



**EXAMINATION REPORT  
OF  
American Bankers  
Life Assurance Company of Florida**

**NAIC Company Code: 60275**

**Miami , Florida  
as of  
December 31, 2022**

**BY THE  
FLORIDA  
OFFICE OF INSURANCE REGULATION**

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May 16, 2024

Michael Yaworsky  
Commissioner  
Office of Insurance Regulation  
State of Florida  
Tallahassee, Florida 32399-0326

Dear Commissioner:

Pursuant to your instructions, in compliance with Section 624.316, Florida Statutes, Rule 690-138.005, Florida Administrative Code, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (“the NAIC”), we have conducted an examination as of December 31, 2022, of the financial condition and corporate affairs of

**American Bankers Life Assurance Company**

11222 Quail Roost Drive

Miami, Florida 33157

hereinafter referred to as “the Company.” Such report of examination is herewith respectfully submitted.

## SCOPE OF EXAMINATION

This examination covered the period of January 1, 2018, through December 31, 2022, and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“OIR”) on April 18, 2023. The fieldwork concluded as of May 16, 2024. The Company’s last full scope exam by representatives of OIR covered the period of January 1, 2014, through December 31, 2017.

The examination was a multi-state/coordinated group examination conducted in accordance with the NAIC Financial Condition Examiners Handbook (“the Handbook”). The Handbook requires the examination to be planned and performed 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 both currently and prospectively. The lead state for this examination was Florida, and states that participated in this examination were: Delaware, Georgia, Illinois, New York, Texas, and the Commonwealth of Puerto Rico.

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 the NAIC Statements of Statutory Accounting Principles (“SSAP”). 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 information obtained from the examination of the records, accounts, files and documents of or relative to the Company and other information as permitted by Section 624.319, Florida Statutes. There may be other items identified during the examination that, due to their nature (for example, subjective conclusions or proprietary information), are not included within the examination report but separately communicated to other regulators and/or the Company.

## SUMMARY OF SIGNIFICANT FINDINGS

### Current Examination Findings

There were no significant findings of fact as a result of this examination.

### Previous Examination Findings

There were no significant findings of fact for the prior examination as of December 31, 2017.

## COMPANY HISTORY

### General

The Company was incorporated in Florida on February 6, 1952, and commenced business on April 8, 1952. It was licensed by the OIR as an insurer on July 14, 1952, in accordance with Part 1 of Chapter 641, Florida Statutes.

### Dividends

In accordance with Section 628.371, Florida Statutes, the Company declared and paid dividends to its stockholder in the amounts of:

2018	\$23,800,000
2019	\$16,600,000
2020	\$23,000,000
2021	\$21,500,000
2022	\$10,000,000

## Capital Stock and Capital Contributions

As of December 31, 2022, the Company's capitalization was as follows:

Number of authorized common capital shares	5,000,000
Number of authorized preferred stock	500,000
Number of shares issued and outstanding	4,472,341
Total common capital stock	4,472,341
Par value per share common	\$1
Par value per share preferred	\$10

The Company did not receive any capital contributions during the period under examination.

## Surplus Notes

The Company did not have or issue any surplus notes during the period under examination.

## Acquisitions, Mergers, Disposals, Dissolutions

The Company had no acquisitions, mergers, disposals, or dissolutions during the period under examination.

## MANAGEMENT AND CONTROL

### Corporate Governance

The annual shareholder meeting for the election of the Board of Directors ("the Board") was held in accordance with Section 628.231, Florida Statutes. Directors serving as of December 31, 2022, are shown below:

<b>Directors</b>		
<b>Name</b>	<b>City, State</b>	<b>Principal Occupation, Company Name</b>
Jeffrey Unterreiner, Chair	Ball Ground, Georgia	President and Chief Executive Officer, American Bankers Life Assurance Company, Assurant, Inc.
Paul M. Cosgrove	Toronto, Ontario, Canada	Vice President, American Bankers Life Assurance Company
Ricardo J. Morales- Gomez	Miami Lakes, Florida	Vice President, Managing Attorney, Assurant, Inc.
Herbert H. Seitz, III <sup>1</sup>	Racine, Wisconsin	Senior Vice President, Global Head of Risk Management, Assurant, Inc.
Mark E. Sieb	Warren, New Jersey	Senior Vice President, Treasurer Assurant, Inc.

