



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 **C.M. Life Insurance 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 May 28, 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 June 13, 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 16th day of June, 2021.



Andrew N. Mais
Insurance Commissioner

Exhibit A

EXAMINATION REPORT

OF THE

C.M. LIFE INSURANCE COMPANY
(NAIC # 93432)

AS OF

DECEMBER 31, 2019

BY THE

CONNECTICUT INSURANCE DEPARTMENT



C.M. LIFE INSURANCE COMPANY

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May 28, 2021

The Honorable Andrew N. Mais
Insurance Commissioner
State of Connecticut Insurance Department
153 Market Street
Hartford, CT 06103

Dear Commissioner:

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

C.M. LIFE INSURANCE COMPANY

(hereinafter referred to as the Company or CML), a capital stock corporation incorporated under the laws of the State of Connecticut and having its main administrative office located at 1295 State Street, Springfield, MA. The report of such examination is submitted herewith.

C.M. LIFE INSURANCE COMPANY

SCOPE OF EXAMINATION

The previous examination of the Company was conducted as of December 31, 2014. The current examination, which covers the subsequent five year period, through December 31, 2019, was conducted virtually, on a full scope, comprehensive basis, in accordance with the procedures outlined in the National Association of Insurance Commissioners (NAIC) Financial Examiners Handbook (the Handbook) by the Connecticut Insurance Department (the Department). A concurrent examination was conducted on MML Bay State Life Insurance Company (MML). The State of Massachusetts Division of Insurance (MADOI) also concurrently conducted a financial examination of Massachusetts Mutual Life Insurance Company (MassMutual).

As a part of the examination planning procedures, the Department reviewed the following documentation submitted by the Company:

- The 2015 through 2019 statutory-basis audit reports by KPMG, LLP (KPMG), the Company's independent certified public accountants;
- Management's Discussion and Analysis from 2015 through 2019;
- Annual Statements filed with the Department from 2015 through 2019;
- Documentation supporting internal control processes and/or testing in 2019, or earlier if applicable and available;
- Minutes of the Board of Directors (Board), Committees to the Board, custodial agreements, and other documents related to significant transactions that require prior approval, or requests for deviations from the NAIC Accounting Practices and Procedures Manual (Manual); and
- A review of the statutory audit opinions, which indicated no material concerns, with respect to financial condition or regulatory compliance issues.

A comprehensive review was made of the pre-examination memorandum and other documents provided by or submitted to the Financial Analysis Unit of the Department. Examination Jumpstart and other financial reports obtained from the NAIC database were also reviewed.

Work papers prepared by KPMG, as of December 31, 2019, in connection with their annual statutory audits, were reviewed and relied upon to the extent deemed appropriate.

We conducted our examination in accordance with the 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 insurers 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.

C.M. LIFE INSURANCE COMPANY

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

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

HISTORY

The Company was incorporated on April 25, 1980, by Special Act 81-2 of the Connecticut General Assembly, as a wholly owned subsidiary of the Connecticut Mutual Life Insurance Company (CMLIC). It commenced business on May 12, 1981.

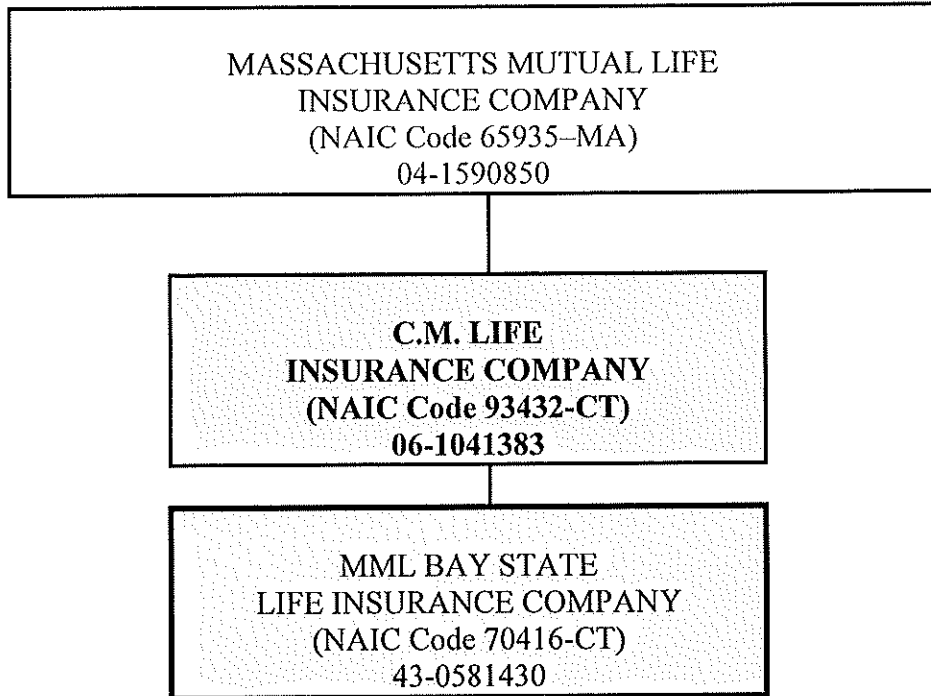
Effective March 1, 1996, the Company became a wholly owned subsidiary of MassMutual as a result of the merger of CMLIC and MassMutual.

