Jackson National Life Global Funding

U.S. $20,000,000,000

GLOBAL DEBT ISSUANCE PROGRAM

This supplement (this "***Third Base Prospectus Supplement***") is supplemental to and must be read in conjunction with the Offering Memorandum dated May 23, 2018 (the "***Base Prospectus***") and prior Base Prospectus Supplements, specifically, the First Base Prospectus Supplement dated August 20, 2018 and the Second Base Prospectus Supplement dated November 30, 2018 (referred to herein as the "**Prior Base Prospectus Supplements**") prepared by Jackson National Life Global Funding (the "***Issuer***"), under the Issuer's Global Debt Issuance Program for the issuance of senior secured medium-term notes (the "***Notes***").

This Third Base Prospectus Supplement has been approved by the Central Bank of Ireland, as competent authority under the Directive 2003/71/EC (the "***Prospectus Directive***"). The Central Bank of Ireland only approves this Third Base Prospectus Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

This document constitutes a base prospectus supplement for the purposes of Article 16 of the Prospectus Directive. References herein to this document are to this Third Base Prospectus Supplement incorporating Annex 1, Annex 2, Annex 3, Annex 4, Annex 5, Annex 6 and Annex 7, hereto.

Annex 1 of this Third Base Prospectus Supplement, which amends and supplements the "Recent Developments" subsection of the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section on page 52 of the Base Prospectus, includes a description of certain recent developments (the "***Recent Developments***") related to the filing with the Michigan Office of Financial and Insurance Regulation by Jackson National Life Insurance Company ("***Jackson***") of its annual unaudited unconsolidated statutory financial statements as of and for the year ended December 31, 2018 (including any notes thereto, the "***2018 Statutory Financial Statements***").

Annex 2 of this Third Base Prospectus Supplement contains certain sections from the 2018 Statutory Financial Statements. Copies of the Recent Developments and the 2018 Statutory Financial Statements will be made available for inspection at the offices of the parties at whose offices documents are to be available for inspection as identified in "General Information" in the Base Prospectus.

Annex 3 of this Third Base Prospectus Supplement contains information concerning Jackson which has been made available as part of the Jackson March 13, 2019 press release.

Annex 4 of this Third Base Prospectus Supplement amends "Risks related to Industry" subsection of the "Risk Factors" section beginning on page 10 of the Base Prospectus.

Annex 5 of this Third Base Prospectus Supplement amends the "Business of Jackson" section beginning on page 42 of the Base Prospectus.

Annex 6 of this Third Base Prospectus Supplement amends the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section beginning on page 52 of the Base Prospectus.

Annex 7 of this Third Base Prospectus Supplement amends the "General Information" section beginning on page 121 of the Base Prospectus.

Except as disclosed in this Third Base Prospectus Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus and the Prior Base Prospectus Supplements.

Each of the Issuer and Jackson accepts responsibility for the information contained in this Third Base Prospectus Supplement. To the best of the knowledge of each of the Issuer and Jackson (having taken all reasonable care to ensure that such is the case) the information contained in this Third Base Prospectus Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Where there is any inconsistency among the Base Prospectus, the Prior Base Prospectus Supplements and this Third Base Prospectus Supplement, the language used in this Third Base Prospectus Supplement shall prevail.

Third Base Prospectus Supplement dated March 15, 2019

Annex 1

RECENT DEVELOPMENTS

The following is added to the "Recent Developments" subsection of the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the Base Prospectus following the fifth paragraph on page 57 of the Base Prospectus:

Jackson National Life Insurance Company

Based on Statutory Quarterly Statement as of and for the year ended December 31, 2018

PREMIUMS AND ANNUITY CONSIDERATIONS totaled $18,003.6 million (excluding John Hancock initial premium of $4,982.8 million) for the year ended December 31, 2018, as compared to $19,004.5 million in 2017. Total variable annuity premiums were $16,626.6 million for the year ended December 31, 2018, compared to $17,426.0 million in 2017. Included in variable annuity premiums were Elite Access premiums of $2,221.6 million for the year ended December 31, 2018, compared to $2,569.6 million in 2017. Fixed index annuity premiums received during 2018 totaled $335.0 million, compared to $380.8 million received in 2017. Sales of fixed annuities during the year totaled $447.0 million, compared to $571.0 million in 2017. Jackson sold $3,126.2 million of institutional products during 2018, compared to $2,995.3 million in 2017.

NET INCOME totaled $1,896.3 million for the year ended December 31, 2018, compared to $168.4 million for the year ended December 31, 2017. Net realized capital gains totaled $991.7 million in 2018, compared to losses of $2,628.2 million in 2017, as hedge related capital gains were more favorable than in the prior year, due primarily to the nature of the movements in the equity markets during 2018 relative to 2017.

CAPITAL AND SURPLUS was $4.79 billion at December 31, 2018, compared to $3.88 billion at December 31, 2017. The increase in capital and surplus was primarily due to net income of $1,896.3 million, partially offset by unrealized derivative losses of $445.4 million and dividends At December 31, 2018, Jackson had Total Adjusted Capital of $5,519.0 million and Authorized Control Level Risk Based Capital of $602.1 million.

TOTAL ADMITTED ASSETS decreased to $224.9 billion at December 31, 2018, from $228.8 billion at December 31, 2017.

Effective October 1, 2018, the Company entered into an agreement with John Hancock Life Insurance Company (U.S.A.) to assume $5.0 billion of statutory reserves on the U.S. Group Payout Annuity business. The transaction closed on October 31, 2018.

As described in "Business of Jackson", the Company received approval from the Department of Insurance and Financial Services regarding the use of a permitted practice which allows the Company to report the effectiveness of its hedging program related to certain interest rate swaps consistent with the system the Company has adopted in accordance with Section 943 (2) of the Michigan Insurance Code, as opposed to SSAP No. 86 – *Accounting for Derivative Instruments and Hedging Activities*. As a result, hedging transactions thus identified as effective are reported pursuant to the accounting guidance set forth in NAIC SSAP No. 86. The capital impact of this permitted practice, reflected as special surplus funds, was to decrease capital and surplus by $164.7 million at December 31, 2018 and $480.2 million at December 31, 2017, with no effect on net income.

Jackson's investment portfolio is broadly diversified among sectors and issuers. Below investment grade bonds totaled 1.9% and 2.3% of total cash and invested assets at December 31, 2018 and December 31, 2017, respectively.

Jackson had gross unrealized gains of $1,292.9 million and gross unrealized losses of $971.6 million on its debt securities at December 31, 2018. Of the total carrying value of bonds in an unrealized loss position at December 31, 2018, 93% were investment grade. Unrealized losses on bonds that were below investment grade comprised 7% of the aggregate gross unrealized loss on debt securities. For Statutory reporting, Jackson's debt securities are generally reported at amortized cost, meaning the unrealized gains and losses are not reflected in income or capital and surplus. Impairment charges on fixed maturities totaled $6.8 million for the year ended December 31, 2018.

Annex 2

LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2018
OF THE CONDITION AND AFFAIRS OF THE

Jackson National Life Insurance Company

NAIC Group Code 0918 (Current) 0918 (Prior) NAIC Company Code 65056 Employer's ID Number 38-1659835

Organized under the Laws of Michigan, State of Domicile or Port of Entry MI

Country of Domicile United States of America

Incorporated/Organized 06/19/1961 Commenced Business 08/30/1961

Statutory Home Office 1 Corporate Way (Street and Number), Lansing, MI, US 48951 (City or Town, State, Country and Zip Code)

Main Administrative Office 1 Corporate Way (Street and Number)
Lansing, MI, US 48951 (City or Town, State, Country and Zip Code), 517-381-5500 (Area Code) (Telephone Number)

Mail Address 1 Corporate Way (Street and Number or P.O. Box), Lansing, MI, US 48951 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1 Corporate Way (Street and Number)
Lansing, MI, US 48951 (City or Town, State, Country and Zip Code), 517-381-5500 (Area Code) (Telephone Number)

Internet Website Address www.jackson.com

Statutory Statement Contact Michael Alan Costello (Name), 517-381-5500 (Area Code) (Telephone Number)
statjnlic@jackson.com (E-mail Address), 517-706-5522 (FAX Number)

OFFICERS

President	Michael Irving Falcon #	Treasurer	Michael Alan Costello
Secretary	Andrew John Bowden	Actuary	Marcia Lynn Wadsten

OTHER

Paul Chadwick Myers, Chief Financial Officer	Gregory Philip Cicotte, Executive Vice President	Savvas (Steve) Panagiotis Binioris, SVP
Devkumar Dilip Ganguly #, SVP	Julia Anne Goatley, SVP	Bradley Olan Harris, SVP
Thomas Paul Hyatte, SVP	Emilio Pardo, SVP	Laura Louene Prieskorn, SVP
Dana Scamarcia Rapier, SVP	Kenneth Harold Stewart, SVP	Richard Charles White, SVP
Marina Costa Ashiotou, VP	Dennis Allen Blue, VP	Barrett Mark Bonemer, VP
Pamela Lynn Bottles, VP	David Lee Bowers, VP	William Thomas Devanney Jr., VP
Charles Fox Field Jr., VP	Dana Rene Malesky Flegler, VP	Lisa Ilene Fox, VP
Heather Anne Gahir #, VP	Joseph Kent Garrett #, VP	Scott Jay Golde #, VP
Guillermo Esteban Guerra, VP	Robert William Hajdu, VP	Laura Louise Hanson, VP
Robert LeRoy Hill, VP	Julie Ann Hughes, VP	Matthew Timothy Irey, VP
Thomas Andrew Janda, VP	Scott Francis Klus, VP	Toni Lee Klus, VP
Matthew Fox Laker, VP	Richard Carl Liphardt, VP	Wayne Richard Longcore, VP
Diahn Marie McHenry, VP	Ryan Tait Mellott, VP	Dean Michael Miller, VP
Jacky Morin, VP	Gary John Rudnicki, VP	Stacey Lynn Schabel, VP
James Aaron Schultz, VP	William Robert Schulz, VP	Muhammad Sajid Shami, VP
Michael Dunstan Story, VP	Heather Rachelle Strang, VP	Dr. Bhatt Lakshmi Narayana Vadlamani #, VP
Brian Michael Walta, VP	Weston Bartley Wetherell, VP	

DIRECTORS OR TRUSTEES

Michael Irving Falcon #	Morten Nicolai Friis	Bradley Olan Harris
Dennis James Manning (Chairman)	Paul Chadwick Myers	James John Scanlan
Kenneth Harold Stewart #		

State of Michigan
County of Ingham
SS:

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Michael I. Falcon President	Andrew J. Bowden Secretary	Michael A. Costello Treasurer

Subscribed and sworn to before me this
25th day of February, 2019

Rhonda Phillips-Langham
Rhonda Phillips-Langham
Notary Public
10-Nov-24

RHONDA PHILLIPS-LANGHAM
NOTARY PUBLIC-STATE OF MICHIGAN
COUNTY OF INGHAM
My Commission Expires November 10, 2024
Acting in the County of Ingham

a. Is this an original filing? Yes [X] No [ ]
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

		Current Year			Prior Year
		1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1.	Bonds (Schedule D)	50,383,384,080	0	50,383,384,080	43,842,502,404
2.	Stocks (Schedule D):				
	2.1 Preferred stocks	0	0	0	0
	2.2 Common stocks	1,186,852,801	6,194,656	1,180,658,145	694,347,962
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens	9,411,338,876	0	9,411,338,876	8,441,517,338
	3.2 Other than first liens	0	0	0	0
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ 0 encumbrances)	255,898,041	0	255,898,041	220,901,732
	4.2 Properties held for the production of income (less $ 0 encumbrances)	7,172,124	0	7,172,124	7,172,124
	4.3 Properties held for sale (less $ 0 encumbrances)	2,826,669	0	2,826,669	698,303
5.	Cash ($ 59,688,543 , Schedule E - Part 1), cash equivalents ($ 2,761,629,429 , Schedule E - Part 2) and short-term investments ($ 0 , Schedule DA)	2,821,317,972	0	2,821,317,972	990,423,576
6.	Contract loans (including $ 0 premium notes)	4,562,626,274	1,630,495	4,560,995,779	4,468,857,765
7.	Derivatives (Schedule DB)	684,553,842	0	684,553,842	2,172,177,805
8.	Other invested assets (Schedule BA)	1,414,495,758	78,881,449	1,335,614,309	1,205,130,871
9.	Receivables for securities	34,673,731	0	34,673,731	213,610,914
10.	Securities lending reinvested collateral assets (Schedule DL)	42,433,567	0	42,433,567	64,246,292
11.	Aggregate write-ins for invested assets	(143,226,209)	0	(143,226,209)	(417,549,314)
12.	Subtotals, cash and invested assets (Lines 1 to 11)	70,664,347,526	86,706,600	70,577,640,926	61,904,037,772
13.	Title plants less $ 0 charged off (for Title insurers only)	0	0	0	0
14.	Investment income due and accrued	737,371,483	0	737,371,483	706,560,235
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	319,468,664	0	319,468,664	314,524,794
	15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including $ 0 earned but unbilled premiums)	58,525,762	0	58,525,762	61,078,196
	15.3 Accrued retrospective premiums ($ 0) and contracts subject to redetermination ($ 0)	0	0	0	0
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	29,899,778	0	29,899,778	44,425,346
	16.2 Funds held by or deposited with reinsured companies	0	0	0	0
	16.3 Other amounts receivable under reinsurance contracts	(215,026,959)	0	(215,026,959)	(278,248,711)
17.	Amounts receivable relating to uninsured plans	0	0	0	0
18.1	Current federal and foreign income tax recoverable and interest thereon	252,211,758	0	252,211,758	335,507,174
18.2	Net deferred tax asset	1,113,056,935	468,267,634	644,789,301	568,235,703
19.	Guaranty funds receivable or on deposit	2,265,920	0	2,265,920	3,745,295
20.	Electronic data processing equipment and software	9,765,758	0	9,765,758	7,816,491
21.	Furniture and equipment, including health care delivery assets ($ 0)	40,568,725	40,568,725	0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23.	Receivables from parent, subsidiaries and affiliates	14,160,336	0	14,160,336	47,939,243
24.	Health care ($ 0) and other amounts receivable	0	0	0	0
25.	Aggregate write-ins for other than invested assets	313,847,153	98,842,120	215,005,033	166,631,390
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	73,340,462,839	694,385,079	72,646,077,760	63,882,252,928
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts	152,228,479,792	0	152,228,479,792	164,905,514,891
28.	Total (Lines 26 and 27)	225,568,942,631	694,385,079	224,874,557,552	228,787,767,819
	DETAILS OF WRITE-INS				
1101.	Interest rate swaps adjustment per permitted practice	(143,226,209)	0	(143,226,209)	(417,549,314)
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	(143,226,209)	0	(143,226,209)	(417,549,314)
2501.	Agents' balances (net)	3,580,511	3,580,511	0	0
2502.	Capitalized software and associated costs	25,986,886	25,986,886	0	0
2503.	DTA on interest rate swap permitted practice	30,077,504	51,561,435	(21,483,931)	(62,632,397)
2598.	Summary of remaining write-ins for Line 25 from overflow page	254,202,252	17,713,288	236,488,964	229,263,787
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	313,847,153	98,842,120	215,005,033	166,631,390

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Aggregate reserve for life contracts $ 53,759,753,403 (Exh. 5, Line 9999999) less $ 0 included in Line 6.3 (including $ 0 Modco Reserve)	53,759,753,403	47,734,858,822
2.	Aggregate reserve for accident and health contracts (including $ 0 Modco Reserve)	0	0
3.	Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including $ 0 Modco Reserve)	11,746,880,476	10,250,092,362
4.	Contract claims:		
	4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	806,301,566	709,538,729
	4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	0	0
5.	Policyholders' dividends $ 252,386 and coupons $ 0 due and unpaid (Exhibit 4, Line 10)	252,386	267,300
6.	Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
	6.1 Dividends apportioned for payment (including $ 0 Modco)	9,184,485	9,713,666
	6.2 Dividends not yet apportioned (including $ 0 Modco)	183,209	187,796
	6.3 Coupons and similar benefits (including $ 0 Modco)	51,016	55,352
7.	Amount provisionally held for deferred dividend policies not included in Line 6	0	0
8.	Premiums and annuity considerations for life and accident and health contracts received in advance less $ 0 discount; including $ 0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14)	2,463,807	2,549,635
9.	Contract liabilities not included elsewhere:		
	9.1 Surrender values on canceled contracts	669,138	413,212
	9.2 Provision for experience rating refunds, including the liability of $ 0 accident and health experience rating refunds of which $ 0 is for medical loss ratio rebate per the Public Health Service Act	0	0
	9.3 Other amounts payable on reinsurance, including $ (90,246,901) assumed and $ 18,232,667 ceded	(72,014,234)	51,487,586
	9.4 Interest maintenance reserve (IMR, Line 6)	337,023,184	171,915,460
10.	Commissions to agents due or accrued-life and annuity contracts $ 90,171,504 accident and health $ 0 and deposit-type contract funds $ 0	90,171,504	109,143,402
11.	Commissions and expense allowances payable on reinsurance assumed	7,116,216	91,823
12.	General expenses due or accrued (Exhibit 2, Line 12, Col. 6)	243,324,488	223,292,073
13.	Transfers to Separate Accounts due or accrued (net) (including $ (5,273,794,462) accrued for expense allowances recognized in reserves, net of reinsured allowances)	(5,286,320,534)	(5,774,286,243)
14.	Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	(5,249,594)	(5,216,231)
15.1	Current federal and foreign income taxes, including $ 0 on realized capital gains (losses)	0	0
15.2	Net deferred tax liability	0	0
16.	Unearned investment income	8,256,141	8,838,482
17.	Amounts withheld or retained by company as agent or trustee	4,599,583	4,485,291
18.	Amounts held for agents' account, including $ 7,498,334 agents' credit balances	7,498,334	7,327,570
19.	Remittances and items not allocated	40,172,832	25,826,326
20.	Net adjustment in assets and liabilities due to foreign exchange rates	0	0
21.	Liability for benefits for employees and agents if not included above	0	0
22.	Borrowed money $ 82,381,581 and interest thereon $ 86,688	82,468,269	687,532,522
23.	Dividends to stockholders declared and unpaid	0	0
24.	Miscellaneous liabilities:		
	24.01 Asset valuation reserve (AVR, Line 16, Col. 7)	717,887,419	354,418,352
	24.02 Reinsurance in unauthorized and certified ($ 0) companies	50,250	45,202
	24.03 Funds held under reinsurance treaties with unauthorized and certified ($ 0) reinsurers	3,741,539,085	3,592,821,825
	24.04 Payable to parent, subsidiaries and affiliates	5,684,975	5,816,070
	24.05 Drafts outstanding	0	0
	24.06 Liability for amounts held under uninsured plans	0	0
	24.07 Funds held under coinsurance	294,174,176	289,851,626
	24.08 Derivatives	278,418,369	0
	24.09 Payable for securities	188,471,095	0
	24.10 Payable for securities lending	42,433,567	64,246,292
	24.11 Capital notes $ 0 and interest thereon $ 0	0	0
25.	Aggregate write-ins for liabilities	806,192,885	1,472,830,121
26.	Total liabilities excluding Separate Accounts business (Lines 1 to 25)	67,857,637,496	59,998,144,422
27.	From Separate Accounts Statement	152,228,479,792	164,905,514,891
28.	Total liabilities (Lines 26 and 27)	220,086,117,288	224,903,659,313
29.	Common capital stock	13,800,000	13,800,000
30.	Preferred capital stock	0	0
31.	Aggregate write-ins for other than special surplus funds	0	0
32.	Surplus notes	249,558,173	249,521,565
33.	Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	3,386,054,966	3,233,811,448
34.	Aggregate write-ins for special surplus funds	(164,710,140)	(480,181,711)
35.	Unassigned funds (surplus)	1,303,737,265	867,157,204
36.	Less treasury stock, at cost:		
	36.1 0 shares common (value included in Line 29 $ 0)	0	0
	36.2 0 shares preferred (value included in Line 30 $ 0)	0	0
37.	Surplus (Total Lines 31+32+33+34+35-36) (including $ 0 in Separate Accounts Statement)	4,774,640,264	3,870,308,506
38.	Totals of Lines 29, 30 and 37 (Page 4, Line 55)	4,788,440,264	3,884,108,506
39.	Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	224,874,557,552	228,787,767,819
	DETAILS OF WRITE-INS		
2501.	Deferred compensation	330,648,248	340,204,799
2502.	Deferred rent	14,318,118	6,094,077
2503.	Founders Plan liability	101,309	106,194
2598.	Summary of remaining write-ins for Line 25 from overflow page	461,125,210	1,126,425,051
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	806,192,885	1,472,830,121
3101.			
3102.			
3103.			
3198.	Summary of remaining write-ins for Line 31 from overflow page	0	0
3199.	Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)	0	0
3401.	Interest rate swaps adjustment per permitted practice	(164,710,140)	(480,181,711)
3402.			
3403.			
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	(164,710,140)	(480,181,711)

