



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

### ORDER ADOPTING REPORT OF EXAMINATION

I, Andrew N. Mais, Insurance Commissioner of the State of Connecticut, having fully considered and reviewed the Examination Report (the “Report”) of Hartford Life and Accident Company (the “Company”) as of December 31, 2022, do hereby adopt the findings and recommendations contained therein based on the following findings and conclusions.

#### **TO WIT:**

1. I, Andrew N. Mais, Insurance Commissioner of the State of Connecticut and as such is charged with the duty of administering and enforcing the provisions of Title 38a of the Connecticut General Statutes (“C.G.S.”).
2. The Company is a domestic insurer authorized to transact the business of insurance in the State of Connecticut.
3. On May 7, 2024, the verified Report of the Company was filed with the Connecticut Insurance Department (the “Department”).
4. In accordance with C.G.S. §38a-14(e)(3), the Company was afforded a period of thirty (30) days within which to submit to the Department a written submission or rebuttal with respect to any matters contained in the Report.
5. On May 29, 2024, the Company notified the Department of certain responses and comments on certain items contained in the Report.
6. Following review of the Report, it was deemed necessary and appropriate to modify the Report. A copy of the Report is attached hereto and incorporated herein as Exhibit A.

**NOW, THEREFORE,** it is ordered as follows:

1. That the Report of the Company is hereby adopted as filed with the Department.
2. That the Company shall comply with the recommendations set forth in the Report, and that failure by the Company to so comply shall result in sanctions or administrative action as provided by Title 38a of the C.G.S.
3. Section 38a-14(e)(4)(A) of the CGS requires that:

"The secretary of the Board of Directors or similar governing body of the entity shall provide a copy of the report or summary to each director and shall certify to the Commissioner, in writing, that a copy of the report or summary has been provided to each director."

Please address the certification to the Commissioner but send said certification to the care/attention of Michael Shanahan, Supervising Examiner, of the Financial Regulation Division.

4. Section 38a-14(e)(4)(B) of the CGS requires that:

"Not later than one hundred twenty days after receiving the report or summary the chief executive officer or the chief financial officer of the entity examined shall present the report of summary to the entity's Board of Directors or similar governing body at a regular or special meeting."

This will be verified by the Insurance Department either through analysis or examination follow-up.

Dated at Hartford, Connecticut, this 6<sup>th</sup> day of June, 2024.



---

Andrew N. Mais  
Insurance Commissioner



Exhibit A

EXAMINATION REPORT

OF THE

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY  
(NAIC # 70815)

AS OF

DECEMBER 31, 2022

BY THE

CONNECTICUT INSURANCE DEPARTMENT



## TABLE OF CONTENTS

	<u>Page</u>
Salutation	1
Scope of Examination	1
History	3
Organizational Chart	5
Management and Control	5
Related Party Agreements	7
Territory and Plan of Operation	8
Reinsurance	8
Information Technology Controls	9
Accounts and Records	10
Financial Statements	11
Assets	11
Liabilities, Surplus and Other Funds	12
Summary of Operations	13
Capital and Surplus Account	14
Aggregate Reserve for Life Contracts	14
Aggregate Reserve for Accident and Health Contracts	14
Liability for Deposit-Type Contracts	14
Contract Claims (Life and Accident and Health)	14
Capital and Surplus	14
Summary of Recommendations	15
Subsequent Events	15
Conclusion	15
Signature	16

April 25, 2024

The Honorable Andrew N. Mais  
Insurance Commissioner  
State of Connecticut Insurance Department  
153 Market Street  
Hartford, CT 06103

Dear Commissioner:

In compliance with your instructions and pursuant to the requirements of Section 38a-14 of the Connecticut General Statutes (CGS), the undersigned has conducted a financial examination of the condition and affairs of the

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

(hereinafter referred to as the Company or HLAC), a capital stock corporation incorporated under the laws of the State of Connecticut and having its statutory home office located at One Hartford Plaza, Hartford, CT. The report of such examination is submitted herewith.

SCOPE OF EXAMINATION

The previous examination of the Company was conducted by the Financial Regulation Division of the Connecticut Insurance Department (the Department) as of December 31, 2017. The current examination, which covers the subsequent five-year period, through December 31, 2022, was conducted at the statutory home office of the Company.