Effective August 29, 2002, the Commissioner of the Department approved the contribution by Mass Mutual all its shares of MML to the Company.

C.M. LIFE INSURANCE COMPANY

ORGANIZATIONAL CHART

A partial organizational chart of the insurance holding company system at the end of the examination period is as follows:



MANAGEMENT AND CONTROL

The Company is a member of an insurance holding company system, as defined in Sections 38a-138.1 to 38a-138.1b of the Connecticut Insurance Regulations (Regulations) and Section 38a-135 of the CGS.

The bylaws of the Company provide that an annual meeting of the shareholders for the election of Directors, and for the transaction of such other business, shall be held on any day during the first quarter of each calendar year.

Special meetings of the shareholders may be called for any purpose, at any time, by a majority of the Directors, the President or Secretary, and must be called by the President or Secretary upon written request of the holders of the outstanding shares entitled to vote at such special meetings.

The presence, in person or by proxy, of the holders of 30% of the outstanding shares entitled to vote, shall be necessary to constitute a quorum for the transaction of business at all meetings of the shareholders.

C.M. LIFE INSURANCE COMPANY

The Board shall consist of not less than three or more than nine persons. The number of Directors may be changed by an amendment to the bylaws, adopted by the shareholders. Directors are elected at the annual meeting of the shareholders by a plurality vote.

The Board shall meet for the election or appointment of officer's and for the transaction of any business, as soon as practicable after the adjournment of the annual meeting of the shareholders. Other regular meetings of the Board shall be held at such time as the Board may from time to time determine. Special meetings of the Board may be called by the President or any two Directors.

At any meeting of the Board, the presence of a majority of the Board shall be necessary to constitute a quorum for the transaction of business.

Directors serving the Company at December 31, 2019, were as follows:

<u>Name</u>	<u>Title and Principal Business Affiliation</u>
Roger W. Crandall	Chairman, President and Chief Executive Officer, Massachusetts Mutual Life Insurance Company
Michael R. Fanning	Head of MassMutual U.S., Massachusetts Mutual Life Insurance Company
Elizabeth W. Chicares	Chief Financial Officer, Massachusetts Mutual Life Insurance Company
Michael J. O'Connor	General Counsel, Massachusetts Mutual Life Insurance Company

Committees of the Board

Although not explicitly stated in the corporate bylaws regarding the designation of committees to serve the Board, the Board has designated one or more committees, which exercise the powers and authority of the Board in the management of the business and affairs of the Company. Significant committees appointed by the Board, are as follows:

MassMutual Executive Committee:

The MassMutual Executive Committee (EC) has the authority to exercise the powers of the Board during intervals between the meetings of the Board as to matters, not involving the investments of the Companies. The EC works in a consulting role with respect to corporate reorganizations, mergers, major acquisitions, capital adequacy and other identified issues in advance of formal approval by the Board.

The EC shall consist of not fewer than four members. A majority of the members shall be independent as determined by the Board in accordance with the Company's Corporate Governance Guidelines. A majority of the independent members of the EC shall constitute a quorum for the conduct of business.