SUMMARY OF OPERATIONS

		1 Current Year	2 Prior Year
1.	Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	22,986,427,137	19,004,545,846
2.	Considerations for supplementary contracts with life contingencies	9,385,415	7,639,987
3.	Net investment income (Exhibit of Net Investment Income, Line 17)	3,450,798,518	3,692,816,181
4.	Amortization of Interest Maintenance Reserve (IMR, Line 5)	103,980,312	103,499,478
5.	Separate Accounts net gain from operations excluding unrealized gains or losses	0	0
6.	Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	31,401,905	46,163,802
7.	Reserve adjustments on reinsurance ceded	0	0
8.	Miscellaneous Income:		
	8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	4,051,705,239	3,712,943,623
	8.2 Charges and fees for deposit-type contracts	0	0
	8.3 Aggregate write-ins for miscellaneous income	859,900,284	643,935,400
9.	Total (Lines 1 to 8.3)	31,493,598,810	27,211,544,317
10.	Death benefits	1,049,893,587	1,090,852,244
11.	Matured endowments (excluding guaranteed annual pure endowments)	4,624,334	5,066,054
12.	Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	2,763,893,236	2,510,013,569
13.	Disability benefits and benefits under accident and health contracts	10,937,047	11,209,416
14.	Coupons, guaranteed annual pure endowments and similar benefits	84,019	90,955
15.	Surrender benefits and withdrawals for life contracts	17,445,034,277	14,093,356,599
16.	Group conversions	0	0
17.	Interest and adjustments on contract or deposit-type contract funds	300,303,717	229,548,163
18.	Payments on supplementary contracts with life contingencies	8,432,948	8,223,082
19.	Increase in aggregate reserves for life and accident and health contracts	6,024,894,581	(2,802,109,368)
20.	Totals (Lines 10 to 19)	27,608,097,746	15,146,250,714
21.	Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	1,667,702,510	1,698,722,358
22.	Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	(70,602,831)	129,870,638
23.	General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4)	708,438,980	706,268,228
24.	Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	51,339,816	45,636,776
25.	Increase in loading on deferred and uncollected premiums	960,875	(1,106,939)
26.	Net transfers to or (from) Separate Accounts net of reinsurance	563,167,519	5,281,414,503
27.	Aggregate write-ins for deductions	287,234,624	349,879,718
28.	Totals (Lines 20 to 27)	30,816,339,239	23,356,935,996
29.	Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	677,259,571	3,854,608,321
30.	Dividends to policyholders	9,719,327	9,896,113
31.	Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	667,540,244	3,844,712,208
32.	Federal and foreign income taxes incurred (excluding tax on capital gains)	(237,040,151)	1,048,077,602
33.	Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	904,580,395	2,796,634,606
34.	Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $ 293,060,784 (excluding taxes of $ 48,263,793 transferred to the IMR)	991,744,607	(2,628,205,027)
35.	Net income (Line 33 plus Line 34)	1,896,325,002	168,429,579
	CAPITAL AND SURPLUS ACCOUNT		
36.	Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	3,884,108,506	4,918,867,814
37.	Net income (Line 35)	1,896,325,002	168,429,579
38.	Change in net unrealized capital gains (losses) less capital gains tax of $ (90,204,620)	(554,844,223)	294,237,506
39.	Change in net unrealized foreign exchange capital gain (loss)	0	0
40.	Change in net deferred income tax	(73,771,153)	(631,189,340)
41.	Change in nonadmitted assets	19,225,496	(172,174,587)
42.	Change in liability for reinsurance in unauthorized and certified companies	(5,048)	(3,896)
43.	Change in reserve on account of change in valuation basis, (increase) or decrease	0	0
44.	Change in asset valuation reserve	(363,469,068)	15,666,223
45.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1)	0	0
46.	Surplus (contributed to) withdrawn from Separate Accounts during period	0	0
47.	Other changes in surplus in Separate Accounts Statement	0	0
48.	Change in surplus notes	36,607	33,788
49.	Cumulative effect of changes in accounting principles	0	0
50.	Capital changes:		
	50.1 Paid in	0	0
	50.2 Transferred from surplus (Stock Dividend)	0	0
	50.3 Transferred to surplus	0	0
51.	Surplus adjustment:		
	51.1 Paid in	152,243,518	0
	51.2 Transferred to capital (Stock Dividend)	0	0
	51.3 Transferred from capital	0	0
	51.4 Change in surplus as a result of reinsurance	(36,880,945)	(42,547,143)
52.	Dividends to stockholders	(450,000,000)	(600,000,000)
53.	Aggregate write-ins for gains and losses in surplus	315,471,571	(67,211,438)
54.	Net change in capital and surplus for the year (Lines 37 through 53)	904,331,758	(1,034,759,308)
55.	Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	4,788,440,264	3,884,108,506
	DETAILS OF WRITE-INS		
08.301.	General account policy fees	321,916,265	297,495,845
08.302.	Marketing fees	533,652,197	369,178,346
08.303.	Miscellaneous income	3,903,891	1,983,202
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page	427,931	(24,721,993)
08.399.	Totals (Lines 08.301 thru 08.303 plus 08.398)(Line 8.3 above)	859,900,284	643,935,400
2701.	Additional contract benefits to Founders Plan policyholders	99,019	104,418
2702.	Value of business acquired - John Hancock transaction	(57,798,084)	0
2703.	Amortization of goodwill and value of business acquired	50,572,906	49,127,954
2798.	Summary of remaining write-ins for Line 27 from overflow page	294,360,783	300,647,346
2799.	Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above)	287,234,624	349,879,718
5301.	Interest rate swaps adjustment per permitted practice	315,471,571	(67,211,438)
5302.			
5303.			
5398.	Summary of remaining write-ins for Line 53 from overflow page	0	0
5399.	Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above)	315,471,571	(67,211,438)

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	18,000,172,360	18,709,973,298
2.	Net investment income	2,889,695,111	3,635,584,923
3.	Miscellaneous income	4,955,478,686	4,369,461,331
4.	Total (Lines 1 through 3)	25,845,346,157	26,715,019,552
5.	Benefit and loss related payments	20,970,793,927	17,383,648,215
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	75,201,810	5,248,661,431
7.	Commissions, expenses paid and aggregate write-ins for deductions	2,552,313,381	2,506,607,214
8.	Dividends paid to policyholders	10,268,009	10,404,424
9.	Federal and foreign income taxes paid (recovered) net of $ (1,155,720) tax on capital gains (losses)	21,078,202	49,750,190
10.	Total (Lines 5 through 9)	23,629,655,329	25,199,071,474
11.	Net cash from operations (Line 4 minus Line 10)	2,215,690,828	1,515,948,078
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	5,363,413,617	9,704,157,369
	12.2 Stocks	134,435,301	342,087,139
	12.3 Mortgage loans	1,030,768,371	1,123,874,997
	12.4 Real estate	0	0
	12.5 Other invested assets	226,476,038	228,347,994
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
	12.7 Miscellaneous proceeds	4,416,232,281	(2,490,774,979)
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	11,171,325,608	8,907,692,520
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	7,693,128,601	6,553,667,950
	13.2 Stocks	559,284,216	40,098,786
	13.3 Mortgage loans	1,070,411,040	2,086,813,034
	13.4 Real estate	46,094,462	2,424,899
	13.5 Other invested assets	389,273,302	167,965,576
	13.6 Miscellaneous applications	1,916,036,450	2,059,907,423
	13.7 Total investments acquired (Lines 13.1 to 13.6)	11,674,228,071	10,910,877,668
14.	Net increase (decrease) in contract loans and premium notes	92,138,013	48,297,102
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(595,040,477)	(2,051,482,250)
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes	0	0
	16.2 Capital and paid in surplus, less treasury stock	100,000,000	0
	16.3 Borrowed funds	(605,039,473)	94,960,527
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	1,496,788,114	1,854,107,982
	16.5 Dividends to stockholders	450,000,000	600,000,000
	16.6 Other cash provided (applied)	(331,504,597)	(409,723,123)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	210,244,044	939,345,386
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	1,830,894,395	403,811,214
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	990,423,576	586,612,362
	19.2 End of year (Line 18 plus Line 19.1)	2,821,317,972	990,423,576

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001.	Assets transferred on reinsurance transaction	5,154,149,764	(762,324,434)
20.0002.	Proceeds on non-cash asset transactions	599,235,720	317,941,873
20.0003.	Non-cash financial assets acquired from parent as a capital contribution	52,243,518	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Policies

The financial statements of Jackson National Life Insurance Company (the "Company" or "Jackson") are presented on the basis of accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services.

The Department of Insurance and Financial Services recognizes statutory accounting practices prescribed or permitted by the state of Michigan for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under Michigan Insurance Law. The Department of Insurance and Financial Services has adopted the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual ("NAIC SAP") to the extent that the accounting practices, procedures, and reporting standards are not modified by the Michigan Insurance Code. The state of Michigan has adopted certain prescribed accounting practices that differ from those defined in NAIC SAP. Specifically, the value of the book of business arising from the acquisition of a subsidiary or through reinsurance may be recognized as an admitted asset if certain criteria are met. In NAIC SAP, goodwill may be admitted in amounts not to exceed 10% of an insurer's capital and surplus, as adjusted, and is eliminated in the event of a merger. The commissioner of insurance has the right to permit other specific practices that deviate from prescribed practices.

The Valuation of Life Insurance Policies Model Regulation ("Model 830", also known as Regulation XXX), was effective for NAIC SAP in 2001. The state of Michigan did not permit Model 830 for reserve calculations until January 1, 2002. Thus, reserves for life business issued in calendar year 2001 are not valued according to Model 830 and NAIC SAP, but rather, are valued under the prior method of the Standard Valuation Law, referred to as the 'unitary' method.

Actuarial Guideline XXXV ("Actuarial Guideline 35" or the "Guideline") was adopted by the NAIC in December 1998. The purpose of Actuarial Guideline 35 is to interpret the standards for the valuation of statutory reserves for index-linked annuities. NAIC SAP requires application of Actuarial Guideline 35 for all index-linked annuities issued after December 31, 2000. Michigan law prescribes the valuation of index-linked annuities without consideration of the Guideline. As a result, the Guideline is not reflected in the Company's accounts as of December 31, 2018 and 2017.

As a result of an acquisition accounted for as a statutory purchase in accordance with Statement of Statutory Accounting Principles ("SSAP") No. 68, the Company has goodwill attributed to the value of the book of business acquired ("VOBA"). The VOBA value is fully recoverable by the present value of the future cash flows of the business acquired. Under Michigan law, the entire balance is recognized as an admitted asset. While the VOBA also meets the NAIC SAP definition of goodwill, under statutory goodwill accounting in accordance with paragraph 13 of SSAP No. 68, the entire VOBA of $180,135,833 at December 31, 2018, would be a reduction from the Michigan basis capital and surplus, as shown in the table below.

Effective October 1, 2018, the Company entered into an agreement with John Hancock Life Insurance Company (U.S.A.) to assume $4.98 billion of statutory reserves on the U.S. Group Annuity business. The transaction closed on October 31, 2018 and resulted in $57,798,084 of VOBA. The VOBA value is fully recoverable by the present value of the future cash flows of the business assumed. Under Michigan law, the entire balance is recognized as an admitted asset. Under statutory goodwill accounting in accordance with paragraph 13 of SSAP No. 68, the entire VOBA of $56,353,131 at December 31, 2018, would be a reduction from the Michigan basis capital and surplus, as shown in the table below.

Effective December 31, 2008, the Company received approval from the Department of Insurance and Financial Services regarding the use of a permitted practice. Since being initially granted, the permitted practice described below has been extended annually by the commissioner with a current expiration date of October 1, 2019. Any increase in surplus resulting from this permitted practice may not be considered by the Company when determining the surplus available for dividends, nor in the determination of the nature of dividends as ordinary or extraordinary.

The permitted practice allows the Company to report the effectiveness of its hedging program related to interest rate swaps consistent with the system the Company has adopted in accordance with Section 943 (2) of the Michigan Insurance Code, as opposed to Statement of Statutory Accounting Principles No. 86 – Accounting for Derivative Instruments and Hedging Activities ("NAIC SSAP No. 86"). As a result, hedging transactions thus identified as effective were reported pursuant to the accounting guidance set forth in NAIC SSAP No. 86. The effect of this permitted practice, reflected as special surplus funds, was to decrease capital and surplus by $143,226,209 ($164,710,140 after tax) at December 31, 2018 and $417,549,314 ($480,181,711 after tax), at December 31, 2017, with no effect on net income.

NOTES TO FINANCIAL STATEMENTS

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed or permitted by the state of Michigan is shown below:

	SSAP #	F/S Page	F/S Line #	12/31/2018	12/31/2017
Net Income					
Jackson National Life Insurance Company, Michigan basis				$1,896,325,002	$ 168,429,579
Michigan Prescribed Practices that increase/(decrease) NAIC SAP:					
Valuation of Life Insurance Policies Model Regulation (XXX)					
Decrease in aggregate reserves for life and accident and health policies and contracts	51	4	19	(1,029,022)	(876,455)
Actuarial Guideline XXXV					
(Decrease)/increase in aggregate reserves for life and accident and health policies and contracts	51	4	19	(24,894,229)	682,383
Value of business acquired - John Hancock transaction	68	4	2702	57,798,084	-
Amortization of value of business acquired	68	4	2703	(50,572,906)	(49,127,954)
Prescribed practices adjustment				(18,698,073)	(49,322,026)
Tax effect of prescribed practice differences	51, 68	4	32	4,819,930	(81,867)
NAIC SAP				$1,910,203,145	$ 217,833,472
Surplus					
Jackson National Life Insurance Company, Michigan basis				$4,788,440,264	$3,884,108,506
State Prescribed Practices that increase/(decrease) NAIC SAP:					
Valuation of Life Insurance Policies Model Regulation (XXX):					
Reserve, Michigan basis	51	3	1	(9,032,732)	(9,782,721)
Reserve, NAIC SAP	51	3	1	(23,971,730)	(25,750,741)
Model Regulation (XXX) adjustment				14,938,998	15,968,020
Actuarial Guideline XXXV:					
Reserve, Michigan basis	51	3	1	(7,043,810,416)	(7,580,541,199)
Reserve, NAIC SAP	51	3	1	(7,046,250,703)	(7,607,875,715)
Actuarial Guideline XXXV adjustment				2,440,287	27,334,516
Value of business acquired	68	4	2504	236,488,964	229,263,787
Tax effect of prescribed practice differences				(3,202,650)	(13,370,966)
Net impact of prescribed practices				250,665,599	259,195,357
State Permitted Practices that increase/(decrease) NAIC SAP:					
Effectiveness of interest rate swaps per permitted practice	00	2	1101	(143,226,209)	(417,549,314)
Tax effect of permitted practice differences	00, 51, 68	2	18.1	(21,483,931)	(62,632,397)
Net impact of permitted practice				(164,710,140)	(480,181,711)
NAIC SAP				$4,702,484,805	$4,105,094,860

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates and assumptions are based on management's best estimates and judgments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors as deemed appropriate. As facts and circumstances dictate, these estimates and assumptions may be adjusted. Since future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in estimates, including those resulting from continuing changes in the economic environment, will be reflected in the financial statements in the periods the estimates are changed.

C. Accounting Policy

Life premiums are recognized as income over the premium-paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts. Fee income is recognized as revenue when earned. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

(1) Short-term investments are stated at amortized cost.

(2) Bonds not backed by other loans are stated at amortized cost except those with an NAIC rating of "6," which are stated at the lower of amortized cost or fair value. Acquisition premiums and discounts are amortized into investment income through call or maturity dates using the interest method.

(3) Common stocks are stated at fair value, except as described in item (7) below.

(4) Preferred stocks are stated at cost, except those with an NAIC Securities Valuation Office ("SVO") rating of "4" through "6," which are reported at the lower of cost or fair value.

(5) Mortgage loans on real estate are stated at unpaid principal balances, net of unamortized discounts and premiums, impairments and any allowance for loan losses.

NOTES TO FINANCIAL STATEMENTS

(6) Loan-backed and structured securities, hereafter collectively referred to as "loan-backed securities", are stated at amortized cost except those with an NAIC carry rating of "6," which are carried at the lower of amortized cost or fair value. The retrospective adjustment method is used to value loan-backed securities where the collection of all contractual cash flows is probable. For loan-backed securities where the collection of all contractual cash flows is not probable, the Company:

- Recognizes the accretable yield over the life of the loan-backed security as determined at the acquisition or transaction date,
- Continues to estimate cash flows expected to be collected at least quarterly, and
- Recognizes an other-than-temporary impairment loss if the loan-backed security is impaired (i.e., the fair value is less than the amortized cost basis) and if the Company does not expect to recover the entire amortized cost basis when compared to the present value of cash flows expected to be collected.

Investments are reduced to estimated fair value (discounted cash flows for loan-backed securities) for declines in value that are determined to be other-than-temporary. In determining whether an other-than-temporary impairment has occurred, the Company considers a security's forecasted cash flows as well as the severity and duration of depressed fair values.

If the Company intends to sell an impaired loan-backed security or does not have the intent and ability to retain the impaired loan-backed security for a period of time sufficient to recover the amortized cost basis, an other-than-temporary impairment has occurred. In these situations, the other-than-temporary impairment loss recognized is the difference between the amortized cost basis and fair value. For loan-backed securities, the credit portion of the recognized loss is recorded to the asset valuation reserve ("AVR") and the non-credit portion is recorded to the interest maintenance reserve ("IMR"). If the Company does not expect to recover the entire amortized cost basis when compared to the present value of cash flows expected to be collected, it cannot assert that it has the ability to recover the loan-backed security's amortized cost basis even though it has no intent to sell and has the intent and ability to retain the loan-backed security. Therefore, an other-than-temporary impairment has occurred and a realized loss is recognized for the non-interest related decline, which is calculated as the difference between the loan-backed security's amortized cost basis and the present value of cash flows expected to be collected.

For situations where an other-than-temporary impairment is recognized, the previous amortized cost basis less the other-than temporary impairment recognized as a realized loss becomes the new amortized cost basis of the loan-backed security. The new amortized cost basis is not adjusted for subsequent recoveries in fair value. Therefore, the prospective adjustment method is used for periods subsequent to other-than-temporary impairment loss recognition.

(7) The Company carries its audited wholly owned insurance and non-insurance subsidiaries at statutory capital and surplus and U.S. generally accepted accounting principles ("GAAP") equity, respectively. The Company nonadmits $6,194,656 of the unaudited equity of eight subsidiaries, with a carrying value of $6,194,656 on Schedule D, Part 2, Section 2. The Company also nonadmits $70,621,941 in unaudited equity in six limited liability subsidiaries with a combined carrying value of $70,621,941 on Schedule BA – Part 1.

(8) The Company carries ownership interests in partnerships and limited liability companies at fair value, as determined using the proportion of Jackson's investment in each fund ("NAV equivalent") as a practical expedient for fair value.

(9) Derivative instruments used for hedging purposes are stated at amortized cost or fair value. See Note 8 for more information on derivative instruments.

(10) The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts.

(11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

(12) The Company did not modify its fixed asset capitalization policy from the prior period.

(13) The Company does not have pharmaceutical rebate receivables.

D. Going Concern

There is not substantial doubt about the Company's ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors

The Company had no material changes in accounting principle or corrections of errors for the years ended December 31, 2018 and 2017.

NOTES TO FINANCIAL STATEMENTS

3. Business Combinations and Goodwill

A. Statutory Purchase Method

(1)-(4) The purchase of Reassure America Life Insurance Company ("REALIC") on September 4, 2012, was accounted for as a statutory purchase. The final adjusted purchase price paid for REALIC was $605,044,583, with the $491,279,544 excess of the adjusted purchase price over the net statutory assets acquired recorded as VOBA. The Company amortizes REALIC VOBA, recording amortization expense of $49,127,954 during both 2018 and 2017.

B. Statutory Merger

The Company did not have business combinations during the year accounted for as a statutory merger.

C. Assumption Reinsurance

The Company did not have goodwill resulting from assumption reinsurance during the year.

D. Impairment Loss

The Company did not recognize an impairment loss during the year with respect to business combinations and goodwill.

4. Discontinued Operations

The Company did not have transactions during the year with respect to discontinued operations.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

(1) The minimum and maximum lending rates for mortgage loans issued during 2018 were:
Commercial loans 3.4% and 8.3%, Multi-family loans 3.4% and 8.3%.

