

American Savings Life Insurance Company

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the Years Ended December 31, 2022 and 2021



AMERICAN SAVINGS LIFE INSURANCE COMPANY

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Independent Auditor's Report

To the Board of Directors
American Savings Life Insurance Company:

Report on the Audit of the Financial Statements

Opinions

We have audited the statutory financial statements of American Savings Life Insurance Company, which comprise the statutory statements of admitted assets, liabilities, and surplus of American Savings Life Insurance Company as of December 31, 2022 and 2021, and the related statutory statements of income and changes in surplus, and cash flow for the years then ended, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, admitted assets, liabilities, and surplus of American Savings Life Insurance Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended, on the basis of accounting described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of American Savings Life Insurance Company as of December 31, 2022 and 2021, or the results of its operations or its cash flows thereof for the years then ended.

Basis for Opinions

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 to the financial statements, the American Savings Life Insurance Company prepared these financial statements using accounting practices prescribed or permitted by the Insurance Department of the State of Arizona, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these statutory accounting practices described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting practices prescribed or permitted by the Insurance Department of the State of Arizona. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Larson & Company PC

Salt Lake City, Utah
May 23, 2023

AMERICAN SAVINGS LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES
AND CAPITAL AND SURPLUS
AS OF DECEMBER 31, 2022 AND 2021

	2022	2021
<u>ADMITTED ASSETS</u>		
CASH AND INVESTMENTS		
Bonds, mutual funds, long term certificates of deposit	\$ 5,707,604	\$ 4,431,894
Common stocks	1,385,833	1,793,164
Mortgage loans, net	61,571,796	43,545,683
Properties occupied by the company	475,847	449,852
Properties held for sale	819,538	2,630,434
Cash and short-term investments	4,069,889	19,407,137
Policy contract loans	99,221	93,356
Total cash and investments	74,129,728	72,351,520
INVESTMENT INCOME DUE AND ACCRUED	514,951	394,566
PREMIUMS DEFERRED AND UNCOLLECTED	9,274	9,342
NET DEFERRED TAX ASSET	692,660	507,409
OTHER ASSETS	1,404	1,607
Total admitted assets	\$ 75,348,017	\$ 73,264,444
<u>LIABILITIES AND CAPITAL AND SURPLUS</u>		
LIABILITIES		
Reserves for life policies and annuity contracts	\$ 39,245,739	\$ 37,579,961
Liability for deposit-type contracts	15,795,183	15,899,851
Reserves for policy and contract claims	6,000	13,362
Other policyholder funds	69,742	66,518
Interest maintenance reserve	40	10
Accounts payable, accrued expenses and other	2,486,373	2,289,337
Income tax payable	92,718	8,541
Asset valuation reserve	1,375,707	1,912,773
Total liabilities	59,071,502	57,770,353
CAPITAL AND SURPLUS		
Common stock - \$.10 par value 10,000,000,000 shares authorized; 9,324,146 issued and 4,274,693 outstanding in 2022; 9,316,899 issued and 4,306,360 outstanding in 2021	932,415	931,690
Paid-in capital and contributed surplus	2,781,626	2,750,311
Unassigned surplus	20,767,028	19,857,194
Treasury stock	(8,204,554)	(8,045,104)
Total capital and surplus	16,276,515	15,494,091
Total liabilities and capital and surplus	\$ 75,348,017	\$ 73,264,444

The accompanying notes to the statutory financial statements
are an integral part of these statements

AMERICAN SAVINGS LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
REVENUES AND DEPOSITS		
Premiums and annuity considerations	\$ 5,741,935	\$ 2,594,022
Considerations for supplementary contracts with life contingencies	7,221	1,821
Net investment income	4,374,111	4,147,135
Amortization of interest maintenance reserve	(30)	1,961
Miscellaneous income	2,180	2,513
Total revenues and deposits	10,125,417	6,747,452
EXPENSES AND WITHDRAWALS		
Death benefits	76,569	19,108
Annuity benefits	5,106,156	2,001,886
Surrender benefits	113,418	34,439
Interest on policy for contract funds	443,789	406,831
Increase in life insurance and annuity reserves	1,665,778	1,729,058
Commissions on premiums	232,303	40,235
General insurance expenses	1,114,393	996,841
Insurance taxes licenses and fees (excluding federal income tax)	152,097	102,132
Change in loading	120,242	(299)
Total expenses and withdrawals	9,024,745	5,330,231
Net gain from operations before dividends and federal income taxes	1,100,672	1,417,221
Dividends to policy holders	(62,753)	(61,067)
Federal income tax (excluding tax on capital gains of \$167,233 and \$22,597 for 2022 and 2021, respectively)	(519,306)	(325,345)
Net realized capital gains less capital gains tax and transfers to interest maintenance reserve	629,115	83,889
NET INCOME	\$ 1,147,728	\$ 1,114,697

The accompanying notes to the statutory financial statements
are an integral part of these statements

AMERICAN SAVINGS LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Capital Stock	Capital in Excess of Par	Unassigned Surplus	Treasury Stock	Total
Balances, December 31, 2020	\$ 931,060	\$ 2,723,745	\$ 19,206,156	\$ (7,520,301)	\$ 15,340,660
Net income	-	-	1,114,697	-	1,114,697
Dividends declared and paid	-	-	(961,738)	-	(961,738)
Issue employee compensation in stock	629	26,566	-	-	27,195
Repurchase capital stock	-	-	-	(524,803)	(524,803)
Change in unrealized capital gains (losses)	-	-	342,878	-	342,878
Change in net deferred income tax	-	-	12,616	-	12,616
Change in nonadmitted assets	-	-	311,247	-	311,247
Change in asset valuation reserve	-	-	(168,661)	-	(168,661)
Balances, December 31, 2021	\$ 931,689	\$ 2,750,311	\$ 19,857,195	\$ (8,045,104)	\$ 15,494,091
Net income	-	-	1,147,728	-	1,147,728
Dividends declared and paid	-	-	(946,173)	-	(946,173)
Issue employee compensation in stock	726	31,315	-	-	32,041
Repurchase capital stock	-	-	-	(159,450)	(159,450)
Change in unrealized capital gains (losses)	-	-	(259,222)	-	(259,222)
Change in net deferred income tax	-	-	185,251	-	185,251
Change in nonadmitted assets	-	-	245,186	-	245,186
Change in asset valuation reserve	-	-	537,063	-	537,063
Balances, December 31, 2022	\$ 932,415	\$ 2,781,626	\$ 20,767,028	\$ (8,204,554)	\$ 16,276,515

The accompanying notes to the statutory financial statements are an integral part of these statements

AMERICAN SAVINGS LIFE INSURANCE COMPANY
STATUTORY STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
OPERATING ACTIVITIES:		
Premiums received	\$ 5,629,416	\$ 2,596,480
Investment and other income received (excluding net realized gains and net of investment expenses)	4,350,545	4,141,259
Total funds provided by operations	9,979,961	6,737,739
Benefit and loss related payments	(5,747,295)	(2,486,175)
Commissions, other expenses and taxes paid	(1,306,087)	(1,159,123)
Dividends paid to policyholders	(59,963)	(56,741)
Federal income tax (excluding tax on capital gains of \$167,233 and \$24,225 for 2022 and 2021, respectively)	(602,362)	(300,000)
Total cash used for operations	(7,715,707)	(4,002,039)
Net cash from operating activities	2,264,254	2,735,700
INVESTING ACTIVITIES:		
Proceeds from investments sold, matured or repaid:		
Bonds	282,954	896,691
Stocks	215,850	354,236
Mortgage loans	20,072,984	24,072,917
Real Estate	2,827,902	974,012
Total investment proceeds	23,399,690	26,297,856
Cost of long-term investments acquired:		
Bonds	(1,616,334)	(475,112)
Stocks	(213,428)	(311,861)
Mortgage loans	(38,090,618)	(19,644,197)
Real Estate	(40,583)	(206,731)
Total investments acquired	(39,960,963)	(20,637,901)
(Increase) decrease in policy loans	198,310	234
Net cash from investing activities	(16,362,963)	5,660,189
FINANCING ACTIVITIES (OTHER CASH PROVIDED OR APPLIED):		
Capital and paid in surplus, less treasury stock	(127,410)	(497,607)
Net deposits on deposit type contract funds	(104,667)	2,864,247
Cash dividends paid	(946,173)	(961,738)
Other cash (applied)	(60,289)	(1,032,387)
Net cash from financing activities	(1,238,539)	372,515
CHANGE IN CASH AND SHORT-TERM INVESTMENTS	(15,337,248)	8,768,404
CASH AND SHORT-TERM INVESTMENTS, beginning of year	19,407,137	10,638,733
CASH AND SHORT-TERM INVESTMENTS, end of year	\$ 4,069,889	\$ 19,407,137

The accompanying notes to the statutory financial statements are an integral part of these statements

AMERICAN SAVINGS LIFE INSURANCE COMPANY
NOTES TO THE STATUTORY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 1 – Organization

American Savings Life Insurance Company (the Company) is a registered capital stock life, health and accident insurance company authorized to conduct business in the states of Arizona and Utah. The Company is currently engaged in life and disability insurance business. While it is customary in the insurance industry for a significant portion of income to be derived from investments in mortgage loans, securities and bank deposits, a majority of the Company's income is derived from such sources.

