long-duration contracts). The Company's cohorts are determined based on the following factors: issue year, legal entity, contractual currency, major products, and payment type.

FPB's are calculated using a net premium ratio (NPR) approach. The NPR is determined by taking the present value of historical and expected future benefits and claim settlement expenses for the cohort divided by the present value of historical and expected future gross premiums for the cohort. The NPR is used to calculate the net premiums for a cohort (i.e. the portion of gross premiums required to fund expected benefits and claims settlement expenses) which in turn are utilized in calculating the FPB each period.

The process of projecting expected future gross premiums and expected future benefits and claim settlement expenses for traditional long duration cohorts involves the use of a number of assumptions, including those related to persistency (how long a contract stays with a company), mortality (the relative incidence of death in a given time), morbidity (the relative incidence of disability resulting from disease or physical ailment) and interest rates (further described below). Claims liabilities for SIS products are calculated based on the expected payments at the time of valuation of known claims and an estimation of unreported claims using historical reporting information.

The NPR and FPB reserve are updated retrospectively on a quarterly basis for actual experience and at least once a year for any changes in future cash flow assumptions, except for claim settlement expenses, for

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which the Company has elected to lock in assumptions at the Transition Date or inception (for contracts sold after the Transition Date), as allowed by ASC 944. The resulting remeasurement (gain) loss is recorded separately through net income and reflects the impact of remeasuring the beginning of period FPB reserve, with an NPR that has been updated for actual cash flows (including inforce changes) that have occurred during the period and/or updated future cash flow assumptions. The remaining change in the FPB reserve (after recording the remeasurement gain/loss) is recognized in “Benefits and Claims”. By retrospectively updating the NPR, it allows the total cohort’s profit pattern to be recognized over the expected life of the cohort. When net premiums exceed gross premiums (i.e., expected benefits exceed expected gross premiums), a corresponding amount is recognized immediately in net income. When a cohort’s present value of future net premiums exceeds the present value of future benefits, a “flooring” adjustment is required within either net income and/or OCI to prevent the FPB reserve from being in an asset position.

The discount rate used to estimate our FPB reserve is consistent with an upper-medium grade (low-credit risk) fixed-income corporate instrument yield, which has been interpreted to represent a single-A corporate instrument yield. The Company generally interprets the upper-medium grade discount rate to be a rate comparable to that of a corporate single A rate that reflects the duration characteristics of the liability. The upper-medium grade discount rate is determined by using observable market data, including published upper-medium grade discount curves. In situations where market data for an upper-medium grade discount curve is not available (e.g., in certain foreign jurisdictions, certain tenors and/or points on a curve), the Company uses various estimation techniques consistent with fair value measurement guidance to derive an upper medium discount rate curve.

ASDV’s methodology is consistent with the US approach. It uses observable market rates for Chilean bonds whose credit risk is comparable to a globally recognized single A rating to develop a yield curve. This process begins by creating a spot rate curve for each duration from 1 to 30 years. The spot curve is then used to derive the forward rates that are applied for the period-over-period interest accretion of the liability. For rates exceeding 30 years, the last observable spot rate will be held fixed for the remainder of the projection.

In the absence of an A-rated instrument in the Peruvian market, ASDP uses observable AAA-suggested ratio approach to adjust observable BBB sovereign rates to single-A–equivalent levels using U.S. Treasury and corporate spreads.

The change in FPB reflected in the statement of operations is calculated using a locked-in discount rate. For products issued prior to the Transition Date, a cohort level locked-in discount rate was developed that reflected the interest accretion rates that were locked in at inception of the underlying contracts or the acquisition date for contracts acquired through an assumed in-force reinsurance transaction or a business combination. For contracts issued subsequent to the Transition Date, the upper-medium grade discount rate used for interest accretion is locked-in for the cohort and represents the original upper-medium grade discount rate at the issue date of the underlying contracts. The FPB for all cohorts is remeasured to a current upper-medium grade discount rate at each reporting date, with the cumulative effect of the remeasurement being reflected within accumulated other comprehensive income (loss) (“AOCI”).

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For limited-payment long-duration contracts, the collection of premiums does not represent the completion of the earnings process, therefore, any gross premiums received in excess of net premiums is deferred and amortized as a deferred profit liability (“DPL”). The DPL is presented within FPBs and is amortized in proportion to either the present value of expected benefit payments or insurance in-force of each cohort to ensure that profits are recognized over the life of the underlying policies in that cohort. DPL amortization is recorded through net income within “Benefits and Claims” The DPL is also subject to retrospective remeasurement through net income, within “Future policyholder benefit liability, remeasurement gains (losses), however, it is not remeasured for changes in discount rates.

**(j) Fair Value Option Reserves**

This liability includes reserves related to ZRV acquired insurance contracts. The Company has elected to use FVO to measure these liabilities. For additional information on the fair value measurement see Note 6 . The impacts to these liabilities driven by changes in the Company’s NPR spread are included in AOCI.

**(k) Policyholder Account Balances**

The Company establishes a policyholder account balance liability for customer deposits on universal life, APV products and in a deposit-type investment product, Renta Particular, similar to a GIC. The policyholder account balance liability represents deposits received from the policyholder, interest credited to the policyholder’s account balance, net of charges assessed against the account balance and any policyholder withdrawals.

**(l) Reinsurance**

Reinsurance is an agreement by which a reporting entity transfers all or part of its risk under a contract to another reporting entity. For each of its reinsurance agreements, the Company determines whether the agreement provides indemnification against loss or liability relating to insurance risk in accordance with applicable accounting standards. The Company reviews all contractual features, including those that may limit the amount of insurance risk to which the reinsurer is subject or features that delay the timely reimbursement of claims. To the extent there are loss limiting features that preclude the reinsurer from assuming the risk of significant loss, the Company would account for such agreements using deposit accounting. There were no deposit agreements as of December 31, 2025 or 2024.

Accounting for reinsurance requires the use of significant management estimates and assumptions, particularly related to the future performance of the underlying business and the potential impact of counterparty credit risk. The Company periodically reviews actual and anticipated experience compared to the assumptions used to establish assets and liabilities relating to ceded and assumed reinsurance and evaluates the strength of counterparties to its reinsurance agreements. Reinsurance does not discharge the Company from its primary liability to policyholders and to the extent that a reinsurer should be unable to meet its obligations, the Company would be liable to policyholders.

Amounts recoverable under reinsurance agreements, which totaled \$26,506 and \$27,934 as of December 31, 2025 and 2024, respectively, include ceded reserves, paid and unpaid claims, and certain other amounts. The entity estimates expected credit losses of reinsurance recoverables based on the credit risk of the reinsurer and based on whether assets are held in a trust collateralizing the assets. Credit losses are charged

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to benefits and claims expense. The allowance for credit losses reduces the carrying amount of the reinsurance recoverable asset to the net amount expected to be collected from the reinsurer. The allowance for credit losses for reinsurance recoverable as of December 31, 2025 and 2024 is \$5 and \$14, respectively.

Reinsurance premiums ceded and reinsurance recoveries on benefits and claims incurred are deducted from the respective income and expense accounts on the Consolidated Statements of Income. Assets and liabilities related to reinsurance ceded are reported on a gross basis.

The Company has elected to use the FVO to value the insurance liabilities under its reinsurance transactions for the life insurance contract related to the ZRV Acquisition. The fair value is reported in Future policy benefits and claims on the Consolidated Balance Sheets. See Note 6 for additional information.

The Company enters into reinsurance agreements with affiliated and unaffiliated insurance companies. All intercompany transactions and balances have been eliminated in consolidation. See Note 15 for additional reinsurance disclosures and information.

***(m) Income Taxes***

The Company is a disregarded entity for federal income tax purposes which results in the Company and ALIC being considered one entity for federal income tax purposes. ALL is treated as a corporation for federal income tax purposes. The Company and ALL are both included in the CIHI consolidated federal tax return.

The foreign life insurance subsidiaries ASDV and ASDP file tax returns in accordance with applicable foreign laws in their country of domestication. U.S. taxation of foreign affiliates may differ in timing and amount from taxation under foreign laws. The impact of returns filed subject to foreign tax law has been reflected in the provision for income tax expense and related liabilities.

ALL, ASDV and ASDP utilize the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date. Valuation allowances are established when it is determined that it is more likely than not that the deferred tax asset will not be fully realized. Current income taxes are charged to operations based upon amounts estimated to be payable as a result of taxable operations for the current year.

In determining the need for a valuation allowance, ALL, ASDV and ASDP consider the carryback capacity to absorb capital losses, reversal of existing temporary differences, estimated future taxable income and prudent and feasible tax planning strategies. The determination of the valuation allowance for the Company's deferred tax assets requires management to make certain judgments and assumptions regarding future operations that are based on historical experience and expectations of future performance. Management's judgments are subject to change given the inherent uncertainty in predicting future

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performance, which is impacted by such factors as policyholder behavior, competitive pricing, and specific industry and market conditions.

Pursuant to Global intangible low-taxed income (“GILTI”) tax rules, companies are allowed to make an accounting policy choice of either (1) treating taxes due on future U.S. inclusions in taxable income related to GILTI as a current-period expense when incurred (the ‘period cost method’) or (2) factoring such amounts into a company’s measurement of its deferred taxes (the ‘deferred method’). The Company has elected the period cost method, which will be determined annually if the Company’s GILTI inclusion rises to a material amount from a U.S. tax compliance perspective.

On August 16, 2022, the Inflation Reduction Act was enacted and signed into Law. The Act included a number of tax-related provisions including a new corporate alternative minimum tax (“CAMT”). The Act will be effective for tax years beginning after 2022. The Company is not subject to CAMT in 2025 or 2024.

***(n) Litigation Contingencies***

The Company may be subject to legal actions arising in the normal course of business. Given the inherent unpredictability of these matters, it is difficult to estimate the impact on the Company’s financial position. Liabilities are established when it is probable that a loss has been incurred and the amount of loss can be reasonably estimated. Legal costs are recognized as incurred and for the estimated amount to be incurred.

On a quarterly and annual basis, the Company reviews relevant information with respect to liabilities for litigation, regulatory investigations and litigation-related contingencies to be reflected in the Company’s consolidated financial statements.

***(o) Foreign Currency Translation***

Assets, liabilities and operations of foreign subsidiaries are recorded based on the functional currency of each entity. The determination of the functional currency is made based on the appropriate economic and management indicators. The local currencies of foreign operations are the functional currencies. Assets and liabilities of foreign subsidiaries are translated from the functional currency to U.S. dollars at the exchange rates in effect at each year end and income and expense accounts are translated at the average exchange rates during the year. The resulting translation adjustments are charged or credited directly to other comprehensive income (loss), net of applicable taxes. Gains and losses from foreign currency transactions are reported as part of net investment gains (losses) in the period in which they occur.

The functional currency of ASDV and ASSA is the Chilean peso (“CLP\$”) and the functional currency of ASDP is the Peruvian sole (“PENS/”). The balance sheets were translated at the December 31, 2025 exchange rates of CLP\$911.18 and PENS/3.363 per \$1 U.S. dollar (“US\$”) and the December 31, 2024 exchange rates of CLP\$992.12 and PENS/3.764 per US\$1.

Most of ASDV’s assets and liabilities are initially expressed in index-linked units of account. Substantially all monetary assets and liabilities in Chile are denominated in (i) UF, (ii) nominal pesos, or (iii) foreign currencies. The UF is set once a month for daily adjustments in the period beginning the tenth day of such month through the ninth day of the succeeding month based on changes in the previous month’s consumer price index. One UF was equal to CLP\$39,727.96 and CLP\$38,416.69 at December 31, 2025 and 2024,

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respectively. Accounts denominated in UF have been converted to Chilean pesos upon settlement of each transaction with remeasurements at the end of each reporting date.

***(p) Adoption and Future Adoption of New Accounting Pronouncements***

The Company generally applies the “other public entity” requirements when adopting new accounting standards. Where the standard adoption timeframes differentiate between U.S. Securities and Exchange Commission (“SEC”) filers and other public business entities, the Company follows the adoption timelines for other public business entities as the Company does not meet the requirements of an SEC filer.

***Adoption of New Accounting Pronouncements***

Effective January 1, 2024, the Company completed its adoption of ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. ASU 2021-08 changes the accounting for contract assets and liabilities acquired in a business combination by requiring an acquiring entity to measure contract assets and liabilities in accordance with FASB ASC 606, *Revenue from Contracts with Customers*. The adoption of this guidance did not materially impact the Company’s consolidated financial statements.

In August 2018, the FASB issued ASU 2018-12, *Financial Services – Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts*, in November 2019, the FASB issued ASU 2019-09, *Financial Services – Insurance (Topic 944)* and in October 2020, the FASB issued ASU 2020-11, *Financial Services – Insurance (Topic 944)* and ASU 2022-05, *Financial Services – Insurance (Topic 944) Transition for Sold Contracts*. The new guidance is effective for fiscal years beginning after December 15, 2024 for public business entities that are non-SEC filers. Early adoption is permitted. This new guidance impacts existing recognition, measurement, presentation, and disclosure requirements for long-duration insurance contracts issued by an insurance entity.

The Company adopted LDTI effective January 1, 2025 with a Transition Date of January 1, 2024. The standard allowed for a transition method election for FPBs and DAC, as well as other balances that have historically been amortized in a manner consistent with DAC. The Company has elected the modified retrospective transition approach for all FPBs, DAC, and related balances on all long-duration contracts, subject to the transition provisions.

Under the modified retrospective approach, the Company was required to establish LDTI-compliant FPBs, DAC and related balances for the Company’s Transition Date opening balance sheet utilized the Company’s December 31, 2023 balances with certain adjustments as described below. Amounts for 2024 have been retrospectively adjusted to reflect the adoption of Long-Duration Targeted Improvements (LDTI) guidance under ASC 944 Financial Services—Insurance.

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The following table presents a summary of the Transition Date impacts associated with the implementation of LDTI to the Consolidated Balance Sheets line items affected and the corresponding impacts to Retained earnings and AOCI within Member's equity:

	January 1, 2024					Post Adoption
	As previously Reported	Adoption Adjustment			Total Member's Equity Adjustment and Other Reclassification Adjustments	
LDTI transaction impact – Member's Equity	Retained Earnings	Accumulated Other Comprehensive Income	Other Reclassification Adjustments <sup>5</sup>	Total Member's Equity Adjustment and Other Reclassification Adjustments	Post Adoption	
<b>Assets</b>						
Deferred acquisitions costs, deferred sales inducements and value of business acquired <sup>1</sup>	\$ 10,528	—	—	—	—	\$ 10,528
<b>Liabilities</b>						
Future policy benefits <sup>2</sup>	\$ 2,811,276	—	69,371	(99,470)	(30,099)	\$ 2,781,177
Policyholder account balances <sup>3</sup>	\$ —	—	—	52,015	52,015	\$ 52,015
Other policy-related balances <sup>4</sup>	\$ 6,793	—	—	47,455	47,455	\$ 54,248
<b>Total transitions adjustment before taxes - (expense)/income</b>	<b>\$ —</b>	<b>(69,371)</b>	<b>—</b>	<b>\$ (69,371)</b>	<b>(69,371)</b>	
Deferred federal income taxes - (expense)/benefit	\$ —	—	18,725	—	18,725	
<b>Total transition adjustment after tax - (expense)/income</b>	<b>\$ —</b>	<b>(50,646)</b>	<b>—</b>	<b>\$ (50,646)</b>	<b>(50,646)</b>	

<sup>1</sup> The LDTI adoption adjustment reflects the impacts to the net deferred acquisition costs which are further described below.