(2) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages, was 79.7%.

(3) The Company had no taxes, assessments, or advances not included in the mortgage loan total.

(4) Age Analysis of Mortgage Loans and Identification of Mortgage Loans in Which the Insurer is a Participant or Co-lender in a Mortgage Loan Agreement:

		Residential		Commercial			
	Farm	Insured	All Other	Insured	All Other	Mezzanine	Total
2018							
1. Recorded investment (All)							
(a) Current	$ -	$ -	$ -	$ -	$ 9,411,338,877	$ -	$ 9,411,338,877
5. Participant of Co-lender in a Mortgage Loan Agreement							
(a) Recorded investment	$ -	$ -	$ -	$ -	$ 201,300,027	$ -	$ 201,300,027
2017							
1. Recorded investment (All)							
(a) Current	$ -	$ -	$ -	$ -	$ 8,441,517,338	$ -	$ 8,441,517,338
5. Participant of Co-lender in a Mortgage Loan Agreement							
(a) Recorded investment	$ -	$ -	$ -	$ -	$ 232,752,509	$ -	$ 232,752,509

(5) Investment in Impaired Loans With or Without Allowance for Credit Losses and Impaired Loans Subject to a Participant or Co-lender Mortgage Loan Agreement for Which the Reporting Entity is Restricted from Unilaterally Foreclosing on the Mortgage Loan:

		Residential		Commercial			
	Farm	Insured	All Other	Insured	All Other	Mezzanine	Total
2018							
1. With allowance for credit losses	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2. No allowance for credit losses	-	-	-	-	-	-	-
3. Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2017							
1. With allowance for credit losses	$ -	$ -	$ -	$ -	$ 3,100,000	$ -	$ 3,100,000
2. No allowance for credit losses	-	-	-	-	-	-	-
3. Total	$ -	$ -	$ -	$ -	$ 3,100,000	$ -	$ 3,100,000
4. Subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan	$ -	$ -	$ -	$ -	$ -	$ -	$ -

NOTES TO FINANCIAL STATEMENTS

(6) Investment in Impaired Loans – Average Recorded Investment, Interest Income Recognized, Recorded Investment on Nonaccrual Status and Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting:

		Residential		Commercial			
	Farm	Insured	All Other	Insured	All Other	Mezzanine	Total
2018							
1. Average recorded investment	$ -	$ -	$ -	$ -	$ 694,388	$ -	$ 694,388
2. Interest income recognized	-	-	-	-	-	-	-
3. Recorded investments on nonaccrual status	-	-	-	-	-	-	-
4. Amount of interest income recognized using a cash-basis method of accounting	-	-	-	-	19,200	-	19,200
2017							
1. Average recorded investment	$ -	$ -	$ -	$ -	$ 3,719,416	$ -	$ 3,719,416
2. Interest income recognized	-	-	-	-	309,720	-	309,720
3. Recorded investments on nonaccrual status	-	-	-	-	-	-	-
4. Amount of interest income recognized using a cash-basis method of accounting	-	-	-	-	348,205	-	348,205

(7) Allowance for credit losses:

	2018	2017
a. Balance at beginning of period	$ 765,871	$ -
b. Additions charged to operations	-	765,871
c. Direct write-downs charged against the allowances	(765,871)	-
d. Recoveries of amounts previously charged off	-	-
e. Balance at end of period	$ -	$ 765,871

(8) The Company did not have mortgage loans derecognized as a result of foreclosure.

(9) The Company continues to accrue uncollected interest income for impaired mortgages unless the interest is deemed uncollectible. Cash receipts are applied first against interest accruals, and then to principal.

B. Debt Restructuring

In connection with certain problem credit workouts (often related to bankruptcy proceedings or a debtor's "Offer to Exchange"), the Company receives cash and/or newly issued securities in partial or full satisfaction of outstanding debtor obligations. To the extent such transactions meet the definition of a troubled debt restructuring; they are accounted for at fair value with any associated losses realized.

	2018	2017
(1) The total recorded investment in restructured loans	$ -	$ -
(2) The realized capital losses related to these loans	$ -	$ -

(3) The Company has no additional funding commitments to debtors whose debt has been restructured.

(4) The Company continues to accrue interest for restructured loans unless the interest is deemed uncollectible.

C. Reverse Mortgages

The Company does not have investments in reverse mortgages.

D. Loan-Backed Securities

(1) Principal prepayment assumptions for loan-backed and structured securities are obtained from broker-dealers, independent providers of broker-dealer estimates, or internal models.

(2) There were no loan-backed and structured securities with a recognized other-than-temporary impairment where the Company has either the intent to sell the securities or lacks the ability or intent to retain the securities as of the statement date.

(3) The following table details loan-backed and structured securities with a recognized other-than-temporary impairment recorded in 2018 where the Company has the intent and ability to hold the securities for sufficient time to recover the amortized cost:

1	2	3	4	5	6	7
CUSIP	Book/Adj Carrying Value Amortized cost before current period OTTI	Projected Cash Flows	Recognized other-than-temporary impairment	Amortized cost after other-than temporary impairment	Fair Value	Financial Statement Reporting Period
05948KE88	5,814,720	5,747,089	67,631	5,747,089	5,628,798	Q1-2018
05948KE88	5,654,372	5,611,587	42,785	5,611,587	5,537,475	Q2-2018
31359VMM2	271,100	256,709	14,391	256,709	254,280	Q2-2018
94984JAE1	8,457,388	8,032,099	425,289	8,032,099	8,437,974	Q3-2018
16163BAZ7	2,976,779	2,813,727	163,052	2,813,727	2,959,624	Q4-2018
31359UVL6	229,849	212,075	17,773	212,075	223,579	Q4-2018
31359VMM2	247,024	229,293	17,731	229,293	206,577	Q4-2018
76110WLC8	208,012	174,839	33,173	174,839	198,788	Q4-2018
Total			**781,825**			

NOTES TO FINANCIAL STATEMENTS

(4) The following table summarizes loan-backed and structured securities in an unrealized loss position as of December 31, 2018:

	Total	<12 Months	12+ Months
Fair Value	$ 2,049,904,096	$ 1,244,180,295	$ 805,723,801
Unrealized Loss	$ 43,091,848	$ 15,232,608	$ 27,859,240

The carrying value and fair value of all loan-backed and structured securities, regardless of whether the security is in an unrealized loss position, was $4,310,333,857 and $4,353,517,608, respectively.

(5) The Company periodically reviews its debt securities and equities on a case-by-case basis to determine if any decline in fair value to below cost or amortized cost is other-than-temporary. Factors considered in determining whether a decline is other-than-temporary include the length of time a security has been in an unrealized loss position, reasons for the decline in value, expectations for the amount and timing of a recovery in value, and the Company's intent and ability not to sell a security prior to a recovery in fair value.

Securities the Company determines are underperforming or potential problem securities are subject to regular review. To facilitate the review, securities with significant declines in value, or where other objective criteria evidencing credit deterioration have been met, are included on a watch list. Among the criteria for securities to be included on a watch list are: credit deterioration that has led to a significant decline in fair value of the security; a significant covenant related to the security has been breached; or an issuer has filed or indicated a possibility of filing for bankruptcy, has missed or announced it intends to miss a scheduled interest or principal payment, or has experienced a specific material adverse change that may impair its creditworthiness.

In performing these reviews, the Company considers the relevant facts and circumstances relating to each investment and exercises considerable judgment in determining whether a security is other-than-temporarily impaired. Assessment factors include judgments about an obligor's current and projected financial position, an issuer's current and projected ability to service and repay its debt obligations, the existence of, and realizable value of, any collateral supporting the obligations, and the macro-economic and micro-economic outlooks for specific industries and issuers. This assessment may also involve assumptions regarding underlying collateral such as prepayment rates, default and recovery rates, and third-party servicing capabilities.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

(1) For securities lending agreements, the Company requires collateral with a minimum fair value of 102% of the fair value of the loaned securities, calculated on a daily basis. Cash collateral received was invested in cash equivalents and an offsetting liability was included in Payable for Securities Lending. The fair value of the collateral at December 31, 2018 was $42,433,567. There was no collateral received for dollar repurchase agreements.

(2) The Company had no assets pledged as collateral relating to dollar repurchase agreements and/or securities lending transactions at December 31, 2018.

(3) Collateral Received

a. Aggregate Amount Collateral Received

	Fair Value
1. Securities Lending:	
(a) Open	$ 42,433,567
(b) - (g) Not applicable	-
(h) Total Collateral Received	$ 42,433,567
2. Dollar Repurchase Agreement	
(a) - (h) Total Collateral Received	$ -

b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged $ 42,433,567

c. The Company receives cash collateral in an amount in excess of the fair value of the securities lent and invests the collateral into highly liquid short-term investments.

(4) The Company does not have any securities lending transactions administered by an affiliated agent in which "one-line" reporting is used.

NOTES TO FINANCIAL STATEMENTS

(5) Collateral Reinvestment

a. Aggregate Amount Collateral Reinvested

	Amortized Cost	Fair Value
1. Securities Lending:		
(a) Open	$ 42,433,567	$ 42,433,567
(b) - (l) None	-	-
(m) Total Collateral Reinvested	$ 42,433,567	$ 42,433,567
2. Dollar Repurchase Agreement		
(a) - (m) Total Collateral Reinvested	$ -	$ -

b. Under the securities lending agreement, the collateral received remains segregated from the Company's other invested assets and is invested into highly liquid and high quality short-term investments that could be sold and used to pay the amounts due under the agreement.

(6) The Company has not accepted collateral that it is not permitted by contract or custom to sell or repledge.

(7) The Company does not have securities lending transactions that extend beyond one year from the reporting date.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing – Cash Taker

(1) The Company routinely enters into repurchase agreements whereby the Company agrees to sell and repurchase securities. Repurchase agreements are accounted for as collateralized borrowings. Collateral securities sold under such agreements continue to be included in invested assets. Proceeds received from the sale of securities subject to repurchase agreements are included in liabilities.

(2) Type of Repo Trades Used

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Bilateral	Yes	Yes	Yes	Yes
b. Tri-Party	No	No	No	No

(3) Original (Flow) & Residual Maturity

	First Quarter				Second Quarter			
	Minimum	Maximum	Average Daily Balance	Ending Balance	Minimum	Maximum	Average Daily Balance	Ending Balance
b. Overnight	$ -	$ 826,117,292	$ 151,872,353	$ -	$ -	$ 867,228,784	$ 145,970,748	$ -
c. 2 Days to 1 Week	$ -	$ 441,282,500	$ 200,852,427	$ -	$ -	$ -	$ -	$ -
d. >1 Week to 1 Month	$ -	$ 219,629,453	$ 39,030,099	$ -	$ -	$ -	$ -	$ -

	Third Quarter				Fourth Quarter			
	Minimum	Maximum	Average Daily Balance	Ending Balance	Minimum	Maximum	Average Daily Balance	Ending Balance
b. Overnight	$ -	$ 958,927,003	$ 537,939,794	$ 440,722,885	$ -	$ 565,900,229	$ 61,195,316	$ -
c. 2 Days to 1 Week	$ -	$ 568,902,397	$ 322,221,399	$ -	$ -	$ 219,555,000	$ 17,076,500	$ -
d. >1 Week to 1 Month	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

(4) The Company had no securities sold and/or acquired that resulted in default.

(5) Securities Sold Under Repo – Secured Borrowing

	First Quarter				Second Quarter			
	Minimum	Maximum	Average Daily Balance	Ending Balance	Minimum	Maximum	Average Daily Balance	Ending Balance
a. BACV	XXX	XXX	XXX	$ -	XXX	XXX	XXX	$ -
b. Nonadmitted - Subset of BACV	XXX	XXX	XXX	$ -	XXX	XXX	XXX	$ -
c. Fair Value	$ -	$ 984,264,887	$ 395,455,687	$ -	$ -	$ 872,627,719	$ 146,870,073	$ -

	Third Quarter				Fourth Quarter			
	Minimum	Maximum	Average Daily Balance	Ending Balance	Minimum	Maximum	Average Daily Balance	Ending Balance
a. BACV	XXX	XXX	XXX	$ 470,540,215	XXX	XXX	XXX	$ -
b. Nonadmitted - Subset of BACV	XXX	XXX	XXX	$ -	XXX	XXX	XXX	$ -
c. Fair Value	$ -	$ 1,208,028,158	$ 866,158,389	$ 440,665,720	$ -	$ 709,781,394	$ 78,472,204	$ -

(6) Securities Sold Under Repo – Secured Borrowing by NAIC Designation

Ending Balance	NAIC 1
a. Bonds - BACV	$ -
b. Bonds - FV	$ -

NOTES TO FINANCIAL STATEMENTS

(7) Collateral Received – Secured Borrowing

	First Quarter				Second Quarter			
	Minimum	Maximum	Average Daily Balance	Ending Balance	Minimum	Maximum	Average Daily Balance	Ending Balance
a. Cash	$ -	$ 973,101,788	$ 391,754,879	$ -	$ -	$ 867,228,784	$ 145,970,748	$ -
b. Securities (FV)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

	Third Quarter				Fourth Quarter			
	Minimum	Maximum	Average Daily Balance	Ending Balance	Minimum	Maximum	Average Daily Balance	Ending Balance
a. Cash	$ -	$ 1,199,317,701	$ 860,161,193	$ 440,722,885	$ -	$ 565,900,229	$ 78,271,816	$ -
b. Securities (FV)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

(8) Cash & Non-Cash Collateral Received – Secured Borrowing by NAIC Designation

Ending Balance	NAIC 1
b. Bonds - FV	$ -

(9) Allocation of Aggregate Collateral by Remaining Contractual Maturity

	Fair Value
a. Overnight and Continuous	$ -
b. 30 Days or Less	$ -
c. 31 to 90 Days	$ -
d. >90 Days	$ -

(10) Allocation of Aggregate Collateral Reinvested by Remaining Contractual Maturity

	Amortized Cost	Fair Value
a. 30 Days or Less	$ -	$ -
b. 31 to 60 Days	$ -	$ -
c. 61 to 90 Days	$ -	$ -
d. 91 to 120 Days	$ -	$ -
e. 121 to 180 Days	$ -	$ -
f. 181 to 365 Days	$ -	$ -
g. 1 to 2 Years	$ -	$ -
h. 2 to 3 Years	$ -	$ -
i. >3 Years	$ -	$ -

(11) Liability to Return Collateral – Secured Borrowing (Total)

	First Quarter				Second Quarter			
	Minimum	Maximum	Average Daily Balance	Ending Balance	Minimum	Maximum	Average Daily Balance	Ending Balance
a. Cash (Collateral - All)	$ -	$ 973,101,788	$ 391,754,879	$ -	$ -	$ 867,228,784	$ 145,970,748	$ -
b. Securities Collateral (FV)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

	Third Quarter				Fourth Quarter			
	Minimum	Maximum	Average Daily Balance	Ending Balance	Minimum	Maximum	Average Daily Balance	Ending Balance
a. Cash (Collateral - All)	$ -	$ 1,199,317,701	$ 860,161,193	$ 440,722,885	$ -	$ 565,900,229	$ 78,271,816	$ -
b. Securities Collateral (FV)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company does not have reverse repurchase agreements.

H. Repurchase Agreements Transactions Accounted for as a Sale

The Company did not have repurchase agreements accounted for as a sale during 2018 or 2017.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

The Company does not have reverse repurchase agreements.

J. Real Estate

The Company has no real estate investment activities requiring disclosure.

K. Low-Income Housing Tax Credit Investments

The Company does not have investments in low-income housing tax credits.

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

	Gross (Admitted & Nonadmitted) Restricted						
	Current Year						
	1	2	3	4	5	6	7
Restricted Asset Category	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)
i. FHLB capital stock	$ 125,392,100	$ -	$ -	$ -	$ 125,392,100	$ 125,392,100	$ -
j. On deposit with states	93,724,898	-	-	-	93,724,898	93,879,707	(154,809)
l. Pledged as collateral to FHLB	3,054,419,172	-	-	-	3,054,419,172	4,021,892,481	(967,473,309)
m. Pledged as collateral not captured in other categories	1,725,260,113	-	-	-	1,725,260,113	1,096,108,516	629,151,597
n. Other restricted assets	44,170,977	-	-	-	44,170,977	62,102,025	(17,931,048)
o. Total Restricted Assets	$ 5,042,967,260	$ -	$ -	$ -	$ 5,042,967,260	$ 5,399,374,829	$ (356,407,569)

(a) Subset of Column 1
(b) Subset of Column 3

	Current Year			
			Percentage	
	8	9	10	11
Restricted Asset Category	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
i. FHLB capital stock	$ -	$ 125,392,100	0.06%	0.06%
j. On deposit with states	-	93,724,898	0.04%	0.04%
l. Pledged as collateral to FHLB	-	3,054,419,172	1.35%	1.36%
m. Pledged as collateral not captured in other categories	-	1,725,260,113	0.76%	0.77%
n. Other restricted assets	-	44,170,977	0.02%	0.02%
o. Total Restricted Assets	$ -	$5,042,967,260	2.24%	2.24%

(c) Column 5 divided by Asset Page, Column 1, Line 28
(d) Column 9 divided by Asset Page, Column 3, Line 28

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories

	Gross (Admitted & Nonadmitted Restricted)								Percentage	
	Current Year									
	1	2	3	4	5	6	7	8	9	10
Description of Assets	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
OTC Derivatives	$ 139,921,396	$ -	$ -	$ -	$ 139,921,396	$ -	$ 139,921,396	$ 139,921,396	0.06%	0.06%
Futures	1,585,338,717	-	-	-	1,585,338,717	1,096,108,516	489,230,201	1,585,338,717	0.70%	0.70%
Total (c)	$ 1,725,260,113	$ -	$ -	$ -	$ 1,725,260,113	$ 1,096,108,516	$ 629,151,597	$ 1,725,260,113	0.76%	0.77%

(a) Subset of column 1
(b) Subset of column 3
(c) Total Line for Columns 1 through 7 should equal 5L(1)m Columns 1 through 7 respectively and Total Line for Column 8 through 10 should equal 5L(1)m Columns 9 through 11 respectively.

(3) Detail of Other Restricted Assets

	Gross (Admitted & Nonadmitted Restricted)								Percentage	
	Current Year									
	1	2	3	4	5	6	7	8	9	10
Description of Assets	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Securities Loaned for Sec. Lending Agreements	$ 44,170,977	$ -	$ -	$ -	$ 44,170,977	$ 62,102,025	$ (17,931,048)	$ 44,170,977	0.02%	0.02%
Total	$ 44,170,977	$ -	$ -	$ -	$ 44,170,977	$ 62,102,025	$ (17,931,048)	$ 44,170,977	0.02%	0.02%

(a) Subset of column 1
(b) Subset of column 3
(c) Total Life for Columns 1 through 7 should equal 5L(1)n Columns 1 through 7 respectively and Total Life for Columns 8 through 10 should equal 5L(1)n Columns 9 through 11 respectively.

NOTES TO FINANCIAL STATEMENTS

(4) Collateral Received and Reflected as Assets

	1	2	3	4
Collateral Assets	Book/Adjusted Carrying Value (BACV)	Fair Value	% of BACV to Total Assets (Admitted and Nonadmitted)*	% of BACV to Total Admitted Assets**
a. Cash, Cash Equivalents and Short-Term Investments	$ -	$ -	0.00%	0.00%
b. Schedule D, Part 1	-	-	0.00%	0.00%
c. Schedule D, Part 2, Section 1	-	-	0.00%	0.00%
d. Schedule D, Part 2, Section 2	-	-	0.00%	0.00%
e. Schedule B	-	-	0.00%	0.00%
f. Schedule A	-	-	0.00%	0.00%
g. Schedule BA, Part 1	-	-	0.00%	0.00%
h. Schedule DL, Part 1	42,433,567	42,433,567	0.06%	0.06%
i. Other	379,857,000	379,857,000	0.52%	0.52%
j. Total Collateral Assets	$ 422,290,567	$ 422,290,567	0.58%	0.58%

* Column 1 divided by Asset Page, Line 26 (Column 1)
** Column 1 divided by Asset Page, Line 26 (Column 3)

	1	2
	Amount	% of Liability to Total Liabilities *
k. Recognized Obligation to Return Collateral Asset	$ 422,290,567	0.62%

* Column 1 divided by Liability Page, Line 26 (Column 1)

M. Working Capital Finance Investments

The Company does not have working capital finance investments.

N. Offsetting and Netting of Assets and Liabilities

The Company reports derivatives, repurchase agreements and securities lending assets and liabilities on a gross basis.

O. Structured Notes

The Company does not have structured notes as defined per the Purposes and Procedures Manual of the NAIC Investment Analysis Office.