Company Reorganization

On February 15, 2007, American Savings Life Insurance Company purchased 325,000 shares as 100% ownership of the newly formed ASL Financial Group, Inc. for \$325,000 in cash and real estate mortgage loans. ASL Financial Group then purchased 300,000 shares as 100% ownership in the newly formed American Life Financial Corporation for \$300,000 in cash and real estate mortgage loans. American Life Financial Corporation has been formed to increase the Company's mortgage investing opportunities and ASL Financial Group is a holding company, which at some future date could serve as a holding company for both American Saving Life Insurance Company as well as American Life Financial Corporation.

Note 2 – Summary of Significant Accounting Policies

The significant accounting policies applicable to the Company's statutory financial statements are summarized below:

Basis of Presentation

The accompanying statutory financial statements have been prepared in conformity with the accounting and valuation practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and/or the Arizona Department of Insurance. The principal differences between statutory basis financial statements and those prepared on a U.S. generally accepted accounting principles (U.S. GAAP) basis as they affect the Company, are that for statutory purposes:

- Investments in real estate are reported net of related obligations, if any, rather than on a gross basis. Changes between cost and admitted asset investment amounts are credited or charged directly to unassigned surplus rather than to a separate surplus account;
- Valuation allowances, if necessary, are established for mortgage loans based on the difference between the unpaid loan balance and the estimated fair value of the underlying real estate when such loans are determined to be in default as to the scheduled payments. Under U.S. GAAP, valuation allowances would be established when the Company determined it is probable that it will be unable to collect all amounts (both principal and interest) due according to the contractual terms of the loan agreement. Such allowances are based on the present value of expected future cash flows discounted at the loan's effective interest rate or, if foreclosure is probable, on the estimated fair value of the underlying real estate, less estimated cost to sell;

AMERICAN SAVINGS LIFE INSURANCE COMPANY
NOTES TO THE STATUTORY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 2 – Summary of Significant Accounting Policies (continued)

- Investments in bonds are reported at amortized cost or fair value based on their National Association of Insurance Commissioners (NAIC) rating as described below in valuation of investments, unrealized gains or losses are credited or charged directly to surplus; for U.S GAAP, such fixed maturity investments would be designated at purchase as held-to-maturity, trading, or available-for-sale. Held-to-maturity fixed investments would be reported at amortized cost, and the remaining fixed maturity investments would be reported at fair value with unrealized holding gains and losses reported in operations for those designated as trading and as a separate component of surplus for those designated as available-for-sale;
- Investments in 100% owned subsidiary companies are not filed with the Securities Valuation Office so they are considered non-admitted and therefore not reported on the statutory basis;
- Certain assets designated as “nonadmitted,” principally furniture and equipment, agents’ debit balances, and other assets not specifically identified as an admitted asset within the National Association of Insurance Commissioners’ (NAIC) Accounting Practices and Procedures manual (NAIC SAP) are excluded from the accompanying statement of admitted assets, liabilities and stockholders’ surplus and are charged directly to unassigned surplus. Under U.S. GAAP, such assets are included in the balance sheet;
- Policy acquisition costs incurred in connection with acquiring new business are charged to current operations rather than being deferred and amortized over the premium paying period of the policy;
- Deferred tax assets are limited to 1) the amount of federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse by the end of the subsequent calendar year, subject to a valuation allowance for deferred tax assets not realizable, plus 2) the lesser of the remaining gross deferred tax assets expected to be realized within one to three years of the balance sheet date or 15% of stockholders’ surplus excluding any net deferred tax assets, EDP equipment and operating software, plus 3) the amount of remaining gross deferred tax assets that can be offset against existing gross deferred tax liabilities. The remaining deferred tax assets are nonadmitted. Deferred taxes do not include amounts for state income taxes. Under U.S. GAAP, state income taxes are included in the computation of deferred taxes, a deferred tax asset is recorded for the amount of gross deferred tax assets expected to be realized in future years, and a valuation allowance is established for deferred tax assets not realizable;
- A liability for guaranty fund and other assessments (net of certain offsets depending on state rules) is accrued after insolvency has occurred regardless of whether the assessment is based on premiums written before or after the insolvency. Under U.S. GAAP, the assessment recognized is typically accrued when premiums are written because the assessment generally is based on prospective premium writings;
- Cash and short-term investments in the statements of cash flow represent cash balances and investments with initial maturities of one year or less. Under U.S. GAAP, the corresponding caption of cash and cash equivalents includes cash balances and investments with initial maturities of three months or less;

AMERICAN SAVINGS LIFE INSURANCE COMPANY
NOTES TO THE STATUTORY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 2 – Summary of Significant Accounting Policies (continued)

- Interest rate related realized capital gains (net of losses) are reported as a liability (Interest Maintenance Reserve) and amortized to the maturity date of the instrument sold or called. Under U.S. GAAP, the realized capital gains (net of losses) are recorded in the income statement in the year incurred instead of being amortized over the remaining life of the instrument sold or called;
- An Asset Valuation Reserve is set up to establish a reserve to offset potential credit-related investment losses on all invested asset categories. Under U.S. GAAP such losses are recognized in the income statement when incurred;
- Policy reserves are based on statutory mortality and interest requirements and without consideration of withdrawals, whereas U.S. GAAP reserves are based on Company experience for mortality, interest and withdrawals;
- On a statutory basis, the Company does not report comprehensive income, as required by FASB codification *ASC 220, Comprehensive Income*;

The effects of the foregoing variances from U.S. GAAP on the accompanying statutory basis financial statements have not been determined, but are presumed to be material.

The Insurance Department of the State of Arizona recognizes only statutory accounting practices prescribed or permitted by the State of Arizona for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Arizona Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Arizona.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of one year or less at the time of purchase to be cash equivalents.

Restricted Securities

In accordance with the State of Arizona Insurance Regulations, long-term bonds with an aggregate value of \$104,000 and \$211,214 in 2022 and 2021, respectively, were assigned, as a security deposit, for the benefit of the Arizona State Treasurer.

Investments

Bonds, which management generally intends to hold until maturity (unless market conditions warrant the realization of capital appreciation to maximize overall yields), are carried at amortized cost. Common stock and mutual funds are generally required to be reported at the market value. Mortgage loans are carried at the aggregate unpaid balance, real estate held for sale is carried at lower of cost or market less accumulated depreciation. Investments in LLCs and partnership interests are carried at the underlying audited income tax basis equity of the investee and are included with other invested assets in the financial statements.

AMERICAN SAVINGS LIFE INSURANCE COMPANY
NOTES TO THE STATUTORY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Valuations of Investments

Investments are stated at valuation rates prescribed by, or deemed acceptable to, the NAIC. Bonds not backed by other loans are stated at amortized cost using the interest method, and equity security values approximate fair values, unless otherwise prescribed by the NAIC. Under NAIC guidelines, when market value rates are not available for bonds, fair value rates are determined by the Company. Realized gains or losses on the sale of bonds are determined based on the specific amortized cost of the investments sold and are included in net income. Realized gains or losses on the sale of equity securities are based on the specific-identification method and are included in net income. Unrealized gains and losses from revaluation of equity securities are reflected in stockholders' surplus. Mortgage loans on real estate, real estate contracts for sale and policy loans, are stated at the aggregate unpaid principal balances. The Company reviews its investment portfolio for reductions in fair value below cost that, in the opinion of the Company, represent a permanent or other-than temporary impairment (OTTI). Declines in fair value of investments deemed to be OTTI or permanent are accounted for as a realized loss. During the years ended December 31, 2022 and 2021, the Company recognized OTTIs on properties held for sale, realizing a loss of \$0 and \$28,738, respectively.

Furniture and Equipment

The Company has a policy of expensing all data processing and furniture and equipment related costs that are within the annual limits as established by IRC Section 179 income tax deduction. Maintenance and repairs that do not materially extend the useful lives are charged to earnings as incurred.

Depreciation of data processing equipment and furniture and fixtures is provided over the estimated useful lives of the assets on the straight-line method. The useful lives for data processing equipment are three years. The useful lives for furniture and fixtures are seven to ten years. Depreciation expense for furniture and fixtures for the years ended December 31, 2022 and 2021 totaled \$9,878 and \$5,163, respectively.

Line of Credit

The Company has an unsecured line-of-credit agreement with a bank, which enables the Company to borrow up to \$3,000,000. Borrowings under the line-of-credit agreement as of December 31, 2022 and 2021 amounted to \$0. The interest rate is a variable interest rate which is 0.050 percentage points under the Wall Street Journal Prime Rate with an interest rate floor of 3.25%.

AMERICAN SAVINGS LIFE INSURANCE COMPANY
NOTES TO THE STATUTORY FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Aggregate Policy Reserves

Unless specifically required by contract, the Company waives deferred fractional premiums subsequent to the death of an insured. Fractional premiums paid beyond the date of death are refunded only when paid in advance beyond a policy anniversary. No surrender value is promised in excess of the reserve as legally computed. Substandard policies are valued at the equal reserve for the rated age (an age greater than the actual age) or where substandard extra premium is required, at the legal reserve plus one-half the annual substandard premium. No policies have a gross premium less than required net premiums. Tabular interest, tabular less actual reserves released, tabular cost and tabular interest on fund not involving life contingencies are determined by formulas outlined in the annual statement instructions. For the determination of tabular Interest on funds not involving life for each valuation rate of interest, the tabular interest is calculated as one hundredth of the product of such valuation rate of interest times the mean of the amount of funds subject to such valuation rate of interest held at the beginning and end of the year of valuation. The interest rates range from 1.75% - 5.5%.