C.M. LIFE INSURANCE COMPANY

The EC directors serving the Company at December 31, 2019, were as follows (Chairman in bold):

Roger W. Crandall
Isabella D. Goren

Mark T. Bertolini
Jeffrey M. Leiden

H. Todd Stitzer
William T. Spitz

MassMutual Audit Committee:

The NAIC Model Audit Rule (MAR) permits the Audit Committee (AC) for an entity that controls a group of insurers to be deemed the AC for one or more of its insurance subsidiaries. The MassMutual AC is responsible for overseeing the Connecticut domiciled insurance companies' audit responsibilities under the MAR.

The purpose of the AC is to assist the Board in its oversight of the integrity of the Company's financial statements and effectiveness of internal controls over financial reporting, compliance with legal and regulatory requirements, performance and independence of the external auditor, and the performance of the internal audit function. The AC shall consist of not fewer than four members, and a majority of the AC members shall constitute a quorum for the conduct of business.

All members of the AC are independent and do not hold management positions with the Parent or any Connecticut domiciled company. Each member of the AC is a member of the Board of Directors and is considered independent.

The AC directors serving the Company at December 31, 2019, were as follows (Chairman in bold):

Isabella D. Goren
William T. Spitz

Karen Bechtel
H. Todd Stitzer

James H. DeGraffenreidt, Jr.

MassMutual Investment Committee:

The MassMutual Investment Committee (IC) of the Board exercises supervision and control of the Company's investments and related financial matters. The IC approves investment policies and guidelines for the Company's general investment account and periodically reviews investment strategies and performance.

The IC shall consist of not fewer than four members, of which a majority shall be independent as determined by the Corporate Governance Guidelines. A majority of the independent members of the IC shall constitute a quorum for the conduct of business.

C.M. LIFE INSURANCE COMPANY

The IC directors serving the Company at December 31, 2019, were as follows (Chairman in bold):

William T. Spitz	Roger W. Crandall	Karen Bechtel
Isabella D. Goren	Kathleen A. Corbet	H. Todd Stitzer
Shelley Leibowitz		

MassMutual Technology & Governance Committee:

The MassMutual Technology & Governance Committee's (TGC) purpose is to consider and make recommendations to the Board concerning the appropriate composition, organization, operations, functions and procedures of the Board and the Board's committees. The TGC also oversees the Company's technology and digital initiatives, and reviews technology and digital trends, information security and cybersecurity risks that could have a significant impact on the Company's operations.

The TGC shall consist of not fewer than four members. All voting members of the TGC shall be independent as determined by the Board and in accordance with MassMutual's Corporate Governance Guidelines. A majority of TGC members shall constitute a quorum for the conduct of business.

The TGC directors serving the Company at December 31, 2019, were as follows (Chairman in bold):

Jeffrey M. Leiden	Roger W. Crandall	Mark T. Bertolini
Kathleen A. Corbet	Laura J. Sen	

At December 31, 2019, the executive officers of the Company, were as follows:

<u>Name</u>	<u>Title</u>
Roger W. Crandall	President and Chief Executive Officer
Akintokunbo Akinbajo	Secretary
Todd G. Picken	Treasurer
Douglas W. Taylor	Appointed Actuary
Elizabeth W. Chicares	Executive Vice President and Chief Financial Officer
Michael R. Fanning	Executive Vice President
Melvin T. Corbett	Executive Vice President

C.M. LIFE INSURANCE COMPANY

RELATED PARTY AGREEMENTS

The Company is a party to numerous related party transaction agreements. The material agreements are as follows:

Administrative Services Agreement:

The Company entered into an administrative services agreement with MassMutual on January 1, 1997 and amended February 28, 2007, whereby the Company pays a management and support services fee equal to the costs or deductions incurred by MassMutual with respect to such services rendered on behalf of the Company. The services provided to the Company include, but are not limited to, financial accounting and reporting, tax planning, human resources, computer and data processing, treasury and custodial services, investment management and legal support.

