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Supplement Dated January 2, 2025
To The Prospectuses Dated April 29, 2024 For

**JACKSON MARKET LINK PRO[®], JACKSON MARKET LINK PRO[®] ADVISORY,
JACKSON MARKET LINK PRO[®] II and JACKSON MARKET LINK PRO[®] ADVISORY II
SINGLE PREMIUM DEFERRED INDEX-LINKED ANNUITIES**

Issued by
Jackson National Life Insurance Company[®]

**JACKSON MARKET LINK PRO[®] II and JACKSON MARKET LINK PRO[®] ADVISORY II
SINGLE PREMIUM DEFERRED INDEX-LINKED ANNUITIES**

Issued by
Jackson National Life Insurance Company of New York[®]

This supplement updates the above-referenced prospectuses. Please read and keep it together with your prospectus for future reference. To obtain an additional copy of a prospectus, please contact us at our Customer Care Center, P.O. Box 24068, Lansing, Michigan, 48909-4068; 1-800-644-4565; www.jackson.com. For Jackson of NY contracts, please contact us at our Jackson of NY Customer Care Center, P.O. Box 24068, Lansing, Michigan, 48909-4068; 1-800-599-5651; www.jackson.com.

➤ Effective January 1, 2025, the current Fixed Account Minimum Interest Rate is now equal to 2.65%.

(To be used with JMR24800 04/24, JMR24801 04/24, RPR00001 04/24, RPR00002 04/24, RPR00003NY 04/24 and RPR00004NY 04/24)

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**Supplement Dated August 19, 2024
To The Prospectus Dated April 29, 2024 For**

JACKSON MARKET LINK PRO® II

**Issued by
Jackson National Life Insurance Company®**

This supplement updates the above-referenced prospectus. Please read and keep it together with your prospectus for future reference. To obtain an additional copy of a prospectus, please contact us at our Customer Care Center, P.O. Box 24068, Lansing, Michigan, 48909-4068; 1-800-644-4565; www.jackson.com.

Effective August 19, 2024, the table in Appendix B: State Variations is deleted and replaced with the following:

STATE	MATERIAL VARIATION OR AVAILABILITY
Arizona	Requirement that 30 days advance notice be given to owners/beneficiaries of their available income options prior to the Income Date. Requirement that a 180 day maximum limit be placed on any deferral of payments for partial and/or total withdrawals, and that the owner be given notice of such postponement in payments without 15 days of receipt of the partial and/or total withdrawal request at the Customer Care Center.
California	No Waiver of Withdrawal Charges for Extended Care available. State-specific requirement that seniors have the option to invest in the Fixed Account during the Free Look period if Return of Premium Free Look is elected on the application. If the Return of Premium Free Look is elected by a senior applicant, the initial Index Account Option Term is shortened by 35 days.
Connecticut	No restrictions on Fixed Account allocations.
Florida	No Withdrawal Charges assessed upon annuitization, even if annuitized in the first Contract Year. No restrictions on Fixed Account allocations or transfers.
Indiana	For Contracts issued on or after 6/17/24, guaranteed minimum Cap Rates, Performance Trigger Rates, Performance Boost Cap Rates, and Buffers may be used in the calculation of Interim Value. We apply the greater of the applicable guaranteed minimum Index Adjustment Factor(s) or the (non-guaranteed) prorated Index Adjustment Factors. Higher Index Adjustment Factors result in higher Interim Values.
Iowa	For Contracts issued on or after 6/17/24, guaranteed minimum Cap Rates, Performance Trigger Rates, Performance Boost Cap Rates, and Buffers may be used in the calculation of Interim Value. We apply the greater of the applicable guaranteed minimum Index Adjustment Factor(s) or the (non-guaranteed) prorated Index Adjustment Factors. Higher Index Adjustment Factors result in higher Interim Values.
Kansas	Increased waiting period for Waiver of Withdrawal Charge due to Terminal Illness to 24 months.
Louisiana	Pre-selected Death Benefit option is not available per state regulation. Beneficiary is always able to choose the death benefit option.
Maryland	Reduced waiting period for Waiver of Withdrawal Charge due to Terminal Illness or for Extended Care to 6 months. Beneficiary's Entitlement to Death Benefit Before Income Date section of Contract revised to indicate beneficiary's death prior to or simultaneous to the Owner's death makes them ineligible to receive the death benefit.
Massachusetts	Increased waiting period for Waiver of Withdrawal Charge due to Terminal Illness to 24 months. No Waiver of Withdrawal Charge for Extended Care available.
Minnesota	For Contracts issued on or after 6/17/24, guaranteed minimum Cap Rates, Performance Trigger Rates, Performance Boost Cap Rates, and Buffers may be used in the calculation of Interim Value. We apply the greater of the applicable guaranteed minimum Index Adjustment Factor(s) or the (non-guaranteed) prorated Index Adjustment Factors. Higher Index Adjustment Factors result in higher Interim Values.

New Jersey	<p>Renewal Notice will include the current interest rate for the Fixed Account and Index Adjustment Factors for the Index Account.</p> <p>No restrictions on Fixed Account allocations.</p> <p>The Fixed Account Minimum Value Percentage is 90%.</p> <p>Guaranteed minimum Cap Rates, Performance Trigger Rates, Performance Boost Cap Rates, and Buffers may be used in the calculation of Interim Value. We apply the greater of the applicable guaranteed minimum Index Adjustment Factor(s) or the (non-guaranteed) prorated Index Adjustment Factors. Higher Index Adjustment Factors result in higher Interim Values.</p>
Ohio	<p>For Contracts sold on or after July 1, 2024, Ohio requires us to provide interim values that are the greater of the pro rata interim values described in this prospectus or the interim values that would result from a calculation utilizing a hypothetical portfolio of assets designed to replicate the performance of the Index Account Option at the end of the term. We will begin administering this "greater of" calculation on or about May 1, 2025. For any Owners with Contracts sold on or after July 1, 2024 who transact on interim values (including partial or total withdrawals from the Contract, withdrawals of the Guaranteed Annual Withdrawal Amount under the +Income GMWB or +Income GMWB with Joint Option, automatic withdrawals, free looks, required minimum distributions ("RMD"), income payments, deductions of the GMWB Charge, and the Contract Value element of death benefit payments) prior to May 1, 2025, we will retroactively apply the "greater of" calculation to those transactions on or about May 1, 2025. In no event will any Contract Owner ever receive an interim value lower than the interim values described in this prospectus. In connection with this requirement, beginning on July 1, 2024, the MSCI KLD 400 Index will be restricted for any new business sold in Ohio with an application sign date of July 1, 2024 or after.</p>
Texas	<p>Requires 31 day advance notice of Fixed Account unavailability or restrictions.</p> <p>Waiver of Withdrawal Charge Due to Terminal Illness eligibility date is the Issue Date.</p>
Virginia	No Waiver of Withdrawal Charge for Extended Care.
Washington	GMWB Charge not assessed against the Fixed Account.

**Supplement Dated June 28, 2024
To The Prospectus Dated April 29, 2024 For**

JACKSON MARKET LINK PRO® II

**Issued by
Jackson National Life Insurance Company®**

This supplement updates the above-referenced prospectus. Please read and keep it together with your prospectus for future reference. To obtain an additional copy of a prospectus, please contact us at our Customer Care Center, P.O. Box 24068, Lansing, Michigan, 48909-4068; 1-800-644-4565; www.jackson.com.

Effective June 28, 2024, the table in Appendix B: State Variations is deleted and replaced with the following:

STATE	MATERIAL VARIATION OR AVAILABILITY
Arizona	Requirement that 30 days advance notice be given to owners/beneficiaries of their available income options prior to the Income Date. Requirement that a 180 day maximum limit be placed on any deferral of payments for partial and/or total withdrawals, and that the owner be given notice of such postponement in payments without 15 days of receipt of the partial and/or total withdrawal request at the Customer Care Center.
California	No Waiver of Withdrawal Charges for Extended Care available. State-specific requirement that seniors have the option to invest in the Fixed Account during the Free Look period if Return of Premium Free Look is elected on the application. If the Return of Premium Free Look is elected by a senior applicant, the initial Index Account Option Term is shortened by 35 days.
Connecticut	No restrictions on Fixed Account allocations.
Florida	No Withdrawal Charges assessed upon annuitization, even if annuitized in the first Contract Year. No restrictions on Fixed Account allocations or transfers.
Indiana	For Contracts issued on or after 6/17/24, guaranteed minimum Cap Rates, Performance Trigger Rates, Performance Boost Cap Rates, and Buffers may be used in the calculation of Interim Value. We apply the greater of the applicable guaranteed minimum Index Adjustment Factor(s) or the (non-guaranteed) prorated Index Adjustment Factors. Higher Index Adjustment Factors result in higher Interim Values.
Iowa	For Contracts issued on or after 6/17/24, guaranteed minimum Cap Rates, Performance Trigger Rates, Performance Boost Cap Rates, and Buffers may be used in the calculation of Interim Value. We apply the greater of the applicable guaranteed minimum Index Adjustment Factor(s) or the (non-guaranteed) prorated Index Adjustment Factors. Higher Index Adjustment Factors result in higher Interim Values.
Kansas	Increased waiting period for Waiver of Withdrawal Charge due to Terminal Illness to 24 months.
Louisiana	Pre-selected Death Benefit option is not available per state regulation. Beneficiary is always able to choose the death benefit option.
Maryland	Reduced waiting period for Waiver of Withdrawal Charge due to Terminal Illness or for Extended Care to 6 months. Beneficiary's Entitlement to Death Benefit Before Income Date section of Contract revised to indicate beneficiary's death prior to or simultaneous to the Owner's death makes them ineligible to receive the death benefit.
Massachusetts	Increased waiting period for Waiver of Withdrawal Charge due to Terminal Illness to 24 months. No Waiver of Withdrawal Charge for Extended Care available.
Minnesota	For Contracts issued on or after 6/17/24, guaranteed minimum Cap Rates, Performance Trigger Rates, Performance Boost Cap Rates, and Buffers may be used in the calculation of Interim Value. We apply the greater of the applicable guaranteed minimum Index Adjustment Factor(s) or the (non-guaranteed) prorated Index Adjustment Factors. Higher Index Adjustment Factors result in higher Interim Values.

STATE	MATERIAL VARIATION OR AVAILABILITY
New Jersey	<p>Renewal Notice will include the current interest rate for the Fixed Account and Index Adjustment Factors for the Index Account.</p> <p>No restrictions on Fixed Account allocations.</p> <p>The Fixed Account Minimum Value Percentage is 90%.</p> <p>Guaranteed minimum Cap Rates, Performance Trigger Rates, Performance Boost Cap Rates, and Buffers may be used in the calculation of Interim Value. We apply the greater of the applicable guaranteed minimum Index Adjustment Factor(s) or the (non-guaranteed) prorated Index Adjustment Factors. Higher Index Adjustment Factors result in higher Interim Values.</p>
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	Requires 31 day advance notice of Fixed Account unavailability or restrictions.
Texas	Waiver of Withdrawal Charge Due to Terminal Illness eligibility date is the Issue Date.
Virginia	No Waiver of Withdrawal Charge for Extended Care.
Washington	GMWB Charge not assessed against the Fixed Account.
Washington, DC	As of the date of the prospectus, the +Income GMWB and +Income GMWB with Joint Option are not available.

**Supplement Dated June 17, 2024
To The Prospectus Dated April 29, 2024 For**

JACKSON MARKET LINK PRO® II

**Issued by
Jackson National Life Insurance Company®**

This supplement updates the above-referenced prospectuses. Please read and keep it together with your prospectus for future reference. To obtain an additional copy of a prospectus, please contact us at our Customer Care Center, P.O. Box 24068, Lansing, Michigan, 48909-4068; 1-800-644-4565; www.jackson.com.

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California	No Waiver of Withdrawal Charges for Extended Care available. State-specific requirement that seniors have the option to invest in the Fixed Account during the Free Look period if Return of Premium Free Look is elected on the application. If the Return of Premium Free Look is elected by a senior applicant, the initial Index Account Option Term is shortened by 35 days.
Connecticut	No restrictions on Fixed Account allocations.
Florida	No Withdrawal Charges assessed upon annuitization, even if annuitized in the first Contract Year. No restrictions on Fixed Account allocations or transfers.
Indiana	For Contracts issued on or after 6/17/24, guaranteed minimum Cap Rates, Performance Trigger Rates, Performance Boost Cap Rates, and Buffers may be used in the calculation of Interim Value. We apply the greater of the applicable guaranteed minimum Index Adjustment Factor(s) or the (non-guaranteed) prorated Index Adjustment Factors. Higher Index Adjustment Factors result in higher Interim Values.
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Maryland	Reduced waiting period for Waiver of Withdrawal Charge due to Terminal Illness or for Extended Care to 6 months. Beneficiary's Entitlement to Death Benefit Before Income Date section of Contract revised to indicate beneficiary's death prior to or simultaneous to the Owner's death makes them ineligible to receive the death benefit.
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Minnesota	For Contracts issued on or after 6/17/24, guaranteed minimum Cap Rates, Performance Trigger Rates, Performance Boost Cap Rates, and Buffers may be used in the calculation of Interim Value. We apply the greater of the applicable guaranteed minimum Index Adjustment Factor(s) or the (non-guaranteed) prorated Index Adjustment Factors. Higher Index Adjustment Factors result in higher Interim Values.

STATE	MATERIAL VARIATION OR AVAILABILITY
New Jersey	<p>Renewal Notice will include the current interest rate for the Fixed Account and Index Adjustment Factors for the Index Account.</p> <p>No restrictions on Fixed Account allocations.</p> <p>The Fixed Account Minimum Value Percentage is 90%.</p> <p>Guaranteed minimum Cap Rates, Performance Trigger Rates, Performance Boost Cap Rates, and Buffers may be used in the calculation of Interim Value. We apply the greater of the applicable guaranteed minimum Index Adjustment Factor(s) or the (non-guaranteed) prorated Index Adjustment Factors. Higher Index Adjustment Factors result in higher Interim Values.</p>
Texas	<p>Requires 31 day advance notice of Fixed Account unavailability or restrictions.</p> <p>Waiver of Withdrawal Charge Due to Terminal Illness eligibility date is the Issue Date.</p>
Virginia	<p>No Waiver of Withdrawal Charge for Extended Care.</p>
Washington	<p>GMWB Charge not assessed against the Fixed Account.</p>
Washington, DC	<p>As of the date of the prospectus, the +Income GMWB and +Income GMWB with Joint Option are not available.</p>

JACKSON MARKET LINK PRO® II
SINGLE PREMIUM DEFERRED INDEX-LINKED ANNUITY

Issued by
Jackson National Life Insurance Company®

The date of this prospectus is April 29, 2024. This prospectus contains information about the Contract and Jackson National Life Insurance Company (“Jackson”) that you should know before investing. This prospectus is a disclosure document and describes all of the Contract’s material features, benefits, rights, and obligations of annuity purchasers under the Contract. The description of the Contract’s material provisions in this prospectus is current as of the date of this prospectus. If certain material provisions under the Contract are changed after the date of this prospectus, in accordance with the Contract, those changes will be described in a supplemented prospectus. It is important that you also read the Contract and endorsements, which may reflect additional non-material state variations. Jackson's obligations under the Contract are subject to our financial strength and claims-paying ability. The information in this prospectus is intended to help you decide if the Contract will meet your investment and financial planning needs.

Index-linked annuity contracts are complex insurance and investment vehicles. Before you invest, be sure to discuss the Contract’s features, benefits, risks, and fees with your financial professional in order to determine whether the Contract is appropriate for you based upon your financial situation and objectives. Please carefully read this prospectus and any related documents and keep everything together for future reference.

This prospectus describes the Indexes, Terms, Crediting Methods, Protection Options, and add-on Guaranteed Minimum Withdrawal Benefits (“GMWB”) that we currently offer under the Contract. We reserve the right to limit the number of Contracts that you may purchase. We also reserve the right to refuse any Premium payment. Please confirm with us or your financial professional that you have the most current prospectus that describes the availability and any restrictions on the Crediting Methods and Protection Options.

The Jackson Market Link Pro II Contract is an individual single Premium deferred registered index-linked annuity Contract issued by Jackson. The Contract provides for the potential accumulation of retirement savings and partial downside protection in adverse market conditions. The Contract is a long-term, tax-deferred annuity designed for retirement or other long-term investment purposes. It is available for use in Non-Qualified plans, Qualified plans, Tax-Sheltered annuities, Traditional IRAs, and Roth IRAs.

The Contract may not be appropriate for you if you plan to take withdrawals from an Index Account Option prior to the end of the Index Account Option Term, especially if you plan to take ongoing withdrawals such as Required Minimum Distributions. We apply an Interim Value adjustment to amounts removed from an Index Account Option during the Index Account Option Term, and if this adjustment is negative, you could lose up to 100% of your investment. Withdrawals could also result in significant reductions to your Contract Value and the death benefit (perhaps by more than the amount withdrawn), as well as to the Index Adjustment credited at the end of the Index Account Option Term. Withdrawals may also be subject to income taxes and income tax penalties if taken before age 59 1/2. If you do intend to take ongoing withdrawals under the Contract, particularly from an Index Account Option during the Index Account Option Term, you should consult with a financial professional.

Crediting Methods such as the Cap, Performance Trigger, and Performance Boost could limit positive Index gain. The Contract currently offers 10% Floor, and 10% and 20% Buffer Protection Options, which could expose you to 80-90% loss due to poor Index performance. Crediting Method and Protection Option rates could change in the future. The Floor and Buffer Protection Options will always be at least 5%.

Jackson is located at 1 Corporate Way, Lansing, Michigan, 48951. The telephone number is 1-800-644-4565. Jackson is the principal underwriter for these Contracts. Jackson National Life Distributors LLC (“JNLD”), located at 300 Innovation Drive, Franklin, Tennessee 37067, serves as the distributor of the Contracts. You can contact our Jackson Customer Care Center at P.O. Box 24068, Lansing Michigan 48909-4068; 1-800-644-4565; www.jackson.com.

An investment in this Contract is subject to risk including the possible loss of principal and that loss can become greater in the case of an early withdrawal due to charges and adjustments imposed on those withdrawals. See “Risk Factors” beginning on page 12 for more information.

Neither the SEC nor any state securities commission has approved or disapproved these securities or passed upon the adequacy of this prospectus. It is a criminal offense to represent otherwise. We do not intend for this prospectus to be an offer to sell or a solicitation of an offer to buy these securities in any state where this is not permitted.

• Not FDIC/NCUA insured • Not Bank/CU guaranteed • May lose value • Not a deposit • Not insured by any federal agency

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SUMMARY

Jackson Market Link Pro II is a **Registered Index-Linked Annuity** (“**RILA**”) contract. The Contract is an SEC registered, tax deferred annuity that permits you to link your investment to an Index (or multiple Indexes) over a defined period of time (“term”). If the Index Return is positive, the Contract credits any gains in that Index to your Index Account Option Value, subject to the Crediting Method you choose: Cap, Performance Trigger, or Performance Boost. If the Index Return is negative, the Contract credits losses, which may be either absorbed or offset, subject to the Protection Option you choose: a stated Buffer or Floor.

The Contract currently offers five Indexes that can be tracked in any combination, which allow for the ability to diversify among different asset classes and investment strategies. There is also a one-year Fixed Account available for election. The Contract also offers an add-on For Life Guaranteed Minimum Withdrawal Benefit with Annual Step-Up for a Single Life (“+Income GMWB”), and an add-on For Life Guaranteed Minimum Withdrawal Benefit with Annual Step-Up for Two Covered Lives (“+Income GMWB with Joint Option”).

At the end of an Index Account Option Term, we will credit an Index Adjustment (which may be positive, negative, or equal to zero) based on the Index Return, Crediting Method, and Protection Option of the Index Account Option selected. Prior to the end of an Index Account Option Term, the Index Account Option Value is equal to the Interim Value, which is the greater of the Index Account Option Value at the beginning of the term adjusted for any withdrawals plus the Index Adjustment subject to any prorated Index Adjustment Factors, or zero.

Indexes: Each Index is comprised of or defined by certain securities or by a combination of certain securities and other investments. Please refer to the section titled “Indexes” for a description of each of the Indexes offered on this Contract. The Indexes currently offered on the Contract are the **S&P 500, Russell 2000, MSCI Emerging Markets, MSCI EAFE, and the MSCI KLD 400 Social Index.**

Crediting Methods: Each Crediting Method provides the opportunity to receive an Index Adjustment based on *any positive Index Return at the end of the Index Account Option Term*. The Crediting Methods currently offered on the Contract are the Cap, subject to a stated Cap Rate (and an Index Participation Rate); Performance Trigger, subject to a stated Performance Trigger Rate; and Performance Boost, subject to a stated Performance Boost Rate (and a stated Performance Boost Cap Rate) Crediting Methods. Current Cap Rates, Index Participation Rates (applicable only with the Cap Crediting Method), Performance Trigger Rates, Performance Boost Rates, and Performance Boost Cap Rates (applicable only with the Performance Boost Crediting Method) are provided at the time of application, and to existing owners and financial professionals at any time, upon request. Crediting methods must be elected before the start of the Term and will apply for the duration of the Term.

- **Cap**

- This Crediting Method provides a positive Index Adjustment equal to any positive Index Return multiplied by the stated Index Participation Rate, subject to a stated Cap Rate.
- The Cap Rate is the maximum amount of positive Index Adjustment you may receive. This means if the Index Return is in excess of the Cap Rate, your positive Index Adjustment will be limited by (and equal to) the Cap Rate.
- The Index Participation Rate is guaranteed to never be less than 100%. This means it will never reduce your Index Adjustment. If the Index Participation Rate is greater than 100%, it may serve to increase your Index Adjustment.
- An Index Participation Rate or a Cap Rate are not a guarantee of any positive return.

- **Performance Trigger**

- This Crediting Method provides a positive Index Adjustment equal to a stated Performance Trigger Rate if the Index Return is zero or positive.
- The Performance Trigger Rate equals the positive Index Adjustment that you will receive if the Index Return is zero or positive, regardless of whether the actual Index Return is higher or lower than the stated Performance Trigger Rate.
- A Performance Trigger Rate is not a guarantee of any positive return.

- **Performance Boost**

- This Crediting Method provides a positive Index Adjustment equal to Index Return plus the stated Performance Boost Rate if the Index Return is zero, positive, or negative, *but not if the negative return is equal to or in excess of* the elected Buffer Protection Option, subject to a stated Performance Boost Cap Rate.
- The Performance Boost Cap Rate is the maximum amount of positive Index Adjustment you may receive. **This means that any positive Index Adjustment will always be limited by the stated Performance Boost Cap Rate.**
- The Performance Boost Rate boosts your Index Adjustment to a value higher than Index Return, and is equal to the Buffer percentage. Since the Performance Boost Rate is equal to the Buffer:
 - If the Index Return is negative but *within* the Buffer, the Index Adjustment will always be positive.
 - If the Index Return is negative and *equal to* the Buffer, the Index Adjustment will always be zero.
 - If the Index return is negative *in excess of* the Buffer, the Index Adjustment will always be negative in the amount it exceeds the Buffer.
- The Performance Boost Crediting Method is only available with the Buffer Protection Option.
- A Performance Boost Rate or a Performance Boost Cap Rate are not a guarantee of any positive return.

Neither the Index Participation Rate nor the Performance Boost Cap Rate are available as stand-alone Crediting Methods.

Protection Options: The Protection Options provide a level of downside protection if the Index Return is negative. You may choose either a Buffer or Floor Protection Option. Current Buffer and Floor rates are provided at the time of application.

- A **Buffer** protects from loss up to a specific amount (typically 10% or 20%). You only incur a loss if the Index declines more than the stated Buffer percentage. For example, if an Index declines 15% and you chose a 10% Buffer, you would incur a loss of 5% for that Index Account Option Term. Available Buffer rates are guaranteed to be no less than 5% or more than 50%.
- A **Floor** protects from loss after a specific threshold. If the Index declines, you incur a loss up to the stated Floor percentage, beyond which, you are protected by any further loss for that Index Account Option Term. For example, if you chose a 10% Floor and the Index declines 15%, you would lose 10% for that Index Account Option Term. Available Floor rates are guaranteed to be no less than 5% or more than 50%.

Index Account Option Terms: The Contract currently offers three term lengths: a 1-Year term, a 3-Year term, and a 6-Year term depending on the Crediting Method and Protection Option you choose.

As of the date of this prospectus, you may currently select the following combination of Crediting Methods, Protection Options, and Index Account Option Terms with any of the available Indexes:

Crediting Methods	Protection Options*		Term Length		
	Buffer	Floor	1-Year	3-Year	6-Year
Cap	10%, 20%	10%**	✓	✓	✓
Performance Trigger	10%	10%**	✓	N/A	N/A
Performance Boost	10%	N/A	✓	✓	✓

* Protection Option rates listed above are the rates currently available as of the date of this prospectus. These rates may be changed from time to time, so you should contact your financial professional or the Jackson Customer Care Center for current rate availability.

** The Floor Protection Option is only available with the 1-year Cap and Performance Trigger Crediting Methods.

The available Crediting Method and Protection Option rates are the new business and renewal rates effective as of the first day of an Index Account Option Term and will not change until the end of your Index Account Option Term. The rate for a particular Index Account Option Term may be higher or lower than the rate for previous or future Index Account Option Terms. We post all rates online at Jackson.com/RatesJMLP2. The rates for Contract Value reallocations at the end of an Index Account Option Term are posted at least 30 days before the end of any Index Account Option Term. At least 30 days prior to any Index Account Option Term Anniversary, we will send you written notice reminding you of how you may obtain the rates for the next Index Account Option Term. You may provide reallocation instructions in writing using our Reallocation Form or a

Letter of Instruction, or over the phone if you have authorized telephone transactions. If you do not provide timely allocation instructions by close of business on the Index Account Option Term Anniversary of an expiring Index Account Option Term as to how you would like your Index Account Option Value allocated for your next Index Account Option Term, we will generally (i) renew the Index Account Option into the same Index Account Option Term, if available; or (ii) if the same Crediting Method, Protection Option, or Index you elected is not available, we will reallocate the Index Account Option Value(s) to the Fixed Account. See "Automatic Reallocations" beginning on page 34. Such reallocation instructions must be sent to us in written form acceptable to the Company, or via telephone if you have authorized telephone transactions on your account.

We reserve the right to delete or add Index Account Options, Indexes, Crediting Methods, Protection Options, and Index Account Option Terms in the future. There will always be more than one Index Account Option available, and those options will always be identical or similar to one of the options disclosed in this prospectus.

It is possible that an Index may be replaced during an Index Account Option Term. If an Index is replaced during an Index Account Option Term, we will provide you with notice of the substituted Index, and Index Return for the Index Account Option Term will be calculated by adding the Index Return for the original Index from the beginning of the term up until the date of replacement, to the Index Return from the substituted Index starting on the date of replacement through the end of the Index Account Option Term. While any substituted Index will need to be approved by regulators prior to replacing your Index, it is possible that you may experience lower Index Return under a substituted Index than you would have if that Index had not been replaced. For more information about replacing Indexes, please see "Replacing an Index" on page 26. We also reserve the right to remove, add or change the combinations in which we offer Indexes, Crediting Methods, Protection Options and Index Account Option Terms in the future. All Indexes, Crediting Methods, Protection Options, and Index Account Option Terms we currently offer may not be available in all states, or through every selling broker-dealer.

Fixed Account: You also have the option to invest all or a portion of your Contract Value into a **Fixed Account**. Amounts allocated to the Fixed Account earn compounded interest at a fixed rate for the duration of the term. Currently, we offer a one-year term for amounts allocated to the Fixed Account and at the end of the one-year term, you will have the option of reallocating those amounts to Index Account Options, or to continue with the amounts in the Fixed Account. The credited interest rate on the Fixed Account is set annually and can be changed as each one-year term resets on the Contract Anniversary, subject to a guaranteed minimum interest rate.

There is also a Short Duration Fixed Account Option, which is only available in connection with Intra-Term Performance Locks and spousal continuation, and may not be independently elected. On each Contract Anniversary, any amounts allocated to the Short Duration Fixed Account Option in connection with a spousal continuation adjustment, including interest earned on those amounts, will be reallocated to the 1-year Fixed Account Option unless new allocation instructions have been received by us in Good Order from the spouse continuing the Contract. See "Intra-Term Performance Lock" below in this Summary for information on how the Short Duration Fixed Account Option is used for Intra-Term Performance Lock transfers. In comparison to the one year Fixed Account Option, the Short Duration Fixed Account Option has lower interest crediting rates, and cannot be independently elected absent an Intra-Term Performance Lock or spousal continuation.

Interim Value Adjustment: Because the Index Account Options are designed to credit an Index Adjustment by measuring the change in the Index Return from the beginning of the Index Account Option Term to the end of the Index Account Option Term, an Interim Value calculation is necessary to determine the daily value of your Index Account Option on any given Business Day for purposes of Intra-Term Performance Locks or withdrawals prior to the end of the Index Account Option Term by measuring the change in your Index Return from the beginning of the Index Account Option Term to the date of the withdrawal (withdrawals in this context include partial or total withdrawals from the Contract (including withdrawals of the Guaranteed Annual Withdrawal Amount under the +Income GMWB or +Income GMWB with Joint Option), automatic withdrawals, free looks, required minimum distributions ("RMD"), income payments, deductions of the GMWB Charge, and the Contract Value element of death benefit payments). Please note that any withdrawal taken in the first six years after issue may also be assessed withdrawal charges in addition to the Interim Value adjustment.

In calculating the Interim Value adjustment, we use prorated Index Adjustment Factors, which in some instances may serve to *reduce* any positive Index Adjustment, as well as *increase* any negative Index Adjustment we credit when compared to the Index Adjustment you would have received if you had waited until the end of your Index Account Option Term to take your withdrawal. This is because the Index Adjustment Factors are prorated by the time elapsed during the Index Account Option Term. In other words, the values are determined by multiplying the Index Adjustment Factor by the number of days elapsed so far during the Index Account Option Term and then dividing by the total number of days in the Index Account Option Term. For an example illustrating the proration of Index Adjustment Factors, please see "Interim Value" beginning on page 22. We do not prorate the Floor or the Index Participation Rate. Any negative adjustment could be significant and impact the amount of Contract Value available for future withdrawals. In addition to Interim Value adjustments, withdrawals taken in the first six

Contract Years may also be subject to Withdrawal Charges, which could further reduce the amount you receive when requesting a withdrawal.

Please note: certain states require the use of guaranteed minimum Index Adjustment Factors, if greater, in calculating Interim Value. Please see "*Use of Guaranteed Minimum Index Adjustment Factors in Certain States*" on page 23 for more information.

Each time you take a withdrawal from an Index Account Option before the end of your Index Account Option Term, we will recalculate your Index Account Option Value, based on an Interim Value adjustment, which could be zero, positive or negative. The Index Account Option Value is reduced proportionally to the Contract Value for each withdrawal. This means if you withdraw 10% of your Contract Value, your Index Account Option Value will also be reduced by 10%. If an Interim Value adjustment is positive, your Index Account Option Value will be decreased by less than the amount of the withdrawal; in other words, on less than a dollar for dollar basis. If an Interim Value adjustment is negative, your Index Account Option Value will be decreased by more than the amount of the withdrawal; in other words, on more than a dollar for dollar basis.

Intra-Term Performance Lock: Intra-Term Performance Lock is currently available with all Crediting Method options except for the Performance Trigger Crediting Method. This feature allows you to transfer the full Interim Value from your selected Index Account Option into the Short Duration Fixed Account Option, where it will earn the declared Short Duration Fixed Account rate of interest beginning on the Intra-Term Performance Lock Date until the next Contract Anniversary. You can view the Interim Value for your Index Account Option(s) as of the end of the previous Business Day in your account on jackson.com or by contacting us via phone at 1-800-644-4565. We use the Interim Value calculated at the end of the Business Day after we receive your request. This means you will not be able to determine in advance your "locked in" Interim Value, and it may be higher or lower than it was on the Business Day we received your Intra-Term Performance Lock request. Any such transfers are subject to an Interim Value adjustment, as discussed immediately above in this Summary section, which can substantially reduce your Index Account Option Value. An Intra-Term Performance Lock ends the Index Account Option Term for the Index Account Option out of which it is transferred, effectively terminating that Index Account Option. Once an Intra-Term Performance Lock has been processed, it is irrevocable.

On each Contract Anniversary, any amounts allocated to the Short Duration Fixed Account Option as part of an Intra-Term Performance Lock, including interest earned on those amounts, will be reallocated into a new Index Account Option identical to the one from which they were originally transferred, subject to availability requirements, unless new allocation instructions have been received by us in Good Order, and will begin a new Index Account Option Term. For more information on what happens if the same Index Account Option is unavailable, see "Automatic Reallocations" beginning on page 34.

Any interest credited to the Contract, whether from allocations to the Index Account Options or the Fixed Account, is backed by the creditworthiness and claims-paying ability of Jackson National Life Insurance Company.

You are permitted to make transfers and withdrawals under the terms of the Contract. Full and partial transfers among Index Account Options or between Index Account Options and the Fixed Account are permissible only at the end of the Index Account Option Term or Fixed Account term unless you are executing an Intra-Term Performance Lock. Withdrawals taken during the first six years of the Contract may be subject to Withdrawal Charges and withdrawals taken from Index Account Options may be subject to an Interim Value adjustment. **Depending on the Crediting Method, Protection Option, Index selected, and the amount of time that has elapsed in the Index Account Option Term, this adjustment could be substantial.** For more information on the Interim Value adjustment and how it may affect your Contract please see "Interim Value" beginning on page 22.