Income Taxes

The Company accounts for income taxes in accordance with SSAP 101, *Income Taxes*. Please see Note 11 for additional information.

Basis of Premium Revenue Recognition

Premiums on life contracts are recognized as revenue when due on an annualized premium basis. Premiums on annuities are recognized as revenue when collected in accordance with *Statements of Statutory Accounting Principles No. 50 – Classifications and Definitions of Contracts in Force*.

Deferred and uncollected life insurance premiums as of December 31 were as follows:

Type	2022	
	Gross	Net of Loading
Ordinary new business	\$ -	\$ -
Ordinary renewal	131,702	9,274
Totals	<u>\$ 131,702</u>	<u>\$ 9,274</u>

Type	2021	
	Gross	Net of Loading
Ordinary new business	\$ -	\$ -
Ordinary renewal	9,342	9,043
Totals	<u>\$ 9,342</u>	<u>\$ 9,043</u>

Policy Claims Pending

The liability for policy claims is based on estimates of the costs on individual claims reported plus estimated claims incurred but unreported prior to December 31, 2022.

AMERICAN SAVINGS LIFE INSURANCE COMPANY
NOTES TO THE STATUTORY FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Reinsurance

The Company had no agreements with nonaffiliated reinsurers or reinsured policies during the period covered by this report.

Estimates

The preparation of these statutory financial statements in conformity with the accounting and valuation practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and/or the Arizona Department of Insurance requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the statutory financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist of temporary cash investments, fixed maturity securities and mortgage loans.

Note 3 – Cash and Investments

The Company maintains certificates of deposit at several banks with amounts not exceeding \$250,000. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000.

The money market funds utilized by the Company invest in short-term U.S. government and commercial paper securities. Cash on demand deposits at times may exceed the federally insured limits of \$250,000 set by the Federal Deposit Insurance Corporation (“FDIC”). The Company has not experienced any losses relating to these accounts and does not believe it is exposed to any significant credit risks relating to these accounts.

Cash and short-term investments consist of the following:

	December 31	
	2022	2021
Money market mutual funds	\$ 675,634	\$ 2,958,758
Certificates of deposit	163,796	256,497
Demand deposits	3,230,459	16,191,882
Total cash and short-term investments	\$ 4,069,889	\$ 19,407,137

AMERICAN SAVINGS LIFE INSURANCE COMPANY
NOTES TO THE STATUTORY FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 3 – Cash and Investments (continued)

Bonds

Bonds at year end are summarized as follows:

	2022		
	Fair Value	Book/ Adjusted Carrying Value	Excess of Book Value over Fair Value
Bonds:			
U.S. Government	\$ 752,144	\$ 834,690	\$ (82,546)
Industrial and miscellaneous	4,312,629	4,872,914	(560,285)
Total bonds	\$ 5,064,773	\$ 5,707,604	\$ (642,831)
	2021		
	Fair Value	Book/ Adjusted Carrying Value	Excess of Book Value over Fair Value
Bonds:			
U.S. Government	\$ 1,735,978	\$ 1,737,128	\$ (1,150)
Industrial and miscellaneous	2,841,906	2,694,766	147,140
Total bonds	\$ 4,577,884	\$ 4,431,894	\$ 145,990

Maturities of bonds by amortized cost (admitted asset value) and fair value of bonds as of December 31, 2022, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Book Value	Fair Value
2023	\$ 330,819	\$ 99,268
2024 through 2027	1,638,630	556,659
2028 through 2032	1,510,600	532,088
2033 through 2042	2,012,310	1,596,386
Over 20 Years	215,245	2,280,372
Totals	\$ 5,707,604	\$ 5,064,773

The proceeds from sales of bonds and gross realized gains and gross realized losses on sales of bonds as of December 31 are as follows:

	2022	2021
Proceeds from sales	\$ 282,953	\$ 911,614
Gross realized gains	-	-
Gross realized losses	-	(12,849)

AMERICAN SAVINGS LIFE INSURANCE COMPANY
NOTES TO THE STATUTORY FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 3 – Cash and Investments (continued)

Common Stock

The Company's investments in common stock consist of the following:

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Unaffiliated common stock - fair value	\$ 1,385,833	\$ 1,793,164
Unaffiliated common stock - cost basis	\$ 1,097,215	\$ 1,123,017

Mortgage Loans

Mortgage loans consist of commercial and consumer loans collateralized by real estate. The Company's lending policies are to loan up to 70% of appraised values at interest rates ranging from 6.50% or more and terms ranging from 1 to 15 years. The Company has a concentration of mortgage loans in central Arizona.

The Company will establish a valuation allowance for loans where it is probable that all amounts due will be uncollectable. This allowance is comprised of the recorded value of the loan less the fair value of the collateral and consideration of high risk loans. An allowance was not considered necessary for the years ended December 31, 2022 and 2021.

The Company defines subprime loans as loans with an interest rate above prime and an initial loan to property value above 50%. The Company does not lend above 70% loan to value using this buffer to reduce exposure to loss due to changes in asset value. The current default rate on subprime mortgage loans was 0% as of December 31, 2022.

All amounts held in subprime mortgage loans as of December 31, 2022 are as follows:

	<u>Book Value</u>	<u>Fair Value</u>	<u>Appraised Value</u>
Subprime mortgages in process of foreclosure	\$ -	\$ -	\$ -
Subprime mortgages in good standing	12,454,264	12,454,264	32,990,000
Total subprime mortgages	<u>\$ 12,454,264</u>	<u>\$ 12,454,264</u>	<u>\$ 32,990,000</u>

All amounts held in subprime mortgage loans as of December 31, 2021 are as follows:

	<u>Book Value</u>	<u>Fair Value</u>	<u>Value of Land & Buildings</u>
Subprime mortgages in process of foreclosure	\$ 752,909	\$ 752,909	\$ 1,500,000
Subprime mortgages in good standing	14,048,322	14,048,322	36,105,000
Total subprime mortgages	<u>\$ 14,801,231</u>	<u>\$ 14,801,231</u>	<u>\$ 37,605,000</u>

There was one subprime loan in the process of foreclosure at December 31, 2021.

AMERICAN SAVINGS LIFE INSURANCE COMPANY
NOTES TO THE STATUTORY FINANCIAL STATEMENTS
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Note 3 – Cash and Investments (continued)

The following is the composition of the mortgage receivable aging at year-end:

	December 31	
	2022	2021
In good standing with interest accruing	\$ 62,116,742	\$ 39,804,332
Over 90 days with interest accruing	-	3,140,846
In foreclosure, interest accruing	-	752,909
Mortgage receivable	62,116,742	43,698,087
Deferred gain on installment sales	(492,320)	(121,624)
Deferred income on installment sales	(52,626)	(30,780)
Allowance for delinquent mortgage loans	-	-
Total mortgage loans	\$ 61,571,796	\$ 43,545,683

Real Estate

In November 2007, the Company acquired 40 acres near Salome, Arizona as an investment property with a current book value of \$105,285. In May 2006, the Company entered into a real estate investment joint venture with Boa Sorte, LLC (The Cardon Group) for the purchase of approximately 4,700 acres near Holbrook, AZ with a current book value of \$986,035. In 1974, the Company acquired property in Sunvalley, AZ as an investment property with a current book value of \$90,150. In 2009 the Company acquired property in Phoenix, Arizona as an investment property with a current book value of \$300,000. These investments are non-admitted assets with a total current book value of \$1,191,469 and therefore, are not included with the Company's admitted assets in the accompanying statutory financial statements.

During 2022, the Company sold four properties acquired through foreclosure, reporting a gain of \$752,441. During 2021, the Company sold three properties acquired through foreclosure, reporting a loss of \$58,057 and gain of \$59,443, respectively.

Properties

Properties occupied by the Company consist of a portion of the building located at 935 E. Main Street, Mesa AZ. The cost of the building and improvements is depreciated over the estimated useful life of the building (39 years). Depreciation is computed on the straight-line method for statutory purposes. In accordance with Statements of *Statutory Accounting Principles No. 40*, properties 50% occupied by the reporting entity, including common areas, will be reported as property occupied by the company.

AMERICAN SAVINGS LIFE INSURANCE COMPANY
NOTES TO THE STATUTORY FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 3 – Cash and Investments (continued)

The following is a summary of properties occupied by the Company:

	December 31	
	2022	2021
Building	\$ 434,605	\$ 434,605
Improvements	239,791	199,209
	674,396	633,814
Accumulated depreciation	(274,182)	(259,595)
	400,214	374,219
Land	75,633	75,633
	\$ 475,847	\$ 449,852

Net Investment Income

Net investment income is primarily made up of mortgage loan interest received and accrued and interest and dividends received or accrued on bonds. It also includes amortization of any purchase premium or discount using the interest method, adjusted prospectively for any change in estimated yield-to-maturity. Net investment income is reduced by direct and allocated investment expenses.