<sup>2</sup> The LDTI adoption adjustment reflects the impacts to the liability for future policy benefits and additional liabilities which are further described below.

<sup>3</sup> The LDTI adoption adjustment reflects the establishment of policyholder account balance liability for customer deposits on universal life and APV products. Refer to significant accounting policies and Note 12 for additional information.

<sup>4</sup> The LDTI adoption adjustment reflects the establishment of Other policy-related balances. Reflects the impacts to FEL. Refer to significant accounting policies and Note 13 for additional information.

<sup>5</sup> This reflects the reclassification of policyholder account balances and other policy-related balances, previously presented as future policy benefits.

The Transition Date impacts associated with the implementation of LDTI were applied as follows:

***Future Policy Benefits (See Note 10)***

**Traditional Non-participating Long-duration products**

- Contracts in-force as of the Transition Date were grouped into cohorts; a revised NPR was calculated for each cohort using the existing Transition Date balance, best estimate cash flow assumptions without a provision for adverse deviation, and the historical discount rates used for the contracts within the cohort prior to the adoption of LDTI (the “locked-in” discount rate). For any cohorts where the net premiums exceeded gross premiums (NPR exceeded 100%), the FPB was increased for the excess of net premiums over gross premiums, with a corresponding adjustment recorded to opening retained earnings as of the Transition Date;
- The difference between the FPB balance calculated at the current upper-medium grade discount rate and the FPB balance calculated at the locked-in discount rate was recorded as an adjustment to opening AOCI as of the Transition Date; and
- Corresponding adjustments were made to ceded reinsurance balances.

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Limited-payment contracts

Limited-payment contracts transition to LDTI follows a similar approach to traditional non-participating products, but require additional consideration for DPL at transition, unfavorable remeasurements impacts are first offset against the DPL, with any remaining amount recognized in the opening retained earnings.

**DAC and other balances to be amortized in a manner consistent with Deferred Policy Acquisition Costs (DAC) – including Unearned Revenue (UREV) (See Note 9 for information on DAC and UREV)**

The opening balances of DAC and balances amortized in a manner consistent with DAC, like UREV, these accounts were adjusted for removal of the related amounts in AOCI, as applicable, as these balances are no longer amortized using expected future gross premiums, margins, profits or earned premiums.

**Other balance sheet reclassifications and adjustments at LDTI adoption**

Investment contract reclassification

Prior to the transition to LDTI, the Future policy benefits and claims liability included the reserves for traditional life, limited pay contracts, universal life type contracts and claim related liabilities. Post transition, balances have been reclassified into separate line items primarily based on different reserving methodologies.

The Company reclassified \$52,015 of FPBs to PABs at the Transition Date for Liabilities for investment products including universal life and annuities.

Future Adoption of New Accounting Pronouncements

In September 2025, the FASB issued *ASU 2025-06 — Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements*, Effective for periods beginning after December 15, 2027, this new guidance provides targeted improvements to the accounting for internal-use software, including capitalization and implementation guidance. Under the new guidance, entities begin capitalizing internal-use software costs when (1) management with appropriate authority authorizes and commits to funding the project and (2) it is probable the project will be completed and used for its intended function (the “probable-to-complete” threshold). Management is in the process of assessing the impact that this guidance may have on the consolidated financial statements but does not expect it to be material.

In November 2025, the FASB issued *ASU 2025-08, Financial Instruments—Credit Losses (Topic 326): Purchased Loans*, Effective for periods beginning after December 15, 2026. The ASU expands the use of the “gross-up” method—previously required only for purchased credit-deteriorated (PCD) assets—to a new category of acquired loans referred to as *purchased seasoned loans*. Under the gross-up method, an entity recognizes an allowance for expected credit losses at the acquisition date with a corresponding increase to the loan’s amortized cost basis, eliminating Day 1 credit loss expense. Management is in the process of assessing the impact that this guidance may have on the consolidated financial statements but does not expect it to be material.

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In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The new guidance is effective for annual periods beginning after December 15, 2025. The amendments require that all entities disclose on an annual basis, the amount of income taxes paid (net of refunds received) disaggregated by federal (national), state, and foreign taxes and the amount of income taxes paid (net of refunds received) disaggregated by individual jurisdictions in which income taxes paid (net of refunds received) is equal to or greater than 5 percent of total income taxes paid (net of refunds received). There are various other disclosure requirements included in this new guidance that will be applicable to the Company.

In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*, the new guidance effective date for each amendment will be two years after the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The amendments in this Update should be applied prospectively. For all entities, if by June 30, 2027, the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K, the pending content of the related amendment will be removed from the Codification and will not become effective for any entity. This ASU incorporates certain SEC disclosure requirements into the Codification. The amendments in the ASU are expected to clarify or improve disclosure and presentation requirements of a variety of Codification Topics, allow users to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the requirements, and align the requirements in the Codification with the SEC's regulations. Management is in the process of assessing the impact that this guidance may have on the consolidated financial statements but does not expect it to be material as it is disclosure only.

**(q) Subsequent Events**

The Company has evaluated subsequent events through April 15, 2026, the date that the consolidated financial statements were available to be issued.

**(4) Business Risks and Uncertainties**

The Company participates in an industry where there are risk factors that could have material adverse effects on the business and operating results. The following is a description of the various risk factors:

*Legal/Regulatory Risk* is the risk that changes in the legal or regulatory environment in which the Company operates could result in increased competition, reduced demand for the Company's products, or additional unanticipated expenses in the pricing of its products.

Changes in the regulatory environment and changes in laws in the countries of the Company's international insurance operations could have a material adverse effect on its results of operations. The Company's international insurance operations are principally regulated by insurance regulatory authorities in the jurisdictions in which they are located or operate.

*Concentration Risk* is the risk that arises from the Company's reliance upon certain key business relationships. As of December 31, 2025 and 2024, ASDP's largest product is its SIS insurance contracts. These contracts are acquired through a bid process on a two-year interval. It is possible that ASDP may not

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win future bids, which could result in the loss of existing business and a large outflow of ASDP's general account assets along with the subsequent loss of the investment spread earned on those assets.

*Mortality Risk* is the risk that overall life expectancy assumptions used by the Company in the pricing of its life insurance and annuity products prove to be too aggressive. This situation may occur, for example, as a result of pandemics, terrorism, natural disasters, or acts of war. The Company attempts to reduce this risk through geographical diversification and the purchase of reinsurance.

*Reinsurance Risk* is the risk that the reinsurance companies, where the Company has ceded a portion of its underwriting risk, may default on their obligation. The Company has entered into reinsurance agreements to cede a portion of its life insurance business. The Company attempts to mitigate this risk by monitoring the ratings of reinsurance companies to which it chooses to cede risk and follows up on any outstanding balances with reinsurance companies.

*Ratings Risk* is the risk that rating agencies change their outlook or rating of the Company. If such ratings were lowered significantly relative to our competitors, our ability to market products to new customers could be harmed as well as the retention of existing customers. The Company monitors risk-based capital and other ratios for adequacy and maintains regular communications with the rating agencies in an effort to minimize the adverse impact of this risk.

*Civil Unrest and Political Risk* is the risk that continued civil unrest and challenging political environments may cause significant volatility, declines in the value of investments, loss of life, property damage, additional disruption to commerce and reduce economic activity. Any significant civil unrest or political challenges could result in the decrease of the Company's net income, revenue and assets under management and may adversely affect the Company's investment portfolio.

The Company does not have any direct exposure within its investment portfolio to businesses in Russia, Ukraine, Venezuela, Iran, Israel or Palestine. However, the ongoing conflicts in these areas are impacting global economic and financial markets exacerbating ongoing economic challenges. The Company is actively monitoring the impact of the conflict on its investment portfolio.

*Cyber-Security Risk* is the potential for information and systems to be vulnerable to adverse events, such as breaches, thefts, compromised integrity, damage, fraud, or business disruption, caused by internal, external or third parties. The loss of confidentiality, integrity or availability for information and systems could disrupt operations, result in the loss of business, materially affect profitability and negatively impact the Company's reputation. The current working environment is unprecedented with wide-scale remote usage of the Company's networks and may expose the Company to increased cyber-security vulnerability. The Company utilizes a defense in depth approach to physically, administratively, and technically mitigate cyber-security risk. Multiple layers of security controls provide redundancy in the event a security control fails, or a vulnerability is exploited. The Company continually monitors cyber-security risk and implements new processes, controls and technology to address risks as they are identified. Despite these efforts, there is still a risk a cyber-security incident could happen.

*Credit Risk* is the risk that issuers of investment securities, mortgagees on mortgage loans or other parties, including reinsurers, default on their contractual obligations or experience adverse changes that would

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affect the Company. The Company attempts to minimize the adverse impact of this risk by monitoring the portfolio diversification, the Company's exposure to impairment, collectability of the loans, and the credit quality of reinsurers.

*Banking Risk* is the risk associated with the Company's concentrations of credit risk of its cash deposits and checking account balances, and risk of institutional failure. The Company maintains its cash deposits and checking account balances in various bank accounts that, at times, may exceed federally insured limits. The Company's cash deposits and checking account balances have been placed with high credit quality financial institutions. The Company has not experienced, nor does it anticipate, any losses with respect to such accounts.

*Interest Rate Risk* is the risk that interest rates will change and impact the valuation of fixed maturity securities. A change in rates may cause certain interest sensitive products to become uncompetitive or may cause disintermediation. To the extent that liabilities come due more quickly than assets mature, an insurer would have to borrow funds or sell assets prior to maturity and potentially recognize a gain or loss.

*Equity Market Risk* is the risk of loss due to declines in the equity markets in which the Company participates. A decline in the stock market will affect the value of equity securities and the contract value of the Company's individual variable annuity contracts. Losses in the equity market could result in declines in assets under management thus affecting investment management fees revenue and may require the Company to accelerate the amortization of DAC. The Company attempts to minimize the adverse impact of equity market risk by monitoring the diversification of the Company's investment portfolio and through reinsurance arrangements with third parties.

*Inflation Risk* is the risk that inflation will undermine the performance of investments. Times of rising inflation will cause interest rates to increase and may impact the valuation of the Company's investments. The long-term nature of the Company's business allows for the Company to mature through periods of change. The Company has the ability to hold securities until maturity and has the ability to adjust product crediting rates allowing the Company to mitigate the potential of liabilities coming due more quickly than the assets mature. The Company is monitoring the responsive monetary policy actions taken or anticipated to be taken by central banks to curb inflation and the corresponding impact on market interest rates.

*Liquidity Risk* is the risk that the Company may not have the ability to sell certain investments to meet obligations of the Company. In order to properly manage the matching of assets and liabilities, the Company prepares periodic reports that allow it to establish response levels against its obligations. The Company manages short-term liquidity risk in the areas of Investment and Treasury, who together analyze, manage and seek to maintain sufficient cash and cash equivalents to respond to contingent or short-term obligations.

*Foreign Currency Risk* is the risk that the Company's consolidated financial statements could be adversely impacted by fluctuations in exchange rates as the accounts of the Company's foreign subsidiaries are translated into U.S. dollars. Additionally, the Company could be impacted by significant changes in global economic conditions. ASDV has investments denominated in national currency (CLP\$), as well as instruments denominated in UF subject to re-adjustability risk, and investment, in instruments denominated in U.S. dollars.

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*Investment Risk* – see Note 7 for additional risks specific to the investment portfolio.

**(5) Changes in Accumulated Other Comprehensive Income (Loss)**

The following table shows the changes in accumulated other comprehensive loss, net of taxes, by component for the years ended December 31:

	Foreign currency translation adjustment	Fair value option	Future policy benefits discount rate remeasurement gains (losses)	Future policy benefits and claims	Securities available- for-sale	Total
<b>Balance, December 31, 2023</b>	\$ (77,374)	—	—	(659)	(9,258)	(87,291)
Cumulative effect of adoption of new accounting standard, net of tax <sup>1</sup>	—	—	(51,305)	659	—	(50,646)
Other comprehensive income (loss) before reclassifications	(21,537)	(18,211)	1,082	—	(13,226)	(51,892)
Amounts reclassified from accumulated other comprehensive income	—	—	—	—	1,667	1,667
Change	<u>(21,537)</u>	<u>(18,211)</u>	<u>(50,223)</u>	<u>659</u>	<u>(11,559)</u>	<u>(100,871)</u>
<b>Balance, December 31, 2024</b>	\$ (98,911)	(18,211)	(50,223)	—	(20,817)	(188,162)
Other comprehensive income (loss) before reclassifications	31,454	46,302	(17,241)	—	42,822	103,337
Amounts reclassified from accumulated other comprehensive income	—	—	—	—	(2,602)	(2,602)
Change	<u>31,454</u>	<u>46,302</u>	<u>(17,241)</u>	<u>—</u>	<u>40,220</u>	<u>100,735</u>
<b>Balance, December 31, 2025</b>	\$ <u><u>(67,457)</u></u>	<u><u>28,091</u></u>	<u><u>(67,464)</u></u>	<u><u>—</u></u>	<u><u>19,403</u></u>	<u><u>(87,427)</u></u>

<sup>1</sup> Adoption of ASU 2018-12 Financial Services – Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts (“LDTI”)

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The following table shows the reclassifications out of accumulated other comprehensive income (loss), net of taxes, for the years ended December 31:

Details about accumulated other comprehensive income (loss) components	2025	2024	Consolidated statements of income location
<b>Unrealized gains/(losses) on securities available-for-sale:</b>			
	\$ 3,564	(2,284)	Realized gains (losses), excluding other-than-temporary impairment losses on securities
	(962)	617	Income tax current expense (benefit)
	<u>2,602</u>	<u>(1,667)</u>	Net income (loss)
Total reclassification for the year	<u>\$ 2,602</u>	<u>(1,667)</u>	Total net income (loss)

**(6) Fair Value Measurements**

Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods including market, income and cost approaches. The market approach utilizes prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses discounted cash flows to determine fair value. When applying either approach, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs reflect the assumptions market participants would use in valuing a financial instrument based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's estimates about the assumptions market participants would use in valuing financial assets and financial liabilities based on the best information available in circumstances.

The Company is required to categorize its assets and liabilities that are carried at estimated fair value on the Consolidated Balance Sheets into a three-level hierarchy based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure estimated fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

- **Level 1** – Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market at the measurement date. The types of assets and liabilities utilizing Level 1 valuations generally include cash and cash equivalents, money market funds, and actively traded equity securities.
- **Level 2** – Fair value is based on significant inputs, other than quoted prices included in Level 1, that are observable in active markets or that are derived principally from, or corroborated by, observable market data through correlation or other means for identical or similar assets and

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liabilities. The types of assets and liabilities utilizing Level 2 valuations generally include government agency securities, corporate debt, asset-backed securities, derivatives and short-term investments.

- **Level 3** – Fair value is based on unobservable inputs for the asset or liability for which there is little or no market activity at the measurement date. Unobservable inputs used in the valuation reflect management’s best estimate about the assumptions market participants would use to price the asset or liability. The types of assets and liabilities utilizing Level 3 valuations generally include certain mortgage-backed securities, certain corporate debt, other invested assets and the life insurance contracts acquired as part of the ZRV acquisition.

