



GROWING WITH *Purpose*



2023
ANNUAL
REPORT





2023 was a remarkable chapter in National Life Group's history.

Not only did we commemorate our 175th anniversary, a testament to our enduring legacy among mutuals, we also achieved unprecedented success in both our business endeavors and community engagement.

We continue to experience growth while consistently outpacing the competition amidst market volatility. Simultaneously, we have expanded efforts to combat childhood hunger, support youth mental health and build communities nationwide.

In 2023, National Life Group made history. We surpassed a record \$530 million in life sales, \$2.7 billion in SPDA, \$47 billion in assets under management and \$471 million in core earnings. Pioneering the introduction of two innovative living benefits riders—Alzheimer's Disease rider and a first of its kind Fertility Journey rider—we further enhanced our suite of offerings, providing policyholders with added peace of mind.

We continue to be a destination for agents. This success is due to our commitment to excellence underscored by our technology, state-of-the-art products, service, training, and continuing education. We nearly doubled our agent recruiting in 2023.

During historic flooding in Vermont last July, National Life Group swiftly responded to this statewide catastrophe by raising over \$1.7 million for flood recovery. Our efforts led fundraising locally and nationally, contributing greatly towards rebuilding the state.

Our purposeful growth and impact garnered recognition on the Newsweek Excellence Index where we were honored among 1,000 companies for exemplifying industry best practices, social responsibility, and ethical standards. Additionally, Forbes named National Life Group one of America's Best Insurance Companies based on a nationwide survey of 15,000 participants reflecting customer recommendations, satisfaction, and loyalty.



None of this would have been possible without you, our clients, our agents, and the visionary guidance of our founders who propelled us from a humble mutual company in the nation's smallest capital to an influential national force for good. We are NATIONAL.

We know that our associates are our competitive advantage, our “secret sauce.” As we continue our mission-driven and purposeful cause, responding to a higher calling, our journey to serving ever more underserved clients will continue.

Thank you for joining us as we grow with purpose and continue to make history.

Mehran

Mehran Assadi
Chairman, CEO & President

SUPPORTING COMMUNITIES



Image courtesy of Bob Fitch.



\$1.73M

Raised for VT flood recovery

SERVING THE
UNDERSERVED

\$2.3M

Donated for children's mental health, ending childhood hunger and building communities.

1,200

Thanksgiving meals cooked, packaged, and distributed to our neighbors in Vermont.

Holiday cheer for children and their families at the Texas Vogel Alcove event, including the Dallas Stars' "Vic."

RECORD

\$817K

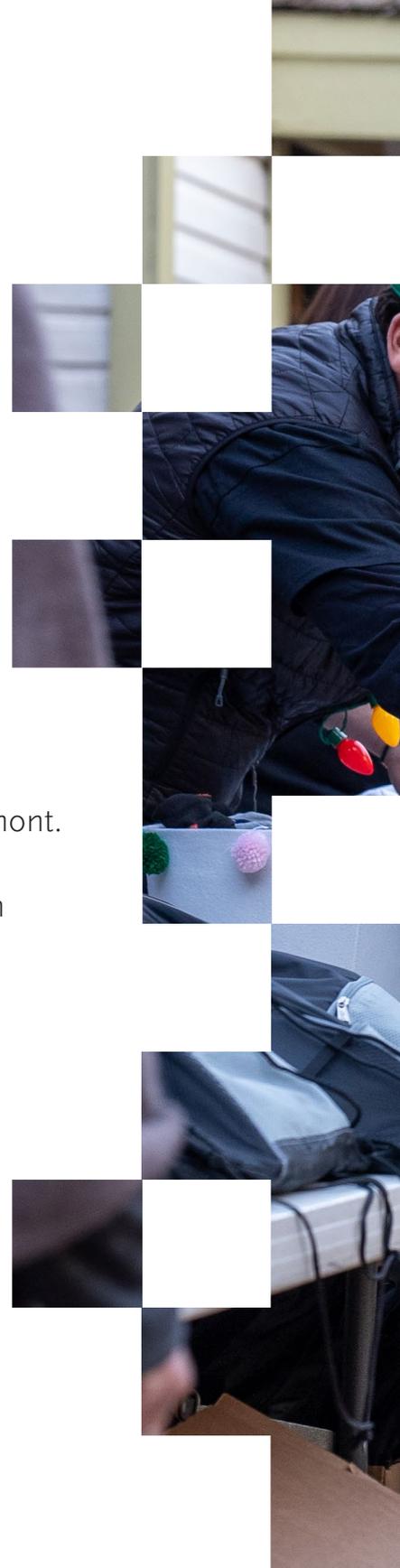
Raised for 525 nonprofits by our annual employee matching program, Share the Good.