Registered Index Linked Annuities are long term investments, subject to a potentially substantial loss of principal. Working with a financial professional, you should carefully consider which Indexes, Crediting Methods, and Protection Options (or combinations thereof) are right for you based on your risk tolerance, investment objectives, and other relevant factors. Not all options may be suitable for all investors, including the overall purchase of a RILA.

Guaranteed Minimum Withdrawal Benefit: The Contract offers an add-on benefit that, for a fee, guarantees an annual level of income each year in the form of withdrawals ("GAWA withdrawals") equal to the greater of the Guaranteed Annual Withdrawal Amount ("GAWA") or your Required Minimum Distribution ("RMD"), if applicable, prior to the Income Date. Two versions of this Guaranteed Minimum Withdrawal Benefit ("GMWB") are available: +Income GMWB, which is a single life version, and +Income GMWB with Joint Option, which is a version for two Covered Lives.

- **The GAWA** is guaranteed even if your Contract Value drops to zero (other than due to an Excess Withdrawal or total withdrawal).
 - **The For Life Guarantee** entitles you to continue making GAWA withdrawals for your lifetime (or the lifetime of the joint Owner to die first) under +Income GMWB, or for the lifetime of the last surviving

Covered Life under +Income GMWB with Joint Option. The For Life Guarantee becomes effective on the Contract Anniversary on or immediately following the Designated Life's attained age 59 ½, subject to certain limitations. For more information, please see "For Life Guarantee" beginning on page 42.

- If the For Life Guarantee is not in effect, the GAWA is guaranteed until the earlier of your death (or the death of any joint Owner) or until the depletion of the Guaranteed Withdrawal Balance ("GWB").
- **The value of your GAWA** is based on a percentage ("GAWA percentage" or "GAWA%") associated with:
 - your attained age on the Determination Date, and
 - the number of years withdrawals are deferred from the date the benefit is added to your Contract (called "Deferral Years").
 - The longer withdrawals are deferred (up to 9 years), the higher your GAWA% will be when your GAWA is determined.
- **Step-Up.** The amount of your GWB can be increased by a **Step-Up**, which will automatically increase the GWB to equal the Contract Value if the Contract Value is greater than the GWB. The Step-Up is designed to give you the benefit of any increase in the Contract Value due to positive investment performance. There are two different types of Step-Up available with the +Income GMWB and +Income GMWB with Joint Option:
 - the **annual Step-Up**, which may occur each year on the Contract Anniversary, and
 - the **Determination Date Step-Up**, which may occur only once, on the Determination Date.

Step-Ups are subject to rules and limitations, so please see "Step-Up" beginning on page 42 for more information.

- **GAWA withdrawals** are subject to Interim Value adjustments if withdrawn from Index Account Options during an Index Account Option Term, which means GAWA withdrawals have the potential to reduce your Index Account Option Value by more than the amount of the GAWA.

Neither the +Income GMWB nor the +Income GMWB with Joint Option may be terminated independently from termination of the Contract, except in connection with a spousal continuation, where permitted by the terms of the Contract.

For more information, please see "+Income GMWB and +Income GMWB with Joint Option" beginning on page 38.

You should not elect the +Income GMWB or +Income GMWB with Joint Option if you intend to take regular withdrawals in excess of the GAWA (or any applicable RMDs) or do not intend to take periodic withdrawals prior to the Income Phase of this Contract.

Contract Overview

Contract	Individual single premium deferred registered index-linked annuity contract
Minimum Premium	\$25,000
Issue Ages	0 - 85
Contract Value	The sum of the Fixed Account Value and the Index Account Value.
Index Account Options	Each Index Account Option is defined by an Index, a Crediting Method, a Protection Option, and a Term length. The Crediting Method and Protection Option you choose define the parameters under which the positive or negative Index Adjustment will be credited.
Index Account Option Term	Terms currently available under the Contract are 1, 3, and 6 years in length.
Index	The Indexes currently offered under the Contract are: <ul style="list-style-type: none"> - S&P 500 Index - Russell 2000 Index - MSCI EAFE Index - MSCI Emerging Markets Index - MSCI KLD 400 Social Index
Crediting Method	The Crediting Methods currently offered under the Contract are: <ul style="list-style-type: none"> - Cap - Performance Trigger - Performance Boost

Protection Options	The Protection Options currently offered under the Contract are: - Buffer - Floor
Intra-Term Performance Lock	This feature allows you to lock in your Interim Value prior to the end of your Index Account Option Term on Index Account Options. If you elect an Intra-Term Performance Lock, your full Interim Value as of the Intra-Term Performance Lock Date will be transferred into the Short Duration Fixed Account Option and the Index Account Option Term will end. Intra-Term Performance Lock is not currently available with elections of the Performance Trigger Crediting Method. For more information, see "Intra-Term Performance Lock" beginning on page 15.
Fixed Account	A Contract Option which provides a declared amount of interest over a stated period.
Interim Value	The daily value of your Index Account Option on any given Business Day prior to the end of an Index Account Option Term. The Interim Value is calculated using prorated Index Adjustment Factors, where applicable, based on the elapsed portion of the Index Account Option Term. Neither the Floor nor the Index Participation Rate are prorated. Please note: certain states require the use of guaranteed minimum Index Adjustment Factors, if greater, in calculating Interim Value. For more information, see "Use of Guaranteed Minimum Index Adjustment Factors in Certain States" beginning on page 23.
Transfers	You may request a transfer to or from the Fixed Account and to or from the Index Account Options. You may also request transfers among the available Index Account Options. Transfers among Index Account Options or between Index Account Options and the Fixed Account are permissible only at the end of the Index Account Option Term or Fixed Account term unless you are executing an Intra-Term Performance Lock. The effective date of transfers other than those in connection with an Intra-Term Performance Lock is the first day of the Fixed Account term and/or an Index Account Option Term into which a transfer is made.
Access to Your Money	You may withdraw some or all of your money at any time prior to the Income Date. For any withdrawal from an Index Account Option, an Interim Value adjustment as of the date of the withdrawal will apply and may substantially reduce your Index Account Option Value. In addition, a withdrawal taken in excess of the Free Withdrawal amount, or which is considered an Excess Withdrawal under the +Income GMWB or +Income GMWB with Joint Option may be subject to additional Withdrawal Charges.
Add-On Guaranteed Minimum Withdrawal Benefit	For a fee, you may add the +Income GMWB or +Income GMWB with Joint Option to your Contract, which allows you to withdraw a guaranteed amount annually (the "GAWA") for your life (and your spouse's life if you elect +Income GMWB with Joint Option), subject to certain conditions and limitations. <ul style="list-style-type: none"> • The value of your GAWA is based on a GAWA percentage associated with your attained age on the Determination Date and the number of years you defer taking withdrawals once the benefit is added to your Contract (called "Deferral Years"). The longer withdrawals are deferred (up to 9 years), the higher your GAWA percentage will be when your GAWA is determined. • On each Contract Anniversary after the benefit is added to your Contract, you are eligible for a Step-Up, which will automatically increase the GAWA to equal the Contract Value if the Contract Value is greater than the GAWA, subject to certain limitations. Please note that Excess Withdrawals under this GMWB may be subject to Withdrawal Charges, and all withdrawals from an Index Account Option prior to the end of the Index Account Option Term are subject to an Interim Value adjustment, including GAWA withdrawals under this benefit. For more information about the +Income GMWB, including the limitations referenced above, please see "+Income GMWB and +Income GMWB with Joint Option" on page 38.

Withdrawal Charge	<p>A percentage charge applied to withdrawals in excess of the Free Withdrawal amount or in excess of the GAWA (or RMD if applicable), including partial and total withdrawals, and income payments commenced within the first Contract Year.</p> <p>Withdrawal Charges apply during the first six years of the Contract as follows:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Number of Complete Contract Years since Issue Date</th> <th style="text-align: left;">Withdrawal Charge Percentage</th> </tr> </thead> <tbody> <tr><td>0.....</td><td>8.00%</td></tr> <tr><td>1.....</td><td>8.00%</td></tr> <tr><td>2.....</td><td>7.00%</td></tr> <tr><td>3.....</td><td>6.00%</td></tr> <tr><td>4.....</td><td>5.00%</td></tr> <tr><td>5.....</td><td>4.00%</td></tr> <tr><td>6 or more.....</td><td>0.00%</td></tr> </tbody> </table> <p>For more information about Withdrawal Charges, including details about when you may be entitled to a waiver of Withdrawal Charges, please see the section titled "<i>WITHDRAWAL CHARGE</i>" on page 50.</p>	Number of Complete Contract Years since Issue Date	Withdrawal Charge Percentage	0.....	8.00%	1.....	8.00%	2.....	7.00%	3.....	6.00%	4.....	5.00%	5.....	4.00%	6 or more.....	0.00%
Number of Complete Contract Years since Issue Date	Withdrawal Charge Percentage																
0.....	8.00%																
1.....	8.00%																
2.....	7.00%																
3.....	6.00%																
4.....	5.00%																
5.....	4.00%																
6 or more.....	0.00%																
Death Benefit	<p>For Owners 80 or younger at the Issue Date of the Contract, the standard death benefit (known as the Return of Premium death benefit) is the greater of the Contract Value or the Premium you paid into the Contract (reduced proportionately by the percentage reduction in the Index Account Option Value and the Fixed Account Value for each partial withdrawal (including any applicable Withdrawal Charge)).</p> <p>For Owners age 81 or older at the Issue Date of the Contract, the standard death benefit is the Contract Value.</p>																
Income Options	<p>You can choose to begin taking income from your Contract at any time, but all of the Contract Value must be annuitized. Withdrawal Charges (if you begin taking income in the first Contract Year) will apply, and we will use your Interim Value (if you begin taking income on any day other than the Index Account Option Term Anniversary) to calculate your income payments. You may choose from the following annuitization options:</p> <ul style="list-style-type: none"> - Life Income - Joint Life and Survivor Income - Life Income with Guaranteed Payments for 10 Years or 20 Years - Life Income for a Specified Period <p>Once an income option has been selected, and payments begin, the income option may not be changed. No withdrawals will be permitted once the contract is in the income phase. For more information about income options, please see the section titled "Income Options" on page 52. Additional income options may be available if you elect to add the +Income GMWB or +Income GMWB with Joint Option to your Contract. For more information, please see "GMWB Income Options" on page 44.</p>																
Charges and Expenses	<p>You will bear the following charges and expenses:</p> <ul style="list-style-type: none"> - Withdrawal Charges during the first six Contract Years; - GMWB Charge if you elect the add-on GMWB; and - Premium and Other Taxes. <p>Additionally, if you take a withdrawal before the end of your Term (including automatic withdrawals, GAWA withdrawals, Required Minimum Distributions, income payments, death benefit payments, Free Looks and Intra-Term Performance Locks), we will also calculate an Interim Value adjustment (in addition to any applicable Withdrawal Charge), which may serve to limit amounts credited to less than the amount of the Index Return on the date of the withdrawal. Also, in the case of a withdrawal before the end of the Term where the Index Return is negative, less protection is provided the earlier in the Term the withdrawal occurs. Please note that the Contract also imposes Caps that can limit amounts credited to less than the amount of the Index Return on the date of the withdrawal.</p>																
Free Look Provision	<p>You may cancel the Contract within a certain time period after receiving it by returning the Contract to us or to the financial professional who sold it to you. This is known as a "Free Look." We will return either your Premium Payment or Contract Value, depending on your state, and we will not deduct a Withdrawal Charge. Free Looks are subject to Interim Value adjustments.</p>																

GLOSSARY

These terms are capitalized when used throughout this prospectus because they have special meaning. In reading this prospectus, please refer back to this glossary if you have any questions about these terms.

Adjusted Index Return - the percentage change in an Index value measured from the start of an Index Account Option Term to the end of the Index Account Option Term, adjusted based on the Cap Rate, Index Participation Rate (applicable only with the Cap Crediting Method), Performance Trigger Rate, Performance Boost Rate, Performance Boost Cap Rate (applicable only with the Performance Boost Crediting Method), Buffer or Floor, as applicable. On any day during an Index Account Option Term prior to the end of the Term, the percentage change in the Index value measured from the start of the Index Account Option Term and the current Index value as of that day, adjusted based on the applicable prorated Crediting Method (e.g. Cap Rate/Performance Trigger Rate/Performance Boost Rate/Performance Boost Cap Rate). If the Index return is negative, we apply the Floor or prorated Buffer Protection Option that you have elected. Neither the Floor nor the Index Participation Rate are prorated when calculating the Adjusted Index Return.

Annuitant – the natural person on whose life annuity payments for this Contract are based. The Contract allows for the naming of joint Annuitants. Any reference to the Annuitant includes any joint Annuitant.

Beneficiary – the natural person or legal entity designated to receive any Contract benefits upon the Owner's death. The Contract allows for the naming of multiple Beneficiaries.

Buffer - one of the two Protection Options offered and an Index Adjustment Factor. A Buffer is the amount of negative Index price change before a negative Index Adjustment is credited to the Index Account Option Value at the end of an Index Account Option Term, expressed as a percentage. A Buffer protects from loss up to a stated amount. You only incur a loss if the Index declines more than the stated Buffer percentage during the Index Account Option Term (though it is possible to incur a loss in excess of the stated Buffer percentage if you make a withdrawal prior to the end of the Index Account Option Term).

Business Day - any day that the New York Stock Exchange is open for business during the hours in which the New York Stock Exchange is open. Each Business Day ends when the New York Stock Exchange closes (usually 4:00 p.m. Eastern time).

Cap Rate ("CR") or Cap - one of three currently available Crediting Methods, and an Index Adjustment Factor. The Cap Rate is the maximum positive Index Adjustment, expressed as a percentage, that will be credited to an Index Account Option under the Cap

Crediting Method at the end of each Index Account Option Term after application of the Index Participation Rate.

Contract - the single premium deferred Index-linked annuity contract and any optional endorsements you may have selected.

Contract Anniversary - the Business Day on or immediately following each one-year anniversary of the Issue Date.

Contract Option - one of the options offered by the Company under this Contract. The Contract Options for this product are the Fixed Account and Index Account.

Contract Value - the sum of the allocations to the Fixed Account and the Index Account.

Contract Year - the succeeding twelve months from a Contract's Issue Date and every anniversary. The first Contract Year (Contract Year 0-1) starts on the Contract's Issue Date and extends to, but does not include, the first Contract Anniversary. Subsequent Contract Years start on an anniversary date and extend to, but do not include, the next anniversary date.

For example, if the Issue Date is January 15, 2023, then the end of Contract Year 1 would be January 14, 2024, and January 15, 2024, which is the first Contract Anniversary, begins Contract Year 2.

Crediting Method - the general term used to describe a method of crediting the applicable positive Index Adjustment at the end of an Index Account Option Term.

Covered Life - each of the individuals covered under the For Life Guarantee of the +Income GMWB with Joint Option .

Deferral Year - the period of time measured by each Contract Anniversary that has passed after election of the add-on Guaranteed Minimum Withdrawal Benefit ("GMWB").

Designated Life - the life on which certain Guaranteed Minimum Withdrawal Benefit ("GMWB") values and guarantees are based.

Determination Date - the date the Guaranteed Annual Withdrawal Amount Percentage ("GAWA%") is determined and locked-in, and the Guaranteed Annual Withdrawal Amount ("GAWA") is determined for the first time after election of the +Income GMWB or +Income GMWB with Joint Option.

Excess Withdrawal - any portion of a withdrawal taken, after election of the +Income GMWB or +Income GMWB with Joint Option, that causes total withdrawals taken during that Contract Year to exceed the greater of the Guaranteed Annual Withdrawal Amount ("GAWA") or Required Minimum Distribution ("RMD"), if applicable, on the date of the withdrawal.

End-Term Performance Lock - a Contract feature that allows for the automatic reallocation of positive Index Adjustments from Index Account Options into the Fixed Account at the end of each Index Account Option Term.

Fixed Account - a Contract Option in which amounts earn a declared rate of interest for a one year period.

Fixed Account Option - An option within the Fixed Account for allocation of Premium or Contract Value defined by its term.

Fixed Account Minimum Interest Rate - the minimum interest rate applied to the Fixed Account, guaranteed for the life of the Contract.

Fixed Account Minimum Value - the minimum guaranteed amount of the Fixed Account Value. The Fixed Account Minimum Value is equal to 87.5% of all amounts allocated to the Fixed Account, reduced by the net amount of withdrawals and transfers from the Fixed Account, and taxes, accumulated at the Fixed Account Minimum Interest Rate.

Fixed Account Value - the value of the portion of the Premium allocated to the Fixed Account. The Fixed Account Value is equal to the larger of the Fixed Account Minimum Value or Premium allocated to the Fixed Account, plus interest credited daily at never less than the Fixed Account Minimum Interest Rate for the Contract per annum, less any partial withdrawals including any Withdrawal Charges on such withdrawals, any amounts transferred out of the Fixed Account, and any applicable charges for add-on benefits.

Floor - one of the two Protection Options offered and an Index Adjustment Factor. A Floor is the maximum negative Index Adjustment that will be credited to the Index Account Option Value at the end of the Index Account Option Term, expressed as a percentage. A Floor protects from loss after a stated threshold. If the Index declines during the Index Account Option Term, you incur a loss up to the stated Floor percentage, and are protected from any further loss beyond the Floor during that Index Account Option Term.

For Life Guarantee - a guarantee under the +Income GMWB that entitles you to the Guaranteed Annual Withdrawal Amount ("GAWA") for the lifetime of the Designated Life, or, with joint Owners, the lifetime of the

joint Owner who dies first. For a Contract owned by a legal entity with joint Annuitants, the guarantee lasts for the lifetime of the joint Annuitant who dies first. Under the +Income GMWB with Joint Option, the guarantee lasts for the lifetime of the last surviving Covered Life.

Free Withdrawal - the maximum amount that may be withdrawn each year free of any otherwise applicable Withdrawal Charge. The Free Withdrawal amount is equal to 10% of Remaining Premium during each Contract Year that would otherwise incur a Withdrawal Charge, less earnings. If an RMD or GAWA is applicable and exceeds 10% of Remaining Premium, the Free Withdrawal amount is equal to the greater of the RMD or GAWA, less earnings.

Guaranteed Annual Withdrawal Amount ("GAWA") - the maximum amount the Owner can withdraw from the Contract each Contract Year after the election of the +Income GMWB or +Income GMWB with Joint Option, without reducing the guaranteed amount the Owner can withdraw in future Contract Years. Where there is an applicable Required Minimum Distribution (RMD) under federal tax law, the Owner may withdraw the greater of the GAWA or the RMD amount without reducing the guaranteed amount the Owner can withdraw in future Contract Years.

Guaranteed Annual Withdrawal Amount Percentage ("GAWA%") - the percentage, which is locked-in on the Determination Date based on the Designated Life's attained age and number of elapsed Deferral Years, and is used to determine the Guaranteed Annual Withdrawal Amount. The GAWA% will not change after the Determination Date for any reason.

Guaranteed Minimum Withdrawal Benefit ("GMWB") - an add-on benefit that may be purchased for an additional fee that provides for a Guaranteed Annual Withdrawal Amount that is guaranteed for the life of the Designated Life (or Covered Lives if the Joint Option is elected) if the For Life Guarantee is in effect, or until the depletion of the Guaranteed Withdrawal Balance ("GWB") if the For Life Guarantee is not in effect.

Guaranteed Minimum Withdrawal Benefit Charge ("GMWB Charge") - the charge assessed annually upon election of the +Income GMWB or +Income GMWB with Joint Option.

Guaranteed Withdrawal Balance ("GWB") - the value upon which the GAWA and GMWB Charge are based. The GWB is not a Contract Value and cannot be withdrawn as a lump-sum.

Good Order - when our administrative requirements, including all information, documentation and instructions deemed necessary by us, in our sole discretion, are met in

order to issue a Contract or execute any requested transaction pursuant to the terms of the Contract.

Income Date - the date on which income payments are scheduled to begin as described in the Income Payments section of the prospectus.

Index - a benchmark used to determine the positive or negative Index Adjustment credited, if any, for a particular Index Account Option.

Index Account - a Contract Option in which amounts are credited positive or negative index-linked interest for a specified period.

Index Account Option - an option within the Index Account for allocation of Premium, defined by its term, Index, Crediting Method, and Protection Option.

Index Account Option Term - the selected duration of an Index Account Option.

Index Account Option Term Anniversary - the Business Day concurrent with or immediately following the end of an Index Account Option Term.

Index Account Option Value - the value of the portion of Premium allocated to an Index Account Option.

Index Account Value - the sum of the Index Account Option Values.

Index Adjustment - an adjustment to Index Account Option Value at the end of each Index Account Option Term, or at the time of withdrawal of Index Account Option Value. Index Adjustments can be zero, positive or negative, depending on the performance of the selected Index, Crediting Method, and Protection Option. The Index Adjustment is equal to the Adjusted Index Return.

Index Adjustment Factor(s) - the parameters used to determine the amount of an Index Adjustment. These parameters are specific to the applicable Crediting Method and Protection Option. Cap Rates, Performance Trigger Rates, Performance Boost Rates, Performance Boost Cap Rates (applicable only with the Performance Boost Rate Crediting Method), Index Participation Rates (applicable only with the Cap Crediting Method), Buffers, and Floors are all Index Adjustment Factors.

Index Participation Rate ("IPR") - the percentage applied to any positive Index Return in the calculation of the Index Adjustment for the Cap Crediting Method. The IPR is an Index Adjustment Factor, and is declared at the beginning of the Index Account Option term. The IPR is guaranteed to be at least 100%, and will never serve to decrease an Index Adjustment. The IPR is not a stand-alone Crediting Method. It is applicable only with the Cap Crediting Method.

Index Return - the percentage change in an Index value measured from the start of an Index Account Option Term to the end of the Index Account Option Term.

Interim Value - the Index Account Option Value *during* the Index Account Option Term. The Interim Value will never be less than zero. On each day of the Index Account Option Term prior to the end of the Index Account Option Term, the Interim Value is the greater of the Index Account Option Value on the first day of the term (which equals any Premium or Contract Value allocated to the Index Account Option on that day) reduced for any withdrawals (including GAWA withdrawals, Required Minimum Distributions, income payments, the Contract Value element of death benefit payments, and Free Looks) or Intra-Term Performance Locks transferred from the Index Account Option during the term, including any Withdrawal Charges, in the same proportion as the Interim Value was reduced on the date of the withdrawal or Intra-Term Performance Lock, plus the prorated Index Adjustment subject to prorated Index Adjustment Factors, where applicable, or zero. Neither the Floor nor the Index Participation Rate Index Adjustment Factors are prorated. The Interim Value uses applicable prorated Index Adjustment Factors (based on the elapsed portion of the Index Account Option Term), but neither the Floor nor the Index Participation Rate Index Adjustment Factors are prorated for purposes of calculating Interim Value prior to the end of the Index Account Option Term. The Interim Value is calculated on each day of the Index Account Option Term, other than the first and last days, and is the amount of Index Account Option Value available for withdrawal or Intra-Term Performance Lock prior to the end of the Index Account Option Term.

Intra-Term Performance Lock - a Contract feature that permits the one-time reallocation of Interim Value from an Index Account Option to the Short Duration Fixed Account Option prior to the end of the Index Account Option Term.

Intra-Term Performance Lock Date - the date Interim Value is reallocated to the Short Duration Fixed Account Option in connection with an Intra-Term Performance Lock.

Issue Date - the date your Contract is issued.

Jackson, JNL, we, our, or us – Jackson National Life Insurance Company. (We do not capitalize “we,” “our,” or “us” in the prospectus.)

Latest Income Date ("LID") - the date on which you will begin receiving income payments. The Latest Income Date is the Contract Anniversary on which the Owner will be 95 years old, or such date allowed by the Company on a non-discriminatory basis or required by a qualified plan, law or regulation.

Owner, you or your – the natural person or legal entity entitled to exercise all rights and privileges under the Contract. Usually, but not always, the Owner is the Annuitant. The Contract allows for the naming of joint Owners. (We do not capitalize “you” or “your” in the prospectus.) Any reference to the Owner includes any joint Owner.

Performance Boost Cap Rate ("PBCR") - an Index Adjustment Factor associated with the Performance Boost Crediting Method. The PBCR is the maximum positive Index Adjustment, expressed as a percentage, that could be credited to an Index Account Option under the Performance Boost Crediting Method at the end of each Index Account Option Term. The Performance Boost Cap Rate is not a stand-alone Crediting Method. It is applicable only when you select the Performance Boost Rate Crediting Method.

Performance Boost Rate ("PBR") - one of three currently available Crediting Methods, and an Index Adjustment Factor. The PBR is the amount that will be added to Index Return, expressed as a percentage, that will increase value of the Index Adjustment that will be credited to an Index Account Option under the Performance Boost Crediting Method at the end of each Index Account Option Term if the performance criteria are met. The Index Adjustment credited under the Performance Boost Crediting Method is limited by the Performance Boost Cap Rate.

Performance Trigger Rate ("PTR") - one of three currently available Crediting Methods, and an Index Adjustment Factor. The PTR is the amount of positive Index Adjustment, expressed as a percentage, that will be credited to an Index Account Option under the Performance Trigger Crediting Method at the end of each Index Account Option Term if the performance criteria are met.

Premium - consideration paid into the Contract by or on behalf of the Owner.

Protection Options - the general term used to describe the Floor and Buffer Index Adjustment Factors. Protection Options provide varying levels of partial protection against the risk of loss of Index Account Option Value when Index Return is negative.

Remaining Premium - total Premium paid into the Contract, reduced by withdrawals of Premium, including Withdrawal Charges, before withdrawals are adjusted for any applicable charges.

Required Minimum Distributions ("RMDs") – for certain qualified Contracts, the amount defined under the Internal Revenue Code as the minimum distribution requirement as applied to your Contract only. This definition excludes any withdrawal necessary to satisfy the

minimum distribution requirements of the Internal Revenue Code if the Contract is purchased with contributions from a nontaxable transfer after the death of the Owner of a qualified Contract.

Step-Up - a feature under which we automatically increase the GWB to reflect any increases in the Contract Value due to positive investment performance during the Contract Year when you have elected the +Income GMWB or +Income GMWB with Joint Option. There are annual Step-Ups and a Determination Date Step-Up available under the +Income GMWB and +Income GMWB with Joint Option.

Withdrawal Charge - a charge that is applied to withdrawals in excess of the Free Withdrawal amount or in excess of the GAWA (or RMD if applicable), including partial and total withdrawals during the first six years of the Contract, or income payments commenced within the first Contract Year, expressed as a percentage of Remaining Premium.

Withdrawal Value - the amount payable upon a total withdrawal of Contract Value. The Withdrawal Value is equal to the Contract Value, less any applicable charges for add-on benefits, subject to any applicable positive or negative Interim Value adjustment, less any applicable Withdrawal Charge.

RISK FACTORS

The purchase of the Contract and the features you elect involve certain risks. You should carefully consider the following factors, in addition to considerations listed elsewhere in this prospectus, prior to purchasing the Contract.

Risk of Loss. An investment in an index-linked annuity is subject to the risk of loss. You may lose money, including the loss of principal.

Liquidity. We designed the Contract to be a long-term investment that you may use to help save for retirement. If you take withdrawals from your Contract during the withdrawal charge period, withdrawal charges may apply. In addition, each time you take a withdrawal prior to the end of the Index Account Option term, we will recalculate your Index Account Option Value, based on an Interim Value adjustment, which could be positive or negative. In doing so, we use prorated Index Adjustment Factors, where applicable, which serve to reduce any positive Index Adjustment, as well as increase any negative Index Adjustment we credit. Neither the Floor nor the Index Participation Rate are prorated. Any negative adjustment could be significant and impact the amount of Contract Value available for future withdrawals. In addition, amounts withdrawn from this Contract may also be subject to taxes and a 10% additional federal tax penalty if taken before age 59½. If you plan on taking withdrawals that will be subject to withdrawal charges and/or taking withdrawals before age 59½, this Contract may not be appropriate for you.

Limitations on Transfers. You can transfer Contract Value among the Index Account Options and the Fixed Account only at designated times (on the Index Account Option Term Anniversary for amounts invested in Index Account Options, and Contract Anniversaries for amounts invested in the Fixed Account). You cannot transfer out of a current Index Account Option to another Index Account Option (or to the Fixed Account) until the Index Account Option Term Anniversary (unless you are executing an Intra-Term Performance Lock) and you cannot transfer out of the Fixed Account to an Index Account Option until the Contract Anniversary. In all cases, the amount transferred can only be transferred to a new Index Account Option or Fixed Account. This may limit your ability to react to market conditions. You should consider whether the inability to reallocate Contract Value during the elected investment terms is consistent with your financial needs and risk tolerance. For more information about transfers, please see the section titled "Transfers and Reallocations" on page 34.

Reallocations. You should understand that a new Cap Rate, Index Participation Rate (applicable only with the Cap Crediting Method), Performance Trigger Rate, Performance Boost Cap Rate (applicable only with the Performance Boost Rate Crediting Method), or Performance Boost Rate will go into effect on the Index Account Option Term Anniversary for all new Index Account Option Terms. Such rates could be lower, higher, or equal to your current Crediting Method percentage rate. We post all rates online at [Jackson.com/RatesJMLP2](https://www.jackson.com/RatesJMLP2). The rates for Contract Value reallocations at the end of an Index Account Option Term are posted at least 30 days before the end of any Index Account Option Term. At least 30 days prior to any Index Account Option Term Anniversary, we will send you written notice reminding you of how you may obtain the rates for the next Index Account Option Term. You may provide reallocation instructions in writing using our Reallocation Form or a Letter of Instruction, or over the phone if you have authorized telephone transactions. If you do not provide timely allocation instructions by close of business on the Index Account Option Term Anniversary of an expiring Index Account Option Term as to how you would like your Index Account Option Value allocated for your next Index Account Option Term, we will generally (i) renew the Index Account Option into the same Index Account Option Term, if available; or (ii) if the same Crediting Method, Protection Option, or Index you elected is not available, we will reallocate the Index Account Option Value(s) to the Fixed Account. See "Automatic Reallocations" beginning on page 34. Such reallocation instructions must be sent to us in written form acceptable to the Company, or via telephone if you have authorized telephone transactions on your account. For more information on how rates are set and communicated, please see the subsection titled "Crediting Methods" under "Additional Information About the Index Account Options" beginning on page 25. This will occur even if the Fixed Account and/or specific Index Account Option is no longer appropriate for your investment goals. For more information about transfers, please see the section titled "Transfers and Reallocations" on page 34.

Loss of Contract Value. There is a risk of substantial loss of Contract Value (except for amounts allocated to the Fixed Account) due to any negative Index Return that exceeds the Buffer or is within the Floor amount. If any negative Index Return exceeds the Buffer or is within the Floor you have elected at the end of the Index Account Option Term, you will realize the amount of loss associated with your elected Protection Option. Buffers and Floors are not cumulative, and their protection does not extend beyond the length of any given Index Account Option Term. If you keep amounts allocated to an Index Account Option over multiple Index Account Option Terms in which negative Index Adjustments are made, the total combined loss of Index Account Option Value over those multiple Index Account Option Terms may exceed the stated limit of any applicable Protection Option for a single Index Account Option Term.

No Ownership of Underlying Securities. You have no ownership rights in the securities that comprise an Index. Purchasing the Contract is not equivalent to purchasing shares in a mutual fund that invests in securities comprising the Indexes nor is it equivalent to directly investing in such securities. You will not have any ownership interest or rights in the securities, such as voting rights, or the right to receive dividend payments, or other distributions. Index returns would be higher if they included the dividends from the component securities.

Tracking Index Performance. When you allocate money to an Index Account Option, the value of your investment depends in part on the performance of the applicable Index. The performance of an Index is based on changes in the values of the securities or other investments that comprise or define the Index. The securities comprising or defining the Indexes are subject to a variety of investment risks, many of which are complicated and interrelated. These risks may affect capital markets generally, specific market segments, or specific issuers. The performance of the Indexes may fluctuate, sometimes rapidly and unpredictably. Negative Index Return may cause you to realize investment losses. The historical performance of an Index or an Index Account Option does not guarantee future results. It is impossible to predict whether an Index will perform positively or negatively over the course of a term.

While you will not directly invest in an Index, if you choose to allocate amounts to an Index Account Option, you are indirectly exposed to the investment risks associated with the applicable Index as the Contract performance tracks the Index Return and then your elected Crediting Methods and Protection Options are applied based on that performance. Because each Index is comprised or defined by a collection of equity securities, each Index is exposed to market fluctuations that may cause the value of a security to change, sometimes rapidly and unpredictably.

Limits on Investment Return.

