



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

### ORDER ADOPTING REPORT OF EXAMINATION

I, Andrew N. Mais Insurance Commissioner of the State of Connecticut, having fully considered and reviewed the Examination Report (the "Report") of **Voya Retirement Insurance and Annuity Company** (the "Company") as of December 31, 2019, do hereby adopt the findings and recommendations contained therein based on the following findings and conclusions,

#### TO WIT:

1. I, Andrew N. Mais, as the Insurance Commissioner of the State of Connecticut, and as such is charged with the duty of administering and enforcing the provisions of Title 38a of the Connecticut General Statutes ("CGS").
2. The Company is a domestic insurer authorized to transact the business of insurance in the State of Connecticut.
3. On April 1, 2021, the verified Report of the Company was filed with the Connecticut Insurance Department ("Insurance Department").
4. In accordance with Section 38a-14(e)(3) of the CGS, the Company was afforded a period of thirty (30) days within which to submit to the Insurance Department a written submission or rebuttal with respect to any matters contained in the Report.
5. On May 7, 2021, the Company notified the Insurance Department of certain responses and comments on certain items contained in the Report.
6. Following review of the Report, it was deemed necessary and appropriate to modify the Report. A copy of the Report is attached hereto and incorporated herein as Exhibit A.

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

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

*“The secretary of the board of directors or similar governing body of the entity shall provide a copy of the report or summary to each director and shall certify to the commissioner, in writing, that a copy of the report or summary has been provided to each director.”*

Please address the certification to the commissioner but send[ing] to the care/attention of William Arfanis, Supervising Examiner, of the Financial Regulation Division.

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

*“Not later than one hundred twenty days after receiving the report or summary, the chief executive officer or the chief financial officer of the entity examined shall present the report or summary to the entity's board of directors or similar governing body at a regular or special meeting.”*

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

Dated at Hartford, Connecticut, this 12<sup>th</sup> day of May, 2021.



---

Andrew N. Mais  
Insurance Commissioner

Exhibit A

**EXAMINATION REPORT**

**OF THE**

**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY  
NAIC # 86509**

**AS OF**

**DECEMBER 31, 2019**

**BY THE**

**CONNECTICUT INSURANCE DEPARTMENT**



## TABLE OF CONTENTS

	<u>Page</u>
Salutation	1
Scope of Examination	1
History	3
Organizational Chart	5
Management and Control	5
Related Parties	7
Insurance Coverage	7
Territory and Plan of Operation	8
Reinsurance	8
Information Technology Controls	9
Accounts and Records	9
Financial Statements	10
Assets	10
Liabilities, Surplus and Other Funds	11
Summary of Operations	12
Capital and Surplus Account	13
General Interrogatories Disclosure	13
Investments	13
Aggregate Reserve for Life Contracts (General Account)	14
Aggregate Reserve for Life, Annuity and Accident and Health Contracts (Separate Accounts)	14
Liability for Deposit-Type Contracts (General Account)	14
Liability for Deposit-Type Contracts (Separate Accounts)	14
Contract Claims: Life	14
Capital and Surplus	15
Conclusion	16
Separate Accounts	16
Recommendation	17
Conclusion (Separate Accounts)	17
Subsequent Events	17
Signature	18

April 1, 2021

The Honorable Andrew N. Mais  
Commissioner of Insurance  
State of Connecticut Insurance Department  
153 Market Street, 6<sup>th</sup> Floor  
Hartford, Connecticut 06103

Dear Commissioner:

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

**VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

(hereinafter referred to as the Company), a corporation with capital stock, incorporated under the laws of the State of Connecticut and having its statutory home office and main administrative office located at One Orange Way, Windsor, Connecticut. The report of such examination is submitted herewith.

SCOPE OF EXAMINATION

The previous examination of the Company was conducted by the Financial Regulation Division of the Connecticut Insurance Department (the Department) as of December 31, 2014. The current examination, which covers the period from January 1, 2015, to December 31, 2019, was conducted remotely and at the main administrative office of the Company. As part of the examination planning procedures, the Department reviewed the following materials submitted by the Company:

- Board of Director (Board) minutes from 2015 through the latest 2020 meeting;
- statutory audit reports completed by the independent certified public accountants, Ernst & Young, LLP (E&Y) from 2015 through 2019;
- Management's Discussion and Analysis from 2015 through 2019;
- Statements of Actuarial Opinion from 2015 through 2019;
- documentation supporting Section 404 of the Sarbanes-Oxley Act of 2002 (SOX);
- Form 10K reports filed with the Securities and Exchange Commission from 2015 through 2019;
- Annual Statements from 2015 through 2019;
- reports of the Internal Audit Department from 2015 through 2019; and
- documentation supporting Management's Report of Internal Control over Financial Reporting for 2019;

## VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

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

A concurrent coordinated financial examination was conducted with Connecticut as the lead state. The following entities (The Group) and states participated in the coordinated exam:

<b>Company</b>	<b>State</b>	<b>NAIC #</b>
ReliaStar Life Insurance Company (ReliaStar)	Minnesota	67105
Security Life of Denver Insurance Company (SLD)	Colorado	68713
Midwestern United Life Insurance Company (MULIC)	Indiana	66109
ReliaStar Life Insurance Company of NY (RNY)	New York	61360

Work papers prepared by E&Y, in connection with its annual statutory audit, were reviewed and relied upon to the extent deemed appropriate.