The following summarizes the components of net investment income at year end:

	December 31	
	2022	2021
Bonds and long term certificates of deposits	\$ 172,152	\$ 157,298
Common stock	9,275	8,624
Cash and short term investments	180,606	41,933
Mortgage loans	4,599,058	4,662,627
Receivables secured by real estate	193,983	409,065
Other invested assets	-	-
Policy loans	5,568	5,154
	5,160,642	5,284,701
Investment expenses	(689,794)	(991,280)
Investment taxes (excluding federal income tax)	(56,712)	(94,820)
Depreciation on real estate and other invested assets	(40,025)	(51,466)
	\$ 4,374,111	\$ 4,147,135

Fair Value Measurement

Investments are being disclosed utilizing an established framework for measuring fair value, and an established fair value hierarchy which prioritizes valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability, or, in the absence of a principal market, the most advantageous market.

AMERICAN SAVINGS LIFE INSURANCE COMPANY
NOTES TO THE STATUTORY FINANCIAL STATEMENTS
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Note 3 – Cash and Investments (continued)

Valuation techniques that are consistent with the market, income, or cost approach, are used to measure fair value.

The fair value hierarchy prioritizes valuation techniques used to measure fair value into three broad levels:

- **Level 1 investments** use quoted prices in active markets for identical assets the entity has the ability to access.
- **Level 2 investments** use inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly.
- **Level 3 investments** have no observable values for the assets and rely on management’s own assumptions that market participants would use in pricing the asset. The entity has no such investments.

The following table presents the entity’s fair value hierarchy for those investments measured at fair value on a recurring basis as of December 31:

Assets at fair value	2022			
	Level 1	Level 2	Level 3	Total
Common Stocks (affiliated; non-admitted)	\$ -	\$ -	\$ 667,703	\$ 667,703
Common Stocks (unaffiliated)	1,385,829	-	-	1,385,829
Common Stocks (mutual funds)	-	-	-	-
Other Invested Assets	-	-	-	-
	<u>\$ 1,385,829</u>	<u>\$ -</u>	<u>\$ 667,703</u>	<u>\$ 2,053,532</u>

Assets at fair value	2021			
	Level 1	Level 2	Level 3	Total
Common Stocks (affiliated; non-admitted)	\$ -	\$ -	\$ 545,391	\$ 545,391
Common Stocks (unaffiliated)	1,793,164	-	-	1,793,164
Common Stocks (mutual funds)	-	-	-	-
Other Invested Assets	-	-	-	-
	<u>\$ 1,793,164</u>	<u>\$ -</u>	<u>\$ 545,391</u>	<u>\$ 2,338,555</u>

The fair value measurements of investments in level 3 of the fair value hierarchy are presented in the following tables:

Assets:	2022						
	Beginning Balance at 1/1/2022	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Settlements	Ending Balance at 12/31/2022
Common Stocks (affiliated; non-admitted)	\$ 545,391	\$ -	\$ -	\$ -	\$ 122,312	\$ -	\$ 667,703
	<u>\$ 545,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,312</u>	<u>\$ -</u>	<u>\$ 667,703</u>

AMERICAN SAVINGS LIFE INSURANCE COMPANY
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FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 3 – Cash and Investments (continued)

	2021						
	Beginning Balance at 1/1/2021	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Settlements	Ending Balance at 12/31/2021
Assets:							
Common Stocks (affiliated; non-admitted)	\$ 434,339	\$ -	\$ -	\$ -	\$ 111,052	\$ -	\$ 545,391
	\$ 599,693	\$ -	\$ -	\$ (545,336)	\$ 491,035	\$ -	\$ 545,391

There were no purchases, issuances, or sales of level 3 investments during the years ended December 31, 2022 and 2021, respectively.

The fair value and admitted asset value of assets are as follows as of December 31:

Type of Financial Instrument	2022				
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)
Bonds	\$ 5,064,774	\$ 5,707,604	\$ -	\$ 5,064,774	\$ -
Common Stocks (level 3 includes non-admit)	2,053,532	1,385,829	1,385,829	-	667,703
Mortgage Loans	61,571,796	61,571,796	-	-	61,571,796
Real Estate	2,486,854	1,295,385	-	-	2,486,854
Contract Loans	99,221	99,221	-	-	99,221

Type of Financial Instrument	2021				
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)
Bonds	\$ 4,577,884	\$ 4,431,894	\$ -	\$ 4,577,884	\$ -
Common Stocks (level 3 includes non-admit)	2,338,555	1,793,164	1,793,164	-	545,391
Mortgage Loans	43,545,683	43,545,683	-	-	43,545,683
Real Estate	4,561,756	2,080,287	-	-	4,561,756
Contract Loans	93,356	93,356	-	-	93,356

Management uses a market approach to determine the fair value of mortgage loans and properties held for sale. Loans are adjusted for changes in the market value of the property collateralized based on local market indices. Property held for sale is adjusted to the most recent appraisal performed. The cost approach is used to determine the fair value of properties occupied by the Company and the property contract loans.

On a quarterly basis, the Company reviews its investment portfolio for securities in an unrealized loss position for other-than-temporary impairment. This review for potential impairment is performed on a specific identification basis and requires significant management judgment related to a number of qualitative and quantitative factors including the severity of the impairment, the duration of the impairment, recent trends and expected market performance. Management believes that the Company's unrealized losses on individual securities at December 31, 2022 and 2021, respectively, represent a temporary decline in market value.

AMERICAN SAVINGS LIFE INSURANCE COMPANY
NOTES TO THE STATUTORY FINANCIAL STATEMENTS
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Note 3 – Cash and Investments (continued)

The investments summarized below are in an unrealized loss position for which other-than-temporary declines in value have not been recognized as of December 31:

2022			
Less than 12 Months			
	Cost/Amortized		
	Cost	Unrealized Loss	Fair Value
Bonds	\$ 4,821,982	\$ (478,836)	\$ 4,343,146
Unaffiliated common stocks	348,943	(80,974)	267,969
12 Months or More			
	Cost/Amortized		
	Cost	Unrealized Loss	Fair Value
Bonds	\$ 885,622	(163,995)	\$ 721,627
Unaffiliated common stocks	4,038	(1,232)	2,806
Totals	\$ 6,060,585	\$ (725,037)	\$ 5,335,548
2021			
Less than 12 Months			
	Cost/Amortized		
	Cost	Unrealized Loss	Fair Value
Bonds	\$ 744,222	\$ (11,650)	\$ 732,572
Unaffiliated common stocks	48,367	(7,183)	41,184
12 Months or More			
	Cost/Amortized		
	Cost	Unrealized Loss	Fair Value
Bonds	\$ 297,808	\$ (12,479)	\$ 285,329
Unaffiliated common stocks	4,038	(1,418)	2,620
Totals	\$ 1,094,435	\$ (32,730)	\$ 1,061,705

Note 4 – Reserve for Life Policies and Contracts

The Company accrues liabilities for unpaid claims on its life insurance policies, estimated incurred but unrecorded claims and estimated cost of future claims. The reserve reflects the liability for aggregate reserve amounts which, with additions from premiums to be received and with interest compounded annually at an interest assumption between 1.75% and 5.5% are calculated to be sufficient to meet policy obligations as they mature.

AMERICAN SAVINGS LIFE INSURANCE COMPANY
NOTES TO THE STATUTORY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 4 – Reserve for Life Policies and Contracts (continued)

The following is the reserves activity during 2022 and 2021, respectively:

	Life Policies and Contracts	Policy and Contract Claims
Reserves December 31, 2020	\$ 35,850,903	\$ 37,272
Prior year claims paid in current year	-	(27,272)
Incurred claims	-	19,108
Change in life and annuity reserve	1,729,058	-
Current year claims paid	-	(15,746)
Reserves December 31, 2021	\$ 37,579,961	\$ 13,362
Prior year claims paid in current year	-	(13,362)
Incurred claims	-	64,931
Change in life and annuity reserve	1,665,778	5,000.00
Current year claims paid	-	(63,931)
Reserves December 31, 2022	\$ 39,245,739	\$ 6,000

The following is an analysis of annuity actuarial reserves and deposit type contract liabilities by withdrawal characteristics as of December 31, 2022:

Subject to Discretionary Withdrawal - Without Adjustment	Individual Annuities Amount	Percent of Total	Deposit Type Contracts Amount	Percent of Total
At book value less current surrender charge of 5% or more	\$ 6,355,367	18.9%	\$ -	0.00%
At book value (minimal or no charge or adjustment)	\$ 22,542,712	67.0%	\$ 13,262,638	84.0%
Not subject to discretionary withdrawal	\$ 4,723,658	14.0%	\$ 2,532,546	16.0%
Reconciliation of Total Deposit Fund Liabilities:				
Exhibit 5, Annuities section, Total (net)	\$ 33,621,737			
Exhibit of Deposit-type contracts, Line 14, Column 1			\$ 15,795,184	

The following is an analysis of life actuarial reserves by withdrawal characteristics as of December 31, 2022:

Separate Account Nonguaranteed	Account Value	Cash Value	Reserve
Subject to discretionary withdrawal, surrender values, or policy loans:			
Other permanent cash value life insurance	\$ 5,364,055	\$ 5,364,055	\$ 5,572,601
Not subject to discretionary withdrawal or no cash values:			
Miscellaneous reserves	\$ -	\$ -	\$ 63,478
Reconciliation of Total Deposit Fund Liabilities:			
Exhibit 5, Life insurance section, Total (net)			\$ 5,572,601
Exhibit 5, Miscellaneous reserves, Total (net)			\$ 63,478

Note 5 – Guaranteed Investment Contracts

Guaranteed Interest Contracts are amounts held on behalf of outside parties. Interest is paid yearly at a rate equal to Federal Reserve 6-month treasury constant maturity yield and is updated each month with a guaranteed minimum rate of 2.00%. Guaranteed investment contracts are considered a level 3 financial instrument under the fair value hierarchy referred to in Note 3.