The following table presents the Company’s hierarchy for its financial assets and liabilities measured at estimated fair value on a recurring basis at December 31, 2025:

<b>Assets</b>	<u><b>Level 1</b></u>	<u><b>Level 2</b></u>	<u><b>Level 3</b></u>	<u><b>Total</b></u>
Investments:				
Securities available-for-sale:				
Fixed maturity securities:				
Treasury securities and				
obligations of government	\$ —	148,522	—	148,522
Corporate	—	2,049,760	—	2,049,760
Asset-backed	—	33,953	—	33,953
Equity securities	135,202	—	81	135,283
Other long-term investments:				
Derivative assets:				
Cross currency and forwards	—	2,902	—	2,902
Syndicated loans	—	—	3,224	3,224
Other invested assets	—	—	30,119	30,119
Short-term investments	26,560	17,964	—	44,524
Cash and cash equivalents	62,490	—	—	62,490
Reinsurance recoverable				
Group annuity	—	—	20,189	20,189
Total assets	<u>\$ 224,252</u>	<u>2,253,101</u>	<u>53,613</u>	<u>2,530,966</u>
<b>Liabilities</b>				
Future policy benefits and claims:				
Group annuity	\$ —	—	2,039,733	2,039,733
Total liabilities	<u>\$ —</u>	<u>—</u>	<u>2,039,733</u>	<u>2,039,733</u>

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The following table presents the Company's hierarchy for its financial assets and liabilities measured at estimated fair value on a recurring basis at December 31, 2024:

<b>Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investments:				
Securities available-for-sale:				
Fixed maturity securities:				
Treasury securities and obligations of government	\$ —	132,610	—	132,610
Corporate	—	1,615,102	—	1,615,102
Asset-backed	—	206,472	—	206,472
Equity securities	102,535	—	75	102,610
Other long-term investments:				
Derivative assets:				
Cross currency swaps	—	877	—	877
Syndicated loans	—	—	14,206	14,206
Other invested assets	—	—	28,203	28,203
Short-term investments	11,742	8,858	—	20,600
Cash and cash equivalents	114,929	—	—	114,929
Reinsurance recoverable				
Group annuity	—	—	19,026	19,026
<b>Total assets</b>	<b>\$ 229,206</b>	<b>1,963,919</b>	<b>61,510</b>	<b>2,254,635</b>
<b>Liabilities</b>				
Future policy benefits and claims:				
Group annuity	\$ —	—	1,927,437	1,927,437
Derivative liabilities				
Forwards	—	1,958	—	1,958
<b>Total liabilities</b>	<b>\$ —</b>	<b>1,958</b>	<b>1,927,437</b>	<b>1,929,395</b>

Determination of Fair Values

The valuation methodologies used to determine the estimated fair values of assets and liabilities under the exit price notion of FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, reflect market participant objectives and are based on the application of the fair value hierarchy that prioritizes observable market inputs over unobservable inputs. The Company determines the estimated fair values of certain financial assets and financial liabilities based on quoted market prices, where available. The Company also determines estimated fair value based on future cash flows discounted at the appropriate current market rate. Estimated fair values include adjustments for credit-related and liquidity issues of the underlying issuer of the investment.

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The Company has policies and guidelines that establish valuation methodologies and consistent application of such methodologies. These policies and guidelines provide controls around the valuation process. These controls include appropriate review and analysis of investment prices against market activity or price variances, secondary pricing sources, review of price source changes, and methodology changes.

The following is a discussion of the methodologies used to determine estimated fair values for the financial instruments listed in the above tables:

*Fixed maturity securities* - The estimated fair value of fixed maturity securities is generally obtained from independent pricing services based on market quotations of reported trades for identical or similar securities.

When there are no recent reported trades, the Company uses third party pricing services that use matrix or model processes to develop a security price using future cash flow expectations and collateral performance discounted at an estimated market rate. For the pricing of asset-backed and mortgage-backed securities, the models include estimates of future principal prepayments based on the characteristics of the underlying structure and prepayment speeds previously experienced at the interest rate levels projected for the underlying collateral. Since these securities have been priced using market observable inputs that are obtained by the independent pricing services, the Company has classified these fixed maturity securities as Level 2 assets.

Certain fixed maturity securities include corporate, government and banking bonds primarily denominated in UF and converted to the CLP\$ at each valuation date. Fixed maturity securities also include recognition bonds that were issued by the Pension Agencies of the Chilean government in the 1980's at the time that the Chilean pension system was changed from a defined benefit system to the current defined contribution system. These bonds are indexed and represent the government's stipulated pension funds possessed by the holder and mature when the holder reaches the Chilean government's defined retirement age.

Fixed maturities also include mortgage draft investment instruments issued primarily by Chilean banks denominated in UF. While Chilean securities law requires these instruments to be linked to an underlying mortgage loan funded by the issuer, their form is similar to a fixed maturity instrument. The issuer guarantees principal repayments on these mortgage drafts.

The estimated fair value of certain fixed maturity securities is based primarily on valuations obtained from the Comision para el Mercado Financiero ("CMF"), the local insurance regulator, which bases the estimated fair value on the average market values from the previous month. Since these securities have been priced using market observable inputs that are obtained by the independent pricing services, the Company has classified these fixed maturity securities as Level 2 assets.

For certain fixed maturity securities not priced by the independent pricing services (generally private placement securities and securities that do not trade regularly), the Company uses an internally developed pricing model or "internal pricing matrix." The internal pricing matrix is developed by obtaining spreads for corporate securities with varying weighted average lives and bond ratings. The weighted average life and bond rating of a particular fixed maturity security to be priced using the internal matrix are important inputs into the model and are used to determine a corresponding spread

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that is added to the appropriate rate of the Central Bank of Chile to create an estimated market yield for that bond. The estimated market yield and other relevant factors are then used to estimate the fair value of the particular fixed maturity security. Since these securities have been priced using market observable inputs that are obtained by the independent pricing services, the Company has classified these fixed maturity securities as Level 2 assets.

The estimated fair value of certain fixed maturity securities including corporate and government bonds, denominated in Peruvian soles, is based primarily on valuations based upon a price vector provided by the SBS. Future cash flows are discounted to the present using the market interest rate disclosed in the vector. Since these securities have been priced using market observable inputs that are obtained by the independent pricing service, the Company has classified these fixed maturity securities as Level 2 assets.

When there are no recent reported trades, the Company uses third party pricing services that may use matrix or model processes to develop a security price using future cash flow expectations and collateral performance discounted at an estimated market rate. For the pricing of asset-backed securities, the models include estimates of future principal prepayments based on the characteristics of the underlying structure and prepayment speeds previously experienced at the interest rate levels projected for the underlying collateral.

Since these fair values have been priced using market observable inputs that are obtained by the independent pricing services, the Company has classified these fair values within Level 2.

In some instances, the independent pricing service will price securities using independent broker quotations from market makers and other broker/dealers recognized to be market participants, which utilize inputs that may be difficult to corroborate with observable market data and may be non-binding quotes. These fixed maturity securities are classified as Level 3 assets.

For any fixed maturity securities which are not priced by independent third parties, the Company determines the estimated fair value using modeling techniques, primarily commercial software applications utilized for valuing security investments with variable cash flows. These fixed maturity securities are classified as Level 3 assets.

*Equity securities* - Equity securities are comprised of mutual funds which are available in the Chilean public investment market. The Company has classified these as Level 1 assets.

*Syndicated loans* - These loans represent a financing method in which two or more entities provide capital to one or more companies through a loan agreement. Due to the absence of an active secondary market for such financial instruments, the lack of a standardized methodology for establishing a suitable benchmark for each credit and timing of when these assets were acquired (as part of the acquisition discussed in Note 1), these loans are measured at amortized cost as the approximate fair value. Syndicated loans are classified as Level 3 assets.

*Other invested assets* – Other invested assets include investments in private limited partnerships and limited liability. The carrying amount reported in the consolidated financial statements for the Company's investment in limited partnerships is based on quarterly financial statements provided by the partnership. Limited partnership investments are classified as Level 3 assets.

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*Derivative instruments* – The Company enters into derivative transactions that do not meet the criteria for hedge accounting or have not been designated in hedging relationships by the Company pursuant to FASB ASC Topic 815, *Derivatives and Hedging*. The Company purchases cross currency swaps and currency forwards to hedge the cash flow risk associated with foreign-denominated bonds. The swap involves exchanging principal and fixed interest payments on a bond in one currency for principal and fixed interest payments on a similar loan in another currency. The parties to the swap exchange principal amounts at the beginning and the end of the swap. The two specified principal amounts are set to be approximately equal to one another given the exchange rate at the time the swap is initiated. Forward contracts involve locking a fixed exchange rate for a currency transaction in the future. The Company has classified the estimated fair values of the cross currency swaps and currency forwards as Level 2 assets.

*Short-term investments* - Short-term investments include fixed maturity securities that mature in less than one year and are valued in the same manner as the fixed maturity securities. Short-term investments are also bank deposits and money market funds that are classified as Level 1 assets since these investments are very liquid and not subject to valuation fluctuations.

*Cash and cash equivalents* - Cash is considered Level 1 as it is the most liquid form of an asset and not subject to valuation fluctuations.

*FVO Liabilities* – The Company has elected to account for the group annuity business acquired future policy benefits and claims at fair value. As a result, the liabilities are measured at fair value at each financial reporting date, with changes in fair value reported in policyholder benefits and claims except for the portion of the fair value change attributable to the change in nonperformance risk of the company, which is recorded as a separate component of accumulated other comprehensive loss. A risk neutral valuation approach adjusted for the nonperformance risk of the Company and a risk margin were used in the fair value determination for the liabilities.

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*Assets and Liabilities Measured at Fair Value on a Recurring Basis Using Significant Unobservable Inputs (Level 3)*

The following table summarizes the reconciliation of the beginning and ending balances and related changes in fair value measurements for which significant unobservable inputs were used in determining the estimated fair value for the years ended December 31:

	<u>Investments</u>	<u>Reinsurance recoverable</u>	<u>Other long-term investments</u>		<u>Total assets</u>
	<u>Equity securities</u>	<u>Group annuity reinsurance</u>	<u>Syndicated loans</u>	<u>Other invested assets</u>	
<b>Assets</b>					
<b>December 31, 2023</b>	\$ 84	—	—	—	84
Acquisition	—	19,962	14,720	28,038	62,720
Net Investments gains (losses):					
In earnings					
(realized and unrealized) <sup>1</sup>	(9)	(725)	137	(2)	(599)
Unrealized in OCI	—	(211)	(217)	167	(261)
Settlements	—	—	(434)	—	(434)
<b>December 31, 2024</b>	75	19,026	14,206	28,203	61,510
Net Investments gains (losses):					
In earnings					
(realized and unrealized) <sup>1</sup>	6	1,224	1,451	(18)	2,663
Unrealized in OCI	—	(61)	744	(655)	28
Purchases	—	—	—	12,207	12,207
Sales	—	—	—	(9,618)	(9,618)
Transfers	—	—	(12,611)	—	(12,611)
Settlements	—	—	(566)	—	(566)
<b>December 31, 2025</b>	\$ 81	20,189	3,224	30,119	53,613
Changes in unrealized gains (losses)					
Still held at December 31:					
2024	\$ —	(211)	(80)	30	(261)
2025	\$ —	(61)	744	(655)	28

<sup>1</sup> Unrealized investment gains and losses recorded in other comprehensive (loss) income include changes in market value and foreign currency translation of certain instruments.

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<b>Liabilities</b>	<u><b>Liabilities</b></u> <u><b>Fair value</b></u> <u><b>option liabilities</b></u>
<b>December 31, 2023</b>	\$ —
Acquisition	(2,019,541)
Net Investments gains (losses):	
In earnings	
(realized and unrealized) <sup>1</sup>	96,615
Unrealized in OCI	(4,511)
<b>December 31, 2024</b>	<u>(1,927,437)</u>
Net Investments gains (losses):	
In earnings	
(realized and unrealized) <sup>1</sup>	(78,069)
Unrealized in OCI	(34,227)
<b>December 31, 2025</b>	<u><u>\$ (2,039,733)</u></u>
Changes in unrealized gains (losses)	
Still held at December 31:	
2024	\$ <u>(4,511)</u>
2025	\$ <u>(34,227)</u>

<sup>1</sup> Unrealized investment gains and losses recorded in other comprehensive (loss) income include changes in market value and foreign currency translation of certain instruments.

During 2025 and 2024 there were no changes in fair value measurements for which significant unobservable inputs were used in determining the estimated fair value. The following tables present certain quantitative information about the significant unobservable inputs used in the fair value measurement for asset and liability classes measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as of December 31, 2025.

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	Assets/ liabilities measured at fair value	Valuation techniques(s)	Unobservable input description	Input/range of inputs	Weighted average	Impact of increase in input on fair value
<b>2025</b>						
<b>Assets</b>						
Other invested asset	30,119	Financial statements	Financial statements	N/A	N/A	N/A
Syndicated loans	3,224	Carrying value	Carrying value	N/A	N/A	N/A
Reinsurance recoverable: Group annuity reinsurance	20,189	Fair values are determined using the same unobservable inputs as insurance liabilities, at fair value				
<b>Liabilities</b>						
Group annuity acquired	2,039,733	Fair value of liabilities	Mortality rates			
			ages 0 - 40	0.51% - 0.40%	N/A	Increase
			ages 41 - 60	0.15% - 0.56%	N/A	Increase
			ages 61 - 115	0.60% - 100%	N/A	Increase
			Risk free benchmark			
			Risk-free rate	0.19% - 1.43%	N/A	Decrease
			Non-performance risk spread	2.69% - 2.97%	N/A	Decrease

*Asset Transfers Between Levels*

The Company reviews its fair value hierarchy classifications annually. Transfers into or out of Level 3 are primarily due to the availability of quoted market prices or changes in the Company's conclusion that pricing information received from a third party pricing service is not reflective of market activity. There were no transfers during 2025 or 2024.

*Fair Value Measurement on a Nonrecurring Basis*

The Company uses the same valuation methodologies for its fair value measurements on a nonrecurring basis. The Company reviews the real estate annually for other than temporary impairments. For real estate, the valuation techniques were primarily based on the estimated fair value of the underlying collateral. These values were determined using third-party appraisals. The Company did not impair any assets during the years ended December 31, 2025 and 2024.

*Financial Instruments Not Carried at Fair Value*

FASB ASC Topic 825, *Financial Instruments*, requires additional disclosure of the fair value information about existing on and off balance sheet financial instruments. ASC Topic 825 excludes certain assets and liabilities, including insurance contracts, other than policies such as annuities that are classified as investment contracts, from its disclosure requirements. The Company's assets and liabilities subject to ASC 825 disclosure that have not been presented at fair value in the ASC Topic 820 tables above are presented in the table below as follows:

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	Carrying value	Estimated fair value	Fair value hierarchy level		
			Level 1	Level 2	Level 3
<b>2025</b>					
Assets:					
Mortgage loans on real estate	\$ 426,014	427,763	—	421,894	5,869
Policy loans	4,461	4,461	—	—	4,461
Other long-term investments	360,981	366,450	—	366,450	—
Liabilities:					
Investment contracts	1,007,464	1,007,464	—	1,007,464	—
<b>2024</b>					
Assets:					
Mortgage loans on real estate	\$ 361,269	360,610	—	357,297	3,313
Policy loans	3,648	3,648	—	—	3,648
Other long-term investments	328,377	329,086	—	329,086	—
Liabilities:					
Investment contracts	691,901	703,622	—	703,622	—

In estimating the fair value of financial instruments, the Company used the following methods and assumptions:

*Mortgage loans on real estate* – The fair value of mortgage loans on real estate is estimated using discounted cash flow analyses, using interest rates currently being offered for similar loans to borrowers with similar credit ratings. Loans with similar characteristics are aggregated for purposes of the calculations. The Company has mortgage loans that are valued based on market observable quotes and are classified as Level 2. The Company also has mortgage loans that are valued using internally obtained credit ratings and are classified as Level 3 assets.

