REPORT ON EXAMINATION

OF THE

GENWORTH LIFE INSURANCE COMPANY

AS OF

DECEMBER 31, 2009

Karen Weldin Stewart, CIR-ML
Commissioner

Delaware Department of Insurance

I, Karen Weldin Stewart, Insurance Commissioner of the State of Delaware, do hereby certify that the attached REPORT ON EXAMINATION, made as of December 31, 2009, of the

GENWORTH LIFE INSURANCE COMPANY,

is a true and correct copy of the document filed with this Department.

ATTEST BY: Sonia C. Harris

DATE: June 7, 2011

In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Dover, this 7th day of June, 2011.

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

Karen Weldin Stewart, CIR-ML
Commissioner

Delaware Department of Insurance

REPORT ON EXAMINATION

OF THE

GENWORTH LIFE INSURANCE COMPANY

AS OF

DECEMBER 31, 2009

The above-captioned Report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the Company as reflected in the Report.

This Report is hereby accepted, adopted and filed as an official record of this Department.

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

Dated this 7th day of June, 2011

841 Silver Lake Blvd., Dover, DE 19904-2465 • www.delawareinsurance.gov
(302) 674-7300 Dover • (302) 739-5280 fax • (302) 577-5280 Wilmington

TABLE OF CONTENTS

April 12, 2011

SALUTATION

Honorable Joseph Torti, III
Chairman, Financial Condition (E) Committee, NAIC
Deputy Director and Superintendent of Insurance and Banking
Division of Insurance
Department of Business Regulation
State of Rhode Island
1511 Pontiac Avenue, Bldg # 69-2
Cranston, Rhode Island 02920

Honorable Stephen W. Robertson
Secretary, Midwestern Zone
Commissioner of Insurance
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Honorable Mila Kofman
Secretary, Northeastern Zone
Superintendent of Insurance
Department of Professional Regulation and Financial Regulation
Maine Bureau of Insurance
34 State House Station
Augusta, Maine 04333-0034

Honorable Monica J. Lindeen
Secretary, Western Zone
Commissioner of Securities and Insurance
Montana State Auditor's Office
840 Helena Ave.
Helena, Montana 59601

Honorable Sharon P. Clark
Secretary, Southeastern Zone
Commissioner of Insurance
Kentucky Department of Insurance
P.O. Box 517
Frankfurt, Kentucky 40602-0517

Honorable Karen Weldin Stewart, CIR-ML
Commissioner
Delaware Department of Insurance
Rodney Building
841 Silver Lake Boulevard
Dover, Delaware 19904

Commissioners:

In compliance with instructions and pursuant to statutory provisions contained in Certificate of Authority No. 10.009, an Association Examination has been made of the affairs, financial condition and management of the

GENWORTH LIFE INSURANCE COMPANY

hereinafter referred to as “Company” or “GLIC”, incorporated under the laws of the State of Delaware as a stock company with its statutory home office located at 2711 Centerville Road, Suite 400, Wilmington, Delaware. The examination was conducted at the principal offices of the Company located at 6604 West Broad Street, Richmond, VA 23230. The examination report thereon is respectfully submitted.

SCOPE OF EXAMINATION

The last examination was as of December 31, 2006. This examination covered the period of January 1, 2007, through December 31, 2009, and encompassed a general review of transactions during the period, the Company’s business policies and practices, as well as management and relevant corporate matters, with a determination of the financial condition of the Company at December 31, 2009. Transactions subsequent to the examination date were reviewed where deemed necessary.

We conducted our examination in accordance with the National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook (Handbook) and generally accepted statutory insurance examination standards consistent with the Insurance Laws and Regulations of the State of Delaware. The NAIC Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company including corporate governance, identifying and assessing inherent risks within the Company and evaluating system controls and procedures used to mitigate those risks. The examination also included assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management’s compliance with Statutory Accounting Principles and annual statement instructions when applicable to domestic state regulations.

All accounts and activities of the Company were considered in accordance with the risk focused examination process. The examination report addresses regulatory issues reviewed during the examination process.

During the course of this examination, consideration was given to work performed by the Company's external accounting firm, KPMG, LLP. Certain auditor work papers have been incorporated into the work papers of the examiners and have been utilized in determining the scope and areas of emphasis in conducting the examination.

This report of examination was confined to financial statements and comments on matters that involved departures from laws, regulations or rules, or which were deemed to require special explanation or description.

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant findings or material adjustments to the Company's financial statement that warranted disclosure in this examination report.

SUBSEQUENT EVENTS

On January 27, 2010, Genworth North America Corporation made a capital contribution to the Company in the amount of $200 million. The Company recorded this as a capital contribution receivable as of December 31, 2009 after receiving prior approval from the Delaware Department.

On February 23, 2010, the Company became a member of the Federal Home Loan Bank of Pittsburgh (FHLB PGH), which provides the Company access to collateralized advances, collateralized funding agreements and various other FHLB PGH products and services. The Company will typically access these funds through funding agreement issuances and proceeds will be used for asset-liability matching and spread enhancement. As of December 31, 2010, total liabilities related to funding agreements issued to FHLB PGH were $493,307,257 and the fair value of the offsetting collateral was $588,013,900.

On March 31, 2010, the Company surrendered to Genworth Financial, Inc. (Genworth) the Senior Unsecured Promissory Note issued by Genworth in the amount of $233,100,000 due on November 30, 2010 in exchange for a) a new Senior Unsecured Promissory Note issued by Genworth in a principal amount of $200,000,000 due on March 31, 2020 and b) cash in the amount of $33,100,000. The surrender of the existing note by the Company and payment of the consideration by Genworth was evidenced by a cross receipt executed by both entities. By letter dated March 30, 2010, the Delaware Department of Insurance approved the Company's acquisition of the new note, thereby allowing the Company to record its investment in the new note as an admitted asset in its statutory financial statements.

On April 14, 2010, a new special purpose entity was formed, River Lake Insurance Company VIII. The Company, Genworth Life and Annuity Insurance Company and River Lake Insurance Company VIII entered into a Special Tax agreement on that same date.

On July 30, 2010 the Company's Board voted to deregister the Separate Account. This decision was made because sales of contracts were discontinued in 1996 and there were only 94 individual contract owners remaining. While the contracts issued by the Separate Account allow contract holders to make additional purchase payments, the Separate Account's sponsor does not and will not solicit additional purchase payments. The application for the deregistration was filed with the Securities and Exchange Commission (SEC) on August 5, 2010. To date, this application has been neither approved nor denied by the SEC.

On October 14, 2010, it was announced that the current CEO of the Retirement and Protection Operating Segment and President of the Company, Pamela Schutz was retiring. Appointed to take her position was Patrick Kelleher, the former Senior Vice President of the Company and CFO of Genworth. The transition took place in February 2011.