Risk & Regulatory Consulting, LLC (RRC) was engaged by the Department to assist in the actuarial review. RRC was also engaged by the Department to conduct an evaluation of the investment holdings and to provide staff accounting services.

Jennan Enterprises, LLC (Jennan) was engaged to conduct an evaluation of the information technology (IT) controls.

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

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

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

## VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

included within the examination report but separately communicated to other regulators and/or the Company.

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

### HISTORY

The Company, founded in 1976, is a Connecticut domiciled life and health insurance company and a wholly-owned subsidiary of Voya Holdings Inc. (Voya Holdings), which changed its name from Lion Connecticut Holdings Inc. on September 1, 2014. Voya Holdings is a wholly-owned subsidiary of Voya Financial, Inc. (which changed its name from ING U.S., Inc. on April 7, 2014), a publicly traded corporation. The Company has three wholly owned, non-insurance subsidiaries: Voya Financial Partners, LLC (which changed its name from ING Financial Advisers, LLC on September 1, 2014); Voya Retirement Advisors, LLC (which changed its name from ING Investment Advisors, LLC on September 1, 2014); and Voya Institutional Plan Services, LLC (which changed its name from ING Institutional Plan Services, LLC on September 1, 2014).

Prior to May 2013, the Company's ultimate parent, Voya Financial, Inc., together with its subsidiaries, including the Company, was an indirect, wholly owned subsidiary of ING Groep N.V. (ING Groep), a global financial services holding company based in Netherlands. In 2009, ING Groep announced the anticipated separation of its global banking and insurance businesses, including the divestiture of Voya Financial, Inc., together with its subsidiaries, including the Company. On May 2, 2013, the common stock of Voya Financial, Inc. began trading on the New York Stock Exchange under the symbol "VOYA".

On May 7, 2013, and May 31, 2013, Voya Financial, Inc. completed its initial public offering of common stock, including the issuance and sale of 30,769,230, shares of common stock and the sale by ING Insurance International B.V. (ING International) (an indirect wholly owned subsidiary of ING Groep and previously the sole stockholder of Voya Financial, Inc.) of 44,201,773, shares of outstanding common stock of Voya Financial, Inc. On September 30, 2013, ING International transferred all of its remaining shares of Voya Financial, Inc. common stock to ING Groep.

On October 29, 2013, ING Groep completed a sale of 37,950,000 shares of common stock of Voya Financial, Inc. in a registered public offering, reducing ING Groep's ownership of Voya Financial, Inc. to 57%.

In 2014, ING Groep completed sales of 82,783,006 shares of common stock of Voya Financial, Inc. in three registered public offerings throughout the year. In conjunction with each of these offerings, pursuant to the terms of share repurchase agreements between ING Groep and Voya Financial, Inc., Voya Financial, Inc. acquired 19,447,847 shares of its common stock from ING Groep. Upon completion of these transactions, ING Groep's ownership of Voya Financial, Inc. was reduced to approximately 19%.

On March 9, 2015, ING Groep completed a sale of 32,018,100 shares of common stock of Voya Financial, Inc. in a registered public offering. Also on March 9, 2015, pursuant to the terms of a share repurchase agreement between ING Groep and Voya Financial, Inc., Voya Financial, Inc.

## VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

acquired 13,599,274 shares of its common stock from ING Groep. Upon completion of these transactions, ING Groep had exited its stake in Voya Financial, Inc. common stock. ING Groep continues to hold warrants to purchase up to 26,050,846 shares of Voya Financial, Inc. common stock at an exercise price of \$48.75, in each case subject to adjustments. As a result of the completion of these transactions, ING Groep had satisfied the provisions of its agreement with the European Union regarding the divestment of its U.S. insurance and investment operations, which required ING Groep to divest 100% of its ownership interest in Voya Financial, Inc. together with its subsidiaries, including the Company, by the end of 2016.

On June 1, 2018, Voya Financial, Inc., consummated a series of transactions (collectively, the "2018 Transaction") pursuant to a Master Transaction Agreement with VA Capital Company LLC (VA Capital) and Athene Holding Ltd. (Athene). As part of the 2018 Transaction, Venerable Holdings, Inc. (Venerable), a wholly owned subsidiary of VA Capital, acquired two of Voya Financial, Inc.'s subsidiaries, Voya Insurance and Annuity Company (VIAC) and Directed Services, LLC (DSL). VIAC and other Voya Financial, Inc. subsidiaries reinsured to Athene substantially all of their fixed and fixed indexed annuities business. In connection with the 2018 Transaction, VIAC and another Voya Financial, Inc. subsidiary engaged in a series of reinsurance arrangements pursuant to which Voya Financial, Inc. and its subsidiaries, other than VIAC, retained VIAC's businesses other than fixed and variable annuities and fixed indexed annuities. The 2018 Transaction resulted in the disposition of substantially all of Voya Financial Inc.'s closed block variable annuity and annuities businesses.