- **Cap Rate.** If you elect a Cap Crediting Method, the highest possible return that you may achieve on your investment is equal to the Cap Rate, or "Cap". The Cap therefore limits the positive Index Adjustment, if any, that may be credited to your Contract for a given Index Account Option Term. The Caps do not guarantee a certain amount of minimum Index Adjustment credited. Any Index Adjustment based on a Cap Crediting Method may be less than the positive return of the Index. This is because any positive return of the Index that we credit to your Index Account Option Value is subject to a maximum in the form of a Cap, even when the positive Index Return is greater.
- **Performance Trigger Rate.** If you elect a Performance Trigger Crediting Method, the highest possible return that you may achieve is equal to the Performance Trigger Rate. The Performance Trigger Rate therefore limits the positive Index Adjustment, if any, that may be credited to your Contract for a given Index Account Option Term. The Performance Trigger Rates do not guarantee a minimum Index Adjustment amount. Any Index Adjustment credited for a Performance Trigger Crediting Method may be less than the positive return of the Index. This is because any positive return of the Index that we credit to your Index Account Option Value is always equal to the Performance Trigger Rate, even when the positive Index Return is greater.
- **Performance Boost Cap Rate** (applicable only with the Performance Boost Crediting Method). If you elect a Performance Boost Crediting method, the highest possible return that you may achieve is equal to the Performance Boost Cap Rate. The Performance Boost Cap Rate therefore limits the positive Index Adjustment, if any, that may be credited to your Contract for a given Index Account Option Term. The Performance Boost Cap Rates do not guarantee a minimum Index Adjustment amount. Any Index Adjustment credited for a Performance Boost Crediting Method may be less than the positive return of the Index. This is because any positive return of the Index that we credit to your Index Account Option Value is subject to a maximum in the form of a Performance Boost Cap Rate, even when the positive Index Return is greater. In addition, if the Index Return is negative and equal to or in excess of the elected Buffer, you will not get the benefit of the Performance Boost Rate to increase the value of your Index Adjustment. The Performance Boost Cap Rate is not a stand-alone Crediting method. It is applicable only if you elect the Performance Boost Rate Crediting Method.

Cap, Performance Trigger, and Performance Boost Cap Rates are not annual rates. For Index Account Option Terms that are longer than one year, the rates would be lower on an annual basis.

In addition, each time you take a withdrawal, we will recalculate your Index Account Option Value, based on an Interim Value adjustment, which could be zero, positive or negative. In doing so, we prorate the Cap, Performance Trigger, and Performance Boost Rates based on the number of days that elapsed in the Term, which means you will not experience the full advantage of the stated Cap, Performance Trigger, or Performance Boost Rate. This could serve to *decrease* any positive Index Adjustment

we credit. Please note: certain states require the use of guaranteed minimum Index Adjustment Factors, if greater, in calculating Interim Value. Please see "*Use of Guaranteed Minimum Index Adjustment Factors in Certain States*" on page 23 for more information.

New rates go into effect at the start of each new Index Account Option Term. Such rates could be lower, higher, or equal to the current rate. If a new rate is unacceptable to you, you will have to reallocate your Contract Value to a different Index Account Option or to the Fixed Account. There is a risk that these other investment options will also not be satisfactory to you.

Buffers and Floors. If you allocate money to an Index Account Option, Index fluctuations may cause an Index Adjustment to be negative at the end of the Index Account Option Term despite the application of the Buffer or Floor Protection Option that you elect.

- If you elect a Floor, a negative Index Return will always result in a negative Index Adjustment up to the Floor but not in excess of the Floor.
- If you elect a Buffer, a negative Index Return will result in a negative Index Adjustment if the negative Index Return exceeds the Buffer.

In choosing between a Buffer and a Floor, you should consider that the maximum amount of principal you can lose with a Buffer is greater than the maximum amount of principal you can lose with a Floor. Conversely, because of the greater downside risk you assume with a Buffer Protection Option, they tend to offer greater opportunities for upside growth (for example, higher Cap rates may be available with Buffer Protection Options).

If we credit your Contract with a negative Index Adjustment, your Index Account Option Value will be reduced. Buffers and Floors are not cumulative, and their protection does not extend beyond the length of any given Index Account Option Term. Any portion of your Contract Value allocated to an Index Account Option will benefit from the protection of either the Buffer or Floor for that Index Account Option Term only. A new Buffer or Floor will be applied to subsequent Index Account Option Terms. You assume the risk that you will incur a loss and that the amount of the loss could be significant. You also bear the risk that sustained negative Index Return may result in a zero or negative Index Adjustment being credited to your Index Account Option Value over multiple Index Account Option Terms.

In addition, each time you take a withdrawal, we will recalculate your Index Account Option Value, based on an Interim Value adjustment, which could be zero, positive or negative. In doing so, we prorate the Buffer based on the number of days that elapsed in the Term, which means you will not have the full protection of the stated Buffer. This could serve to *increase* any negative Index Adjustment we credit. Please note: certain states require the use of guaranteed minimum Index Adjustment Factors, if greater, in calculating Interim Value. Please see "*Use of Guaranteed Minimum Index Adjustment Factors in Certain States*" on page 23 for more information.

If an Index Account Option Value is credited with a negative Index Adjustment for multiple Index Account Option Terms, the total combined loss of Index Account Option Value over those multiple Index Account Option Terms may exceed the stated limit of any applicable Buffer or Floor for a single Index Account Option Term.

Buffers and Floors are not annual rates. For Index Account Option Terms that are longer than one year, the rates would be lower on an annual basis.

Elimination, Suspension, Replacements, Substitutions, and Changes to Indexes, Crediting Methods, and Terms. We may replace an Index if it is discontinued or if there is a substantial change in the calculation of the Index, or if hedging instruments become difficult to acquire or the cost of hedging becomes excessive. If we substitute an Index, the performance of the new Index may differ from the original Index, and you may not be able to achieve the level of Index Return you anticipated. If an Index is replaced during an Index Account Option Term, the Index Return for the Index Account Option Term will be calculated by adding the Index Return for the original Index from the beginning of the term up until the date of replacement, to the Index Return from the substituted Index starting on the date of replacement through the end of the Index Account Option Term, as follows:

Example: Assume that you allocate Contract Value to a 6-Year Index Account Option with the S&P 500 Index and the index value is \$1,000 at the beginning of the term. After 2 years, the S&P 500 Index is discontinued and replaced by the MSCI EAFE Index. On the day of the replacement, the S&P 500 Index is \$1,100, so the Index Return as of that date is 10%. The MSCI EAFE index value on the day of the replacement is \$2,000. Going forward, your Index Return for the remainder of the Index Account Option Term will be equal to 10% plus the calculated return of the MSCI EAFE Index from the replacement date. This

means that one year later, on your third Contract Anniversary, if the MSCI EAFE Index is \$1,900, your Index Return would be $10\% + (-5\%) = 5\%$.

A substitution of an Index during an Index Account Option Term will not cause a change in the Crediting Method, Protection Option, or Index Account Option Term length. No Interim Value adjustment will apply if we substitute an Index.

Changes to the Cap Rates, Index Participation Rates (applicable only with the Cap Crediting Method), Performance Trigger Rates, Performance Boost Rates, and Performance Boost Cap Rates (applicable only with the Performance Boost Crediting Method), if any, occur at the beginning of the next Index Account Option Term. The guaranteed maximum Floor and guaranteed minimum Buffer will not change for the life of your Contract. Available Floor and Buffer Rates are guaranteed never to be less than 5% or more than 50%.

We may also add or remove an Index, Index Account Option Term, Crediting Method, or Protection Option during the time that you own the Contract. You bear the risk that we may eliminate an Index Account Option or certain Index Account Option features and replace them with new options and features that are not acceptable to you. We will not add any Index, Index Account Option Term, Crediting Method, or Protection Option until the new Index or Crediting Method has been approved by the insurance department in your state. Any addition, substitution, or removal of an Index, Crediting Method, Protection Option, or Index Account Option Term will be communicated to you in writing.

Intra-Term Performance Lock. Because an Intra-Term Performance Lock utilizes Interim Value on the Intra-Term Performance Lock Date, you may receive less on the date you exercise your Intra-Term Performance Lock than you would have had you exercised your Intra-Term Performance Lock on a different date. Because the calculation of Interim Value utilizes pro-rated Index Adjustment Factors, where applicable, you may receive less than you would have received had you not exercised an Intra-Term Performance Lock and instead remained invested until the end of your Index Account Option Term when you would have realized the full value of your Index Adjustment Factors. Please note: neither the Floor nor the Index Participation Rate are prorated. When you exercise an Intra-Term Performance Lock, you must transfer the full Interim Value from the selected Index Account Option to the Short Duration Fixed Account Option, which means you will not get the benefit of any positive Index market performance for the remainder of that Contract Year. Once you have exercised an Intra-Term Performance Lock, the Interim Value transferred to the Short Duration Fixed Account Option will be inaccessible for transfer until the next Contract Anniversary. It is possible that the same combination of options that made up the Index Account Option on which you exercised your Intra-Term Performance Lock may no longer be available or may have different rates once you reach the Contract Anniversary, thus preventing you from being reallocated into an identical Index Account Option. Further, once you have exercised an Intra-Term Performance Lock, it is irrevocable.

Issuing Company. No company other than Jackson has any legal responsibility to pay amounts that Jackson owes under the Contract. The amounts you invest are not placed in a registered separate account, and your rights under the Contract to invested assets and the returns on those assets are subject to the claims paying ability of Jackson. You should review and be comfortable with the financial strength of Jackson for its claims-paying ability.

Effects of Withdrawals, Annuitization, or Death. If any of the following are taken during the Index Account Option Term, they could be subject to an Interim Value adjustment that could reduce your Index Account Option Value: a partial or total withdrawal, a GAWA withdrawal on Contracts with an add-on GMWB, Required Minimum Distribution ("RMD"), free look, Intra-Term Performance Lock, income payment, or the Contract Value element of a death benefit payment. Such reduction could be significant. The Interim Value adjustment may result in an Index Adjustment that is less than the Index Adjustment you would have received if you had held the investment until the end of the Index Account Option Term. If you take a withdrawal when the Index Return is negative, your remaining Contract Value may be significantly less than if you waited to take the withdrawal when the Index Return was positive. In addition, partial and total withdrawals taken during the first six Contract Years which exceed the Free Withdrawal amount, including Excess Withdrawals on Contracts with an add-on GMWB, may be subject to a Withdrawal Charge. Amounts applied to income payments on an Income Date that is within one year of the Contract's Issue Date may also be subject to a Withdrawal Charge.

All withdrawals, including GAWA withdrawals and RMDs, will be taken proportionately from each of your Index Account Options and Fixed Account unless otherwise specified. Withdrawals can also reduce the Death Benefit. Any Return of Premium death benefit will be reduced in a pro-rated amount. Pro rata reductions can be greater than the actual dollar amount of your withdrawal. In addition, since all withdrawals reduce the Contract Value, withdrawals will also reduce the amount that can be taken as income since such amount is determined by the Contract Value on the Income Date. The Latest Income Date for this contract is age 95.

If your Contract Value falls below the minimum Contract Value remaining as a result of a withdrawal (as stated in your Contract), we may terminate your Contract. This minimum Contract Value requirement does not apply if you have added +Income GMWB or +Income GMWB with Joint Option to your Contract.

There are administrative rules that must be followed when taking an RMD withdrawal. Notice of an RMD is required at the time of your withdrawal request, and there is an administrative form for providing such notice. The administrative form allows you to elect one time or automatic RMD withdrawals. Eligible withdrawals that are specified as RMDs may only be taken based on the value of the Contract to which the endorsement applies, even where the Internal Revenue Code allows taking multiple contracts' RMDs from a single contract. You, as Owner, are responsible for complying with the Internal Revenue Code's RMD requirements. If you fail to take your full RMD for a year, you will be subject to a 25% excise tax on any shortfall. This excise tax is reduced to 10% if a distribution of the shortfall is made within two years and prior to the date the excise tax is assessed or imposed by the IRS. If your requested RMD exceeds our calculation of the RMD for your Contract, your request will not be eligible for the waiver of any applicable charges (i.e., withdrawal charges) and we will impose those charges, which will be reflected in the confirmation of the transaction. An RMD exceeding our calculation may also result in an Excess Withdrawal for purposes of your GMWB, which would result in an adverse recalculation of the GWB and GAWA. For more information on RMD requirements, please see "Required Minimum Distributions Under Certain Tax-Qualified Plans ("RMDs")" beginning on page 46.

+Income GMWB and +Income GMWB with Joint Option Add-On Benefits. You may never need or use certain features provided by the +Income GMWB or +Income GMWB with Joint Option add-on benefits. In that case, you may pay for a feature for which you never realize any benefits.

The +Income GMWB and +Income GMWB with Joint Option are subject to conditions, including increased withdrawal rates the longer you wait to initiate withdrawals after election of the add-on benefit. You may die before you begin taking withdrawals under the add-on benefit. Alternatively, you may not live long enough to receive enough benefit from the add-on benefit to exceed the amount of the fees you pay for the add-on benefit. You may need to make Excess Withdrawals, which have the potential to substantially reduce or even terminate the benefits available from the add-on benefit.

The Index Account Options you elect may provide sufficient credited interest such that you may not need the guarantee that may otherwise be provided by the add-on benefit available for an additional charge.

If your Contract includes the +Income GMWB or +Income GMWB with Joint Option, Excess Withdrawals will reduce the value of the Guaranteed Withdrawal Balance ("GWB") in proportion to the amount of the Excess Withdrawal relative to the total Contract Value at the time of withdrawal. Accordingly, under certain circumstances, a withdrawal could reduce the value of the GWB by more than the dollar amount of the withdrawal.

Add-on benefits may be available at issue or on your Contract Anniversary, subject to availability. If you do not elect the add-on benefit at issue, it is likely that the rates associated with the add-on benefit, including GAWA percentages, may be lower than the rates you would have received if you had elected the add-on benefit at issue. It is also possible that the charge for the add-on benefit elected on your Contract Anniversary may be higher than the charge that would have been applicable if you had elected the add-on benefit at issue.

Upon the death of the Owner or joint Owner, if the Beneficiary is a non-spousal Beneficiary, the GWB is void and this GMWB terminates automatically; therefore, the death of the Owner or joint Owner may have a significant negative impact on the value of this GMWB and cause the GMWB to prematurely terminate.

Neither the +Income GMWB nor the +Income GMWB with Joint Option may be terminated independently from termination of the Contract, except in connection with a spousal continuation, where permitted by the terms of the Contract.

The GMWB Charge that you pay for the +Income GMWB or +Income GMWB with Joint Option may be increased every five Contract Years. While you have the ability to avoid any GMWB Charge increases by opting out of future annual Step-Ups, doing so will lock in your GAWA%, which means you are also foregoing any potential further increases to your GAWA%.

GMWBs generally may not be appropriate for Owners who have as a primary objective taking maximum advantage of the tax deferral that is available to them under an annuity contract to accumulate assets. Please consult your tax and financial professionals before adding a GMWB to a Contract.

Business Continuity and Cybersecurity Risk. We and our service providers and business partners are subject to certain risks, including those resulting from information system failures, cybersecurity incidents, public health crises such as the coronavirus (COVID-19) pandemic, and other disaster events. Such events can adversely impact us and our operations. These risks are common to all insurers and financial service providers. These risks include, among other things, the theft, misuse, corruption and destruction of electronic information, interference with or denial of service, attacks on systems or websites, and other operational disruptions that could severely impede our ability to conduct our business or administer the Contract.

Such events could also adversely affect us by resulting in regulatory fines, litigation, financial losses, and reputational damage. Cybersecurity incidents may also impact the issuers of securities in which the underlying funds invest, which may cause the funds underlying your Contract to lose value. Although we take efforts to protect our systems from cybersecurity incidents, there can be no assurance that we or our service providers will be able to avoid cybersecurity incidents affecting Contract owners in the future. It is also possible that a cybersecurity incident could persist for an extended period of time without detection.

Additionally, our third-party service providers and other third-parties related to our business (such as financial intermediaries or, in the case of our variable products, underlying funds) are subject to similar risks. Successful implementation and execution of their business continuity policies and procedures are largely beyond our control. Disruptions to their business operations may impair our own business operations.

As of the date of this prospectus, we do not believe that we have experienced a material cyber-attack or other cybersecurity incident. However in 2023, we were notified of a data security incident involving the MOVEit file transfer system used by numerous financial services companies. A third-party vendor uses that software on our behalf to, among other things, identify the deaths of insured persons and annuitants under life insurance policies and annuity contracts. According to that third party vendor, an unknown actor exploited a MOVEit software flaw to access the vendor's systems and download certain data. Our assessment indicated that personally identifiable information relating to approximately 850,000 of Jackson's customers was obtained by that unknown actor from the third party vendor's systems. This MOVEit vulnerability has now been rectified. Separately, Jackson experienced unauthorized access to two servers as a result of the MOVEit flaw; however, the scope and nature of the data accessed on those servers was significantly less than the third party vendor impact. Our assessment was that a subset of information relating to certain partner organizations and individuals, including certain customers of Jackson, was obtained from the two affected servers. We notified affected customers as required by law, and we continue to assess and investigate the overall impact of the incidents. At this time, we do not believe the incidents or related litigation will have a material adverse effect on the business, operations, or financial results of Jackson.

THE ANNUITY CONTRACT

Your Contract is a contract between you, the Owner, and us. The Contract is an individual single Premium deferred index-linked annuity. Your Contract and any endorsements are the formal contractual agreement between you and the Company. This prospectus is a disclosure document and describes all of the Contract's material features, benefits, rights, and obligations of annuity purchasers under the Contract.

Your Contract is intended to help facilitate your retirement savings on a tax-deferred basis, or other long-term investment purposes, and provides for a death benefit. Purchases under tax-qualified plans should be made for other than tax deferral reasons. Tax-qualified plans provide tax deferral that does not rely on the purchase of an annuity contract. We will not issue a Contract to someone older than age 85.

Your Premium and Contract Value may be allocated to:

- the Fixed Account, in which amounts earn a declared rate of interest for a certain period,
- the Index Account, in which amounts may be allocated to the Index Account Options, which are currently available with a variety of Crediting Methods and term lengths, and certain Protection Options, all of which may be credited with a zero, positive or negative Index Adjustment based upon the performance of a specified Index.

Your Contract, like all deferred annuity contracts, has two phases:

- the **accumulation phase**, when your Premium may accumulate value based upon the Index Adjustment and/or Fixed Account interest credited, and
- the **income phase**, when we make income payments to you.

As the Owner, you can exercise all the rights under your Contract. In general, joint Owners jointly exercise all the rights under the Contracts. In some cases, such as telephone and internet transactions, joint Owners may authorize each joint Owner to act individually. On jointly owned Contracts, correspondence and required documents will be sent to the address of record of the first Owner identified in your Contract.

State Variations. This prospectus describes the material rights and obligations under the Contract. There may be some variations to the general description in this prospectus, where required by specific state laws. Please refer to your Contract for specific variations applicable to you. Any state variations will be included in your Contract and any endorsements to your Contract. For a list of material state variations, please refer to Appendix B.

Owner. As Owner, you may exercise all ownership rights under the Contract. Usually, but not always, the Owner is the Annuitant. The Contract allows for joint Owners who are spouses (as defined under federal law). Only two joint Owners are allowed per Contract. Any reference in this prospectus to the Owner includes any joint Owner. Joint Owners have equal ownership rights, and as such, each Owner must authorize any exercise of Contract rights unless the joint Owners instruct us in writing to act upon authorization of an individual joint Owner.

In some cases, such as telephone and internet transactions, joint Owners may authorize each joint Owner to act individually. On jointly owned Contracts, correspondence and required documents will be sent to the address of record of the first Owner identified in your Contract.

Ownership Changes. To the extent allowed by law, we reserve the right to refuse ownership changes at any time on a non-discriminatory basis, as required by applicable law or regulation. You may request to change the Owner or joint Owner of this Contract by sending a signed, dated request to our Customer Care Center at the address provided on the cover of this prospectus. The change of ownership will not take effect until it is approved by us, unless you specify another date, and will be subject to any payments made or actions taken by us prior to our approval. We will use the oldest Owner's age for all Contract purposes. No person whose age exceeds the maximum issue age allowed by Jackson as of the Issue Date of the Contract may be designated as a new Owner. On Contracts with the +Income GMWB or +Income GMWB with Joint Option, while we may permit an ownership change under certain scenarios, neither the Designated Life nor the Covered Lives may be changed.

Jackson assumes no responsibility for the validity or tax consequences of any ownership change. If you make an ownership change, you may have to pay taxes. We encourage you to seek legal and/or tax advice before requesting any ownership change.

Annuitant. The Annuitant is the natural person on whose life income payments for this Contract are based. If the Contract is owned by a natural person, you may change the Annuitant at any time before you begin taking income payments by sending a written, signed and dated request to the Customer Care Center, at the address provided on the cover of this prospectus. If the Contract is owned by a legal entity, we will use the oldest Annuitant's age for all Contract purposes unless otherwise specified in your Contract. Contracts owned by legal entities are not eligible for Annuitant changes. The Annuitant change will take effect on the date you signed the change request, unless you specify otherwise, subject to any payments made or actions taken by us prior to receipt of the request in Good Order. We reserve the right to limit the number of joint Annuitants to two. If the Contract is owned by a legal entity, the Annuitant(s) will be entitled to the benefits of the waivers of Withdrawal Charges due to terminal illness or extended care, as described more fully in your Contract.

Beneficiary. The Beneficiary is the natural person or legal entity designated to receive any Contract benefits upon the first Owner's death. The Contract allows for the naming of multiple Beneficiaries. You may change the Beneficiary(ies) by sending a written, signed and dated request to the Customer Care Center, at the address provided on the cover of this prospectus. If an irrevocable Beneficiary was previously designated, that Beneficiary must consent in writing to any change of Beneficiary(ies). The Beneficiary change will take effect on the date you signed the change request, subject to any payments made or actions taken by us prior to receipt of the request in Good Order.

Assignment. To the extent allowed by state law, we reserve the right to refuse assignments at any time on a non-discriminatory basis, as required by applicable law or regulation. You may request to assign this Contract by sending a signed, dated request to our Customer Care Center, at the address provided on the cover of this prospectus. The assignment will take effect on the date we approve it, unless you specify another date, subject to any payments made or actions taken by us prior to our approval. Your right to assign the Contract is subject to the interest of any assignee or irrevocable Beneficiary. If the Contract is issued pursuant to a qualified plan, it may not be assigned except under such conditions as may be allowed under the plan and applicable law. Generally, an assignment or pledge of a non-qualified annuity is treated as a distribution. On Contracts with the +Income GMWB or +Income GMWB with Joint Option, while we may permit an assignment, neither the Designated Life nor the Covered Lives may be changed.

Jackson assumes no responsibility for the validity or tax consequences of any assignment. We encourage you to seek legal and/or tax advice before requesting any assignment.

PREMIUM

Minimum Premium:

- \$25,000 under most circumstances

Maximum Premium:

- The maximum Premium payment you may make without our prior approval is \$1 million.

We reserve the right to waive minimum and maximum Premium amounts in a non-discriminatory manner. Our right to restrict Premium to a lesser maximum amount may affect the benefits under your Contract.

Allocations of Premium. You may allocate Premium to any available Index Account Option or Fixed Account. Each allocation must be a whole percentage between 0% and 100%. The minimum amount you may allocate to an Index Account Option or Fixed Account is \$100.

We will issue your Contract and allocate your Premium payment within two Business Days (days when the New York Stock Exchange is open) after we receive your complete Premium payment and all information that we require for the purchase of a Contract in Good Order. We reserve the right to reject a Premium payment that is comprised of multiple payments paid to us over a period of time. If we permit you to make multiple payments as part of your Premium payment, the Contract will not be issued until all such payments are received in Good Order. We reserve the right to hold such multiple payments in a non-interest bearing account until the Issue Date. If we do not receive all information required to issue your Contract, we will contact you to get the necessary information. If for some reason we are unable to complete this process within five Business Days, we will return your money. Each Business Day ends when the New York Stock Exchange closes (usually 4:00 p.m. Eastern time). **No Premium will be accepted after the Contract has been issued.**

Free Look. You may cancel your Contract by returning it to your financial professional or to us within ten days after receiving it. In some states, the Free Look period may be longer. Please see the front page of your Contract for the Free Look period that applies to your Contract. In general, if you cancel your Contract during this period, we will return:

- Premiums paid to the Fixed Account, *less*
- any withdrawals from the Fixed Account, *plus*
- the Index Account Value.

We will determine the Index Account Value as of the date we receive the Contract. In some states, we are required to return Premium payments only. We will pay the applicable free look proceeds within seven days of a request in Good Order. In some states, we are required to hold the Premiums of a senior citizen in the Fixed Account during the free look period, unless we are specifically directed to allocate the Premium to the Index Account. When you exercise a Free Look, amounts returned from Index Account Options are subject to an Interim Value adjustment.

CONTRACT OPTIONS

The Contract is divided into two general categories for allocation of your Premium and Contract Value: the Fixed Account, where amounts earn a declared rate of interest for an annually renewable one-year term, and the Index Account, where amounts earn index-linked interest ("Index Adjustment") for a specified term based upon the performance of a selected Index.

Fixed Account. The Fixed Account is an annually renewable account in which amounts you allocate earn a declared rate of interest. Fixed Account interest rates are guaranteed for one year from the date you allocate amounts into the Fixed Account and are subject to change on each Contract Anniversary thereafter. In no event will the interest rate credited to amounts allocated to the Fixed Account be less than the Fixed Account Minimum Interest Rate, as discussed below.

Short Duration Fixed Account Option. The Short Duration Fixed Account Option is a limited-purpose short-term Fixed Account Option that is used solely for Intra-Term Performance Locks and/or spousal continuation option adjustments, and cannot be independently elected. *Any* amounts allocated to this option will remain allocated until the immediate next Contract Anniversary only, as described below. Fixed Account interest rates for the Short Duration Fixed Account Option are guaranteed from the date funds are allocated to the Short Duration Fixed Account Option until the next Contract Anniversary. On each Contract Anniversary, any amounts allocated to the Short Duration Fixed Account Option as part of an Intra-Term Performance Lock, including interest earned on those amounts, will be reallocated into a new Index Account Option identical to the one from which they were originally transferred, subject to availability requirements, unless new allocation instructions have been received by us in Good Order, and will begin a new Index Account Option Term. For more information on what happens if the same Index Account Option is unavailable, see "Automatic Reallocation of Index Account Option Value to a New Index Account Option or the Fixed Account" beginning on page 34. On each Contract Anniversary, any amounts allocated to the Short Duration Fixed Account Option in connection with a spousal continuation adjustment, including interest earned on those amounts, will be reallocated to the 1-year Fixed Account Option unless new allocation instructions have been received by us in Good Order from the spouse continuing the Contract.

Fixed Account Value. The Fixed Account Value is equal to (1) the value of Premium and any amounts transferred into the Fixed Account; (2) plus interest credited daily at a rate not less than the Fixed Account Minimum Interest Rate, per annum; (3) less any gross partial withdrawals, including any Withdrawal Charges on such withdrawals; (4) less any amounts transferred out of the Fixed Account, (5) less any applicable GMWB Charge. The Fixed Account Value will never be less than the Fixed Account Minimum Value. The Fixed Account Minimum Value is equal to the greater of (a) eighty-seven and one half (87.5%) of any allocations to the Fixed Account, plus interest credited daily at never less than the Fixed Account Minimum Interest Rate per annum, less any partial withdrawals after being reduced for any applicable taxes, or (b) zero. Any portion of a Withdrawal Charge that would reduce the Fixed Account Value below the Fixed Account Minimum Value will be waived.

Rates of Interest We Credit. This Contract guarantees a Fixed Account Minimum Interest Rate that applies to amounts allocated to the 1-year Fixed Account Option as well as the Short Duration Fixed Account Option. The Fixed Account Minimum Interest Rate guaranteed by the Contract will be no less than the minimum non-forfeiture rate, which may vary from year to year. The minimum non-forfeiture rate will be determined by Jackson, pursuant to the requirements outlined by the Standard Nonforfeiture Law for Individual Deferred Annuities. The current Fixed Account Minimum Interest Rate is equal to the current minimum non-forfeiture rate of 3.00%. If the Fixed Account Minimum Interest Rate changes, we will file a supplement providing notice to new purchasers of the Contract. The Fixed Account Minimum Interest Rate is guaranteed for the life of the Contract, and your Fixed Account Minimum Interest Rate will not change once your Contract has been issued.

The Fixed Account Minimum Interest Rate that was applicable at the time your Contract was issued will be reflected in your Contract. Any changes to the Fixed Account Minimum Interest Rate apply only to new purchasers of the Contract on or after the date the new Fixed Account Minimum Interest Rate is effective, which will be the date of the most recent prospectus or the date identified in any applicable supplement filing.

In addition, we establish a declared rate of interest ("base interest rate") at the time you allocate any amounts to the Fixed Account, and that base interest rate will apply to that allocation for the entire one-year Fixed Account term. To the extent that the base interest rate that we establish for any allocation is higher than the Fixed Account Minimum Interest Rate, we will credit that allocation with the higher base interest rate. Thus, the declared base interest rate could be greater than the guaranteed Fixed Account Minimum Interest Rate specified in your Contract, but will never cause your allocation to be credited at less than the currently applicable Fixed Account Minimum Interest Rate. On each Contract Anniversary, the base interest rate is subject to change. Different base interest rates apply to the Short Duration Fixed Account Option.

Index Account. Amounts allocated to the Index Account are credited with an Index Adjustment at the end of each Index Account Option Term based upon the performance of the selected Index, Crediting Method, and Protection Option. Prior to the end of an Index Account Option Term, amounts allocated to the Index Account (adjusted for withdrawals) are credited with an Index Adjustment subject to any applicable prorated Index Adjustment Factors. Your selections from available options make up what are referred to as Index Account Options, which are available with different combinations of Indexes, Protection Options, Crediting Methods, and term lengths. As of the date of this prospectus, the following options are currently available for election with any of the Indexes:

Crediting Methods	Protection Options*		Term Length		
	Buffer	Floor	1-Year	3-Year	6-Year
Cap	10%, 20%	10%**	✓	✓	✓
Performance Trigger	10%	10%**	✓	N/A	N/A
Performance Boost	10%	N/A	✓	✓	✓

* Protection Option rates listed above are the rates currently available as of the date of this prospectus. These rates may be changed from time to time, so you should contact your financial professional or the Jackson Customer Care Center for current rate availability.

** The Floor Protection Option is only available with the 1-year Cap and Performance Trigger Crediting Methods.

Crediting Method and Protection Option Rates. Available rates for Crediting Methods and Protection Options are the rates effective as of the first day of your Index Account Option Term and will not change until the end of your Index Account Option Term. The rates for a particular Index Account Option Term may be higher or lower than the rates for previous or future Index Account Option Terms. We post all rates online at Jackson.com/RatesJMLP2. The rates for Contract Value reallocations at the end of an Index Account Option Term are posted at least 30 days before the end of any Index Account Option Term. At least 30 days prior to any Index Account Option Term Anniversary, we will send you written notice reminding you of how you may obtain the rates for the next Index Account Option Term. You may also request current rates at any time by contacting your financial professional or the Jackson Customer Care Center. Guaranteed minimum and maximum rates for each Crediting Method and Protection Option are listed below in the sections for each specific Crediting Method and Protection Option.

Index Account Value. The Index Account Value is equal to the sum of all the Index Account Option Values.

Index Account Option Value. When you allocate Contract Value to an Index Account Option for an Index Account Option Term, your investment in the Index Account Option is represented by an Index Account Option Value. Your Index Account Option Value is the portion of your Contract Value allocated to that Index Account Option at any given time. If you allocate Contract Value to multiple Index Account Options at the same time, you will have a separate Index Account Option Value for each Index Account Option in which you are invested. The minimum amount you may allocate to an Index Account Option is \$100.

- **At the beginning of the Index Account Option Term**, your Index Account Option Value is equal to the Premium allocated or Contract Value transferred to the Index Account Option, less any amount transferred out of the Index Account Option.
- **During the Index Account Option Term**, your Index Account Option Value is equal to the Interim Value, which is equal to the Index Account Option Value at the beginning of the Index Account Option Term, reduced for any Intra-Term Performance Locks, partial withdrawals, and applicable GMWB Charge deductions taken from the Index

Account Option during the current Index Account Option Term (including any Withdrawal Charges on such withdrawals) in the same proportion that the Interim Value was reduced on the date of any such Intra-Term Performance Lock, withdrawal, or applicable GMWB Charge deduction, credited with a positive or negative Index Adjustment. The Index Adjustment credited is subject to prorated Index Adjustment Factors, where applicable, as of the date of the withdrawal. Please note: neither the Floor nor the Index Participation Rate are prorated. During the Index Account Option Term, your Interim Value will never be less than zero.

- **At the end of the Index Account Option Term**, your Index Account Option Value is equal to the Index Account Option Value at the beginning of the Index Account Option Term reduced for any Intra-Term Performance Locks, partial withdrawals, and applicable GMWB Charge deductions taken from the Index Account Option during the current Index Account Option Term (including any Withdrawal Charges on such withdrawals) in the same proportion that the Interim Value was reduced on the date of any such Intra-Term Performance Lock, withdrawal, or applicable GMWB Charge deduction, and credited with a positive or negative Index Adjustment. At the end of your Index Account Option Term, your Index Account Option Value will never be less than zero.

Index Adjustment. For each Index Account Option to which you allocate Contract Value, at the end of the Index Account Option Term, we will credit your Index Account Option Value with an Index Adjustment. This Index Adjustment can be zero, positive, or negative, depending on the performance of the Index and the Crediting Method and Protection Option chosen.

- If the Index Adjustment is positive, your Index Account Option Value will increase by a dollar amount equal to the positive Index Adjustment.
- If the Index Adjustment is negative, your Index Account Option Value will decrease by a dollar amount equal to the negative Index Adjustment.
- If the Index Adjustment is equal to zero, no Index Adjustment will be credited and there will be no adjustment to your Index Account Option Value.