*Policy loans* – The fair value of policy loans is estimated using discounted cash flow calculations. The expected life of the loan is based on internal assumptions; therefore, the Company classifies these as Level 3 assets.

*Other long-term investments* – The fair value of other long-term investments is estimated using discounted cash flow analyses, using market observable interest rates currently being offered for similar loans to borrowers with similar credit ratings. The Company classifies these as Level 2 assets.

*Investment contracts* – The fair value of the Company’s liabilities under investment contracts is estimated using one of two methods. For investment contracts without defined maturities, fair value is the estimated amount payable on demand, net of certain surrender charges. For investment contracts with known or determined maturities, fair value is estimated using discounted cash flow analyses. Cash flows are discounted at a rate that reflects the nonperformance risk of the Company. The inputs are market observable; therefore, the Company classifies these as Level 2 liabilities.

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FASB ASC Topic 825, *Financial Instruments*, requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (i.e., securities or loans and receivables). The following table presents the Company’s financial assets and liabilities contained in Other long-term investments on the Consolidated Balance Sheets:

<b>Financial assets identified in other long-term investments</b>	<u>Carrying amount</u>		
	<u>2025</u>	<u>2024</u>	
Joint venture	\$ 21,355	21,055	Carrying value approximates fair value
Other	397,226	370,786	
Total other long-term investments	<u>\$ 418,581</u>	<u>391,841</u>	

<sup>1</sup> Items included in “Other” are not in the scope of ASU 2016-01, but are presented for reconciliation purposes to agree to the balance sheet caption. Included in this category are financing receivables and direct financing leases, which are measured in accordance with the methodology described in Note 3. For all remaining items in this classification, carrying value approximates fair value.

**(7) Investments**

*Investment Risks and Uncertainties*

Investments are exposed to various risks and uncertainties that affect the determination of estimated fair values, the ability to sell certain investments during strained market conditions, the recognition of impairments, and the recognition of income on certain investments. These risks and uncertainties include:

- the risk that the Company’s assessment of an issuer’s ability to meet all of its contractual obligations will change based on changes in the credit characteristics of that issuer;
- the risk that the economic outlook, including fluctuations in interest rates and inflationary pressures, will be worse than expected or have more of an impact on the issuer than anticipated;
- the risk that the Company obtains inaccurate information for the determination of the estimated fair value estimates and other-than-temporary impairments; and
- the risk that new information or changes in other facts and circumstances lead the Company to change its intent to hold the security to maturity or until it recovers in value.

Any of these situations are reasonably possible and could result in a charge to income in a future period.

The determination of impairments is highly subjective and is based upon periodic evaluations and assessments of known and inherent risks associated with each asset class. Such evaluations and assessments are revised as conditions change and new information becomes available.

The recognition of income on certain investments, including asset-backed and mortgage-backed securities, is dependent upon certain factors such as prepayments and defaults, and changes in factors could result in changes in amounts to be earned.

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*Fixed Maturity and Equity Securities*

*Fixed Maturity and Equity Securities by Sector*

The amortized cost and estimated fair value of available-for-sale securities for both fixed maturity and equity securities by sector as of December 31 is as follows:

		2025				
		Amortized cost	Gross unrealized gains	Gross unrealized losses	Allowance for credit losses	Estimated fair value
Securities available-for-sale:						
Fixed maturity securities:						
Treasury securities and obligations of government	\$	146,719	2,406	(603)	—	148,522
Corporate		2,031,694	46,015	(25,997)	(1,952)	2,049,760
Asset-backed		33,427	1,143	(617)	—	33,953
Total fixed maturity securities	\$	2,211,840	49,564	(27,217)	(1,952)	2,232,235

		2024				
		Amortized cost	Gross unrealized gains	Gross unrealized losses	Allowance for credit losses	Estimated fair value
Securities available-for-sale:						
Fixed maturity securities:						
Treasury securities and obligations of government	\$	133,959	580	(1,929)	—	132,610
Corporate		1,644,161	29,051	(56,459)	(1,651)	1,615,102
Asset-backed		211,167	339	(5,034)	—	206,472
Total fixed maturity securities	\$	1,989,287	29,970	(63,422)	(1,651)	1,954,184

The available-for-sale model requires the recording of an Allowance for Credit Loss instead of a reduction of the amortized cost. Any improvements in expected future cash flows will be reflected as a reduction of the allowance for credit loss.

*Maturities of Fixed Maturity Securities*

The amortized cost and estimated fair value of fixed maturity securities available-for-sale as of December 31, 2024, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without

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call or prepayment penalties. Asset-backed securities are classified based on the last payment date of the underlying collateral with the longest contractual duration as of December 31, 2025:

	<b>Fixed maturity securities</b>	
	<b>Available-for-Sale</b>	
	<b>Amortized cost</b>	<b>Estimated fair value</b>
Due in one year or less	\$ 4,524	4,561
Due after one year through five years	197,614	199,707
Due after five years through ten years	706,805	713,138
Due after ten years	1,302,897	1,314,829
Total	<u>\$ 2,211,840</u>	<u>2,232,235</u>

*Continuous Gross Unrealized Losses for Fixed Maturity Available-for-Sale Securities*

The following tables present the estimated fair value and gross unrealized loss of the Company's fixed maturity securities (aggregated by sector) in an unrealized loss position, aggregated by length of time the securities have been in a continuous unrealized loss position at December 31:

	<b>Less than 12 Months</b>		<b>12 Months or Longer</b>		<b>Total</b>	
	<b>Estimated fair value</b>	<b>Unrealized losses</b>	<b>Estimated fair value</b>	<b>Unrealized losses</b>	<b>Estimated fair value</b>	<b>Unrealized losses</b>
<b>2025</b>						
Treasury securities and obligations of government	\$ —	—	92,177	(685)	92,177	(685)
Corporate securities	15,836	(135)	722,561	(22,859)	738,397	(22,994)
Asset-backed	—	—	6,899	(617)	6,899	(617)
Total fixed maturity securities	<u>\$ 15,836</u>	<u>(135)</u>	<u>821,637</u>	<u>(24,161)</u>	<u>837,473</u>	<u>(24,296)</u>
<b>2024</b>						
Treasury securities and obligations of government	\$ 37,440	(266)	87,531	(1,663)	124,971	(1,929)
Corporate securities	16,750	(173)	1,146,893	(52,309)	1,163,643	(52,482)
Asset-backed	—	—	151,783	(5,034)	151,783	(5,034)
Total fixed maturity securities	<u>\$ 54,190</u>	<u>(439)</u>	<u>1,386,207</u>	<u>(59,006)</u>	<u>1,440,397</u>	<u>(59,445)</u>

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Concentrations related to fixed maturity securities in an unrealized loss position are included in the table below. The table summarizes the fixed maturity securities by sector in an unrealized loss position based on percentage of fair value compared to book value for less than and greater than twelve months as of December 31:

<u>Unrealized losses</u>	<u>Less than 12 months</u>	<u>More than 12 months</u>	<u>Total</u>	<u>Number of securities</u>
<b>2025</b>				
99.9%-80%				
Treasury securities and obligations of government	\$ —	(603)	(603)	11
Corporate	(11)	(21,864)	(21,875)	310
Asset-backed	—	(617)	(617)	19
Below 80%				
Treasury securities and obligations of government	—	—	—	—
Corporate	(124)	(3,998)	(4,122)	9
Total	<u>\$ (135)</u>	<u>(27,082)</u>	<u>(27,217)</u>	<u>349</u>
<b>2024</b>				
99.9%-80%				
Treasury securities and obligations of government	\$ —	(1,613)	(1,613)	34
Corporate	(170)	(50,294)	(50,464)	499
Asset-backed	—	(5,034)	(5,034)	92
Below 80%				
Treasury securities and obligations of government	(266)	(50)	(316)	9
Corporate	(521)	(5,474)	(5,995)	34
Total	<u>\$ (957)</u>	<u>(62,465)</u>	<u>(63,422)</u>	<u>668</u>

Allowance for credit loss

Beginning in 2023 and under ASC 326, the Company considers allowance for credit loss determined through the application of the probability of default model. Significant changes in the price of a security may indicate a potential credit loss. This screening process is effective in identifying securities that have experienced a credit loss or priced in a probability of loss that is more than insignificant. As a screening process, the Company will calculate an allowance for any securities which are 20% below amortized cost with a duration of one year or greater since fair value fell below amortized cost and 10% below amortized cost with a duration less than one year since fair value fell below amortized cost as of the reporting date.

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Allowance for credit losses on available-for-sale securities for the year ended December 31, 2025 and 2024:

	<u>Corporate</u>	<u>Total</u>
<b>Balance, December 31, 2023</b>	\$ 1,814	1,814
Net credit loss expense		
not previously recorded	—	—
Recoveries	<u>(163)</u>	<u>(163)</u>
<b>Balance, December 31, 2024</b>	1,651	1,651
Net credit loss expense		
not previously recorded	—	—
Recoveries	<u>301</u>	<u>301</u>
<b>Balance, December 31, 2025</b>	<u>\$ 1,952</u>	<u>1,952</u>

Current Year Evaluation

The Company has concluded that securities in an unrealized loss position as of December 31, 2025 and 2024 reflect temporary fluctuations in economic factors that are not indicative of credit losses due to the Company's ability and intent to hold the fixed maturity security investments until recovery of estimated fair value or amortized cost, and anticipation of a forecasted recovery in a reasonable period of time.

Total unrealized losses were impacted in the year ended December 31, 2025 and 2024 by decreasing yields and related spreads benchmarked by the Central Bank. Accordingly, no write-downs were deemed necessary for the securities reflected in the tables above.

Mortgage Loans

Mortgage Loans by Portfolio Segment

Mortgage loans consist of both commercial and residential mortgage loans in Chile and commercial mortgage loans in the United States. Mortgage loans are collateralized by the underlying properties. Collateral on mortgage loans must meet or exceed 125% of the loan at the time the loan is made. The carrying amounts of our mortgage loan portfolio as of December 31 were as follows:

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	<u>2025</u>	<u>2024</u>
Mortgage Loans		
Commerical mortgage loans - Foreign	\$ 88,791	72,292
Residential mortgage loans - Foreign	334,670	286,204
Commerical mortgage loans - Domestic	<u>5,860</u>	<u>3,451</u>
Total amortized cost	429,321	361,947
Valuation allowance	<u>3,307</u>	<u>678</u>
Net carrying value	<u>\$ 426,014</u>	<u>361,269</u>

The Company has elected to present the accrued interest receivable balance with the amortized cost of the finance receivables under Mortgage loans on real estate, net. Accrued interest receivable was \$1,579 and \$1,305 as of December 31, 2025 and 2024, respectively, relating to loans. For mortgage loan investments, the accrual of interest is not discontinued when the contractual payment of principal or interest has become 120 days past due. Write-off of accrued interest receivables are recognized by reversing interest income. The Company wrote off \$3 and \$2 of loan accrued interest receivables for the years ended December 31, 2025 and 2024, respectively.

Concentration of Credit Risk

The Company diversifies its mortgage loan portfolio by both geographic region and property type to reduce concentration risk. At December 31, 2025, one office loan with a carrying value of \$1,937 was located in the state of Ohio. At December 31, 2025, one industrial and one apartment building loan with a carrying value of \$1,423 and \$2,500, respectively were located in the state of Texas.

Commercial Mortgage Loans - Domestic

The Company performs an annual performance review of the domestic commercial mortgage loan portfolio and assigns a rating based on the property's LTV, age, mortgage debt service coverage ("DSC") and occupancy. This analysis helps identify loans that may experience difficulty. If a loan is not paying in accordance with contractual terms, it is placed on a watch list and monitored through inspections and contact with the property's local representative. In addition, as part of portfolio monitoring, the Company physically inspected nearly 100% of the properties in the portfolio. The LTV and DSC ratios are applied consistently across the entire commercial mortgage loan portfolio.

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The following table summarizes the amortized cost of the domestic commercial mortgage loan portfolio LTV ratios and DSC ratios using available data as of December 31. The ratios are updated as information becomes available.

LTV	DSC						Total
	Greater than 2.0x	1.8x to 2.0x	1.5x to 1.8x	1.2x to 1.5x	1.0x to 1.2x	Less than 1.0x	
<b>2025</b>							
0% - 50%	\$ —	—	—	—	—	—	—
50% - 60%	—	—	1,937	2,500	—	—	4,437
60% - 70%	—	—	—	—	—	—	—
70% - 80%	—	—	—	—	—	—	—
80% and greater	—	—	—	—	—	1,423	1,423
Total	\$ —	—	1,937	2,500	—	1,423	5,860
<b>2024</b>							
0% - 50%	\$ —	—	1,988	—	—	—	1,988
50% - 60%	—	—	—	—	—	—	—
60% - 70%	—	—	—	—	—	—	—
70% - 80%	—	—	—	—	—	—	—
80% and greater	—	—	—	—	1,463	—	1,463
Total	\$ —	—	1,988	—	1,463	—	3,451

LTV and DSC ratios are measures frequently used in commercial real estate to determine the quality of a mortgage loan and are the Company's primary quality indicators. The LTV ratio is a comparison between the current loan balance and the value assigned to the property and is expressed as a percentage. If the LTV is greater than 100%, this would indicate that the loan amount exceeds the value of the property. It is preferred that the LTV be less than 100%. The Company's corporate policy directs that the LTV on new mortgages not exceed 75% for standard mortgages.

The DSC ratio compares the property's net operating income to its mortgage debt service payments. If the debt service coverage ratio is less than 1.0x, this would indicate that the property is not generating enough income after expenses to cover the mortgage payment. Therefore, a higher debt service coverage ratio could indicate a better quality loan.

Unfunded Mortgage Loan Commitments

These commitments arise when the Company, based on review of a borrower's loan application, agrees to provide financing to a borrower. To estimate the loss, the Company manually forecasts the cash flows for these commitments, based on the committed loan terms, as they represent the contractual life that the Company will have credit exposure to the borrower. The forecasted cash flows have an estimate of expected credit loss calculated using the weighted average remaining maturity ("WARM") method. The resulting estimate is reduced by incorporating an estimate of the probability of commitments not funding, and recorded as a liability on the Consolidated Balance Sheets.

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Mortgage Loans - Foreign

ASDV considers performing mortgages to be those loans that are either current on payments or delinquent by four payments or less. Upon missing the fifth payment, ASDV considers these loans nonperforming. In accordance with the mortgage agreement, performing mortgages continue to record principal, interest and monetary correction. Monetary correction is defined as an economic adjustment to functional currency amounts arising from changes in inflation. The principal, interest and monetary correction values of those missed payments are 100% provisioned for. All loans classified as nonperforming are considered impaired.

Management continually monitors mortgages to determine their status. Mortgages that are nonperforming are required to have an appraisal every two years. Based on the appraised value, management determines if an adjustment to the carrying value is necessary. All loans classified as nonperforming have been placed on nonaccrual status.

The following table summarizes ASDV’s mortgage loan portfolio performing and nonperforming positions which was last updated as of December 31:

	<u>2025</u>	<u>2024</u>
Foreign mortgage loans		
Performing	\$ 369,468	341,373
Nonperforming	<u>53,993</u>	<u>17,123</u>
Total	<u>\$ 423,461</u>	<u>358,496</u>

Commercial Mortgage Loans - Foreign

ASDV currently holds a commercial mortgage portfolio with total amortized cost of \$88,791 and \$72,292 at December 31, 2025 and 2024, respectively. These loans are originated to borrowers primarily in Santiago, Chile. The borrowers are all commercial borrowers, and the loans are secured by collateral.