P. 5GI* Securities

Investment	Number of 5* Securities		Aggregate BACV		Aggregate Fair Value	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
(1) Bonds - AC	-	1	-	$ 9,800,945	-	$ 9,876,440
(2) LB&SS - AC	-	-	-	-	-	-
(3) Preferred Stock - AC	-	-	-	-	-	-
(4) Preferred Stock - FV	-	-	-	-	-	-
(5) Total	-	1	$ -	$ 9,800,945	$ -	$ 9,876,440

AC - Amortized Cost FV - Fair Value

Q. Short Sales

The Company did not sell any securities short during 2018 or 2017.

R. Prepayment Penalty and Acceleration Fees

During 2018 and 2017, the Company sold, redeemed, or otherwise disposed of 57 and 66 securities, respectively, due to the exercise of a callable feature, generating investment income of $8,843,863 and $48,714,089, respectively, as a result of the associated prepayment penalty and/or acceleration fee.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in joint ventures, partnerships or limited liability companies that exceed 10% of its admitted assets.

B. The Company recognized impairment writedowns of $34,501,572 and $47,219,981 on joint ventures, partnerships, limited liability companies and other loans during 2018 and 2017, respectively. These writedowns were the recognition of losses that were previously reflected in surplus as unrealized. Refer to Note 10J for additional details related to the impairment writedown.

NOTES TO FINANCIAL STATEMENTS

7. Investment Income

A. Investment income due and accrued was excluded on the following basis:

Bonds - securities in default and otherwise where collection of interest is uncertain.

Mortgage loans - loans in foreclosure or delinquent greater than one year, and otherwise where collection of interest is uncertain.

Real Estate – properties where rent is in arrears for more than three months.

B. Income due and accrued on investments where collection is not likely has been excluded from net investment income. At December 31, 2018, the amount excluded was $4,159,264. No additional nonadmitted amounts have been charged to surplus.

8. Derivative Instruments

A. The Company enters into financial derivative transactions, including, but not limited to, swaps, put-swaptions, forwards, futures and options to reduce and manage business risks. These transactions manage the risk of a change in the value, yield, price, credit risk, cash flows, credit quality, or degree of exposure with respect to assets, liabilities, or future cash flows, which the Company has acquired or incurred.

Derivative instruments are held primarily for hedging purposes. The hedging program is supported by correlation analysis, cash flow matching, duration matching, and/or scenario testing.

Fair values of derivative instruments are based on quoted market prices, estimates received from independent pricing services, or valuation pricing models, and generally reflect the estimated amounts that the Company would receive or pay upon sale or termination of the contracts as of the reporting date. With respect to market risk movements on derivatives used for hedging purposes, fair value changes would be anticipated to be offset by fair value changes of the hedged items. Derivatives used in hedging activities and acquired prior to 2003 are accounted for in a manner consistent with the hedged items. Excluding interest rate swaps as described in Note 1A, derivatives used in hedging activities and acquired after 2002 are accounted for at fair value.

Cash requirements for derivatives activities are limited to payments on swaps and options, and margin requirements on open futures contracts.

B. Interest rate swap agreements hedge assets or liabilities and generally involve the exchange of fixed and floating payments over the life of the agreements without an exchange of the underlying principal (notional) amount. Generally, no cash is exchanged at the outset of the contract. The Company agrees with counterparties to exchange, at specified intervals, the difference between referenced rates on the notional amount. A cash payment, representing the net differential, is usually made by one counterparty to the other at each payment date.

Put-swaption contracts provide the purchaser with the right, but not the obligation, to require the writers to pay the present value of a long duration interest rate swap at future exercise dates. The Company purchases and writes put-swaption contracts with maturities up to 10 years. The Company’s put-swaption contracts hedge against movements in interest rates.

Equity index futures contracts and equity index call and put options are used to hedge the Company’s obligations associated with its fixed indexed immediate and deferred annuities and guarantees provided by variable annuity products.

Treasury futures contracts are used to hedge movements in interest rates.

Cross-currency swaps, which embody spot and forward currency swaps and additionally, in some cases, interest rate swaps and equity swaps, are entered into for the purpose of hedging the Company's foreign currency denominated obligations.

Credit default swaps may be used to hedge potential changes in the credit quality of certain bonds held by the Company.

C. With the permitted practice described in Note 1A, interest rate swap agreements are reported in invested assets at amortized cost. Net amounts paid or received on interest rate swaps and interest accruals are reported in investment income.

Put-swaption contracts are reported in invested assets at fair value and put-swaption contracts written are reported in liabilities at fair value. Changes in fair value are recorded as unrealized gains or unrealized losses.

Treasury futures, equity index futures contracts and equity index options (including various call and put options) are reported in invested assets at fair value. Changes in fair value are recorded as unrealized gains or unrealized losses.

NOTES TO FINANCIAL STATEMENTS

Cross-currency swaps transacted prior to 2003 are reported in invested assets at amortized cost. Cross-currency swaps transacted after 2002 are reported in invested assets at fair value. Amounts paid or received are netted with amounts paid or received on the hedge-associated foreign currency denominated guaranteed investment contracts. Changes in fair value of the swaps transacted after 2002 are recorded as unrealized gains or unrealized losses.

Credit default swaps are reported in invested assets at fair value. Changes in fair value are recorded as unrealized gains or unrealized losses. Periodic premiums paid are reported in investment income.

D. The Company did not have any derivative contracts with financing premiums.

E. The Company has no unrealized gains or losses from derivative instruments that are excluded from the assessment of hedge effectiveness.

F. The Company did not have any hedges that previously were deemed effective that are no longer deemed effective.

G. The Company has no derivatives accounted for as cash flow hedges of a forecasted transaction.

H. The Company does not have any future derivative premium payments due.

9. Income Taxes

Enactment of the Tax Cuts and Jobs Act on December 22, 2017 had two significant impacts on year-end 2017 deferred tax balances. First, the new tax law changed the corporate tax rate from 35% to 21%. Under statutory accounting principles, this enactment required the Company to revalue its gross deferred tax assets and liabilities to the new rate, which reduced net gross deferred tax assets by $797,356,997. Second, the new tax law eliminated the ability to carry back ordinary tax losses to the previous three years. This had a direct impact on the Company's ability to admit deferred taxes under SSAP101 ¶ 11(a) and reduced net admitted deferred tax assets by $803,478,907. Because the Company's net admitted deferred tax assets were limited to carry back plus 15% of surplus, the total impact on net admitted deferred tax assets was a reduction of $803,478,907.

A.

1. The components of the net deferred tax asset at December 31 are as follows:

	December 31, 2018			December 31, 2017			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Total gross DTA	$ 1,334,401,625	$ 5,738,669	$ 1,340,140,294	$ 1,595,809,091	$ 7,524,894	$ 1,603,333,985	$ (261,407,466)	$ (1,786,225)	$ (263,193,691)
Statutory valuation allowance	-	-	-	-	-	-	-	-	-
Adjusted gross DTA	1,334,401,625	5,738,669	1,340,140,294	1,595,809,091	7,524,894	1,603,333,985	(261,407,466)	(1,786,225)	(263,193,691)
DTA nonadmitted	519,829,069	-	519,829,069	678,705,518	-	678,705,518	(158,876,449)	-	(158,876,449)
Subtotal net admitted DTA	814,572,556	5,738,669	820,311,225	917,103,573	7,524,894	924,628,467	(102,531,017)	(1,786,225)	(104,317,242)
Deferred tax liabilities	(121,595,272)	(75,410,583)	(197,005,855)	(364,047,098)	(54,978,063)	(419,025,161)	242,451,826	(20,432,520)	222,019,306
Net admitted DTA	$ 692,977,284	$ (69,671,914)	$ 623,305,370	$ 553,056,475	$ (47,453,169)	$ 505,603,306	$ 139,920,809	$ (22,218,745)	$ 117,702,064

The net admitted DTA reconciles to the Assets page as follows:

	12/31/2018	12/31/2017
Net admitted DTA, line 18.2	$ 644,789,301	$ 568,235,703
DTA on interest rate swap permitted practice, write-in line 25	(21,483,931)	(62,632,397)
Net admitted DTA	$ 623,305,370	$ 505,603,306

NOTES TO FINANCIAL STATEMENTS

2. Admission Calculation Components SSAP 101:

	December 31, 2018			December 31, 2017			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Adjusted gross DTA expected to be realized after application of the threshold limitation (Lesser of 2(b)1 or 2(b)2 below)	623,305,370	-	623,305,370	505,603,306	-	505,603,306	117,702,064	-	117,702,064
1. Adjusted gross DTA expected to be realized following the balance sheet eate			799,374,753			968,251,743			(168,876,990)
2. Adjusted gross DTA allowed per limitation threshold			623,305,370			505,603,306			117,702,064
(c) Adjusted gross DTA (excluding the amount of DTA from 2(a) and 2(b) above) offset by gross DTL	191,267,186	5,738,669	197,005,855	411,500,267	7,524,894	419,025,161	(220,233,081)	(1,786,225)	(222,019,306)
(d) DTA admitted as the result of application of SSAP No. 101	$ 814,572,556	$ 5,738,669	$ 820,311,225	$ 917,103,573	$ 7,524,894	$ 924,628,467	$ (102,531,017)	$ (1,786,225)	$ (104,317,242)

3.

	2018	2017
(a) Ratio percentage used to determine recovery period and threshold limitation amount	809.5%	708.0%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation amount	$ 4,155,369,135	$ 3,370,688,709

4. Impact of tax planning strategies

	December 31, 2018		December 31, 2017		Change	
	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital
(a) Determination of adjusted gross DTA and net admitted DTA, by tax character as a percentage						
1. Adjusted gross DTAs	$ 1,334,401,625	$ 5,738,669	$ 1,595,809,091	$ 7,524,894	$ (261,407,466)	$ (1,786,225)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0%	0%	0%	0%	0%	0%
3. Net admitted adjusted gross DTAs	$ 814,572,556	$ 5,738,669	$ 917,103,573	$ 7,524,894	$ (102,531,017)	$ (1,786,225)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0%	0%	0%	0%	0%	0%

(b) The Company's tax-planning strategies do not include the use of reinsurance.

B. Regarding deferred tax liabilities that are not recognized:

(1) There are no temporary differences for which deferred tax liabilities have not been recognized. Accordingly, there are no events that would cause unrecognized temporary differences to become taxable.

(2) There are no unrecognized temporary differences.

(3) There are no unrecognized deferred tax liabilities related to investments in foreign subsidiaries and foreign corporate joint ventures that are essentially permanent in duration.

(4) There are no other deferred tax liabilities not recognized.

NOTES TO FINANCIAL STATEMENTS

C. Significant components of income taxes incurred as of December 31 are:

(1) Current income taxes incurred consist of the following major components:

	2018	2017	Change
Operations			
Federal taxes from operations	$ (207,990,188)	$ 1,052,919,519	$ (1,260,909,707)
Foreign tax expense	-	-	-
Subtotal	(207,990,188)	1,052,919,519	(1,260,909,707)
Federal tax benefit on capital gains	356,117,657	(1,280,152,006)	1,636,269,663
Utilization of operating loss carry forwards	(8,820,135)	-	(8,820,135)
Other	(34,933,713)	(1,032,919)	(33,900,794)
Total federal current taxes incurred	$ 104,373,621	$ (228,265,406)	$ 332,639,027

Federal current taxes incurred are reflected in the accompanying statements as follows:

	2018	2017	Change
Federal taxes incurred	$ (237,040,151)	$ 1,048,077,602	$ (1,285,117,753)
Capital gains tax transferred to AVR	293,060,784	(1,289,811,882)	1,582,872,666
Taxes transferred to IMR	48,263,793	13,529,601	34,734,192
Taxes on liability gains released from the IMR	89,195	(60,727)	149,922
Total federal current taxes incurred	$ 104,373,621	$ (228,265,406)	$ 332,639,027

(2) The main components of deferred tax amounts at December 31 are as follows:

	2018	2017	Change
Deferred tax assets resulting from book/tax differences in:			
Ordinary:			
Deferred acquisition costs	$ 207,521,098	$ 213,766,579	$ (6,245,481)
Insurance reserves	733,359,356	194,825,907	538,533,449
Investments	160,460,475	1,031,836,038	(871,375,563)
Deferred compensation	123,547,101	75,303,978	48,243,123
Deferred and uncollected premium	2,784,999	2,583,215	201,784
Net operating loss carryforward	64,868,604	46,204,317	18,664,287
Other	41,859,992	31,289,057	10,570,935
Total ordinary gross & adjusted gross deferred tax assets	1,334,401,625	1,595,809,091	(261,407,466)
Deferred tax assets nonadmitted	(519,829,069)	(678,705,518)	158,876,449
Admitted ordinary gross deferred tax assets	814,572,556	917,103,573	(102,531,017)
Capital:			
Investments	2,708,156	7,032,158	(4,324,002)
Unrealized capital losses	3,030,513	492,736	2,537,777
Total capital gross & adjusted gross deferred tax assets	5,738,669	7,524,894	(1,786,225)
Deferred tax assets nonadmitted	-	-	-
Admitted capital gross deferred tax assets	5,738,669	7,524,894	(1,786,225)
Total admitted deferred tax assets	$ 820,311,225	$ 924,628,467	$ (104,317,242)

(3) Deferred tax liabilities resulting from book/tax differences in:

	2018	2017	Change
Ordinary:			
Investments	$ 23,075,137	$ 271,163,560	$ (248,088,423)
Fixed assets	20,469,177	3,504,802	16,964,375
Insurance reserves	44,759,703	73,939,394	(29,179,691)
Due and deferred premium	17,196,261	15,333,411	1,862,850
Other	16,094,994	105,931	15,989,063
Total ordinary deferred tax liabilities	121,595,272	364,047,098	(242,451,826)
Total capital deferred tax liabilities	75,410,583	54,978,063	20,432,520
Total deferred tax liabilities	197,005,855	419,025,161	(222,019,306)

(4) Total net admitted deferred tax asset $ 623,305,370 $ 505,603,306 $ 117,702,064

There have been no adjustments to gross deferred tax assets because of a change in circumstances that causes a change in judgment about their realizability.

The change in the net deferred income taxes is comprised of the following (this analysis is exclusive of the nonadmitted DTAs as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	2018	2017	Change
Total deferred tax assets	$ 1,340,140,294	$ 1,603,333,985	$ (263,193,691)
Total deferred tax liabilities	(197,005,855)	(419,025,161)	222,019,306
Net deferred tax assets/liabilities	1,143,134,439	1,184,308,824	(41,174,385)
Statutory valuation allowance adjustment	-	-	-
Net DTA after statutory valuation allowance adjustment	1,143,134,439	1,184,308,824	(41,174,385)
Tax effect of unrealized gains (losses)	28,195,795	118,400,415	(90,204,620)
Change in net deferred income tax	$ 1,171,330,234	$ 1,302,709,239	$ (131,379,005)

NOTES TO FINANCIAL STATEMENTS

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income (including capital items) before income taxes. The significant items causing this difference are:

	2018	Tax effect at 21%	Effective Tax Rate
Income before taxes	$ 1,935,535,653	$ 406,462,487	21.0%
BLIC tax expense	9,001,431	1,890,301	0.1%
Dividends received deduction	(1,026,941,318)	(215,657,677)	-11.1%
Interest maintenance reserve	229,416,817	48,177,532	2.5%
LLC impact	528,714,337	111,030,011	5.7%
Nondeductible VOBA amortization	49,127,954	10,316,870	0.5%
Tax credits	(172,850,790)	(36,298,666)	-1.9%
Gain on reinsurance of inforce business	(36,880,945)	(7,744,998)	-0.4%
Impact of tax law rate change	(42,808,898)	(8,989,869)	-0.5%
Impact of subsidiary reorganization	(370,935,024)	(77,896,355)	-4.0%
Other	21,252,336	4,462,991	0.2%
Total	$ 1,122,631,553	$ 235,752,626	12.2%
Federal and foreign income taxes incurred		(237,040,151)	-12.2%
Tax on capital losses		341,413,772	17.6%
Change in net deferred taxes		131,379,005	6.8%
Total tax on income items		$ 235,752,626	12.2%

E. Tax operating loss carryforwards, tax credits or taxes incurred available for recoupment:

(1) At December 31, 2018, the Company had $308,898,116 net operating loss carryforwards available for tax purposes. There is no net capital loss available for tax purposes. The Company had an alternative minimum tax credit carryover in the amount of $6,223,697 and a general business tax credit carryover in the amount of $3,597,799.

(2) The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

	Ordinary	Capital	Total
2018	$ -	$ 27,013,742	$ 27,013,742
2017	$ -	$ -	$ -
2016	$ -	$ 188,564,642	$ 188,564,642

(3) The Company has no deposits under IRC Section 6603.

F. Federal Income Tax Allocations

(1) The Company files a consolidated federal income tax return with Brooke Life Insurance Company, Jackson National Life Insurance Company of New York, and Squire Reassurance Company II, Inc. (“Squire Re II”).

(2) The Company has entered into written agreements with Jackson National Life Insurance Company of New York, Brooke Life Insurance Company and Squire Re II. These agreements are generally based on separate return calculations. Intercompany balances are settled on a quarterly basis.

G. The Company does not believe that it is reasonably possible that the liability related to any federal or foreign tax loss contingencies will significantly increase within the next 12 months.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A., B. & C. During 2018, the Company paid dividends of $450,000,000 to its parent, Brooke Life Insurance Company, of which $83,344,149 was extraordinary. During 2017, the Company paid dividends of $600,000,000 to its parent, of which $229,868,218 was extraordinary.

The Company has a Master Repurchase Agreement with its subsidiary, Jackson National Life Insurance Company of New York (“Jackson NY”), which allows for repurchase agreement transactions between the companies, when deemed appropriate. There were no such borrowings during 2018 and 2017. There was no outstanding balance as of December 31, 2018 and 2017. Interest paid during both 2018 and 2017 was nil.

Effective December 31, 2016, Jackson amended its variable annuity (“VA”) reinsurance agreement with Jackson NY. The purpose of the amendment is to transfer to Jackson the total VA contract risk associated with the Variable Annuities issued by Jackson NY for better alignment with risk mitigation strategies employed at the parent company level. The amendment to the treaty allows for 90% of the entire VA contract to be ceded to Jackson on a coinsurance basis (modified coinsurance for Separate Account liabilities). The amendment covers all existing and future issues of VA contracts issued by Jackson NY.

The amendment was approved by the insurance departments of Michigan and New York in 2017, effective December 31, 2016. Accordingly, the net payment of $905,938,895 was reported as receivable from Jackson NY at December 31, 2016. The receivable was settled on February 14, 2017 through a transfer of securities and cash. The transaction resulted in the transfer of Jackson NY’s $25,251,072 IMR related to the securities, which was reported direct to surplus as IMR transferred on reinsurance settlement.

NOTES TO FINANCIAL STATEMENTS

As a result of the VA reinsurance agreement with Jackson NY, the Company assumed $1,136,248,806 and $1,088,049,017 of reserves at December 31, 2018 and 2017, respectively. In addition, the Company assumed $1,215,710,194 and $1,103,992,812 of premium during 2018 and 2017, respectively.

The Company maintains a reserve financing transaction whereby level premium term reserves are ceded to a captive subsidiary, Squire Reassurance Company II, Inc. ("Squire Re II"), under a funds withheld 100% coinsurance treaty. As of December 31, 2018 and 2017, the Company ceded $565,276,157 and $602,827,637, respectively, of reserves to Squire Re II.

On October 24, 2018, the Company received a capital contribution of $100,000,000 from its parent company, Brooke Life Insurance Company.

Effective December 31, 2018, National Planning Holdings, Inc. was contributed to the Company from its parent, with equity at the date of transfer of $52,243,518. Subsequent to the contribution, National Planning Holdings, Inc. was converted to National Planning Holdings LLC.

In 2018 and 2017, the Company received membership distributions from Jackson National Asset Management, LLC of $520,500,000 and $607,000,000, respectively.

In 2017, the Company recorded a return of capital of $19,336,873 from its wholly owned subsidiary, Squire Re II.

In 2017, the Company recorded dividends from Squire Re II of $663,127.

In both 2018 and 2017, the Company received a return of capital of $10,000,000 from Curian Clearing, LLC.

In 2018, the Company received a return of capital of $1,500,000 from Curian Capital, LLC.

D. Other than as discussed in Notes 10A and 14, the Company does not have any other material amounts due from or to related parties as of the date of each balance sheet included in these financial statements that require disclosure.

E. See Note 14 for disclosure of guarantees of related parties.

F. The Company has contracted to receive investment management services from affiliates PPM America, Inc. and PPM Finance, Inc. The cost of the services was $67,358,280 and $44,410,712 in 2018 and 2017, respectively.