COMPANY HISTORY

The Company was originally named United Pacific Life Insurance Company (UPL) and incorporated as a stock life insurance company under the laws of the State of Washington on September 28, 1956. The Company received its original certificate to transact the business of life, disability and health insurance from the Washington Insurance Commissioner effective as of September 28, 1956. Effective May 12, 1992, the Company was reincorporated and re-domesticated under the corporation laws and insurance laws and regulations of the State of Delaware.

Pursuant to a Stock Purchase Agreement effective April 3, 1993, General Electric Capital Corporation (GECC), a subsidiary of General Electric Company (GE), acquired 100% of the capital stock of UPL and five of its seven wholly owned subsidiaries from Reliance Insurance Company and its parent, Reliance Group Holdings, Inc. The stock of the Company was assigned to GNA Corporation, subsequently named Genworth North America Corporation (GNA), an insurance holding company subsidiary of GECC. Since its acquisition by GECC, the Company has undergone numerous reorganization changes, mergers, assignments, contributions, and consolidations which have been covered in detail within past examination reports. The below highlights those changes considered relevant to understanding the Company within this examination period:

- Pursuant to its Amended and Restated Certificate of Incorporation effective April 1, 1994, the name of the Company was changed to General Electric Capital Assurance Company.
- In May 2004, in connection with the initial public offering of the common stock of Genworth (Genworth's IPO), GE Financial Assurance Holdings, Inc. (GEFAHI) transferred substantially all of its assets to Genworth, including all of the outstanding capital stock of GNA. As a result, the Company became an indirect wholly owned subsidiary of Genworth. GEFAHI was an indirect subsidiary of GECC, which was in turn an indirect subsidiary of GE.
- During the years 2005 and 2006, GE completed a series of sales and secondary public offers of Genworth common stock totaling approximately 343 million shares. As a result of these transactions, Genworth and its subsidiaries, including the Company, are no longer affiliated with GE and its affiliates. Genworth is now traded on the New York Stock Exchange under the ticker symbol GNW.
- Pursuant to its Amended and Restated Certificate of Incorporation effective January 1, 2006, the name of the Company was changed to Genworth Life Insurance Company.

The Company is licensed by the Delaware Department of Insurance to transact the business of life, including annuities, and health. During the period covered by this examination, gross paid-in and contributed surplus increased $805,468,992 from $2,282,698,758 in 2006 to $3,088,167,750 in 2009. The increase for the period is illustrated in the following schedule:

	Ending Balance as of December 31, 2006	$2,282,698,758
2007:	Surplus Adjustment: Paid In	7,738,354
2008:	Capital Contribution from GNA	600,000,000
2008:	Surplus Adjustment: Paid In	(10,722,357)
2009:	Capital Contribution from GNA	200,000,000
2009:	Surplus Adjustment: Paid In	8,452,995
	Ending Balance as of December 31, 2009	$3,088,167,750

The capital contributions were reported to and approved prior to payment by the Delaware Insurance Department in accordance with 18 Del. C. §5005.

CORPORATE RECORDS

The recorded minutes of the shareholders, Board of Directors (Board) and certain internal committees were reviewed for the period under examination. The recorded minutes of the Board adequately documented its meetings and approval of Company transactions and events, including the approval of investment transactions in accordance with 18 Del. C. §1304.

MANAGEMENT AND CONTROL

Pursuant to the general Corporation Laws of the State of Delaware, as implemented by the Company's Certificate of Incorporation and bylaws, the property and business of the Company shall be managed by its Board of Directors.

Board of Directors

The bylaws provide that the number of directors that shall constitute the whole Board shall not be less than one member nor more than five. Each director shall be elected for a term of one year and serve until such director's successor is elected and qualified.

The Board, by vote of a majority of the whole Board, may from time to time designate one or more committees. The bylaws provide that the actions of the committees shall be reported to the Board at least annually.

The Board of Directors, duly elected in accordance with the Company's bylaws and serving as of December 31, 2009, is as follows:

Name	Principal Occupation
Pamela Sue Schutz	President and Chief Executive Officer of the Company; Chairman of the Board of Directors; President and Chief Executive Officer of the Retirement & Protection Segment
Leon Ellis Roday	Senior Vice President
Thomas Melvin Stinson	President and Chief Executive Officer of the Long Term Care Division

Officers

The bylaws state that the officers of the corporation shall consist of a Chairperson of the Board, a President, one or more Senior Vice Presidents, one or more Vice Presidents, a Secretary, a Treasurer, and any additional officers and assistant officers as determined by the Board. The following persons were elected as officers and were serving in that capacity at December 31, 2009:

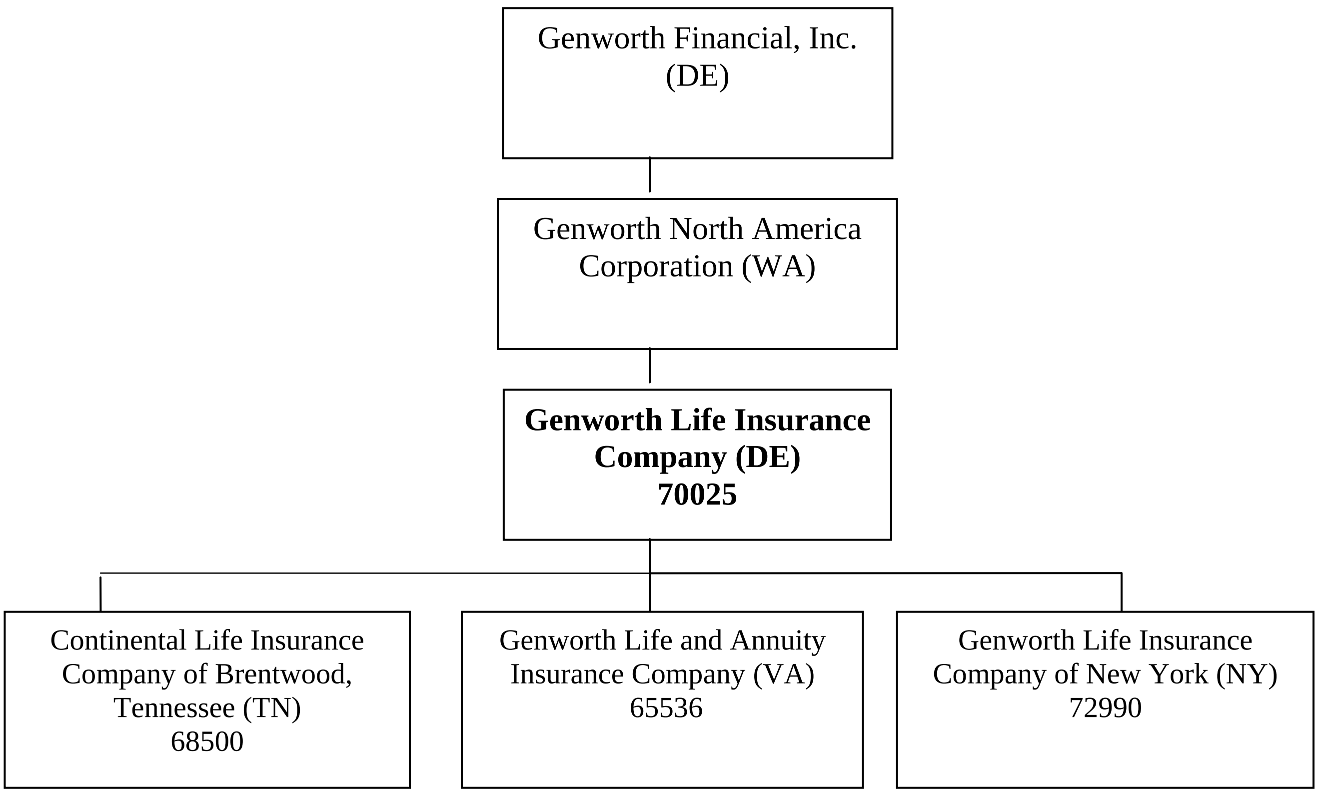
Name	Office
Pamela Sue Schutz	Chairperson of the Board, President and Chief Executive Officer
Thomas Melvin Stinson	President and Chief Executive Officer of the Long Term Care Division
Gary Thomas Prizzia	Treasurer