Management uses a cost approach to report the fair value of these contracts and the amounts are not adjusted based on any additional criteria.

AMERICAN SAVINGS LIFE INSURANCE COMPANY
NOTES TO THE STATUTORY FINANCIAL STATEMENTS
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Note 6 – Capital and Surplus

State of Arizona insurance regulations require the Company to keep a minimum capital of \$300,000 and a minimum free surplus of \$150,000. At December 31, 2022 and December 31, 2021, the Company had capital amounts of \$932,415 and \$931,960 respectively and free surplus of \$15,344,100 and \$14,562,401, respectively. Free surplus was reduced by the \$8,204,554 and \$8,045,104 cost of treasury stock in 2022 and 2021, respectively. On February 8, 2011 the Board of Directors authorized the purchase of up to 300,000 shares of Company stock at 90% of the most recent equity value. The equity value is prepared monthly using U.S. GAAP standards and adjusted for any accrued dividends payable.

During 2022, treasury stock increased by the purchase of 38,910 shares of capital stock at prices ranging from \$4.01 to \$4.16 per share. During 2021, treasury stock increased by the purchase of 133,918 shares of capital stock at prices ranging from \$3.91 to \$4.07 per share.

The portion of surplus represented or reduced by each item below is as follows:

Net unrealized capital gains or (losses)	\$ (288,614)
Nonadmitted asset values	\$ (1,888,362)
Asset valuation reserve	\$ (1,375,707)
Net deferred income taxes	\$ 692,660

Note 7 – Participating Insurance Policies

The allocation of dividends to participating policy owners is based on actuarial mortality rates with consideration for investment yields (which are subject to periodic review), issue ages, policy durations and premium charges. The mortality rates correspond with rates assumed in the calculation of the premium charges. Participating business comprised approximately 18% of total life insurance in force at December 31, 2022, and 19% at December 31, 2021.

Note 8 – Claims and Contingencies

The Company has various other legal proceedings and claims pending that are common to its operations. While it is not possible to determine the ultimate outcome of these matters, it is the opinion of management that they will not result in monetary damages that in the aggregate would be material to the business or operations of the Company.

AMERICAN SAVINGS LIFE INSURANCE COMPANY
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Note 9 – Related Parties

There is a significant inter-relationship between policyholders who are also stockholders and members of Company management. Related party transactions involving this group during the years ended December 31, 2022 and 2021, have consisted only of ordinary compensation, expense reimbursement and similar items incurred in the ordinary course of business, except as follows:

- a) Life insurance premiums paid by Company officers and directors totaled 0.06% and 0.7% of total premiums paid in 2022 and 2021, respectively. Company officers and directors also owned .41% and 1.3% of total policy face value in 2022 and 2021, respectively.
- b) Byron F. Allen is the President of the Company and also the Administrator of the Company's Profit Sharing Plan detailed in Note 10.
- c) E. Paul Whetten is the Executive Vice President of the Company and also the Trustee of the Company's Profit Sharing Plan detailed in Note 10.

The Company also entered into various transactions with its wholly owned subsidiary, American Life Financial Corporation (ALF) relating to shared administration costs. During 2022 and 2021, ALF personnel provided labor to the Company in the amount of \$52,176 and \$363,338 respectively, all of which was reimbursed as of December 31, 2022. The Company personnel provided labor to ALF under the agreement in the amount of \$4,440 and \$3,396 for the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022 and 2021, there was a net payable due to ALF of \$0 and \$21,946, respectively. As of December 31, 2022 and 2021, there were no receivables due from ALF. The Company paid ALF for mortgage loan origination and underwriting services provided to the Company in the amount of \$821,249 and \$368,845 during the years ended December 31, 2022 and 2021, respectively.

The Company pays the full amount of expenses for office space and other office support expenses. ALF reimburses the Company for a portion of those expenses. The total expenses reimbursed by ALF for office space and other support expenses were \$17,096 and \$17,810 for both 2022 and 2021, respectively.

Note 10 – Employee Benefit Plans

In 1993 the Company began to sponsor a qualified profit sharing plan available to full-time employees who meet the plan's eligibility requirements. The terms of the plan call for annual discretionary contributions by the Company as determined by the board. The plan contribution was \$67,056 for 2022 and \$63,220 for 2021.

The Company has an employee stock benefit compensation plan, available to employees and directors. The terms of the plan allow employees or directors to specify the greater of \$5,000 or up to 50% of their total compensation for shares of company stock. The allocation price of the stock is 100% of the non-audited generally accepted accounting principles book value for the month preceding enrollment, adjusted for dividends declared but unpaid. Employee may adjust the amount of their payroll allocated to stock compensation every six months. Stock is issued in full shares only. After the stock is issued, the stockholder is prohibited from selling the stock for two years. There are no vesting requirements or minimum requisite service periods before stocks are issued. As such, compensation is expensed as service is performed.

AMERICAN SAVINGS LIFE INSURANCE COMPANY
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Note 10 – Employee Benefit Plans (Continued)

During 2022 and 2021, 7247 and 6,249 shares, respectively, of Company common stock were issued as stock compensation expense under the plan for a total of \$32,040 and \$27,196, respectively. The average price utilized for the determination of the value of such stock issued for compensation for the years ended December 31, 2022 and 2021 was \$4.42 and \$4.32, respectively. As of December 31, 2022 and 2021, \$9,095 and \$11,297 of employee and directors compensation had been set aside for stock issuance as accrued liabilities based on the enrollment stock price of \$4.56 and \$4.36, respectively.

Note 11 – Income Taxes

The Company has an effective income tax rate substantially different from the statutory rate applied to net income for the years ended December 31, 2022 and 2021. The largest difference is due to the qualification of the Company under Internal Revenue Code Section 806(a) for the small life insurance company deduction on its federal income tax return; a deduction that is not recognized on the statutory basis financial statements.

The following is a summary of the differences between statutory pre-tax net income and taxable income:

	2022	2021
Statutory pre-tax net income	\$ 1,834,266	\$ 1,462,639
Net due and deferred premiums	120,309	328
Tax exempt interest income	(11,510)	(12,748)
Difference between tax and book depreciation	(6,329)	(4,011)
Deferred acquisition costs	194,231	(235)
Liability for deposit type contracts	1,481,916	1,729,610
Statutory reserve adjustment	(1,434,172)	(1,669,676)
Other items	5,786	7,902
Net taxable income	\$ 2,184,497	\$ 1,513,809

Deferred Tax

During the year ended December 31, 2017, the Company adopted SSAP 101, *Income Taxes*, and began accounting for deferred income taxes.

	2022			2021			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Change
Gross deferred tax assets	\$ 850,194	\$ 117,566	\$ 967,760	\$ 741,416	\$ 114,432	\$ 855,848	\$ 108,778	\$ 3,134	\$ 111,912
Statutory valuation allowance adjustments	(189,686)	-	(189,686)	(174,063)	-	(174,063)	(15,623)	-	(15,623)
Adjusted gross deferred tax assets (1a-1b)	660,508	117,566	778,074	567,353	114,432	681,785	93,155	3,134	96,289
Deferred tax assets nonadmitted	-	-	-	-	-	-	-	-	-
Net admitted deferred tax asset (1c-1d)	660,508	117,566	778,074	567,353	114,432	681,785	93,155	3,134	96,289
Deferred tax liabilities	(24,543)	(60,871)	(85,414)	33,552	140,824	174,376	9,009	79,953	88,962
Net admitted deferred tax assets / (liabilities) (1e-1f)	\$ 635,965	\$ 56,695	\$ 692,660	\$ 600,905	\$ 255,256	\$ 856,161	\$ 102,164	\$ 83,087	\$ 185,251

AMERICAN SAVINGS LIFE INSURANCE COMPANY
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Note 11 – Income Taxes (continued)

Admissible calculation components per SSAP No. 101, Income Taxes – A Replacement of SSAP No. 10R and SSAP No. 10 are as follows:

	Ordinary	2022 Capital	Total	Ordinary	2021 Capital	Total	Ordinary	Change Capital	Total
Federal taxes paid in prior years that can be recovered through loss carrybacks, by tax character	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount of adjusted gross DTAs expected to be realized (excluding amount of DTAs report in 9A(2)(a) above) after application of threshold limitation, by tax character (lesser of 2(b)1 and 2(b)2)	722,741	-	722,741	649,162	-	649,162	73,579	-	73,579
Amount of adjusted gross DTAs, expected to be realized within the applicable period following the balance sheet date, by tax character (see Realization Threshold Limitation Table)	722,741	-	722,741	-	-	-	722,741	-	722,741
Amount of applicable percentage of statutory capital and surplus as required to be shown on the statutory balance sheet adjusted to exclude any net DTAs, EDP equipment and operating system software and any net positive goodwill. (see Realization Threshold Limitation Table)	XXX	XXX	2,370,190	XXX	XXX	2,309,455	XXX	XXX	60,735
Amount of adjusted gross DTAs (excluding amount of DTAs reported in 9A(2)a and 9A(2)b that can be offset against existing gross DTLs, by tax character	-	55,333	55,333	-	-	-	-	55,333	55,333
Amount of DTAs admitted as result of application of SSAP No. 101 by tax character (the sum of 9A(2)a, 9A(2)b and 9A(2)c)	\$ 649,162	\$ 32,624	\$ 681,786	\$ 649,162	\$ 32,624	\$ 681,786	\$ 509,052	\$ (59,423)	\$ 449,628

The ratio percentage and the amount of adjusted capital and surplus used to determine the recovery period and threshold limitation amounts for the admissibility test was 1347% and \$17,176,975 for the year ended December 31, 2022.