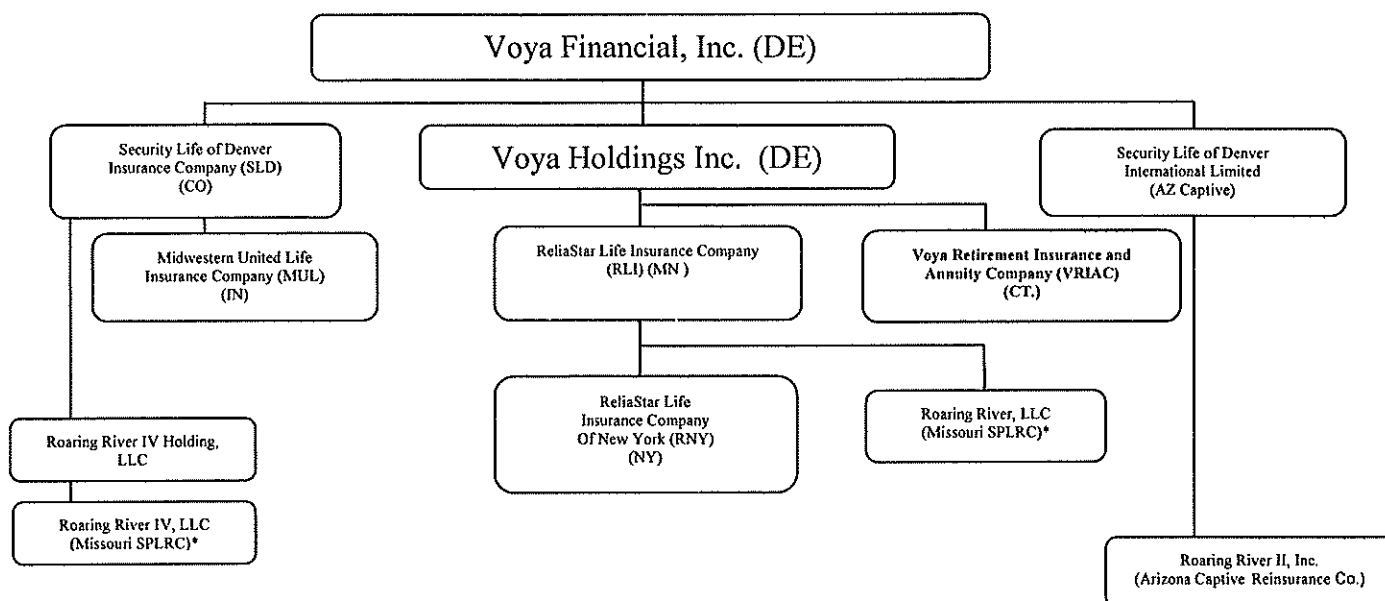
On January 4, 2021, Voya Financial, Inc., consummated a series of transaction (collectively, the "Individual Life Transaction") pursuant to a Master Transaction Agreement dated December 18, 2019 (the "Resolution MTA") with Resolution Life U.S. Holding Inc. (Resolution Life US) pursuant to which Resolution Life US acquired all of the shares of the capital stock of SLD and Security Life of Denver International Limited (SLDI) as well as several subsidiaries of SLD and one subsidiary of SLDI. As part of the Individual Life Transaction, Voya Financial, Inc. reinsured to SLD certain in scope individual life insurance and annuities business of several of the Company's affiliates, including a 100% quota share of the Company's in-scope individual life and annuity business. The Company remains a subsidiary of Voya Financial, Inc. This transaction resulted in the disposition of all of Voya Financial, Inc.'s life insurance and legacy non-retirement annuity businesses and related assets. As of January 4, 2021, SLD and SLDI as well as several subsidiaries of SLD and one subsidiary of SLDI are no longer affiliates of the Company.



# VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

## ORGANIZATIONAL CHART

The following is the Company's organizational chart as of December 31, 2019:



## MANAGEMENT AND CONTROL

The bylaws of the Company, as amended and restated as of September 1, 2014, require the annual meeting of the shareholders of the Company be held each year at a time and place designated by the Board. Special meetings of the shareholders may be called by the chairman, the Board acting upon a majority vote, the president, or secretary of the Company. A quorum at any meeting of the shareholders shall consist of the number of shareholders holding a majority of the shares of each class of outstanding voting stock, present in person or represented by proxy.

The bylaws provide that the affairs, property and business of the Company be managed by a Board consisting of not less than five and not more than fifteen directors. Directors elected to the Board may hold office for the term for which he was elected, until the successor has been duly elected and qualified, or until his earlier resignation or removal. Regular meetings of the Board are held at periodic intervals at any place and date as the Board may designate. Special meetings of the Board may be called by the chairman, or any other member of the Board, the president, or the secretary. A majority of the entire Board currently holding office shall constitute a quorum for the transaction of business.