We also credit a positive or negative Index Adjustment during the Index Account Option Term when you exercise an Intra-Term Performance Lock, take a withdrawal, or when the GMWB Charge is deducted. During the term, the Index Adjustment is subject to the prorated Index Adjustment Factors, where applicable, as of the date of the Intra-Term Performance Lock, withdrawal, or GMWB Charge deduction. Please note: neither the Floor nor the Index Participation Rate are prorated.

Interim Value. Because the Index Account Options are designed to credit an Index Adjustment by measuring the change in the Index Return from the beginning of the Index Account Option Term to the end of the Index Account Option Term, an Interim Value calculation is necessary to determine the daily value of your Index Account Option on any given Business Day for purposes of Intra-Term Performance Locks or withdrawals prior to the end of the Index Account Option Term (withdrawals in this context include partial or total withdrawals from the Contract, free looks, GAWA withdrawals, automatic withdrawals, required minimum distributions ("RMD"), income payments, deductions of the GMWB Charge, and the Contract Value element of death benefit payments). For each Index Account Option, the value we assign on any Business Day prior to the end of the Index Account Option Term is called the Interim Value. The Interim Value of an Index Account Option is equal to the amount allocated to the Index Account Option, adjusted for the Index Return of the associated Index and subject to the applicable prorated Index Adjustment Factors (e.g. Cap Rate/Performance Trigger Rate/Performance Boost Rate/Performance Boost Cap Rate/Buffer). Please note: neither the Floor nor the Index Participation Rate are prorated as part of the Interim Value calculation. Also note that any withdrawal taken in the first six years after issue may be assessed a Withdrawal Charge in addition to the Interim Value adjustment.

The Interim Value calculation is the same for all Crediting Methods. It uses the Index value on two dates to determine the Index Adjustment credited during any Index Account Option Term: the beginning date of the Index Account Option Term and the current date within that Index Account Option Term on which the Interim Value is being calculated. To determine the Index Adjustment credited, we calculate the net change in Index value between the beginning of the Index Account Option Term and the current Index value and express it as a percentage. If the resulting percentage is positive, we apply the applicable prorated Index Adjustment Factor (e.g. Cap Rate/Performance Trigger Rate/Performance Boost Rate/Performance Boost Cap Rate). If the Index return is negative, we apply the Floor or prorated Buffer Protection Option that you have elected. Please note: neither the Floor nor the Index Participation Rate are prorated as part of the Interim Value calculation. This adjusted Index Return is then multiplied by the Index Account Option Value at the beginning of the Index Account Option Term (adjusted to reflect any withdrawals during the term) to determine the amount of Index Adjustment to credit. The Index Adjustment is then added to or subtracted from the Index Account Option Value at the beginning of the term (adjusted to reflect any withdrawals during the term) to calculate the current Interim Value.

Please note that when calculating Interim Value, the Index Account Option Value is reduced proportionally to the Contract Value for each withdrawal. If the Interim Value adjustment is positive, your Index Account Option Value will be decreased by less than the amount of the withdrawal; in other words, on less than a dollar for dollar basis. If the Interim Value adjustment is negative, your Index Account Option Value will be decreased by more than the amount of the withdrawal; in other words, on more than a dollar for dollar basis. In calculating the Interim Value adjustment, we use prorated Index Adjustment Factors, which in some instances may serve to *reduce* any positive Index Adjustment, as well as *increase* any negative Index Adjustment we credit when compared to the Index Adjustment you would have received if you had waited until the end of your Index Account Option Term to take your withdrawal. This is because the Index Adjustment Factors are prorated by the time elapsed during the Index Account Option Term. In other words, the values are determined by multiplying the Index Adjustment Factor by the number of days elapsed so far during the Index Account Option Term and then dividing by the total number of days in the Index Account Option Term. An example illustrating the proration of Index Adjustment Factors immediately follows this paragraph.

Index Adjustment Factor Proration Example: Assume on January 1 you allocate Contract Value to a 1-year Index Account Option with a 15% Cap and a 10% Buffer. There are 365 days in your Index Account Option Term. Your Index Adjustment Factors will be prorated on different dates during your term as follows:

- On February 1, 31 days have elapsed in your Index Account Option Term. Your prorated Buffer is determined by the following formula: $10\% * 31 / 365 = 0.8493\%$. Your prorated Buffer on February 1 is 0.8493%. Your prorated Cap is determined by the following formula: $15\% * 31 / 365 = 1.2740\%$. Your prorated Cap on February 1 is 1.2740%.
- On July 3, 183 days have elapsed in your Index Account Option Term. Your prorated Buffer is determined by the following formula: $10\% * 183 / 365 = 5.0137\%$. Your prorated Buffer on July 3 is 5.0137%. Your prorated Cap is determined by the following formula: $15\% * 183 / 365 = 7.5205\%$. Your prorated Cap on July 3 is 7.5205%.
- On October 20, 292 days have elapsed in your Index Account Option Term. Your prorated Buffer is determined by the following formula: $10\% * 292 / 365 = 8\%$. Your prorated Buffer on October 20 is 8%. Your prorated Cap is determined by the following formula: $15\% * 292 / 365 = 12\%$. Your prorated Cap on October 20 is 12%.

Please see Appendix A for examples of the calculation of Interim Value under different withdrawal scenarios throughout the term, including the impact of multiple and single withdrawals, different market conditions, different Crediting Methods and Protection Options and different rates.

- For examples illustrating Interim Value adjustments for the Cap Crediting Method, please see Examples 1 - 4.
- For examples illustrating Interim Value adjustments for the Performance Trigger Crediting Method, please see Examples 5 - 8.
- For examples illustrating Interim Value adjustments for the Performance Boost Crediting Method, please see Examples 9 - 10.
- For examples illustrating Interim Value adjustments with a Buffer Protection Option, please see Examples 1 - 2, 5 - 6, and 9 - 10.
- For examples illustrating Interim Value adjustments with a full-term Floor, please see Examples 3 - 4, and 7 - 8.
- For examples illustrating Interim Value adjustments for a single withdrawal, please see Examples 1, 3, 5, 7, and 9.
- For examples illustrating Interim Value adjustments for multiple withdrawals, please see Examples 2, 4, 6, 8, and 10.
- For examples illustrating Interim Value adjustments where the Index Return is positive, please see Examples 1 - 3, 5 - 8, and 10.
- For examples illustrating Interim Value adjustments where the Index Return is negative, please see Examples 2, 4, and 6 - 10.

Use of Guaranteed Minimum Index Adjustment Factors in Certain States. Some states require us to include guaranteed minimum Index Adjustment Factors in your Contract. In those states, when calculating your Interim Value, we will apply the greater of the applicable (non-guaranteed) prorated Index Adjustment Factors or the guaranteed minimum Index Adjustment Factor(s). This means, if the applicable guaranteed minimum Index Adjustment Factors result in a higher Interim Value, we will apply the higher Interim Value. Please see Appendix B: State Variations for a current list of the states that require guaranteed minimum Index Adjustment Factors as of the date of this prospectus.

Guaranteed minimum Index Adjustment Factors vary by length of the Index Account Option Term, as shown in the formula and example below. These guaranteed minimum Index Adjustment Factors are not based on the number of days that have elapsed in the term, but on the length of the term. We set them based on the formula below at the start

of the Index Account Option Term, and they do not change for the duration of the term. Please note that the Floor and Index Participation Rate are never prorated, even in states that require the use of guaranteed minimum Index Adjustment Factors. In addition, the Performance Boost Rate is never subject to a guaranteed minimum. For the applicable Index Adjustment Factors (e.g. Cap Rate/Performance Trigger Rate/Performance Boost Cap Rate/Buffer), the following formula is used to determine the guaranteed minimum Index Adjustment Factor:

$$\text{Term Length Index Adjustment Factor} \times \left(\frac{60 \times \text{Index Account Option Term Years} + 180}{365 \times \text{Index Account Option Term Years}} \right)$$

Index Adjustment Factor Proration Example utilizing Guaranteed Minimums: Assume on January 1st you allocate Contract Value to a 1-year Index Account Option with a 15% Performance Boost Cap Rate (PBCR), 10% Performance Boost Rate (PBR) and a 10% Buffer. There are 365 days in your Index Account Option Term. For this term, your guaranteed minimum Index Adjustment Factors are calculated at the start of the term, as follows, and will not change:

- Your guaranteed minimum Buffer for this Index Account Option is equal to $10\% * (60 * 1 + 180) / (365 * 1) = 6.5753\%$
- Your guaranteed minimum PBCR for this Index Account Option is equal to $15\% * (60 * 1 + 180) / (365 * 1) = 9.8630\%$
- There is no guaranteed minimum PBR.

Unlike your guaranteed minimum Index Adjustment Factors, your (non-guaranteed) prorated Index Adjustment Factor(s) change each day based on how many days have elapsed in the Index Account Option Term. When we calculate your Interim Value, we will first calculate the (non-guaranteed) prorated Index Adjustment Factor(s), and we will apply whichever is greater, as follows:

- On February 1st, 31 days have elapsed in your Index Account Option Term. Your prorated Buffer, prior to any application of the guaranteed minimum, is calculated using the following formula: $10\% * 31 / 365 = 0.8493\%$. Since this is less than your guaranteed minimum Buffer (shown above), your Buffer on February 1st is your guaranteed minimum Buffer of 6.5753%. Your prorated PBCR, prior to any application of the guaranteed minimum, is calculated using the following formula: $15\% * 31 / 365 = 1.2740\%$. Since this is less than your guaranteed minimum PBCR (shown above), your PBCR on February 1st is your guaranteed minimum PBCR of 9.8630%. Your prorated PBR is determined by the following formula: $10\% * 31 / 365 = 0.8493\%$. There is no guaranteed minimum PBR, so your PBR on February 1st is the prorated PBR of 0.8493%.
- On July 3rd, 183 days have elapsed in your Index Account Option Term. Your prorated Buffer, prior to the application of any guaranteed minimum, is calculated using the following formula: $10\% * 183 / 365 = 5.0137\%$. Since this is less than your guaranteed minimum Buffer (shown above), your Buffer on July 3rd is your guaranteed minimum Buffer of 6.5753%. Your prorated PBCR, prior to the application of any guaranteed minimum, is calculated using the following formula: $15\% * 183 / 365 = 7.5205\%$. Since this is less than your guaranteed minimum PBCR (shown above), your PBCR on July 3rd is your guaranteed minimum PBCR of 9.8630%. Your prorated PBR is determined by the following formula: $10\% * 183 / 365 = 5.0137\%$. There is no guaranteed minimum PBR, so your PBR on July 3rd is the prorated PBR of 5.0137%.
- On October 20th, 292 days have elapsed in your Index Account Option Term. Your prorated Buffer, prior to any application of the guaranteed minimum, is calculated using the following formula: $10\% * 292 / 365 = 8\%$. Since this is greater than your guaranteed minimum Buffer (shown above), your Buffer on October 20th is the prorated Buffer of 8%. Your prorated PBCR, prior to the application of any guaranteed minimum, is calculated using the following formula: $15\% * 292 / 365 = 12\%$. Since this is greater than your guaranteed minimum PBCR (shown above), your PBCR on October 20th is the prorated PBCR of 12%. Your prorated PBR is determined by the following formula: $10\% * 292 / 365 = 8\%$. There is no guaranteed minimum PBR, so your PBR on October 20th is the prorated PBR of 8%.

Please note that the same formula is used to determine the guaranteed minimum Index Adjustment Factors for all Index Account Option Term lengths. While the formula does not change, the input of different Index Account Option Term lengths results in differences to the ultimate output of the formula. For example, the calculation of a guaranteed minimum Buffer for an Index Account Option on which a 10% Buffer has been selected, would look as follows for the varying Index Account Option Term lengths:

- 1-year Term: Your guaranteed minimum Buffer is equal to $10\% * (60 * 1 + 180) / (365 * 1) = 6.5753\%$
- 3-year Term: Your guaranteed minimum Buffer is equal to $10\% * (60 * 3 + 180) / (365 * 3) = 3.2877\%$
- 6-year Term: Your guaranteed minimum Buffer is equal to $10\% * (60 * 6 + 180) / (365 * 6) = 2.4658\%$

ADDITIONAL INFORMATION ABOUT THE INDEX ACCOUNT OPTIONS

Indexes. When you allocate money to the Index Account, you are credited the Index Adjustment based upon the performance of your selected Index. You should discuss the available Indexes with your financial professional and obtain advice on which Index is best suited for your specific financial goals. Currently, we offer the following Indexes:

- **S&P 500 Index:** The S&P 500 Index is comprised of equity securities issued by large-capitalization U.S. companies. In general, large-capitalization companies may be unable to respond quickly to new competitive challenges and may not be able to attain the high growth rate of successful smaller companies.
- **Russell 2000 Index:** The Russell 2000 Index is comprised of equity securities of small-capitalization U.S. companies. In general, the securities of small-capitalization companies may be more volatile and may involve more risk than the securities of larger companies. Small-capitalization companies are more likely to fail than larger companies.
- **MSCI EAFE Index:** The MSCI EAFE Index is comprised of equity securities of large- and mid-capitalization companies and it is designed to measure the equity market performance of developed markets, including countries in Europe, Australasia, and the Far East. In general, large-capitalization companies may be unable to respond quickly to new competitive challenges and may not be able to attain the high growth rate of successful smaller companies, and the securities of mid-capitalization companies may be more volatile and may involve more risk than the securities of larger companies. Securities issued by non-U.S. companies (including related depositary receipts) are subject to the risks related to investments in foreign markets (e.g., increased price volatility; changing currency exchange rates; and greater political, regulatory, and economic uncertainty). This index is calculated in USD and local currency only. The exchange rates used for all currencies for all MSCI equity indexes are taken from Reuters at 4pm GMT each day.
- **MSCI Emerging Markets Index:** The MSCI Emerging Markets Index is comprised of equity securities of large- and mid-capitalization companies in emerging markets. In general, large-capitalization companies may be unable to respond quickly to new competitive challenges and may not be able to attain the high growth rate of successful smaller companies, and the securities of larger companies. Mid-capitalization companies are more likely to fail than larger companies. Securities issued by non-U.S. companies (including related depositary receipts) are subject to the risks related to investments in foreign markets (e.g., increased price volatility; changing currency exchange rates; and greater political, regulatory, and economic uncertainty). Those risks are typically more acute when issuers are located or operating in emerging markets. Emerging markets may be more likely to experience inflation, political turmoil, and rapid changes in economic conditions than developed markets. Emerging markets often have less uniformity in accounting and reporting requirements, less reliable valuations, and greater risk associated with custody of securities than developed markets. This index is calculated in USD and local currency only. The exchange rates used for all currencies for all MSCI equity indexes are taken from Reuters at 4pm GMT each day.
- **MSCI KLD 400 Social Index:** The MSCI KLD 400 Social Index is comprised of equity securities that provide exposure to companies with outstanding Environmental, Social and Governance (ESG) ratings and excludes companies whose products have negative social or environmental impacts. Since the primary objective of this Index is to track companies with a positive social or environmental impact, this Index may underperform the market as a whole or other indexes that do not screen for ESG standards. The Index may include large-, mid-, and small-capitalization companies. In general, large capitalization companies may be unable to respond quickly to new competitive challenges and may not be able to attain the high growth rate of other successful smaller companies, and the securities of smaller capitalization companies may be more volatile and may involve more risk than the securities of larger companies. Smaller companies are more likely to fail than larger companies.

We reserve the right to add, remove, or replace any Index, Term, Crediting Method, or Protection Option in the future, subject to necessary regulatory approvals. If an Index is replaced during an Index Account Option Term, the Index Return for the Index Account Option Term will be calculated by adding the Index Return for the original Index from the beginning of the term up until the date of replacement, to the Index Return from the substituted Index starting on the date of replacement through the end of the Index Account Option Term.

Replacing an Index. We may replace an Index if it is discontinued or the Index is no longer available to us or if the Index's calculation changes substantially. Additionally, we may replace an Index if hedging instruments become difficult to acquire or the cost of hedging related to such Index becomes excessive. We may do so at the end of an Index Account Option Term or during an Index Account Option Term. We will notify you in writing at least 30 days before we replace an Index. If an Index is replaced during an Index Account Option Term, the Index Return will be calculated by adding the Index Return for the original Index from the beginning of the term up until the date of replacement, to the Index Return from the substituted Index starting on the date of replacement through the end of the Index Account Option Term, as shown in the Example below. A substitution of an Index during an Index Account Option Term will not cause a change in the Crediting Method, Protection Option, or Index Account Option Term length.

Example: Assume that you allocate Contract Value to a 6-Year Index Account Option with the S&P 500 Index and the Index value is \$1,000 at the beginning of the term. After 2 years, the S&P 500 Index is discontinued and replaced by the MSCI EAFE Index. On the day of the replacement, the S&P 500 Index is \$1,100, so the Index Return as of that date is 10%. The MSCI EAFE Index value on the day of the replacement is \$2,000. Going forward, your Index Return for the remainder of the Index Account Option Term will be equal to 10% plus the calculated return of the MSCI EAFE Index from the replacement date. This means that one year later, on your third Contract Anniversary, if the MSCI EAFE Index value is \$1,900, your Index Return would be $10\% + (-5\%) = 5\%$.

If we replace an Index, we will attempt to select a new Index that is similar to the old Index. In making this evaluation, we will look at factors such as asset class; Index composition; strategy or methodology inherent to the Index; and Index liquidity.

Index Return. The Index Return for an Index Account Option is the percentage change in the Index value from the start of an Index Account Option Term to the end of the Index Account Option Term.

Example: Assume that you allocate Contract Value to an Index Account Option with the S&P 500 Index, Cap Crediting Method, and Buffer Protection Option. Between the beginning and end of the Index Account Option Term, the value of the S&P 500 Index increases by 5%. Thus, the Index Return for that Index Account would be 5%. If instead the S&P 500 Index decreased by 5%, the Index Return for that Index Account would be -5%.

Adjusted Index Return. After the Index Return is calculated at the end of the Index Account Option Term, we next calculate the Adjusted Index Return. The Adjusted Index Return reflects any applicable adjustments to the Index Return based on the Cap Rate, Index Participation Rate (applicable only with the Cap Crediting Method), Performance Trigger Rate, Performance Boost Rate, or Performance Boost Cap Rate (applicable only with the Performance Boost Rate Crediting Method) if the Index Return is positive, or the Buffer or Floor, if the Index Return is negative. The Index Adjustment will be credited to the Index Account Option at a rate equal to the Adjusted Index Return.

Example: Assume, as above, that you allocate Contract Value to an Index Account Option with the S&P 500 Index, Cap Crediting Method, and Buffer Protection Option. Between the beginning and end of the Index Account Option Term, the value of the S&P 500 Index increases by 15%. Thus, the Index Return for that Index Account would be 15%. Assume now that your Index Account Option has an Index Participation Rate of 100% and a Cap Rate of 10%. Your Index Return of 15% would be multiplied by the 100% Index Participation Rate, and then adjusted to your maximum 10% Cap Rate, making your Adjusted Index Return 10%.

Protection Options. Your selected Protection Option will define the manner in which any (negative) Index Adjustments are credited to you if your selected Index performs negatively during your Index Account Option Term. When you allocate amounts to the Index Account, you are indirectly exposed to the investment risks associated with the applicable Index. Because each Index is comprised or defined by a collection of equity securities, each Index is exposed to market fluctuations which may cause the value of a security to change, sometimes rapidly and unpredictably. The Contract provides two options to provide some level of protection against the risk of loss of Index Account Value for any negative Index Return: Buffers and Floors.

Buffer. A Buffer is the amount of negative Index price change before a negative Index Adjustment is credited to the Index Account Option Value at the end of an Index Account Option Term, expressed as a percentage. Put another way, a Buffer protects your Index Account Option Value from loss **up to** a specified amount (typically 10% or 20%). Jackson protects you

from any loss associated with Index decline up to your elected Buffer percentage. **You only incur a loss if the Index has declined more than your elected Buffer percentage** as of your Index Account Option Term Anniversary.

Withdrawals taken prior to the end of the Index Account Option Term will reduce the Index Account Option Value in the same proportion that the Interim Value was reduced on the date of the withdrawal. The Interim Value reflects the application of a prorated Buffer based on the elapsed portion of the Index Account Option Term. For examples of how a withdrawal taken prior to the end of an Index Account Term will reduce the Index Account Option Value through the use of a prorated Buffer in scenarios where the Index Return is negative, see Appendix A, Examples 2 and 6.

The available Buffer rates are the rates effective as of the first day of an Index Account Option Term. The Buffer rate for a particular Index Account Option Term may be higher or lower than the Buffer rate for previous or future Index Account Option Terms. In no event will a Buffer rate be less than 5% or more than 50% during the life of your Contract. We post all rates online at Jackson.com/RatesJMLP2. The rates for Contract Value reallocations at the end of an Index Account Option Term are posted at least 30 days before the end of any Index Account Option Term. At least 30 days prior to any Index Account Option Term Anniversary, we will send you written notice reminding you of how you may obtain the rates for the next Index Account Option Term.

Floor. A Floor is the maximum loss that will be credited to the Index Account Option at the end of the Index Account Option Term, expressed as a percentage. In contrast to the Buffer, a Floor protects your Index Account Option Value from loss **greater than** a specified amount (typically 10%). This means that if the Index has declined as of your Index Account Option Term Anniversary, **you will incur all of the loss up to your elected Floor percentage**. Jackson will protect you from any Index decline greater than your elected Floor percentage.

Withdrawals taken prior to the Index Account Option Term will reduce the Index Account Option Value in the same proportion as the Interim Value was reduced on the date of the withdrawal. The Interim Value reflects the application of the full-term Floor, which is not prorated at the time of the withdrawal. For an example of how a withdrawal taken prior to the end of an Index Account Option Term will reduce the Index Account Option Value through the use of a full-term Floor in scenarios where the Index Return is negative, see Appendix A, Examples 4 and 8.

The available Floor rates are the rates effective as of the first day of an Index Account Option Term. The Floor rate for a particular Index Account Option Term may be higher or lower than the Floor rate for previous or future Index Account Option Terms. In no event will a Floor rate be less than 5% or more than 50% during the life of your Contract. We post all rates online at Jackson.com/RatesJMLP2. The rates for Contract Value reallocations at the end of an Index Account Option Term are posted at least 30 days before the end of any Index Account Option Term. At least 30 days prior to any Index Account Option Term Anniversary, we will send you written notice reminding you of how you may obtain the rates for the next Index Account Option Term.

Crediting Methods. Your selected Crediting Method will dictate the manner in which the Index Adjustment is credited to you if your selected Index performs positively during your Index Account Option Term. Current Cap Rates, Index Participation Rates (applicable only with the Cap Crediting Method), Performance Trigger Rates, Performance Boost Rates, and Performance Boost Cap Rates (applicable only with the Performance Boost Crediting Method) are provided at the time of application, and to existing owners and financial professionals at any time, upon request.

To determine the Index Adjustment amount that will be credited to your Index Account Option Value at the end of each Index Account Option Term, we calculate the Adjusted Index Return for that Index Account Option. We calculate this Adjusted Index Return by applying the applicable Crediting Method. The Index Adjustment will be credited to the Index Account Option at a rate equal to the Adjusted Index Return.

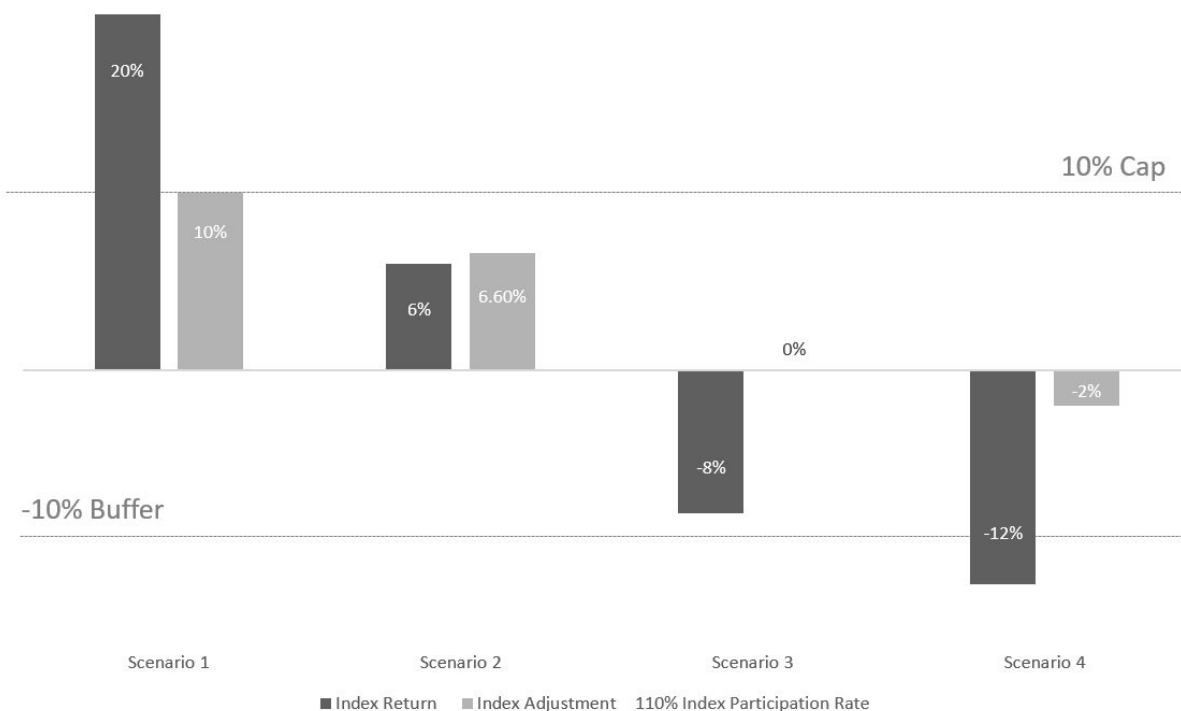
Cap Crediting Method. When you elect a Cap Crediting Method as part of an Index Account Option, if the performance of the Index you elect is positive at the end of your Index Account Option Term, your Index Account Option Value will be credited with a positive Index Adjustment equal to the Index Return multiplied by the Index Participation Rate, limited by the Cap Rate. The maximum amount of Index Adjustment that will be credited to your Index Account Option Value when your Index Return is positive as of the Index Account Option Term Anniversary will be limited by the elected Cap.

There are two rates associated with the Cap Crediting Method: The Cap, or "Cap Rate", and the Index Participation Rate. The Cap Rate is the maximum amount of Index Adjustment that will be credited to an Index Account Option at the end of each Index Account Option Term, expressed as a percentage. The Index Participation Rate ("IPR") is the percentage applied to any positive Index Return in calculating the amount of Index Adjustment to be credited at the end of the Index Account Option

Term. The Cap Rate and IPR are declared at the beginning of the Index Account Option Term. The Cap Rate and IPR for a particular Index Account Option Term may be higher or lower than the Cap Rate and IPR for previous or future Index Account Option Terms. In no event will a Cap Rate be lower than 2% for a 6-year Index Account Option Term, 1.50% for a 3-year Index Account Option Term, or 1% for a 1-year Index Account Option Term. In no event will an Index Participation Rate be lower than 100%. Because the Index Participation Rate is guaranteed to be at least 100%, it will never serve to reduce an Index Adjustment. We post all rates online at Jackson.com/RatesJMLP2. The rates for Contract Value reallocations at the end of an Index Account Option Term are posted at least 30 days before the end of any Index Account Option Term. At least 30 days prior to any Index Account Option Term Anniversary, we will send you written notice reminding you of how you may obtain the rates for the next Index Account Option Term.

The Cap Crediting Method is currently available with either a Buffer or Floor, and for your choice of 1-year, 3-year, or 6-year Index Account Option Terms. The Cap Rate for the 3-year and 6-year terms would be lower if measured on an annual basis. For Index Account Option Terms longer than one year, the Buffer for that term is a total Buffer for the duration of that Index Account Option Term. The following examples will illustrate how the Cap Crediting Method operates with both the Buffer and Floor Protection Options. Each example assumes a 10% Cap Rate and a 10% Buffer or Floor. The Index Participation Rate is indicated in each example.

Cap with Buffer.



When you elect the Cap Crediting Method with Buffer Protection Option, you are partially protected from downside loss, and any positive Index Adjustment will equal Index Return multiplied by the Index Participation Rate up to the stated Cap. Here are some examples of how an Index Participation Rate, Cap and Buffer work in combination on the Index Account Option Term Anniversary where the Index Participation Rate is 110%:

Scenario 1: The Index Return is 20%. After multiplying the positive Index Return by the Index Participation Rate of 110%, the Adjusted Index Return is 22%. Due to the 10% Cap, the Index Adjustment credited to your Index Account Option Value will be 10%.

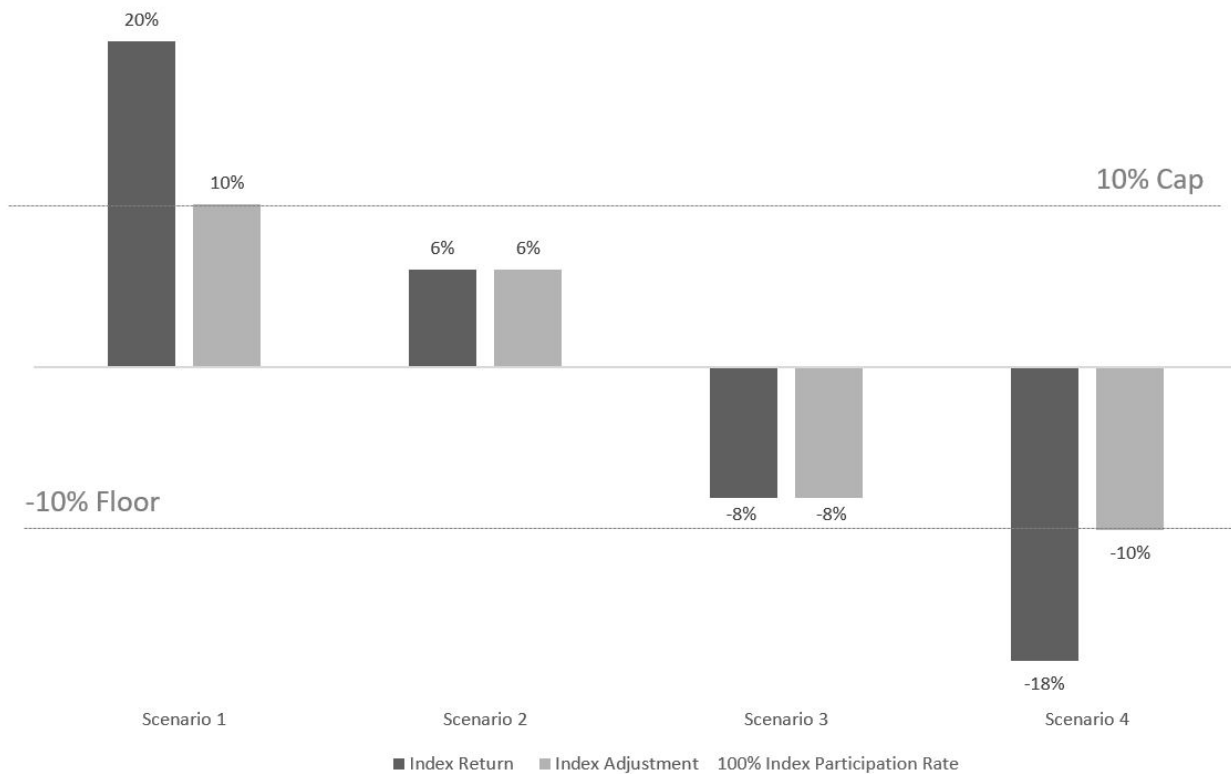
Scenario 2: The Index Return is 6%. After multiplying the positive Index Return by the Index Participation Rate of 110%, the Adjusted Index Return is 6.60%. Since the Index has not out-performed the 10% Cap, the Index Adjustment credited to your Index Account Option Value is equal to the Adjusted Index Return, which is 6.60%.

Scenario 3: The Index Return is -8%. Since the Index Return was less than the -10% Buffer, your Index Account Option Value was fully protected and experienced no loss.

Scenario 4: The Index Return is -12%. Since the Index Return exceeded the -10% Buffer, your Index Account Option Value was partially protected from the negative performance, but still experienced a -2% loss.

For examples illustrating a prorated Cap and Buffer in connection with an Interim Value adjustment in different market conditions where single or multiple partial withdrawals are taken in the middle of an Index Account Option Term, please see Appendix A, Examples 1 and 2. Please note: certain states require the use of guaranteed minimum Index Adjustment Factors, if greater, in calculating Interim Value. Please see "Use of Guaranteed Minimum Index Adjustment Factors in Certain States" on page 23.

Cap with Floor.



When you elect the Cap Crediting Method with Floor Protection Option, you are exposed to loss up to a certain point, but Jackson will protect you from any loss beyond that point. Any positive Index Adjustment will equal Index Return multiplied by the Index Participation Rate up to the stated Cap. Here are some examples of how an Index Participation Rate, Cap, and Floor work in combination on the Index Account Option Term Anniversary where the Index Participation Rate is 100%:

Scenario 1: The Index Return is 20%. After multiplying the positive Index Return by the Index Participation Rate of 100%, the Adjusted Index Return is 20%. Due to the 10% Cap, the Index Adjustment credited to your Index Account Option Value will be 10%.