Tax Allocation Agreement:

The Company entered into a tax allocation agreement with MassMutual and its affiliated subsidiaries on January 1, 1997 and amended February 28, 2007, whereby the Company and the collective members included in the agreement file a life/non-life consolidated U.S. income tax return as to allocate the consolidated income tax liability of the group of companies (the Group) for purposes of determining the Group's tax earnings and profits. Pursuant to the agreement, the members of the Group agreed to reimburse MassMutual for payment of such tax liability, compensate any member for use of its losses or tax credits and provide for the allocation and payment of any refund arising from an overpayment or carry back or carry forward of losses or tax credits.

INSURANCE COVERAGES

The Company and its affiliates are insured by a Chubb Insurance Company fidelity bond covering all employees who have responsibility for handling or directing the recording of cash, securities or other assets as outlined in the coverage. The aggregate limit of liability during the bond period is \$30,000,000. The single loss limit of liability is \$15,000,000, and the single loss deductible is \$ 2,500,000. The aggregate limit of liability provides fidelity coverage above the prescribed minimum set forth by the schedule of suggested minimum amounts in the Handbook.

TERRITORY AND PLAN OF OPERATION

The Company is licensed to sell insurance and annuities in Puerto Rico, the District of Columbia and all states, with the exception of New York. The Certificate of Incorporation, filed in the State of Connecticut with the Secretary of State, authorizes CML to write life insurance, endowments, annuities, accident, disability and health insurance, and any other forms of insurance which any other corporation chartered by Connecticut, on an individual or group basis, on either a fixed or variable basis, and to accept and cede reinsurance.

C.M. LIFE INSURANCE COMPANY

The Company is principally engaged in the sale of life insurance and annuities, primarily flexible premium universal life insurance, corporate owned life insurance and variable annuity products through the general and separate accounts. These products are distributed through registered financial advisors, direct to consumer, and institutional and workplace solutions distribution channels.

REINSURANCE

The Company, through affiliated and non-affiliated insurers, utilizes a variety of ceded reinsurance agreements.

Affiliated Reinsurance Ceded

The Company has a stop-loss agreement with MassMutual under which the Company cedes claims, which in aggregate, exceed 1.5% of the covered volume for any year, with maximum coverage of \$25 million above the aggregate limit. The aggregate limit was not exceeded in any of the years covered under the examination period.

In addition, the Company has coinsurance agreements with MassMutual whereby the Company cedes substantially all of the premium on certain universal life policies.

Non-affiliated Reinsurance Ceded

The Company has predominantly automatic yearly renewal term reinsurance agreements for its universal and term products with various companies. These policies are reinsured on a first dollar quota share basis, which varies by agreement.

INFORMATION TECHNOLOGY CONTROLS

Baker Tilly Virchow Krause, LLP (Baker Tilly) was engaged by the MADOI to perform a risk-based assessment and review of IT General Controls (ITGC's) in accordance with NAIC requirements as outlined in the Handbook. The guidance and direction used to perform the review of the ITGC's was derived from Exhibit C Part One – Information Technology Planning Questionnaire (ITPQ) and Exhibit C - Part Two – Information Technology Work Program (collectively Exhibit C). The Company's responses to the ITPQ were evaluated, and certain controls within the IT environment were tested to assess whether the selected controls were designed effectively and were functioning properly.

The evaluation of IT controls focused on the following areas: management and organizational governance; data processing infrastructure; program change controls; system development controls; logical and physical security; and business continuity plans.

Based upon the risk-based assessment and review, the IT general controls were determined to be effective.

C.M. LIFE INSURANCE COMPANY

ACCOUNTS AND RECORDS

General ledger account balances for the Company were reconciled and traced to the amounts reported in the annual statement and audited statutory financial statements issued by KPMG. Further detailed analyses were also performed on individual accounts as deemed appropriate for this risk-focused examination.