4,664

Volunteer hours serving communities in Texas and Vermont.

\$70K

Raised for Parkland Health's Pediatric Behavioral Health Program, bringing total donations to \$95K.





GROWING
OUR
BUSINESS

A+

STRONG – Standard & Poor's
Fifth Highest out of 21 Ratings²

A+

SUPERIOR – A.M. Best
Second Highest out of 16 Ratings²

A1

GOOD – Moody's
Fifth Highest out of 21 Ratings²

Forbes **2024**
**AMERICA'S
BEST INSURANCE
COMPANIES**

POWERED BY STATISTA

#1

for Fixed Indexed Annuities
in Employer Sponsored Plans³

#1

for Indexed Universal Life
Insurance Market Share⁴

#1

for Indexed Universal Life
Insurance Sales⁵

#8

for individual life insurance
sales out of all reporting U.S.
life insurance companies⁵

1.3M

TOTAL
CUSTOMERS
SERVED

\$47.3B

TOTAL ASSETS⁸

\$6B

TOTAL
BENEFITS
EQUALS
PROMISES
KEPT⁶

\$42.9B

TOTAL
LIABILITIES⁸

\$98M

TOTAL LIVING
BENEFITS
PAID⁵

\$6.5B

PREMIUMS &
DEPOSITS⁸

\$220M

ANNUITY
FLOW⁷

\$3.6B

STATUTORY
CAPITAL⁹

\$2.7B

SINGLE
PREMIUM
DEFERRED
ANNUITY
SALES⁷

\$471M

CORE
EARNINGS⁸

223K

NEW POLICIES

\$2.9B

TOTAL
RECURRING
PREMIUM¹⁰

\$530M

LIFE
INSURANCE
WEIGHTED NEW
ANNUALIZED
PREMIUM⁷



DELIVERING ON OUR PROMISE

NLV Financial Corporation and Subsidiaries⁸ Consolidated Statement of Operations¹⁰

For the Years Ended December 31 (in thousands)

Revenues:	2023	2022
Insurance premiums	376,371	358,085
Policy and contract charges	1,232,932	1,079,828
Commissions and fee income	63,757	65,031
Net investment income	2,087,374	801,259
Net investment (losses) gains	(39,548)	(6,143)
Other income	14,108	41,431
Total revenues	3,734,994	2,339,491

Benefits and Expenses:	2023	2022
Increase in policy liabilities	50,171	105,481
Policy benefits	679,471	593,558
Policyholders' dividends and dividend obligations	21,015	8,708
Interest credited to policyholder account liabilities	1,530,051	530,753
Operating expenses	454,666	401,617
Interest expense	67,014	67,332
Policy acquisition expenses	652,732	473,649
Total benefits and expenses	3,455,120	2,181,098
Income before income taxes	279,874	158,393
Income tax expense	62,437	26,030
Net income	217,437	132,363

NLV Financial Corporation and Subsidiaries⁸ Consolidated Balance Sheets¹⁰

As of December 31 (in thousands)

Assets:	2023	2022
Cash and investments:		
Available-for-sale debt securities	26,799,650	22,946,775
Equity securities	132,304	111,513
Trading debt securities	154,306	164,106
Mortgage loans	4,762,202	4,967,269
Policy loans	1,244,017	1,067,698
Real estate investments	21,584	7,906
Derivative assets	2,494,681	801,285
Other invested assets	1,553,933	1,403,185
Short-term investments	397,965	295,512
Cash and restricted cash	667,541	198,162
Total cash and investments	38,228,183	31,963,411
Deferred policy acquisition costs	4,434,425	4,297,579
Accrued investment income	353,848	304,219
Premiums and fees receivable	19,622	17,829
Amounts recoverable from reinsurers	139,554	150,428
Property and equipment, net	170,222	159,304
Corporate owned life insurance	598,668	573,933
Deferred tax asset	515,449	405,997
Federal income tax recoverable	—	44,400
Other assets	186,299	165,944
Separate account assets	825,824	772,523
Total assets	45,472,094	38,855,567