Concurrent examinations were made of the following Connecticut and non-Connecticut domestic property and casualty companies within The Hartford Financial Services Group, Inc. (HFSG), collectively referred to as the Hartford Fire Insurance Company and its combined affiliates:

Hartford Fire Insurance Company (CT)  
Trumbull Insurance Company (CT)  
Hartford Accident and Indemnity Company (CT)  
Hartford Insurance Company of Illinois (IL)  
Hartford Casualty Insurance Company (IN)  
Hartford Underwriters Insurance Company (CT)  
Pacific Insurance Company, Limited (CT)  
Twin City Fire Insurance Company (IN)  
Nutmeg Insurance Company (CT)  
Hartford Insurance Company of the Midwest (IN)  
Hartford Insurance Company of the Southeast (CT)

## HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

Property and Casualty Insurance Company of Hartford (IN)  
Hartford Lloyd's Insurance Company (TX)  
Sentinel Insurance Company, Ltd. (CT)  
Maxum Casualty Insurance Company (CT)  
Maxum Indemnity Company (CT)

The States of Indiana, Illinois, and Texas participated in the financial examination of their domestic property/casualty companies.

The Department also performed concurrent financial examinations of three Connecticut domestic affiliates which are currently in run-off:

First State Insurance Company  
New England Insurance Company  
New England Reinsurance Corporation

These companies are collectively referred to as the First State Insurance Pool.

The New York Department Financial Services also performed concurrent financial examinations of the following insurance affiliates:

Navigators Insurance Company (NY)  
Navigators Specialty Insurance Company (NY)

As a part of the examination planning procedures, the Department reviewed the following documentation submitted by the Company for the period under examination:

- Annual Statements filed with the Department from 2018 through 2022;
- Statements of Actuarial Opinion from 2018 through 2022;
- Management's Discussion and Analysis from 2018 through 2022;
- documentation supporting section 404 of the Sarbanes Oxley Act of 2002 (SOX) and the Model Audit Rule;
- reports of the Company's Internal Audit Department from 2018 through 2022;
- minutes of the Board of Directors (Board) and other Committees, affiliate and custodial agreements and other documents related to significant transactions that require prior Department approval; and
- statutory basis audit reports from 2018 through 2022, prepared by Deloitte & Touche, LLP (D&T), the Company's independent certified public accountants.

A comprehensive review was made of the financial analysis files and documents submitted to the Financial Analysis Unit of the Department and reports from the National Association of Insurance Commissioners (NAIC) database, all of which indicated no material concerns with respect to financial condition or regulatory compliance.

## HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

Risk & Regulatory Consulting, LLC (RRC) was engaged by the Department to conduct an evaluation of the Company's Information Technology (IT) controls and reserving, reinsurance and pricing/underwriting processes.

Winthrop Capital Management was engaged by the Indiana Department of Insurance to conduct an evaluation of the Company's investment holdings.

Work papers prepared by D&T, in connection with its annual statutory audits were reviewed and relied upon to the extent deemed appropriate.

We conducted our examination in accordance with the NAIC Financial Condition Examiners Handbook (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

Failure of items in this report to add to totals or for totals to agree with captioned amounts is due to rounding.

### HISTORY

The Company was organized on February 14, 1967, by the filings of special acts with the Secretary of the State of Connecticut in accordance with Section 33-391 of the CGS.

In 1985, all of the stock of HFSG was transferred to ITT Hartford Group, a Delaware corporation, wholly owned by ITT Corporation (ITT). During 1990, HFSG's life companies were realigned under the terms of a reorganization plan approved by the Commissioner of the Department. As a result of the reorganization, the Company wholly owned Hartford Life Insurance Company (HLIC), which in turn wholly owned ITT Life. The name ITT Life was then subsequently changed to Hartford Life and Annuity Insurance Company.

## HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

Hartford Life, Inc. (HLI), a Delaware corporation, was formed on December 13, 1996, and capitalized on December 16, 1996, with the contribution of 100% of the outstanding common stock of the Company.

On August 30, 2002, HFSG restructured the life insurance organization by forming Hartford Holdings Inc. (Hartford Holdings), a Delaware insurance holding company. As a result of the reorganization, the Company is wholly owned by HLI which in turn, is wholly owned by Hartford Holdings. The ultimate parent is HFSG.