In accordance with the Company's Bylaws, the Board appointed the following Senior Officers:

<b>Name</b>	<b>Title</b>
Jeffrey Unterreiner	President, Chief Executive Officer
Jeannie A. Aragon-Cruz	Secretary
Athanasios Bolovinos <sup>2</sup>	Treasurer
Lester Garcia-Casariago	Appointed Actuary
Manuel J. Becerra	Senior Vice President
Gregory J. DeChurch	General Counsel
Teonna N. Icen	Senior Vice President
Keith R. Meier	Senior Vice President

As of December 31, 2022, the Company's Board of Directors had not appointed any committees.

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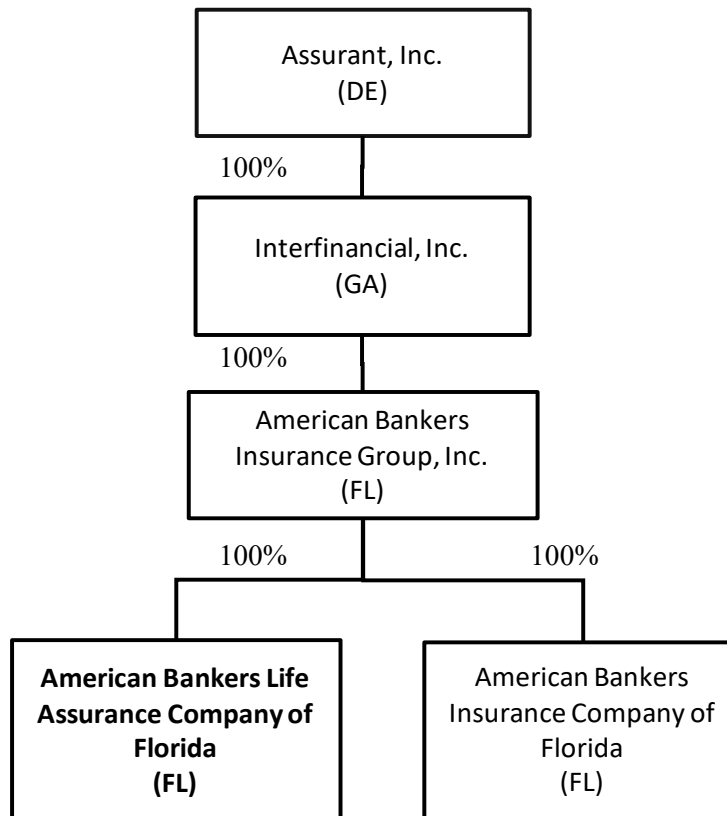
<sup>1</sup> Herbert Seitz resigned as a member of the Company's Board effective November 14, 2023. Leslie Soler was elected as Director of the Company effective November 15, 2023, to fill the vacancy and to serve until the next annual meeting of shareholders of the Company or until successors have been duly elected and qualified.

<sup>2</sup> Athanasios Bolovinos resigned as Treasurer effective March 16, 2023. Laura Hochban was appointed as Treasurer effective March 17, 2023.

## Holding Company System

An abridged organizational chart as of December 31, 2022, reflecting the holding company system, is shown on the following page. Schedule Y of the Company's 2022 Annual Statement provides a list of all related companies of the holding company group.