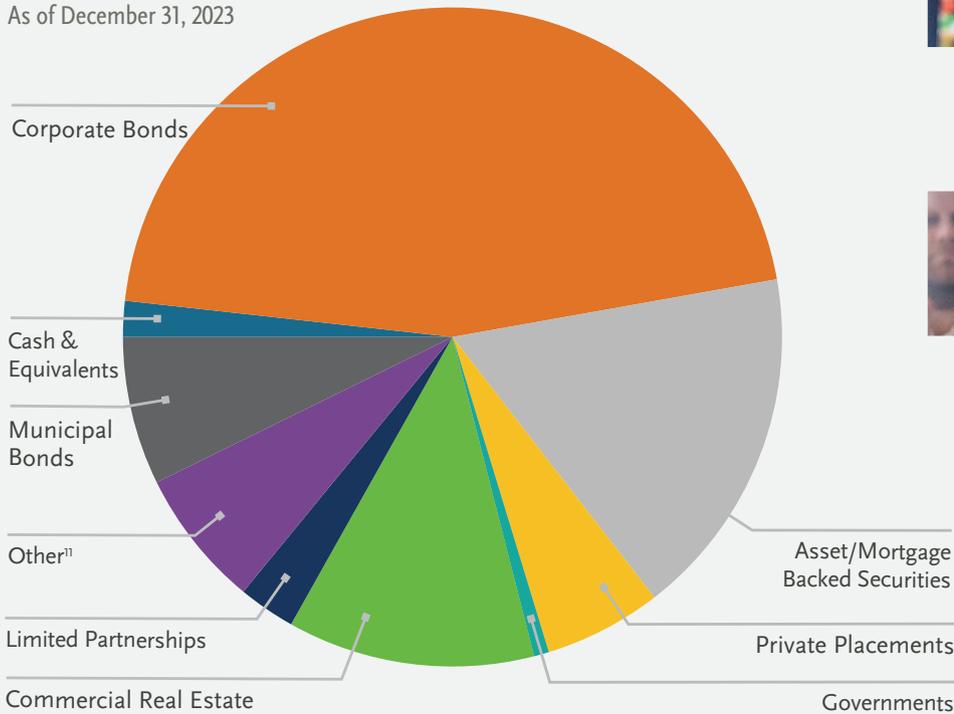
Liabilities:	2023	2022
Policy liabilities:		
Policy benefit liabilities	3,935,308	3,852,755
Policyholder account liabilities	34,099,412	29,889,964
Policyholders' deposits	149,630	88,837
Policy claims payable	141,356	143,051
Policyholders' dividends and dividend obligations	9,307	10,012
Total policy liabilities	38,335,013	33,984,619
Amounts payable to reinsurers	23,775	27,892
Derivative liabilities	1,577,475	510,660
Other liabilities and accrued expenses	1,031,664	563,998
Pension and other post-retirement benefit obligations	183,157	169,142
Federal income tax payable	29,603	—
Debt	916,904	916,336
Separate account liabilities	825,824	772,523
Total liabilities	42,923,415	36,945,170

Stockholder's Equity:	2023	2022
Class A common stock, 2,000 shares authorized, no shares issued and outstanding	\$ —	\$ —
Class B common stock, par value of \$0.01, 1,001 shares authorized, 100 shares issued and outstanding	—	—
Preferred stock, 500 shares authorized, no shares issued and outstanding	—	—
Retained earnings	3,940,015	3,729,404
Accumulated other comprehensive (loss) income	(1,391,336)	(1,819,007)
Total stockholder's equity	2,548,679	1,910,397
Total liabilities and stockholder's equity	45,472,094	38,855,567