On December 31, 2003, CNA Group Life Assurance Company was acquired by the Company. On that same date, the entity's name was changed to Hartford Life Group Insurance Company (HLGIC). Through this same transaction, the Company also acquired Charles Stedman & Co., Inc.

On December 31, 2006, the Company's direct subsidiary, HLGIC, was merged with and into the Company.

On December 31, 2012, the Company received regulatory approval to reorganize its mutual funds business. Following the reorganization, Hartford Funds Management Group, Inc. became a direct subsidiary of HLI and serves as a holding company for the mutual fund operations.

On April 1, 2016, HLAC sold American Maturity Life Insurance Company (AMLIC) to Hartford Life International Holding Company (HLIHC), a direct subsidiary of HLIC, which resulted in HLIC owning AMLIC, Hartford Life and Annuity Insurance Company (HLAN) and Hartford International Life Reassurance Corporation (HILRe). This group of companies is known as Talcott Resolution.

On November 1, 2017, HLAC acquired Aetna Life Insurance Company's U.S. Group Life and Disability insurance business, through a reinsurance transaction, for \$1.45B.

On May 31, 2018, HFSG completed the sale of Talcott Resolution Inc., its run-off life and annuity businesses, to a group of investors led by Cornell Capital LLC, Atlas Merchant Capital LLC, TRB Advisors LP, Global Atlantic Financial Group, Pine Brook, and J. Safra Group. Under the terms of the purchase and sale agreement, the investor group formed Hopmeadow Holdings, LP, a limited partnership that acquired HLI and its life and annuity insurance operating subsidiaries, HLIC, HLAN, AMLIC, and HILRe. HFSG received a 9.7% equity interest in the acquiring company, Hopmeadow Holdings, LP. As a result of the sale, HLAC is wholly owned by Hartford Holdings. On June 30, 2021, Hopmeadow Holdings, LP was sold to a new investor. HFSG sold its 9.7% equity interest as part of this sale.

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

ORGANIZATIONAL CHART

The following is a portion of the Company's organizational chart as of December 31, 2022.



MANAGEMENT AND CONTROL

Annual Shareholders Meetings

The bylaws state that the annual meeting of the shareholders shall be held at such place (within or outside the state of Connecticut), date and hour as shall be determined by the Board to elect members of the Board for the succeeding year and transact any business properly brought before said meeting.

Special meetings of the shareholders may be called at any time by the chairman of the Board, the president, the secretary, or any assistant secretary, or by a majority of the entire board.

Written notice of every meeting of the shareholders and the time and place thereof shall be given by the secretary or any assistant secretary of the Company, no fewer than ten and no more than sixty days prior to the time appointed for such meeting, which notice shall also state in the case of a special meeting, the purpose or purposes for which the meeting is called.

Board of Directors

The business and affairs of the Company shall be managed by or under the direction of its Board, which may exercise all the powers of the Company except such as required to be performed by the shareholders. The number of directors shall not be less than three. Regular and special meetings of the Board shall be held either within or outside the state of Connecticut, or such other place as may be designated by the Board and at such times and on such dates as may be determined by the Board. A majority of the members of the Board, present at a regular or special meeting, shall constitute a quorum for the transaction of business.

## HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

Directors serving the Company as of December 31, 2022, were:

<u>Name</u>	<u>Title and Principal Business Affiliation</u>
Jonathan Ross Bennett	President, Head of Group Benefits The Hartford Financial Services Group, Inc.
Eapen Attupurathu Chandy	Assistant Vice President and Assistant Treasurer, Enterprise Treasury The Hartford Financial Services Group, Inc.
Amy Marie Stepnowski	Executive Vice President, Chief Investment Officer The Hartford Financial Services Group, Inc.

### Officers

The Board may from time to time elect or appoint a Chairman, a President, one or more Vice Presidents, a Treasurer, a Secretary, and one or more Assistant Treasurers, and Assistant Secretaries to serve at the pleasure of the Board. At any time, the Board may elect or appoint such other officers or agents with such duties as it may deem necessary. The President, or his or her designee, shall have authority to appoint any officer other than the Chairman or President of the Company. All officers of the Company shall hold office at the pleasure of the Board.