Ward Edward Bobitz	Senior Vice President, General Counsel and Secretary
Jeffrey Taft Condit	Senior Vice President
Christopher James Grady	Senior Vice President
Kelly Lee Groh	Senior Vice President and Chief Financial Officer
Paul Anthony Haley	Senior Vice President and Chief Actuary
Ronald Peter Joelson	Senior Vice President and Chief Investment Officer
Patrick Brian Kelleher	Senior Vice President
Scott John McKay	Senior Vice President and Chief Information Officer
Leon Ellis Roday	Senior Vice President
Geoffrey Sampson Stiff	Senior Vice President
Steven Andrew Zabel	Senior Vice President and Chief Financial Officer of the Long Term Care Division
Jac Jerome Amerell	Vice President and Controller
Aaron Christian Ball	Vice President and General Counsel & Assistant Secretary for the Long Term Care Division

It was noted that written correspondence was submitted to the Delaware Department of Insurance in regards to the changes in officers and directors during the period under examination in compliance with 18 Del. C. §4919.

HOLDING COMPANY SYSTEM

The Company is a member of an insurance holding company system as defined under 18 Del. C. §5001. The Company is a wholly owned subsidiary of GNA. GNA is a wholly owned subsidiary of Genworth. The following depicts an abbreviated organizational chart of the Company's relationship within the holding company system at December 31, 2009.



Dividends

Dividends paid on capital stock may be declared by the Board at any regular or special meeting and may be paid in cash, property or in shares of capital stock. During the examination period, the Company paid $722,500,000 in ordinary cash dividends to its parent, GNA.

AFFILIATED AGREEMENTS

In review of affiliated agreements, the following company identifier legend is incorporated as a reference source.

Subsidiaries and Affiliates
ASI = Assigned Settlement, Inc.
Brookfield = Brookfield Life Assurance Company Limited (Bermuda)
CareScout = CareScout
FACL = Financial Assurance Company Limited (England)
Genworth = Genworth Financial, Inc. (DE)
GFA = Genworth Financial Agency, Inc.
GLAIC = Genworth Life and Annuity Insurance Company (VA)
GLICNY = Genworth Life Insurance Company of New York (NY)
GFHEA = Genworth Financial Home Equity Access, Inc
GFIH = Genworth Financial International Holdings, Inc.
GNA = Genworth North America Corporation (WA)
GNWFMF = Genworth Financial Mortgage Funding Corporation
River Entities
RLIC = River Lake Insurance Company (SC)
RLIC II = River Lake Insurance Company II (SC)
RLIC III = River Lake Insurance Company III (SC)
RLIC IV = River Lake Insurance Company IV Limited (Bermuda)
RLIC V = River Lake Insurance Company V (VT)
RLIC VI = River Lake Insurance Company VI (DE)
RLIC VII = River Lake Insurance Company VII (VT)
Rivermont = Rivermont Life Insurance Company I (SC)
Special Purpose Affiliates
GNW One = Genworth Special Purpose One, LLC
GNW Two = Genworth Special Purpose Two, LLC
GNW Three = Genworth Special Purpose Three, LLC
GNW Four = Genworth Special Purpose Four, LLC

The following agreements were in effect between the Company and its affiliates at December 31, 2009.

Management and Service Agreements

The Company and GFA continue to be parties to a Management and Shared Services Agreement put into effect January 1, 1991. This agreement provides for the allocation of common costs for home office occupancy expenses, administrative and marketing services.

The Company and GFA continue to be parties to a General Agency and Administrative Services Agreement put into effect January 1, 1991. This agreement provides that the Company reimburse GFA's administrative service costs resulting from the sale of the Company's products and that the Company may provide GFA with short term cash advances.

The Company, GNA, its subsidiaries and various affiliates continue to be parties to an Amended and Restated Services and Shared Expense Agreement put into effect January 1, 2004. This agreement provides for certain management and general services and the sharing of joint expenses by and between such companies and such other affiliated companies who execute an Adoption Agreement.

The Company and GNWFMF continue to be parties to a Loan Origination and Interim Servicing Agreement put into effect August 15, 1994. Pursuant to this agreement, the Company provides mortgage investment and servicing services to GNWFMF with respect to commercial mortgage loans originated by the Company. GNWFMF has, through a Trustee, created a mortgage-backed security participation, which GNWFMF subsequently sold to the Company and to the State of California Public Employee's Retirement System ("CALPERS"). The Company subsequently repurchased the participation interest from CALPERS on June 27, 2000.

The Company is party to a Policy Loan Servicing Agreement with special purpose affiliates whereby the Company provides servicing and administration services for certain policyholder loans acquired by the affiliate from the Company. The agreement with GNW One was effective December 3, 1999; the agreement with GNW Two was effective November 11, 2000; and the agreement with GNW Three was effective June 11, 2001. The agreement with

GNW Four, effective June 22, 2001 has terminated due to the fact that all of the policy loans securitized through the GNW Four securitization transaction lapsed during 2009.

The Company and CareScout continue to be parties to a Collection Agent Services Agreement put into effect August 1, 2003. This agreement establishes that in providing the Company with certain services and/or products, CareScout may receive individually identifiable information, which is subject to certain federal, state and local statutes. CareScout agrees to protect such information under the terms of the agreement.

The Company and CareScout continue to be parties to a Master Services Agreement put into effect April 1, 2005. This agreement establishes that CareScout will provide certain services and/or deliverables to the Company as certain work orders describe.

The Company and affiliates, GNA, GLAIC, GLICNY, and former affiliate Union Fidelity Life Insurance Company continue to be parties to a Joint Management Committee Agreement put into effect July 1, 2005. This agreement established an Annuity Joint Management Committee and a Long Term Care Joint Management Committee to facilitate the efficient administration of business reinsured under certain reinsurance agreements between the Genworth ceding companies and UFLIC.