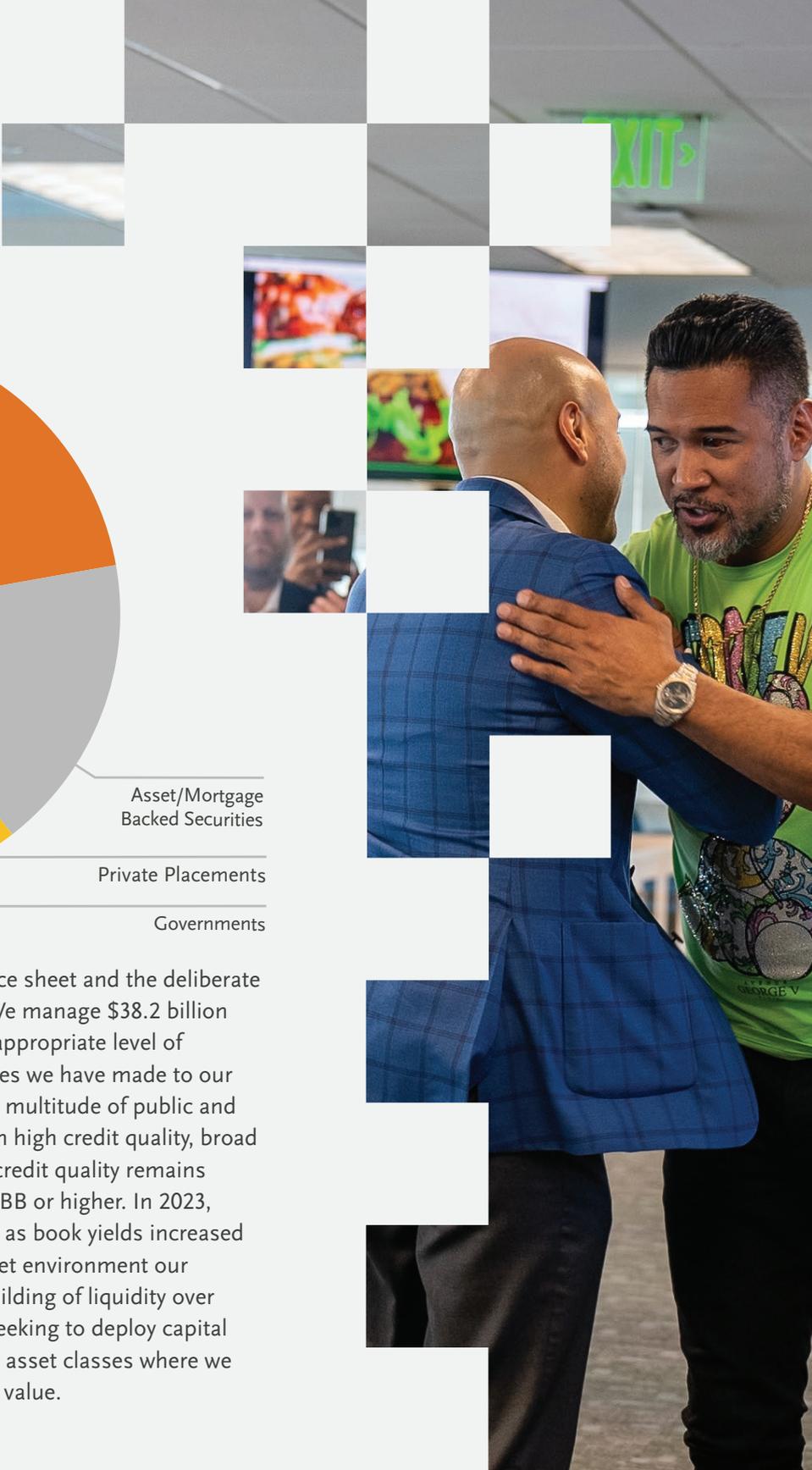
NLV Financial Corporation and Subsidiaries⁸

Asset Allocation

As of December 31, 2023



At National Life Group, both the strength of our balance sheet and the deliberate deployment of our capital remain our primary focus. We manage \$38.2 billion of invested assets with the objective of generating an appropriate level of income per unit of capital, in order to keep the promises we have made to our policyholders. Our portfolio is well-diversified across a multitude of public and private fixed income asset classes with an emphasis on high credit quality, broad diversification, and a long-term perspective. Portfolio credit quality remains strong, with over 96 percent of invested assets rated BBB or higher. In 2023, our portfolio continued to deliver strong performance, as book yields increased while default losses remained low. In the current market environment our disciplined approach, combined with the deliberate building of liquidity over several years, has positioned us well. We are actively seeking to deploy capital into opportunities across a range of public and private asset classes where we are rewarded appropriately for taking risk and creating value.