Officers serving the Company as of December 31, 2022, were:

<u>Name</u>	<u>Title</u>
Jonathan Ross Bennett	President
Matthew Allen Collins	Vice President and Chief Financial Officer
Kathleen Elizabeth Jorens	Senior Vice President and Treasurer
Allison Gayle Niderno	Vice President and Controller
Matthew Paul Nimchek	Assistant Vice President and Appointed Actuary (excluding New York)
Jun Wang	Appointed Actuary (New York)
Kevin Floyd Barnett	Corporate Secretary

### Board Committees

The Board by resolution may designate individuals to serve on one or more Committees from

## HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

among its members. One-third of the members of a Committee, but no less than two, will constitute a quorum. The following are the current HLAC Board Committees:

- a. Audit Committee - The Audit Committee shall oversee the Company's accounting and financial reporting processes and the audits of the Company's financial statements and it shall have and discharge such other powers and duties as are granted and imposed upon it by resolution of the Board.
- b. Finance Committee - The Finance Committee shall have the power and it shall be its duty to oversee the finances of the Company and it shall have and discharge such other powers and duties as are granted and imposed upon it by the By-laws or the Board of Directors. Such powers and duties shall include oversight of the mode, manner and time of making investments, the sale, transfer and exchange of investments, and the re-investment of the proceeds thereof.

### RELATED PARTY AGREEMENTS

The Company is a party to several related party transaction agreements. The material agreements are as follows:

#### Investment Management and Administration Agreement

The Company and other affiliates are party to an Amended and Restated Investment Management Agreement with Hartford Investment Management Company (HIMCO). Pursuant to the terms of the agreement, HIMCO provides a broad spectrum of investment services, including but not limited to providing advice to the Company concerning the development of investment strategies and objectives, the development of investment policies and guidelines, the investment and management of assets, the measurement and evaluation of investment performance, investment accounting, cash management, the management of banking relationships, the management of a custodial relationship, and administrative support.

#### Investment Pooling Agreement

The Company and other affiliates participate in a Third Amended and Restated Investment Pooling Agreement with HIMCO. HIMCO acts as the investment manager to invest certain cash balances available to the participants in the investment pool known as the "Hartford Short-Term Investment Pool". HIMCO is compensated at least quarterly for all incurred direct and indirect costs related to the services provided to the Company.

#### Liquidity Agreement

The Company entered in an intercompany Liquidity Agreement with HFSG and certain insurance company affiliates. The agreement allows for short term advances of funds between affiliates for liquidity and other general corporate purposes.

## HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

### Tax Allocation Agreement (TAA)

The Company is party to a TAA with HFSG and its direct and indirect subsidiaries. The TAA governs the tax return filing, payment and allocation of federal, state and local income tax liability between HFSG and its subsidiaries. Each member will calculate its separate tax liability, and the consolidated federal regular income tax liability will be apportioned among the members in accordance with the ratio which is consistent with the taxable income. Payment to the parent will be made by the due date of the consolidated return payment to the Internal Revenue Service.

### Services and Cost Allocation Agreement – Hartford Fire Insurance Company (HFIC)

The Company is party to an Amended and Restated Services and Cost Allocation Agreement with HFIC and various insurance and non-insurance affiliates. This agreement provides for affiliates to obtain a variety of services from each other to conduct day to day business and to be compensated on a fair and equitable basis for their services. Services include, but shall not be limited to, employee costs such as salaries and benefit costs, taxes, fixed assets including, furniture and personal computers, miscellaneous accounts payable, including rent, travel and entertainment, insurance, advertising, taxes, license and fees, and other costs related to corporate services.

### Services and Cost Allocation Agreement – HFSG

The Company is party to an Amended and Restated Services and Cost Allocation Agreement with HFSG and various non-insurance affiliates. The agreement provides for affiliates to obtain a variety of services from each other in the ordinary course of business. Services may include, but not be limited to, financial management, operational management, accounting, payroll, salaries, employee benefits, internal audit, human resource management, tax, transportation, risk management, legal, investment advisory, government relations, recordkeeping, data processing services and the acquisition of equipment, software and office space.