The Company, GLAIC, and GLICNY continue to be parties to a Collection Agent Services Agreement put into effect November 15, 2006. The agreement establishes that the Genworth Pooled Companies will consolidate eight wire accounts for payments received in connection with certain of their products into a single New York based account maintained by GLICNY.

Effective June 1, 2007, the Company entered into an Administrative Service Agreement between the Company, GLAIC, GLICNY and GNA. This agreement establishes that the Company provides GLICNY with certain administrative and special services for day to day operations of certain property, equipment and facilities.

Tax Agreements

The Company and GNA continue to be parties to an Assumption Agreement put into effect September 28, 2000. This agreement established that GNA would assume the tax reserves on the balance sheet of the Company. The agreement was amended and restated December 22, 2009, whereby GNA agrees to establish, maintain, and pay tax reserves on the balance sheet and to pay and discharge the Company of obligations in connection with tax reserves, with provisions.

Genworth and its insurance affiliates, including the Company, entered into a Tax Allocation Agreement effective May 24, 2004. According to this agreement, the parties agreed to a method of allocation of consolidated federal income tax liability resulting from the consolidated federal income tax reporting of the parties. There is also a former Tax Allocation Agreement in place whereby the parties agree to the method of allocation of consolidated federal income tax liability resulting from the consolidated federal income tax reporting of the registrants for tax periods ending before May 24, 2004. All subsequently joining parties to this agreement have executed individual Tax Adoption Agreements.

Genworth and the Company entered into a Tax Matters Agreement effective February 1, 2005. This agreement establishes the allocation of certain additional tax benefits and burdens for periods following Genworth’s IPO in May 2004. This agreement was amended to cover the

Company's election under Section 338 of the Internal Revenue Code to treat its contribution to Genworth as an asset sale.

All River Lake Entities, special purpose captive subsidiaries of GLAIC, executed Special Tax Agreements upon formation with the Company and GLAIC (except RLIC IV, a Bermuda Company). The Special Tax Agreements provided that any tax benefits realized by GLIC in relation to the River Lake entities would be assigned to GLAIC. The effective dates differ between each corresponding captive formation.

Certain River Lake entities entered into Amended and Restated Special Tax Agreements with the Company and GLAIC. These agreements established that to the extent that the entity produced a net operating loss, benefits shall be paid to that entity subsequent to 2008. Thus, any tax benefits for 2009 forward will be paid to the special purpose captives. Tax benefits for periods prior to 2008 would continue to reside with GLAIC (through assignment by GLIC) as agreed. The original Special Tax Agreements contained a requirement that if Genworth's or GLAIC's ratings were downgraded, then additional capital or letters of credit would have to be drawn to the River Lake entities.

Reinsurance Agreements

Assumed

The Company continues to be party to an Automatic Coinsurance Agreement, effective September 30, 1985 with GLICNY. The Company is assuming single premium immediate annuities and single premium deferred annuities from GLICNY. The single premium immediate annuities were non-New York workers compensation award structured settlement annuities and the single premium deferred annuities were non-New York retirement annuities.

The Company continues to be party to a 100% Coinsurance Agreement effective December 1, 1998, where the Company is assuming long term care risk from GLAIC.

The Company entered into a Coinsurance Agreement effective January 1, 2000. The Company is assuming term plans from GLICNY. This agreement has been amended to reflect changes in plans and reinsurance rates.

The Company is assuming life plan mortality risk from GLAIC in accordance with a Coinsurance Agreement effective January 1, 2000. The agreement was amended at various times for new plans.

The Company is assuming universal life plan mortality risk from GLICNY in accordance with a Yearly Renewable Term Agreement effective October 1, 2000. This agreement has been amended to reflect additional plans.

The Company entered into a Stop Loss Reinsurance Agreement effective December 31, 2005 and June 30, 2009, assuming stop loss risk with FACL.

Ceded

The Company continues to be party to a Coinsurance and Yearly Renewable Term Agreement effective July 1, 2003 whereby the Company is ceding term life policy risk to GLAIC. The agreement has been amended to add new plans and increase the quota share to 100%.

The Company continues to be party to a Coinsurance Funds Withheld Agreement effective July 1, 2001. Under this agreement, the Company is ceding to Brookfield certain long term care policies under a first dollar quota share agreement covering ceded and retroceded business. This agreement was amended such that the quota share was increased from 40 to 50%, effective December 31, 2008.

The Company continues to be party to a Modified Coinsurance Agreement effective January 1, 2003. Under this agreement, the Company is ceding single premium deferred annuities to Brookfield under a first dollar quota share agreement covering risks issued through December 31, 2005. This agreement was later amended to cover policies issued from January 1, 2006 through September 30, 2009.

Effective October 1, 2004, the Company is ceding term life policy risks to GLAIC under a Coinsurance Agreement. The agreement has been amended to add new plans.

Effective July 1, 2006, the Company entered into a Coinsurance Agreement with GLAIC whereby the Company is ceding universal life risks to GLAIC.

Loans, Investments and Guarantees

Effective January 1, 1995 the Company and GLAIC entered into a Master Promissory Note, whereby the parties occasionally borrow from or lend money to GNA, as the parties so determine. Any such borrowings are done at current market interest rates and are to cover short-term cash short-falls, to assist in managing day to day cash flow fluctuations and to reduce the need to maintain cash reserves in excess of normal cash flow requirements. The largest outstanding loan receivable balance for the Company in 2009 was $15,000,000 with total interest received of $13,356. The largest outstanding loan payable balance in 2009 was $168,244,000 with total interest paid of $17,494.

Effective April 30, 2009 the Company and GLAIC entered into a Revolving Credit Agreement, whereby the parties occasionally lend money to GFHEA in amounts not to exceed $40 million. All such borrowings are to cover short term funding requirements of GFHEA related to reverse mortgage loans that it originates. Such loans must conform to the requirements of, and for which capacity remains available under, an existing firm commitment from the

Federal National Mortgage Association to purchase reverse mortgage loans from GFHEA. The largest outstanding loan balance during 2009 for the Company was $25 million with total interest paid of $130,934.

The Company holds a Senior Unsecured Promissory Note originally issued by GE Financial Assurance Holding, Inc. (GEFA) on April 3, 2000 and assigned to and assumed by Genworth on May 24, 2004, whereby it loaned to GEFA and in return, following the assignment and assumption, Genworth promises to pay to the Company the sum of $233,100,000. During 2009, the Company received $18,298,350 in interest under the note; no principal was repaid.

The Company continues to guarantee GLICNY's performance under an indemnity reinsurance agreement with Metropolitan Life Insurance Company of Connecticut, covering Metropolitan's long term care insurance policies issue in New York.

The Company continues to guarantee certain obligations of GLICNY in connection with the capital and surplus guarantee it issued to GLICNY at the request of the New Jersey Department of Banking and Insurance in connection with the merger of American Mayflower Life Insurance Company of New York with and into GLICNY. The guaranty will be in force for the period beginning November 22, 2006 and lasting for a minimum of ten years, or for a lesser period, should GLICNY surrender its license in New Jersey.