Scenario 2: The Index Return is 6%. After multiplying the positive Index Return by the Index Participation Rate of 100%, the Adjusted Index Return is 6%. Since the Index has not out-performed the 10% Cap, the Index Adjustment credited to your Index Account Option Value is equal to the Adjusted Index Return, which is 6%.

Scenario 3: The Index Return is -8%. Since the Index Return fell within the -10% Floor, your Index Account Option Value will experience the full loss of -8%.

Scenario 4: The Index Return is -18%. Since the Index Return exceeded the -10% Floor, your Index Account Option Value was partially protected from the negative performance and experienced a -10% loss.

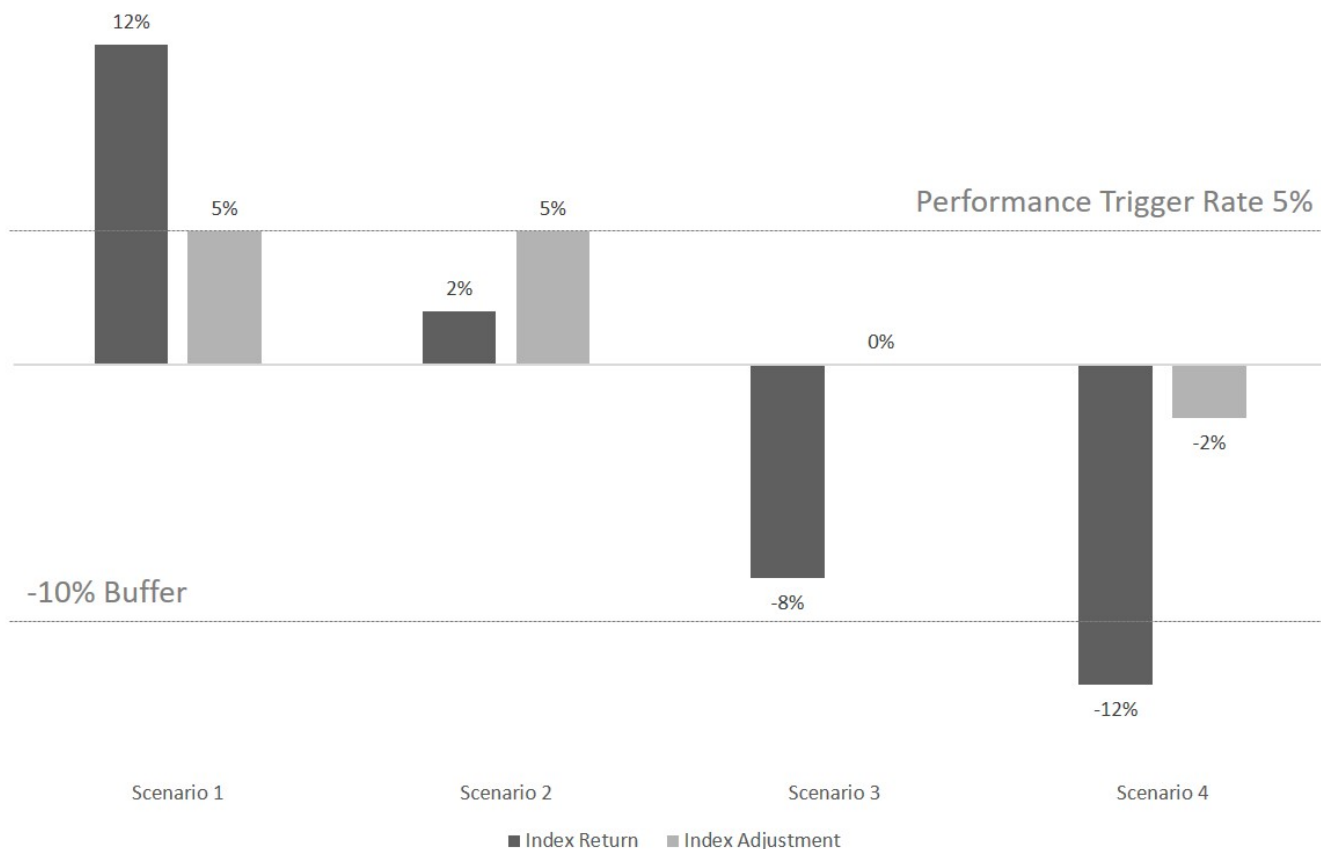
For examples illustrating a prorated Cap and full term Floor in connection with an Interim Value adjustment in different market conditions where single or multiple partial withdrawals are taken in the middle of an Index Account Option Term, please see

Appendix A, Examples 3 and 4. Please note: certain states require the use of guaranteed minimum Index Adjustment Factors, if greater, in calculating Interim Value. Please see "Use of Guaranteed Minimum Index Adjustment Factors in Certain States" on page 23.

Performance Trigger Crediting Method. When you elect a Performance Trigger Crediting Method, if the performance of the Index you elect is zero or positive at the end of your Index Account Option Term, your Index Account Option Value will be credited with a positive Index Adjustment equal to the Performance Trigger Rate. The Performance Trigger Rate is the amount of Index Adjustment that could be credited to an Index Account Option at the end of each Index Account Option Term, expressed as a percentage. The Performance Trigger Rate is declared at the beginning of the Index Account Option Term. The Performance Trigger Rate for a particular Index Account Option Term may be higher or lower than the Performance Trigger Rate for previous or future Index Account Option Terms. In no event will a Performance Trigger Rate be lower than 1%. We post all rates online at Jackson.com/RatesJMLP2. The rates for Contract Value reallocations at the end of an Index Account Option Term are posted at least 30 days before the end of any Index Account Option Term. At least 30 days prior to any Index Account Option Term Anniversary, we will send you written notice reminding you of how you may obtain the rates for the next Index Account Option Term.

The Performance Trigger Crediting Method is currently available for renewable one year Index Account Option Terms, with your choice of a Buffer or Floor Protection Option. The following examples will illustrate how the Performance Trigger Crediting Method operates with both the Buffer and Floor Protection Options. Each Example assumes a 5% Performance Trigger Rate and a 10% Buffer or Floor.

Performance Trigger with Buffer.



When you elect the Performance Trigger Crediting Method with Buffer Protection Option, you are partially protected from downside loss, and any positive Index Adjustment will be equal to the stated Performance Trigger Rate. If market performance is zero or positive over the end of the Index Account Option Term, the full Index Adjustment will equal the Performance Trigger Rate, regardless of how much the Index increased. Here are some examples of how the Performance Trigger rate and Buffer work in combination on the Index Account Option Term Anniversary:

Scenario 1: The Index Return is 12%. Since the market was positive, the Index Adjustment credited to your Index Account Option Value will equal the Performance Trigger Rate of 5%.

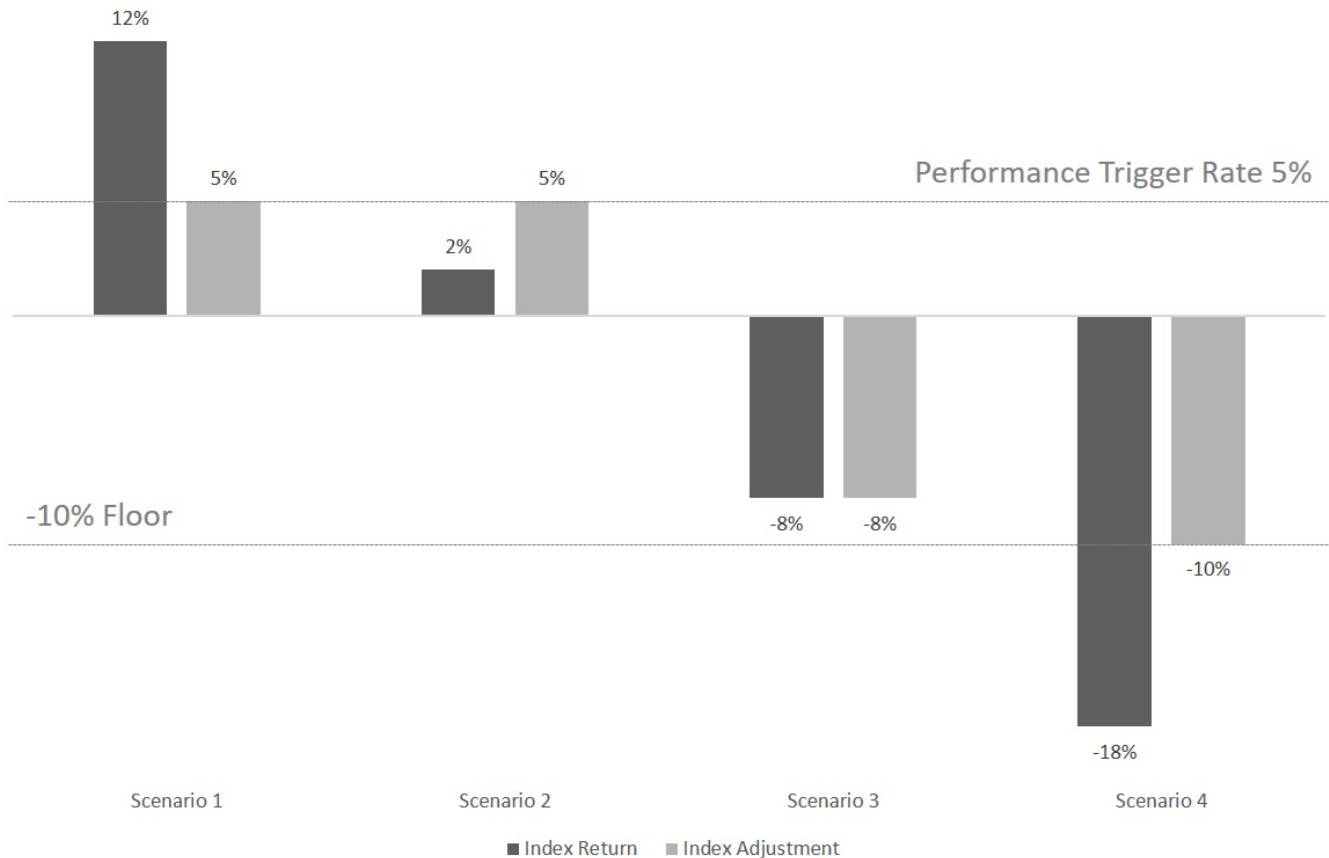
Scenario 2: The Index Return is 2%. Since the market was positive, the Index Adjustment credited to your Index Account Option Value will equal the Performance Trigger Rate of 5%.

Scenario 3: The Index Return is -8%. Since the Index Return was less than the -10% Buffer, your Index Account Option Value was protected and experienced no loss.

Scenario 4: The Index Return is -12%. Since the Index Return exceeded the -10% Buffer, your Index Account Option Value was partially protected from the negative performance, but still experienced a -2% loss.

For examples illustrating a prorated Performance Trigger Rate and Buffer in connection with an Interim Value adjustment in different market conditions where single or multiple partial withdrawals are taken in the middle of an Index Account Option Term, please see Appendix A, Examples 5 and 6. Please note: certain states require the use of guaranteed minimum Index Adjustment Factors, if greater, in calculating Interim Value. Please see "Use of Guaranteed Minimum Index Adjustment Factors in Certain States" on page 23.

Performance Trigger with Floor.



When you elect the Performance Trigger Crediting Method with Floor Protection Option, you experience loss up to a certain point, but Jackson will protect you from any loss beyond that point. Your positive Index Adjustment will be equal to the stated Performance Trigger Rate. If market performance is zero or positive at the end of the Index Account Option Term, a positive Index Adjustment equal to the Performance Trigger Rate will be credited, regardless of how much the Index increased. Here are some examples of how the Performance Trigger Rate and Floor work in combination on the Index Account Option Term Anniversary:

Scenario 1: The Index Return is 12%. Since the market was positive, the Index Adjustment credited to your Index Account Option Value will equal the Performance Trigger Rate of 5%.

Scenario 2: The Index Return is 2%. Since the market was positive, the Index Adjustment credited to your Index Account Option Value will equal the Performance Trigger Rate of 5%.

Scenario 3: The Index Return is -8%. Since the Index Return fell within the -10% Floor, your Index Account Option Value will experience the full loss of -8%.

Scenario 4: The Index Return is -18%. Since the Index Return exceeded the -10% Floor, your Index Account Option Value was partially protected from the negative performance and experienced a -10% loss.

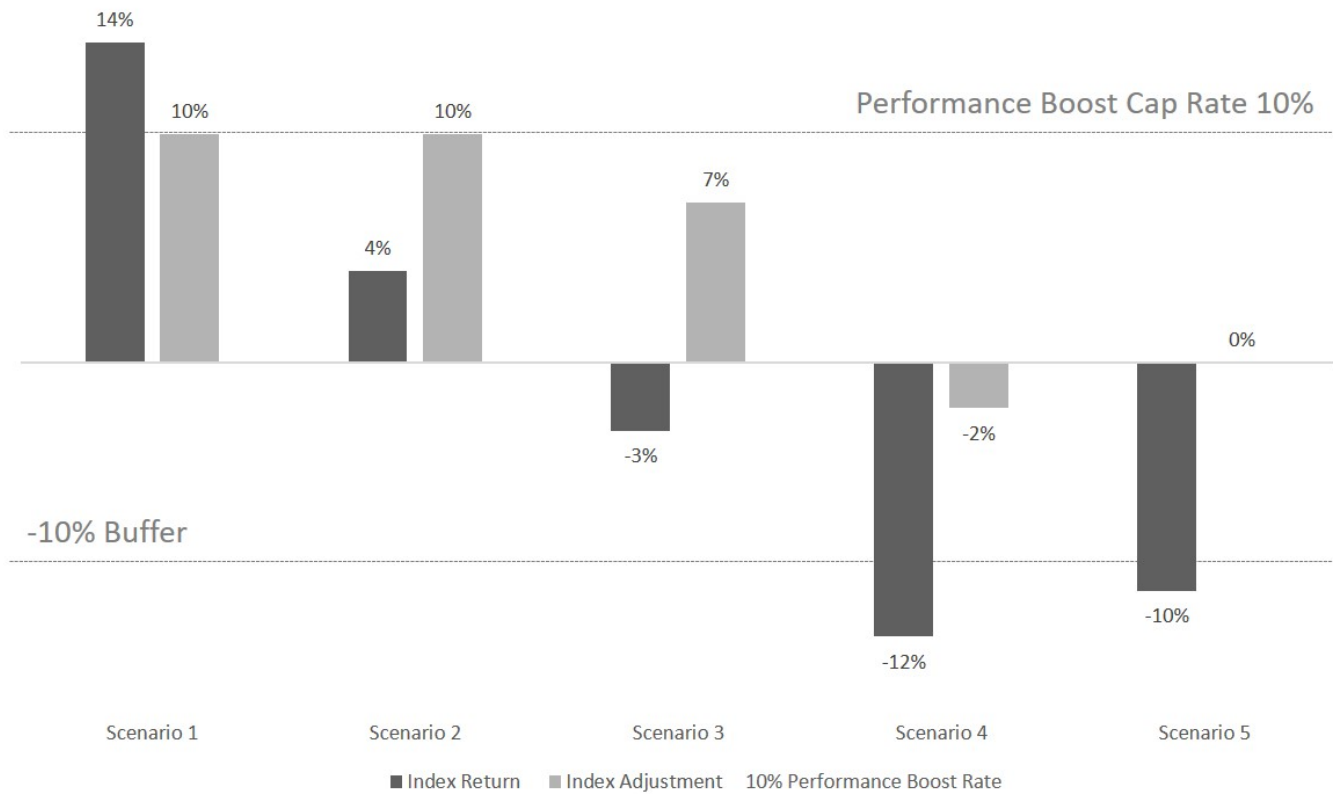
For examples illustrating a prorated Performance Trigger Rate and full term Floor in connection with an Interim Value adjustment in different market conditions where single or multiple partial withdrawals are taken in the middle of an Index Account Option Term, please see Appendix A, Examples 7 and 8. Please note: certain states require the use of guaranteed minimum Index Adjustment Factors, if greater, in calculating Interim Value. Please see "*Use of Guaranteed Minimum Index Adjustment Factors in Certain States*" on page 23.

Performance Boost Crediting Method. The Performance Boost Crediting Method is only available with the Buffer Protection Option. When you elect a Performance Boost Crediting Method, if the performance of the Index you elect is positive, zero or negative but not equal to or in excess of the Buffer at the end of your Index Account Option Term, your Index Account Option Value will be credited with a positive Index Adjustment equal to Index Return plus the Performance Boost Rate, limited by the Performance Boost Cap Rate. If the performance of the Index you elect is negative but equal to the Buffer at the end of your Index Account Option Term, your Index Account Option Value will be credited with an Index Adjustment equal to zero. If the performance of the Index you elect is negative in excess of the Buffer at the end of your Index Account Option Term, you will be credited with a negative Index Adjustment equal to the amount that the negative Index Return exceeds the Buffer.

There are two rates associated with the Performance Boost Crediting Method: the Performance Boost Rate, and the Performance Boost Cap Rate. The Performance Boost Rate is used to boost your Index Adjustment to a value higher than Index Return, and is equal to the Buffer percentage. The Performance Boost Cap Rate limits the amount of positive Index Adjustment you can receive, and is the maximum amount of Index Adjustment that could be credited to an Index Account Option at the end of each Index Account Option Term, expressed as a percentage. Both the Performance Boost Rate and the Performance Boost Cap Rate are declared at the beginning of the Index Account Option Term. The Performance Boost Rate and the Performance Boost Cap Rate for a particular Index Account Option Term may be higher or lower than the Performance Boost Rate and Performance Boost Cap Rate for previous or future Index Account Option Terms. In no event will a Performance Boost Rate be lower than 5% or the Performance Boost Cap Rate be lower than 1%. We post all rates online at Jackson.com/RatesJMLP2. The rates for Contract Value reallocations at the end of an Index Account Option Term are posted at least 30 days before the end of any Index Account Option Term. At least 30 days prior to any Index Account Option Term Anniversary, we will send you written notice reminding you of how you may obtain the rates for the next Index Account Option Term.

The Performance Boost Crediting Method is available for renewable one-year, three-year, and six-year Index Account Option Terms with the Buffer Protection Option only. The following examples will illustrate how the Performance Boost Crediting Method operates with the Buffer Protection Option. The Example assumes a 10% Performance Boost Rate, a 10% Performance Boost Cap Rate and a 10% Buffer.

Performance Boost with Buffer.



When you elect the Performance Boost Crediting Method with Buffer Protection Option, you are partially protected from downside loss, and any positive Index Adjustment may be limited by the Performance Boost Cap Rate. If the market is positive, zero or negative but not in excess of the Buffer, you will receive an Index Adjustment equal to Index Return plus the Performance Boost Rate. If the Index Return is negative in excess of the Buffer, you will receive a negative Index Adjustment equal to the amount that negative Index Return exceeds the Buffer. If the Index Return is negative but equal to the Buffer, your Index Adjustment will be zero. Here are some examples of how the Performance Boost Rate, Performance Boost Cap Rate, and Buffer work in combination on the Index Account Option Term Anniversary:

Scenario 1: The Index Return is 14%. Due to the 10% Performance Boost Cap Rate, the Index Adjustment will be 10%.

Scenario 2: The Index Return is 4%. The Index Adjustment credited to your Index Account Option Value will equal the 4% Index Return plus the 10% Performance Boost Rate (the Buffer percentage) up to the Performance Boost Cap Rate of 10%. In this case, the Index Adjustment will be 10%.

Scenario 3: The Index Return is -3%. The Index Adjustment credited to your Index Account Option Value will equal the -3% Index Return plus the 10% Performance Boost Rate (the Buffer percentage) up to the Performance Boost Cap Rate of 10%. In this case, the Index Adjustment will be 7%.

Scenario 4: The Index Return is -12%. Since the negative Index Return exceeded the -10% Buffer, your Index Account Option Value was partially protected from the negative return, but still experienced a -2% loss.

Scenario 5: The Index Return is -10%. The Index Adjustment credited to your Index Account Option Value will equal the -10% Index Return plus the 10% Performance Boost Rate (the Buffer percentage). In this case, the Index Adjustment will be 0%.

For examples illustrating a prorated Performance Boost Rate, Performance Boost Cap Rate, and Buffer in connection with an Interim Value adjustment in different market conditions where single or multiple partial withdrawals are taken in the middle of an Index Account Option Term, please see Appendix A, Examples 9 and 10. Please note: certain states require the use of guaranteed minimum Index Adjustment Factors, if greater, in calculating Interim Value. Please see "Use of Guaranteed

Minimum Index Adjustment Factors in Certain States" on page 23. In these states, the Performance Boost Rate may not be equal to the Buffer percentage in certain scenarios. This is because there is no guaranteed minimum Performance Boost Rate, but there is a guaranteed minimum Buffer, potentially causing a mismatch in scenarios in which the guaranteed minimum Buffer is applied. Please see "*Index Adjustment Proration Example Utilizing Guaranteed Minimums*" beginning on page 24 for examples of these scenarios.

TRANSFERS AND REALLOCATIONS

Transfer Requests. You may request a transfer to or from the Fixed Account and the Index Account Options, as well as among the Index Account Options.

Transfers may only occur on the Contract Anniversary when transferring out of the Fixed Account, and only on the Index Account Option Term Anniversary when transferring out of an Index Account Option except in connection with an Intra-Term Performance Lock. We post all rates online at Jackson.com/Rates/JMLP2. The rates for Contract Value reallocations at the end of an Index Account Option Term are posted at least 30 days before the end of any Index Account Option Term. At least 30 days prior to any Index Account Option Term Anniversary, we will send you written notice reminding you of how you may obtain the rates for the next Index Account Option Term.

Unless specified otherwise, transfers will be taken from the Index Account Options and the Fixed Account in proportion to their current value. The Company reserves the right to restrict or prohibit transfers from the Index Account Options to the Fixed Account, at its discretion, on a nondiscriminatory basis, at any time.

Transfers into the Short Duration Fixed Account Option on a Contract Anniversary are not allowed. Amounts may only move from an Index Account Option to the Short Duration Fixed Account Option in connection with an Intra-Term Performance Lock or a spousal continuation.

Transfers from a Fixed Account will reduce the Fixed Account Value by the transfer amount requested. Transfers into a Fixed Account will increase the Fixed Account Value by the transfer amount requested. Transfers from an Index Account Option will reduce the Index Account Option Value by the transfer amount requested. Transfers into an Index Account Option will increase the Index Account Option Value by the transfer amount requested.

Automatic Reallocations. If we do not receive your timely transfer request in Good Order before the close of business on the Contract Anniversary for transfers out of the Fixed Account, and/or the close of business on the Index Account Option Term Anniversary for transfers out of an Index Account Option, we will automatically reallocate your Contract Value, as described below. You can communicate your transfer instructions by submitting them to us in writing on a form provided by us, or a Letter of Instruction, or via telephone if you have provided prior telephone authorization on your account.

If no timely transfer request is received as outlined above, the Fixed Account Value will remain in the Fixed Account and the Index Account Option Value(s) will be reallocated to the same Index Account Option(s) for the same term, Crediting Method and Index, if available.

Automatic Reallocation of Index Account Option Value to a New Index Account Option or the Fixed Account. If you do not provide timely transfer or reallocation instructions prior to the end of an expiring Index Account Option Term, as well as for reallocations out of the Short Duration Fixed Account Option on a Contract Anniversary, we will proceed as follows:

- If the same Index Account Option is available at the time and its Term does not extend beyond the Income Date, we will renew the Index Account Option into the same Index Account Option Term.
- If the same Index Account Option is available at the time but its Term extends beyond the Income Date, if available, we will select an available Index Account Option with the same Crediting Method, Protection Option, and Index, but with the Term that ends closest to but before the Income Date.
- If the same Crediting Method, Protection Option, and Index as the expiring Index Account Option are available at the time, but not with the same Term, we will select the available Index Account Option Term with the period closest to but less than the Index Account Option Term that just ended that will not extend beyond the Income Date.

- If the Crediting Method, Protection Option, or Index you have elected is no longer available as of your Index Account Option Term Anniversary, the Index Account Option Value(s) will be reallocated to the Fixed Account until further instruction is received.

Intra-Term Performance Lock. You may elect to lock in Interim Value during the Index Account Option Term on Index Account Options with certain Crediting Methods. This feature allows you to transfer the full Interim Value from your selected Index Account Option into the Short Duration Fixed Account Option, where it will earn the declared Short Duration Fixed Account rate of interest beginning on the Intra-Term Performance Lock Date until the next Contract Anniversary. You can view the Interim Value for your Index Account Option(s) as of the end of the previous Business Day in your account on jackson.com or by contacting us via phone at 1-800-644-4565. We use the Interim Value calculated at the end of the Business Day after we receive your request. This means you will not be able to determine in advance your "locked in" Index Account Value, and it may be higher or lower than it was on the Business Day we received your Intra-Term Performance Lock request. Intra-Term Performance Lock is currently available with all Crediting Methods except for the Performance Trigger Crediting Method.

You may elect an Intra-Term Performance Lock by submitting an election form or letter of instruction acceptable to us, making an election through your jackson.com account, or via telephone if you have telephone authorization executed on your account. We must receive a manual Intra-Term Performance Lock request in Good Order before the end of the current Business Day in order to execute the Intra-Term Performance Lock on that day. Otherwise, the Intra-Term Performance Lock will be executed on the next Business Day that your request is in Good Order. For requests submitted in writing, we do not consider the request to be received until it arrives at our Customer Care Center.

You (or your financial professional, if authorized) can request an automatic Intra-Term Performance Lock based on targets you set only through your account on jackson.com. You can set upper and/or lower targets for each Index Account Option each term. **Please note: setting a target close to the current Interim Value may cause an Intra-Term Performance Lock to occur very quickly.** You can change or cancel targets at any time before we perform the Intra-Term Performance Lock. Each Index Account Option's targets automatically expire on the earlier of the date the Intra-Term Performance Lock is performed, or the last Business Day before the Index Account Option Term Anniversary. You can also override a target by requesting a manual Intra-Term Performance Lock before the target is reached. We determine if a target is reached using the Interim Value determined at the end of the prior Business Day. We then perform the Intra-Term Performance Lock using the Interim Value calculated at the end of the next Business Day, which is the day the Intra-Term Performance Lock is performed. Because your Intra-Term Performance Lock is performed based on the Interim Value calculated 24 hours after your target was reached, it is possible that the Index Return for your Index may decline between the time your target was reached and the time your Intra-Term Performance Lock is performed. **Please note: by setting targets in your jackson.com account, you are authorizing us to automatically perform an Intra-Term Performance Lock at the end of the Business Day on the day after your target is reached, unless you cancel the lock.** We will send an email notice once the Interim Value for an Index Account Option reaches your selected target. To cancel an automatic Intra-Term Performance Lock after the target is reached, we must receive your request in Good Order before the end of the Business Day on which the lock will be performed. You may submit this request to cancel an automatic Intra-Term Performance Lock through your account on jackson.com, via faxed or emailed letter of instruction, or via telephone (if you have authorized telephone transactions).

For example, assume your Contract Value is \$100,000 and 100% is allocated to a 1-year Index Account Option with a Cap crediting method, 10% Buffer protection option, and the S&P 500 Index elected. The Cap Rate is 15%, but you and your financial professional agree that a positive Index Adjustment of at least 10% would meet your investment objectives. With that investment objective in mind, you set an automatic Intra-Term Performance Lock target of 10%. In month ten of the 1-year Index Account Option Term, the Interim Value of your Index Account Option has increased 10% from your initial \$100,000 investment and Jackson sends an email notification to you, indicating that your automatic Intra-Term Performance Lock will be performed on the following Business Day unless you cancel through your account on jackson.com (or contact Jackson to cancel via faxed or emailed letter of instruction or phone if you have authorized telephone transactions). The Intra-Term Performance Lock is performed, and the full Interim Value of your Index Account Option is transferred to the Short Duration Fixed Account Option. On the next Contract Anniversary, the Short Duration Fixed Account Option Value associated with your Intra-Term Performance Lock will automatically be reallocated to an identical 1-year Index Account Option with a Cap crediting method, 10% Buffer protection option, and the S&P 500 Index elected unless other instructions are received prior to the end of the Business Day on your Contract Anniversary.

You (or your financial professional, if authorized) can also set Interim Value target notifications through your account on jackson.com. These Interim Value target notifications function similarly to automatic Intra-Term Performance Lock targets in that you can set upper and/or lower targets for each Index Account Option each term. However, Interim Value target notifications will not trigger an automatic Intra-Term Performance Lock and are for notification purposes only to assist you in tracking the performance of your Index Account Options. You can change or cancel Interim Value target notifications at any time through your account on jackson.com. We will send an email notice once the Interim Value for an Index Account Option

reaches your selected target for notification. If you wish you elect an Intra-Term Performance Lock at that time, you must submit a manual Intra-Term Performance Lock request in Good Order to our Customer Care Center.

An Intra-Term Performance Lock ends the Index Account Option Term for the Index Account Option out of which it is transferred, effectively terminating that Index Account Option. Once an Intra-Term Performance Lock has been processed, it is irrevocable.

On each Contract Anniversary, any amounts allocated to the Short Duration Fixed Account Option as part of an Intra-Term Performance Lock, including interest earned on those amounts, will be reallocated into a new Index Account Option identical to the one from which they were originally transferred, subject to availability requirements, unless new allocation instructions have been received by us in Good Order, and will begin a new Index Account Option Term. You may provide reallocation instructions in writing using our Reallocation Form or a Letter of Instruction, or over the phone if you have authorized telephone transactions. For more information on what happens if the same Index Account Option is unavailable, see "Automatic Reallocation of Index Account Option Value to a New Index Account Option or the Fixed Account" beginning on page 34.

Please see Appendix A for examples illustrating Intra-Term Performance Locks performed in scenarios in which a Cap Crediting Method with Buffer Protection Option is elected where the Index Return is greater than the Cap (Example 11), a Cap Crediting Method with Floor Protection Option is elected where the Index Return is less than the Cap (Example 12), and a Performance Boost Crediting Method with Buffer Protection Option is elected where the Index Return is greater than the Cap (Example 13).

End-Term Performance Lock. You may elect to automatically transfer any positive Index Adjustment from an Index Account Option to the Fixed Account on the Index Account Option Term Anniversary. Amounts transferred into the Fixed Account in connection with an End-Term Performance Lock will be unavailable to reallocate to an Index Account Option until the next Contract Anniversary.

You may not elect End-Term Performance Lock if you have elected Automatic Rebalancing.

You may cancel your End-Term Performance Lock program using whatever methods you use to change your allocation instructions. You should consult with your financial professional with respect to the current availability of End-Term Performance Lock.

The following examples demonstrate how End-Term Performance Locks work with both positive and negative Index Adjustments.

This example demonstrates an End-Term Performance Lock when a positive Index Adjustment occurs at the end of the Term.

- If your starting Premium is \$100,000, you are 100% allocated to an Index Account Option, and have elected the End-Term Performance Lock, any increase in Index Account Option Value at the end of the Term from a positive Index Adjustment will be transferred to the 1-year Fixed Account Option automatically at the end of the Term. This option is available for all available crediting methods and downside protection combinations.
- Assume the Index Adjustment is equal to 4% at the end of the Term. The credited Index Adjustment ($\$100,000 * 4\% = \$4,000$) would be automatically transferred to the 1-year Fixed Account at the end of the Term under the End-Term Performance Lock.

This example demonstrates an End-Term Performance Lock when a negative Index Adjustment occurs at the end of the Term.

- If your starting Premium is \$100,000, you are 100% allocated to an Index Account Option, and have elected the End-Term Performance Lock, any increase in Index Account Option Value at the end of the Term from a positive Index Adjustment will be transferred to the 1-year Fixed Account Option automatically at the end of the Term. This option is available for all available crediting methods and downside protection combinations.
- Assume the Index Adjustment is equal to -4% at the end of the Term. Since the Index Adjustment is negative, the End-Term Performance Lock would not be executed and no Index Account Option Value will be automatically transferred to the 1-year Fixed Account Option.

Automatic Rebalancing. You may elect to automatically rebalance Contract Value between eligible Contract Options on the Contract Anniversary based upon the most recent allocation instructions received by the Company in Good Order. If this option is elected, we will apply any applicable Index Adjustment to the Index Account Option and credited interest to the Fixed Account Option prior to reallocating the Contract Value. A Contract Option is only eligible for rebalancing at the end of its term. This means that a Fixed Account Option is only eligible for rebalancing on a Contract Anniversary, and an Index Account Option is only eligible for rebalancing on its Index Account Option Term Anniversary. Rebalancing will only occur if more than one existing Contract Option's term ends on the same date.

The percentage that will be allocated to each eligible Contract Option through the rebalancing transaction is equal to A divided by B, then multiplied by C, where:

A = the allocation percentage for the Contract Option found in the most recent allocation instructions received by the Company in Good Order;

B = 1 minus the sum of the allocation percentages of the ineligible Contract Options found in the most recent allocation instructions received by the Company in Good Order;

C = the sum of the Index Account Option Values and Fixed Account Option Values from Contract Options, including the Short Duration Fixed Account Option, that have reached the end of their crediting term on that Contract Anniversary.