The Board may, at its discretion, appoint one or more committees consisting of two or more members of the Board. The duties and responsibilities of each committee so appointed shall be determined in accordance with customary corporate practice and as more specifically set forth in the Board resolution creating such committee and in the charter of such committee which must be approved by the Board.

## VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

Members of the Board serving the Company at December 31, 2019, were as follows:

<u>Name</u>	<u>Title and Principal Business Affiliation</u>
Rodney O. Martin, Jr.	Chairman of the Board, Voya Financial, Inc.
William T. Bainbridge	Senior Vice President, Voya Retirement Insurance and Annuity Company
Anthony J. Brantzeg	Senior Vice President, Voya Retirement Insurance and Annuity Company
Charles P. Nelson	President, Voya Retirement Insurance and Annuity Company
Michael S. Smith	Executive Vice President and Chief Risk Officer, Voya Financial, Inc.

The executive officers serving the Company at December 31, 2019, were as follows:

<u>Name</u>	<u>Title</u>
Charles P. Nelson	President
David S. Pendergrass	Senior Vice President and Treasurer
Melissa A. O'Donnell	Secretary
Kyle A. Puffer	Vice President and Appointed Actuary
William T. Bainbridge	Senior Vice President
Carlo Bertucci	Senior Vice President and Chief Tax Officer
Anthony J. Brantzeg	Senior Vice President
C. Landon Cobb, Jr.	Senior Vice President and Chief Accounting Officer
Miles R. Edwards	Senior Vice President
Howard F. Greene	Senior Vice President
William S. Harmon	Senior Vice President
Heather H. Lavallee	Senior Vice President

## VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

Francis G. O'Neill	Senior Vice President and Chief Financial Officer
Justin Smith	Senior Vice President and Deputy General Counsel
Michael S. Smith	Executive Vice President and Chief Risk Officer
Matthew Toms	Senior Vice President
Patricia J. Walsh	Executive Vice President
Jean Weng	Senior Vice President and Assistant Secretary

### RELATED PARTIES

#### Investment Management and Administration Agreements

The Company is party to an investment advisory agreement with Voya Investment Management LLC (VIM), under which VIM provides the Company with asset management, administrative and accounting services for the Company's general account. The Company is also a party to an administrative services agreement with VIM, under which VIM provides the Company with asset liability management services. The Company has entered into an investment advisory, management and support services agreement with VIM under which VIM provides the Company with investment advisory services and investment management services with respect to the Company's Stabilizer Separate Accounts.

#### Cost Sharing Agreements

The Company is party to a number of management and service contracts and cost sharing arrangements with other affiliated Voya Financial, Inc. companies. Expenses are allocated among companies in accordance with normal generally accepted expense and cost allocation methods.

#### Services Agreements

The Company is party to a number of services agreements with its affiliated insurance companies and certain other affiliates whereby the affiliated insurers provide certain administrative, management, professional, advisory, marketing, consulting, and other services to each other.

#### Tax Sharing Agreements

The Company entered into a Federal Income Tax Sharing Agreement with members of its affiliated group as defined in Section 1504 of the Internal Revenue Code of 1986. In addition, the Company entered into a state tax sharing agreement with certain affiliates.

### INSURANCE COVERAGE

The Company's parent, Voya Financial Inc., maintains both financial institution bond (fidelity) and a professional liability (E&O) policies, which are combined together by the lead insurer (Chubb) for the first \$50MM. After the first \$50MM, various insurers comprise the excess "towers" to reach the respective policy limits (\$100MM for E&O and \$75MM for fidelity).

## VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

In addition to the fidelity insurance policy, Voya Financial Inc. maintains various other insurance coverages including but not limited to; property, foreclosed property, network security, workers' compensation, and general liability.

### TERRITORY AND PLAN OF OPERATION

The restated certificate of incorporation states that the business of the Company shall be life insurance, endowments, annuities, accident insurance, health insurance, and any other business or type of business of a Connecticut licensed life insurance company, to accept and cede reinsurance, and to engage in any lawful activity for which a stock insurance corporation may be formed.

The Company is licensed to write business in all 50 states, the District of Columbia and the U.S. territories of Guam, Puerto Rico and the U.S. Virgin Islands.

The Company offers qualified and non-qualified deferred and immediate annuity contracts and funding agreements for individuals and employer-sponsored retirement plans with various funding and payout options, as well as nonqualified deferred compensation plans and related services and investment options.

The Company's products are generally distributed through pension professionals, independent agents and brokers, third-party administrators, banks, and registered representatives of broker-dealers of Voya Financial Advisors, Inc., a wholly-owned subsidiary.

### REINSURANCE

#### Assumed Reinsurance Program

On October 1, 1998, the Company entered into a coinsurance agreement with Aetna Life Insurance Company (ALIC) to assume all of ALIC's non-participating individual life insurance business and settlement annuities on participating individual life insurance.