The Company has entered into shared services and administrative agreements with certain affiliates. Under the agreements, the Company allocated $68,378,725 and $70,781,172 of certain management and administrative services expenses to affiliates in 2018 and 2017, respectively.

G. All outstanding shares of the Company are owned by Brooke Life Insurance Company, an insurance company domiciled in the state of Michigan. The Company is a member of the Prudential plc group incorporated in England. The group structure is shown in Schedule Y.

H. The Company does not own any shares of an upstream intermediate entity or ultimate parent, either directly or indirectly, via a downstream subsidiary, controlled or affiliated company.

I. The Company does not have investments in subsidiary, controlled or affiliated companies that exceed 10% of the admitted assets of the Company.

J. During 2017, the Company recognized an impairment writedown on its wholly owned subsidiary, Curian Capital, LLC of $950,000.

During 2017, the Company recognized an impairment writedown of $700,000 on its wholly owned subsidiary, Curian Clearing, LLC.

During 2017, the Company recognized an impairment writedown of $2,044,801 on its wholly owned subsidiary, Hermitage, LLC.

K. The Company does not calculate investments in foreign insurance subsidiaries by adjusting annuity GAAP reserves.

L. The Company does not hold an investment in a downstream noninsurance holding company.

NOTES TO FINANCIAL STATEMENTS

M. Investment in Subsidiary, Controlled and Affiliated Entities

(1) Balance Sheet Value (Admitted and NonAdmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities		$ -	$ -	$ -
Total SSAP No. 97 8a Entities		-	-	-
b. SSAP No. 97 8b(ii) Entities				
PGDS (US ONE) LLC	100.00%	2,134,228	-	2,134,228
Total SSAP No. 97 8b(ii) Entities		2,134,228	-	2,134,228
c. SSAP No. 97 8b(iii)				
Curian Capital, LLC	100.00%	640,649	-	640,649
Curian Clearing LLC	100.00%	1,896,260	-	1,896,260
Jackson National Asset Management, LLC	100.00%	46,824,448	46,824,448	-
Jackson National Life Distributors LLC	100.00%	15,096,608	15,096,608	-
Hermitage Management, LLC	100.00%	148,112	-	148,112
National Planning Holdings LLC	100.00%	52,243,518	-	52,243,518
Allied Life Brokerage Agency, Inc.	100.00%	479,556	-	479,556
REALIC of Jacksonville Plans, Inc.	100.00%	1,624	-	1,624
Mission Plans of America, Inc.	100.00%	12,668	-	12,668
ROP, Inc.	100.00%	203,150	-	203,150
Jackson Charitable Foundation, Inc.	100.00%	100	-	100
Total SSAP No. 97 8b(iii) Entities		117,546,693	61,921,056	55,625,637
d. SSAP No. 97 8b(iv) Entities				
Jackson National Life (Bermuda) LTD	100.00%	4,087,010	-	4,087,010
VFL International Life Company SPC, Ltd.	100.00%	1,410,548	-	1,410,548
Total SSAP No. 97 8b(iv) Entities		5,497,558		5,497,558
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)		125,178,479	61,921,056	63,257,423
f. Aggregate Total (a+e)		$ 125,178,479	$ 61,921,056	$ 63,257,423

(2) None of the SCAs listed above are required to be filed with the NAIC pursuant to the adopted revisions to *SSAP No. 97 - Subsidiary, Controlled, and Affiliated Entities.* Certain entities are captured within the scope of *SSAP No. 48 – Joint Ventures, Partnerships, and Limited Liability Companies*, and are categorically excluded from filing requirements, and other entities are nonadmitted SCAs that do not require NAIC filing.

N. Investment in Insurance Subsidiary, Controlled, and Affiliated Entities

The financial statements of the Company's wholly owned subsidiary, Jackson NY, are presented on the basis of accounting practices prescribed or permitted by the New York State Department of Financial Services. The State of New York has adopted certain prescribed accounting practices that differ from those found in NAIC SAP.

(1) The reserves of Jackson NY are valued under Continuous CARVM according to New York insurance law, rather than Curtate CARVM according to NAIC SAP.

(2) New York state law does not reference the Valuation Manual ("VM") for purposes of defining minimum reserve standards, thus, reserves for payout business are not valued according to VM-22, but rather, are valued per New York regulation.

(3) The Company's asset adequacy testing uses cash flow testing methodology which, under New York's prescribed assumptions, develops negative surplus in certain years, resulting in NYDFS requiring the Company to establish additional reserves.

The following table details the monetary effect of the prescribed practice on net income and surplus of Jackson NY, and the amount of the Company's investment in Jackson NY per the Company's audited statutory equity and if Jackson NY financial statements had been prepared in accordance with NAIC SAP. The RBC of Jackson NY would not have triggered a regulatory event had it not used the Continuous CARVM prescribed practice according to New York insurance law.

SCA Entity (Investments in Insurance SCA Entities)	Monetary Effect on NAIC SAP		Amount of Investment	
	Net Income Increase (Decrease)	Surplus Increase (Decrease)	Per Audited Statutory Equity	If the Insurance SCA Had Completed Statutory Financial Statements*
Jackson National Life Insurance Company of New York	$ (7,076,907)	$ (23,439,931)	$ 583,226,893	$ 606,666,824

* Per AP&P Manual (without permitted or prescribed practices)

O. SCA Loss Tracking

The Company does not hold an investment in a subsidiary, controlled and affiliated entity whose losses exceed its investment.

11. Debt

A. The Company's borrowings include Federal Home Loan Bank Agreements (see Note 11B below) and repurchase agreements (See Note 5 for additional details).

NOTES TO FINANCIAL STATEMENTS

B. Federal Home Loan Bank ("FHLB") Agreements

(1) The Company is a member of the Federal Home Loan Bank of Indianapolis primarily for the purpose of participating in the bank's mortgage-collateralized loan advance program. Members are required to purchase and hold a minimum amount of FHLB capital stock, plus additional stock based on outstanding advances. Advances are in the form of debt or funding agreements issued to FHLB and held in the general account.

Short-term debt is generally used for liquidity and long-term debt is used to fund qualifying construction projects. Debt is reported in borrowed money in the financial statements. Funding agreements are reported in liability for deposit-type contracts in the financial statements. The Company calculated the maximum borrowing capacity in accordance with current FHLB capital stock and limitations in the FHLB credit policy.

(2) FHLB Capital Stock

	December 31, 2018	December 31, 2017
Membership Stock - Class A	$ -	$ -
Membership Stock - Class B	$ 24,031,400	$ 22,098,000
Activity Stock	$ 66,671,600	$ 95,831,800
Excess Stock	$ 34,689,100	$ 7,462,300
Aggregate Total	$ 125,392,100	$ 125,392,100
Actual or Estimated Borrowing Capacity as Determined by the Insurer	$ 2,786,490,470	$ 2,786,489,943

			Eligible for Redemption			
Membership Stock	Current Year Total	Not Eligible for Redemption	Less Than 6 Months	6 Months to Less Than 1 Year	1 to Less Than 3 Years	3 to 5 Years
Class A	$ -	$ -	$ -	$ -	$ -	$ -
Class B	$ 24,031,400	$ 24,031,400	$ -	$ -	$ -	$ -

(3) Collateral Pledged to FHLB

	Total collateral pledged		
	Fair Value	Carrying Value	Aggregate Total Borrowing
December 31, 2018	$ 3,003,140,686	$ 3,054,419,172	$ 2,015,621,581
December 31, 2017	$ 4,095,850,213	$ 4,021,892,481	$ 2,620,661,054

Maximum Amount Pledged during the Reporting Period

	Fair Value	Carrying Value	Aggregate Total Borrowing
Period ended December 31, 2018	$ 4,192,410,675	$ 4,304,275,683	$ 2,736,411,054
Period ended December 31, 2017	$ 4,327,238,599	$ 4,266,699,675	$ 2,770,661,054

(4) Borrowing from FHLB

	December 31, 2018		December 31, 2017	
	Total	Funding Agreements Reserves Established	Total	Funding Agreements Reserves Established
Debt				
Short-term	$ -	XXX	$ 600,000,000	XXX
Long-term	82,381,581	XXX	87,421,054	XXX
Funding Agreements	1,933,240,000	$ 1,933,240,000	1,933,240,000	$ 1,933,240,000
Aggregate Total	$ 2,015,621,581	$ 1,933,240,000	$ 2,620,661,054	$ 1,933,240,000

Maximum Amount Borrowed during the Reporting Period

	2018
Debt	$ 837,421,054
Funding Agreements	1,933,240,000
Aggregate Total	$ 2,770,661,054

Does the company have prepayment obligations under the following arrangements?

Debt	No
Funding Agreements	Yes

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

The Company does not offer a defined benefit plan.

B., C.,
& D. The Company does not have classes of defined benefit plan assets.

NOTES TO FINANCIAL STATEMENTS

E. Defined Contribution Plans

The Company has a defined contribution retirement plan covering substantially all employees. To be eligible to participate in the Company's contribution, an employee must have attained the age of 21, completed at least 1,000 hours of service in a 12-month period and passed their 12-month employment anniversary. In addition, the employee must be employed on the applicable January 1 or July 1 entry date. The Company's annual contributions, as declared by the board of directors, are based on a percentage of eligible compensation paid to participating employees during the year. In addition, the Company matches a participant's elective contribution, up to 6 percent of eligible compensation, to the plan during the year. The Company's expense related to this plan was $29,310,388 and $27,894,723in 2018 and 2017, respectively.

The Company maintains non-qualified voluntary deferred compensation plans for certain agents and employees of Jackson and certain affiliates. At December 31, 2018 and 2017, the liability for such plans totaled $320,047,200 and $329,583,623, respectively. The equity risk associated with these liabilities is included in Jackson's overall hedge program. The Company's expense related to these plans, including a match of elective deferrals for the agents' deferred compensation plan and the change in value of participant elected deferrals was $2,329,304 and $41,510,872 in 2018 and 2017, respectively.

F. Multiemployer Plans

The Company does not participate in multiemployer plans.

G. Consolidated/Holding Company Plans

The Company does not participate in a plan sponsored by either the parent company or holding company.

H. Postemployment Benefits and Compensated Absences

Postemployment benefits and compensated absences that might exist at December 31, 2018, are accrued in accordance with SSAP No. 11, Postemployment Benefits and Compensated Absences.

I. Impact of Medicare Modernization Act on Postretirement Benefits

There was no impact of the Medicare Modernization Act on Postretirement Benefits.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

(1) The Company has 50,000,000 shares of common capital stock authorized and 12,000,000 shares issued and outstanding with each share having a par value of $1.15.

(2) The Company does not have preferred stock authorized, issued or outstanding.

(3) Under Michigan insurance law, while Jackson must provide notification to the Michigan commissioner of insurance prior to payment of any dividend, ordinary dividends on capital stock may only be distributed out of earned surplus, excluding any unrealized capital gains and the effect of permitted practices (referred to as adjusted earned surplus). At December 31, 2018, adjusted earned surplus was approximately $866,200,000. Ordinary dividends in any twelve month period are also limited to the greater of 10% of statutory surplus as of the preceding year-end, excluding any increase arising from the application of permitted practices, or the statutory net income, excluding any net realized investment gains, for the twelve month period ended on the preceding December 31. The commissioner may approve payment of dividends in excess of these amounts, which would be deemed an extraordinary dividend. The maximum dividend that can be paid in 2019, subject to the availability of earned surplus, without prior approval of the commissioner is approximately $905,000,000.

(4) In June 2018, the Company paid a $450,000,000 dividend to its parent company, Brooke Life Insurance Company, of which $83,344,149 was extraordinary. In May 2017, the Company paid a $600,000,000 dividend, of which $229,868,218 was extraordinary.

(5) Except as noted in (3) above and in Note 1A, there are no prohibitions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

(6) Except as noted in Note 1A, there were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

(7) The Company had no advances to surplus.

(8) The Company held no stock, including stock of affiliated companies, for special purposes.

(9) The $315,471,571 increase in the balance of special surplus funds in 2018 is due to the change in unrealized gains/losses, net of tax, on interest rate swaps per the permitted practice described in Note 1A.

(10) The portion of unassigned funds (surplus) represented by cumulative unrealized gains is $437,541,574.

NOTES TO FINANCIAL STATEMENTS

(11) The Company issued the following surplus debentures or similar obligations:

1	2	3	4	5	6	7	8
Date Issued	Interest Rate	Par Value (Face Amount of Notes)	Carrying Value of Note	Principal And/Or Interest Paid Current Year	Total Principal And/Or Interest Paid	Unapproved Principal And/Or Interest	Date of Maturity
3/15/1997	8.15%	$ 250,000,000	$ 249,558,173	$ 20,375,000	$ 438,062,500	0	3/15/2027
1311999 Total		$ 250,000,000	$ 249,558,173	$ 20,375,000	$ 438,062,500	0	XXX

The surplus notes in the amount of $250,000,000, listed in the above table, were issued pursuant to Rule 144A under the Securities Act of 1933, underwritten by a syndicate that included Goldman Sachs & Co., J.P. Morgan & Co., and Morgan Stanley & Co., and are administered by Citibank, N.A. as fiscal agent.

The surplus notes have the following repayment conditions and restrictions: Payments of interest or principal may be made only with the prior approval of the commissioner of insurance of the state of Michigan and only out of surplus earnings which the commissioner determines to be available for such payments under Michigan Insurance Law. The surplus notes may not be redeemed at the option of the Company or any holder of the notes prior to maturity.

The surplus notes rank pari passu with any other future surplus, capital or contribution notes of the Company and with all other similarly subordinated claims.

The liquidation preference to the insurer's common shareholder is as follows: In the event that the Parent is subject to such a proceeding, holders of indebtedness, policy claims and prior claims would be afforded a greater priority under the liquidation act and the terms of the Notes and, accordingly, would have the right to be paid in full before any payments of interest or principal are made to Note holders.

(12) The Company was not subject to a quasi-reorganization during the year.

(13) The Company was not subject to a quasi-reorganization in the prior 10 years.

14. Liabilities, Contingencies and Assessments

A. (1) Contingent Commitments

The Company provides a $40,000,000 revolving credit facility to PPM America, Inc. (PPMA), an affiliate. The loan is unsecured, matures on September 9, 2023, accrues interest at LIBOR plus 2% per annum, and has a commitment fee of 0.25% per annum. There was no balance outstanding as of December 31, 2018 or 2017. Interest and commitment fees totaled $110,928 and $107,206 during 2018 and 2017, respectively.

The Company provides a $20,000,000 revolving credit facility to PGDS. The loan is unsecured, matures on January 24, 2019, accrues interest at LIBOR plus 2% per annum, and has a commitment fee of 0.10% per annum. The balance outstanding at December 31, 2018 and 2017 was $5,689,475 and $20,425,216, respectively. Interest and commitment fees totaled $507,117 and $1,005,936 during 2018 and 2017, respectively.

The Company provided a $6,000,000 revolving credit facility to National Planning Holdings, an affiliate, which terminated August 31, 2017. The loan was unsecured, accrued interest at LIBOR plus 2% per annum, and had a commitment fee of 0.10% per annum. There was no balance outstanding at December 31, 2017. Interest and commitment fees totaled $3,995 during 2017.

The Company provides a $20,000,000 revolving credit facility to Jackson Holdings, LLC, an upstream holding company. The loan is unsecured, matures on June 18, 2019, accrues interest at LIBOR plus 2% per annum, and has a commitment fee of 0.25% per annum. The balance outstanding at December 31, 2017 was $1,544,224. There was no outstanding balance at December 31, 2018. Interest and commitment fees totaled $72,814 and $71,050 during 2018 and 2017, respectively.

The Company provides a $100,000,000 revolving credit facility to Brooke (Holdco1) Inc., an upstream holding company. The loan is unsecured, matures on December 14, 2021, accrues interest at LIBOR plus 2% per annum, and has a commitment fee of 0.10% per annum. There was no balance outstanding at December 31, 2018 or 2017. Interest and commitment fees totaled $100,000 and $65,150 during 2018 and 2017, respectively.

At December 31, 2018, the Company has unfunded commitments related to its investments in limited partnerships and limited liability companies totaling $845,822,525, including $49,682,120 to limited partnerships and limited liability companies on which the Company has taken an impairment charge, and $439,654,879 related to commercial mortgage loans and other bonds.

NOTES TO FINANCIAL STATEMENTS

(2) Guarantees

1	2	3	4	5
Nature and circumstances of guarantee and key attributes, including date and duration of agreement.	Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R.)	Ultimate financial statement impact if action under the guarantee is required.	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted.	Current status of payment or performance of risk of guarantee. Also provide additional discussion as warranted.
Guarantee for policyholder obligations of its wholly owned life insurance subsidiary, Jackson National Life Insurance Company of New York (Jackson New York)	Exception allowed under SSAP No. 5R, paragraph 17f.	This guarantee is not expected to result in future required payments by the Company and is not considered to result in a material contingent exposure of the Company's assets to liability because the Company and Jackson New York share the same management and Jackson New York is subject to the regulatory supervision of the state of New York.	The maximum potential amount of future payments cannot be estimated as Jackson New York continues to write new business.	

(3) The guaranty is for a wholly owned subsidiary that is still operating. As such, no liability for the guaranty has been recorded and the maximum potential amount of future payments cannot be estimated.

B. Assessments

The Company is unaware of assessments that would have a material impact on its financial position or results of operations.

C. Gain Contingencies

The Company does not recognize gain contingencies except as provided under SSAP No. 5R, Liabilities, Contingencies and Impairments of Assets - Revised. The Company did not realize a gain subsequent to the balance sheet date but prior to the issuance of the financial statements that requires disclosure.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

The Company did not make payments in the reporting period to settle claims related to extra contractual obligations or bad faith claims stemming from lawsuits.

E. Joint and Several Liabilities

The Company does not have joint and several liabilities.

F. All Other Contingencies

The Company is involved in litigation arising in the ordinary course of business. It is the opinion of management that the ultimate disposition of such litigation will not have a material adverse effect on the Company's financial condition or results of operations. The Company has been named in civil litigation proceedings which appear to be substantially similar to other class action litigation brought against many life insurers alleging misconduct in the sale or administration of insurance products. The Company generally accrues for legal contingencies once the contingency is deemed to be probable and estimable. Accordingly, at December 31, 2018 and 2017, the Company recorded accruals totaling $28,012,500 and $11,340,088, respectively.

Effective March 1, 2009, the Company (as successor to merger with REALIC) entered into an administrative services agreement with a vendor who will provide policyholder administrative services. Subject to certain termination provisions, the original ten year term was extended by amendment effective September 28, 2018 to provide for services through September 30, 2030.

Effective December 1, 2003, the Company (as successor to merger with REALIC) entered into an administrative services agreement with a vendor who will provide policyholder administrative services. Subject to certain termination provisions, the original ten year term was extended by amendment effective July 1, 2010 to provide for services through July 1, 2020.

NOTES TO FINANCIAL STATEMENTS

15. Leases

A. Lessee Operating Leases

(1) The Company leases office space, land and equipment under operating leases that expire at various dates through 2051. Certain leases include escalating lease rates and, as a result, at December 31, 2018, the Company recorded a liability of $14,318,118 for future lease payments. Lease expense was $41,478,378 and $32,699,498 for 2018 and 2017, respectively.

The Company subleases office space under several operating leases that expire at various dates through 2029. Total future lease income to be received on the subleased property is $12,863,432. Lease income for the subleased property totaled $813,960 and $27,650 in 2018 and 2017, respectively.

(2) At December 31, 2018, the minimum aggregate rental commitments are as follows:

2019	$	10,777,197
2020		10,098,318
2021		7,642,319
2022		6,296,363
2023		5,951,878
Thereafter		13,281,348
Total	$	54,047,423

(3) The Company is not involved in sales-leaseback transactions.

B. Lessor Leases

Leasing is not a significant part of the Company's business activities.

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

(1) The table below summarizes the aggregate contractual or notional amounts for the Company's financial instruments, including those with off-balance sheet risk:

		Assets		Liabilities	
		2018	2017	2018	2017
a.	Swaps	$ 15,014,961,178	$ 17,616,153,646	$ -	$ -
b.	Futures	25,479,340,130	14,598,750	-	-
c.	Options	78,750,000,000	57,250,000,000	9,500,000,000	-
d	Total	$ 119,244,301,308	$ 74,880,752,396	$ 9,500,000,000	$ -

See Schedule DB for additional details.

(2) See Note 8.A. for a description of the credit risk, market risk and cash requirements of these financial instruments.