Rebalancing allows you to tell us what percentage of your Contract Value you would like to keep allocated to various Contract Options, and as those Contract Option values fluctuate, allows us to automatically reallocate Contract Value between those Contract Options on Contract Anniversaries to maintain your desired allocation percentages. For example, assume you allocate 50% of your Contract Value to the Fixed Account Option, and 50% of your Contract Value to a 1-year Index Account Option. On your next Contract Anniversary, assume your Fixed Account had positive interest credited, but you had a negative Index Adjustment on your Index Account Option, such that your Fixed Account Value is now 55% of your Contract Value and your Index Account Option Value has fallen to only 45% of your Contract Value. Because you elected Automatic Rebalancing, we will automatically reallocate your Contract Value between the Fixed Account Option and 1-year Index Account Option so that they are once again equally balanced at 50% of Contract Value in each option.

You may not elect Automatic Rebalancing if you have elected End-Term Performance Lock.

You may cancel your Automatic Rebalancing program using whatever methods you use to change your allocation instructions. If you provide us with reallocation instructions in advance of a Contract Anniversary, any existing Automatic Rebalancing elections will be terminated and we will reallocate consistent with the updated reallocation instructions you provided. To reinstate Automatic Rebalancing on your Contract, you must submit a new election form. If you submit a new election form, Automatic Rebalancing will resume on the next eligible Contract Anniversary.

Rebalancing instructions may only include Contract Options in which you are currently invested. Automatic rebalancing cannot be used to reallocate Contract Value into new Contract Options.

You should consult with your financial professional with respect to the current availability of Automatic Rebalancing.

Please see Appendix A for examples illustrating Automatic Rebalancing scenarios in which all Index Account Options are at the end of their Term (Example 14), two out of four Index Account Options are at the end of their Term (Example 15), three out of four Index Account Options are at the end of their Term (Example 16), and where an Intra-Term Performance Lock was performed during the Contract Year (Example 17).

ACCESS TO YOUR MONEY

You may access the money in your Contract:

- by making a partial or full withdrawal,
- by electing the Automatic Withdrawal Program,
- by electing an add-on Guaranteed Minimum Withdrawal Benefit, or
- by electing to receive income payments.

Your Beneficiary can have access to the money in your Contract when a death benefit is paid.

Withdrawals under the Contract may be subject to a Withdrawal Charge. For purposes of the Withdrawal Charge, we treat withdrawals as coming first from earnings (which may be withdrawn free of any Withdrawal Charge), and then from Remaining Premium. When you make a total withdrawal, you will receive the Withdrawal Value as of the end of the Business Day your request is received by us in Good Order. The Withdrawal Value is equal to the Contract Value *reduced for* any applicable taxes, and all applicable Withdrawal Charges. For more information about Withdrawal Charges, please see "Withdrawal Charge" beginning on page 50. We will pay the withdrawal proceeds within seven days of receipt of a request in Good Order.

Your withdrawal request must generally be in writing. We will accept withdrawal requests submitted via facsimile. We may accept withdrawal requests via phone or web, subject to certain qualifying conditions, and subject to availability. There are risks associated with not requiring original signatures in order to disburse the money. To minimize the risks, the proceeds will be sent to your last recorded address in our records, so be sure to notify us, in writing, with an original signature of any address change. We do not assume responsibility for improper disbursements if you have failed to provide us with the current address to which the proceeds should be sent.

Except in connection with the Automatic Withdrawal Program, you must withdraw at least \$500 or, if less, the entire amount in the Fixed Account or Index Account Option from which you are making the withdrawal. If you are not specific in your withdrawal request, your withdrawal will be taken from your allocations to the Index Account Options and Fixed Account based on the proportion their respective values bear to the Contract Value. A withdrawal request that would reduce the remaining Contract Value to less than \$2,000 will be treated as a request for a total withdrawal except in connection with GAWA withdrawals, Required Minimum Distributions or the Automatic Withdrawal Program.

If you elect the Automatic Withdrawal Program, you may take automatic withdrawals of a specified dollar amount (of at least \$50 per withdrawal) or a specified percentage of Contract Value on a monthly, quarterly, semiannual or annual basis. Automatic withdrawals are treated as partial withdrawals and will be counted in determining the amount taken as a free withdrawal in any Contract Year. Automatic withdrawals in excess of the Free Withdrawal amount may be subject to Withdrawal Charges, the same as any other partial withdrawal. For more information about the free withdrawal amount, please see "*WITHDRAWAL CHARGE*" beginning on page 50.

Partial withdrawals will reduce an Index Account Option's value at the beginning of the term in the same proportion that the Interim Value was reduced on the date of the withdrawal.

Income taxes, tax penalties and certain restrictions may apply to any withdrawal you make. There are limitations on withdrawals from qualified plans. For more information, please see "TAXES" beginning on page 56.

+Income GMWB and +Income GMWB with Joint Option. The +Income GMWB and +Income GMWB with Joint Option are add-on Guaranteed Minimum Withdrawal Benefits with annual Step-Ups and a Determination Date Step-Up, designed to help investors manage their lifetime income needs by guaranteeing the withdrawal of minimum annual amounts for life, regardless of the performance of the Indexes underlying an investor's Index Account Options, while the Contract is in the accumulation phase (i.e. before the Income Date). We call this guarantee the For Life Guarantee, and on +Income GMWB, which is a single life benefit, it lasts for the lifetime of the Designated Life (or the lifetime of the joint Owner who dies first). On +Income GMWB with Joint Option, which is a benefit designed to cover two spousal Covered Lives, the For Life Guarantee lasts for the lifetime of the last surviving Covered Life.

For the +Income GMWB, the Designated Life is the original Owner (or oldest joint Owner) if the Owner is a natural person. For the +Income GMWB with Joint Option, the Designated Life is the youngest Covered Life. If the Owner is a legal entity, the original Annuitant (or oldest joint Annuitant) is the Designated Life. On Contracts owned by a legal entity where there are joint Annuitants, the For Life Guarantee lasts for the lifetime of the joint Annuitant who dies first. The Designated Life may not be changed. +Income GMWB is available to single Owners, spouses, or unrelated joint Owners. +Income GMWB with Joint Option is available only to spouses.

For the +Income GMWB with Joint Option, each of the individuals covered under the For Life Guarantee are called Covered Lives. On qualified plan Contracts, the Owner and the primary spousal Beneficiary named as of the effective date of the GMWB with Joint Option will each be considered a Covered Life. On qualified custodial account Contracts, the Annuitant and contingent Annuitant named as of the effective date of the GMWB with Joint Option will each be considered a Covered Life.

On non-qualified plan Contracts, the spousal joint Owners will each be considered a Covered Life. The Covered Lives may not be changed.

References in the disclosures below to “this GMWB” apply to each of the +Income GMWB and +Income GMWB with Joint Option, including their associated GAWA percentages, as discussed below. This GMWB is offered to Owners (+Income GMWB) or Covered Lives (+Income GMWB with Joint Option) between the ages of 50 and 80.

This GMWB may not be terminated by the Owner independently from the Contract to which it is attached.

Upon the death of the Owner or joint Owner, if the Beneficiary is a non-spousal Beneficiary, the GWB is void and this GMWB terminates automatically; therefore, the death of the Owner or joint Owner may have a significant negative impact on the value of this GMWB and cause the GMWB to prematurely terminate.

For certain tax-qualified Contracts, this GMWB allows withdrawals greater than the GAWA to meet the Contract’s RMD without compromising the endorsement’s guarantees. Example 3 in Appendix D under section “I. +Income GMWB” supplements this description. Because the intervals for the GAWA and RMDs are different, namely Contract Years versus calendar years, and because RMDs are subject to other conditions and limitations, if your Contract is a tax-qualified Contract, please see “Required Minimum Distributions under certain Tax-Qualified Plans (“RMDs”)” on page 46 for more information.

The following description of this GMWB is supplemented by the examples in Appendix D.

Guaranteed Withdrawal Balance (“GWB”). The GWB is established for the sole purpose of determining the GAWA. It is not the Contract Value, and it cannot be withdrawn. The GWB is equal to the Premium, net of any applicable taxes, if elected at issue, or the Contract Value, if elected after issue. The GWB is eligible to be automatically increased by a Step-Up on each Contract Anniversary following the effective date of the GMWB. A Step-Up is a Contract feature under which we automatically increase the GWB to reflect increases in the Contract Value if the Contract Value is greater than the GWB. An increase in your GWB may increase your GAWA in the new Contract Year.

On the date that the GAWA is first determined, the “Determination Date”, the GWB can also be increased by a one-time Determination Date Step-Up which is a Contract feature under which we automatically increase the GWB to equal the Contract Value if the Contract Value is greater than the GWB on the Determination Date. Any increase to the GWB as a result of a Determination Date Step-Up would be calculated prior to determining the GAWA. For more information about the Determination Date and the calculation of the GAWA, please see the “Withdrawals” subsection below. For more information Step-Ups, please see “Step-Up” beginning on page 42.

It is important to note that withdrawals from your Contract Value (including GAWA withdrawals) make it less likely that future step-ups to your GWB (if any) will increase your GAWA. This is because all withdrawals (including GAWA withdrawals) reduce your Contract Value and GWB. It is also important to note that Excess Withdrawals may significantly reduce the likelihood that your GAWA will increase due to a step-up, as Excess Withdrawals (unlike GAWA withdrawals) result in a proportional reduction to your GWB and may cause your GWB to be reduced by more than the amount withdrawn; in other words, on more than a dollar for dollar basis.

The GWB can never be more than \$10 million (including upon step-up), and the GWB is reduced by each withdrawal. The GWB will be reduced proportionally by Excess Withdrawals. Such reductions could be substantial. See “*Withdrawals*” below for more information on the impact of different types of withdrawals on the GWB.

Withdrawals. This GMWB is designed to permit annual withdrawals (“GAWA withdrawals”) equal to the greater of the GAWA or RMD, if applicable, on and after the effective date.

The maximum cumulative withdrawals you may take in any Contract Year, without reducing the For Life Guarantee, or potentially terminating the Contract, may not exceed the GAWA or any RMD under the Internal Revenue Code, if greater. Withdrawals exceeding the GAWA or RMD, if applicable (“Excess Withdrawals”), cause the GWB and GAWA to be recalculated and reduced, as discussed below. Such reductions could be substantial. In addition, if the Excess Withdrawal causes your Contract Value to drop to zero, the Contract will terminate and no future GAWA withdrawals will be permitted.

The GAWA is determined on the Determination Date, which is the earlier of:

- the time of the first withdrawal after the effective date of this GMWB,
- the date the Owner elects to opt out of annual Step-Ups to avoid an increase in the GMWB Charge,

- the date the Contract Value drops to zero (other than due to an Excess Withdrawal or total withdrawal),
- the date the GMWB is continued by a spousal Beneficiary, or
- upon election of the Life Income of the GAWA or Joint Life Income of the GAWA Income Options.

On the Determination Date, the GAWA is equal to the GWB multiplied by the GAWA percentage ("GAWA%"). The GAWA % is locked-in on the Determination Date, and will not subsequently change. The GAWA% is based on the Designated Life's attained age on the Determination Date and the elapsed Deferral Years, according to the following tables:

+Income GMWB

Attained Age	GAWA% in Deferral Years 0-3	GAWA% in Deferral Years 3-6	GAWA% in Deferral Years 6-9	GAWA% in Deferral Years 9+
50-59	4.25%	4.75%	5.25%	5.75%
60-64	5.25%	5.50%	5.75%	6.25%
65-69	5.75%	6.25%	7.00%	7.50%
70-74	6.00%	6.50%	7.25%	7.75%
75-79	6.25%	6.75%	7.50%	8.00%
80+	6.75%	7.25%	8.00%	8.25%

+Income GMWB with Joint Option

Attained Age	GAWA% in Deferral Years 0-3	GAWA% in Deferral Years 3-6	GAWA% in Deferral Years 6-9	GAWA% in Deferral Years 9+
50-59	3.75%	4.25%	4.75%	5.25%
60-64	4.75%	5.00%	5.25%	5.75%
65-69	5.25%	5.75%	6.50%	7.00%
70-74	5.50%	6.00%	6.75%	7.25%
75-79	5.75%	6.25%	7.00%	7.50%
80+	6.25%	6.75%	7.50%	7.75%

A Deferral Year is the period of time measured by each Contract Anniversary that has passed after the effective date of this GMWB and before the Determination Date. Deferral Years stop accruing at the Determination Date.

We reserve the right to prospectively change the GAWA percentages, including the age bands, on new elections of the +Income GMWB and +Income GMWB with Joint Option. This means that if you do not elect this GMWB at issue, the GAWA percentages associated with this GMWB when elected on a Contract Anniversary (subject to availability) may be different than the rates you would have received if you had elected this GMWB at issue. If we change the GAWA percentages, we will follow these procedures:

- When we issue your Contract we will deliver a copy of the prospectus that reflects the change of GAWA percentages. You will have until the end of the Free Look period to cancel your Contract and this GMWB by providing notice to us pursuant to the provisions of the Free Look section (please see "Free Look" on page 20).
- If you are an existing Owner and are eligible to elect this GMWB after the Issue Date, at the time we change the GAWA percentages, we will send you the notice of change of GAWA percentages.

The actual GAWA percentages applicable to your Contract will be reflected in your Contract endorsement.

Recalculation of the GWB and/or the GAWA due to Withdrawals. Withdrawals cause the GWB and/or GAWA to be recalculated in the following ways:

- **Recalculation of the GWB upon GAWA Withdrawals.** Withdrawals taken on or after the Determination Date that do not cause the cumulative total of all withdrawals taken in the Contract Year to exceed the greater of the GAWA or the RMD, if applicable, will cause the GWB to be reduced by the dollar amount of the withdrawal, but will not trigger a recalculation of the GAWA.

- **Recalculation of the GWB and GAWA upon Excess Withdrawals.** Any portion of a withdrawal taken on or after the Determination Date that causes the sum of all withdrawals taken in the Contract Year to exceed the greater of the GAWA or the RMD, if applicable, will cause the GWB to be reduced proportionally as follows:
 - The dollar-for-dollar portion (DFD Portion) of the partial withdrawal is equal to the greater of (1) the GAWA at the time of the partial withdrawal or the RMD, less all prior partial withdrawals made in the current Contract Year, or (2) zero.
 - The Proportional Reduction Factor for the partial withdrawal is defined to be:

$$1 - \frac{\text{Partial Withdrawal Amount} - \text{DFD Portion}}{\text{Contract Value prior to partial withdrawal} - \text{DFD Portion}}$$
 - The GWB is reduced to equal the greater of the GWB prior to the partial withdrawals less the DFD Portion, reduced for the Excess Withdrawal in the same proportion as the Contract Value is reduced (i.e. GWB prior to the Excess Withdrawal, reduced for the DFD portion, then multiplied by the Proportional Reduction Factor); or zero.
 - The GAWA is reduced for the Excess Withdrawal in the same proportion as the Contract Value is reduced (i.e. the GAWA prior to the Excess Withdrawal is multiplied by the Proportional Reduction Factor).
 - **In recalculating the GWB and GAWA, both values could be reduced by more than the withdrawal amount; in other words, on more than a dollar-for-dollar basis. Therefore, please note that withdrawing more than the greater of the GAWA or RMD, if applicable, in any Contract Year may have a significantly negative impact on the value of the GMWB.**

Excess Withdrawals will never change the GAWA%.

For examples illustrating the impact of various types of withdrawals at different times during your Contract's life cycle on your GWB and GAWA values, please see Appendix D, Examples 3, 4, and 6, beginning on page D-1.

At the end of each Contract Year after the GAWA has been determined, if the For Life Guarantee is not in effect and the GWB is less than the GAWA, the GAWA is set equal to the GWB. This may occur, when over time, payment of the guaranteed withdrawals is nearly complete, the For Life Guarantee is not in effect and the GWB has been depleted to a level below the GAWA. In addition, if the For Life Guarantee is not yet in effect, withdrawals that cause the Contract Value to reduce to zero void the For Life Guarantee and it will never become effective. See "Contract Value is Zero" below for more information.

GAWA withdrawals are not subject to withdrawal charges. However, any portion of a withdrawal defined as an Excess Withdrawal, may be subject to a withdrawal charge at the time of the withdrawal. Any withdrawals in excess of the Free Withdrawal amount may be subject to a withdrawal charge. If the GAWA withdrawal is greater than the Free Withdrawal amount, then the GAWA withdrawal will be considered the Free Withdrawal amount. GAWA withdrawals are subject to an Interim Value adjustment if they are withdrawn from an Index Account Option prior to the end of the Index Account Option Term.

You may take your GAWA withdrawal all at once as a single withdrawal, or as multiple withdrawals throughout the Contract Year. If you do take your full GAWA withdrawal during a Contract Year, you may not take more than the GAWA withdrawal in subsequent years (i.e. the GAWA is not cumulative).

Withdrawals under this GMWB are assumed to be the total amount deducted from the Contract Value, including any Withdrawal Charges, Interim Value adjustments, charges for expedited delivery or wire transfers, or any applicable taxes.

Withdrawals under this GMWB are considered the same as any other partial withdrawals for the purposes of calculating any other values under the Contract, and will be subject to Interim Value adjustments if withdrawn from an Index Account Option before the end of an Index Account Option Term. For more information on withdrawals generally, please see "Access to Your Money" beginning on page 37, and "Withdrawal Charge" beginning on page 50. All withdrawals count toward the total amount withdrawn in a Contract Year, including automatic withdrawals, RMDs for certain tax-qualified Contracts, and free withdrawals under the Contract. They are subject to the same restrictions and processing rules as described in the Contract. They are also treated the same for federal income tax purposes. For more information about tax-qualified and non-qualified Contracts, please see "TAXES" beginning on page 56.

If the age of any Designated Life (or Covered Life for +Income GMWB with Joint Option) is incorrectly stated at the time of election of the GMWB, on the date the misstatement is discovered, the GWB and the GAWA will be recalculated based on the

GAWA percentage applicable at the correct age. If the age at election of the Designated Life (or either Covered Life for +Income GMWB with Joint Option) falls outside the allowable age range, the GMWB will be null and void and all GMWB charges will be refunded.

Withdrawals made under section 72(t) or section 72(q) of the Code are **not** considered RMDs for purposes of preserving the guarantees under this GMWB. Such withdrawals that exceed the GAWA will have the same effect as any withdrawal or Excess Withdrawal as described above and, consistent with that description, may cause a significant negative impact to your benefit.

Step-Up. There are two types of Step-Ups available when you elect this GMWB: an annual Step-Up and a Determination Date Step-Up. On each Contract Anniversary following the effective date of this GMWB, the GWB will be automatically increased to equal the Contract Value if the Contract Value is greater than the GWB. We call this increase an annual Step-Up. On the Determination Date, the GWB will be automatically increased to equal the Contract Value if the Contract Value is greater than the GWB. We call this increase a Determination Date Step-Up. Any Determination Date Step-Up will be completed prior to the determination of the GAWA on the Determination Date. Please note that if you have opted out of annual Step-Ups in order to avoid a communicated GMWB Charge increase on a 5th Contract Anniversary, you will no longer receive annual Step-Ups on Contract Anniversaries. The date on which you opt out of annual Step-Ups will be the Determination Date, and your GAWA% will be locked in and will not subsequently change. Opting out of annual Step-Ups will never impact the Determination Date Step-Up. Please see "GMWB Charge" beginning on page 48 for more information about potential increases to the GMWB Charge and your ability to opt out of those increases.

With a Step-Up –

The **GWB** equals the Contract Value on the Contract Anniversary (**subject to a \$10 million maximum**).

If the step-up occurs after the **GAWA** has been determined, the **GAWA** is recalculated, equaling the greater of:

- The GAWA% multiplied by the new GWB, *or*
- The GAWA immediately prior to step-up.

It is important to note that withdrawals from your Contract (including GAWA withdrawals) make it less likely that a future Step-Up to your GWB (if any) will increase your GAWA. This is because all withdrawals reduce your Contract Value and GWB. It is also important to note that Excess Withdrawals may significantly reduce the likelihood that your GAWA will increase due to a Step-Up, as Excess Withdrawals (unlike GAWA withdrawals) result in a proportional reduction to your GWB and may cause your GWB to be reduced by more than the amount withdrawn.

The GWB can never be more than \$10 million with a Step-Up. Upon Step-Up, the applicable GMWB Charge will be reflected in your confirmation.

For Life Guarantee. The For Life Guarantee entitles you to continue taking GAWA withdrawals for your life (or the lifetime of the joint Owner to die first), or for the lifetime of the last surviving Covered Life under +Income GMWB with Joint Option, even after your Contract Value has dropped to zero (unless as the result of an Excess Withdrawal or total withdrawal of Contract Value). Once the Contract Value drops to zero (unless as the result of an Excess Withdrawal or total withdrawal of Contract Value), these GAWA withdrawals will take the form of payments from the Company in an amount equal to the GAWA, net of any applicable taxes.

The For Life Guarantee becomes effective on the Contract Anniversary on or immediately following the Designated Life's attained age 59 ½ unless:

- the Contract has terminated;
- the Contract Value is reduced to zero on or before the date the For Life Guarantee would otherwise become effective;
- you have elected to annuitize your Contract and the Income Date precedes the date the For Life Guarantee would otherwise become effective; or
- the last surviving Covered Life dies before the date the For Life Guarantee would otherwise become effective.

If the Designated Life has already attained age 59½ when this GMWB is added to the Contract, then the For Life Guarantee becomes effective on the effective date of this GMWB.

If the For Life Guarantee becomes effective after the Determination Date, the GAWA will be reset to equal the GAWA% multiplied by the GWB on the date the For Life Guarantee becomes effective.

The For Life Guarantee is terminated when:

- this GMWB is terminated;
- this GMWB is continued by a spousal Beneficiary who is not a Covered Life;
- an Excess Withdrawal reduces the Contract Value to zero;
- the Owner (or any joint Owner) dies on Contracts with +Income GMWB;
- the last Covered Life dies on Contracts with +Income GMWB with Joint Option;
- the Contract is terminated.

If the For Life Guarantee is not in effect, your GMWB is impacted in the following ways:

- your GAWA withdrawals are guaranteed until the earlier of:
 - the date of death of the Owner or any joint Owner; or
 - the date when all withdrawals under the Contract equal the GWB, without regard to Contract Value.
- the GWB is the guaranteed amount available for future periodic withdrawals;
- a withdrawal that causes the Contract Value to drop to zero voids the For Life Guarantee and it will never become effective. See "Contract Value is Zero" beginning on page 43 for more information.

Owner's Death. The Contract's death benefit is not affected by this GMWB **so long as the Contract Value is greater than zero** and the Contract is still in the accumulation phase. Upon your death (or the death of any joint Owner) while the Contract is still in force, this GMWB terminates without value, unless continued by the surviving spouse. For +Income GMWB with Joint Option, upon the death of the sole Owner of a qualified Contract or the death of either joint Owner of a non-qualified Contract while the Contract is still in force, this GMWB terminates without value, unless continued by the surviving spouse. For additional information regarding the required ownership and beneficiary structure under both qualified and non-qualified Contracts when selecting +Income GMWB with Joint Option, please see "Additional Information Regarding +Income GMWB with Joint Option" beginning on page 47.

Contract Value Is Zero. With this GMWB, in the event the Contract Value is zero, the Owner will receive annual payments of the GAWA until the death of the Designated Life (or the death of any joint Owner) or until the death of the last surviving Covered Life for +Income GMWB with Joint Option, so long as the For Life Guarantee is in effect and the Contract is still in the accumulation phase. If the For Life Guarantee is not in effect, the Owner will receive annual payments of the GAWA until the earlier of the death of the Designated Life (or the death of any joint Owner) or the date the GWB, if any, is depleted, so long as the Contract is still in the accumulation phase. The last payment will not exceed the remaining GWB at the time of payment. If the GAWA% has not yet been determined, it will be set at the GAWA% corresponding to the Designated Life's attained age and elapsed Deferral Years at the time the Contract Value falls to zero and the GAWA will be equal to the GAWA% multiplied by the GWB.

After each payment when the Contract Value is zero –

The **GWB** is recalculated, equaling the greater of:

- The GWB before the payment less the payment; *Or*
- Zero.

The **GAWA** is unchanged. At the end of each Contract Year, if the GWB is less than the GAWA and the For Life Guarantee is not in effect, the GAWA is set equal to the GWB.

Subject to the Company's approval, you may elect to receive payments more frequently than annually. If the frequency of GAWA payments selected provides a first payment less than \$20, and state law permits, the Company may require payments to be made in quarterly, semiannual, or annual intervals so that the payment is at least \$20.

Spousal Continuation. In the event of the Owner's (or either joint Owner's) death, the surviving spousal Beneficiary may elect to:

- Continue the Contract with this GMWB so long as the Contract Value is greater than zero, and the Contract is still in the accumulation phase;
- Continue the Contract without this GMWB if the surviving spouse is not a Covered Life; or
- Add this GMWB to the Contract on any Contract Anniversary after the Contract has been continued under this provision, subject to availability, and subject to the Beneficiary's eligibility, if the spousal Beneficiary terminated the GMWB in continuing the Contract.

The date the spousal Beneficiary's election to continue the Contract is in Good Order is called the Continuation Date. Contract Anniversaries will continue to be based on the Contract's Issue Date. If the GAWA% has not yet been determined, it will be determined based on the Designated Life's attained age and elapsed Deferral Years on the Continuation Date (as though that person survived to that date). The GAWA will be equal to the GAWA% multiplied by the GWB. If the Contract Value is greater than the GWB on the Determination Date, the GWB will automatically step up to the Contract Value prior to the determination of the GAWA. The Latest Income Date is based on the age of the surviving spouse. Please refer to the "GMWB Income Options" subsection below for information regarding the additional Income Options available on the Latest Income Date.

If the surviving spousal Beneficiary elects to continue the Contract with this GMWB, and the surviving spouse is a Covered Life:

- The For Life Guarantee remains effective on and after the Continuation Date.
- Continuing the Contract with this GMWB is necessary in order to fully realize the benefit of the For Life Guarantee. The For Life Guarantee is not a separate guarantee and only applies if the related GMWB has not been terminated.
- Step-Ups will continue as outlined in the Step-Up provisions of this GMWB.

If the surviving spousal Beneficiary elects to continue the Contract with this GMWB, and the surviving spouse is not a Covered Life:

- The For Life Guarantee is null and void.
- The surviving spouse will be entitled to take GAWA withdrawals until the GWB is exhausted.
- Step-Ups will continue as outlined in the Step-Up provisions of this GMWB.

A new joint Owner may not be added on a non-qualified Contract if a surviving spouse continues the Contract.

If the surviving spouse does not elect to terminate the GMWB on the Continuation Date, the GMWB may not be subsequently terminated independently from the Contract to which it is attached.

Effect of GMWB on Tax Deferral. This GMWB may not be appropriate for Owners who have as a primary objective taking maximum advantage of the tax deferral that is available to them under an annuity contract to accumulate assets. Please consult your tax and financial professionals before adding this GMWB to a Contract.

GMWB Income Options. The following are additional Income Options available to you under this GMWB. Please discuss with your financial professional how these Income Options compare to the standard Income Options offered under the Contract, and whether they are right for you.

For +Income GMWB:

Life Income of GAWA. On the Latest Income Date if the For Life Guarantee is in effect, the Owner may choose this income option instead of one of the other income options listed in the Contract. This income option provides payments in a fixed dollar amount for the lifetime of the Owner (or, with joint Owners, the lifetime of the joint Owner who dies first). The total annual amount payable will equal the GAWA in effect at the time of election of this option. This annualized amount will be paid in the frequency (no less frequently than annually) that the Owner selects. No further annuity payments are payable after the death of the Owner (or any Owner's death with joint Owners), and there is no provision for a death benefit payable to the Beneficiary. Therefore, it is possible for only one annuity payment to be made under this Income Option if the Owner dies before the due date of the second payment.

If the GAWA percentage has not yet been determined, the GAWA percentage will be based on the Designated Life's attained age at the time of election of this option. The GAWA percentage will not change after election of this option.

Specified Period Income of the GAWA. On the Latest Income Date if the For Life Guarantee is *not* in effect, the Owner may choose this income option instead of one of the other income options listed in the Contract. **(This income option only applies if the GMWB has been continued by the spousal Beneficiary upon the death of the original Owner, in which case the spouse becomes the Owner of the Contract and the Latest Income Date is based on the age of the spouse.)**

This income option provides payments in a fixed dollar amount for a specific number of years. The actual number of years that payments will be made is determined by dividing the GWB by the GAWA. Once this specified period of years has been calculated, it will not be subsequently changed. Upon each payment, the GWB will be reduced by the payment amount, and no payments will be made in excess of the remaining GWB. The annual amount payable will equal the GAWA, except that the last payment may be a smaller amount equal to the then-remaining GWB. This annualized amount will be paid over the specific number of years in the frequency (no less frequently than annually) that the Owner selects. If the Owner should die before the payments have been completed, the remaining payments will be made to the Beneficiary, as scheduled.

The "Specified Period Income of the GAWA" income option may not be available if the Contract is issued as a tax qualified Contract under Sections 401, 403, 408 or 457 of the Internal Revenue Code. For such Contracts, this income option will only be available if the guaranteed period is less than the life expectancy of the spouse at the time the option becomes effective.

For +Income GMWB with Joint Option:

Joint Life Income of GAWA. On the Latest Income Date if the For Life Guarantee is in effect, the Owner may choose this income option instead of one of the other income options listed in the Contract. This income option provides payments in a fixed dollar amount for the lifetime of the last surviving Covered Life. The total annual amount payable will equal the GAWA in effect at the time of election of this option. This annualized amount will be paid in the frequency (no less frequently than annually) that the Owner selects. No further annuity payments are payable after the death of the last surviving Covered Life, and there is no provision for a death benefit payable to the Beneficiary. Therefore, it is possible for only one annuity payment to be made under this Income Option if both Covered Lives die before the due date of the second payment.

If the GAWA percentage has not yet been determined, the GAWA percentage will be based on the Designated Life's attained age at the time of election of this option. The GAWA percentage will not change after election of this option.

Specified Period Income of the GAWA. On the Latest Income Date if the For Life Guarantee is *not* in effect, the Owner may choose this income option instead of one of the other income options listed in the Contract. **(This income option only applies if the GMWB has been continued by the spousal Beneficiary and the spousal Beneficiary is not a Covered Life in which case the spouse becomes the Owner of the Contract and the Latest Income Date is based on the age of the spouse.)**

This income option provides payments in a fixed dollar amount for a specific number of years. The actual number of years that payments will be made is determined by dividing the GWB by the GAWA. Once this specified period of years has been calculated, it will not be subsequently changed. Upon each payment, the GWB will be reduced by the payment amount, and no payments will be made in excess of the remaining GWB. The annual amount payable will equal the GAWA, except that the last payment may be a smaller amount equal to the then-remaining GWB. This annualized amount will be paid over the specific number of years in the frequency (no less frequently than annually) that the Owner selects. If the Owner should die before the payments have been completed, the remaining payments will be made to the Beneficiary, as scheduled.

The "Specified Period Income of the GAWA" income option may not be available if the Contract is issued as a tax-qualified Contract under Sections 401, 403, 408 or 457 of the Internal Revenue Code.

For such Contracts, this income option will only be available if the guaranteed period is less than the life expectancy of the spouse at the time the option becomes effective.

See “Guaranteed Minimum Withdrawal Benefit Considerations” beginning on page 49 for additional considerations you should take into account when electing to annuitize your Contract after having purchased a GMWB; or when the Latest Income Date is approaching and you are thinking about electing or have elected a GMWB.

Required Minimum Distributions Under Certain Tax Qualified Plans (“RMDs”). The following RMD NOTES contain important information about withdrawals of RMDs from a Contract with a GMWB. For certain tax-qualified Contracts, GMWBs allow withdrawals greater than the Guaranteed Annual Withdrawal Amount (GAWA) to meet a Contract’s RMD without reducing the amount of guaranteed income available in future years. The RMD NOTES describe conditions, limitations and special situations related to withdrawals involving a RMD.

RMD NOTES: Notice of an RMD is required at the time of your withdrawal request, and there is an administrative form for providing such notice. The administrative form allows you to elect one time or automatic RMD withdrawals. Eligible withdrawals that are specified as RMDs may only be taken based on the value of the Contract to which the endorsement applies, even where the Internal Revenue Code allows taking multiple contracts’ RMDs from a single contract. You, as Owner, are responsible for complying with the Internal Revenue Code’s RMD requirements. If your requested RMD exceeds our calculation of the RMD for your Contract, your request will not be eligible for the waiver of any applicable charges (i.e., withdrawal charges) and we will impose those charges, which will be reflected in the confirmation of the transaction. An RMD exceeding our calculation may also result in an Excess Withdrawal for purposes of your GMWB, which would result in an adverse recalculation of the GWB and GAWA. For information regarding the RMD calculation for your Contract, please contact our Customer Care Center at 1-800-644-4565.

Under the Internal Revenue Code, RMDs are calculated and taken on a calendar year basis. But with a GMWB, the GAWA is based on Contract Years. Because the intervals for the GAWA and RMDs are different, the endorsement’s guarantees may become susceptible to being compromised. With tax-qualified Contracts, if the sum of your total partial withdrawals in a Contract Year exceeds the greatest of the RMDs for each of the two calendar years occurring in that Contract Year and the GAWA for that Contract Year, then the GWB and GAWA could be adversely recalculated, as described above. (If your Contract Year is the same as the calendar year, then the sum of your total partial withdrawals should not exceed the greater of the RMD and the GAWA.) Below is an example of how this modified limit would apply.

Assume a tax-qualified Contract with a Contract Year that runs from July 1 to June 30, and that there are no withdrawals other than as described. The GAWA for the Contract Year (ending June 30, 2025) is \$10. The RMDs for calendar years 2024 and 2025 are \$14 and \$16, respectively.