### American Bankers Life Assurance Company of Florida Organizational Chart December 31, 2022



## AFFILIATED AGREEMENTS

The Company had more than seventy agreements in force with various affiliates during the examination period. In 2022, the amount received with respect to the management agreements and service contracts totaled \$38.8 million. These affiliated agreements primarily consisted of intercompany services agreements with Assurant, Inc., the ultimate parent, American Bankers

Insurance Group, Inc., the immediate parent, and other entities. Under these agreements, the Company received or rendered services relating to administrative, information technology, investment management, operational, payment intermediary and various other services. The agreements were reflected in the holding company filings made by Assurant, Inc. on behalf of the Company and its affiliates. The Company also has an Investment Management Agreement with Assurant, Inc., a Tax Allocation Agreement with Assurant, Inc. whereby the Company's operations are included in the consolidated income tax returns of Assurant, Inc., and various reinsurance agreements with affiliates as discussed below in the Reinsurance section.

## **ACCOUNTS AND RECORDS**

The Company maintained its principal operational offices in Miami, Florida.

The Company and non-affiliates had the following material agreements:

### **Custodial Agreement**

The Company maintained custodial agreements with JPMorgan Chase Bank, N. A. and RBC Dexia Investors Services Trust. The agreements complied with Rule 69O-143.042, Florida Administrative Code.

### **Independent Auditor Agreement**

An independent CPA, PricewaterhouseCoopers, LLP, audited the Company's statutory basis financial statements annually for the years 2022, 2021, 2020, 2019, and 2018, in accordance with Section 641.26(5), Florida Statutes. Supporting work papers were prepared by the CPA firm as required by Section 641.26(5), Florida Statutes.

### **Corporate Records Review**

The recorded minutes of the Shareholder and Board were reviewed for the period under examination. The recorded minutes of the Board documented its meetings and approval of Company transactions and events, in compliance with the Handbook adopted by Rule 69O-138.001, Florida Administrative Code, including the authorization of investments, as required by Section 641.35(7), Florida Statutes.

## TERRITORY AND PLAN OF OPERATIONS

The Company was authorized to transact insurance in all states except New York. The Company was authorized to transact business Florida on July 14, 1952, and is currently authorized for the following lines of business as of December 31, 2022:

Accident and Health
Life

The Company provides credit-related insurance programs in Canada, the Caribbean and provided credit-related insurance programs in the United States which is now in run-off. The Company as an international wholesaler and marketer of insurance products, services and programs, concentrates on marketing through financial institutions, retailers and other entities which provide consumer financing as a regular part of their business. The Company operates in various life, accident and health, and annuity lines, the most significant of which are credit life and accident and health and group life, and accident, and health. The following table shows the top five states or countries where the Company wrote business during the year ended December 31, 2022:

State/Country	Gross Premium Written
Canada	270,402,392
Florida	2,486,327
Texas	2,066,347
U. S, Virgin Islands	527,955
Louisiana	509,519

## REINSURANCE

The reinsurance agreements reviewed complied with NAIC standards with respect to the standard insolvency clause, arbitration clause, intermediary clause, transfer of risk, reporting and settlement information deadlines.

### Reinsurance Assumed

The Company assumes credit-related insurance programs from certain clients' captive insurance companies as well as the Company's Non-US affiliates. The Company assumes credit life and

credit accident & health business from affiliates Caribbean American Life Assurance Company (“CALAC”), Assurant Vida Mexico SA, and an immaterial amount of credit accident & health business from Union Security Life Insurance Company of New York. All business assumed from CALAC is retroceded to unaffiliated reinsurers.

### **Reinsurance Ceded**

A substantial portion of the company's reinsurance activities are related to agreements to reinsure premiums generated by certain clients to the clients' own captive insurance companies, or to reinsurance subsidiaries in which clients have an ownership interest. Therefore, a substantial portion of income in this area is derived from fees paid by the captive insurance companies for processing and other services performed by the Company.