Management reviews a variety of factors, including the borrower’s Directorio de Información Comercial (“DICOM”) report (i.e., credit report) prior to originating these loans. At inception, the company will only select those DICOM reports with a metric of 999 (i.e., 1-999). A credit score closer to 999 demonstrates responsible credit behavior in the past.

As part of monitoring, ASDV generates a monthly delinquency report showing all payments which are 30, 60, 90, and 120 days past due. Management follows up with the correspondents (servicers) as necessary. If a loan is delinquent for two months consecutively a new DICOM is generated. While management may act sooner, generally loans are not written down and/or foreclosed upon until management has exhausted all other options to bring the loan current. The timing of the foreclosure and write-down are dependent on the facts and circumstances surrounding each loan.

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The following table summarizes the amortized cost of the mortgage loan portfolio LTV ratios and credit score using available data as of December 31. The ratios are updated as information becomes available.

<b>LTV</b>	<b>DICOM Credit Score</b>			
	<b>1 to 100</b>	<b>101 to 500</b>	<b>501 to 999</b>	<b>Total</b>
<b>2025</b>				
0% - 50%	\$ 2,638		3,678	6,316
50% - 60%	2,769		10,859	13,628
60% - 70%	2,122		37,716	39,838
70% - 80%	7,561	912	15,430	23,903
80% and greater	—	—	5,106	5,106
Total	<u>\$ 15,090</u>	<u>912</u>	<u>72,789</u>	<u>88,791</u>
<b>2024</b>				
0% - 50%	\$ 1,314	802	2,675	4,791
50% - 60%	2,800	—	5,156	7,956
60% - 70%	3,254	—	19,560	22,814
70% - 80%	12,742	—	23,989	36,731
Total	<u>\$ 20,110</u>	<u>802</u>	<u>51,380</u>	<u>72,292</u>

The company uses LTV and credit scores ratios in commercial real estate to determine the quality of a mortgage loan and these are the Company's primary quality indicators. The LTV ratio is a comparison between the current loan balance and the value assigned to the property and is expressed as a percentage. If the LTV is greater than 100%, this would indicate that the loan amount exceeds the value of the property. It is preferred that the LTV be less than 100%. The Company's corporate policy directs that the LTV on new mortgages not exceed 80% for standard mortgages. The credit scores range from 1 to 999 and it is obtained from the borrower's credit report.

*Residential Mortgage Loans - Foreign*

ASDV currently holds a portfolio of residential mortgages with total amortized cost of \$334,670 and \$286,204 at December 31, 2025 and 2024, respectively. The number of loans in the portfolio increased from 1,753 as of December 31, 2024, to 2,285 as of December 31, 2025. The loans are secured by residential property, primarily in Santiago, Chile. These loans are all fully amortizing over a period of generally 20 – 25 years. Underwriting requirements include that individuals have at least one to two years of job stability, and a loan-to-value (LTV) of no more than 80% at origination. Additionally, a borrower's loan payment cannot be greater than 25% of their monthly income. Management reviews a variety of factors, including the borrower's DICOM report (i.e., credit report) prior to originating these loans.

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Allowance for Loan Losses

The Company's allowance for expected credit loss represents the portion of the amortized cost basis on mortgage loans that the Company does not expect to collect primarily based on current delinquency status. The mortgage loans are individually evaluated for impairment once a mortgage goes past due.

A rollforward of the allowance for loan losses is as follows:

	<b>Allowance</b>
<b>Balance, December 31, 2023</b>	\$ 718
Provision (reversal) for expected credit losses	76
Charge-offs	(5)
Recoveries	(85)
Effect of exchange rates	(26)
	<b>Balance, December 31, 2024</b>
	678
Provision (reversal) for expected credit losses	2,953
Charge-offs	(19)
Recoveries	(372)
Effect of exchange rates	67
	<b>Balance, December 31, 2025</b>
	\$ 3,307

The Company has other financing receivables with contractual maturities of one year or less such as reinsurance recoverables and premiums receivables. The Company does not record an allowance for these items since the Company has not had any significant collection issues related to these types of receivables. The Company writes off the receivable if it is deemed to be uncollectible.

Mortgage Loan Aging

The table below depicts the loan portfolio exposure, net of allowance, of the remaining principal balances (which equal the Company's recorded investment) as of December 31:

	30-59 Days past due	60-89 Days past due	90 Days or more past due	Total past due	Current	Total	Recorded investment > 90 days and accruing	Non- accruing loans	Non- accruing loans with no allowance	Interest income on non- accruing loans
2025	\$ 61,980	3,056	16,369	81,405	344,609	426,014	113	—	—	—
2024	\$ 31,873	5,383	17,330	54,586	306,683	361,269	98	—	—	—

Performance, Impairment, and Foreclosures

At December 31, 2025 and 2024 there was one mortgage loan in the process of foreclosure. There was one mortgage loan write-down in 2025 and 2024. The Company generally initiates foreclosure proceedings on

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mortgage loans when delinquent five months. There was four foreclosures of residential mortgage loans during 2025 and one foreclosure during 2024.

Mortgages are placed on nonaccrual status once management believes the collection of accrued interest is doubtful. Once residential mortgages are classified as nonaccrual loans, interest income is recognized on a cash basis. The carrying value of mortgage loans on nonaccrual status as of December 31:

		<u>2024</u>	<u>2024</u>
Mortgage loans	\$	53,993	17,123
Total	\$	<u>53,993</u>	<u>17,123</u>

The recorded investment in and unpaid principal balance of impaired loans along with the related specific allowance for loan losses, if any, and the average recorded investment and interest income recognized during the time the loans were impaired as of December 31, were as follows:

		<u>Recorded investment</u>	<u>Unpaid principal balance</u>	<u>Related allowance</u>	<u>Average recorded investment</u>	<u>Interest income recognized</u>
<b>2025</b>	\$	<u>27,276</u>	<u>53,993</u>	<u>(3,284)</u>	<u>35,558</u>	<u>—</u>
<b>2024</b>	\$	<u>17,787</u>	<u>17,123</u>	<u>(664)</u>	<u>9,682</u>	<u>—</u>

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*Other Long-Term Investments*

The components of Other long-term investments were as follows as of December 31:

	<u>2025</u>	<u>2024</u>
Direct financing leases	\$ 32,979	36,145
Syndicated loans	3,224	14,206
Other invested assets	30,119	28,203
Derivative instruments	2,902	877
Joint venture	21,355	21,055
Chilean financing receivables	<u>333,472</u>	<u>292,064</u>
Subtotal	424,051	392,550
Allowance for credit losses	<u>(5,470)</u>	<u>(709)</u>
Total	<u>\$ 418,581</u>	<u>391,841</u>

The following table lists the components of the net investment in direct financing leases, net of allowances for credit losses as of December 31:

	<u>2025</u>	<u>2024</u>
Total minimum lease payments to be received	\$ 40,790	50,032
Less unearned income	<u>(13,281)</u>	<u>(14,596)</u>
Net investment in direct financing leases	<u>\$ 27,509</u>	<u>35,436</u>

The minimum lease payments did not include executory costs, allowance for uncollectibles, or the unguaranteed residual value of leased property for 2025 and 2024. Past favorable payment experience, a minimum required LTV ratio of 80% at lease inception as well as the Company's right to repossess the property after two missed payments have resulted in not holding an allowance for uncollectibles by the Company and no leases are on nonaccrual status. Credit quality is monitored based on past payment history.

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The table below depicts the direct financing leasing exposure of remaining principal balances (which equal the Company's recorded investment) by type as of December 31:

		<b>30-59 days past due</b>	<b>60-89 Days past due</b>	<b>90 days or more past due</b>	<b>Total past due</b>	<b>Current</b>	<b>Total</b>	<b>Recorded Investment &gt; 90 days and accruing</b>
<b>2025</b>	\$	8,294	—	—	8,294	19,215	27,509	—
<b>2024</b>	\$	6,027	—	—	6,027	29,409	35,436	—

Effective January 1, 2019, contracts that previously qualified for direct financing lease classification under FASB ASC Topic 840 no longer qualify for lease accounting under Topic 842 and are accounted for as financing receivables under Topic 310. The Company carried \$27,509 and \$35,436 in financing receivables as of December 31, 2025 and 2024, respectively.

Future undiscounted cash flows from direct financing leases as of December 31, 2025 are as follows:

	Cash Flow
2026	\$ 8,650
2027	3,343
2028	2,934
2029	2,864
2030	2,862
Thereafter	25,606
Total undiscounted lease payments	46,259
Less imputed interest	(13,281)
Lease receivable subtotal	32,978
Less allowance for credit losses	(5,469)
Lease receivable total	\$ 27,509

Joint Venture

In 2014, the Company acquired 50% ownership interest in a Brazilian life insurance company. The investment is accounted for using the equity method. The following table provides a rollforward of the Company's joint venture investment:

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<b>December 31, 2023</b>	\$ 21,047
Net income from investment	8
Capital contributed	<u>—</u>
<b>December 31, 2024</b>	21,055
Net income from investment	300
Capital contributed	<u>—</u>
<b>December 31, 2025</b>	<u><u>\$ 21,355</u></u>

*Variable Interest Entities (“VIE”)*

In the normal course of business, the Company invests in fixed maturity securities that could qualify as VIE. A VIE is a legal entity that lacks sufficient equity to finance their activities, or the equity investors of the entities as a group lack any of the characteristics of a controlling interest. The primary beneficiary of a VIE is generally the enterprise that has both the power to direct the activities most significant to the VIE, and is the enterprise that will absorb a majority of the fund’s expected losses or receive a majority of the fund’s expected residual returns.

The Company evaluates its interest in certain fixed maturity securities, corporate securities, and asset-backed securities to determine if the entities meet the definition of a VIE and whether the Company is the primary beneficiary and should consolidate the entity based upon the variable interests it held both at inception and where there is a change in circumstances that requires a reconsideration.

The Company has determined that it is not the primary beneficiary of these investments as the Company does not have the power to direct the activities that most significantly impact the entities’ performance. The Company’s maximum exposure to loss is limited to the carrying values of these securities. There are no liquidity arrangements, guarantees or other commitments by third parties that affect the fair value of the Company’s interest in these assets.

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*Net Investment Income*

Analysis of investment income by investment type follows for the year ended December 31:

	<u>2025</u>	<u>2024</u>
Gross investment income:		
Securities available-for-sale:		
Fixed maturity securities	\$ 144,965	69,657
Mortgage loans on real estate	16,856	9,429
Real estate	21,088	4,265
Policy loans	46	41
Short-term investments	2,911	2,845
Other long-term investments	31,019	5,283
Total gross investment income	216,885	91,520
Investment expenses	(15,627)	(3,885)
Net investment income	\$ <u>201,258</u>	<u>87,635</u>

*Net Realized Gains*

Analysis of net realized gains (losses) by investment type follows for the year ended December 31:

	<u>2025</u>	<u>2024</u>
Securities available-for-sale:		
Fixed maturity securities	\$ (608)	577
Equity securities, at fair value	727	(51)
Mortgage loans on real estate	(137)	(3)
Short-term investments	(509)	—
Real estate	906	1,006
Other long-term investments	576	(5)
Total realized gains on investments	955	1,524
Change in allowance	(7,026)	84
Net realized (losses) gains on investments	\$ <u>(6,071)</u>	<u>1,608</u>

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*Sales of Fixed Maturity Securities, Available-for-Sale*

The following table summarizes fixed maturity securities available-for-sale activity:

	<u>2025</u>	<u>2024</u>
Proceeds	\$ <u>61,288</u>	<u>78,743</u>
Gross realized gains	\$ <u>445</u>	<u>1,008</u>
Gross realized losses	\$ <u>(1,053)</u>	<u>(431)</u>

*Net Unrealized Gains on Available-for-Sale Securities*

An analysis by investment type of the change in unrealized gains, before taxes, on securities available-for-sale is as follows for the year ended December 31:

	<u>2025</u>	<u>2024</u>
Securities available-for-sale:		
Fixed maturity securities	\$ <u>55,799</u>	<u>(17,882)</u>
Change in net unrealized gains (losses)	\$ <u>55,799</u>	<u>(17,882)</u>

The components of net unrealized gains (losses) on securities available-for-sale in accumulated other comprehensive income arising during the period were as follows as of December 31:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Net unrealized gains, before adjustments and taxes:			
Securities available for sale	\$ 22,347	(33,452)	55,799
Deferred federal and foreign income tax provision	<u>(2,943)</u>	<u>12,636</u>	<u>(15,579)</u>
Net unrealized gains (losses)	<u>\$ 19,404</u>	<u>(20,816)</u>	<u>40,220</u>
	<u>2024</u>	<u>2023</u>	<u>Change</u>
Net unrealized gains, before adjustments and taxes:			
Securities available for sale	\$ (33,452)	(15,570)	(17,882)
Deferred federal and foreign income tax provision	<u>12,636</u>	<u>6,313</u>	<u>6,323</u>
Net unrealized gains (losses)	<u>\$ (20,816)</u>	<u>(9,257)</u>	<u>(11,559)</u>

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**(8) Derivative Financial Instruments**

The Company enters into cross currency swap and forward agreements, which do not qualify for hedge accounting as a cash flow hedge. The swap involves exchanging principal and fixed interest payments on a bond in one currency for principal and fixed interest payments on a similar loan in another currency. The parties to the swap exchange principal amounts at the beginning and the end of the swap. The two specified principal amounts are set to be approximately equal to one another given the exchange rate at the time the swap is initiated. ASDV held five and six cross currency swaps as of December 31, 2025 and 2024, respectively, to convert the cash flows from U.S. and Euro denominated bonds into UF denominated cash flows. Additionally, as of December 31, 2025 and 2024, the Company held four and three forward contracts, respectively, to convert cash flows from U.S. dollars- and Euro- denominated bonds into UF-denominated cash flows. Since this does not meet the definition of a hedge, it is treated as a derivative with no hedging designation under ASC 815, with the gain or loss on the derivative instrument recognized in earnings.