If the Owner withdraws \$7 in the first and second halves of calendar year 2024 and \$8 in the first and second halves of calendar year 2025, then at the time the withdrawal in the first half of calendar year 2024 is taken, the Owner will have withdrawn \$15 in the Contract Year running from July 1, 2024 to June 30, 2025. Because the sum of the Owner’s withdrawals for the Contract Year running from July 1, 2024 to June 30, 2025 is less than the greater of the RMDs for either of the two calendar years occurring in that Contract Year, the GWB and GAWA would not be adversely recalculated.

An exception to this general rule permits that with the calendar year in which your RMDs are to begin, you may take your RMDs for the current and next calendar years during the same Contract Year, as necessary (see example below).

The following example illustrates this exception. It assumes an individual Owner who must begin taking RMDs in the calendar year 2024 on a tax-qualified Contract with a Contract Year that runs from July 1 to June 30.

If the Owner delays taking his first RMD (the 2024 RMD) until March 30, 2025, he may still take the 2025 RMD before the next Contract Year begins on June 30, 2025 without an adverse recalculation of the GWB and GAWA. However, if he takes his second RMD (the 2025 RMD) after June 30, 2025, he should wait until the following Contract Year begins on July 1, 2026 to take his third RMD (the 2026 RMD) because, except for the calendar year in which RMDs begin, withdrawing two RMDs in a single Contract Year could cause the GWB and GAWA to be adversely recalculated (if the total of the two RMDs exceeded the applicable GAWA for that Contract Year).

Examples that are relevant or specific to tax-qualified Contracts in varying circumstances and with specific factual assumptions, are at the end of the prospectus in Appendix D, specifically examples 3 and 4 under section “I. +Income GMWB.” Please consult the financial professional who is helping, or who helped, you purchase your tax-qualified Contract, and your tax advisor, to be sure that a GMWB ultimately suits your needs relative to your RMD.

In addition, with regard to required minimum distributions (RMDs) under an IRA only, it is important to consult your financial and tax advisor to determine whether the benefits of this GMWB will satisfy your RMD requirements or whether there are other IRA holdings that can satisfy the aggregate RMD requirements. With regard to other qualified plans, you must determine what your qualified plan permits. Currently, distributions under qualified plans and Tax-Sheltered Annuities must begin by the later of the calendar year in which you attain age 73 or the calendar year in which you retire. You do not necessarily have to annuitize your Contract to meet the minimum distribution requirements.

The age requirements for beginning distributions under qualified plans and Tax-Sheltered Annuities change periodically. See below for a list of past age requirements and planned future changes to age requirements for beginning these required minimum distributions.

- If you reached the age of 70½ before January 1, 2020, distributions under qualified plans and Tax-Sheltered Annuities were required to begin by the later of the calendar year in which you attained age 70½ or the calendar year in which you retired.
- If you reached the age of 72 before January 1, 2023, distributions under qualified plans and Tax-Sheltered Annuities were required to begin by the later of the calendar year in which you attained age 72 or the calendar year in which you retired.
- If you will reach age 73 on or after January 1, 2033, distributions under qualified plans and Tax-Sheltered Annuities will be required to begin by the later of the calendar year in which you attain age 75 or the calendar year in which you retire.

Additional Information Regarding +Income GMWB with Joint Option.

Except as otherwise discussed below, the election of +Income GMWB with Joint Option under a non-tax-qualified contract requires the joint Owners to be spouses (as defined under federal law) and each joint Owner is considered to be a “Covered Life.” In such cases, the Owners can be subsequently changed but the Covered Lives cannot be changed. Upon the death of either joint Owner, the surviving joint Owner will be treated as the primary Beneficiary and all other Beneficiaries will be treated as contingent Beneficiaries. The For Life Guarantee will not apply to these contingent Beneficiaries, as they are not Covered Lives.

The +Income GMWB with Joint Option is available on a limited basis under non-qualified Contracts for certain kinds of legal entities, such as (i) custodial accounts where the spouses are the joint Annuitants and (ii) trusts where the spouses are the sole beneficial Owners and joint Annuitants. In these cases, the spouses are the Covered Lives, and the For Life Guarantee is based on the Annuitant’s life who dies last. The Owners can be subsequently changed but no changes of Annuitant are allowed.

Tax-qualified Contracts cannot be issued to joint Owners and require the Owner and Annuitant to be the same person. Under a tax-qualified Contract, the election of the +Income GMWB with Joint Option requires the Owner and primary Beneficiary to be spouses (as defined by federal law). The Owner and only the primary spousal Beneficiary named at the election of the +Income GMWB with Joint Option under a tax-qualified Contract will also each be considered a Covered Life, and these Covered Lives cannot be subsequently changed.

In certain circumstances we may permit the elimination of a joint Owner Covered Life or primary spousal Beneficiary Covered Life in the event of divorce. In such cases, new Covered Lives may not be named.

For tax-qualified Contracts, the primary spousal Beneficiary cannot be changed while both the Owner and primary spousal Beneficiary are living. If the Owner dies first, the primary spousal Beneficiary will become the Owner upon spousal continuation and he or she may name a Beneficiary; however, that Beneficiary is not considered a Covered Life. Likewise, if the primary spousal Beneficiary dies first, the Owner may name a new Beneficiary; however, that Beneficiary is also not considered a Covered Life and consequently the For Life Guarantee will not apply to the new Beneficiary.

The +Income GMWB with Joint Option is also available on a limited basis under qualified custodial account contracts, pursuant to which the Annuitant and a contingent Annuitant named at election of the GMWB must be spouses and will be the Covered Lives. The only changes in these arrangements that we permit are that (i) the custodial Owner may be changed or (ii) the ownership of the Contract may be transferred to the Annuitant if, at the same time as that transfer, the contingent Annuitant is designated as the primary (spousal) Beneficiary.

Termination. This GMWB terminates, subject to a prorated GMWB Charge assessed for the period since the last annual GMWB Charge, and all benefits under this GMWB end on the earlier of:

- the date you elect to receive income payments under the Contract;
- the Latest Income Date;
- the date you take a total withdrawal;
- the date upon which the Contract terminates because the Owner, any joint Owner, or the Annuitant on a qualified custodial account Contract, dies, unless continued by the spouse;
- the Continuation Date if the surviving spouse elects to terminate the GMWB and the spouse is permitted under the terms of this GMWB to make such an election; or
- the date upon which all obligations for payment under this GMWB have been satisfied after the Contract has been terminated.

This GMWB may not otherwise be terminated independently from termination of the Contract.

GMWB Charge. The charge for this GMWB begins when the endorsement is added to the Contract and is expressed as an annual percentage of the Guaranteed Withdrawal Balance (“GWB”). For more information about the GWB, please see “Guaranteed Withdrawal Balance” beginning on page 39.

The table below shows the current and maximum annual charges and the maximum increase we may make to the annual charge at one time.

+Income GMWB

	Current Annual Charge	Maximum Annual Charge	Maximum Increase to Annual Charge (at one time)
GMWB Charge	1.45%	3.00%	0.25%
Charge Basis	GWB		
Charge Frequency	Annual		

+Income GMWB with Joint Option

	Current Annual Charge	Maximum Annual Charge	Maximum Increase to Annual Charge (at one time)
GMWB Charge	1.45%	3.00%	0.25%
Charge Basis	GWB		
Charge Frequency	Annual		

You pay the applicable percentage of the GWB each Contract Anniversary.

We deduct the charge from your Contract Value on an annual basis. The charge is deducted from Contract Value after any applicable interest is credited on the Contract Anniversary and any funds in the Short Duration Fixed Account Option are automatically transferred out, but before the annual Step-Up would occur, if applicable. If the Fixed Account Value is greater than the Fixed Account Minimum Value, the charge will be deducted from your allocations to all Contract Options in the same proportions that the respective allocations bear to your Contract Value until such time that the Fixed Account Contract Value has been reduced to the Fixed Account Minimum Value. If the Fixed Account Value is equal to the Fixed Account Minimum Value, the charge will be deducted from your allocations to the Index Account Options. If no value remains in the Index Account Options and the Fixed Account Value is equal to the Fixed Account Minimum Value, the charge will not be assessed for that Contract Year. While the charge is deducted from the Contract Value, it is based on the applicable percentage of the GWB. Upon termination of the endorsement, the charge is prorated for the period since the last annual charge.

On each fifth Contract Anniversary, we reserve the right to increase the charge, subject to the applicable maximum annual charge and maximum increase to annual charge, as shown in the tables above. If the GMWB Charge is to increase, a notice will be sent to you 45 calendar days prior to the Contract Anniversary. You may then elect to opt out of the charge increase and any future charge increases by forfeiting annual Step-Ups on future Contract Anniversaries. **Upon such election, the GAWA**

% will be determined with no future recalculation. The Determination Date Step-Up is not impacted by an election to opt out of a charge increase. While electing to discontinue future annual Step-Ups will prevent an increase in the charge, you will be foregoing possible increases in your GWB and/or GAWA so carefully consider this decision should we notify you of a charge increase. Such election is final, and you may not subsequently elect to reinstate annual Step-Ups once they have been discontinued. All elections must be received by us in Good Order prior to the Contract Anniversary. Charge increases under this provision may only occur every five years on the Contract Anniversary. If we opt not to increase a charge under this provision, the charge will not be subject to increase again until the Contract Anniversary five years thereafter.

The actual deduction of the charge will be reflected in your annual statement. You will continue to pay the GMWB Charge through the earlier date that you annuitize the Contract or your Contract Value is zero. We will, however, stop deducting the charge under other circumstances that would cause the GMWB to terminate. For more information, please see "Termination" beginning on page 48. We reserve the right to prospectively change the charge on new Contracts or if you elect this GMWB after your Contract is issued (subject to availability), subject to the applicable maximum annual charge listed above. Upon election of this GMWB, the applicable GMWB Charge will be reflected in your confirmation. For more information about how this GMWB works, please see "+Income GMWB and +Income GMWB with Joint Option" beginning on page 38.

Guaranteed Minimum Withdrawal Benefit Considerations. Most people who are managing their investments to provide retirement income want to provide themselves with sufficient lifetime income and also provide for an inheritance for their Beneficiaries. The main obstacles they face in meeting these goals are the uncertainties as to (i) how much income their investments will produce, and (ii) how long they will live and need to withdraw income from those investments. A GMWB is designed to help investors manage these uncertainties.

A GMWB does not guarantee that the Guaranteed Annual Withdrawal Amount ("GAWA") will be sufficient to cover any individual's particular needs. Moreover, a GMWB does not assure that you will receive any positive return on your investments and/or that your Contract will not lose money due to negative Index Return. While a GMWB's Step-Up feature may provide protection against inflation when there are strong investment returns that coincide with the availability of a Step-Up, the GMWB does not protect against any loss of purchasing power due to inflation. Also, it is important to note that withdrawals from your Contract (including GAWA withdrawals) make it less likely that future Step-Ups to your Guaranteed Withdrawal Balance ("GWB") (if any) will increase your GAWA. This is because all withdrawals reduce your Contract Value and GWB. It is also important to note that Excess Withdrawals may significantly reduce the likelihood that your GAWA will increase due to a Step-Up, as Excess Withdrawals (unlike GAWA withdrawals) result in a proportional reduction to your GWB and may cause your GWB to be reduced by more than the amount withdrawn; in other words, on more than a dollar-for-dollar basis.

Withdrawals under a GMWB will first be taken from your Contract Value. Our obligations to pay you more than your Contract Value will only arise under limited circumstances. Thus, in considering the election of a GMWB, you should consider whether the value to you of the level of protection that is provided by the GMWB and the cost of the GMWB, which reduces Contract Value and offsets our risks, are consistent with your level of concern and the minimum level of assets that you want to be sure are guaranteed.

Additionally, the timing and amounts of withdrawals under a GMWB have a significant impact on the amount and duration of benefits. The cumulative cost of a GMWB also is greater the longer the duration of ownership. The closer you are to retirement, the more reliably you may be able to forecast your needs to make withdrawals prior to the ages where the amounts of certain benefits (such as a For Life Guarantee (59½)) are locked-in. Conversely, forecasts at younger ages may prove less reliable. You should undertake careful consideration and thorough consultation with your financial professional as to the financial resources and age of the Owner/Annuitant and the value to you of the potentially limited downside protection that a GMWB might provide.

All GMWBs provide that the GMWB and all benefits thereunder will terminate on the Income Date, which is the date when annuity payments begin. The Income Date is either a date that you choose or the Latest Income Date. The Latest Income Date is the Contract Anniversary on which you will be 95 years old, or such date allowed by the Company on a non-discriminatory basis or as required by an applicable qualified plan, law or regulation. For more information, please see "Income Payments" beginning on page 52.

Before (1) electing a GMWB, (2) electing to annuitize your Contract after having purchased a GMWB, or (3) when the Latest Income Date is approaching and you are thinking about electing or have elected a GMWB, you should consider whether the termination of all benefits under the GMWB and annuitizing produces the better financial results for you. Naturally, you should discuss with your financial professional whether a GMWB is suitable for you. Consultation with your financial and tax advisor is also recommended.

These considerations are of particular significance due to the For Life Guarantee feature of the +Income GMWB and +Income GMWB with Joint Option, as the GAWA payments will cease when you annuitize voluntarily or on the Latest Income Date. Although these GMWBs contain annuitization options that may allow the equivalent of GAWA payments when you annuitize on the Latest Income Date, all benefits under a GMWB will terminate when you annuitize.

WITHDRAWAL CHARGE

At any time during the accumulation phase (if and to the extent that Contract Value is sufficient to pay any remaining Withdrawal Charge that remains after a withdrawal), you may withdraw the following with no Withdrawal Charge:

- **Premium that is no longer subject to a Withdrawal Charge** (Premium that has been invested in your annuity for at least six years without being withdrawn),
- **Earnings** (any Contract Value that is in excess of your Remaining Premium), and
- any **Free Withdrawal** amount. The free withdrawal amount is equal to 10% of **Remaining Premium** during each Contract Year that would otherwise incur a Withdrawal Charge, *minus* earnings. The free withdrawal amount may be taken once or through multiple withdrawals throughout the Contract Year. Amounts withdrawn to satisfy required minimum distributions reduce the amount of available Free Withdrawal.

We will deduct a Withdrawal Charge on:

- Withdrawals in excess of the Free Withdrawal amount (the Withdrawal Charge is imposed only on the excess amount above the Free Withdrawal amount),
- Withdrawals under a Contract that exceed its required minimum distribution under the Internal Revenue Code (the entire amount withdrawn to fulfill your withdrawal request, including amounts necessary to pay Withdrawal Charges, will be subject to the Withdrawal Charge),
- Excess Withdrawals on Contracts with an add-on Guaranteed Minimum Withdrawal Benefit;
- The gross amount withdrawn in a total withdrawal, which includes amounts necessary to pay Withdrawal Charges, and
- Amounts applied to income payments on an Income Date if the Income Date is within one year of the Issue Date.

For purposes of the Withdrawal Charge, we treat withdrawals as coming first from earnings (which may be withdrawn free of any Withdrawal Charge), and then from Remaining Premium. If you request a total withdrawal or elect to commence income payments within one year of the date your Contract was issued, the Withdrawal Charge is calculated as a percentage of Remaining Premium in the Contract immediately prior to the withdrawal. Please note, any Free Withdrawal taken, like any withdrawal, reduces both Contract Value and Remaining Premium. Any portion of the Withdrawal Charge that would reduce the Fixed Account Value below the Fixed Account Minimum Value will be waived.

The amount of the Withdrawal Charge deducted varies according to the following schedule (state variations may apply):

Withdrawal Charge (as a percentage of Remaining Premium):

<i>Completed Contract Years</i>	0	1	2	3	4	5	6+
	8.0%	8.0%	7.0%	6.0%	5.0%	4.0%	0.0%

You may request a partial withdrawal as either a gross amount withdrawal or a net amount withdrawal. Your selection will have an impact on both the amount you receive and the amount of the Withdrawal Charge assessed on your partial withdrawal.

If you elect to receive a gross amount withdrawal, your Contract Value will be reduced by your requested withdrawal amount. Any applicable Withdrawal Charges and taxes will be deducted from your requested withdrawal amount and the remaining amount after deductions will be distributed to you. Therefore, you may receive less than the dollar amount you specified in your withdrawal request. If you elect to receive a net amount withdrawal, your Contract Value will be reduced by your requested withdrawal amount plus the amount needed to cover any applicable Withdrawal Charges and taxes withheld. Therefore, you will receive exactly the amount specified in your withdrawal request, but your Contract Value may be reduced by more than the amount of that request. In each case, Withdrawal Charges, if any, will be assessed against the amount by which your Remaining Premium is reduced (excluding any amount for which the Contract expressly provides for waived or no Withdrawal Charges). A partial withdrawal will reduce Remaining Premium by the amount of Premium withdrawn that incurs a Withdrawal Charge (inclusive of the Withdrawal Charge amount).

Note: Withdrawals under a non-qualified Contract will be taxable on an “income first” basis. This means that any withdrawal from a non-qualified Contract that does not exceed the accumulated income under the Contract will be taxable in full. Any withdrawals under a tax-qualified Contract will be taxable except to the extent that they are allocable to an investment in the Contract (any after-tax contributions). In most cases, there will be little or no investment in the Contract for a tax-qualified Contract because contributions will have been made on a pre-tax or tax-deductible basis.

We do not assess the Withdrawal Charge on any amounts paid out as:

- income payments during your Contract’s income phase (but the Withdrawal Charge is deducted at the Income Date if income payments are commenced in the first Contract Year);
- death benefits;
- withdrawals necessary to satisfy the required minimum distribution of the Internal Revenue Code (but if the withdrawal requested exceeds the required minimum distribution, then the entire amount withdrawn to fulfill your withdrawal request will be subject to the Withdrawal Charge);
- withdrawals of the Guaranteed Annual Withdrawal Amount on Contracts with an add-on Guaranteed Minimum Withdrawal Benefit; or
- if permitted by your state, withdrawals of up to \$250,000 from the Index Account Options or the Fixed Account (subject to certain exclusions) if you are diagnosed with a terminal illness or need extended hospital or nursing home care as provided in your Contract.

Withdrawal Charges are intended to compensate us for expenses incurred in connection with the promotion, sale, and distribution of the Contracts. We intend to use revenue generated from Withdrawal Charges for any legitimate corporate purpose.

For examples illustrating the assessment of Withdrawal Charges in scenarios both with and without earnings present, please see Appendix A, Examples 18 and 19.

Waiver of Withdrawal Charge for Certain Emergencies. We will waive withdrawal Charges under certain circumstances, on up to \$250,000 of Contract Value withdrawn, pursuant to the following waivers:

- ***Terminal Illness Waiver.*** We will waive any Withdrawal Charges on amounts withdrawn after you have provided us with a physician’s statement verifying that you have been diagnosed with an illness that will result in your death within 12 months of diagnosis. The illness giving rise to the terminal diagnoses must arise after the Issue Date of this Contract. This waiver is available only once, no matter the amount withdrawn, or in the circumstances of multiple medical conditions and/or Joint Owners.
- ***Extended Care Waiver.*** We will waive any Withdrawal Charges on amounts withdrawn after you have provided us with a physician’s statement verifying that you have been confined to a nursing home or hospital for 90 consecutive days. Your confinement to the nursing home or hospital must begin after the Issue Date of this Contract. This waiver is

available only once, no matter the amount withdrawn, or in the circumstances of multiple confinements for the same or a different medical condition and/or Joint Owners.

Withdrawals made pursuant to these waivers from Index Account Options are subject to an Interim Value adjustment. You may exercise these waivers only once under your Contract, and only on amounts of up to \$250,000 of Contract Value withdrawn. Conditions giving rise to the use of these waivers must begin after the Issue Date of your Contract. Please refer to your Contract for additional details regarding the use of these waivers.

You may owe tax on withdrawals for terminal illness and/or extended care. We encourage you to seek discuss the use of these waivers and any withdrawals with your financial professional and/or personal tax adviser.

INCOME PAYMENTS

The income phase of your Contract occurs when you begin receiving regular income payments from us. The Income Date is the day those payments begin. Once income payments begin, the Contract cannot be returned to the accumulation phase. You can choose the Income Date and an income option. All of the Contract Value must be annuitized. Amounts applied to income options from Index Account Options are subject to an Interim Value adjustment. The income options are described below.

If you do not select an Income Date, your income payments will begin on the Latest Income Date, which is the Contract Anniversary on which you will be 95 years old, or such date allowed by Jackson on a non-discriminatory basis or required by an applicable qualified plan, law or regulation. You may change the Income Date or income option at least seven days before the Income Date. You must give us written notice at least seven days before the scheduled Income Date.

Currently, under a traditional Individual Retirement Annuity, required minimum distributions must begin in the calendar year in which you attain age 73 (or such other age as required by law). Currently, distributions under qualified plans and Tax-Sheltered Annuities must begin by the later of the calendar year in which you attain age 73 or the calendar year in which you retire. You do not necessarily have to begin taking income payments from your Contract to meet the minimum distribution requirements for Individual Retirement Annuities, qualified plans, and Tax-Sheltered Annuities. Distributions from Roth IRAs are not required prior to your death.

The triggering age at which you must begin taking distributions under traditional Individual Retirement Annuities, qualified plans and Tax-Sheltered Annuities change periodically. See below for a list of past age requirements and planned future changes to age requirements for beginning these required minimum distributions.

- If you reached the age of 70½ before January 1, 2020, distributions were required to begin in the calendar year in which you attained age 70½.
- If you reached the age of 72 before January 1, 2023, distributions were required to begin in the calendar year in which you attained age 72.
- If you will reach age 73 on or after January 1, 2033, distributions will be required to begin in the calendar year in which you attain age 75.

On or before the Income Date, you may elect a single lump-sum payment, or you may choose to have income payments made monthly, quarterly, semi-annually or annually. A single lump-sum payment is considered a total withdrawal and terminates the Contract. If you have less than \$2,000 to apply toward an income option and state law permits, we may provide your payment in a single lump sum, part of which may be taxable as Federal Income. Likewise, if your first income payment would be less than \$20 and state law permits, we may set the frequency of payments so that the first payment would be at least \$20.

If you do not choose an income option, we will assume that you selected option 3, which provides for life income with 120 months of guaranteed payments.

Income Options. The Annuitant is the person whose life we look to when we make income payments (each description assumes that you are both the Owner and Annuitant). The following income options may not be available in all states.

Option 1 - Life Income. This income option provides monthly payments for your life. No further payments are payable after your death. Thus, it is possible for you to receive only one payment if you died prior to the date the second payment was due. If you die after the Income Date but before the first monthly payment, the amount allocated to the income option will be paid to your Beneficiary.

Option 2 - Joint and Survivor. This income option provides monthly payments for your life and for the life of another person (usually your spouse) selected by you. Upon the death of either person, the monthly payments will continue during the lifetime of the survivor. No further payments are payable after the death of the survivor. If you and the person who is the joint life both die after the Income Date but before the first monthly payment, the amount allocated to the income option will be paid to your Beneficiary.

Option 3 - Life Income With at Least 120 or 240 Monthly Payments. This income option provides monthly payments for the Annuitant's life, but with payments continuing to the Beneficiary for the remainder of 10 or 20 years (as you select) if the Annuitant dies before the end of the selected period. If the Beneficiary does not want to receive the remaining scheduled payments, a single lump sum may be requested, which will be equal to the present value of the remaining payments (as of the date of calculation) discounted at an interest rate that will be no more than 1% higher than the rate used to calculate the initial payment.

Option 4 - Income for a Specified Period. This income option provides monthly payments for any number of years from 5 to 30. If the Beneficiary does not want to receive the remaining scheduled payments, a single lump sum may be requested, which will be equal to the present value of the remaining payments (as of the date of calculation) discounted at an interest rate that will be no more than 1% higher than the rate used to calculate the initial payment.

Additional Options - We may make other income options available.

No withdrawals are permitted during the income phase under an income option that is life contingent. If you have elected an income option that is not life contingent, you are permitted to terminate your income payments by taking a total withdrawal in a single lump sum, which will be equal to the present value of the remaining payments (as of the date of calculation) discounted at an interest rate that will be no more than 1% higher than the rate used to calculate the initial payment.

If your Contract is a Qualified Contract, not all of these payment options will satisfy Required Minimum Distribution rules, particularly as those rules apply to your beneficiary after your death. Beginning with deaths happening on or after January 1, 2020, subject to certain exceptions most non-spouse beneficiaries must now complete death benefit distributions within ten years of the owner's death in order to satisfy required minimum distribution rules. Consult a tax adviser before electing a payout option.

DEATH BENEFIT

The Contract has a death benefit, which is payable during the accumulation phase, and in some circumstances even after you begin taking income payments. Amounts applied to death benefit payout options from Index Account Options are subject to an Interim Value adjustment. If you die before moving into the income phase, the death benefit equals the greater of:

- your Contract Value on the date we receive all required documentation from your Beneficiary; or
- the total Premium you have paid into the Contract *reduced for* prior withdrawals (including any applicable charges and adjustments) in the same proportion that the Contract Value was reduced on the date of the withdrawal.*

*For Owners age 81 and older at the time the Contract is issued, the return of premium component of the death benefit is unavailable, and the death benefit will equal the current Contract Value.

If you begin taking income payments on the Latest Income Date, the death benefit amount is equal to the greater of zero or:

- the total Premium you have paid into the Contract, *reduced for* prior withdrawals (including any applicable charges and adjustments) incurred since the issuance of the Contract through the Latest Income Date, in the same proportion that the Contract Value was reduced on the date of such withdrawals, *less*
- the Contract Value on the Latest Income Date.*

*For Owners age 81 and older at the time the Contract is issued, the death benefit is not payable once you begin taking income from your Contract, regardless of the Income Date selected, and the death benefit terminates on the Income Date.

For an example of how your death benefit is reduced proportionally for prior withdrawals, assume that your initial Premium is \$100,000. After one year, your Contract Value is \$95,000, and you take a withdrawal for \$9,500. You are withdrawing 10% of your Contract Value ($\$9,500 / \$95,000 = 10\%$), so the reduction of your Premium for the purposes of determining your Death Benefit will also be 10%, making your premium for purposes of the death benefit calculation now \$90,000 ($\$100,000 - (\$100,000 * 10\%)$).

If the Contract is owned by joint Owners, the death benefit is due upon the death of the first joint Owner. If the Contract is owned by a legal entity, the death benefit is due upon the death of the Annuitant (in the case of joint Annuitants, the death benefit is payable upon the death of the first Annuitant).

The death benefit is due following our receipt of all required documentation in Good Order. Required documentation includes proof of death, a claim form, and any other documentation we reasonably require. If we have received proof of death and any other required documentation, we will calculate the share of the death benefit due to a Beneficiary of record using Contract values established at the close of business on the date we receive from that Beneficiary a claim form with a payment option elected. If we have not received proof of death or any other required documentation, we will calculate the share of the death benefit due to a Beneficiary of record using Contract values established at the close of business on the date we receive any remaining required documentation. As a result, based on the timing of a Beneficiary's claim submission, and the performance of the Index, Interim Value adjustments and positive or negative Index Adjustments credited to Index Account Options may cause the calculation of a Beneficiary's death benefit share to differ from the calculation of another Beneficiary's death benefit share. We will pay interest on a Beneficiary's death benefit share as required by law.

If you die before you begin taking income from the Contract, the person you have chosen as your Beneficiary will receive the death benefit. If you have a joint Owner, the death benefit will be paid when the first joint Owner dies. The surviving joint Owner will be treated as the Beneficiary. Any other Beneficiary designated will be treated as a contingent Beneficiary. Only a spousal Beneficiary has the right to continue the Contract in force upon your death. If we do not receive a claim form and due proof of your death in Good Order from a surviving joint Owner during their lifetime, we will pay the death benefit in accordance with the last Beneficiary designation received by us in Good Order before the last joint Owner's death. If no Beneficiary designation is in effect, or the designated Beneficiary(ies) have not survived the Owner, or in the case of jointly owned Contracts, both joint Owners, the death benefit shall be paid to the Owner's estate, or in the case of jointly owned Contracts, the estate of the last joint Owner to die.

Payout Options. The death benefit can be paid under one of the following payout options:

- single lump-sum payment;
- payment of entire death benefit within 5 years of the date of death;
- on non-qualified contracts or for spousal Beneficiaries or Eligible Designated Beneficiaries on qualified contracts, payment of the entire death benefit under an income option over the Beneficiary's lifetime or for a period not extending beyond the Beneficiary's life expectancy. Any portion of the death benefit not applied under an income option within one year of the Owner's death, however, must be paid within five years of the date of the Owner's death on non-qualified contracts; or
- on qualified contracts, payment of the entire death benefit under an income option over a period not extending beyond ten (10) years, with distribution beginning within the calendar year following the calendar year of the Owner's death.

Under these payout options, the Beneficiary may also elect to receive additional lump sums at any time. The receipt of any additional lump sums will reduce the future income payments to the Beneficiary.

If the Beneficiary elects to receive the death benefit as an income option, the Beneficiary must make that payout option election within 60 days of the date we receive proof of death and payments of the death benefit must begin within one year of the date of death. If the Beneficiary chooses to receive some or all of the death benefit in a single sum and all the necessary requirements are met, we will pay the death benefit within seven days. If your Beneficiary is your spouse, he/she may elect to continue the Contract, at the current Contract Value, in his/her own name. If no payout option is selected, the entire death benefit will be paid within 5 years of the Owner's date of death. For more information, please see "Spousal Continuation Option" below.

Pre-Selected Payout Options. As Owner, you may also make a predetermined selection of the death benefit payout option in the event your death occurs before the Income Date. However, at the time of your death, we may modify the death benefit option if the death benefit you selected exceeds the life expectancy of the Beneficiary. If this Pre-selected Death Benefit Option election is in force at the time of your death, the payment of the death benefit may not be postponed, nor can the Contract be continued under any other provisions of this Contract. This restriction applies even if the Beneficiary is your spouse, unless such restriction is prohibited by the Internal Revenue Code. If the Beneficiary does not submit the required documentation for the death benefit to us within one year of your death, however, the death benefit must be paid, in a single lump sum, within five years of your death. The Pre-selected Death Benefit Option may not be available in your state.

Spousal Continuation Option. If your spouse is the sole Beneficiary and elects to continue the Contract in his or her own name after your death, pursuant to the Spousal Continuation Option, no death benefit will be paid at that time. Moreover, except as described below, we will apply to the Contract a continuation adjustment, which is the amount by which the death benefit that would have been payable exceeds the Contract Value. We calculate the continuation adjustment amount using the Contract Value and death benefit as of the date we receive completed forms and due proof of death from the Beneficiary of record and the spousal Beneficiary's written request to continue the Contract (the "Continuation Date"). We will add this amount to the Short Duration Fixed Account. On the next Contract Anniversary, the continuation adjustment will be reallocated to the 1-year Fixed Account Option unless you provide updated allocation instructions. The Spousal Continuation Option may not be available in your state. See your financial professional for information regarding the availability of the Spousal Continuation Option.

If your spouse continues the Contract in his/her own name under the Spousal Continuation Option, the new Contract Value will be considered the initial Premium for purposes of determining any future death benefit under the Contract.

The Spousal Continuation Option is available to elect one time on the Contract. However, if you have elected the Pre-selected Death Benefit Option the Contract cannot be continued under the Spousal Continuation Option, unless preventing continuation would be prohibited by the Internal Revenue Code. The Pre-selected Death Benefit Option may not be available in your state.

The Spousal Continuation Option is not available in the event of a change from the original Owner or an assignment of the Contract.

Death of Owner On or After the Income Date. On or after the Income Date, if you or a joint Owner die, and are not the Annuitant, any remaining payments under the income option elected will continue at least as rapidly as under the method of distribution in effect at the date of death. If you die, the Beneficiary becomes the Owner. If the joint Owner dies, the surviving joint Owner, if any, will be the designated Beneficiary. Any other Beneficiary designation on record at the time of death will be treated as a contingent Beneficiary. A contingent Beneficiary is entitled to receive payment only after the Beneficiary dies.

Death of Annuitant. If the Annuitant is not an Owner or joint Owner and dies before the Income Date, you can name a new Annuitant, subject to our underwriting rules. If you do not name a new Annuitant within 30 days of the death of the Annuitant, you will become the Annuitant. However, if the Owner is a legal entity, then the death of the Annuitant will be treated as the death of the Owner, and a new Annuitant may not be named.

If the Annuitant dies on or after the Income Date, any remaining guaranteed payment will be paid to the Beneficiary as provided for in the income option selected. Any life-contingent Income Payments cease on the death of the Annuitant.

Stretch Contracts. The beneficiary of death benefit proceeds from another company's non-qualified annuity contract or the eligible designated beneficiary (as defined by the Internal Revenue Code and implementing regulations) of death benefit proceeds from another company's tax-qualified annuity contract or plan, may use the death benefit proceeds to purchase a Contract ("Stretch Contract") from us. The beneficiary of the prior contract or plan ("Beneficial Owner") must begin taking distributions or must have begun taking distributions under the prior contract or plan, within one year of the decedent's death. The distributions must be taken over a period not to exceed the life expectancy of the Beneficial Owner, and the distributions must satisfy the minimum distribution requirements resulting from the decedent's death as defined by the Internal Revenue Code and implementing regulations. (See "Non-Qualified Contracts – Required Distributions" on page 57.) Upon the Beneficial Owner's death, under a tax-qualified Stretch Contract, the designated beneficiary must distribute the Contract Value on or before the end of the 10th year after the Beneficial Owner's death. We will waive Withdrawal Charges on any withdrawal necessary to satisfy the minimum distribution requirements. Withdrawals in excess of the minimum distribution requirements may be taken at any time, subject to applicable Withdrawal Charges. Non-qualified Stretch Contracts may not be available in all states.