The Company continues to guarantee certain obligations of ASI, effective May 25, 2004, whereby the Company will guarantee the structured settlement payment obligations of ASI provided that such obligations are funded with GLIC's annuity contracts.

Effective September 30, 2009 the Company entered into a Guaranty Agreement with HDI-Gerling International Holding AG, whereby it unconditionally guarantees the payment obligations in an amount not to exceed $30,000,000 of GFIH, under GFIH's indemnity and guaranty agreement and a maintenance agreement with HDI-Gerling.

CORPORATE GOVERNANCE

The Company's corporate governance is integrated with that of Genworth Financial, Inc. Genworth holds overall responsibility for the governance but delegates responsibility for the execution of certain control processes to respective operating segments. The Company is a part of the Retirement and Protection segment.

Risk Management

Genworth's risk management structure is broken into three operating segments: Retirement & Protection, International & US Mortgage Insurance, and Investments. There is a Global Enterprise Corporate Risk Officer that oversees all three segments.

Risk management activities are delegated from the Board of Directors, and include the Audit Committee and the Chief Executive Officer. Along with the Audit Committee, Genworth has a Corporate Risk Committee, a Capital Committee, and an Investment Committee. Each committee is tasked with helping the Group and the Board of Directors identify and evaluate potential risks and increase risk transparency.

Risk management has an active on-site presence at the Company's various business segments. Risk management's objective is to help drive optimal capital allocation and greater economic value. To do such, enterprise risk management focuses primarily on a) ensuring quality of new business, b) avoiding risk concentrations, c) managing in-force business, d) actively mitigating risk, and e) properly focusing the organization to manage these risks.

The Company has also implemented an Operational Risk Framework which identifies specific operational components and their possible risk factors. Both internal and external auditors assist in identifying inherent and potential risks.

Risk management periodically provides risk updates to the Audit Committee of the Board of Directors.

Board of Directors and Audit Committee

Genworth's governance process establishes the roles of its Audit Committee and Board of Directors. Multiple Boards provide oversight, directly and indirectly, to the Company, the GLIC specific Board, the GNA Board, and the Genworth Board. Together, the Boards are responsible for overseeing the internal controls over financial reporting established by management and the process by which management satisfies itself that they are working effectively. The Boards are apprised of the Company's financial position, operating results and objectives and strategies. Additionally, the Boards are made aware of sensitive information, investigations, and improper acts in a sufficient and timely manner.

The Company does not have a separate Audit Committee, and thus, relies on the Genworth's Audit Committee for monitoring and assisting the Board. The purpose of the Audit Committee is to assist the Board in the oversight of integrity of financial statements, regulatory compliance, independence and qualification of external auditors, and the performance of internal audit department and independent auditors. The Audit Committee is made up of independent directors.

FIDELITY BONDS AND OTHER INSURANCE

The Company maintained fidelity bond coverage, which adequately covered the suggested minimum amount of coverage for the Company as recommended by the NAIC.

The Company also maintained General Liability, Directors & Officers Liability, Employee Benefits Liability and Property insurance coverage.

PENSIONS, STOCK OWNERSHIP AND INSURANCE PLANS

The Company does not have any employees. Instead, its parent, GNA, provides all employees for the US operations. However, the Company is allocated costs for services provided by employees of affiliated companies. GNA allocates to each operating entity, a time-study determined percentage of payroll costs which includes benefit expenses as contemplated in the "Amended and Restated Services Expense Agreement" between GNA and the various affiliates, including the Company.

Genworth (ultimate parent) sponsors the "Genworth Financial, Inc. Retirement and Savings Plan", generally described as the Retirement Plan and the Savings Plan.

The Retirement Plan Feature of the Plan is provided automatically to all eligible employees and the contributions are paid entirely by the Company. Costs allocated to the Company were $7,389,882 for 2009.

The Savings Plan Feature, also known as the 401(k) plan, is available for all eligible employees. Genworth matches 100% of the employee's pre-tax contributions up to the first 3% of eligible pay saved and 50% of pay saved on the next 2% of pay. The Company's share of this savings plan expense was $3,378,232 for 2009.

In addition to the plans cited above, Genworth makes available to its employees other traditional benefits such as health, life and disability income insurance.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2009, the Company was licensed in the District of Columbia, the US Virgin Islands, and all states except New York.

The Company is one of a number of subsidiaries of Genworth, which maintains three operating segments: Retirement and Protection, International and US Mortgage Insurance. There is a fourth non-operating segment maintained, Corporate and Other, which includes the results of certain non-core operations, corporate financing costs, and other items not allocated to the segments. The Company's product offerings are held within the Retirement and Protection Segment.

Through the Retirement and Protection segment (R&P), the Company offers protection, wealth accumulations and retirement income products to US retail clients that capitalize on US demographic shifts, particularly the aging of the US population, as well as the financial challenges associated with increasing longevity, rising healthcare costs, and the diminishing support by government and employers in funding the solutions to these trends. The major product lines of this segment include life insurance, long term care insurance and annuities.

The Retirement portion of the Company offers fixed deferred and immediate annuites to a broad range of individual customers who want to accumulate tax-deferred assets for retirement, desire a tax efficient source of income and seek to protect against outliving their assets. The Company also offers annuity products through financial institutions and specialized brokers. Institutional products, including guaranteed investment contracts (GICs), funding agreements, and funding agreement backed notes of certificates have been offered by the Company. However, the Company had no new institutional sales in 2009 and is instead pursuing the issuance of such products on an opportunistic basis in the current market environment.

The Company distributes retirement products through three primary channels: financial intermediaries (banks, securities brokerage firms and independent broker/dealers), independent producers (brokerage general agencies, affluent market producer groups and specialized brokers) and dedicated sales specialists (affiliated networks of both accountants and personal financial advisors.) The Company also distributes a limited number of products through a direct sales force and defined contribution plan record-keepers.

The Protection portion of the Company includes long term care insurance, term life insurance, universal life insurance and Medicare supplement insurance. Life insurance products provide protection against financial hardship after the death of an insured by providing cash payment to the beneficiaries of the contract holder. Long term care products provide protection against the high and escalating costs of long term health care provided in the insured's home and in assisted living and nursing facilities. Insureds become eligible for benefits when they are incapable of performing certain activities of daily living or when they become cognitively impaired. In contrast to health insurance, long term care insurance provides coverage for skilled and custodial care provided outside of a hospital. Medicare supplement insurance provides coverages for Medicare-qualified expenses that are not covered by Medicare because of applicable deductible or max limits.

The Company distributes protection products through financial intermediaries, independent producers and dedicated sales specialists.

The statutory entities of Genworth are primarily managed at the product level rather that at the legal entity level. Insurance products are generally grouped into operating units, and each operating unit is led by a CEO who reports directly to Genworth's CEO. As previously noted, the

Company operates in the Retirement & Protection segment (R&P); however, the R&P segment may sell products through more than one of the Genworth statutory legal entities.