#### Ceded Reinsurance Program

The Company has a significant concentration of reinsurance arising from the disposition of its individual life insurance business. On October 1, 1998, the Company entered into an indemnity reinsurance arrangement with Lincoln Life and Annuity Company (Lincoln), a subsidiary of Lincoln National Corporation. Effective March 1, 2007, Lincoln established a trust to secure its obligations to the Company under the reinsurance transaction.

In 2012, the Company entered into a reinsurance agreement with its affiliate, SLDI to reinsure a portion of its deferred annuities business. Under the terms of the reinsurance agreement, the Company reinsures to SLDI, on an indemnity reinsurance basis, a quota share of its liabilities on the covered contracts.

On March 26, 2020, the Company entered into a Recapture and Termination Agreement with SLDI. VRIAC recaptured 100% of the liabilities and obligations arising under or related to the annuities ceded and retroceded by the Company to SLDI.

## VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

In 2014, the Company entered in to a coinsurance agreement with a newly formed affiliate, Langhorne I, LLC (LHI), to mitigate the volatility and capital strain from reserves in connection with a portion of the Company Stabilizer and Managed Custody Guarantee business. On February 23, 2018, the Company entered into a Recapture and Termination Agreement with LHI to recapture 100% of the liabilities ceded to LHI under the Reinsurance Agreement. The Recapture and Termination Agreement became effective as of January 1, 2018. LHI was dissolved on March 2, 2020.

### INFORMATION TECHNOLOGY CONTROLS

Jennan performed an evaluation of the IT controls in accordance with the guidelines and procedures set forth in Exhibit C (Exhibit C) Evaluation of Controls in Information Technology of the Handbook.

Jennan's objectives were to determine whether IT resources align with the Company's objectives and to ensure that significant risk (strategic, operational, reporting, and compliance) arising out of its IT environment was appropriately mitigated by strategies and controls as outlined in the Handbook's Exhibit C Part Two – Evaluation of Controls in IT.

The objectives above were achieved through a combination of reviewing the Company's policies and procedures, testing in key areas related to Exhibit C, interviewing the Company's IT senior management, reviewing IT risk assessment processes, and leveraging the risk assessment procedures performed by the Company's Financial Risk Control Group and by E&Y.

Based upon the risk-focused assessment and review, no material findings were noted which would have a significant effect on the annual statement. As a result of this review, it was determined that the IT general controls at the Company are effective.

### ACCOUNTS AND RECORDS

As of December 31, 2019, the Company utilized PeopleSoft as its general ledger system. The Company uses "WINGS", an Eagle Technology Management statutory annual statement package for the preparation of its annual statement. The Company utilizes multiple systems which feed into PeopleSoft.

General ledger account balances were reconciled and traced to the amounts reported in the annual statement for 2019. Further detail analyses were performed on the individual accounts throughout the examination.

VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

FINANCIAL STATEMENTS

The following statements represent the Company's financial position, as filed by the Company as of December 31, 2019. No adjustments were made to surplus as a result of the examination.

ASSETS

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$24,250,133,720		\$24,250,133,720
Preferred stocks	183,228,114		183,228,114
Common stocks	60,795,034		60,795,034
Mortgage loans on real estate:			
First liens	4,664,148,278		4,664,148,278
Real Estate:			
Properties occupied by the company	60,047,648		60,047,648
Cash, cash equivalents and short-term investments	530,683,014		530,683,014
Contract loans	247,143,544	\$276,518	246,867,027
Derivatives	341,022,063		341,022,063
Other invested assets	1,054,383,385		1,054,383,385
Receivable for securities	7,619,904		7,619,904
Securities lending reinvested collateral assets	640,830,659		640,830,659
Aggregate write-ins for invested assets	28,263		28,263
Subtotals, cash and invested assets	32,040,063,627	276,518	32,039,787,110
Investment income due and accrued	269,822,976		269,822,976
Premiums and considerations:			
Uncollected premiums and agents balances in course of collections	(49,751,304)		(49,751,304)
Reinsurance:			
Amounts recoverable from reinsurers	1,683,931		1,683,931
Other amounts receivable under reinsurance Contracts	50,132,927		50,132,927
Current federal and foreign income tax recoverable	9,493,357		9,493,357
Net deferred tax asset	233,767,406		233,767,406
Guaranty funds receivable or on deposit	8,718,173		8,718,173
Electronic data processing equipment and software	16,159	16,159	0
Receivables from parent, subsidiaries and affiliates	34,434,233	4,996	34,429,237
Health care and other amounts receivable	98,434	98,434	0
Aggregate write-ins for other than invested assets	304,119,200	21,605,647	282,513,553
Total assets excluding Separate Accounts	32,902,599,120	22,001,754	32,880,597,366
From Separate Accounts	79,367,838,357		79,367,838,357
Totals	<u>\$112,270,437,476</u>	<u>\$22,001,754</u>	<u>\$112,248,435,722</u>

VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

Aggregate reserve for life contracts	\$26,941,951,876
Liability for deposit-type contracts	1,097,899,903
Contract claims: Life	29,237
Contract liabilities not included elsewhere:	
Other amounts payable on reinsurance	1,109,857
Interest Maintenance Reserve	57,907,774
Commissions to agents due or accrued	1,742,307
General expenses due or accrued	130,132,204
Transfers to Separate Accounts due or accrued	(47,564,194)
Taxes, licenses and fees due or accrued	5,815,822
Amounts withheld or retained by company as agent or trustee	38,749,844
Amounts held for agents' account	28,779
Remittances and items not allocated	7,088,579
Borrowed money and interest thereon	4,042,213
Miscellaneous liabilities:	
Asset valuation reserve	355,299,825
Funds held under reinsurance treaties with unauthorized and certified reinsurers	958,328,709
Payable to parent, subsidiaries and affiliates	87,993,685
Derivatives	190,808,951
Payable for securities	3,012,075
Payable for securities lending	640,830,659
Aggregate write-ins for liabilities	400,517,078
Total liabilities excluding Separate Accounts business	30,875,725,185
From Separate Accounts Statement	79,367,838,357
Total liabilities	110,243,563,541
Common capital stock	2,750,000
Aggregate write-ins for other than special surplus funds	124,544,100
Gross paid in and contributed surplus	1,520,347,602
Unassigned funds (surplus)	357,230,479
Surplus	2,002,122,181
Total capital and surplus	2,004,872,181
Total liabilities and surplus	<u>\$112,248,435,722</u>

VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

SUMMARY OF OPERATIONS

Premiums and annuity considerations	\$12,351,614,690
Considerations for supplementary contracts with life contingencies	3,852,089
Net investment income	1,506,610,777
Amortization of Interest Maintenance Reserve	(18,118,182)
Commissions and expense allowances on reinsurance ceded	16,515,399
Reserve adjustments on reinsurance ceded	112,662,491
Miscellaneous Income:	
Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	380,985,917
Aggregate write-ins for miscellaneous income	277,774,143
Totals	14,631,897,324
Annuity benefits	531,111,578
Surrender benefits and withdrawals for life contracts	14,617,468,352
Interest and adjustments on contract or deposit-type contract funds	(19,947,386)
Payments on supplementary contracts with life contingencies	9,549,588
Increase in aggregate reserves for life and accident and health contracts	226,104,687
Totals	15,364,286,820
Commissions on premiums, annuity considerations, and deposit-type contract funds	256,342,304
Commissions and expense allowances on reinsurance assumed	16,248
General insurance expenses	558,272,562
Insurance taxes, licenses and fees	22,393,375
Net transfers to or (from) Separate Accounts	(1,991,871,109)
Aggregate write-ins for deductions	14,724,131
Totals	14,224,164,331
Net gain from operations before dividends to policyholders and federal income taxes	407,732,993
Dividends to policyholders	0
Net gain from operations after dividends to policyholders and before federal income taxes	407,732,993
Federal and foreign income taxes incurred	50,970,121
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses)	356,762,872
Net realized capital gains or (losses) less capital gains tax	(31,287,563)
Net income	<u>\$325,475,309</u>



VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

CAPITAL AND SURPLUS ACCOUNT

Capital and surplus, December 31, prior year	\$2,000,020,992
Net income	325,475,309
Change in net unrealized capital gains (losses)	49,677,452
Change in net unrealized foreign exchange capital gain (loss)	(446,068)
Change in net deferred income tax	12,131,934
Change in nonadmitted assets	(6,021,522)
Change in asset valuation reserve	(70,459,783)
Surplus adjustment:	
Paid in	99,476,561
Change in surplus as a result of reinsurance	(5,414,962)
Dividends to stockholders	(396,000,000)
Aggregate write-ins for gains and losses in surplus	(3,567,723)
Net change in capital and surplus for the year	4,851,189
Capital and surplus, December 31, current year	<u>\$2,004,872,181</u>

GENERAL INTERROGATORIES DISCLOSURE

Pomona Management, LLC was not listed as an investment adviser in the General Interrogatories of the Annual Statement. The NAIC Annual Statements for Life, Accident & Health/Fraternal Instructions (Instructions) states that “all investment advisors, investment managers and broker/dealers, including individuals who have the authority to make investment decisions on behalf of the reporting entity” are required to be disclosed. It is recommended that the Company disclose all investment advisors, managers and broker/dealers in accordance with the Instructions.

INVESTMENTS

RRC assisted in an evaluation of investment risk management practices and procedures of the Company, as of December 31, 2019.

Investments of the Group are managed by VIM. The largest components of the investment portfolio are corporate bonds, commercial mortgage loans, agency residential mortgage-backed securities, and U.S. government bonds (including municipals). The corporate level enterprise risk management (ERM) functions provide oversight of VIM’s portfolio management. ERM functions such as asset liability management, market risk and credit risk are centralized at the corporate level. ERM personnel are embedded within the VIM portfolio management group.

The Board exercises its investment related risks and oversight function through its Management Executive Committee and the Voya Risk Committee. The Group maintains a formal and extensive framework of senior management risk committees that manage and oversee the ERM program and various investment related risks such as interest rate, equity, credit, market, liquidity, counterparty and hedging risks.

## VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

The scope of the review by RRC included, but was not limited to:

- a review of the Group's process to properly value its investments portfolio;
- an assessment of the Group's corporate governance structure, including its ERM related to investment risks;
- a review and evaluation of the Group's general risk management practices and processes related to investment risks, including asset-liability management, credit, market, liquidity, interest rate, counterparty, currency, hedging and other significant investment-related risks;
- an assessment of the Group's use of derivatives (including interest rate, equity market, credit default, and currency contracts, including swaps, futures, forwards, caps, floors and options, etc.) and its related hedging programs including its determination of hedge effectiveness;
- review and evaluation of the Group's process for valuing investments, especially methodologies and assumptions used to price securities internally and to make other-than-temporary impairment decisions;
- an Investment Portfolio Analysis of both the General Account and Separate Account, primarily to identify investment risks to the Company; and
- interviews with the Company's key investment executives.

The Company's investment related risk management practices, including the corporate governance framework, ERM processes, documented policies and risk limits, hedging strategies and compliance monitoring, adequately address investment risks.

<u>AGGREGATE RESERVE FOR LIFE CONTRACTS (General Account)</u>	<u>\$26,941,951,876</u>
<u>AGGREGATE RESERVE FOR LIFE, ANNUITY AND</u>	
<u>ACCIDENT AND HEALTH CONTRACTS (Separate Accounts)</u>	<u>\$79,062,501,596</u>
<u>LIABILITY FOR DEPOSIT-TYPE CONTRACTS (General Account)</u>	<u>\$1,097,899,903</u>
<u>LIABILITY FOR DEPOSIT-TYPE CONTRACTS (Separate Accounts)</u>	<u>\$49,858,842</u>
<u>CONTRACT CLAIMS: LIFE (General Account)</u>	<u>\$29,237</u>

RRC conducted an assessment of the Group's reserving, pricing, reinsurance and liquidity risks, as of December 31, 2019. Consistent with the risk focused surveillance approach to the examination, RRC relied upon analyses and tests documented by the Group and in the work papers of E&Y. Reviews of the Group's primary lines of business were conducted to determine whether the Group's reserves were established in accordance with minimum standards for the valuation of liabilities specified in the Actuarial Guidelines and applicable Actuarial Standards of Practice. In performing the reserve review and analysis, RRC conducted the following:

- reviewed/analyzed statutory Annual Statements including Separate Account from the period 2015 through 2019, with relative emphasis on the later years;
- met with the Group's management to understand the business of the Group, its procedures governing actuarial calculations, its approach to risk management, and its likely areas of financial and business risk;
- reviewed tests performed and conclusions reached by the Group's actuaries and its independent auditors;

## VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

- reviewed experience study information compiled and provided by the Group in support of major assumptions used in the asset/liability analysis; and
- reviewed and analyzed the Group's Statement of Actuarial Opinion and Actuarial Memorandum (AOM) from the years covered under the examination, with relative emphasis on the later years; and
- met with the Group's management responsible for reserving and asset adequacy analysis.

### Assessment of Reserve and Pricing Risk

RRC conducted a review to form a conclusion regarding the risk that actual losses or other contractual payments reflected in the corresponding reserves were greater than the carried liabilities. In addition, RRC reviewed the risk that pricing and/or underwriting practices are inappropriate for risks assumed.

### Liquidity Risk

RRC conducted testing to form a conclusion regarding the ability of the Group to meet contractual obligations as they become due.

### Conclusion

Based upon the risk-based assessment and review, no material findings were noted with respect to the Group's reserving, pricing, reinsurance and liquidity risks.

### CAPITAL AND SURPLUS

\$2,004,872,181

The reconciliation of surplus for the period under examination, January 1, 2015, through December 31, 2019, was as follows:

Surplus, as of December 31, 2014	\$ 2,007,887,266
Net income	1,481,070,320
Change in net unrealized capital gains (losses)	64,611,894
Change in net unrealized foreign exchange gains (losses)	(769,924)
Change in net deferred income tax	(174,770,784)
Change in nonadmitted assets and related items	109,765,083
Change in reserve on account of change in valuation basis	383,448
Change in asset valuation reserve	(104,371,862)
Surplus (contributed to)/withdrawn from Separate Accounts during period	75,000,000
Other changes in surplus in Separate Accounts statements	(73,790,572)
Cumulative effect of changes in accounting principles	202,763
Surplus adjustment – paid in	99,476,551
Surplus adjustment – change in surplus as a result of reinsurance	(90,322,602)
Dividends to stockholders	(1,386,000,000)
Aggregate write-ins for gains and losses in surplus	<u>(3,499,400)</u>
Surplus, December 31, 2019	<u>\$2,004,872,181</u>

As indicated above, changes to the Company's policyholder surplus over the exam period were largely due from results of operations and payment of ordinary dividends to stockholders.

VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

CONCLUSION

As of December 31, 2019, the Company reported admitted assets of \$112,248,435,722, liabilities of \$110,243,563,541, and capital and surplus of \$2,004,872,181. During the period under examination, admitted assets increased \$22,994,953,167, liabilities increased \$22,997,968,252, and capital and surplus decreased \$3,015,085.