## TERRITORY AND PLAN OF OPERATION

The Company is authorized to write life, annuities, and accident and health (A&H) policies. The Company is licensed to transact business in all states, and the District of Columbia, American Samoa, Guam, Puerto Rico, and the U.S. Virgin Islands.

The Company offers a complete line of traditional group life and disability products. Other businesses include Medicare supplement, group and individual annuity products and individual life insurance.

## REINSURANCE

### Reinsurance Assumed

The Company's assumed reinsurance is primarily the block of U.S. group life and disability business purchased from Aetna on November 1, 2017.

## HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

### Reinsurance Ceded

The Company's participation in ceded reinsurance consists primarily of a quota share treaty with Canada Life Assurance Company and SCOR SE, covering group life yearly renewable term business. The Company also sold individual life insurance business to Prudential Insurance Company of America through a reinsurance transaction in 2013. In addition, the Company has significant excess of loss ceded agreements with Munich American Reassurance Company, covering group life and group long term disability business.

### INFORMATION TECHNOLOGY CONTROLS

RRC performed a risk-based assessment and review of the Company's Information Technology General Controls (ITGCs) in accordance with NAIC requirements as outlined in the Handbook. The guidance and direction used to perform the review of the Company's ITGCs was derived from Exhibit C Part 1 – Information Technology Planning Questionnaire (ITPQ) and Exhibit C Part 2 – Information Technology Work Program (collectively, Exhibit C). The Company's responses to the ITPQ were evaluated, and certain controls within the IT control environment were tested to assess whether the selected controls were designed effectively and were functioning properly.

RRC's objectives were to obtain reasonable assurance about whether:

- the Company had a process in place to effectively identify, mitigate and manage its IT risks;
- the Company's control structure policies and procedures were suitably designed to achieve the control objectives specified in Exhibit C; and
- the Company's policies and procedures were in place during the examination period.

The objectives above were achieved through a combination of reviewing the Company's policies and procedures, testing in key areas related to Exhibit C, interviewing the Company's IT senior management, reviewing IT risk assessment processes, and leveraging relevant risk assessment procedures performed by D&T and Internal Audit.

In accordance with the Handbook, specific areas of review included:

- IT governance and organization structure;
- strategic planning, systems architecture and project oversight;
- IT risk management;
- vendor management;
- development and maintenance of policies;
- physical and logical security;
- business continuity and disaster recovery planning;
- end user or business developed applications; and
- cybersecurity and incident response.

Based upon the risk-based assessment and review, the Company's ITGCs were determined to be effective.

# HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

## ACCOUNTS AND RECORDS

The Company records all financial accounting transactions in The Hartford's Enterprise General Ledger (EGL) application which uses the PeopleSoft Financials product. The EGL is the official book of records for the Company's financial accounting operations. Some external reporting is done out of TM1 which receives a feed of data from the EGL.

The Sovos Statutory Reporting software package is used to create the annual statement. It receives data from multiple sources, including the EGL for creation of the balance sheet and income statement. Sovos also receives data from TM1 (via EGL) that produces the Underwriting and Investment Exhibits, State pages and Schedule T of the annual statement.

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

FINANCIAL STATEMENTS

The following statements represent the Company's financial position, as filed by the Company, as of December 31, 2022. No adjustments were made to surplus as a result of the examination.