The ceding of insurance does not relieve the Company of its primary obligation to the policyholders in a reinsurance transaction. Therefore, credit exposure exists to the extent that any reinsurer is unable to meet the obligation assumed in the reinsurance agreements. To mitigate this exposure to reinsurance insolvencies, the Company evaluates the financial condition of its reinsurers and holds substantial collateral (in the form of funds withheld, trusts, and letters of credit) as security under the reinsurance agreements.

The Company no longer writes credit card insurance business in the United States, and writes installment lending for only one client in the United States. The Company reinsures the business in run-off, as well as universal/whole life business, and some Accident, Disability, and Dismemberment business.

## **FINANCIAL STATEMENTS**

The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment was identified, the impact of such adjustment would be documented separately following the Company's financial statements. The following includes the Company's statutory Statement of Assets, Liabilities, Surplus and Other Funds, and Summary of Operations, which includes an analysis of changes in the Capital and Surplus Account for the year ended December 31, 2022. The financial statements are based on the statutory financial statements filed by the Company with the OIR and present the financial condition of the Company for the period ending December 31, 2022. Due to rounding, column amounts may not add to the totals reflected in this Report. There were no examination adjustments to the amounts reported by the Company.

**American Bankers Life Assurance Company of Florida**  
**Assets**  
**December 31, 2022**

Bonds	124,883,888
Stocks	
Preferred stocks	1,809,600
Common stocks	1,084,186
Mortgage loans (first liens)	2,339,210
Real Estate	
Properties Occupied by the Company	41,390,409
Cash, cash equivalents and short-term investments	43,919,361
Contract loans	1,599,853
Other invested assets	150,836
Subtotal cash and invested assets	217,177,343
Investment income due and accrued	1,203,902
Premiums and considerations	
Uncollected premiums and agents' balances in the course of collection	4,666,075
Deferred premiums and agents' balances and installments booked but deferred and not yet due	41,361
Reinsurance	
Amounts recoverable from reinsurer	2,564,897
Funds held by or deposited with reinsurance companies	279,603
Other amounts receivable under reinsurance contracts	1,434,581
Net deferred tax asset	3,383,696
Guaranty funds receivable or on deposit	2,376
Electronic data processing equipment and software	1,632,837
Receivables from parent, subsidiaries and affiliates	2,241,675
Aggregate write-ins for other-than-invested assets	925,357
Totals	235,553,503

**American Bankers Life Assurance Company of Florida**  
**Liabilities, Surplus and Other Funds and Surplus**  
**December 31, 2022**

Aggregate reserve for life contracts	64,037,147
Aggregate reserve for accident and health contracts	26,595,258
Liability for deposit type contracts	9,487,329
Contract claims - life	6,435,763
Contract claims – accident and health	6,691,211
Premiums and annuity considerations for life and accident and health contracts received in advance	26,596
Other amounts payable on reinsurance	17,928,176
Interest maintenance reserve	6,226,532
Commissions to agents due or accrued – life and annuity contracts	9,989,815
General expenses due or accrued	2,564,047
Taxes, licenses and fees due or accrued	2,441,551
Current federal and foreign income taxes	967,686
Unearned investment income	51,038
Amounts withheld or retained by reporting entity as agent or trustee	801,294
Amounts held for agents' accounts	11,563
Remittances and items not allocated	190,241
Asset valuation reserve	4,586,180
Reinsurance in unauthorized and certified companies	3,483
Funds held under reinsurance treaties with unauthorized & certified	6,894,228
Payable to parent, subsidiaries and affiliates	4,340,908
Funds held under coinsurance	3,340
Derivatives	544,807
Payable for securities	3,631,136
Aggregate write-ins for other liabilities	1,252,947
<b>Total liabilities</b>	<b>175,702,276</b>
Common capital stock	4,472,341
Gross paid-in and contributed surplus	39,891,678
Unassigned funds (surplus)	15,487,208
<b>Total capital and surplus</b>	<b>59,851,227</b>
<b>Total liabilities, capital and surplus</b>	<b>235,553,503</b>