There is no impact of management's tax planning strategies on the Adjusted Gross DTAs and Net Admitted DTAs.

Current income taxes incurred consist of the following major components:

	2022	2021	Change
Current income tax:			
Federal income taxes	\$ 462,718	\$ 317,266	\$ 145,452
Foreign income taxes	-	-	-
Subtotal	462,718	317,266	145,452
Federal income tax on net capital gains	223,821	30,676	193,145
Other	-	-	-
Federal and foreign income taxes incurred	\$ 686,539	\$ 347,942	\$ 338,597

AMERICAN SAVINGS LIFE INSURANCE COMPANY
NOTES TO THE STATUTORY FINANCIAL STATEMENTS
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Note 11 – Income Taxes (continued)

The tax effects of temporary differences that give rise to significant portion of the deferred tax assets and deferred tax liabilities are as follows:

	2022	2021	Change
Deferred tax assets:			
Ordinary:			
Life Reserve Discounting	\$ 219,434	\$ 213,242	\$ 6,192
Deferred Acquisition Costs	84,288	43,500	40,788
Fixed Assets	3,079	-	3,079
Non-Admitted Assets	448,045	419,329	28,716
Other	95,348	65,345	30,003
Subtotal	<u>850,194</u>	<u>679,246</u>	<u>170,948</u>
Statutory valuation allowance adjustments	(189,686)	(174,063)	(15,623)
Nonadmitted	-	-	-
Admitted Ordinary Deferred Tax Assets	<u>660,508</u>	<u>567,353</u>	<u>93,155</u>
Capital:			
Other	117,566	114,432	3,134
Subtotal	<u>117,566</u>	<u>114,432</u>	<u>3,134</u>
Statutory valuation allowance adjustments	-	-	-
Nonadmitted	-	-	-
Admitted Capital Deferred Tax Assets	<u>117,566</u>	<u>114,432</u>	<u>3,134</u>
Admitted Deferred Tax Assets:	<u>\$ 778,074</u>	<u>\$ 681,785</u>	<u>\$ 96,289</u>
			-
Deferred tax liabilities:			
Ordinary:			
Fixed Assets	\$ -	\$ (445)	\$ 445
Deferred and Uncollected Premiums	-	(362)	362
Policyholder Reserves	(24,479)	(32,638)	8,159
Other	(64)	(107)	43
Subtotal:	<u>(24,543)</u>	<u>(33,552)</u>	<u>9,009</u>
Capital:			
Investments	(60,609)	(140,731)	80,122
Other	(262)	(93)	(169)
Subtotal:	<u>(60,871)</u>	<u>(140,824)</u>	<u>79,953</u>
Deferred Tax Liability	<u>(85,414)</u>	<u>(174,376)</u>	<u>88,962</u>
Net admitted deferred tax asset (liability)	<u>\$ 692,660</u>	<u>\$ 507,409</u>	<u>\$ 185,251</u>

AMERICAN SAVINGS LIFE INSURANCE COMPANY
NOTES TO THE STATUTORY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 11 – Income Taxes (continued)

There are no differences for which deferred tax liabilities are not recognized. The change in deferred tax assets is reflected as a change in capital and surplus in the accompanying statutory statements.

The valuation allowance adjustment to gross deferred tax assets as of December 31, 2022 and December 31, 2021 was \$189,686 and \$174,063, respectively. The net change in the total valuation allowance adjustments for December 31, 2022 was an increase of \$15,623.

The Company's income tax expense and change in deferred tax assets/deferred tax liabilities differs from the amount obtained by applying the federal statutory rate of 21% to income before taxes for the following reasons:

	Amount	Effective tax rate (%)
Provision computed at statutory rate	\$ 385,196	21.0%
Small company deduction	-	0.0%
Tax exempt interest deduction	(2,417)	-0.1%
Dividends received deduction	(682)	0.0%
Proration of tax exempt investment income	725	0.0%
Disallowed travel and entertainment	-	0.0%
IMR in operating income	6	0.0%
Accrual adjustment - prior year	64	0.0%
Change in statutory valuation reserve	15,623	0.9%
Change in nonadmitted assets	(28,716)	-1.6%
AMT credit	-	0.0%
Other	211,611	11.5%
Totals	\$ 581,410	31.7%
Federal and foreign income taxes incurred	\$ 519,306	28.3%
Realized capital gains tax	167,233	9.1%
Change in net deferred income taxes	(105,129)	-5.7%
Total statutory income taxes	\$ 581,410	31.7%

AMERICAN SAVINGS LIFE INSURANCE COMPANY
NOTES TO THE STATUTORY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 11 – Income Taxes (continued)

As of December 31, 2021²² the Company did not have any unused operating loss carryforwards and \$0 in AMT tax credit carryforwards to offset against future taxable income.

The following amounts of federal income taxes are available for recoupment in the event of future losses:

2022	\$	458,744
2021	\$	317,266
2020	\$	458,732

The Company's federal income tax return is not consolidated with any other entity. The Company's tax returns are subject to IRS audits if requested by the IRS, generally for three years after the return is filed. The Company is subject to state premium taxes and, accordingly, is exempt from state income taxes in a majority of the states in which the Company does business.

As of December 31, 2022 and 2021, the Company has not adopted the provisions of Accounting Standard Codification (ASC) 740, *Income Taxes* because it is not required by the accounting practices prescribed or permitted by the State of Arizona Department of Insurance. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to ASC 740.

Note 12 – Subsequent Events

Management has evaluated subsequent events through May 23, 2023, the date in which the financial statements were available to be issued. No events or transactions occurred after year-end that require additional disclosure or adjustment to the financial statements.

OTHER LEGAL AND REGULATORY INFORMATION

**Independent Auditor's Report on Other Legal
and Regulatory Information**

To the Board of Directors

American Savings Life Insurance Company:

We have audited the statutory financial statements of **American Savings Life Insurance Company** as of and for the year ended December 31, 2022, and our report thereon dated May 23, 2023, which expressed an unmodified opinion on those statutory financial statements, appears on pages 2-3. The Schedule 1 - Selected Financial Data, Schedule 2 – Summary Investment Schedule and Schedule 3 – Investment Risk Interrogatories are presented for purposes of additional analysis and is not a required part of the statutory financial statements, but are required as other legal and regulatory information required by the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual. This information is presented in a format consistent with the Annual Statement filed by **American Savings Life Insurance Company** with the State of Arizona Insurance Department. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the statutory financial statements. The information has been subjected to the auditing procedures applied in the audit of the statutory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the statutory financial statements or to the statutory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the statutory financial statements as a whole.

Larson & Company PC

Salt Lake City, Utah
May 23, 2023

AMERICAN SAVINGS LIFE INSURANCE COMPANY
SCHEDULE 1 – SELECTED FINANCIAL DATA
 FOR THE YEAR ENDED DECEMBER 31, 2022

INVESTMENT INCOME EARNED	2022
Other bonds (unaffiliated)	\$ 172,152
Common stocks (unaffiliated)	9,275
Mortgages loans	4,599,058
Real estate	193,983
Premium notes, policy loans and liens	5,568
Cash on hand and short term investments	180,606
Gross Investment Income	<u>\$ 5,160,642</u>
REAL ESTATE OWNED - BOOK VALUE	<u>\$ 2,486,854</u>
MORTGAGE LOANS - BOOK VALUE	
Residential mortgages	\$ 4,527,885
Commercial mortgages	57,043,911
Total mortgage loans	<u>\$ 61,571,796</u>
MORTGAGE LOANS BY STANDING - BOOK VALUE	
Good standing	\$ 61,331,744
Interest overdue more than 90 days, not in foreclosure	240,052
	<u>\$ 61,571,796</u>
OTHER LONG TERM ASSETS - STATEMENT VALUE	<u>\$ -</u>
BONDS AND SHORT-TERM INVESTMENTS BY NAIC DESIGNATION AND MATURITY	
<i>Bonds by Maturity – Statement Value:</i>	
Due within one year less	\$ 330,819
Over 1 year through 5 years	1,638,630
Over 5 years through 10 years	1,510,600
Over 10 years through 20 years	2,012,310
Over 20 years	215,245
Total by Maturity	<u>\$ 5,707,604</u>
<i>Bonds by NAIC Designation – Statement Value:</i>	
NAIC 1	\$ 4,525,063
NAIC 2	1,182,541
NAIC 3	-
NAIC 4	-
Total by NAIC Designation	<u>\$ 5,707,604</u>
<i>Total Bonds Publicly Traded</i>	<u>\$ 5,707,604</u>
Total Bonds Privately Placed	<u>\$ -</u>

See independent auditor's report on other legal and regulatory information

AMERICAN SAVINGS LIFE INSURANCE COMPANY
SCHEDULE 1 – SELECTED FINANCIAL DATA (continued)
 FOR THE YEAR ENDED DECEMBER 31, 2022