The detail, for the asset and liability positions of the swaps and forwards as of December 31, is presented in the tables below as follows:

**Swap positions**

<u>Entered Date</u>	<u>Maturity Date</u>	<u>Currency</u>	<u>Bond Value (USD)</u>	<u>Currency Issuance Rate %</u>	<u>UF Issuance Rate %</u>	<u>Fair Value of the Assets (USD)</u>	<u>Fair Value of the Liability (USD)</u>	<u>* Swap Position (USD)</u>
<b>2025</b>								
1/10/2019	2/26/2029	EURO	4,300	4.750	4.500	6,052	5,652	\$ 400
7/25/2018	2/21/2028	EURO	12,000	4.875	5.450	16,448	15,520	928
7/9/2019	4/24/2035	USD	2,000	6.375	3.580	1,768	1,698	70
8/7/2019	6/15/2035	USD	2,000	6.625	3.250	2,574	2,458	116
8/28/2019	3/30/2038	USD	1,000	6.375	3.180	837	781	56
								<u>\$ 1,570</u>

\* Positive value signifies the derivative is in an asset position

**2024**

***	4/6/2016	8/1/2026	USD	5,500	3.880	4.75	5,804	5,652	\$ 152
	4/3/2018	2/21/2028	EURO	12,000	5.450	4.88	14,989	14,178	811
	1/10/2019	2/26/2029	EURO	4,300	4.500	4.75	5,470	5,177	293
	7/9/2019	4/24/2035	USD	2,000	6.375	3.58	1,619	1,761	(142)
	8/7/2019	6/15/2035	USD	2,000	6.625	3.25	2,255	2,445	(190)
	8/28/2019	3/30/2038	USD	1,000	6.375	3.18	782	829	(47)
									<u>\$ 877</u>

\* Positive value signifies the derivative is in an asset position

\*\*\* These derivatives were settled in 2025

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**Forward positions**

<u>Entered Date</u>	<u>Maturity Date</u>	<u>Currency</u>	<u>Bond Value (USD)</u>	<u>Currency Issuance Rate %</u>	<u>UF Issuance Rate %</u>	<u>Fair Value of the Assets (USD)</u>	<u>Fair Value of the Liability (USD)</u>	<u>* Forward Position (USD)</u>
<b>2025</b>								
** 10/22/2025	1/20/2026	USD	24,700	946.49	903.93	25,766	24,615	\$ 1,151
** 12/22/2025	3/23/2026	USD	33,375	896.58	896.35	32,987	32,978	9
** 12/22/2025	3/23/2026	EURO	1,550	1,057.56	1,057.63	1,807	1,807	—
** 12/17/2025	3/31/2026	PEN	22,500	903.29	896.38	22,405	22,233	172
								<u>\$ 1,332</u>

\* Positive value signifies the derivative is in an asset position

\*\* These derivatives were acquired in 2025

**2024**

*** 10/23/2024	1/17/2025	USD	22,963	952.04	996.46	21,983	23,018	\$ (1,035)
*** 10/23/2024	1/17/2025	EURO	264	1,028.00	1,035.28	273	275	(2)
*** 10/23/2024	1/17/2025	USD	20,392	951.95	996.46	19,520	20,441	(921)
								<u>\$ (1,958)</u>

\* Positive value signifies the swap is in an asset position

\*\*\* These derivatives were settled in 2025

The following tables present a summary of the estimated fair value of derivatives held by the Company along with the amounts recognized on the Consolidated Balance Sheets:

<u>Derivatives not designated as hedging instruments under ASC 815</u>	<u>Balance sheet location</u>	<u>2025</u>		<u>2024</u>	
		<u>2025 Fair value</u>	<u>Notional Amount</u>	<u>2024 Fair value</u>	<u>Notional Amount</u>
<b>Asset derivatives:</b>					
Cross currency swaps	Other long-term investments	1,570	21,300	877	26,800
FX forwards	Other long-term investments	1,332	82,125	—	—
		<u>\$ 2,902</u>	<u>103,425</u>	<u>877</u>	<u>26,800</u>
<b>Liability derivatives:</b>					
FX forwards	Other liabilities	—	—	1,958	43,619
		<u>\$ —</u>	<u>—</u>	<u>1,958</u>	<u>43,619</u>

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**(9) Deferred Policy Acquisition Costs and Unearned Revenue**

The transition adjustments relate to deferred policy acquisition costs (“DAC”) and unearned revenue (“UREV”) were as follows at the Transition Date:

	<b>Whole Life</b>	<b>Term Life</b>	<b>Universal Life</b>	<b>Total</b>
<b>Deferred Acquisition Costs</b>				
Balance at December 31, 2023	\$ 479	1,402	8,479	10,360
Balance at January 1, 2024	\$ 479	1,402	8,479	10,360
<b>Unearned Revenue</b>				
Balance at December 31, 2023	\$ —	—	6,559	6,559
Balance at January 1, 2024	\$ —	—	6,559	6,559

The following table provides information regarding the Company’s DAC and reconciles the totals to those reported in the balance sheet:

	<b>Whole Life</b>	<b>Term Life</b>	<b>Universal Life</b>	<b>Annuities</b>	<b>Other</b>	<b>Total</b>
<b>Deferred Acquisition Costs</b>						
Balance at Jan 1, 2024	\$ 479	1,402	8,479	—	—	10,360
Acquisition costs deferred	341	641	2,120	319	38	3,459
Amortization	(198)	(367)	(1,035)	(1)	(73)	(1,674)
Effect of foreign currency translation	(54)	(137)	(810)	(3)	35	(969)
Balance at December 31, 2024	568	1,539	8,754	315	—	11,176
Acquisition costs deferred	292	598	2,272	1,272	(81)	4,353
Amortization	(153)	(241)	(1,285)	(60)	71	(1,668)
Effect of foreign currency translation	51	121	707	35	10	924
Balance at December 31, 2025	\$ 758	2,017	10,448	1,562	—	14,785
<b>Total:</b>						
Balance at December 31, 2024						\$ 11,176
Balance at December 31, 2025						\$ 14,785

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**(10) Future Policy Benefits**

The Company establishes liabilities for amounts payable under insurance policies. These liabilities are comprised of traditional life products, annuity contracts and associated DPLs and short-duration contracts.

*LDTI Transition*

The LDTI transition adjustments related to traditional long-duration insurance contracts, and DPLs as well as the associated ceded recoverables, were as follows at the Transition Date:

	<u>Traditional Life</u>	<u>Annuities</u>	<u>Other Reclassification</u>	<u>Total</u>
Balance, future policy benefits, at December 31, 2023	\$ 7,998	745,265	—	753,263
Removal of other long-duration liabilities for separate presentation	(578)	(2,078)	(464)	(3,120)
Removal of related amounts in AOCI	—	(904)	464	(440)
Adjustment of future policy benefits to remeasure cohorts where net premiums exceed gross premiums under the modified retrospective approach	—	—	—	—
Effect of remeasurement of future policy benefits to an upper-medium grade discount rate	31	69,780	—	69,811
Balance at January 1, 2024	<u>\$ 7,451</u>	<u>812,063</u>	<u>—</u>	<u>819,514</u>
Deferred profit liabilities at January 1, 2024	<u>\$ 578</u>	<u>2,078</u>	<u>—</u>	<u>2,656</u>
Balance, ceded recoverables at December 31, 2023	\$ 111	—	—	111
Adjustments for the cumulative effect of adoption on ceded recoverables				
Effect of remeasurement of the ceded recoverable to an upper-medium grade discount rate				
Balance ceded recoverables at January 1, 2024	<u>\$ 111</u>	<u>—</u>	<u>—</u>	<u>111</u>

The following table summarize disaggregated amounts included in future policy benefits and reconcile the totals to those reported in the balance sheet.

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
<b>Future policy benefits - Traditional long-duration insurance contracts:</b>		
Annuities	\$ 1,005,489	757,802
Traditional Life	8,727	7,721
<b>Deferred Profit Liabilities:</b>		
Annuities	1,975	1,385
Traditional Life	486	536
<b>Short Duration Liabilities and Non-LDTI traditional Life</b>		
SIS reserves <sup>(1)</sup>	39,950	56,821
Non LDTI Traditional life <sup>(2)</sup>	785	2,633
<b>Total Future policy benefits</b>	<u>\$ 1,057,412</u>	<u>826,898</u>

<sup>(1)</sup> SIS reserves or short duration contracts are not in scope for LDTI disclosure requirement.

<sup>(2)</sup> Legacy traditional life products, which are excluded from LDTI due to their immaterial balances.

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***Traditional Life and Annuities***

The following information about the direct and assumed liability for future policy benefits includes disaggregated rollforwards of expected future net premiums and expected future benefits.

	Traditional Life		Annuities	
	2025	2024	2025	2024
<b>Present Value of Expected Net Premiums</b>				
<b>Balance, beginning of year</b>	\$ 6,295	5,327	—	—
Effect of changes in discount rate assumptions	108	172	—	—
<b>Beginning balance at original discount rate</b>	6,403	5,499	—	—
Effect of changes in cash flow assumptions	(1,188)	—	—	—
Effect of actual variances from expected experience	(991)	(539)	—	—
Balance adjusted for variances from expectation	4,224	4,960	—	—
Issuances	2,398	2,675	173,857	30,607
Interest accrual	468	494	7,674	2,107
Net premiums collected	(1,336)	(1,253)	(181,531)	(32,714)
Ending Balance at original discount rate	5,754	6,876	—	—
Effect of changes in discount rate assumptions	131	(108)	—	—
Effect of foreign currency translation	492	(473)	—	—
<b>Balance, end of year</b>	<u>\$ 6,377</u>	<u>6,295</u>	<u>—</u>	<u>—</u>
<b>Present Value of Expected Future Policy Benefits</b>				
<b>Balance, beginning of year</b>	\$ 14,016	12,778	757,802	812,063
Effect of changes in discount rate assumptions	(45)	142	(68,629)	(69,781)
<b>Beginning balance at original discount rate</b>	13,971	12,920	689,173	742,282
Effect of changes in cash flow assumptions	(1,850)	—	—	(12,149)
Effect of actual variances from expected experience	(717)	(190)	4,524	15,006
Balance adjusted for variances from expectation	11,404	12,730	693,697	745,139
Issuances	2,398	2,676	175,440	33,429
Interest accrual	985	1,027	67,330	60,930
Benefits payments	(1,421)	(1,244)	(84,924)	(69,600)
Ending Balance at original discount rate	13,366	15,189	851,543	769,898
Effect of changes in discount rate assumptions	645	45	91,839	68,629
Effect of foreign currency translation	1,093	(1,218)	62,107	(80,725)
<b>Balance, end of year</b>	<u>\$ 15,104</u>	<u>14,016</u>	<u>1,005,489</u>	<u>757,802</u>
<b>Floored position of reserves for future policy benefits</b>				
Net liability for future policy benefits	\$ 8,727	7,721	1,005,489	757,802
Less: Reinsurance recoverable	(363)	(249)	—	—
<b>Net liability for future policy benefits, after reinsurance recoverable</b>	<u>8,364</u>	<u>7,472</u>	<u>1,005,489</u>	<u>757,802</u>

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The following table presents the weighted-average durations (in years) for the liability for future policy benefits and additional insurance liabilities, along with the undiscounted and discounted gross premiums, expected future benefits, and the weighted-average interest rates used for the liability for future policy benefits:

	ASDV - Traditional Life		ASDP - Traditional Life		ASDV - Annuities	
	2025	2024	2025	2024	2025	2024
Weighted-average duration of liability for future policyholder benefits (years)	22.38	16.25	10.00	11.60	8.97	8.39
Discounted expected future benefit payments	262	290	3,694	2,992	23,061	19,570
Undiscounted expected future benefit payments	346	392	5,281	4,010	30,062	25,713
Discounted expected future gross premiums	337	417	5,435	4,381	—	—
Undiscounted expected future gross premiums	382	400	6,846	5,697	—	—
Weighted-average interest accretion rate	3.48%	3.42%	4.74%	4.30%	4.03%	4.30%
Weighted average current discount rate at balance sheet date	2.80%	3.07%	5.02%	5.88%	2.78%	2.97%

For additional information regarding observable market information and the techniques used to determine the interest rate assumptions seen above, see Note 1.

*Traditional Life:*

For our Traditional Life cohorts, the following factors influenced the future policy benefit reserve for the years ended December 31, 2025, and 2024:

- The Company recognized a decrease in the liabilities for future policy benefits as a result of updates to actuarial assumptions. This net impact was primarily due to the changes for mortality and lapses assumptions in 2025. The assumptions utilized in calculating 2024 reserves were the same utilized in the calculation of the reserve at transition. As such, no impact due to assumption changes was recognized in 2024.
- The Company recognized a decrease in the liabilities for future policy benefits as a result of differences of actual experience compared to expected. This net impact was primarily due to the actual experience related to mortality and lapses in traditional life policies varying significantly from the expected experience.

No capping or flooring adjustments were required for either 2025 or 2024.

*Annuities:*

For our Annuities cohorts, the following factors influenced the future policy benefit reserve for the year ended December 31, 2025 and 2024:

- For the year ended December 31, 2025, the Company did not recognize an impact to the future policy benefit reserve as a result of updates to actuarial assumptions. For the year ended December 31, 2024, the Company recognized a decrease in the liabilities for future policy benefits as a result of updates to actuarial assumptions. This net impact was primarily due to the changes in mortality and lapses assumptions.

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- For the years ended December 31, 2025, and 2024 The Company recognized an increase in the liabilities for future policy benefits as a result of differences of actual experience compared to expected. This net impact was primarily due to the actual experience related to mortality and lapses on annuity policies varying significantly from the expected experience.

No capping or flooring adjustments were required for either 2025 or 2024.

***Gross Premiums or Assessments and Interest Expense***

The Company's gross premiums or assessments and interest expense recognized in the statements of operations and comprehensive income (less) for long-duration contracts, excluding legacy traditional life product omitted from LDTI due to immaterial balance, were as follows:

	<b>Gross Premiums or Assessments</b>		<b>Interest Accretion</b>	
	<b>For the year ended December 31,</b>			
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Traditional Life	\$ 1,414	104	43	26
Annuities	5,023	836	787	745
Universal Life	2,740	19,015	201	194
Renta Particular	309	—	10	—
<b>Total</b>	<b>\$ 9,486</b>	<b>19,955</b>	<b>1,041</b>	<b>965</b>

Gross premiums are related to traditional and limited-payment contracts and are included within premiums. Assessments are related to additional insurance liabilities and are included in net investment income.

**(11) Fair Value Option Reserves**

The Company has elected FVO to value the liabilities of the ZRV acquired insurance contracts. As a result, the liabilities are measured at fair value at each financial reporting date reported within "Fair Value Option Reserve."

The Company calculates the fair value of future policy benefits using discounted cash flow models. The fair values of these liabilities are calculated as the present value of future expected benefit payments to customers minus the present value of projected future premiums. The fair value is based on the in-force business and calculated using actuarial and capital market assumptions.

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**(12) Policyholder Account Balances**

The Company reclassified \$52,015 of FPBs to PABs at the Transition Date for Liabilities for investment products including universal life and APV.

The Company's Policyholder Account Balances on the Balance Sheets were as follows:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
<b>Policyholder account balances</b>		
<b>Life Products:</b>		
Universal Life	\$ 63,079	54,950
Renta Particular	348	—
<b>Total</b>	<u>\$ 63,427</u>	<u>54,950</u>

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The following tables provide the balances of and changes in the Company's liability for its policyholder account balances for the years ended December 31, 2025 and 2024:

	<u>Life</u> <u>Products</u>	<u>Deposit</u> <u>Products</u>
	<u>Universal</u>	<u>Renta</u>
	<u>Life</u>	<u>Particular</u>
<b>For the Year Ended December 31, 2025</b>		
Balance, January 1, 2025	\$ 54,950	—
Issuances	4,761	—
Premiums received	15,672	339
Policy charges	(5,957)	—
Surrenders and withdrawals	(13,360)	—
Benefit payments	(3,431)	(4)
Net transfers from (to) separate account	—	—
Interest credited	5,783	4
Other	4,661	9
<b>Balance, December 31, 2025</b>	<b>\$ <u>63,079</u></b>	<b><u>348</u></b>
<b>For the Year Ended December 31, 2024</b>		
Balance, January 1, 2024	\$ 52,015	—
Issuances	6,402	—
Premiums received	12,240	—
Policy charges	(5,487)	—
Surrenders and withdrawals	(10,818)	—
Benefit payments	(18)	—
Net transfers from (to) separate account	—	—
Interest credited	6,029	—
Other	(5,413)	—
<b>Balance, December 31, 2024</b>	<b>\$ <u>54,950</u></b>	<b><u>—</u></b>

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The following table presents the weighted-average credit rating, net amount risk and cash surrender for Policyholder Account Balances:

	<u>ASDV - Universal Life</u>		<u>ASDP - Universal Life</u>		<u>ASDP - Deposit</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Weighted-average crediting rate	2.67%	2.87%	3.52%	5.78%	3.51%	—
Net amount at risk	10,222	10,754	194,240	4	165,045	—
Cash surrender value	1,328	1,329	2,259	—	1,492	—

The net amount at risk is defined as the current death benefit in excess of the current account balance at the balance sheet date. It represents the amount of the claim that the Company would incur if death claims were filed on all contracts at the balance sheet date.