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

Account Description	Assets	Non-admitted Assets	Net Admitted Assets
Bonds	\$3,809,562,902		\$3,809,562,902
Stocks:			
Preferred stocks	7,389,131		7,389,131
Common stocks	314,411,333		314,411,333
Mortgage loans on real estate:			
First liens	933,021,597		933,021,597
Cash, cash equivalents and short-term investments	463,125,060		463,125,060
Contract loans	151,026,772		151,026,772
Derivatives (Schedule DB)	532,927,762		532,927,762
Other invested assets (Schedule BA)	160,933,329	\$344,077	160,589,252
Receivables for securities	316,164,809		316,164,809
Investment income due and accrued	96,761,485	3,930,524	92,830,961
Premiums and considerations:			
Uncollected premiums and agents' balances in the course of collection	264,515	8,585	255,930
Deferred premiums and agents' balances	(16,510,239)		(16,510,239)
Reinsurance:			
Amounts recoverable from reinsurers	25,781,891		25,781,891
Other amounts receivable under reinsurance contracts	5,827,273		5,827,273
Current federal and foreign income tax recoverable	1,946,617		1,946,617
Net deferred tax asset	72,585,375	42,951,582	29,633,793
Guaranty funds receivable or on deposit	844,046		844,046
Receivables from parent, subsidiaries and affiliates	268,088		268,088
Aggregate write-ins for other than invested assets	84,151	29,197	54,954
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	6,876,415,897	47,263,965	6,829,151,932
From Separate Accounts, Segregated Accounts and Protected Cell Accounts	1,809,856,408		1,809,856,408
Total	<u>\$8,686,272,305</u>	<u>\$47,263,965</u>	<u>\$8,639,008,340</u>

C.M. LIFE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

Account Description	Liabilities
Aggregate reserve for life contracts	\$3,938,942,058
Liability for deposit-type contracts	85,681,978
Contract claims: Life	18,502,063
Premiums and annuity considerations for life and accident and health contracts	9,977
Contract liabilities not included elsewhere:	
Other amounts payable on reinsurance	314,209
Interest maintenance reserve	108,155,191
General expenses due or accrued	139
Transfers to Separate Accounts due or accrued	(4,190,740)
Taxes, licenses and fees due or accrued	872,292
Amounts withheld or retained by company as agent or trustee	706,666
Remittances and items not allocated	(15,803,646)
Miscellaneous liabilities:	
Asset valuation reserve	106,659,309
Reinsurance in unauthorized and certified companies	2,273,207
Payable to parent, subsidiaries and affiliates	32,590,060
Derivatives	592,735,516
Aggregate write-ins for liabilities	226,666,086
Total liabilities excluding Separate Accounts	5,094,114,366
From Separate Accounts Statement	1,809,856,408
Total liabilities	6,903,970,774
Common capital stock	2,500,000
Gross paid in and contributed surplus	450,276,208
Unassigned funds (surplus)	1,282,261,358
Surplus	1,732,537,566
Total surplus and other funds	1,735,037,566
Total liabilities and surplus	<u>\$8,639,008,340</u>

C.M. LIFE INSURANCE COMPANY

SUMMARY OF OPERATIONS

Premiums and annuity considerations for life and accident and health contracts	\$312,324,893
Considerations for supplementary contracts with life contingencies	2,949,967
Net investment income	326,173,351
Amortization of Interest Maintenance Reserve (IMR)	804,221
Commissions and expense allowances on reinsurance ceded	87,691,312
Miscellaneous income:	
Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	36,868,518
Aggregate write-ins for miscellaneous income	1,924,233
Total	768,736,495
Death benefits	90,730,503
Annuity benefits	102,802,254
Disability benefits and benefits under accident and health contracts	568,292
Surrender benefits and withdrawals for life contracts	434,855,750
Interest and adjustments on contracts or deposit-type contract funds	5,659,767
Payments on supplementary contracts with life contingencies	1,320,621
Increase in aggregate reserves for life and accident and health contracts	(32,489,265)
Totals	603,437,922
Commissions on premiums, annuity considerations and deposit-type contract funds	57,335,524
General insurance expenses	113,860,905
Insurance taxes, licenses and fees, excluding federal income taxes	11,525,545
Increase in loading on deferred and uncollected premiums	(946,337)
Net transfers to or (from) Separate Accounts net of reinsurance	(153,809,820)
Aggregate write-ins for deductions	(5,780,816)
Totals	625,622,923
Net gain from operations before dividends to policyholders and federal income taxes	143,113,572
Net gain from operations after dividends to policyholders and before federal income taxes	143,113,572
Federal and foreign income taxes incurred	19,687,471
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses)	123,426,101
Net realized capital gains (losses) less capital gains tax	(7,795,705)
Net income	<u>\$115,630,396</u>