(3) The Company manages the potential credit exposure for over-the-counter derivative contracts through careful evaluation of the counterparty credit standing, collateral agreements, and master netting agreements. The Company is exposed to credit-related losses in the event of nonperformance by counterparties to financial instruments; however, the Company does not anticipate nonperformance given the counterparties' high credit ratings. The credit exposure of derivatives is represented by the fair value of contracts with a positive fair value at the reporting date. Ultimately, this exposure is reduced by any offsetting positions with, and collateral posted by, counterparties. See Schedule DB – Part D – Section 1 for the net counterparty credit exposure as of December 31, 2018. There were no losses as a result of derivative counterparty nonperformance during 2018.

Futures transactions are effected through regulated exchanges and positions are marked to market and settled in cash on a daily basis. As such, the Company has little exposure to counterparty credit-related losses for exchange-traded derivatives.

(4) All of the Company's over-the-counter financial derivative counterparty master agreements contain netting provisions allowing for the offset of contractual payments due from and due to counterparties. To the extent that the net market value of aggregate contracts with individual counterparties exceeds established threshold amounts, collateral posting in favor of the exposed party is required. Collateral posted must be high quality, liquid securities or cash as dictated by the agreements.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

No transfers as described by SSAP No. 42, Sale of Premium Receivables, have occurred during the year.

NOTES TO FINANCIAL STATEMENTS

B. Transfer and Servicing of Financial Assets

The Company has entered into securities lending agreements with agent banks, for the purpose of earning fees, whereby blocks of securities are loaned to third parties, primarily major brokerage firms. As of December 31, 2018, the estimated fair value of loaned securities was $40,887,226. The agreements require collateral with a minimum fair value of 102 percent of the fair value of the loaned securities, calculated on a daily basis. To further minimize the credit risks related to these programs, the financial condition of the counterparties is monitored by the agent banks on a regular basis. Cash collateral received is invested by the agent banks for the benefit of the Company and is included on the balance sheet. Securities for which all or a portion of Jackson’s holdings have been loaned are identified in Schedule D with the designation “LS”.

C. Wash Sales

No reportable wash sales have occurred during the year.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

There was no gain or loss from uninsured A&H plans and the uninsured portion of partially insured plans.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

There was no direct premium written or produced by managing general agents or third party administrators.

20. Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date

Description	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at fair value:					
RMBS	$ -	$ 206,577	$ -	$ -	$ 206,577
Government bonds	-	135,118	-	-	135,118
Common stock	535,091,502	51,704,971	10,634,779	-	597,431,252
Other invested assets	-	28,917,606	-	1,239,086,170	1,268,003,776
Derivative instruments (a)	-	532,822,401	8,505,232	-	541,327,633
Separate account assets	-	152,228,479,792	-	-	152,228,479,792
Total assets at fair value/NAV	$ 535,091,502	$ 152,842,266,465	$ 19,140,011	$ 1,239,086,170	$ 154,635,584,148

There were no significant amounts transferred into or out of Level 1, Level 2, or Level 3 during the period.

(2) Fair Value Measurements in Level 3 of the Fair Value hierarchy

Description	Balance at 1/1/2018	Transfers in Level 3	Transfers out Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Balance at 12/31/2018
Common stock	$ 110,906	$ -	$ -	$ -	$ -	$ 10,523,873	$ -	$ -	$ -	$ 10,634,779
Other invested assets	1,127,733,197	-	(1,127,733,197)	-	-	-	-	-	-	-
Derivative instruments	5,931,422	-	-	(24,070,000)	21,058,810	5,585,000	-	-	-	8,505,232
Total	$ 1,133,775,525	$ -	$ (1,127,733,197)	$ (24,070,000)	$ 21,058,810	$ 16,108,873	$ -	$ -	$ -	$ 19,140,011

(3) The Company’s policy for determining and disclosing transfers between levels is to recognize transfers using beginning of-period balances.

(4) *Bonds and Equity Securities*

The fair values for bonds and equity securities are determined by management using information available from independent pricing services, broker-dealer quotes, or internally derived estimates. Priority is given to publicly available prices from independent sources, when available. Securities for which the independent pricing service does not provide a quotation are either submitted to independent broker-dealers for prices or priced internally. Typical inputs used by these three pricing methods include, but are not limited to, reported trades, benchmark yields, credit spreads, liquidity premiums, and/or estimated cash flows based on default and prepayment assumptions.

As a result of typical trading volumes and the lack of specific quoted market prices for most bonds, independent pricing services will normally derive the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available market observable information as outlined above. If there are no recently reported trades, the independent pricing services and brokers may use matrix or pricing model processes to develop a security price where future cash flow expectations are developed based upon collateral performance and discounted at relevant market rates. Certain securities are priced using broker-dealer quotes, which may utilize proprietary inputs and models. Additionally, the majority of these quotes are non-binding.

Included in the pricing of asset-backed securities are estimates of the rate of future prepayments of principal over the remaining life of the securities. Such estimates are derived based on the characteristics of the underlying structure and prepayment assumptions believed to be relevant for the underlying collateral. Actual prepayment experience may vary from these estimates.

NOTES TO FINANCIAL STATEMENTS

Internally derived estimates may be used to develop a fair value for securities for which the Company is unable to obtain either a reliable price from an independent pricing service or a suitable broker-dealer quote. These estimates may incorporate Level 2 and Level 3 inputs and are generally derived using expected future cash flows, discounted at market interest rates available from market sources based on the credit quality and duration of the instrument to determine fair value. For securities that may not be reliably priced using these internally developed pricing models, a fair value may be estimated using indicative market prices. These prices are indicative of an exit price, but the assumptions used to establish the fair value may not be observable or corroborated by market observable information and, therefore, are considered to be Level 3 inputs.

The Company performs a monthly analysis on the prices and credit spreads received from third parties to ensure that the prices represent a reasonable estimate of the fair value. This process involves quantitative and qualitative analysis and is overseen by investment and accounting professionals. Examples of procedures performed include, but are not limited to, initial and on-going review of third party pricing service methodologies, review of pricing statistics and trends, back testing recent trades and monitoring of trading volumes. In addition, the Company considers whether prices received from independent brokers represent a reasonable estimate of fair value through the use of internal and external cash flow models, which are developed based on spreads and, when available, market indices. As a result of this analysis, if the Company determines there is a more appropriate fair value based upon the available market data, the price received from the third party may be adjusted accordingly.

For those securities that were internally valued at December 31, 2018 and 2017, an internally developed model was used to determine the fair value. The pricing model used by the Company utilizes current spread levels of similarly rated securities to determine the market discount rate for the security. Furthermore, appropriate risk premiums for illiquidity and non-performance are incorporated in the discount rate. Cash flows, as estimated by the Company using issuer-specific default statistics and prepayment assumptions, are discounted to determine an estimated fair value.

On an ongoing basis, the Company reviews the independent pricing services' valuation methodologies and related inputs, and evaluates the various types of securities in its investment portfolio to determine an appropriate fair value hierarchy distribution based upon trading activity and the observability of market inputs. Based on the results of this evaluation, each price is classified into Level 1, 2, or 3. Most prices provided by independent pricing services, including broker quotes, are classified into Level 2 due to their use of market observable inputs.

Other Invested Assets
Other invested assets include investments in limited partnerships and real estate. Fair value for limited partnerships is determined by using the proportion of Jackson's investment in each fund (NAV equivalent) as a practical expedient for fair value. No adjustments to these amounts were deemed necessary at December 31, 2018.

Derivative Instruments
Fair value of derivative instruments reflects the estimated amounts, net of payment accruals, which the Company would receive or pay upon sale or termination of the contracts at the reporting date. Derivatives priced using valuation models incorporate inputs that are predominantly observable in the market. Inputs used to value derivatives include, but are not limited to, interest rate swap curves, credit spreads, interest rates, counterparty credit risk, equity volatility and equity index levels.

Derivative instruments classified as Level 1 include futures, which are traded on active exchanges.

Derivative instruments classified as Level 2 include interest rate swaps, cross currency swaps, credit default swaps, put swaptions and equity index call and put options. These derivative valuations are determined using pricing models with inputs that are observable in the market or can be derived principally from, or corroborated by, observable market data.

Derivative instruments classified as Level 3 include interest rate contingent options that are valued by third-party pricing services utilizing significant unobservable inputs.

Fair Values of Separate Account Assets and Liabilities
Separate account assets are invested in mutual funds, which are categorized as Level 2 assets. The value of separate account liabilities are set equal to the value of separate account assets.

(5) For derivative assets and liabilities, see paragraphs 1 and 2 for fair value and reconciliation disclosures on a net basis.

B. The Company provides additional fair value information in Note 5.

NOTES TO FINANCIAL STATEMENTS

C. The following table details the aggregate fair value of the Company's financial instruments:

December 31, 2018

Description	Aggregate Fair Value	Admitted Value	Level 1	Level 2	Level 3	Net Asset Value (NAV)
(in thousands)						
Assets at fair value:						
Bonds	$ 50,707,403,306	$ 50,383,384,080	$ 5,419,804,387	$ 45,287,598,106	$ 813	$ -
Common stock	597,431,252	597,431,252	535,091,502	51,704,971	10,634,779	-
Commercial mortgages	9,282,224,577	9,411,338,876	-	-	9,282,224,577	-
Cash and cash equivalents	2,821,317,972	2,821,317,972	2,821,317,972	-	-	-
Policy loans	4,560,995,779	4,560,995,779	-	-	4,560,995,779	-
Derivative instruments	684,665,872	541,327,633	-	676,160,640	8,505,232	-
Other invested assets	1,268,003,776	1,268,003,776	-	28,917,606	-	1,239,086,170
Securities lending assets	42,433,567	42,433,567	42,433,567	-	-	-
Separate account assets	152,228,479,792	152,228,479,792	-	152,228,479,792	-	-
Total assets at fair value/NAV	$ 222,192,955,893	$ 221,854,712,727	$ 8,818,647,428	$ 198,272,861,115	$ 13,862,361,180	$ 1,239,086,170
Liabilities at fair value:						
Reserves for life insurance						
and annuities (1)	$ 46,697,452,012	$ 41,135,118,177	$ -	$ 898,262,870	$ 45,799,189,142	$ -
Liability for deposit-type contrac	11,610,775,658	11,746,880,476	-	-	11,610,775,658	-
Funds held under reinsurance trea	3,745,073,860	4,035,713,262	-	-	3,745,073,860	-
Securities lending liabilities	42,433,567	42,433,567	-	42,433,567	-	-
Separate account liabilities	152,228,479,792	152,228,479,792	-	152,228,479,792	-	-
Derivative instruments	278,418,369	278,418,369	-	278,418,369	-	-
Debt	82,468,269	82,468,269	-	82,468,269	-	-
Total liabilities at fair value	$ 214,685,101,527	$ 209,549,511,912	$ -	$ 153,530,062,867	$ 61,155,038,660	$ -

December 31, 2017

Description	Aggregate Fair Value	Admitted Value	Level 1	Level 2	Level 3
(in thousands)					
Assets at fair value:					
Bonds	$ 46,287,964,830	$ 43,842,502,404	$ 5,629,082,589	$ 40,658,880,455	$ 1,786
Preferred stock	17	-	-	-	17
Common stock	137,288,484	137,288,484	125,410,794	11,766,784	110,906
Commercial mortgages	8,554,827,123	8,441,517,338	-	-	8,554,827,123
Cash and cash equivalents	990,423,576	990,423,576	990,423,576	-	-
Short-term investments	-	-	-	-	-
Policy loans	4,468,857,765	4,468,857,765	-	-	4,468,857,765
Derivative instruments	2,172,520,591	1,754,628,491	-	2,166,589,169	5,931,422
Other invested assets	1,127,733,197	1,127,733,197	-	-	1,127,733,197
Securities lending assets	64,246,292	64,246,292	64,246,292	-	-
Separate account assets	164,905,514,891	164,905,514,891	-	164,905,514,891	-
Total assets at fair value	$ 228,709,376,766	$ 225,732,712,438	$ 6,809,163,251	$ 207,742,751,299	$ 14,157,462,216
Liabilities at fair value:					
Reserves for life insurance					
and annuities (1)	$ 44,559,244,506	$ 34,788,166,064	$ -	$ 1,184,999,253	$ 43,374,245,253
Liability for deposit-type contracts	10,295,264,367	10,250,092,362	-	-	10,295,264,367
Funds held under reinsurance treaties	3,604,525,309	3,882,673,451	-	-	3,604,525,309
Securities lending liabilities	64,246,292	64,246,292	-	64,246,292	-
Separate account liabilities	164,905,514,891	164,905,514,891	-	164,905,514,891	-
Repurchase agreements	-	-	-	-	-
Derivative instruments	-	-	-	-	-
Debt	687,532,522	687,532,522	-	687,532,522	-
Total liabilities at fair value	$ 224,116,327,887	$ 214,578,225,582	$ -	$ 166,842,292,958	$ 57,274,034,929

(1) Annuity reserves represent only the components of deposits on investment contracts that are considered to be financial instruments.

D. At December 31, 2018 and 2017, the Company had no financial instruments where it was not practicable to estimate fair value.

E. The Company did not have investments measured using the NAV practical expedient where, if sold, were probable of being sold at amounts different from NAV per share.

21. Other Items

A. Extraordinary Items

The Company did not have an extraordinary event or transaction during the year.

B. Troubled Debt Restructuring

The Company did not restructure its debt during the year.

C. Other Disclosures and Unusual Items

At December 31, 2018, the Company has recorded $1,600,000,000 of additional voluntary variable annuity guaranteed benefit reserves in excess of those required under minimum statutory standards as defined in Actuarial Guideline XLIII/VM-21, to partially mitigate the market and interest rate risk components of the risk based capital ("RBC") calculation as determined under C-3 Phase II. At December 31, 2017, the Company did not record additional voluntary variable annuity guaranteed benefit reserves in excess of those required under minimum statutory standards as defined in Actuarial Guideline XLIII/VM-21.

At December 31, 2018, the Company included $690,544,162 of miscellaneous group annuity reserves initially established by John Hancock on a closed block of group payout annuities assumed on October 1, 2018. The additional reserves are in excess of those required under minimum statutory standards.

The Company had previously received regulatory inquiries on an industry-wide matter regarding claims settlement practices and compliance with unclaimed property laws. During 2016 and 2015, Jackson reached agreements to settle issues related to these inquiries. At December 31, 2018 and 2017, the estimated accrual for claims, penalties and interest on the unclaimed property matters is approximately $150,000 and $875,000, respectively.

The Company does not have any other unusual items that require disclosure.

NOTES TO FINANCIAL STATEMENTS

D. Business Interruption Insurance Recoveries

The Company does not have business interruption insurance recoveries that require disclosure.

E. State Transferable or Non-transferable Tax Credits

The Company does not have any state transferable or non-transferable tax credits that require disclosure.

F. Subprime Mortgage Related Risk Exposure

(1) The Company defines exposure to subprime mortgage related risk as investments in securities collateralized by mortgage loans in which the borrower has a FICO score of 680 or lower.

The Company mitigates subprime risk exposure by placing limits on the aggregate amount of these investments as well as the amount of non-AAA subprime investments. The current holdings of subprime collateralized mortgage-backed securities are AAA-rated and in senior tranches, with collateral consisting of primarily fixed-rate and first-lien mortgages.

(2) The Company has no direct exposure through investments in subprime mortgage loans.

(3) The following table summarizes the Company's direct exposure through investments in subprime RMBS at December 31, 2018:

	Actual Cost	Book Adjusted Carrying Value	Fair Value	Other-than-temporary Impairment Losses
Residential mortgage-backed securities	$ 104,693,686	$ 105,539,139	$ 116,513,260	$ 15,759,756

(4) The Company has no underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

G. Retained Assets

(1) The liability for retained asset accounts is reported in the financial statements as supplemental contracts without life contingencies within Exhibit 7. Depending on the type of business, interest rates paid to retained asset account holders during the year for accounts administered on behalf of Jackson were either 0.5% or 1%. For accounts that didn't meet minimum balance requirements, rates were 0.0% or 0.5%. The rates for each account type remained constant for the entire year. There are no service or maintenance fees charged on the retained asset accounts; however, minimal fees are charged for NSF checks, stop payment orders, etc. In certain states in which we conduct business, retained asset accounts are the default method of settling insurance claims.

(2) The following chart summarizes, by the number of months outstanding, the number and balance of retained asset accounts in force:

	In Force			
	December 31, 2018		December 31, 2017	
	Number	Balance	Number	Balance
a. Up to and including 12 Months	191	$ 9,229,008	207	$ 11,533,790
b. 13 to 24 Months	142	6,558,152	167	6,596,159
c. 25 to 36 Months	128	5,188,144	126	5,259,646
d. 37 to 48 Months	98	3,765,502	159	5,106,199
e. 49 to 60 Months	127	4,100,774	449	12,746,107
f. Over 60 Months	8,164	229,525,044	8,958	253,928,573
g. Total	8,850	258,366,624	10,066	$ 295,170,474

(3) The following chart provides a rollforward of retained asset accounts for 2018:

	Individual		Group	
	Number	Balance/ Amount	Number	Balance/ Amount
a. Balance at January 1, 2018	10,066	$ 295,170,474	-	$ -
b. Accounts issued/added	285	18,630,067	-	-
c. Investment earnings credited	-	2,770,643	-	-
d. Fees and other charges assessed	-	(360)	-	-
e. Transferred to state unclaimed property funds	(39)	(537,692)	-	-
f. Accounts closed/withdrawn	(1,462)	(57,666,508)	-	-
g. Balance at December 31, 2018	8,850	$ 258,366,624	-	$ -

H. Insurance-Linked Securities (ILS) Contracts

The Company does not have insurance-linked securities contracts.

22. Events Subsequent

The Company is not aware of any events occurring subsequent to the balance sheet date which require disclosure to keep the financial statements from being misleading or that may have a material effect on the financial condition of the Company.

NOTES TO FINANCIAL STATEMENTS

The Company does not issue health insurance, and therefore, does not have risk sharing provisions of the Affordable Care Act reflected in special surplus.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

(1) None of the reinsurers, listed in Schedule S as non-affiliated, are owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company.

(2) None of the policies issued by the Company have been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such Companies) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business.

Section 2 - Ceded Reinsurance Report - Part A

(1) The Company does not have reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits.

(2) The Company does not have reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies.

Section 3 - Ceded Reinsurance Report - Part B

(1) The estimated amount of the aggregate reduction in surplus (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) from termination of all reinsurance agreements, by either party, as of the date of this statement, is $258,476,102.

(2) The Company has not executed any new agreements or amended existing agreements, since January 1 of the year of this statement, to include policies or contracts that were in force or for which had existing reserves established by the Company as of the effective date of the agreement.

B. Uncollectible Reinsurance

The Company did not write off reinsurance balances due from reinsurers.

C. Commutation of Ceded Reinsurance

The Company did not commute reinsurance during the period covered by this annual statement.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

The Company does not cede reinsurance transactions to a certified reinsurer whose rating was downgraded or whose status is subject to revocation.

E., F. Reinsurance of Variable Annuity Contracts with an Affiliated Captive Reinsurer

The Company does not reinsure variable annuity contracts with an affiliated captive reinsurer.

G. Ceding Entities That Utilize Captive Reinsurers to Assume Reserves Subject to XXX/AXXX Captive Framework

(1) The Company does not have captive reinsurers for which a risk-based capital shortfall exists for the reporting period.

(2) The Company does not have captive reinsurers for which a non-zero Primary Security Shortfall exists for the reporting period.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company is not a party to retrospectively rated contracts or contracts subject to redetermination. In addition, the Company does not issue health insurance, and therefore, does not have premium subject to the risk sharing provisions of the Affordable Care Act.

25. Change in Incurred Losses and Loss Adjustment Expenses

The Company does not have incurred losses or loss adjustment expenses that require disclosure.

26. Intercompany Pooling Arrangements

The Company is not part of a group of affiliated insurers that utilizes a pooling arrangement.

NOTES TO FINANCIAL STATEMENTS

27. Structured Settlements

The Company does not have structured settlements that require disclosure.

28. Health Care Receivables

The Company does not have health care receivables that require disclosure.

29. Participating Policies

For the year ended 2018, the Company's participating policies represented less than 1% of total inforce. The Company accounts for its policyholder dividends based upon recent experience factors. In 2018, the Company paid dividends in the amount of $10,268,009 to policyholders and incurred $99,019 of additional contract benefits related to certain participating policies.

30. Premium Deficiency Reserves

The Company does not have accident and health or property/casualty premium deficiency reserves.

31. Reserves for Life Contracts and Annuity Contracts

(1) The Company waives deduction of deferred fractional premiums upon death of the insured and returns premiums paid and due beyond the date of death. A reserve is held where a surrender value is promised in excess of the minimum required basic reserves. The excess required value has been established as a reserve in Exhibit 5, Miscellaneous Reserves Section.