SEPARATE ACCOUNTS

Under the authority granted by Section 38a-459 of the CGS, the Company has established separate accounts to which it allocates certain amounts received under variable and fixed pension, retirement and profit-sharing plans and certain forms of life insurance business. The allocation is in accordance with the provisions of Section 38a-433 of the CGS. The Company, through its general and separate accounts, offers deferred compensation and investment services to individuals and employer sponsored defined benefit and defined contribution pension and retirement plans. Compensation is earned in the form of investment management fees, investment margin and asset value expense charges.

The following exhibit summarizes the balance sheet of the insulated separate accounts as of December 31, 2019:

ASSETS

	<b>General Account Basis</b>	<b>Fair Value Basis</b>	<b>Total</b>
Bonds		\$7,476,238,653	\$7,476,238,653
Stocks:			
Preferred stocks		1,870,052	1,870,052
Common stocks		71,167,166,194	71,167,166,194
Mortgage loans on real estate		80,969,568	80,969,568
Cash and cash equivalents		364,640,800	364,640,800
Short-term investments		140,072,587	140,072,587
Derivatives		1,193,928	1,193,928
Securities lending reinvested collateral assets		8,771,900	8,771,900
Investment income due and accrued		37,173,394	37,173,394
Receivables for securities		68,227,387	68,227,387
Aggregate write-ins for other than invested assets		21,513,893	21,513,893
Totals		<u>\$79,367,838,357</u>	<u>\$79,367,838,357</u>

VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

LIABILITIES AND SURPLUS

	General Account Basis	Fair Value Basis	Total
Aggregate reserve for life, annuity and accident and health contracts		\$79,062,501,596	\$79,062,501,596
Liability for deposit-type contracts		49,858,842	49,858,842
Investment expenses due and accrued		3,850,674	3,850,674
Other transfers to general account due or accrued		47,564,194	47,564,194
Derivatives		8,617,575	8,617,575
Payable for securities		185,462,904	185,462,904
Payable for securities lending		8,771,900	8,771,900
Aggregate write-ins for liabilities		1,210,671	1,210,671
Total liabilities		<u>79,367,838,357</u>	<u>79,367,838,357</u>
Total Surplus		0	0
Totals		<u>\$79,367,838,357</u>	<u>\$79,367,838,357</u>

RECOMMENDATION

PAGE

13 GENERAL INTERROGATORIES DISCLOSURE

It is recommended that the Company disclose all investment advisors, managers and broker/dealers in accordance with the Instructions.

CONCLUSION (Separate Accounts)

As of December 31, 2019, the Company reported Separate Accounts admitted assets of \$79,367,838,357, liabilities of \$79,367,838,357, and capital and surplus of \$0. During the period under examination, admitted assets increased \$15,711,800,700, liabilities increased \$15,785,591,270, and capital and surplus decreased \$73,790,570.

SUBSEQUENT EVENTS

- The COVID-19 pandemic has continued to develop throughout 2020 and 2021, with significant uncertainty remaining regarding the full effect of COVID-19 on the U.S. and global insurance and reinsurance industry. At the time of releasing this report, the examination's noted no significant financial impact to the Company as result of COVID – 19. The Department has been in communication with the Company regarding the impact of COVID-19 on its business operations and financial position including its Pandemic Influenza & Disease Outbreak Plan. The Department will continue to closely monitor the impact of the pandemic on the Company and will take necessary action if a solvency concern arises.
- On December 18, 2019, the Company entered into a Resolution MTA with Resolution Life US. The transaction closed on January 4, 2021.

VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

SIGNATURE

In addition to the undersigned: Lisa Pagliaro, AFE; Grace Jiang, CFE; Chiffon King, AFE; Kent Krajick, CFE; Ellen McCarthy, AFE; William Arfanis, CFE, FLMI; Kenneth Roulier, AFE, CISA, AES; William Tacy, CFE, CIA, CISA, FLMI; Wanchin Chou, FCAS, MAAA, CPCU, CSPA; Manuel V. Hidalgo, FSA, MAAA, CFA; Lei Rao-Knight, FSA, MAAA of the Department; and the consulting firms of Jennan and RRC participated in this examination.

I, Wayne Shepherd, do solemnly swear that the foregoing report of examination is hereby represented to be a full and true statement of the condition and affairs of the subject insurer as of December 31, 2019, to the best of my information, knowledge and belief.

Respectfully submitted,

Wayne Shepherd  
Wayne Shepherd, CFE  
Insurance Certified Financial Examiner  
State of Connecticut  
Insurance Department

State of Connecticut                      ss

County of Hartford

Subscribed and sworn before me, Jane J. Murphy, Notary Public/Commissioner of the Superior Court, on this 8<sup>TH</sup> day of April, 2021.

Jane J. Murphy  
Notary Public/Commissioner of the Superior Court

My Commission Expires July 31, 2023

**JANE J. MURPHY**  
**NOTARY PUBLIC**  
**MY COMMISSION EXPIRES JULY 31, 2023**