All insurance product groups in R&P are organized by functions. Each functional area is led by an R&P Senior Leadership Team member, who reports to the Company and R&P CEO. The business functions are: Distribution and Marketing, Finance, Human Resources, Legal, Operations, Product, Risk Management, Shared Services, Technology, and Wealth Management.

GROWTH OF THE COMPANY

The following information was obtained from the Company's filed Annual Statements and covers the four year period since the previous exam:

Year	Admitted Assets	Surplus as Regards Policyholders	Net Premium Written	Net Income
2009	$32,974,557,530	$3,164,849,535	$1,252,217,862	$ (199,351,904)
2008	$34,733,533,488	$3,326,834,842	$1,342,954,180	$(349,163,584)
2007	$34,571,590,532	$3,142,793,949	$768,604,206	$182,207,009
2006	$34,770,582,027	$2,996,930,173	$3,190,122,145	$633,977,947

Since December 31, 2006, the Company's financial results were as follows:

- Approximately 5% decrease in admitted assets. The decrease is from various contributing factors such as a decline in cash from operations, a decline in premium written, and various other declines in asset values.
- Approximately 6% increase in capital and surplus. Capital primarily increased due to the capital contributions from GNA. Surplus fluctuated due to the operations of the Company over the period.
- Approximately 61% decrease in net premium written. The Company has chosen to stop sales of certain products due to recent unfavorable markets, and has

instead attempted to adopt profitability and capital strategies. While the lower sales have impacted the Company's premium greatly, long term care premiums have been on the increase.

- Approximately 131% decrease in net income. The decrease is attributable to decreases in investment income, decrease in gains from spread-based institutional products, decreases in written and earned premiums, and increases in fees and adjustments to reinsurance contracts.

LOSS EXPERIENCE

Reserves, incurred claims and claims adjustment expenses as of December 31, 2008 were $852,965,201 for the Company's Long Term Care Insurance (LTCI) line of business. As of December 31, 2009, $359,689,040 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $672,226,714 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on LTCI as of December 31, 2009. Therefore, there has been a $178,951,893 unfavorable prior year development during the year ended December 31, 2009. The increase is generally a result of ongoing analysis of recent loss development trends and strengthening of reserves. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

REINSURANCE

In 2009, reinsurance assumed totaled $401,021,783 or 15% of the Company's direct premiums. Reinsurance ceded totaled $1,804,384,574 or 67.9% of the Company's direct premiums.

The effect of reinsurance, in millions, on premiums earned and benefits incurred for the years ending December 31, 2009 and 2008 were as follows.

	Premiums Earned		Benefits Incurred	
	2009	2008	2009	2008
Direct	$ 2,655.6	$ 3,784.0	$ 1,822.5	$ 1,723.9
Assumed	401.0	460.6	416.6	350.0
Ceded	(1,804.4)	(2,901.6)	(1,273.1)	(1,212.8)
Net	$ 1,252.2	$ 1,343.0	$ 966.0	$ 861.1

The following is a summary of reinsurance contracts in place as of December 31, 2009.

<u>Assumed</u>

<u>Life Insurance, Annuities, Deposit Funds and Other Liabilities</u>

Affiliates:

The Company assumed reinsurance from affiliates under several different reinsurance agreements. These were outlined in the "Affiliated Agreements" section of the report.

- Automatic Coinsurance Agreement – Effective September 30, 1985 with GLICNY, the Company is assuming on a coinsurance basis, a portion of single premium immediate and deferred annuity contracts issued between 1985 and 1987. The participation percentage varies between years. Investments totaling $47.8 million as of December 31, 2009 were held in a trust account for the benefit of GLICNY policyholders allowing GLICNY to take reserve credit on this business. As of December 31, 2009, assumed reinsurance reserves were $39.9 million.
- Coinsurance Agreement – Effective January 1, 2000 with GLICNY and GLAIC, the Company is assuming term and universal life business. These agreements were terminated with respect to new business in 2001. The reserves assumed from GLAIC as of December 31, 2009 were $309.3 million and premiums assumed were $92.8 million. As of December 31, 2009, the reserves assumed from GLICNY were $33.1 million and premiums assumed were $3.9 million.
- Yearly Renewable Term Agreement – Effective October 1, 2000 with GLICNY, the Company is assuming universal life plans, excess of retention. The limit is $20 million.
- Stop Loss Reinsurance Agreement – Effective December 31, 2005 and 2009 with FACL, the Company is assuming 40% aggregate stop loss risk, loss, limited at €60 million.

Non-Affiliates:

The Company entered into an Automatic Coinsurance agreement effective October 1, 2001 with Fidelity Investors Life Insurance Company (FILIC). The Company is assuming single premium immediate annuities issued by FILIC on a 100% first dollar quota share excess of retention basis and is providing third party administration services.

Accident and Health Insurance

Affiliates:

The Company assumes Long Term Care risk from GLAIC, subject to the Coinsurance Agreement effective October 1, 1998. Assumed reinsurance reserves from GLAIC were $104.7 million as of December 31, 2009 and assumed premiums were $9.7 million.

Non-Affiliates:

The Company has various reinsurance agreements with direct writers, under which it assumes LTC risks. Most of these treaties are closed to new business.

Ceded

Life Insurance, Annuities, Deposit Funds and Other Liabilities

Affiliates:

The Company has ceded reinsurance to affiliates under several different reinsurance agreements. These were outlined in the "Affiliated Agreements" section of the report.

- Coinsurance and Yearly Renewable Term Agreements – Effective July 1, 2003 with GLAIC, the Company is ceding term life policy risk on a 90% first dollar quota share and 100% excess retention basis.
- Coinsurance Agreement – Effective October 1, 2004 with GLAIC, the Company is ceding term life policy risk on a 90% first dollar quota share basis.
- Coinsurance Agreement – Effective July 1, 2006 with GLAIC, the Company is ceding universal life risk on a 100% quota share excess retention basis.
- Modified Coinsurance Agreement – Effective January 1, 2003 with Brookfield, the Company is ceding 40% of its new production of fixed annuity premiums. Modco reserves as of December 31, 2009 were $2,024.8 million and premiums ceded were $1,069.6. Effective December 31, 2009, the Company amended the

existing treaty for fixed deferred annuity business to cede additional business. The Company established $1,069.3 in additional Modco reserves.

Non-Affiliates:

The Company has several significant agreements for the cession of individual life risks. The Company maintains reinsurance whereby it subsequently cedes its direct and assumed business, excess of its retention. One of the largest portions of the ceded reserves is in relation to the Coinsurance Agreement with UFLIC, a former affiliate, effective January 1, 2004. Under this agreement, the Company ceded substantially all of its structured settlement annuities. Reserve credit taken related to this agreement was $4,315,332,026, which is 68.4% of the total reserve credit taken for life, annuities and deposit type contracts.