(2) For policies issued on substandard lives, either the gross premiums are calculated on a rated age basis, or an extra premium is charged in addition to the standard premium at the true issue age. Mean reserves are calculated as the regular mean reserve for the plan at the rated age, the regular mean reserve for the plan at the true issue age plus one-half (1/2) of the extra premium charged, or a substandard reserve based on the appropriate multiple of the standard.

(3) As of December 31, 2018, the Company had $14,502,632,142 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the state of Michigan. Reserves to cover the above insurance totaled the gross amount of $230,829,071 at year-end and are reported in Exhibit 5, Life Insurance and Annuities section.

(4) The Tabular Interest (Page 7, Line 4), the Tabular Less Actual Reserve Released (Page 7, Line 5), and the Tabular Cost (Page 7, Line 9) have been determined by formula as described in the instructions for Page 7, except that for some Universal Life and Single Premium Whole Life policies, the figures have been determined from the basic data for the calculation of policy reserves.

(5) Tabular Interest on funds not involving life contingencies (Exhibit 7, Line 3) has been determined from the basic data for the calculation of policy reserves.

(6) The Company has Universal Life products with secondary guarantees, issued on and after July 1, 2005. At December 31, 2018, the Company calculated reserves on these policies using minimum gross premiums determined by applying the set of charges and credits that produces the lowest premiums, regardless of the imposition of constraints, contingencies, or conditions that would otherwise limit the application of those credits and charges.

32. Analysis of Annuity Actuarial Reserves and Deposit Type Liabilities by Withdrawal Characteristics:

	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
A. Subject to discretionary withdrawal:					
1. With market value adjustment	$ 3,229,089,912	$ 5,684,673	$ -	$ 3,234,774,585	1.6%
2. At book value less surrender charge of 5% or more	7,734,158,339	-	-	7,734,158,339	3.9%
3. At fair value	-	-	147,065,184,689	147,065,184,689	74.1%
4. Total with market value adjustment or at fair value	10,963,248,251	5,684,673	147,065,184,689	158,034,117,613	79.6%
5. At book value without adjustment (minimal or no charge or adjustment)	23,571,407,129	-	-	23,571,407,129	11.9%
B. Not subject to discretionary withdrawal	16,868,446,472	-	96,002,603	16,964,449,075	8.5%
C. Total (gross)	51,403,101,852	5,684,673	147,161,187,292	198,569,973,817	100.0%
D. Reinsurance Ceded	291,549,244	-	-	291,549,244	
E. Total (net) (C) - (D)	$ 51,111,552,608	$ 5,684,673	$ 147,161,187,292	$ 198,278,424,573	

NOTES TO FINANCIAL STATEMENTS

F. Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

Life & Accident & Health Annual Statement:		
1.	Exhibit 5, Annuities Section, Total (net)	$ 39,307,578,841
2.	Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	57,093,291
3.	Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	11,746,880,476
4.	Subtotal	51,111,552,608
Separate Accounts Annual Statement:		
5.	Exhibit 3, Line 0299999, Column 2	$ 147,129,918,369
6.	Exhibit 3, Line 0399999, Column 2	-
7.	Policyholder dividend and coupon accumulations	-
8.	Policyholder premiums	-
9.	Guaranteed interest contracts	-
10.	Other contract deposit funds	36,953,596
11.	Subtotal	147,166,871,965
12	Combined Total	$ 198,278,424,573

33. Premium and Annuity Considerations Deferred and Uncollected

A. Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2018, were as follows:

	Type	Gross	Net of Loading
(1)	Industrial	$ 3,494	$ 1,670
(2)	Ordinary new business	259,846,563	259,682,281
(3)	Ordinary renewal	132,181,581	119,166,994
(4)	Credit Life	-	-
(5)	Group Life	(814,295)	(856,520)
(6)	Group Annuity	-	-
(7)	Totals	$ 391,217,343	$ 377,994,425

34. Separate Accounts

A. General Nature and Characteristics of Separate Accounts Business:

The Company maintains Separate Accounts as funding vehicles for certain individual flexible premium variable annuity and variable life contracts issued by the Company. Additionally, the Company maintains a separate account as the funding vehicle for the group variable annuity contract issued to the Company's Defined Contribution Plan. The assets of the Separate Accounts are carried at market value. The reserves for minimum guaranteed death benefit, minimum guaranteed income benefit, minimum guaranteed withdrawal benefit and minimum guaranteed accumulation benefit are held in Exhibit 5, Section G of the Company's general account annual statement. This business has been included in column 4 of the table below. Information regarding the separate accounts of the Company is as follows:

B.

	Index	Nonindexed Guarantee Less than/equal to 4%	Nonindexed Guarantee More than 4%	Nonguaranteed Separate Accounts	Total
(1) Premiums, considerations or deposits for year-ended 12/31/18	$ -	$ -	$ -	$ 13,426,895,145	$ 13,426,895,145
Reserves at 12/31/18					
(2) For accounts with assets at:					
a. Fair value	$ -	$ 4,284,232	$ 1,634,281	$ 147,248,716,959	$ 147,254,635,472
b. Amortized cost	-	355,738	-	-	355,738
c. Total Reserves*	$ -	$ 4,639,970	$ 1,634,281	$ 147,248,716,959	$ 147,254,991,210
(3) By withdrawal characteristics:					
a. Subject to discretionary withdrawal	$ -	$ -	$ -	$ -	$ -
1. With market value adjustment	-	4,639,970	1,634,281	-	6,274,251
2. At book value without market value adjustment and with current surrender charge of 5% or more	-	-	-	-	-
3. At fair value	-	-	-	147,152,714,357	147,152,714,357
4. At book value without market value adjustment and with current surrender charge less than 5%	-	-	-	-	-
5. Subtotal	-	4,639,970	1,634,281	147,152,714,357	147,158,988,608
b. Not subject to discretionary withdrawal	-	-	-	96,002,603	96,002,603
c. Total	$ -	$ 4,639,970	$ 1,634,281	$ 147,248,716,960	$ 147,254,991,211
*Line 2(c) should equal Line 3(c).					
(4) Reserves for Asset Default Risk In Lieu of AVR	$ -	$ -	$ -	$ -	$ -

NOTES TO FINANCIAL STATEMENTS

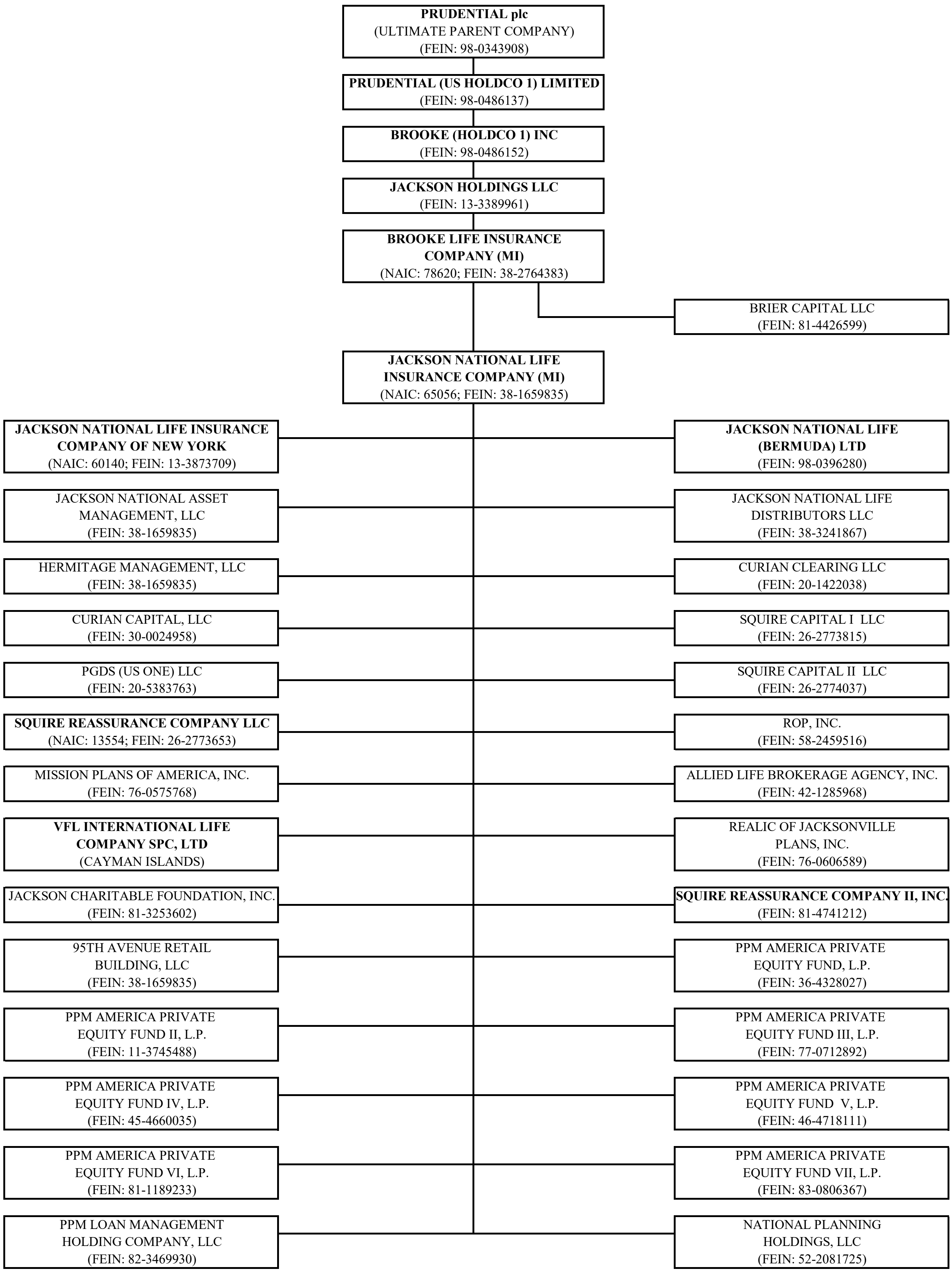
C. Reconciliation of Net Transfers To or (From) Separate Accounts

(1)	a. Transfers to Separate Accounts (Page 4, Line 1.4)	$ 14,198,217,310
	b. Transfers from Separate Accounts (Page 4, Line 10)	(12,438,883,931)
	c. Net transfers to or (from) Separate Accounts (a) - (b)	$ 1,759,333,379
(2)	Reconciling Adjustments:	
	a. Benefit Fees (Guaranteed Minimum Income/Withdrawal) and Other	$ (1,559,699,860)
	b. Term Certain	363,534,000
(3)	Transfers as Reported in the Summary of Operations of the Life, Accident & Health Annual Statement (1c) + (2) = (Page 4, Line 26)	$ 563,167,519

35. Loss/Claim Adjustment Expenses

The Company does not have loss/claim adjustment expenses that require disclosure.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Year 1 Assets	Current Year 2 Nonadmitted Assets	Current Year 3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
2504. Goodwill and value of business acquired	236,488,964	0	236,488,964	229,263,787
2505. Prepaid operating expenses	17,713,288	17,713,288	0	0
2597. Summary of remaining write-ins for Line 25 from overflow page	254,202,252	17,713,288	236,488,964	229,263,787

Additional Write-ins for Liabilities Line 25

	1 Current Year	2 Prior Year
2504. Interest payable on death claims	29,072,079	32,768,704
2505. Interest payable - surplus note	5,999,306	5,999,306
2506. Investment escrow & unallocated proceeds	22,562,182	21,373,848
2507. Unclaimed property	23,634,643	25,535,193
2508. Collateral payable	379,857,000	1,040,748,000
2597. Summary of remaining write-ins for Line 25 from overflow page	461,125,210	1,126,425,051

Additional Write-ins for Summary of Operations Line 8.3

	1 Current Year	2 Prior Year
08.304. Reinsurance experience and other refunds	427,931	(16,316)
08.305. IMR transferred on reinsurance settlement	0	(24,705,677)
08.397. Summary of remaining write-ins for Line 8.3 from overflow page	427,931	(24,721,993)

Additional Write-ins for Summary of Operations Line 27

	1 Current Year	2 Prior Year
2704. Interest on funds withheld treaties	331,241,728	343,194,489
2705. Reinsurance on in-force business	(36,880,945)	(17,841,466)
2706. IMR transferred on reinsurance settlement	0	(24,705,677)
2797. Summary of remaining write-ins for Line 27 from overflow page	294,360,783	300,647,346

Additional Write-ins for Exhibit of Capital Gains and Losses Line 9

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
0904. Leasehold Improvements Writeoff	0	(5,006,037)	(5,006,037)	0	0
0997. Summary of remaining write-ins for Line 9 from overflow page	0	(5,006,037)	(5,006,037)	0	0

Additional Write-ins for Exhibit 2 Line 9.3

	Insurance 1 Life	Insurance Accident and Health 2 Cost Containment	Insurance Accident and Health 3 All Other	Insurance 4 All Other Lines of Business	5 Investment	6 Total
09.304. Consultants	13,478,276	0	0	0	0	13,478,276
09.397. Summary of remaining write-ins for Line 9.3 from overflow page	13,478,276	0	0	0	0	13,478,276

Additional Write-ins for Exhibit of Nonadmitted Assets Line 25

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Prepaid operating expenses	17,713,288	11,726,738	(5,986,550)
2597. Summary of remaining write-ins for Line 25 from overflow page	17,713,288	11,726,738	(5,986,550)

Annex 3

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JACKSON®
FINANCIAL FREEDOM FOR LIFE℠

FOR IMMEDIATE RELEASE

Jackson Reports 2018 Financial Results[1]

Company generates record net income of $2 billion; increases adjusted capital to nine times the regulatory requirement

LANSING, Mich. — March 13, 2019 — Jackson National Life Insurance Company® (Jackson®) today announced its full-year financial results, generating $2 billion in IFRS net income[2] during 2018, the highest in company history. Jackson also reported $20.6 billion in sales and deposits, $2.5 billion in IFRS pre-tax operating income and adjusted capital of $5.5 billion, more than nine times the minimum regulatory requirement (as of December 31, 2018).

Michael Falcon, recently appointed chief executive officer of Jackson Holdings LLC, said Jackson's results demonstrate how its superior product offerings and disciplined approach to business remain resilient despite market conditions — proving the company's risk management practices are effective throughout volatile periods.

"Since joining Jackson in January, our financial strength, operational excellence and passionate commitment to delivering long-term value to consumers have become even more clear to me," Falcon said. "These broad foundational capabilities — which have proven resilient through and across market cycles — serve as the backbone of what we do, allowing us to continue to deliver on our promises. Jackson is proud to provide protected lifetime income and investment freedom to millions of Americans who trust us to help secure their financial futures."

Jackson, an indirect wholly owned subsidiary of the United Kingdom's Prudential plc (NYSE: PUK), remitted a $450 million dividend to its parent company in 2018. Jackson's capital position and financial health remain strong, and the company continued to generate positive variable annuity net flows in 2018. Additionally, Jackson has established a significant presence in the advisory space and continues to enhance its capabilities to provide advisors and their clients with more choice as they plan for their financial futures. These efforts include several fee-based product launches, technology innovation and forming new distribution partnerships.

"As the country's population ages, there is a need for retirement solutions that can make a significant difference in the quality of life after work for many families," Falcon said. "Across our product offerings, we continue to meet investors and their advisor partners where they are as they plan for or enter retirement. Our clients need to feel confident they can live the life they want in retirement — truly embracing their financial freedom for life."

# # # #

[1]Financial results from Jackson National Life Insurance Company and its subsidiaries have been included in Jackson's financial results. Fixed index annuities and institutional products are not sold in New York.

[2]International Financial Reporting Standards (IFRS) is a principles-based set of international accounting standards indicating how transactions and other events should be reported in financial statements. IFRS is issued by the International Accounting Standards Board in an effort to increase global comparability of financial statements and results. Jackson's parent, Prudential plc (Group), uses IFRS to report the Group's financial results.

IFRS pre-tax operating income is based on longer-term investment returns. It excludes short-term fluctuations in investment returns, hedge results and change in value of derivatives. A reconciliation to both IFRS net income as well as net income based on US generally accepted accounting principles (US GAAP) is as follows (amounts in millions):

$	2,491.5	IFRS basis pre-tax income from operations
	(163.6)	Net hedge results and change in value of derivatives, net of DAC amortization
	9.1	Net realized investment gains, net of DAC amortization
	(48.9)	Normalization of longer-term investment returns, net of DAC amortization
	(245.2)	Income tax expense
	2,042.9	IFRS net income
	(38.6)	IFRS to US GAAP adjustments, net of tax
$	2,004.3	US GAAP basis net income attributable to Jackson

Jackson's net income was impacted by hedging losses incurred due to the equity market, which were not fully offset by the release of accounting reserves. IFRS accounting for variable annuity liabilities is not necessarily consistent with the economic value of these liabilities. Jackson continues to manage its hedge program on an economic basis and is willing to accept the accounting volatility that results.

About Jackson
Jackson is a leading provider of retirement products for industry professionals and their clients. The company and its affiliates offer variable, fixed and fixed index annuities designed for tax-efficient growth and distribution of retirement income for retail customers, as well as products for institutional investors. Jackson is a proud founding member and co-chair of the Alliance for Lifetime Income, a nonprofit 501(c)(6) organization formed and supported by 24 of the nation's financial services organizations to create awareness and educate Americans about the importance of protected lifetime income. With $257.7 billion in IFRS assets*, the company prides itself on sound corporate risk management practices and strategic technology initiatives. Focused on thought leadership and education, Jackson provides industry insights and financial representative training on retirement planning and alternative investment strategies. The company is also dedicated to corporate philanthropy and supports nonprofits focused on strengthening families and creating economic opportunities in the communities where its employees live and work. For more information, visit www.jackson.com.

**Jackson has $257.7 billion in total IFRS assets and $243.5 billion in IFRS policy liabilities set aside to pay primarily future policyowner benefits (as of December 31, 2018).*

Jackson is an indirect subsidiary of Prudential plc, a company incorporated in England and Wales. Prudential plc and its affiliated companies constitute one of the world's leading financial services groups, serving over 26 million customers with $837.1 billion in assets under management (as of December 31, 2018). Prudential plc is not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America.

This press release may contain certain statements that constitute "forward-looking statements." Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements which are other than statements of historical facts. However, as with any projection or forecast, forward-looking statements are inherently susceptible to a number of risks and uncertainties and actual results and events could differ materially from those currently being anticipated as reflected in such forward-looking statements. There can be no assurance that management's expectations, beliefs or projections will result or be achieved or accomplished. Any forward-looking statements reflect Jackson's views and assumptions as of the date of this press release and Jackson disclaims any obligation to update forward-looking information.

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PR3229 03/19

Annex 4

Annex 4

Revisions to Risk Factors

The following replaces in its entirety the second risk factor, "The vote by the United Kingdom to Leave the European Union May Adversely Affect Jackson" under the heading "Risk Factors — Risk Factors Relating to Jackson, as Provider of the Funding Agreements" section on page 16 of the Base Prospectus:

"*The United Kingdom's Scheduled Exit from the European Union is Being Monitored by Jackson*

The United Kingdom ("**U.K.**") held a referendum on June 23, 2016 on its membership in the European Union ("**EU**"), which resulted in a majority of U.K. voters voting to exit the EU ("**Brexit**"). On March 29, 2017, the U.K. initiated the withdrawal process by sending a formal notice of the country's intention to withdraw from the EU. On November 25, 2018, a withdrawal agreement was reached between the U.K. and the EU. The parties also issued a declaration setting out the framework for the relationship between the two. Among other things, the withdrawal agreement sets the terms for the U.K's exit from the EU. The British Parliament rejected the withdrawal agreement on January 15, 2019. Negotiations continue with a second vote from Parliament failing on March 12, 2019 and a third scheduled for March 13, 2019. The outcome of this vote will determine the path taken for Brexit. As things stand, the U.K. may leave the EU on March 29, 2019 without a deal or it may delay Brexit. The outcome of these parliamentary procedures and the ultimate impact of Brexit on Jackson remains uncertain at this time. Jackson will evaluate risks associated with the potential uncertainty and consequences that may follow Brexit, including with respect to volatility in exchange rates and interest rates. Brexit could adversely affect European or worldwide political, regulatory, economic or market conditions and could contribute to instability in global political institutions, regulatory agencies and financial markets. Brexit could also lead to legal uncertainty and politically divergent national laws and regulations as a new relationship between the U.K. and EU is defined and the U.K. determines which EU laws to replace or replicate. Any of these effects of Brexit, and others Jackson cannot anticipate, could adversely affect Jackson's business, results of operations and financial condition."