**American Bankers Life Assurance Company of Florida**  
**Summary of Operations**  
**December 31, 2022**

Premiums and annuity considerations for life and accident and health contracts	92,586,944
Considerations for supplementary contracts with life contingencies	19,349
Net investment income	13,847,928
Amortization of Interest Maintenance Reserve	689,701
Commissions and expense allowances on reinsurance ceded	27,989,533
Reserve adjustments on reinsurance ceded	(2,189,966)
Aggregate write-ins for miscellaneous income	5,403
<b>Total</b>	<b>132,948,892</b>
Death Benefits	7,294,268
Annuity benefits	11,555
Disability benefits and benefits under accident and health contracts	8,286,403
Surrender benefits and withdrawals for life contracts	3,431,274
Interest and adjustments on contracts or deposit-type contract funds	(29,366)
Payments on supplementary contracts with life contingencies	492,659
Increase in aggregate reserves for life and accident and health contracts	(13,856,969)
<b>Totals</b>	<b>5,629,824</b>
Commissions on premiums, annuity considerations and deposit-type contract funds	81,794,336
Commission and expense allowances on reinsurance assumed	1,917,805
General insurance expenses	9,374,708
Insurance taxes, licenses and fees	7,202,885
Aggregate write-ins for deductions	59
<b>Total</b>	<b>105,919,617</b>
Net gain from operations before dividends to policyholders, refunds to members and federal income taxes	27,029,275
Net gain from operations after dividends to policyholders, refunds to members and federal income taxes	27,029,275
Federal and foreign income taxes incurred	4,253,443
Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains	22,775,832
Net realized capital gains (losses) less capital gains tax	89,560
<b>Net Income</b>	<b>22,865,392</b>

<b>Capital and Surplus Account</b>	
Capital and surplus, prior reporting year	52,978,707
Net Income	22,865,392
Change in net unrealized capital gains (losses) less capital gains tax	(425,595)
Change in net unrealized foreign exchange capital gain (loss)	(3,621,658)
Change in net deferred income tax	(2,513,833)
Change in non-admitted assets	207,769
Change in liability for reinsurance in unauthorized and certified companies	76,310
Change in asset valuation reserve	284,135
Capital Changes:	
Paid in	
Transferred to surplus	
Surplus adjustments:	
Paid in	
Transferred from capital	
Dividends to stockholders	(10,000,000)
Aggregate write-ins for gains or(losses) in surplus	
Net change in capital and surplus	6,872,520
Capital and surplus, end of reporting year	59,851,227

**American Bankers Life Assurance Company of Florida**  
**Reconciliation of Capital and Surplus**  
**December 31, 2022**

<b>Capital/Surplus Change during Examination Period</b>			
Capital and Surplus at December 31, 2017, per Company			52,971,199
	Increase	Decrease	
Net income	22,989,508		
Change in net unrealized capital gain (loss)	43,433		
Change in net unrealized foreign exchange capital loss		(4,134,414)	
Change in net deferred income tax		(1,808,132)	
Change in non-admitted assets	1,378,778		
Change in liability for reinsurance in unauthorized and certified companies		(15, 847)	
Change in asset valuation reserve	275,246		
Dividends to stockholders		(23,800,000)	
Capital and Surplus at December 31, 2018, per Company			47,899,772
Net income	20,635,766		
Change in net unrealized capital gain (loss)	41,612		
Change in net unrealized foreign exchange capital loss	2,705,426		
Change in net deferred income tax		(442,528)	
Change in non-admitted assets	375,922		
Change in liability for reinsurance in unauthorized and certified companies		(1,388,723)	
Change in asset valuation reserve		(379,506)	
Dividends to stockholders		(16,600,000)	