Accident and Health Insurance

Affiliates:

The Company cedes to Brookfield certain long term care policies under a first dollar quota share coinsurance funds withheld agreement, effective July 1, 2001, covering ceded and retroceded business. This treaty was amended on December 31, 2008 to cede an additional 10% of business. Ceded reinsurance reserves as of December 31, 2009 totaled $5,611.8 million and ceded premiums were $874.2 million.

Non-Affiliates:

The Company maintains reinsurance with third party non-affiliated reinsurers whereby it subsequently cedes its direct and assumed business, excess of its retentions. The Company cedes to various non-affiliated reinsurers under yearly renewable term or coinsurance agreements. Half or more are closed to new business. One of the largest portions of the ceded reserves is in relation to the Coinsurance Agreement with UFLIC, a former affiliate, effective January 1, 2004. Under this agreement, all of the long term care business assumed by the Company from MetLife

Insurance Company of Connecticut is ceded to UFLIC. Reserve credit taken related to this agreement, for other than unearned premiums, was $2,311,379,438, which is 86.8% of the total reserve credit taken for accident and health contracts.

ACCOUNTS AND RECORDS

The Company maintains its records on a combination of client server, host, and network applications which utilize various reporting systems to record and report financial information.

The accounts and records reviewed included an evaluation of the Company's operational and organizational controls. The areas evaluated included computer systems, accounting systems, organizational structures, and the processing structure.

The independent certified public accounting firm, KPMG, LLP, audited the Company's records for the years ended 2007, 2008 and 2009. Audit reports and applicable work papers were made available for the examiners' use.

The accounts and records review included an assessment of the Company's risk management process in identifying and controlling risks in the key operational areas of the Company. In making the assessment in each key area, processes were reviewed, risks were identified, operational and organizational controls were identified and tested and the Company's methodology for assessing the effectiveness of the established mitigation factors was evaluated.

The primary systems used in the operations of the Company were also evaluated. The consulting firm of INS Services, Inc. performed an Exhibit C review of the Company IT operations.

During the course of the examination, the Company's books and records were reviewed and compared to reported items and values in the annual statements. No material discrepancies were noted during this review.

STATUTORY DEPOSITS

Listed below are the Company's statutory deposits.

State	Description	Book Value	Fair Value
DE	Bonds	$1,710,765	$1,664,942
Total Benefit of All Policyholders		$1,710,765	$1,664,942
GA	Bonds	$ 108,937	$ 124,398
MA	Bonds	103,872	108,073
NM	Bonds	236,716	258,524
NC	Bonds	702,808	737,010
SC	Bonds	332,389	345,834
VA	Bonds	324,689	340,490
Total All Other Special Deposits		$1,809,411	$1,914,329

FINANCIAL STATEMENTS

The following statements show the assets, liabilities, surplus and other funds of the Company, as determined by this examination, as of December 31, 2009.

Assets
Liabilities, Surplus and Other Funds
Statement of Income
Capital and Surplus Account
Analysis of Financial Statement Changes resulting from Examination

ASSETS

DECEMBER 31, 2009

Bonds	$	22,794,748,839			$	22,794,748,839
Preferred stocks		55,270,854				55,270,854
Common stocks		2,337,138,258				2,337,138,258
Mortgage Loans		4,246,778,530				4,246,778,530
Cash and Short Term Investments		341,946,026				341,946,026
Contract Loans		857,216,077	$	531,642		856,684,435
Other Invested Assets		543,047,352		7,741,032		535,306,320
Receivables for Securities		6,284,161		32,449		6,251,712
Aggregate write-ins for invested assets		529,747,490				529,747,490
Investment income due and accrued		324,264,437				324,264,437
Premiums and Considerations:						
Uncollected premiums and agents balances		38,869,411		2,863,231		36,006,180
Deferred premium		110,589,403		2,436,963		108,152,440
Reinsurance:						
Amounts recoverable from reinsurers		151,702,229		114,928		151,587,301
Funds held by or deposited with reinsured companies		48,881,242				48,881,242
Other amounts receivable		175,675,421		1,495,887		174,179,534
Federal income tax recoverable		56,989,812				56,989,812
Net deferred tax asset		103,242,387				103,242,387
Guaranty funds receivable		12,482,004				12,482,004
EDP equipment and software		15,219,041		15,175,358		43,683
Furniture and equipment		567,076		567,076		0
Receivable from parent, subs and affiliates		1,643,540				1,643,540
Aggregate write-ins for other than invested assets		269,010,722		53,773,948		215,236,774
Total Assets excluding Separate Accounts	$	33,021,314,312	$	84,732,514	$	32,936,581,798
From Separate Accounts		37,975,732				37,975,732
Total Assets	**$**	**33,059,290,044**	**$**	**84,732,514**	**$**	**32,974,557,530**

LIABILITES, SURPLUS AND OTHER FUNDS
DECEMBER 31, 2009

			NOTES
Aggregate Reserve for Life Contracts	$	13,180,093,622	1
Aggregate Reserve for Accident and Health Contracts		5,795,053,279	2
Liability for Deposit Type Contracts		1,688,000,483	3
Contract Claims:			
Life		20,243,168	
Accident and Health		45,108,573	
Premiums and Annuity Considerations for Life and Accident and Health Contacts in Advance		29,103,625	
Other Amounts Payable on Reinsurance		282,508,592	
Interest Maintenance Reserve		588,377,279	
Commissions to Agents Due or Accrued		15,370,343	
Commissions and Expense Payable on Reinsurance Assumed		1,000,909	
General Expenses Due or Accrued		89,842,657	
Transfers to Separate Accounts due or accrued		(20,300,565)	
Taxes, Licenses and Fees		27,427,219	
Federal and foreign income taxes		4,263,683	
Unearned Investment Income		684	
Amounts Withheld or Retained by Company		8,187,233	
Amounts Held for Agents' Account		58,782	
Remittances and Items not Allocated		59,314,948	
Borrowed Money		56,354	
Asset Valuation Reserve		28,925,116	
Reinsurance in Unauthorized Companies		29,475,920	
Funds Held under Reinsurance Treaties with Unauthorized Reinsurers		5,873,599,141	
Payable to Parent, Subs and Affiliates		22,694,739	
Payable for Securities		19,419,419	
Aggregate Write-ins for Liabilities		1,983,907,060	
Separate Accounts		37,975,732	
Total Liabilities	$	29,809,707,995	
Common capital stock	$	4,561,258	
Preferred Capital stock		300,000	
Gross paid in and contributed surplus		3,088,167,750	
Unassigned funds (surplus)		133,103,328	
Less Treasury Stock		61,282,801	
Surplus as regards policyholders	$	3,164,849,535	
Total liabilities, surplus and other funds	$	32,974,557,530	