James H. Douglas	Roger B. Porter	Harris H. Simmons	Thomas H. MacLeay	Racquel Oden	Mehran Assadi	Carol Carlson	Yvette D. Bright	Bruce M. Lisman	Marcos Gabriel
Former Governor of Vermont Middlebury, VT	IBM Professor, Business & Government, Harvard University Cambridge, MA	Chairman, CEO & President, Zions Bancorporation and Chairman, Zions First National Bank Salt Lake City, UT	Retired Chairman CEO, National Life Group Montpelier, VT	Head of the U.S. Wealth and Personal Banking, HSBC Bank New York, NY	Chairman, CEO & President, National Life Group Montpelier, VT	Retired Partner, Ernst & Young, LLP Wellesley, MA	Retired COO, Independence Blue Cross Philadelphia, PA	Retired, JP Morgan Chase New York, NY	SVP, Finance and Global Business Services, McCormick & Company Hunt Valley, MD

For more details on the information provided in this Annual Report, please visit www.nationallife.com.

- 1 Living Benefits are provided by no additional premium Accelerated Benefit Riders.
- 2 Financial strength ratings for NLIC and LSW as of December 31, 2023. A.M. Best – A+ (Superior), 2nd out of 16 ratings; Standard & Poor’s – A+ (Strong), 5th out of 21 ratings; Moody’s – A1 (Good), 5th out of 21 ratings. Ratings are subject to change.
- 3 LIMRA LOMA U.S. Individual Annuities Sales Survey, Participant’s Report, Fourth Quarter 2023, published by LL Global, Inc SM.
- 4 Wink’s Sales & Market Report 4th Quarter, 2023, published by Wink, Inc., Des Moines, IA.
- 5 LIMRA U.S. Retail Individual Life Insurance Sales Participant Report 2023, published by LL Global, Inc SM.
- 6 Statutory basis benefits, including changes in aggregate reserves, based on consolidated results of NLIC and LSW for 2023. NLIC statutory basis benefits were \$1.1B.
- 7 Life sales include total weighted new annualized premium for NLIC and LSW. Flow annuity (new anticipated annual premium contributions) and single premium deferred annuity sales include total deposits for NLIC and LSW. For the year ended December 31, 2023 NLIC life insurance WNAP were \$55M, flow annuity total deposits were \$7M, and SPDA total deposits were \$591M.
- 8 Based on the consolidated results as of and for the year ended December 31, 2023, stated on the basis of U.S. Generally Accepting Accounting Principles (GAAP) of NLV Financial Corporation (NLVF) and its subsidiaries and affiliates, including National Life Insurance Company (NLIC) and Life Insurance Company of the Southwest (LSW). NLVF and its subsidiaries and affiliates operate as a unified organization under the trade name of National Life Group (NLG). Total assets exclude unrealized gains (losses) and associated balances. The measurement of core earnings only exists on a consolidated GAAP basis. Statutory basis financial figures as of December 31, 2023: NLG consolidated admitted assets were \$46.5B and liabilities were \$43.2B. NLIC admitted assets were \$11.8B and liabilities were \$8.7B.
- 9 Statutory total adjusted capital (“TAC”) as of December 31, 2023 for NLIC. TAC is an industry measure used by state regulators to measure a life insurer’s risk-based capital adequacy, and includes statutory capital and surplus adjusted for certain liabilities.
- 10 Statutory basis financial figures as of and for the year ended December 31, 2023 for NLIC: Admitted assets \$11.8B, cash & invested assets \$10.4B, liabilities \$8.7B including policyholder reserves \$5.0B, surplus to policyholders \$3.1B, total revenues \$1.4B, benefits & expenses \$1.3B and net income \$63M.
- 11 Other includes policy loans, derivatives, unaffiliated common stock, real estate, and housing tax credits.

This annual report summary of National Life Group (NLG) includes the consolidated results of NLV Financial Corporation and Subsidiaries, including National Life Insurance Company (NLIC), founded in 1848 in Montpelier, VT, Life Insurance Company of the Southwest (LSW), chartered in 1955, Dallas, TX, NLG Capital, and Equity Services, Inc., Member FINRA (www.finra.org)/SIPC (www.sipc.org), is a Broker/Dealer and Registered Investment Adviser affiliate of National Life Insurance Company. In CO, MO, NH and WI, Equity Services, Inc. operates as Vermont Equity Services, Inc.

To obtain a full version of the audited financial statements of NLV Financial Corporation and Subsidiaries, please send an e-mail to lifecustomerservice@nationallife.com or call our toll-free number at 800-732-8939. You can also visit our website and download a PDF version online at nationallife.com.

No bank or credit union guarantee | Not a deposit | Not FDIC/NCUA insured | May lose value
Not insured by any federal or state government agency

Guarantees are dependent upon the claims-paying ability of the issuing company.