C.M. LIFE INSURANCE COMPANY

CAPITAL AND SURPLUS ACCOUNT

Capital and surplus, December 31, prior year	\$1,637,317,539
Net income	115,630,396
Change in net unrealized capital gains (losses)	(23,662,221)
Change in unrealized foreign exchange capital gain (loss)	10,898,939
Change in net deferred income tax	(21,875,684)
Change in nonadmitted assets	31,584,234
Change in liability for reinsurance in unauthorized and certified companies	(2,273,207)
Change in asset valuation reserve	(5,810,192)
Aggregate write-ins for gains and losses in surplus	(6,772,238)
Net change in capital and surplus for the year	97,720,027
Capital and surplus, December 31, current year	<u>\$1,735,037,566</u>

<u>AGGREGATE RESERVE FOR LIFE CONTRACTS</u>	<u>\$3,938,942,058</u>
<u>LIABILITY FOR DEPOSIT-TYPE CONTRACTS</u>	<u>\$85,681,978</u>
<u>CONTRACT CLAIMS - LIFE</u>	<u>\$18,502,063</u>

The MADOI retained Baker Tilly to conduct an assessment of the Company's reserving, reinsurance and liquidity risks, as of December 31, 2019. Consistent with the risk focused surveillance approach to the examination, Baker Tilly relied upon analyses and tests documented by the Company and in the working papers of the Company's independent auditors. Reviews of the Company's primary lines of business were conducted to determine whether the Company'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, Baker Tilly conducted the following:

- Reviewed and analyzed statutory Annual Statements during the scope period from January 1, 2015 through December 31, 2019, and inquired into subsequent years covered under the examination period;
- Met with Company management to understand the business of the Company, its procedures governing actuarial calculations, its approach to risk management, and its likely areas of financial and business risk;
- Reviewed tests performed by the Company's actuaries and its independent auditors and performed independent supplemental reserve calculations;
- Reviewed experience study information compiled and provided by the Company in support of the major assumptions used in the asset to liability analysis;
- Reviewed and analyzed the Company's Statement of Actuarial Opinion and Actuarial Memorandum; and
- Reviewed the Own Risk and Solvency Assessment (ORSA) report to understand the Company's capital forecasting under stress scenarios, economic capital model, and sufficiency of the liquidity stress testing.

C.M. LIFE INSURANCE COMPANY

Assessment of Reserve Risk

Baker Tilly was engaged by MADOI to form a conclusion regarding the risk that actual losses or other contractual payments reflected in the corresponding reserves will be greater than the carried liabilities. For some products or exposures, this risk includes a consideration that reserves plus future revenue, less expenses, will be insufficient to pay future benefits. Baker Tilly reviewed internal controls regarding the claim liability and reserving processes. Various tests were performed to verify the appropriateness of the processes and the actual calculations for the policy reserves, claim reserves and the contract claims liabilities. Baker Tilly verified that the reported reserves and liabilities are consistent with those calculated by the Company's actuaries, and the results of their analysis show that the reported liability is sufficient to cover the expected future claims.

Assessment of Reinsurance Arrangements

A review of key reinsurance treaties and other related Company descriptions of its significant ceded reinsurance agreements was performed and compared to Schedule S of the Company's annual statement. The review also included an evaluation of reinsurance reserve implications. Reinsurance agreements providing significant coverage and material reserve credits were evaluated to ensure compliance with the Manual and risk transfer requirements. The Department relied upon the testing conducted by Baker Tilly to conclude that reinsurance risk associated with the Connecticut domiciled companies are in compliance with risk transfer requirements.

Assessment of Liquidity Risk

Baker Tilly conducted testing to form a conclusion regarding the ability of the Company to meet contractual obligations as they become due because of an inability to liquidate assets or obtain adequate funding without incurring unacceptable losses. This may arise with the occurrence of an event such that the insurer will not have sufficient cash resources or liquid assets to meet its cash obligations. Based on a review of the Company's ORSA, Liquidity Framework, Actuarial Memorandum, and other analysis of MassMutual's assets and liabilities, Baker Tilly concluded that the Company's mitigation to liquidity risk appears to be adequate. The Department relied upon the testing conducted by Baker Tilly to conclude that liquidity risk associated with the Connecticut domiciled companies are also not a concern.