The following replaces in its entirety the third risk factor, "The proposed demerger of M&G Prudential carries with it execution risk and will require significant management attention" under the heading "Risk Factors — Risk Factors Relating to Jackson, as Provider of the Funding Agreements" on pages 16-17 of the Base Prospectus:

"*The proposed demerger of M&G Prudential carries with it execution risk and will require significant management attention*

On March 14, 2018 Prudential plc announced the proposed demerger of its U.K. and Europe business, M&G Prudential, resulting in two separately listed companies. M&G Prudential is expected to remain a savings and investment provider, headquartered and premium-listed in London. Prudential plc intends to remain focused on growing its business in Asia, the United States and Africa, headquartered and premium-listed in

London. The proposed demerger of M&G Prudential (Prudential's U.K. business), is subject to several factors (including prevailing market conditions, transfer of the Hong Kong business from The Prudential Assurance Company Limited to Prudential Corporation Asia Limited and approvals from regulators and shareholders). Concurrently with the demerger announcement, Prudential plc also announced the sale of the Prudential U.K. annuity portfolio to Rothesay Life. The first stage of this transfer was approved by the High Court of England and Wales in January 2019. While progress on other components of the planned demerger continues, there can be no certainty as to the timing of the demerger, or that it will be completed as proposed (or at all). Further, if the proposed demerger is completed, there can be no assurance that either Prudential plc or M&G Prudential will realize the anticipated benefits of the transaction, or that the proposed demerger will not adversely affect the trading value or liquidity of the shares of either or both businesses. In addition, preparing for and implementing the proposed demerger is expected to require significant time from management, which may divert management's attention from other aspects of Prudential's business, including Jackson."

The following paragraph creates a new paragraph and replaces in its entirety the sentence beginning "Also, Federal banking regulators…" and the sentences that follow in the fourth risk factor, "Jackson is Exposed to Significant Financial and Capital Risks, Including Changing Interest Rates, Credit Spreads and Equity Prices, Which May Have an Adverse Effect on Sales of Its Products, Profitability and Investment Portfolio — Credit Risk" under the heading "Risk Factors ― Risk Factors Relating to Jackson, as Provider of the Funding Agreements" on page 19 of the Base Prospectus:

"Also, Federal banking regulators adopted rules that apply to certain qualified financial contracts, including many derivatives contracts, securities lending agreements and repurchase agreements, with certain banking institutions and certain of their affiliates. These rules, effective in 2019, generally require the banking institutions and their applicable affiliates to include contractual provisions in their qualified financial contracts that limit or delay certain rights of their counterparties including counterparties' default rights (such as the right to terminate the contracts or foreclose on collateral) and restrictions on assignments and transfers of credit enhancements (such as guarantees) arising in connection with the banking institution or an applicable affiliate becoming subject to a bankruptcy, insolvency, resolution or similar proceeding. Jackson's qualified financial contracts are subject to these rules."

The following sentence is inserted in the fourth sentence ending with "…Rothesay Life" of the fourth paragraph of the risk factor entitled "A Downgrade or a Potential Downgrade in Jackson's Financial Strength or Credit Ratings Could Result in a Loss of Business and Adversely Affect Its Financial Condition and Results of Operations", under the heading "Risk Factors ― Risk Factors Relating to Jackson, as Provider of the Funding Agreements" on page 22 of the Base Prospectus:

"The first stage of this transfer was approved by the High Court of England and Wales in January 2019."

The following sentence replaces in its entirety the first sentence of the first paragraph of the risk factor entitled "Jackson May be Required to (i) Recognize Impairment in the Value of Its Goodwill or VOBA, or (ii) Establish a Valuation Allowance Against Deferred Income Tax Assets, Any of

Which Could Adversely Affect Its Financial Condition and Results of Operations", under the heading "Risk Factors — Risk Factors Relating to Jackson, as Provider of the Funding Agreements" on page 24 of the Base Prospectus:

> "The present value of future profits embedded in acquired insurance, annuity and investment-type contracts are capitalized as value of business acquired ("**VOBA**") and are amortized over the expected effective lives of the acquired contracts in accordance with Michigan insurance laws."

The following sentence replaces in its entirety the third sentence of the first paragraph of the risk factor entitled "Jackson's Failure to Protect its Clients' Confidential Information and Privacy, or the Perception that its Technology Infrastructure is not Secure, Could Adversely Affect its Business", under the heading "Risk Factors — Risk Factors Relating to Jackson, as Provider of the Funding Agreements" on page 25 of the Base Prospectus:

> "These laws require that Jackson institutes certain policies and procedures in its business to safeguard this information from unauthorized use, access or disclosure."

The following sentence replaces in its entirety the fourth sentence of the first paragraph of the risk factor entitled "Catastrophes May Adversely Impact Liabilities for Policyholder Claims and the Availability of Reinsurance", under the heading "Risk Factors — Risk Factors Relating to Jackson, as Provider of the Funding Agreements" on page 27 of the Base Prospectus:

> "In Jackson's group insurance operations, a localized event that affects the workplace of one or more of its group insurance customers could cause a significant loss due to mortality claims."

The following sentence replaces in its entirety the second sentence of the first paragraph of the risk factor entitled "Jackson's Insurance Businesses are Heavily Regulated and Changes in Regulation May Reduce Its Profitability and Limit Its Growth", under the heading "Risk Factors — Risks Related to Industry" on page 28 of the Base Prospectus:

> "These laws and regulations are complex and subject to change, which could have an unknown impact to Jackson."

The following paragraphs replaces in their entirety the third and fourth paragraphs of the risk factor entitled "Jackson's Insurance Businesses are Heavily Regulated and Changes in Regulation May Reduce Its Profitability and Limit Its Growth", under the heading "Risk Factors — Risks Related to Industry" on page 29 of the Base Prospectus:

> "State insurance regulators and the NAIC regularly re-examine existing laws and regulations applicable to insurance companies and their products. Changes in these laws and regulations, or in interpretations thereof in the United States, can be made for the benefit of the consumer, or for other reasons, at the expense of the insurer, and could have an adverse effect on Jackson's financial condition and results of operations. For example, the NAIC adopted reforms relating to the calculation of life insurance reserves for new business known as principle-based reserving. This change became effective on January 1, 2017 in the states where it has been adopted, such as Michigan, to be followed

by a three-year phase-in period. The NYSDFS has publicly stated its intention to implement this approach, subject to a working group of the NYSDFS establishing the necessary reserves safeguards and the adoption of enabling legislation by the New York legislature, which is currently pending. Jackson cannot predict how principle-based reserving will impact our reserves or compliance costs, if any.

In 2018, the NAIC concluded an industry consultation with the aim of reducing the non-economic volatility in the variable annuity statutory balance sheet and enhancing risk management. The NAIC is targeting an effective date of January 2020 for the new framework to allow adequate time for the drafting and implementation of the revised regulations and instructions with a potential three-year phase in. The framework applies to variable annuities reserve and capital requirements. Jackson has performed diligence aimed at estimating the amount of reserves or capital required to support Jackson's variable annuity contracts. The actual impact will depend on conditions at the time of implementation and confirmation of final changes to the regulation. Predicting the extent to which any such model laws, regulations and/or other standards would affect the effectiveness and design of Jackson's risk mitigation and hedging programs is also uncertain, however, Jackson believes it is well positioned to manage the impact of this regulatory change."

The following paragraph creates a new paragraph and replaces in their entirety the sentence beginning "In addition, Federal banking regulators…" and the sentences that follow in the seventh paragraph of the risk factor entitled "Jackson's Insurance Businesses are Heavily Regulated and Changes in Regulation May Reduce Its Profitability and Limit Its Growth", under the heading "Risk Factors — Risks Related to Industry" on page 30 of the Base Prospectus:

"Also, Federal banking regulators adopted rules that apply to certain qualified financial contracts, including many derivatives contracts, securities lending agreements and repurchase agreements, with certain banking institutions and certain of their affiliates. These rules, effective in 2019, generally require the banking institutions and their applicable affiliates to include contractual provisions in their qualified financial contracts that limit or delay certain rights of their counterparties including counterparties' default rights (such as the right to terminate the contracts or foreclose on collateral) and restrictions on assignments and transfers of credit enhancements (such as guarantees) arising in connection with the banking institution or an applicable affiliate becoming subject to a bankruptcy, insolvency, resolution or similar proceeding. Jackson's qualified financial contracts are subject to these rules."

The following paragraph replaces in its entirety the twelfth paragraph the risk factor entitled "Jackson's Insurance Businesses are Heavily Regulated and Changes in Regulation May Reduce Its Profitability and Limit Its Growth", under the heading "Risk Factors — Risks Related to Industry" on page 31 of the Base Prospectus:

"The Trump administration has expressed a desire to dismantle or roll back the Dodd-Frank Act. On May 24, 2018, President Trump signed into law the first majority financial services reform bill since enactment of the Dodd-Frank Act. The Economic Growth, Regulatory Relief, and Consumer Protection Act (the "Reform Law") is not a wholesale repeal of the Dodd-Frank Act, but it does modify or eliminate certain requirements on community and regional banks and nonbank financial institutions that have been perceived as especially burdensome. This act does not have a significant impact on Jackson's business. We are not able to predict whether any proposal to roll back the Dodd-Frank Act will be adopted, or, if adopted, the impact, if any, such proposal could have on Jackson's business. Compliance with applicable laws and regulations is time consuming and personnel-intensive, and changes in these laws and regulations may materially increase Jackson's direct and indirect compliance efforts and other expenses of doing business."

The last sentence of the thirteenth paragraph of the risk factor entitled "Jackson's Insurance Businesses are Heavily Regulated and Changes in Regulation May Reduce Its Profitability and Limit Its Growth", under the heading "Risk Factors — Risks Related to Industry" on page 31 of the Base Prospectus is deleted in its entirety.

The following paragraph replaces in its entirety the last paragraph of the risk factor entitled "Jackson's Insurance Businesses are Heavily Regulated and Changes in Regulation May Reduce Its Profitability and Limit Its Growth", under the heading "Risk Factors — Risks Related to Industry" on page 32 of the Base Prospectus:

"On April 18, 2018, the SEC proposed rules, interpretations and guidance (the "**Regulation Best Interest**") designed to enhance and clarify the standards of care applicable to broker-dealers and to investment advisers when dealing with retail clients. Regulation Best Interest provides for standardized and additional disclosure as well as new or clarified standards of care for broker-dealers and investment advisers. The impact of this proposed rule is unclear at this point. It would increase the regulatory burden on broker-dealers selling Jackson's products, but may also provide a more consistent regulatory standard that could provide benefits as well."

Annex 5

Annex 5

Revisions to Business of Jackson

The last sentence in the first paragraph of the "Business of Jackson" section is replaced in its entirety on page 42 of the Base Prospectus with the following sentence:

> "M&G Prudential agreed to the sale of its annuity portfolio to Rothesay Life – the first stage of this transfer was approved by the High Court of England and Wales in January 2019."

The first sentence in the second paragraph of the "Business of Jackson" section is replaced in its entirety on page 42 of the Base Prospectus with the following sentence:

> "Jackson had 19 subsidiaries in North America as of December 31, 2018 (exclusive of subsidiaries formed as investment vehicles and dormant companies) that include Jackson NY, Jackson National Asset Management LLC ("**JNAM**") and Jackson National Life Distributors LLC ("**JNLD**")."

The following paragraph replaces in its entirety the fourth paragraph of the "Business of Jackson" section on page 42 of the Base Prospectus:

> "As of 2018, Jackson has increased its partnership and integration with third party Fin Tech platforms to expand access to its products and services and to support new distribution relationships. In the second half of 2019, Jackson intends to begin distributing its products through a new relationship with State Farm. Authorized State Farm agents will offer Jackson's variable and fixed index annuities, both commission and fee-based versions. On February 12, 2019, Jackson announced that two variable annuities – Perspective Advisory II and Elite Access Advisory II– and one fixed index annuity, MarketProtector Advisory will be available to fee-only advisors on the platform operated by DPL Financial Partners ("**DPL**") in what represents Jackson's first distribution partnership targeting the independent RIA channel."

The following paragraph replaces in its entirety the first paragraph of the "Business of Jackson — Business" section at the top of page 43 of the Base Prospectus:

> "Jackson's affiliated broker-dealer network, National Planning Holdings, Inc., was restructured in December 2018 following the wind down of its business operations. The NPH broker dealers (Investment Centers of America, Inc., IFC Holdings, Inc., National Planning Corporation and SII Investments, Inc) along with other non-operational entities, were merged into NPH. NPH was contributed to Jackson, becoming a direct subsidiary of Jackson and converted to a limited liability company, National Planning Holdings LLC."

The following paragraph replaces in its entirety the sixth paragraph of the "Business of Jackson — Business" section on page 43 of the Base Prospectus:

"JNLD is the primary marketing and distribution organization for Jackson's annuities."

The following paragraph is inserted as a new tenth paragraph of the "Business of Jackson — Business" section after the paragraph beginning "Jackson's Institutional Marketing Group…" and ending "…develop their own insurance product capability", on page 43 of the Base Prospectus:

"Fixed annuity products may be distributed through the above-referenced channels or independent agents located throughout the United States. These approximately 15,300 appointed insurance agents or brokers at December 31, 2017, who may also represent other companies, are supported with marketing materials and multimedia presentations to help advisers choose the right solutions for their clients' individual financial situations. JNLD generally deals directly with writing agents and brokers, thereby eliminating intermediaries, such as general agents. This distribution channel has enabled Jackson to generate significant volumes of business on a low, variable cost basis."

The following sentence is added to the end of the second paragraph of the "Business of Jackson — Product Suite" on page 44 of the Base Prospectus:

"Jackson has introduced fee-based variable annuity products in response to regulatory changes proposed in recent years."

The ninth paragraph of the "Business of Jackson — Insurance Regulation" section on page 48 of the Base Prospectus is deleted in its entirety.

The following sentence replaces in its entirety the last sentence in the first paragraph of the "Business of Jackson — Legal Proceedings" section on page 51 of the Base Prospectus:

"At December 31, 2018 and 2017, Jackson recorded accruals totaling $28 million and $11.3 million, respectively."

The following paragraph is inserted as a new paragraph of the "Business of Jackson — Directors and Executive Officers of Jackson" section on page 51 of the Base Prospectus and replaces in its entirety the existing first paragraph of such subsection:

"The following table lists Jackson's Board of Directors, statutorily-required officers and executive vice presidents as of March 8, 2019:

The table is revised to replace Barry L. Stowe with Michael Falcon."

The sentence following the table of the Business of Jackson section - "Directors and Executive Officers of Jackson" on page 51 in the Base Prospectus is replaced in its entirety as follows:

"Barry L. Stowe retired effective December 31, 2018.

Michael Falcon assumed the role of President and Director of Jackson effective

January 1, 2019. Most recently, Falcon was Chief Executive of JP Morgan Asset Management's retirement business in the United States and led the firm's asset management business in Asia."

The fourth, fifth and sixth paragraphs in the "Business of Jackson ― Insurance Regulation" section on pages 46 and 47 of the Base Prospectus are replaced in their entirety as follows:

"Regulatory developments impact Jackson's business. These include the Dodd-Frank Wall Street Reform and Consumer Protect Act ("**Dodd-Frank Act**"), work of the Financial Stability Board ("**FSB**") on Globally Systemic Important Insurers ("**G-SIIs**"), the Markets in Financial Instruments Directive ("**MIFID II Directive**") and the EU General Data Protection Regulation. Enacted in 2010, the Dodd-Frank Act established a process for designating nonbank financial companies as systemically important. Nonbank financial institutions designated systemically important by the Financial Stability Oversight Council (the "**FSOC**") are subject to heightened prudential standards and supervision by the Federal Reserve Board. To date, Jackson has not been designated as a systemically important financial institution by the FSOC. Other aspects of the Dodd-Frank Act could affect its business, including the writing and trading of derivatives and the sale of certain variable annuity and other products. Jackson's business may nonetheless still be impacted by the FSB's re-affirmation of Prudential plc as a G-SII on November 21, 2016, but that is separate from a Dodd-Frank Act designation. *See* "Risk Factors — Risks Related to Industry — Prudential plc." In certain circumstances, a federal regulator may require a state regulator to liquidate an insolvent insurer.

The Dodd-Frank Act also established the Federal Insurance Office (the "**FIO**"). The FIO has no direct regulatory authority over U.S. insurers, but it does have certain authority to represent the U.S. government on prudential aspects of international insurance matters, including at the IAIS. The FIO is also authorized to monitor all aspects of the insurance industry, including identifying issues or gaps in the regulation of insurers that could contribute to a systemic crisis in the insurance industry. The Director of the FIO also serves as a non-voting member of the FSOC and may make recommendations to the FSOC for designating nonbank financial companies as systemically important. Additional provisions of the Dodd-Frank Act include, among other things, the creation of the Consumer Financial Protection Bureau to protect consumers of certain financial products; and changes to certain corporate governance rules. The Trump administration and many Republican members of Congress have expressed goals to dismantle or roll back the Dodd-Frank Act. On May 24, 2018, President Trump signed into law the first major financial services reform bill since enactment of the Dodd-Frank Act. *See* "Risk Factors – Risks Related to Industry ― Jackson's Insurance Businesses are Heavily Regulated and Changes in Regulation May Reduce its Profitability and Limit Its Growth."

On April 18, 2018, the SEC proposed rules ("**Regulation Best Interest**"), interpretations and guidance designed to enhance and clarify the standards of care applicable to broker-dealers and to investment advisers when dealing with retail clients. *See* “Risks Factors — Risks Related to Industry — Jackson’s Insurance Businesses are Heavily Regulated and Changes in Regulation May Reduce Its Profitability and Limit Its Growth.”

The fifth and sixth paragraphs in the “Business of Jackson — Insurance Regulation” section on page 49 concerning the NAIC industry consultation are deleted in their entirety and replaced with the following:

“In 2018, the NAIC concluded an industry consultation with the aim of reducing the non-economic volatility in the variable annuity statutory balance sheet and enhancing risk management. The NAIC is targeting a January 2020 effective date for the new framework to allow adequate time for the drafting and implementation of the revised regulations and instructions with a potential three-year phase-in. *See* “Risk Factors — Risks Related to Industry — Jackson’s Insurance Businesses are Heavily Regulated and Changes in Regulation May Reduce Its Profitability and Limit Its Growth.”

The third paragraph in the “Business of Jackson — Risk Based Capital” section on page 50 of the Base Prospectus is deleted in its entirety and replaced with the following:

“At December 31, 2018, Jackson’s total adjusted capital under the NAIC’s definition substantially exceeded Michigan standards.”

The last sentence in the fourth paragraph in the “Business of Jackson — Risk Based Capital” section on page 50 of the Base Prospectus is deleted in its entirety and replaced with the following:

“The effect of this permitted practice, reflected as special surplus funds, was to decrease capital and surplus by $164.7 million at December 31, 2018 and $480.2 million at December 31, 2017, with no effect on income.”

The first sentence in the fifth paragraph in the “Business of Jackson — Risk Based Capital” section on page 50 of the Base Prospectus is deleted in its entirety and replaced with the following:

“The permitted practice is eligible for renewal annually and has been extended by DIFS through October 1, 2019.”

The second sentence in the fifth paragraph in the “Business of Jackson — Risk Based Capital” section on page 50 of the Base Prospectus is deleted in its entirety.

Annex 6

Annex 6

Revisions to Management's Discussion and Analysis of Financial Condition and Results of Operations

The following replaces in its entirety the second and third paragraphs in the "Business of Jackson — Reinsurance Transactions" section on page 57 of the Base Prospectus:

> "Effective October 1, 2018, the Company entered into an agreement with John Hancock Life Insurance Company (USA) to assume $5.0 billion of statutory reserves on the U.S. Group Payout Annuity business. The transaction closed on October 31, 2018. See "Recent Developments" subsection of the "Management's Discussion and Analysis of Financial Conditions and Results of Operations" section of the Base Prospectus following the fourth paragraph on page 54 of the Base Prospectus as amended by Annex 1 of the Third Base Prospectus Supplement and paragraph six of the Annual Statement Notes to Financial Statements 1.A., as amended by Annex 2 of the Third Base Prospectus Supplement."

Annex 7

Annex 7

Revisions to General Information

The following replaces in its entirety the last sentence in the first paragraph of the "General Information — Authorizations" section on page 122 of the Base Prospectus:

> "The increase in aggregate amount of Funding Agreements under the Program was authorized by resolutions of the Board of Directors of Jackson passed on May 17, 2013, May 19, 2015, February 22, 2018 and February 22, 2019."

The following replaces in its entirety the last sentence in the first paragraph of the "General Information — Litigation" section on page 122 of the Base Prospectus:

> "Accordingly, at December 31, 2018 and 2017, Jackson had recorded accruals totaling $28 million and $11.3 million, respectively."