	2022
Common Stocks – Market Value	<u>\$ 2,053,536</u>
Short Term Investments – Book Value	<u>\$ -</u>
Cash on Deposit	<u>\$ 3,394,254</u>
Life Insurance In Force:	
Ordinary	<u>\$ 23,544,983</u>
Amount of Accidental Death Insurance In Force Under Ordinary Policies	<u>\$ -</u>
Annuities in Force	
Immediate – Amount of Income Payable	<u>\$ 449,632</u>
Deferred – Fully Paid Account Balance	<u>\$ 28,666,084</u>
Deposit Funds and Dividend Accumulations:	
Deposit Funds – Account Balance	<u>\$ 15,783,544</u>
Dividend Accumulations – Account Balance	<u>\$ 11,639</u>

See independent auditor's report on other
 legal and regulatory information

AMERICAN SAVINGS LIFE INSURANCE COMPANY
SCHEDULE 2 – SUMMARY INVESTMENT SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2022

		Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
		1 Amount	2 Percentage of Column 1 Line 13	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage of Column 5 Line 13
Investment Categories							
1.	Long-Term Bonds (Schedule D, Part 1):						
1.01	U.S. Governments.....	834,690	1.1	834,689		834,689	1.1
1.02	All Other Governments.....		0.0			0	0.0
1.03	U.S. States, Territories and Possessions, etc., Guaranteed.....		0.0			0	0.0
1.04	U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed.....		0.0			0	0.0
1.05	U.S. Special Revenue and Special Assessment Obligations, etc., Non-Guaranteed.....	1,978,465	2.6	1,978,465		1,978,465	2.7
1.06	Industrial and Miscellaneous.....	2,894,449	3.8	2,894,450		2,894,450	3.9
1.07	Hybrid Securities.....		0.0			0	0.0
1.08	Parent, Subsidiaries and Affiliates.....		0.0			0	0.0
1.09	SVO Identified Funds.....		0.0			0	0.0
1.10	Unaffiliated Bank Loans.....		0.0			0	0.0
1.11	Total Long-Term Bonds.....	5,707,604	7.5	5,707,604	0	5,707,604	7.7
2.	Preferred Stocks (Schedule D, Part 2, Section 1):						
2.01	Industrial and Misc. (Unaffiliated).....		0.0			0	0.0
2.02	Parent, Subsidiaries and Affiliates.....		0.0			0	0.0
2.03	Total Preferred Stock.....	0	0.0	0	0	0	0.0
3.	Common Stocks (Schedule D, Part 2, Section 2):						
3.01	Industrial and Miscellaneous Publicly Traded (Unaffiliated).....	1,385,833	1.8	1,385,829		1,385,829	1.9
3.02	Industrial and Miscellaneous Other (Unaffiliated).....		0.0			0	0.0
3.03	Parent, Subsidiaries and Affiliates Publicly Traded.....	667,703	0.9			0	0.0
3.04	Parent, Subsidiaries and Affiliates Other.....		0.0			0	0.0
3.05	Mutual Funds.....		0.0			0	0.0
3.06	Unit Investment Trusts.....		0.0			0	0.0
3.07	Closed-End Funds.....		0.0			0	0.0
3.08	Total Common Stocks.....	2,053,536	2.7	1,385,829	0	1,385,829	1.9
4.	Mortgage Loans Schedule B):						
4.01	Farm Mortgages.....		0.0			0	0.0
4.02	Residential Mortgages.....	4,527,885	6.0	4,527,885		4,527,885	6.1
4.03	Commercial Mortgages.....	57,043,911	75.1	57,043,911		57,043,911	77.0
4.04	Mezzanine Real Estate Loans.....		0.0			0	0.0
4.05	Total Valuation Allowance.....		0.0			0	0.0
4.06	Total Mortgage Loans.....	61,571,796	81.0	61,571,796	0	61,571,796	83.1
5.	Real Estate (Schedule A):						
5.01	Properties Occupied by Company.....	475,847	0.6	475,847		475,847	0.6
5.02	Properties Held for Production of Income.....		0.0			0	0.0
5.03	Properties Held for Sale.....	2,011,007	2.7	819,538		819,538	1.1
5.04	Total Real Estate.....	2,486,854	3.3	1,295,385	0	1,295,385	1.8
6.	Cash, Cash Equivalents, and Short-Term Investments:..						
6.01	Cash (Schedule E, Part 1).....	3,394,254	4.5	3,394,254		3,394,254	4.6
6.02	Cash Equivalents (Schedule E, Part 2).....	675,635	0.9	675,634		675,634	0.9
6.03	Short-Term Investments (Schedule DA).....		0.0			0	0.0
6.04	Total Cash, Cash Equivalents, and Short-Term Investments.....	4,069,889	5.4	4,069,888	0	4,069,888	5.5
7.	Contract Loans.....	99,221	0.1	99,221		99,221	0.1
8.	Derivatives (Schedule DB).....		0.0			0	0.0
9.	Other Invested Assets (Schedule BA).....		0.0			0	0.0
10.	Receivables for Securities.....		0.0			0	0.0
11.	Securities Lending (Schedule DL, Part 1).....		0.0		XXX	XXX	XXX
12.	Other Invested Assets (Page 2, Line 11).....		0.0			0	0.0
13.	Total Invested Assets.....	75,988,900	100.0	74,129,723	0	74,129,723	100.0

See independent auditor's report on other legal and regulatory information

AMERICAN SAVINGS LIFE INSURANCE COMPANY
SCHEDULE 3 – INVESTMENT RISK INTERROGATORIES
FOR THE YEAR ENDED DECEMBER 31, 2022

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. \$.....75,348,017

2. Ten largest exposures to a single issuer/borrower/investment.

	1	2	3	4
	Issuer	Description of Exposure	Amount	Percentage of Total Admitted Assets
2.01	AMERICAN SAVINGS LIFE INSURANCE COMPANY	MORTGAGE LOAN	\$ 4,568,750	6.1 %
2.02	AMERICAN SAVINGS LIFE INSURANCE COMPANY	MORTGAGE LOAN	\$ 4,325,000	5.7 %
2.03	AMERICAN SAVINGS LIFE INSURANCE COMPANY	MORTGAGE LOAN	\$ 4,000,000	5.3 %
2.04	AMERICAN SAVINGS LIFE INSURANCE COMPANY	MORTGAGE LOAN	\$ 4,000,000	5.3 %
2.05	AMERICAN SAVINGS LIFE INSURANCE COMPANY	MORTGAGE LOAN	\$ 3,300,000	4.4 %
2.06	AMERICAN SAVINGS LIFE INSURANCE COMPANY	MORTGAGE LOAN	\$ 3,250,000	4.3 %
2.07	AMERICAN SAVINGS LIFE INSURANCE COMPANY	MORTGAGE LOAN	\$ 3,025,090	4.0 %
2.08	AMERICAN SAVINGS LIFE INSURANCE COMPANY	MORTGAGE LOAN	\$ 2,250,000	3.0 %
2.09	AMERICAN SAVINGS LIFE INSURANCE COMPANY	MORTGAGE LOAN	\$ 1,823,685	2.4 %
2.10	AMERICAN SAVINGS LIFE INSURANCE COMPANY	MORTGAGE LOAN	\$ 1,441,327	1.9 %

3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC designation.

	1	2
	Bonds	
3.01	NAIC 1	\$ 4,525,063 6.0 %
3.02	NAIC 2	\$ 1,182,543 1.6 %
3.03	NAIC 3	\$ 0.0 %
3.04	NAIC 4	\$ 0.0 %
3.05	NAIC 5	\$ 0.0 %
3.06	NAIC 6	\$ 0.0 %
	3	4
	Preferred Stocks	
3.07	PIRP-1	\$ 0.0 %
3.08	PIRP-2	\$ 0.0 %
3.09	PIRP-3	\$ 0.0 %
3.10	PIRP-4	\$ 0.0 %
3.11	PIRP-5	\$ 0.0 %
3.12	PIRP-6	\$ 0.0 %

4. Assets held in foreign investments:

4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets? Yes [X] No []

If response to 4.01 above is yes, responses are not required for interrogatories 5-10.

4.02 Total admitted assets held in foreign investments \$.....0.0 %

4.03 Foreign-currency-denominated investments \$.....0.0 %

4.04 Insurance liabilities denominated in that same foreign currency \$.....0.0 %

5. Aggregate foreign investment exposure categorized by NAIC sovereign designation:

	1	2
5.01 Countries designated NAIC 1	\$.....	0.0 %
5.02 Countries designated NAIC 2	\$.....	0.0 %
5.03 Countries designated NAIC 3 or below	\$.....	0.0 %

6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign designation:

	1	2
Countries designated NAIC 1:		
6.01 Country 1	\$.....	0.0 %
6.02 Country 2	\$.....	0.0 %
Countries designated NAIC 2:		
6.03 Country 1	\$.....	0.0 %
6.04 Country 2	\$.....	0.0 %
Countries designated NAIC 3 or below:		
6.05 Country 1	\$.....	0.0 %
6.06 Country 2	\$.....	0.0 %

7. Aggregate unhedged foreign currency exposure..... \$..... 0.0 %

8. Aggregate unhedged foreign currency exposure categorized by NAIC sovereign designation:

	1	2
8.01 Countries designated NAIC 1	\$.....	0.0 %
8.02 Countries designated NAIC 2	\$.....	0.0 %
8.03 Countries designated NAIC 3 or below	\$.....	0.0 %