COMMON CAPITAL STOCK

\$2,500,000

At December 31, 2019, the Company reported 50,000 shares of common stock authorized, with 12,500 shares issued and outstanding, having a par value of \$200 per share. All of the issued shares are owned by MassMutual. The Company did not pay any dividends to its parent during the examination period.

GROSS PAID IN AND CONTRIBUTED SURPLUS

\$450,276,208

The balance of the account did not change during the period under review.

C.M. LIFE INSURANCE COMPANY

UNASSIGNED FUNDS (SURPLUS)

\$1,282,261,358

The following exhibit reflects the balance of this account during the period under review:

2018	\$1,184,541,331
2017	\$1,120,383,682
2016	\$1,093,897,587
2015	\$ 943,215,688

The increase to unassigned funds during the examination period was generally associated with an increase in net investment income, primarily due to the receipt of \$30M in dividends from MML in 2019, and an increase in premium from fixed indexed annuity sales.

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 life and variable annuity 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 individual and group variable life insurance, and individual variable annuity products. Compensation is earned in the form of investment management fees, investment margin, and asset value expense charges.

The financial statement of the Separate Accounts as of December 31, 2019, was as follows:

ASSETS

Account Description	General Account Basis	Fair Value Basis	Total
Common stocks		\$1,809,856,408	\$1,809,856,408
Subtotals-cash and invested assets		\$1,809,856,408	\$1,809,856,408
Total		<u>\$1,809,856,408</u>	<u>\$1,809,856,408</u>

C.M. LIFE INSURANCE COMPANY

LIABILITIES AND SURPLUS

Account Description	General Account Basis	Fair Value Basis	Total
Aggregate reserve for life, annuity and accident and health contracts		\$1,805,523,116	\$1,805,523,116
Changes for investment management, administration and contract guarantees due or accrued		4,074	4,074
Other transfers to general account due or accrued		4,186,666	4,186,666
Aggregate write-ins for liabilities		142,552	142,552
Total liabilities		1,809,856,408	1,809,856,408
Surplus			
Totals		<u>\$1,809,856,408</u>	<u>\$1,809,856,408</u>

CONCLUSION

The results of this examination disclosed that, as of December 31, 2019, the Company reported admitted assets of \$8,639,008,340, liabilities of \$6,903,970,774, and surplus of \$1,735,037,566. During the period under examination, admitted assets decreased \$153,456,243, liabilities decreased \$583,739,901, and surplus as regards policyholders increased \$430,283,658.

SUBSEQUENT EVENT

The MADOI and the Department are monitoring the impact of the COVID-19 global pandemic. The Department recognizes that COVID-19 could have a significant financial and operational impact on all of its domestic insurers, including the Company. As such, the Department will continue to monitor and share information with the Company as appropriate related to COVID-19 developments.

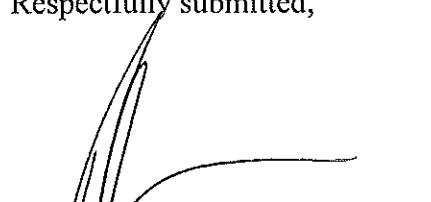
C.M. LIFE INSURANCE COMPANY

SIGNATURE

In addition to the undersigned, the following members of the State of Connecticut Insurance Department participated in the examination: William Arfanis, CFE; Wanchin Chou, FCAS, MAAA, CSPA, Robert Linnell, CFE; Lei Rao Knight, FSA, MAAA; Baker Tilly, and the MADOI.

I, Thomas H. Corrigan, CFE, solemnly swear that the foregoing report on 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,



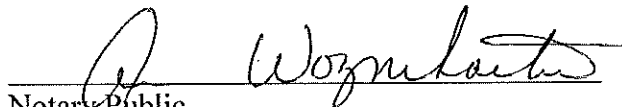
Thomas H. Corrigan, CFE
Examiner-In-Charge
State of Connecticut
Insurance Department

State of Connecticut

ss. Hartford

County of Hartford

Subscribed and sworn to before me, Ann Woznikaitis
Notary Public on this 1st day of June, 2021.



Notary Public

My Commission Expires 4/30/26