\

SUMMARY OF OPERATIONS

DECEMBER 31, 2009

Revenues		
Premiums and Annuity Considerations for Life and Accident and Health Contracts	$	1,252,217,862
Considerations for Supplementary Contracts		14,144,904
Net investment income earned		1,525,387,270
Amortization of Interest Maintenace Reserve		16,358,190
Commissions and Expense Allowances on Reinsurance Ceded		270,286,030
Reserve Adjustments on Reinsurance Ceded		116,937,266
Miscellaneous Income		
Income from Fees Associated with Separate Accounts		93,271
Charges and Fees for Deposit Type Contracts		491
Aggregate Write-In For Miscellaneous Income		50,106,560
Total Revenues	$	3,245,531,844
Insurance Benefits and Expenses		
Death Benefits		64,009,260
Annuity Benefits		470,410,545
Disability Benefits and Benefits under Accident and Health contracts		406,679,279
Surrender Benefits and Withdrawals for Life contracts		3,565,823,080
Interest and Adjustments on Contract or Deposit Funds		57,775,450
Payments on Supplementary Contracts		24,941,982
Increase in Aggregate Reserves		(2,436,041,276)
Commissions on Premiums		288,466,521
Commissions and Expenses on Reinsurance Assumed		57,984,819
General Insurance Expenses		315,034,103
Insurance Taxes, Licenses and Fees		58,561,897
Increase in Loading on Deferred and Uncollected Premiums		(11,850,106)
Net Transfers to Separate Accounts		(4,166,929)
Aggregate Write-ins for Deductions		327,969,108
Total Insurance Benefits and Expenses	$	3,185,597,733
Net Income, after dividends to policyholders, but before federal & foreign income taxes	$	59,934,111
Federal income taxes		(147,969,178)
Net Realized Capital Gains (Losses)		(407,255,193)
Net Income	$	(199,351,904)

RECONCILIATION OF CAPITAL AND SURPLUS

FROM DECEMBER 31, 2006 to DECEMBER 31, 2009

Change in net unrealized capital gains		144,150,609
Change in net unrealized foreign exchange capital gain		(5,737,549)
Change in net deferred income tax		(335,982,161)
Change in non-admitted assets and related items		445,714,532
Change in liability for reinsurance in unauthorized companies		(29,475,920)
Change in reserve on account of change in valuation basis		(1,184,350)
Change in asset valuation reserve		211,063,514
Surplus withdrawn from Separate Account		7,349,406
Other changes in surplus in Separate Account		(13,681,183)
Cumulative effect of changes in accounting principles		(37,658,559)
Surplus Adjustments, Paid In		805,468,992
Surplus Adjustments, Results of Reinsurance		(71,061,514)
Dividends to stockholders		(722,500,000)
Aggregate Write-Ins for Gains and Losses in Surplus		137,762,025
Change in surplus as regards policyholders for the years	$	167,919,363
Capital and Surplus, December 31, 2009	**$**	**3,164,849,536**

ANALYSIS OF CHANGES IN THE FINANCIAL STATEMENTS

There were no financial adjustments to the Company's financial statements as a result of this examination.

NOTES TO THE FINANCIAL STATEMENTS

The Delaware Insurance Department retained the services of the consulting actuarial firm INS Consultants, Inc. (INS) for the purposes of conducting an independent review of the Company's aggregate reserves for Life, Accident & Health, and Deposit contracts. Based on their independent analysis and their review of supporting reports, including the 2009 Actuarial Opinion Memorandum (AOM), the 2009 reserve analysis of KPMG, LLP, and Company provided valuation files, work papers, contracts, policy data and loss data, Company reserves were accepted. Pertinent supporting data contained in Company sampled policy and loss files was reviewed and substantiated during the examination without material exception.

The below is a breakdown of Company reserves.

(Note 1) Aggregate Reserve for Life Contracts **$13,180,093,622**

This liability is reported on Page 3, Line 1 and in Exhibit 5 of GLIC's December 31, 2009 General Account (GA) Annual Statement. The reserve breakdown in Exhibit 5, by reserve segment, is as follows (differences due to rounding):

Reserve Segment	Total Gross	Reinsurance Ceded	Total (Net)
Life Insurance	$ 3,505,332,733	$ 1,910,362,951	$ 1,594,969,782
Annuities	14,976,110,903	3,573,888,650	11,402,222,253
Supplementary Contracts	163,510,441	30,930	163,479,511
Accidental Death Benefits	9,139	1,911	7,228
Disability – Active Lives	6,005,771	1,797,766	4,208,005
Disability – Disabled Lives	1,133,946	186,326	947,620
Miscellaneous Reserves	61,168,638	46,909,419	14,259,219
Totals (Net)	**$ 18,713,271,571**	**$ 5,533,177,953**	**$ 13,180,093,618**

(Note 2) Aggregate Reserve for Accident and Health Contracts **$5,795,053,279**

This liability is reported on Page 3, Line 2 and in Exhibit 6 of GLIC's Annual Statement.

The reserve breakdown is as follows (differences due to rounding):

Active Life Reserve	
Unearned premium reserves	$ 433,185,751
Additional contract reserves	11,262,988,943
Total (Gross)	11,696,174,694
Reinsurance ceded	6,850,279,606
Total (Net)	$ 4,845,895,088
Claim Reserve	
Present value of amounts not yet due	$ 2,636,306,169
Reinsurance ceded	1,687,147,977
Total (Net)	$ 949,158,192
Grand Total (Net)	$ 5,795,053,280

(Note 3) Liability for Deposit-Type Contracts **$1,688,000,483**

The reserve is reported on Page 3, Line 3 and in Exhibit 7 of GLIC's December 31, 2009 Annual Statement. The reserve can be broken down as follows:

Liability Item	Total Gross	Reinsurance Ceded	Total (Net)
Guaranteed Interest Contracts	$ 746,579,084	$ -	$ 746,579,084
Annuities Certain	1,444,715,740	776,254,536	668,461,204
Supplemental Contracts	272,959,887	242,387	272,717,500
Premium & Other Deposit Funds	248,046	5,351	242,695
Total	$ 2,464,502,757	$ 776,502,274	$ 1,688,000,483

COMPLIANCE WITH PRIOR EXAMINATION RECOMMENDATIONS

There were no necessary actions needed to comply with the 2006 examination report issued by the Department.

SUMMARY OF RECOMMENDATIONS

No exam report recommendations were considered necessary as a result of this examination.

CONCLUSION

The following schedule shows the results of this examination and the results of the prior examination with changes between the examination periods:

Description	December 31, 2009	December 31, 2006
Assets	$32,974,557,530	$34,770,582,027
Liabilities	$29,809,707,995	$31,773,651,854
Capital and Surplus	$3,164,849,535	$2,996,930,173

The assistance of the consulting firms, INS Consultants, Inc. and INS Services, Inc. in conducting this exam is acknowledged. In addition, the assistance and cooperation of the Company's management and staff and its outside audit firm, KPMG, LLP is acknowledged and appreciated.

Respectfully submitted,

Bethaney E Ryals, CFE
Examiner In-Charge
State of Delaware