ASSETS

	Assets	Non-admitted Assets	Net Admitted Assets
Bonds	\$8,614,971,131		\$8,614,971,131
Stocks:			
Preferred stocks	43,145,412		43,145,412
Common stocks	224,282,360		224,282,360
Mortgage loans on real estate: First liens	1,664,706,596		1,664,706,596
Cash, cash equivalents and short-term investments	364,182,404		364,182,404
Contract loans	5,893,858		5,893,858
Derivatives	13,646,920		13,646,920
Other invested assets	946,845,361	\$500,060	946,345,301
Receivables for securities	2,540,370		2,540,370
Aggregate write-ins for invested assets	39,980,188		39,980,188
Investment income due and accrued	86,318,862	185,542	86,133,320
Uncollected premiums and agents' balances in the course of collection	578,362,183	\$13,612,544	564,749,639
Reinsurance:			
Amounts recoverable from reinsurers	4,673,331		4,673,331
Funds held by or deposited with reinsured companies	614,487		614,487
Other amounts receivable under reinsurance contracts	3,926,741		3,926,741
Amounts receivable relating to uninsured plans	16,491,673	717,353	15,774,320
Net deferred tax asset	316,516,790	150,259,009	166,257,781
Guaranty funds receivable or on deposit	6,915,056		6,915,056
Electronic data processing equipment and software	56,877,789	56,877,789	0
Furniture and equipment, including health care delivery assets	2,298,112	2,298,112	0
Receivables from parent, subsidiaries and affiliates	5,445,801		5,445,801
Healthcare and other amounts receivable	25,076		25,076
Aggregate write-ins for other than invested assets	69,575,669		69,575,669
<b>Total</b>	<b><u>\$13,068,236,170</u></b>	<b><u>\$224,450,409</u></b>	<b><u>\$12,843,785,761</u></b>

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

Aggregate reserve for life contracts	\$1,059,802,798
Aggregate reserve for accident and health contracts	6,948,620,269
Liability for deposit-type contracts	298,443,298
Contract claims:	
Life	579,405,609
Accident and health	244,089,078
Premiums and annuity considerations for life and accident and health contracts received in advance	162,502
Contract liabilities not included elsewhere:	
Provision for experience rating refunds	126,354,893
Other amounts payable on reinsurance	400,141
Interest maintenance reserve	73,795,536
Commissions to agents due or accrued	59,604,422
Commissions and expense allowances payable on reinsurance assumed	782,361
General expenses due or accrued	141,621,319
Taxes, licenses and fees due or accrued	5,073,694
Current federal and foreign income taxes	18,431,779
Amounts held for agents' account	13,967,958
Remittances and items not allocated	224,360,566
Miscellaneous liabilities:	
Asset valuation reserve	245,230,284
Funds held under reinsurance treaties with unauthorized and certified reinsurers	752,681
Payable to parent, subsidiaries and affiliates	66
Drafts outstanding	90,358,778
Liability for amounts held under uninsured plans	1,698,773
Derivatives	30,470,938
Payable for securities	5,448,205
Aggregate write-ins for liabilities	104,050,315
Total liabilities	10,272,926,263
Common capital stock	2,500,000
Gross paid in and contributed surplus	875,149,341
Unassigned funds (surplus)	1,693,210,157
Surplus	2,568,359,498
Total surplus and other funds	2,570,859,498
Total liabilities and surplus	<u>\$12,843,785,761</u>

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

SUMMARY OF OPERATIONS

Premiums and annuity considerations for life and accident and health contracts	\$4,432,406,720
Net investment income	484,681,458
Amortization of Interest Maintenance Reserve (IMR)	15,571,276
Commissions and expense allowances on reinsurance ceded	3,258,178
Miscellaneous income:	
Aggregate write-ins for miscellaneous income	79,656,597
Total	5,015,574,229
Death benefits	616,815,329
Matured endowments	21,928
Annuity benefits	12,564,372
Disability benefits and benefits under accident and health contracts	2,390,078,786
Surrender benefits and withdrawals for life contracts	2,352,444
Interest and adjustments on contract or deposit-type contract funds	10,432,424
Increase in aggregate reserves for life and accident and health contracts	15,692,223
Totals	3,047,957,506
Commissions on premiums, annuity considerations and deposit-type contract funds	319,700,281
Commissions and expense allowances on reinsurance assumed	15,265,436
General insurance expenses	1,016,938,732
Insurance taxes, licenses and fees, excluding federal income taxes	101,450,714
Aggregate write-ins for deductions	3,706,864
Totals	4,505,019,533
Net gain from operations before dividends to policyholders and federal income taxes	510,554,696
Net gain from operations after dividends to policyholders and before federal income taxes	510,554,696
Federal and foreign income taxes incurred	103,047,927
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses)	407,506,769
Net realized capital gains (losses) less capital gains tax	(30,496,144)
Net income	<u>\$377,010,625</u>