Capital and Surplus at December 31, 2019, per Company			52,847,740
Net Income	21,944,105		
Change in net unrealized capital gain (loss)		(75,393)	
Change in net unrealized foreign exchange capital loss	1,724,646		
Change in net deferred income tax		(671,988)	
Change in non-admitted assets	887,912		
Change in liability for reinsurance in unauthorized and certified companies	1,511,085		
Change in asset valuation reserve		(232,196)	
Dividends to stockholders		(23,000,000)	

Capital and surplus at December 31, 2020, per Company			54,935,912
Net Income	19,033,601		
Change in net unrealized capital gain (loss)	848,046		
Change in net unrealized foreign exchange capital loss	242,208		
Change in net deferred income tax		(2,199,128)	
Change in non-admitted assets	1,894,910		
Change in liability for reinsurance in unauthorized and certified companies		(62,840)	
Change in asset valuation reserve		(214,001)	
Dividends to stockholders		(21,500,000)	
Capital and surplus at December 31, 2021, per Company			52,978,707

Net Income	22,865,392		
Change in net unrealized capital gain (loss)		(425,595)	
Change in net unrealized foreign exchange capital loss		(3,621,658)	
Change in net deferred income tax		(2,513,833)	
Change in non-admitted assets	207,769		
Change in liability for reinsurance in unauthorized and certified companies	76,310		
Change in asset valuation reserve	284,135		
Dividends to stockholders		(10,000,000)	
Capital and surplus at December 31, 2022, per Company			59,851,227

No adjustments were made to surplus as regards policyholders as a result of the examination.

## **COMMENTS ON FINANCIAL STATEMENT ITEMS**

### **Liabilities**

#### **Losses and Loss Adjustment Expenses**

Lester Garcia-Casariago, FSA, CERA, MAAA, Director and Actuary, appointed by the Board, rendered an opinion that the amounts carried in the balance sheet as of December 31, 2022, made a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its policies and agreements.

The OIR consulting actuary, Jason Dunavin, FSA, MAAA of Lewis & Ellis, LLC reviewed the loss and loss adjustment expense work papers provided by the Company and he was in concurrence with this opinion.

#### **Capital and Surplus**

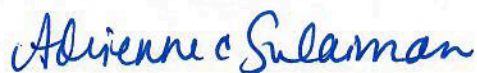
The amount of capital and surplus reported by the Company of \$59,851,227 exceeded the minimum of \$8,009,871 required by Section 624.408, Florida Statutes.

## CONCLUSION

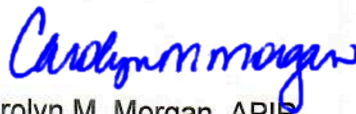
The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of American Bankers Life Assurance Company of Florida as of December 31, 2022, consistent with the insurance laws of the State of Florida.

The following individuals with the firm of Lewis & Ellis, LLC participated in the examination: David Palmer, CFE, Supervising Examiner; Adrienne C. Sulaiman, CFE, Examiner-in-Charge; Mackenzie Katz, Participating Examiner; Susan Campbell, CFE, Participating Examiner; and Novalene Forbes, CFE, Participating Examiner. Members of OIR who participated in the examination include Shantia Simmons, APIR, Examination Manager. Additionally, Jason Dunavin, FSA, MAAA, Jan DeClue, FSA, MAAA, Chris Donnelly, ASA, MAAA, Adrienne Talbert, FSA, MAAA of Lewis & Ellis, LLC, Actuarial Specialists; Jenny Jeffers, AES, CISA, CFE (Fraud), and Joanna Latham, AES, CISA, CPA, CFE, CRISC, of Jennan Enterprises, LLC, IT Specialists; are recognized for participation in the examination.

Respectfully submitted,



Adrienne C. Sulaiman, CFE  
Examiner-in-Charge  
Lewis & Ellis, LLC  
Representing the Florida Office of Insurance Regulation



Carolyn M. Morgan, APIR  
Director  
Life & Health Financial Oversight  
Florida Office of Insurance Regulation  
Date Signed: 6/28/24