In “ASDV”, there are no guaranteed minimum crediting rates being credited to policyholders and the respective guaranteed minimums. Crediting rates are based on the results of the underlying funds.

In “ASDP”, the balance of account values by range of guaranteed minimum crediting rates and the related range of difference, in basis points (“bps”), between rates being credited to policyholders and the respective guaranteed minimums are as follows:

Range of Guaranteed Minimum Crediting Rate	<u>December 31, 2025</u>	
	<u>At Guaranteed Minimum</u>	<u>Greater Than 150 Basis Points Above</u>
<b>Universal Life</b>		
0.00%–1.50%	—	—
1.51%–2.50%	—	—
Greater than 2.50%	4,456	—
<b>Total</b>	<b>\$ 4,456</b>	<b>—</b>

Range of Guaranteed Minimum Crediting Rate	<u>December 31, 2024</u>	
	<u>At Guaranteed Minimum</u>	<u>Greater Than 150 Basis Points Above</u>
<b>Universal Life</b>		
0.00%–1.50%	—	—
1.51%–2.50%	—	—
Greater than 2.50%	3,085	—
<b>Total</b>	<b>\$ 3,085</b>	<b>—</b>

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**(13) Other Policy-Related Balances**

Other policy-related balances include policy and contract claims, premiums received in advance, and unearned revenue (“UREV”) liabilities. The liability for policy and contract claims generally relates to incurred but not reported (“IBNR”) death and disability claims. In addition, generally included in other policy-related balances are claims which have been reported but not yet settled. The liability for these claims is based on the Company’s estimated ultimate cost of settling all claims. The Company derives estimates for the development of IBNR claims principally from analyses of historical patterns of claims by business line. The methods used to determine these estimates are continually reviewed.

The following table summarizes other policy-related balances as December 31:

	<u>2025</u>	<u>2024</u>
SIS claims and IBNR	\$ 23,014	50,958
SIS others	866	2,638
Other short duration IBNR	356	580
Unearned Revenue	8,005	6,462
Other reserves	<u>6,626</u>	<u>4,272</u>
Total reserves	<u>\$ 38,867</u>	<u>64,910</u>

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**(14) Short Duration Contracts**

The following table provides an analysis of the activity in the liability for unpaid claims and claim adjustment expenses at December 31, net of reinsurance:

	<u>2025</u>	<u>2024</u>
Claim reserves, beginning of year	\$ 110,997	104,717
Less reinsurance recoverables	<u>(9,174)</u>	<u>(18,984)</u>
Net claim reserves, beginning of year	<u>101,823</u>	<u>85,733</u>
Incurred related to:		
Current year	2,731	33,013
Prior years	<u>(24,720)</u>	<u>29,296</u>
Total incurred	<u>(21,989)</u>	<u>62,309</u>
Claims paid related to:		
Current year	(19,769)	(21,883)
Prior years	<u>(9,154)</u>	<u>(20,064)</u>
Total claims paid	<u>(28,923)</u>	<u>(41,947)</u>
Effect of exchange rates	<u>6,104</u>	<u>(4,273)</u>
Net claim reserves, end of year	57,015	101,822
Plus reinsurance recoverables	<u>7,171</u>	<u>9,175</u>
Claims reserves, end of year	<u>\$ 64,186</u>	<u>110,997</u>

*Short Duration Reconciliation*

The liabilities associated with short duration contracts are reported within Future Policy Benefits and Other Policy Related Balances as follows:

	<u>2025</u>	<u>2024</u>
SIS reserves in future policy benefits	\$ 39,950	56,821
SIS claims and IBNR	23,014	50,958
SIS others	866	2,638
Other short duration IBNR	<u>356</u>	<u>580</u>
	<u>\$ 64,186</u>	<u>110,997</u>

Management believes that the liability for unpaid claims is adequate to cover the ultimate development of claims. The liability is regularly reviewed and revised to reflect current conditions and claims trends and any resulting adjustments are reflected in operating results in the year they are made.

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(Dollars in thousands)

The following is information about the total of incurred and claims development and incurred but not reported (“IBNR”) liabilities for ASDP as of December 31:

ASDP - SIS

Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance											As of December 31, 2025	
For the Years Ended December 31											Total of IBNR Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
Accident Year	Unaudited											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
2016	30,064	32,169	32,072	33,121	32,933	30,425	31,619	32,286	31,508	35,226	233	1,235
2017		38,332	13,145	12,336	10,890	9,694	9,885	10,164	10,016	11,210	-	1,511
2018			68,700	69,865	64,498	59,704	62,473	64,649	63,331	70,687	850	1,813
2019				53,152	18,970	16,062	15,539	15,978	15,745	17,622	-	2,157
2020					92,168	94,696	96,299	98,696	97,098	108,597	3,549	3,078
2021						1,627	911	937	923	1,033	-	4,217
2022							1,134	1,245	5,201	5,835	2,878	4,596
2023								35,863	33,592	36,536	5,431	5,079
2024									52,634	55,348	15,495	5,690
									Total	\$ 342,094	\$ 28,436	

  

Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										
For the Years Ended December 31										
Unaudited										
Accident Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
2016	14,422	24,991	27,919	30,497	29,120	27,596	29,796	31,342	31,156	34,993
2017		11,634	11,169	11,376	10,411	9,456	9,885	10,164	10,016	11,210
2018			30,615	54,455	55,628	54,115	58,310	61,795	61,867	69,837
2019				17,883	16,367	14,864	15,539	15,978	15,745	17,622
2020					35,537	68,229	83,321	90,607	92,130	105,048
2021						872	911	937	923	1,033
2022							656	928	1,450	2,957
2023								13,174	24,773	31,105
2024									19,537	39,853
									Total	\$ 313,658
										344
										\$ 28,780

\* The coverage provided under SIS contracts was effective only until the end of 2024.

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The following is information about the total of incurred and claims development and incurred but not reported (“IBNR”) liabilities for ASDV as of December 31:

ASDV - SIS

Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance											As of December 31, 2025	
For the Years Ended December 31											Total of IBNR Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
Unaudited												
Accident Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
2016	20,892	8,069	17,378	16,371	18,331	16,422	18,358	18,693	17,407	19,604	-	-
2017		65,713	54,320	49,751	50,758	38,359	41,633	42,334	39,402	44,380	63	-
2018			40,519	35,282	64,688	49,079	49,220	44,906	39,289	43,729	241	13,746
2019				58,468	50,259	44,775	51,276	52,506	48,996	55,207	-	17,026
2020					48,114	35,263	58,718	59,720	53,106	58,551	372	12,411
2021						45,992	29,053	30,106	28,110	31,665	-	7,027
2022							3,012	7,005	7,055	7,990	-	4,218
2023								1,814	3,821	4,850	-	5,746
2024									414	995	-	5,044
2025										8	-	4,617
									Total \$	266,979	\$	676 (*)

(\*) The DIS does not provide the cumulative number of claims broken down by Accident Year.

Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance											
For the Years Ended December 31											
Unaudited											
Accident Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
2016	20,080	31,769	32,812	31,465	-	-	-	-	-	-	
2017	7,055	7,766	17,378	16,371	18,331	16,422	18,358	18,693	17,407	19,604	
2018		39,606	38,673	36,546	41,267	36,826	41,479	42,249	39,351	44,317	
2019			24,538	34,974	39,913	35,939	40,645	41,452	38,608	43,488	
2020				28,537	50,259	44,775	51,276	52,506	48,996	55,207	
2021					30,578	29,368	53,558	55,204	51,618	58,179	
2022						45,992	29,053	30,106	28,110	31,665	
2023							3,012	7,005	7,055	7,990	
2024								1,814	3,821	4,850	
2025									414	995	
									Total \$	266,303	
										27,004	
										\$	27,680

All outstanding liabilities before 2016, net of reinsurance

Liabilities for claims and claim adjustment expenses, net of reinsurance

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ASDV - Credit Life

Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance

Accident Year	For the Years Ended December 31										As of December 31, 2025	
	Unaudited										Total of IBNR Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
2016	2,415	6,197	7,072	6,429	6,934	6,397	7,160	7,289	6,787	7,642	-	-
2017		3,251	7,682	6,979	7,521	6,975	7,816	7,959	7,411	8,344	-	-
2018			3,449	7,242	7,835	7,296	8,153	8,310	7,737	8,712	-	133,068
2019				2,916	7,934	7,377	8,223	8,390	7,814	8,801	-	144,462
2020					5,050	7,190	7,998	8,440	7,873	8,872	-	150,447
2021						3,650	3,991	4,300	4,017	4,524	-	156,555
2022							3,556	3,642	3,418	3,843	1	162,784
2023								2,233	2,358	2,655	4	169,205
2024									1,724	2,371	6	172,975
2025										1,675	26	175,498
									Total	\$ 57,439	\$	37

Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance

Accident Year	For the Years Ended December 31										
	Unaudited										
2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
2016	1,659	3,918	7,244	6,822	6,204	6,680	6,162	6,897	7,022	7,642	
2017		2,049	6,174	7,065	6,429	6,934	6,397	7,160	7,289	8,344	
2018			2,824	7,623	6,972	7,521	6,975	7,816	7,959	8,712	
2019				3,032	7,196	7,834	7,283	8,153	8,310	8,801	
2020					2,602	7,909	7,344	8,222	8,390	8,872	
2021						4,748	7,113	7,974	8,439	4,524	
2022							2,922	3,931	4,298	3,842	
2023								2,887	3,639	2,651	
2024									2,208	2,365	
2025										1,649	
									Total	\$ 57,402	-
										\$	37

All outstanding liabilities before 2016, net of reinsurance

Liabilities for claims and claim adjustment expenses, net of reinsurance

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ASDV - Bancassurance

Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance

Accident Year	For the Years Ended December 31										As of December 31, 2025		
	Unaudited										Total of IBNR Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims	
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025			
2016	884	1,446	1,353	1,263	1,364	1,257	1,407	1,432	1,335	1,503	-	-	
2017		712	890	850	914	840	950	967	900	1,014	-	-	
2018			581	677	790	728	815	847	788	890	-	6,282	
2019				347	557	546	617	635	591	666	-	6,772	
2020					319	382	441	456	430	485	-	6,912	
2021						250	375	397	370	414	-	7,204	
2022							276	424	396	446	-	7,570	
2023								218	298	341	-	7,892	
2024									268	311	-	8,149	
2025										133	-	8,292	
										Total \$	6,203	\$	21

Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance

Accident Year	For the Years Ended December 31											
	Unaudited											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
2016	780	1,429	1,352	1,262	1,363	1,257	1,407	1,432	1,335	1,503		
2017		621	875	845	910	840	950	967	900	1,014		
2018			471	666	786	728	815	847	788	890		
2019				280	551	546	617	635	591	666		
2020					288	379	440	455	430	485		
2021						217	372	395	368	414		
2022							247	417	393	443		
2023								190	291	337		
2024									236	306		
2025										124		
										Total \$	6,182	
											-	
											\$	21

All outstanding liabilities before 2016, net of reinsurance  
Liabilities for claims and claim adjustment expenses, net of reinsurance

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The reconciliation of net incurred claims development tables to the liability for claims and claim adjustment expenses in the Consolidated Balance Sheets as of December 31, 2025 is as follows:

	<u>TOTAL</u>	<u>ASDP - SIS</u>	<u>ASDV - SIS</u>	<u>ASDV - Credit Life</u>	<u>ASDV- Bancassurance</u>
Net outstanding liabilities					
Burial Survivorship and Disability Insurance	\$ 56,518	28,780	27,680	37	21
<b>Liabilities for unpaid claims and claim adjustment expenses, net of reinsurance</b>	<u>56,518</u>	<u>28,780</u>	<u>27,680</u>	<u>37</u>	<u>21</u>
Reinsurance recoverable on unpaid claims					
Burial Survivorship and Disability Insurance	34,176	33,689	189	279	19
Less Interco Reinsurance	<u>(27,004)</u>	<u>(27,004)</u>	—	—	—
<b>Total reinsurance recoverable on unpaid claims</b>	<u>7,172</u>	<u>6,685</u>	<u>189</u>	<u>279</u>	<u>19</u>
Unallocated claims adjustment expenses	<u>496</u>	<u>496</u>	—	—	—
<b>Total gross liability for unpaid claims and claim adjustment expense</b>	<u>\$ 64,186</u>	<u>35,961</u>	<u>27,869</u>	<u>316</u>	<u>40</u>

The following is unaudited supplementary information about average historical claims duration as of December 31, 2024:

<b>Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance / December 31, 2025</b>							
Years	1	2	3	4	5	6	7
ASDP - SIS	47.4%	27.1%	8.0%	1.5%	0.2%	(0.8)%	(0.9)%
ASDV - SIS	72.4%	48.0%	23.9%	4.9%	1.4%	0.0%	0.0%
ASDV Chile - Credit Life	50.2%	32.4%	18.2%	12.3%	8.3%	7.4%	7.3%
ASDV Chile - Bancassurance	58.4%	33.4%	8.4%	5.4%	7.6%	8.1%	7.3%

**(15) Reinsurance**

The Company participates in reinsurance activities in order to limit losses, minimize exposure to significant risks and provide additional capacity for future growth. The Company routinely enters into reinsurance transactions with other insurance companies, third parties and affiliates. This reinsurance involves either ceding certain risks to or assuming risks from other insurance companies. The Company's consolidated financial statements reflect the effects of assumed and ceded reinsurance transactions.

External Reinsurance

In September 2013, ASDV entered into quota share agreements with two unaffiliated insurance companies to cede the premiums and claims of the individual life business covering independent generations of policies in excess of a specified retention.

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In July 2016, ASDV entered into a quota share agreement with an unaffiliated insurance company to cede the premiums and claims related to the disability and survival insurance business covering independent generations of policies in excess of a specified retention of SIS 5 block.

In January 2018, ASDP entered into an excess of retention reinsurance contract with an unaffiliated insurance company to cede the premiums and claims related to its universal life business.

In July 2018, ASDV entered into quota share agreements with two unaffiliated insurance companies to cede the premiums and claims related to the disability and survival insurance business covering independent generations of policies in excess of a specified retention of SIS 6 block.

In May 2020, ASDP entered into an excess of retention reinsurance contract with an unaffiliated reinsurer to cede the premiums and claims related to its term life business.

In July 2020, ASDV entered into a quota share agreement with an unaffiliated insurance company to cede the premiums and claims related to the disability and survival insurance business covering independent generations of policies in excess of a specified retention of SIS 7 block.

In September 2021, ASDV entered into a catastrophe excess of loss agreement with an unaffiliated insurance company to cede the premiums and claims related to disability and survival insurance business covering the assumed SIS 5 block of business.

During 2021, ASDP entered into proportional quota share reinsurance agreements with external reinsurers for the premiums and claims of yearly renewable group life and health insurance policies written between January 1, 2021 and December 31, 2022. On October 1, 2024, ASDP signed an agreement to terminate the obligations emerging from the reinsurance contract. As a result, the Company generated a recapture gain of approximately \$6,500, which is included in Group life and health insurance premiums on the Consolidated Statements of Income.