9. Largest unhedged foreign currency exposures by country, categorized by the country's NAIC sovereign designation:

	1	2
Countries designated NAIC 1:		
9.01 Country 1	\$.....	0.0 %
9.02 Country 2	\$.....	0.0 %
Countries designated NAIC 2:		
9.03 Country 1	\$.....	0.0 %
9.04 Country 2	\$.....	0.0 %
Countries designated NAIC 3 or below:		
9.05 Country 1	\$.....	0.0 %
9.06 Country 2	\$.....	0.0 %

See independent auditor's report on other legal and regulatory information

AMERICAN SAVINGS LIFE INSURANCE COMPANY
SCHEDULE 3 – INVESTMENT RISK INTERROGATORIES (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022

10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:				
	1	2	3	4
	<u>Issuer</u>	<u>NAIC Designation</u>		
10.01	.....	.....	\$ .....	0.0%
10.02	.....	.....	\$ .....	0.0%
10.03	.....	.....	\$ .....	0.0%
10.04	.....	.....	\$ .....	0.0%
10.05	.....	.....	\$ .....	0.0%
10.06	.....	.....	\$ .....	0.0%
10.07	.....	.....	\$ .....	0.0%
10.08	.....	.....	\$ .....	0.0%
10.09	.....	.....	\$ .....	0.0%
10.10	.....	.....	\$ .....	0.0%
11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:				
11.01	Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11.			Yes [X] No []
11.02	Total admitted assets held in Canadian Investments.....			\$0.0%
11.03	Canadian currency-denominated investments.....			\$0.0%
11.04	Canadian-denominated insurance liabilities.....			\$0.0%
11.05	Unhedged Canadian currency exposure.....			\$0.0%
12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions.				
12.01	Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets? If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.			Yes [X] No []
12.02	1	2	3	
12.02	Aggregate statement value of investments with contractual sales restrictions.....			\$0.0%
12.03	Largest three investments with contractual sales restrictions:			
12.04	.....	.....	\$ .....	0.0%
12.05	.....	.....	\$ .....	0.0%
13. Amounts and percentages of admitted assets held in the ten largest equity interests:				
13.01	Are assets held in equity interest less than 2.5% of the reporting entity's total admitted assets? If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.			Yes [X] No []
	1	2	3	
	<u>Name of Issuer</u>			
13.02	ASL FINANCIAL GROUP.....	\$	0.0%	
13.03	BERKSHIRE HATHAWAY INC CLASS A.....	\$	0.0%	
13.04	ALPHABET INC.....	\$	0.0%	
13.05	MICROSOFT CORP.....	\$	0.0%	
13.06	ICON PLC.....	\$	0.0%	
13.07	VISA INC- CLASS A SHARES.....	\$	0.0%	
13.08	ADOBE SYSTEMS INC.....	\$	0.0%	
13.09	ACCENTURE PLC (IRELAND).....	\$	0.0%	
13.10	ABBOTT LABORATORIES.....	\$	0.0%	
13.11	MASTERCARD INCORPORATED CL A.....	\$	0.0%	
14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:				
14.01	Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? If response to 14.01 above is yes, responses are not required for 14.02 through 14.05.			Yes [X] No []
14.02	1	2	3	
14.02	Aggregate statement value of investments held in nonaffiliated, privately placed equities.....			\$0.0%
14.03	Largest three investments held in nonaffiliated, privately placed equities:			
14.04	.....	.....	\$ .....	0.0%
14.05	.....	.....	\$ .....	0.0%
<u>Ten Largest Fund Managers</u>				
	1	2	3	4
	<u>Fund Manager</u>	<u>Total Invested</u>	<u>Diversified</u>	<u>Non-Diversified</u>
14.06	.....	\$ .....	\$ .....	\$ .....
14.07	.....	\$ .....	\$ .....	\$ .....
14.08	.....	\$ .....	\$ .....	\$ .....
14.09	.....	\$ .....	\$ .....	\$ .....
14.10	.....	\$ .....	\$ .....	\$ .....
14.11	.....	\$ .....	\$ .....	\$ .....
14.12	.....	\$ .....	\$ .....	\$ .....
14.13	.....	\$ .....	\$ .....	\$ .....
14.14	.....	\$ .....	\$ .....	\$ .....
14.15	.....	\$ .....	\$ .....	\$ .....
15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:				
15.01	Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? If response to 15.01 above is yes, responses are not required for the remainder of Interrogatory 15.			Yes [X] No []
15.02	1	2	3	
15.02	Aggregate statement value of investments held in general partnership interests.....			\$0.0%
15.03	Largest three investments in general partnership interests:			
15.04	.....	.....	\$ .....	0.0%
15.05	.....	.....	\$ .....	0.0%

See independent auditor's report on other legal and regulatory information

AMERICAN SAVINGS LIFE INSURANCE COMPANY
SCHEDULE 3 – INVESTMENT RISK INTERROGATORIES (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:
 16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets? Yes [] No [X]
 If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

		1	2	3
		<u>Type (Residential, Commercial, Agricultural)</u>		
16.02	COMMERCIAL	\$ 4,568,750		6.1 %
16.03	COMMERCIAL	\$ 4,325,000		5.7 %
16.04	RESIDENTIAL	\$ 4,000,000		5.3 %
16.05	COMMERCIAL	\$ 4,000,000		5.3 %
16.06	COMMERCIAL	\$ 3,300,000		4.4 %
16.07	COMMERCIAL	\$ 3,250,000		4.3 %
16.08	COMMERCIAL	\$ 3,024,090		4.0 %
16.09	COMMERCIAL	\$ 2,250,000		3.0 %
16.10	COMMERCIAL	\$ 1,823,685		2.4 %
16.11	COMMERCIAL	\$ 1,441,327		1.9 %

Amount and percentage of the reporting entity's total admitted assets held in the following categories of mortgage loans:

		Loans	
16.12	Construction loans	\$	0.0 %
16.13	Mortgage loans over 90 days past due	\$ 240,052	0.3 %
16.14	Mortgage loans in the process of foreclosure	\$	0.0 %
16.15	Mortgage loans foreclosed	\$	0.0 %
16.16	Restructured mortgage loans	\$	0.0 %

17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:

	<u>Loan-to-Value</u>	<u>Residential</u>		<u>Commercial</u>		<u>Agricultural</u>	
		1	2	3	4	5	6
17.01	above 95%	\$	0.0 %	\$	0.0 %	\$	0.0 %
17.02	91% to 95%	\$	0.0 %	\$	0.0 %	\$	0.0 %
17.03	81% to 90%	\$	0.0 %	\$	0.0 %	\$	0.0 %
17.04	71% to 80%	\$	0.0 %	\$ 645,492	0.9 %	\$	0.0 %
17.05	below 70%	\$ 4,527,885	6.0 %	\$ 57,043,911	75.7 %	\$	0.0 %

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:

18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets? Yes [] No [X]
 If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.

Largest five investments in any one parcel or group of contiguous parcels of real estate:

		Description	2	3
18.02	201000 935 E MAIN STREET - COMPANY OFFICE		\$ 449,852	0.6 %
18.03			\$	0.0 %
18.04			\$	0.0 %
18.05			\$	0.0 %
18.06			\$	0.0 %

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans.

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's admitted assets? Yes [X] No []
 If response to 19.01 is yes, responses are not required for the remainder of Interrogatory 19.

		1	2	3
19.02	Aggregate statement value of investments held in mezzanine real estate loans		\$	0.0 %
Largest three investments held in mezzanine real estate loans:				
19.03			\$	0.0 %
19.04			\$	0.0 %
19.05			\$	0.0 %

20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

		<u>At Year-End</u>		<u>At End of Each Quarter</u>		
		1	2	1st Qtr	2nd Qtr	3rd Qtr
				3	4	5
20.01	Securities lending agreements (do not include assets held as collateral for such transactions)	\$	0.0 %	\$	\$	\$
20.02	Repurchase agreements	\$	0.0 %	\$	\$	\$
20.03	Reverse repurchase agreements	\$	0.0 %	\$	\$	\$
20.04	Dollar repurchase agreements	\$	0.0 %	\$	\$	\$
20.05	Dollar reverse repurchase agreements	\$	0.0 %	\$	\$	\$

21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps and floors:

		<u>Owned</u>		<u>Written</u>	
		1	2	3	4
21.01	Hedging	\$	0.0 %	\$	0.0 %
21.02	Income generation	\$	0.0 %	\$	0.0 %
21.03	Other	\$	0.0 %	\$	0.0 %

See independent auditor's report on other legal and regulatory information

AMERICAN SAVINGS LIFE INSURANCE COMPANY
SCHEDULE 3 – INVESTMENT RISK INTERROGATORIES (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

	<u>At Year-End</u>		1st Qtr 3	<u>At End of Each Quarter</u>	
	1	2		4	5
22.01 Hedging.....	\$	0.0 %	\$	\$	\$
22.02 Income generation.....	\$	0.0 %	\$	\$	\$
22.03 Replications.....	\$	0.0 %	\$	\$	\$
22.04 Other.....	\$	0.0 %	\$	\$	\$

23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:

	<u>At Year-End</u>		1st Qtr 3	<u>At End of Each Quarter</u>	
	1	2		4	5
23.01 Hedging.....	\$	0.0 %	\$	\$	\$
23.02 Income generation.....	\$	0.0 %	\$	\$	\$
23.03 Replications.....	\$	0.0 %	\$	\$	\$
23.04 Other.....	\$	0.0 %	\$	\$	\$

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