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

CAPITAL AND SURPLUS ACCOUNT

Capital and surplus, December 31, prior year	\$2,410,145,835
Net income	377,010,625
Change in net unrealized capital gains (losses), less capital gains tax	5,152,471
Change in unrealized foreign exchange capital gain (loss)	(12,650)
Change in net deferred income tax	17,576,734
Change in nonadmitted assets	1,686,127
Change in asset valuation reserve	(7,469,638)
Surplus adjustment: Paid in	(233,230,006)
Net change in capital and surplus for the year	160,713,663
Capital and surplus, December 31, current year	<u>\$2,570,859,498</u>

<u>AGGREGATE RESERVE FOR LIFE CONTRACTS</u>	<u>\$1,059,802,798</u>
<u>AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS</u>	<u>\$6,948,620,269</u>
<u>LIABILITY FOR DEPOSIT-TYPE CONTRACTS</u>	<u>\$298,443,298</u>
<u>CONTRACT CLAIMS:</u>	
<u>LIFE</u>	<u>\$579,405,609</u>
<u>ACCIDENT AND HEALTH</u>	<u>\$244,089,078</u>

RRC performed a review of reserving, reinsurance and pricing/underwriting risk. No material issues were noted during the review of reserving, reinsurance and pricing/underwriting risks.

CAPITAL AND SURPLUS \$2,570,859,498

The reconciliation of surplus for the period under examination, January 1, 2018, through December 31, 2022, was as follows:

Capital and Surplus, as of December 31, 2017	\$2,028,512,856
Net income	1,613,716,786
Change in net unrealized capital gains or (losses) less capital tax	104,776,244
Change in net unrealized foreign exchange capital gain (loss)	52,613
Change in net deferred income tax	4,810,069
Change in nonadmitted assets	94,837,990
Change in liability in unauthorized companies	430,970
Change in asset valuation reserve	(136,859,878)
Surplus adjustment – paid in	(1,139,418,152)
Net change in capital and surplus	542,346,642
Capital and Surplus, December 31, 2022	<u>\$2,570,859,498</u>

The change in surplus was primarily driven by an increase from net income and a decrease from dividends paid which were recorded as surplus adjustments – paid in.

# HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

## SUMMARY OF RECOMMENDATIONS

None noted.

## SUBSEQUENT EVENTS

On March 16, 2023, HLAC paid a cash distribution of \$150,000,000 in the form of a capital return to HHI.

On June 20, 2023, HLAC paid a cash distribution of \$107,500,000 in the form of a capital return to HHI.

On September 19, 2023, HLAC paid a cash distribution of \$75,000,000 in the form of a capital return to HHI.

On December 18, 2023, HLAC paid a cash distribution of \$75,000,000 in the form of a capital return to HHI.

On March 18, 2024, HLAC paid a cash distribution of \$156,000,000 and an ordinary dividend of \$89,000,000 in the form of a capital return to HHI.

## CONCLUSION

The results of this examination disclosed that, as of December 31, 2022, the Company reported admitted assets of \$12,843,785,761, liabilities of \$10,272,926,263, and surplus of \$2,570,859,498. During the period under examination, admitted assets decreased \$91,989,607, liabilities decreased \$634,336,248 and surplus as regards policyholders increased \$542,346,642.

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

SIGNATURE

In addition to the undersigned, the following members of the Department participated in the examination: Michael Shanahan, CFE; Wanchin Chou, FCAS, MAAA, CPCU, CSPA, CCRMP; Qing He, FCAS, MAAA; Amy Waldhauer, FCAS, MAAA; Kenneth Roulier, AFE, CISA, AES; Michael Daniels, CFE; Grace Jiang, CFE; Dawn Cormier, CPA; Ronald Jankoski, CFE; Tahjma Roberson; Aishah Abdullah, and the professional services firm of RRC.

I, Michael Estabrook, CFE, do solemnly swear that the foregoing report on examination is hereby represented to be a full and true statement of the condition and affairs of the subject insurer as of December 31, 2022, to the best of my information, knowledge and belief.

Respectfully submitted,

\_\_\_\_\_  
Michael Estabrook, CFE  
Examiner-In-Charge  
State of Connecticut  
Insurance Department

State of Connecticut

ss. Hartford

County of Hartford

Subscribed and sworn to before me,   
Notary Public on this 7 day of May, 2024.

\_\_\_\_\_  
Notary Public

My Commission Expires June 30, 2026