In January 2023, ASDP entered into a proportional quota share reinsurance agreement with external reinsurers for the premiums and claims of yearly renewable group life and health insurance policies written between January 1, 2023 and December 31, 2023.

In December 2023, ASDP entered into a proportional quota share reinsurance agreement with external reinsurers for the premiums and claims of yearly renewable group life and health insurance policies written between January 1, 2024 and December 31, 2024.

In December 2024, in conjunction with the ZRV acquisition, the Company entered into a reinsurance transaction with an unaffiliated insurance company for the acquired annuity portfolio, across two distinct portfolios. The first portfolio, designated as Portfolio One, encompasses sales executed between 1989 and early 1990. The second portfolio, referred to as Portfolio Two, relates to early-age old age policies initiated in 1994.

In August 2025, the Company entered into a coinsurance agreement with an unaffiliated insurance entity to assume the premiums and claims associated with credit life insurance related to mortgage loan products

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sold by a third-party financial institution. Subsequently, on August 10, 2025, the Company entered in a quota share agreement with another unrelated insurance organization to cede the premiums and claims associated with the same underlying policies.

*Affiliate Reinsurance*

In May 2021, ASDV entered into a proportional quota share agreement with ASDP whereby ASDV assumes 68% of the premiums and claims related to ASDP's participation in the Peruvian survival, disability and burial group insurance program. This agreement applies to premiums and claims incurred between January 1, 2021 and December 31, 2022.

In April 2022, ASDV entered into an intercompany reinsurance contract with ASDP whereby ASDV assumes 100% of the unreported claims related to ASDP's SIS I through IV participation in the Peruvian survival, disability and burial group insurance program. This agreement applies to unreported claims incurred starting on March 1, 2022 and onward.

In January 2023, ASDV entered into a proportional quota share reinsurance agreement with ASDP whereby ASDV assumes 40% of the premiums and claims related to ASDP's participation in the Peruvian survival disability and burial yearly renewable group life and health insurance program. This agreement applies to premiums and claims incurred between January 1, 2023 and December 31, 2023.

December 2023, ASDV entered into a proportional quota share reinsurance agreement with ASDP whereby ASDV assumes 40% of the premiums and claims related to ASDP's participation in the Peruvian survival disability and burial yearly renewable group life and health insurance program. This agreement applies to premiums and claims incurred between January 1, 2024 and December 31, 2024.

All of the affiliated reinsurance transactions eliminate in consolidation at the ONFH level.

The reconciliation of total premiums and charges to net premiums and charges and total benefits and claims to net benefits and claims for the years ended December 31, were as follows:

	<u>2025</u>	<u>2024</u>
<b>Premiums and charges:</b>		
Direct premiums and charges	\$ 212,634	230,134
Reinsurance ceded - external	<u>(3,555)</u>	<u>(3,352)</u>
Net premiums and charges	<u>\$ 209,079</u>	<u>226,782</u>
 <b>Benefits and claims:</b>		
Direct benefits and claims	\$ 411,543	121,039
Reinsurance ceded - external	<u>(3,449)</u>	<u>(1,570)</u>
Net benefits and claims	<u>\$ 408,094</u>	<u>119,469</u>

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**(16) Income Taxes**

The Company is a disregarded entity for federal income tax purposes, as discussed in Note 3. Income tax amounts reflected in the financial statements represent the income provisions for the Company’s foreign subsidiaries, ASDV, ASDP and U.S. subsidiary ALL.

ALL, ASDV and ASDP provide for income taxes based on amounts they believe they will ultimately owe in accordance with FASB ASC 740, *Income Taxes*. The need for reserves is reviewed regularly and is adjusted as events occur that they believe impact their liability for additional taxes. ALL, ASDV and ASDP believe that their income tax filing positions will be sustained on audit and do not anticipate any adjustments that will result in a material adverse effect on their financial condition, results of operations or cash flows. Therefore, no reserves for uncertain tax positions have been recorded pursuant to ASC 740.

The provision for income taxes is as follows:

		<b>2025</b>	<b>2024</b>
Current expense	\$	1,406	14,730
Deferred (benefit) expense		(18,299)	17,959
Provision for income taxes	\$	(16,893)	32,689

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The following table is the reconciliation of the provision for income taxes based on country of domestication income tax rates to the total income tax expense provision reported in the Consolidated Statements of Income for ALL, ASDV and ASDP for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Pre-tax income times U.S. enacted tax rate	\$ (10,314)	53,260
Foreign statutory tax differential	(3,063)	(7,249)
Other, net	<u>(3,516)</u>	<u>(13,322)</u>
Provision for income taxes	<u>\$ (16,893)</u>	<u>32,689</u>
Effective tax rate	34.4%	12.9%

The tax effects of temporary differences between the financial statement carrying amounts and the tax basis of assets and liabilities that give rise to significant components of the net deferred tax liability as of December 31:

	<u>2025</u>	<u>2024</u>
Deferred foreign tax assets:		
Mortgage loans on real estate	\$ 931	658
Fixed maturity securities available-for-sale	1,799	1,606
Fixed assets	6,095	2,000
Leases	14,806	13,308
Other long term investments	—	2,330
Other	<u>1,062</u>	<u>1,360</u>
Total gross deferred foreign tax assets	<u>24,693</u>	<u>21,262</u>
Net deferred foreign tax assets	<u>24,693</u>	<u>21,262</u>
Deferred foreign tax liabilities:		
Future policy benefits	577,251	10,905
Fair value option reserves	(550,728)	18,616
Fixed maturity securities available-for-sale	10,329	(4,092)
Deferred policy acquisition costs	<u>3,451</u>	<u>2,355</u>
Total gross deferred foreign tax liabilities	<u>40,303</u>	<u>27,784</u>
Net deferred foreign tax liability	<u>\$ (15,610)</u>	<u>(6,522)</u>

ALL, ASDV and ASDP record net deferred tax assets to the extent that they believe these assets will be more likely than not realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during periods in which those temporary differences become deductible. ALL, ASDV and ASDP consider the scheduled reversal of deferred tax liabilities, projected future income, and tax planning strategies under their country of domestication laws in making this assessment. In the event ALL, ASDV or ASDP were to determine that they would be able to realize its deferred income tax assets in the future in excess of their net recorded amount, an adjustment would be made to the valuation allowance, which would reduce the provision for income taxes. ALL, ASDV and ASDP believe it is more

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likely than not that it will realize the benefits of these deductible differences, net of existing valuation allowances.

**(17) Additional Financial Instruments Disclosure**

*Financial Instruments with Off Balance Sheet Risk*

The Company is a party to financial instruments with off balance sheet risk in the normal course of business through management of its investment portfolio ASDV had outstanding commitments to fund mortgage loans, bonds, common stocks and venture capital partnerships for \$71,700 and \$31,000 as of December 31, 2025 and 2024, respectively. These commitments involve, in varying degrees, elements of credit and market risk in excess of amounts recognized in the financial statements. The credit risk of all financial instruments, whether on or off balance sheet, is controlled through credit approvals, limits, and monitoring procedures.

**(18) Contingencies**

As of December 31, 2025, ASDP maintains letters of guarantees for \$795 that have been issued in favor of the Private Pension System in guarantee of compliance with the obligations of the contract for the SIS program.

ASDV has been sued in arbitration proceedings titled Administradora de Fondos de Pensiones Capital and others v. Augustar Seguros de Vida S.A., by the pension fund administrators (AFPs) Cuprum S.A., Habitat S.A., Modelo S.A., Planvital S.A., and Provida S.A., for the alleged breach of obligations established in the Disability and Survivorship Insurance Contracts (SIS) entered into with those entities during the years 2016 and 2018 (“SIS Contracts”). The alleged breach would stem from not fully paying the so-called “Additional Contribution” for those beneficiaries of survivorship and disability pensions who made one or more withdrawals from their individual capitalization accounts, as authorized by Laws No. 21.248, No. 21.295, and No. 21.330.

ASDV responded to the claim requesting its dismissal with costs, arguing that it has no legal or regulatory obligation to pay an Additional Contribution calculated without deducting the withdrawals made by each member and/or beneficiary. Such an interpretation is inconsistent with the principles underlying the pension system and with certain rules that illustrate how withdrawals from individual capitalization accounts are meant to operate. Additionally, the SIS Contract is an insurance contract and is governed by the corresponding insurance regulations.

On March 14, 2025, a ruling was issued dismissing the AFPs’ claim in its entirety, without costs. The arbitral decision was appealed and subject to a cassation remedy on procedural grounds by the AFPs on March 26, 2025, with the appeal submitted to the Court of Appeals of Santiago under Case No. 5571-2025.

As of December 31, 2025, ASDV maintains a provision for the additional contribution of \$3,000. Litigation is inherently uncertain and the outcome thereof cannot be predicted. Accordingly, it is possible that the ultimate outcome of the proceedings may be material to ASDV’s results of operations for a particular period depending upon, among other factors, the size of the loss and the level of ASDV’s results of operations for the period.

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**(19) Related Party Transactions**

ONFH is a party to a cash pooling agreement with CIHI which includes most of CIHI's direct and indirect subsidiaries whereby ALIC maintains a common checking account. It is ALIC's duty to maintain sufficient funds to meet the reasonable needs of each party on demand. ALIC must account for the balances of each party daily. Such funds are deemed to be held in escrow by ALIC for the other parties. Settlement is made daily for each party's needs from or to the common account. It is ALIC's duty to invest excess funds in an interest bearing account and/or short term highly liquid investments. ALIC credits monthly interest using the average interest earned for positive cash balances during the period or charges interest on any negative balances to the parties in the agreement. The parties agree to indemnify one another for any losses of any nature relating to a party's breach of its duties under the terms of the agreement. At December 31, 2025 and 2024, ONFH's share of this common checking account was a liability of \$6,073 and \$3,390, respectively.

In March 2024, ALL returned contributed capital, noted above, of \$98,500 to ONFH and ONFH immediately returned the same amount to ALIC. In September 2024, ALIC made a capital contribution of \$95,000 to fund ALL. ALL has lent the funds to ASSA to contribute to ASDV for the acquisition of the block of annuity business from Zurich Insurance Group discussed in Note 1. The outstanding balance at December 31, 2024 was \$96,157, which includes accrued interest as per the terms of the agreement.

On September 11, 2024, the Board of Directors of ASDV authorized the issuance of 24,954 shares as part of the capital increase previously approved during the shareholders' meeting in June 2023. The shares were acquired by ASSA for a total consideration of \$92,952.

On April 23, 2025, ASDV's Shareholders' Meeting approved the distribution of 28% of the net profits generated during the 2024 fiscal year, totaling \$11,469. This amount should be allocated across a total of 38,956 shares. Dividends were distributed in cash to shareholders based on their respective holdings in ASDV. The dividend per share amounts to \$0.294. ASSA is entitled to cash distributions totaling \$11,469, while ONGH is entitled to \$0.294.

The extraordinary shareholders' meeting of ASSA held on December 5, 2025, agreed to increase the company's capital by \$1,000 corresponding to the capitalization of the intercompany accounts receivable from ASSA, contributed in full by the shareholder ONGH, for which 570,526 shares are issued and subscribed by the shareholder at this time.

**(20) Acquisition**

On December 2, 2024, ASDV acquired 99.25% of the outstanding shares of Zurich Seguros Rentas Vitalicias Chile S.A. ("ZRV") for a cash purchase price of \$118,825. The Company funded the transaction through a capital contribution from its parent company, ASSA. This acquisition is part of the Company's strategy to increase its market share and has been accounted as a business combination in accordance with ASC 805.

The transaction was completed using a locked box mechanism to ensure price certainty and avoid post-completion negotiations. Consequently, the final purchase price was established based on ZRV's December

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31, 2022 audited financial statements. The net assets and results of operations of ZRV are included in the Company's consolidated financial statements commencing as of December 2, 2024.

Determining fair value of identifiable assets, particularly intangibles, and liabilities acquired requires management to make estimates, which are based on all available information and in some cases assumptions with respect to the timing and amount of future revenues and expenses associated with an asset. Critical estimates included, but were not limited to, future expected cash flows and the applicable discount rates.

After reviewing the net assets acquired, the Company determined there were no intangible assets associated with the business. As a result, no carrying value for intangible assets was recognized from the acquisition as of December 31, 2024.

The fair values listed below are the Company's best estimates as of December 2, 2024, and are subject to adjustments as additional information becomes available to complete the allocation. The Company may make further adjustments to its purchase price allocation and the fair value of non-controlling interest through the end of the permissible one-year measurement period.

The following table summarizes the allocation of the total consideration paid to acquire the assets and assume the liabilities related to the ZRV Acquisition during the fourth quarter of 2024.

	<u>December 2, 2024</u>
<b>Assets</b>	
Total investments	\$ 2,215,274
Cash and cash equivalents	36,952
Reinsurance recoverables	19,962
Deferred tax asset	11,614
Other assets	6,296
	<u>                    </u>
Total assets	<u>\$ 2,290,098</u>
<b>Liabilities</b>	
Future policy benefits and claims	\$ 2,019,541
Other liabilities	40,484
	<u>                    </u>
Total liabilities	<u>\$ 2,060,025</u>
<b>Noncontrolling interest</b>	<u>(1,717)</u>
<b>Net asset acquired</b>	<u>\$ 228,356</u>
<b>Purchase price considerations</b>	<u>\$ 118,825</u>
<b>Bargain purchase gain</b>	<u>\$ 109,531</u>

Upon completing the ZRV Acquisition, the consideration transferred for the acquired assets and assumed liabilities was determined to be less than the net assets acquired from ZRV, resulting in a bargain purchase gain ("Bargain Purchase"). The Company completed the required reassessment as detailed in ASC 805 to

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validate that all assets acquired, and liabilities assumed on the acquisition date were identified and appropriately measured. Based on the reassessment, the transaction resulted in a Bargain Purchase gain of \$109,531, which has been included in Bargain purchase gain within the Company's Consolidated Statements of Income for the year ended December 31, 2024. The Bargain Purchase gain was primarily driven by the fair value of the net assets acquired as part of purchase accounting. Two classes of assets that had the largest increases between fair value and book value, direct reserves and fixed maturities, which adjustments were driven by the interest rates and book yield, respectively. In addition, the pricing strategy of the acquisition was primarily driven by the sale of the book of business in compliance with Chilean regulatory requirements rather than fair value. The model used in determining pricing incorporated high hurdle rates. Other factors are qualitative in nature. The European regulatory environment places strict capital constraints on insurers, particularly under the Solvency II framework. Under this regulatory environment, that the Company is not subject to, the seller was motivated to pursue a buyer that had sufficient cash to meet the requirements, which limits the pool of potential buyers.

Direct costs related to the acquisition were expensed as incurred. Integration and acquisition costs principally consisting of non-recurring banking, legal, tax and accounting services, retention and severance costs are reflected separately on the Consolidated Statements of Income. The Company recognized \$1,900 of transaction related costs for the year ended December 31, 2024.

On August 1, 2025, a merger took place between ASDV (formerly ZRV) and Ohio National Seguros de Vida S.A., with ASDV as the surviving entity, assuming all the assets and liabilities of Ohio National Seguros de Vida S.A.. This transaction, which constituted a merger of a parent into its subsidiary, was accounted for at carrying amounts as a reorganization of entities under common control, with no change in the economic substance of the reporting entity and no new basis of accounting was applied.