The rights of Beneficial Owners are limited to those applicable to the distribution of the death benefit proceeds.

Special requirements apply to non-qualified Stretch Contracts. All Premium must be received in the form of a full or partial 1035 exchange of the death benefit proceeds from a non-qualified annuity contract and other forms of Premium payments are not permitted. Joint ownership is not permitted. **Please read the Contract and accompanying endorsement carefully for more information about these and other requirements.**

TAXES

The following is only a general discussion of certain federal income tax issues and is not intended as tax advice to any individual. Jackson does not make any guarantee regarding the tax status of any contract or any transaction involving the contracts. It should be understood that the following discussion is not exhaustive and that other special rules may be applicable in certain situations. Moreover, no attempt has been made to consider any applicable state or other tax laws or to compare the tax treatment of the contracts to the tax treatment of any other investment. You are responsible for determining whether your purchase of a contract, withdrawals, income payments, and any other transactions under your contract satisfy applicable tax law. You should consult your own tax advisor as to how these general rules will apply to you if you purchase a Contract.

CONTRACT OWNER TAXATION

Tax-Qualified and Non-Qualified Contracts. If you purchase your Contract as a part of a tax-qualified plan such as an Individual Retirement Annuity (IRA), Tax-Sheltered Annuity (sometimes referred to as a 403(b) Contract), or pension or profit-sharing plan (including a 401(k) Plan or H.R. 10 Plan) your Contract will be what is referred to as a tax-qualified contract. Tax deferral under a tax-qualified contract arises under the specific provisions of the Internal Revenue Code (Code) governing the tax-qualified plan, so a tax-qualified contract should be purchased only for the features and benefits other than tax deferral that are available under a tax-qualified contract, and not for the purpose of obtaining tax deferral. You should consult your own advisor regarding these features and benefits of the Contract prior to purchasing a tax-qualified contract.

If you do not purchase your Contract as a part of any tax-qualified pension plan, specially sponsored program or an individual retirement annuity, your Contract will be what is referred to as a non-qualified contract.

The amount of your tax liability on the earnings under and the amounts received from either a tax-qualified or a non-qualified Contract will vary depending on the specific tax rules applicable to your Contract and your particular circumstances.

Non-Qualified Contracts - General Taxation. Increases in the value of a non-qualified Contract attributable to undistributed earnings are generally not taxable to the Contract owner or the Annuitant until a distribution (either a withdrawal or an income payment) is made from the Contract. This tax deferral is generally not available under a non-qualified Contract owned by a non-natural person (e.g., a corporation or certain other entities other than a trust holding the Contract as an agent for a natural person). Loans, assignments, or pledges based on a non-qualified Contract are treated as distributions.

Non-Qualified Contracts - Aggregation of Contracts. For purposes of determining the taxability of a withdrawal, the Code provides that all non-qualified contracts issued by us (or an affiliate) to you during any calendar year must be treated as one annuity contract. Additional rules may be promulgated under this Code provision to prevent avoidance of its effect through the ownership of serial contracts or otherwise.

Non-Qualified Contracts - Withdrawals and Income Payments. Any withdrawal from a non-qualified Contract is taxable as ordinary income to the extent it does not exceed the accumulated earnings under the Contract. In contrast, a part of each income payment under a non-qualified Contract is generally treated as a non-taxable return of Premium. The balance of each income payment is taxable as ordinary income. The amounts of the taxable and non-taxable portions of each income payment are determined based on the amount of the investment in the Contract and the length of the period over which income payments are to be made. Income payments received after all of your investment in the Contract is recovered are fully taxable as ordinary income.

The Code also imposes a 10% penalty on certain taxable amounts received under a non-qualified Contract. This penalty tax will not apply to any amounts:

- paid on or after the date you reach age 59½;
- paid to your Beneficiary after you die;
- paid if you become totally disabled (as that term is defined in the Code);
- paid in a series of substantially equal periodic payments made annually (or more frequently) for your life (or life expectancy) or for a period not exceeding the joint lives (or joint life expectancies) of you and your Beneficiary;
- paid under an immediate annuity; or
- which come from Premiums made prior to August 14, 1982.

The taxable portion of distributions from a non-qualified annuity Contract are considered investment income for purposes of the Medicare tax on investment income. As a result, a 3.8% tax will generally apply to some or all of the taxable portion of distributions to individuals whose modified adjusted gross income exceeds certain threshold amounts. These levels are \$200,000 in the case of single head of household taxpayers, \$250,000 in the case of married taxpayers filing joint returns, \$250,000 in case of Qualifying surviving spouse with dependent child, and \$125,000 in the case of married taxpayers filing separately. Owners should consult their own tax advisors for more information.

Non-Qualified Contracts - Required Distributions. In order to be treated as an annuity contract for federal income tax purposes, the Code requires any non-qualified contract issued after January 18, 1985 to provide that (a) if an owner dies on or after the annuity starting date but prior to the time the entire interest in the contract has been distributed, the remaining portion of such interest will be distributed at least as rapidly as under the method of distribution being used as of the date of that owner's death; and (b) if an owner dies prior to the annuity starting date, the entire interest in the contract must be distributed within five years after the date of the owner's death. If the owner is a legal entity, the death of any annuitant is treated as the death of the owner for this purpose.

The requirements of (b) above can be considered satisfied if any portion of the Owner's interest which is payable to or for the benefit of a "designated beneficiary" is distributed over the life of such beneficiary or over a period not extending beyond the life expectancy of that beneficiary and such distributions begin within one year of that Owner's death. The Owner's "designated beneficiary," who must be a natural person, is the person designated by such Owner as a Beneficiary and to whom ownership of the Contract passes by reason of death. However, if the Owner's "designated beneficiary" is the surviving spouse of the Owner, the contract may be continued with the surviving spouse as the new Owner. A surviving spouse must meet the requirements under federal tax law to continue the contract.

Non-Qualified Contracts - 1035 Exchanges. Under Section 1035 of the Code, you can purchase an annuity contract through a tax-free exchange of another annuity contract, or a life insurance or endowment contract. For the exchange to be tax-free under Section 1035, the owner and annuitant must be the same under the original annuity contract and the Contract issued to you in the exchange. If the original contract is a life insurance contract or endowment contract, the owner and the insured on the original contract must be the same as the owner and annuitant on the Contract issued to you in the exchange.

In accordance with Revenue Procedure 2011-38, the IRS will consider a partial exchange of an annuity Contract for another annuity Contract valid if there is either no withdrawal from, or surrender of, either the surviving annuity contract or the new annuity contract within 180 days of the date of the partial exchange. Revenue Procedure 2011-38 also provides certain exceptions to the 180 day rule. Due to the complexity of these rules, owners are encouraged to consult their own tax advisors prior to entering into a partial exchange of an annuity Contract.

Tax-Qualified Contracts - Withdrawals and Income Payments. The Code imposes limits on loans, withdrawals, and income payments under tax-qualified Contracts. The Code also imposes required minimum distributions for tax-qualified Contracts and a 10% penalty on certain taxable amounts received prematurely under a tax-qualified Contract. You should discuss these limits, required minimum distributions, tax penalties and the tax computation rules with your tax adviser. Any withdrawals under a tax-qualified Contract will be taxable except to the extent they are allocable to an investment in the Contract (any after-tax contributions). In most cases, there will be little or no investment in the Contract for a tax-qualified Contract because contributions will have been made on a pre-tax or tax-deductible basis.

Withdrawals - Roth IRAs. Subject to certain limitations, individuals may also purchase a type of non-deductible IRA annuity known as a Roth IRA annuity. Qualified distributions from Roth IRA annuities are entirely federal income tax free. A qualified distribution requires that the individual has held the Roth IRA annuity for at least five years and, in addition, that the distribution is made either after the individual reaches age 59½, on account of the individual's death or disability, or as a qualified first-time home purchase, subject to \$10,000 lifetime maximum, for the individual, or for a spouse, child, grandchild or ancestor.

Death Benefits. None of the death benefits paid under the Contract to the Beneficiary will be tax-exempt life insurance benefits. The rules governing the taxation of payments from an annuity Contract, as discussed above, generally apply to the payment of death benefits and depend on whether the death benefits are paid as a lump sum or as annuity payments. Estate or gift taxes may also apply.

Assignment. An assignment of your Contract will generally be a taxable event. Assignments of a tax-qualified Contract may also be limited by the Code and the Employee Retirement Income Security Act of 1974, as amended. You should consult your tax advisor prior to making any assignment of your Contract.

An assignment or pledge of all or any portion of the value of a Non-Qualified Contract is treated under Section 72 of the Code as an amount not received as an annuity. The total value of the Contract assigned or pledged that exceeds the aggregate Premiums paid will be included in the individual's gross income. In addition, the amount included in the individual's gross income could also be subject to the 10% penalty tax discussed in connection with Non-Qualified Contracts.

An assignment or pledge of all or any portion of the value of a Qualified Contract will disqualify the Qualified Contract. The Code requires the Qualified Contract to be nontransferable.

Withholding. In general, the income portion of distributions from a Contract are subject to 10% federal income tax withholding and the income portion of income payments are subject to withholding at the same rate as wages unless you elect not to have tax withheld. Some states have enacted similar rules. Different rules may apply to payments delivered outside the United States.

The Code generally allows the rollover of most distributions to and from tax-qualified plans, tax-sheltered annuities, Individual Retirement Annuities and eligible deferred compensation plans of state or local governments. Distributions from other tax qualified plans which may not be rolled over are those which are:

- (a) one of a series of substantially equal annual (or more frequent) payments made (a) over the life or life expectancy of the employee, (b) the joint lives or joint life expectancies of the employee and the employee's beneficiary, or (c) for a specified period of ten years or more;
- (b) a required minimum distribution; or
- (c) a hardship withdrawal.

Eligible rollover distributions from tax qualified plans (other than an IRA) are subject to mandatory 20% withholding unless they are transferred directly to an IRA or tax qualified plan. Jackson reserves the right to change tax reporting practices where it determines that a change is necessary to comply with federal or state tax rules (whether formal or informal).

Annuity Purchases by Nonresident Aliens and Foreign Corporations. The discussion above provides general information regarding U.S. federal income tax consequences to annuity purchasers that are U.S. citizens or residents. Purchasers that are not U.S. citizens or residents will generally be subject to U.S. federal withholding tax on taxable distributions from annuity contracts at a 30% rate, unless a lower treaty rate applies. In addition, purchasers may be subject to state and/or municipal taxes and taxes that may be imposed by the purchaser's country of citizenship or residence. Prospective purchasers are advised to consult with a qualified tax adviser regarding U.S. state, and foreign taxation with respect to an annuity contract purchase.

Definition of Spouse. The Contract provides that upon your death, a surviving spouse may have certain continuation rights that he or she may elect to exercise for the Contract's death benefit and any joint-life coverage under an optional living benefit. All Contract provisions relating to spousal continuation are available only to a person who meets the definition of "spouse" under federal law. The U.S. Supreme Court has held that same-sex marriages must be permitted under state law and that marriages recognized under state law will be recognized for federal law purposes. Domestic partnerships and civil unions

that are not recognized as legal marriages under state law, however, will not be treated as marriages under federal law. Consult a tax adviser for more information on this subject.

Transfers, Assignments or Exchanges of a Contract. A transfer or assignment of ownership of a Contract, the designation of an annuitant other than the owner, the selection of certain maturity dates, or the exchange of a Contract may result in certain tax consequences to you that are not discussed herein. An owner contemplating any such transfer, assignment or exchange, should consult a tax advisor as to the tax consequences.

Tax Law Changes. Although the likelihood of legislative changes is uncertain, there is always the possibility that the tax treatment of the Contract could change by legislation or otherwise. Consult a tax adviser with respect to legislative developments and their effect on the Contract.

We have the right to modify the contract in response to legislative changes that could otherwise diminish the favorable tax treatment that annuity contract owners currently receive. We make no guarantee regarding the tax status of any contract and do not intend the above discussion as tax advice.

JACKSON TAXATION

We reserve the right to deduct from the Contract Value any taxes attributed to the Contract and paid by us to any government entity (including, but not limited to, Premium Taxes, Federal, state and local withholding of income, estate, inheritance, other taxes required by law and any new or increased federal or state income taxes that may be enacted into law). Premium taxes generally range from 0.5% to 3.5%, which are applicable only in certain jurisdictions. We will determine when taxes relate to the Contract.

We may pay taxes when due and deduct that amount from the Contract Value at a later date. Payment at an earlier date does not waive any right we may have to deduct amounts at a later date. We will withhold taxes required by law from any amounts payable from this Contract.

While we may consider company income tax liabilities and tax benefits when pricing our products, we do not currently include our income tax liabilities in the charges you pay under the Contract. We will periodically review the issue of charging for these taxes and may impose a charge in the future.

OTHER INFORMATION

General Account. The General Account is made up of all of Jackson's assets, including the Fixed Account and Jackson National RILA Separate Account I. Jackson exercises sole discretion over the investment of the General Account assets, and bears the associated investment risk. You will not share in the investment experience of General Account assets. The General Account invests its assets in accordance with state insurance law. All of the assets of the General Account are chargeable with the claims of any of our contract owners as well as our creditors and are subject to the liabilities arising from any of our other business.

Unregistered Separate Account. Except for Contracts issued in certain states, we hold certain investments supporting the assets that you allocate to the Index Account in a non-insulated unregistered Separate Account. We established the Jackson National RILA Separate Account I ("RILA Separate Account") on February 12, 2021, pursuant to the provisions of Michigan law. The RILA Separate Account is a separate account under state insurance law and is not registered under the Investment Company Act of 1940. It is non-unitized, non-insulated, and was established under the laws of Michigan solely for the purpose of supporting our obligations under the Contract. Like our General Account, all of the assets of the RILA Separate Account are chargeable with the claims of any of our contract owners as well as our creditors and are subject to the liabilities arising from any of our other business.

Changes to the Separate Account. Where permitted by applicable law, we reserve the right to make certain changes to the structure and operation of the RILA Separate Account. We will not make any such changes without receiving any necessary approval of any applicable state insurance department. We will notify you of any changes in writing. These changes may result from changes to or interpretations of applicable laws or regulations, or from business decisions we may make with regard to structure and operation of the RILA Separate Account.

Distribution of Contracts. Jackson National Life Insurance Company (“Jackson”), located at 1 Corporate Way, Lansing Michigan, is the issuer for this contract. Jackson National Life Distributors LLC (“JNLD”), located at 300 Innovation Drive, Franklin, Tennessee 37067, serves as the distributor of the Contracts. JNLD also serves as distributor of other variable insurance products issued by Jackson and its subsidiaries.

JNLD is a wholly owned subsidiary of Jackson National Life Insurance Company. JNLD is registered as a broker-dealer with the Securities and Exchange Commission under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority (“FINRA”). For more information on broker-dealers and their registered representatives, you may use the FINRA BrokerCheck program via telephone (1-800-289-9999) or the Internet (<http://brokercheck.finra.org>).

JNLD may distribute the Contracts directly and also enters into selling agreements with broker-dealers or other financial institutions that are unaffiliated with us (“Selling Firms”). The Contracts are offered to customers of Selling Firms. Selling Firms are responsible for delivery of various related disclosure documents and the accuracy of their oral description and appropriate recommendations of the purchase of the Contracts. Selling Firms do not have any legal responsibility to pay amounts that are owed under the Contracts. The obligations and guarantees under the Contracts are the sole responsibility of Jackson. JNLD will use its best efforts to sell the Contracts, but is not required to sell any number or dollar amount of Contracts. We may stop offering the Contracts at any time.

Compensation Paid to Unaffiliated Selling Firms. Commissions are paid to Selling Firms that sell the Contracts. While commissions may vary, they are not expected to exceed 6% of any Premium payment. Where lower commissions are paid up front, trail commissions may also be paid. The Selling Firms determine the amount of the commission that will be paid to their registered representatives. The amounts paid may vary based upon the practices of each Selling Firm.

JNLD and/or Jackson may make payments to Selling Firms in recognition of marketing, distribution, and/or administrative support provided by the Selling Firms. These payments may not be offered to all Selling Firms. The terms of these arrangements vary widely depending on, among other things, products offered; the level and type of marketing, distribution, and administrative support services provided; and the level of access we are provided to the registered representatives of the Selling Firms. Such payments may influence Selling Firms and/or their registered representatives to present the Contracts more favorably than other investment alternatives. Such compensation is subject to applicable state insurance law and regulation, FINRA rules of conduct and Department of Labor (“DOL”) rules and regulations. While such compensation may be significant, it will not result in any additional direct charge by us to you.

JNLD and/or Jackson may make marketing allowance payments and marketing support payments to the Selling Firms. Marketing allowance payments are payments that are designed as consideration for product placement and distribution, assets under management, and sales volume. Marketing allowance payments are generally based on a fixed percentage of annual product sales and generally range from 10 to 50 basis points (0.10% to 0.50%). Payments may also be based on a percentage of assets under management or paid as a specified dollar amount. Marketing support payments may be in the form of cash and/or non-cash compensation to or on behalf of Selling Firms and their registered representatives and are intended to provide us with exposure to registered representatives so that we may build relationships or educate them about product features and benefits. Examples of such payments include, but are not limited to, reimbursements for representative training or “due diligence” meetings (including travel and lodging expenses); client and prospecting events; speaker fees; business development and educational enhancement items (such as software packages containing information for broker use, or prospecting lists); sponsorship payments for participation at conferences and meetings; and other support services, including payments to third party vendors for such services. Payments or reimbursements for meetings and seminars are generally based on the anticipated level of participation and/or accessibility and the size of the audience. Subject to applicable laws and regulations including FINRA rules of conduct and DOL rules and regulations, we may also provide cash and/or non-cash compensation to registered representatives in the form of gifts, promotional items, occasional meals, and entertainment. Selling Firms may qualify for different levels of sales and service support depending on the volume of business that they do with us.

All of the compensation described here, and other compensation or benefits provided by JNLD and/or Jackson or our affiliates, may be greater or less than the total compensation on similar or other products. The amount or structure of the compensation can create a conflict of interest as it may influence your Selling Firm and financial professional to present this Contract over other investment alternatives. The variations in compensation, however, may also reflect differences in sales effort or ongoing customer services expected of the Selling Firm and financial professional. You may ask your financial professional about any variations and how he or she and his or her Selling Firm are compensated for selling the Contract.

Compensation to JNLD. We may use any of our corporate assets to cover the cost of distribution. Compensation is paid to employees of JNLD and/or Jackson who are responsible for providing services to Selling Firms. These employees are generally referred to as “wholesalers” and may meet with Selling Firms and/or their representatives to provide training and

sales support. The compensation paid to the wholesalers may vary based on a number of factors, including Premium payments; types of Contracts or optional benefits (if any) sold by the Selling Firms that the wholesaler services; wholesaler performance; and overall company performance. The wholesaler may be required to achieve internally-assigned goals related to the same type of factors and may receive bonus payments for the achievement of individual and/or company-wide goals.

Modification of Your Contract. Only our President, Vice President, Secretary or Assistant Secretary may approve a change to or waive a provision of your Contract. Any change or waiver must be in writing. We may change the terms of your Contract without your consent in order to comply with changes in any applicable state and federal regulations and laws, including provisions or requirements of the Internal Revenue Code.

Confirmation of Transactions. We will send you a written statement confirming that a financial transaction, such as a withdrawal, or transfer has been completed. This confirmation statement will provide details about the transaction. It is possible that certain transactions, such as transfers, which may only be made on Contract Anniversaries or Index Account Option Term Anniversaries may be confirmed in an annual statement only.

It is important that you carefully review the information contained in the statements that confirm your transactions. If you believe an error has occurred, you must notify us in writing promptly upon receipt of the statement so that we can make any appropriate adjustments.

State Variations. This prospectus describes the material rights and obligations under the Contract. Certain provisions of the Contract may be different from the general description in this prospectus due to variations required by state law. These differences include, among other things, free look rights, issue age limitations, and the general availability of certain features. The state in which your Contract is issued also governs whether or not certain options, or charges are available or will vary under your Contract. Please see Appendix B for a listing of the state variations as well as your Contract for specific variations applicable to you.

Legal Proceedings. Jackson and its subsidiaries are defendants in a number of civil proceedings arising in the ordinary course of business and otherwise. We are also, from time to time, the subject of regulatory inquiries and proceedings by certain governmental authorities. We do not believe at the present time that any pending action or proceeding, individually or in the aggregate, will have a material adverse effect upon Jackson's ability to meet its obligations under the Contracts. See "Risks Related to Our Business and Industry – Risks Related to Legal, Tax and Regulatory Matters – *Legal and regulatory investigations and actions are increasingly common in our industry and could result in a material adverse effect on our business, financial condition, results of operations and cash flows.*"

JACKSON NATIONAL LIFE INSURANCE COMPANY

Jackson National Life Insurance Company ("Jackson") is a stock life insurance company organized under the laws of the state of Michigan in June 1961. Our legal domicile and principal business address is 1 Corporate Way, Lansing, Michigan 48951, and we maintain offices in Franklin, Tennessee and Chicago, Illinois. Jackson is admitted to conduct life insurance and annuity business in the District of Columbia and all states except New York. In the following sections and in our financial statements in this prospectus we refer to Jackson as the "Company," "we," "our" or "us."

We are an indirect, wholly-owned subsidiary of Jackson Financial Inc. ("JFI"), whose common stock is traded on the New York Stock Exchange under the symbol, "JXN." Among Jackson's subsidiaries are Jackson National Life Insurance Company of New York ("JNY"), which is admitted to conduct life insurance and annuity business in New York, and Jackson National Asset Management LLC ("JNAM"), which provides certain administrative services with respect to certain of our separate accounts, including separate account administration services and financial and accounting services. JNAM is located at 225 West Wacker Drive, Chicago, Illinois 60606. JFI is also the ultimate parent of PPM America, Inc., a sub-adviser for certain funds, including a general account for Jackson. Our website is located at www.jackson.com. Information on that website is not part of, or incorporated by reference into, this prospectus.

We issue and administer the Contracts. We maintain records of the name, address, taxpayer identification number and other pertinent information for each Owner, the number and type of Contracts issued to each Owner and records with respect to the value of each Contract.

The "Statutory Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operation" included in this prospectus have been prepared in accordance with accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services ("statutory"), which vary in some respects from U.S. generally

accepted accounting principles (“U.S. GAAP”). See the Statutory Financial Statements – “Note 2. Summary of Significant Accounting Policies” for a description of the significant differences between statutory and U.S. GAAP accounting.

We do not file periodic reports, in reliance on Rule 12h-7 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which exempts insurance companies from filing periodic reports pursuant to Section 15(d) of the Exchange Act.

FORWARD-LOOKING STATEMENTS - CAUTIONARY LANGUAGE

The information in this prospectus contains forward-looking statements about future events and circumstances and their effects upon revenues, expenses and business opportunities. Generally speaking, any statement in this prospectus not based upon historical fact is a forward-looking statement. Forward-looking statements can also be identified by the use of forward-looking or conditional words, such as “could,” “should,” “can,” “continue,” “estimate,” “forecast,” “intend,” “look,” “may,” “will,” “expect,” “believe,” “anticipate,” “plan,” “remain,” “confident” and “commit” or similar expressions. In particular, statements regarding plans, strategies, prospects, targets and expectations regarding the business and industry are forward-looking statements. They reflect expectations, are not guarantees of performance and speak only as of the dates the statements are made. We caution investors that these forward-looking statements are subject to known and unknown risks and uncertainties that may cause actual results to differ materially from those projected, expressed, or implied. Factors that could cause actual results to differ materially from those in the forward-looking statements include those reflected in “Risks Related to Our Business and Industry” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this prospectus. Except as required by law, we do not undertake to update such forward-looking statements. You should not rely unduly on forward-looking statements.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

Risk Factors

You should carefully consider the risk factors below, in addition to the other information in this prospectus. These risk factors are important to understanding this prospectus. The risks described below are not the only ones we face. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could cause a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, many of these risks are interrelated and could occur under similar business and economic conditions, and the occurrence of certain of them could, in turn, cause the emergence or exacerbate the effect of others. This prospectus also contains forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks and uncertainties described below.

Risks Related to Conditions in Global Financial Markets and the Economy

General conditions in the global financial markets and the economy could have a material adverse effect on our business, financial condition, liquidity, results of operations and cash flows.

Volatility in global financial markets and general economic downturns could have a material adverse impact on us. Factors including the availability and cost of credit, efforts to address inflation through Federal Reserve policy, prolonged periods of high interest rates, supply chain issues, pandemics and related government responses, geopolitical conflicts (e.g., the Ukraine-Russia and Israel-Palestine conflicts), and trade disputes have contributed to increased volatility in global financial markets. These factors could continue to impact businesses and consumer confidence and cause economic uncertainty, with a consequent slowdown in economic activity potentially impacting global financial markets.

An economic downturn could impact policyholder behavior in a way that could adversely affect our business by reducing sales and increasing retentions and withdrawals. In an economic downturn, our customers may choose to utilize guaranteed benefits differently than we have assumed, potentially taking, for example, partial withdrawals more regularly. If the number of customers closing their annuity accounts significantly exceeds our expectations, the loss of fee income, or spread, could have a material adverse effect on our business, financial condition, results of operations and cash flows. Conversely, if the number of customers maintaining their accounts is significantly higher than our expectations, the increased cost of providing guaranteed living benefits could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Such events and conditions could also have an adverse effect on the availability and cost of reinsurance protections and could affect the availability, cost and effectiveness of hedging instruments resulting in a material adverse impact on our profitability.

Equity market movements could lead to losses related to: (i) when the market declines, guaranteed benefits offered in our products, lower fee-based income, and losses from equity-related investments; (ii) when the market increases, equity-linked interest credits offered in our products; and (iii) when the market is volatile, our hedging being less effective than we expect.

Our business is exposed to equity market risk through the guaranteed benefits sold within our variable annuities, and interest credited to fixed indexed annuities and registered index-linked annuities, which can manifest through increased reserves and capital requirements and, ultimately, policyholder payment claims associated with these guarantees and interest credits. In declining market environments, we are exposed to higher claims to variable annuity policyholders. In rising equity market environments, we are exposed to larger amounts of interest being credited to fixed indexed and registered index-linked annuity policyholders.

Our derivative-based hedging program is used to mitigate financial loss related to the equity market risk associated with guaranteed benefits and equity-linked interest credits. The hedging program could be less effective in mitigating risk during periods of high market volatility, which could have a negative impact on our financial performance. Further, we are exposed to basis risk, which results from our inability to purchase or sell hedge assets whose performance perfectly matches that of the mutual funds that drive the value of guaranteed benefits. That variance could result in reduced earnings. Also, basis risk may be exacerbated in periods of elevated market volatility.

Our fee-based income streams are broadly proportional to the value of assets under management in our predominately equity-based separate account balances. As a result, declining equity markets result in lower fee income, earnings, and capital. A decline in the value of equity-related investments in our general account asset portfolio may also reduce our earnings and capital.

Interest rate movements could lead to financial loss related to: (i) in the case of prolonged declines, guaranteed benefits offered in our products, as well as lower investment income; (ii) in the case of prolonged increases, our interest-crediting products; and (iii) in the case of elevated volatility, our hedging being less effective than we expect.

Interest rate risk exposure for variable annuities increases when the present value of expected future benefit payments increases, which can occur due to a variety of factors, including lower interest rates potentially leading to lower discount rates, equity market underperformance, adverse policyholder behavior and increased policyholder longevity. In general, the amount of investment income earned on fixed income assets is negatively impacted by lower interest rates.

In rising interest rate environments, fixed annuities, fixed indexed annuities, variable annuities with a fixed fund option, registered index-linked annuities and institutional products could also expose us to the risk that our asset portfolio yield does not increase as fast as the rates that are credited to policyholders, thereby reducing earnings from those product lines.

High interest rates expose us to disintermediation risk. Higher rates may make current product offerings more attractive than what existing policyholders have purchased, while simultaneously reducing the market value of assets backing our liabilities. This creates an incentive for our policyholders to lapse their products in an environment where selling assets could cause realized losses. In addition, higher interest rates may contribute to lower separate account balances on variable annuity policies, which include interest rate sensitive funds, and lower income from fees that are proportional to the separate account balances.

Our derivative-based hedging program is used to mitigate financial loss related to the interest rate risk associated with guaranteed benefits. The hedging program could be less effective in mitigating risk during periods of high interest rate volatility, which could have a negative impact on our financial performance.

Our investment management business' revenues and results of operations depend on the market value and the composition of our assets under management, which could fluctuate significantly based on various factors, including many factors outside of our control.

Most of our investment advisory subsidiary's revenues are derived from management and administration fees, which typically are calculated as a percentage of the value of assets under management. The value and composition of our assets under management could be adversely affected by several factors including market factors, client preferences, product trends, investment performance, and fee changes, any of which, alone or in the aggregate, could adversely impact our business revenues and results of operations.

Disruptions or volatility in financial market conditions could negatively impact our liquidity or limit our ability to buy or sell investments and derivative instruments.

We rely on liquidity in the financial markets for the trading of fixed income or equity investments and derivatives to acquire, rebalance or liquidate investment positions. Disruptions in the financial markets that limit our ability to execute these transactions could have a material impact on returns from our investment portfolio, the effectiveness of our hedging program, and our variable annuity customers' ability to invest in or sell separate account funds. Disruptions in financial markets could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We require a significant amount of liquidity to support our hedging program, to satisfy variation margin requirements on hedging positions as well as to cover the initial cost of certain derivatives, such as equity and interest rate options. Volatile market environments have the potential to increase hedging-related liquidity requirements, as the amount of cash we need to pay out in variation margin each day is directly related to the magnitude of equity market and interest rate movements and the size of our current positions in those instruments. Additionally, as our over-the-counter bilateral hedging transactions become subject to initial margin requirements, we would need assets of sufficient quality to satisfy those requirements. Without sufficient liquidity, we could be required to curtail or limit our operations and our hedging program, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Volatility in credit spreads, or ratings downgrades, defaults, or impairments in our general or separate account assets could negatively impact earnings and statutory capital.

Credit spread volatility

Tightening credit spreads would reduce the investment yields available on new asset purchases in our general account, impacting our investment income. Widening of the credit spreads on assets held in the general account could lead to higher levels of other than temporary impairments or defaults, either of which would reduce statutory capital. We may also experience lower fee-based income as a result of higher credit spreads that reduce variable annuity sub-account values invested in assets exposed to credit risk.

General account asset ratings downgrades, defaults, or impairments

Credit rating downgrades of the issuers of debt instruments held in our general account would require us to hold more capital in support of these investments and reduce our statutory risk-based capital ("RBC"), which is a key measure considered when regulators evaluate an insurance company's ability to make dividend distributions. Defaults or valuation impairments on debt securities and commercial mortgages held in our general account could result in investment losses and reduce earnings and capital.

Difficulties faced by other financial institutions could adversely affect us.

We have exposure to financial institutions in the form of unsecured bank accounts and debt instruments, unsecured money market and prime funds, and equity investments. Losses or impairments to the carrying value of these assets could cause a material adverse effect on our business, financial condition, results of operations and cash flows.

Risks Related to Ratings, Liquidity and Capital Management

An actual or potential downgrade in our financial strength or issuer credit ratings could result in a loss of business and cause a material adverse effect on our business, financial condition, results of operations and cash flows.

Financial strength ratings, which various rating agencies publish as measures of an insurance company's ability to meet obligations to its customers, are important to maintaining stakeholder confidence and our ability to distribute products. A downgrade in any of our ratings could directly or indirectly lead to negative impacts on:

- our product sales and distribution relationships;
- the number or amount of surrenders and withdrawals by customers;
- our ability to obtain new reinsurance or obtain it on reasonable terms;
- our ability to maintain existing derivative contracts or purchase new derivative contracts, which are used to manage risk, on acceptable terms or at all;
- our need for increased liquidity due to increased collateral required by counterparties;

- our ability to compete for attractive acquisition opportunities; and
- our cost of and access to capital.

Failing to deliver on Jackson’s cash obligations, such as policyholder benefits and derivative margin requirements, could have a significant negative impact on its ability to continue to sell products and access derivative markets.

We have significant liquidity needs to support daily cash flows, including operating expenses, interest payments, derivative-based margin requirements and policyholder withdrawals. Jackson is exposed to liquidity risk primarily through its day-to-day business operations. Cash needs arise, in significant part, from the obligation to meet margin requirements resulting from certain daily-settled derivative positions and the obligation to pay policyholder claims. Failing to meet these cash obligations could result in negative reactions from rating agencies, investors and analysts, customers and distributors, which could, in turn, lead to a decline in credit and financial strength ratings, and investor and policyholder confidence.

We are subject to liquidity risks associated with sourcing a large concentration of our funding from the Federal Home Loan Bank of Indianapolis (“FHLBI”).

We use institutional funding agreements originating from FHLBI, which from time to time serve as a significant source of our liquidity. See Note 10 of Notes to Statutory Financial Statements for a description of those funding agreements and related collateral requirements. Additionally, we use agreements with the FHLBI to meet near-term liquidity needs, augmenting our repurchase agreement capacity from other counterparties. If the FHLBI were to change its definition of eligible collateral, we could be required to post additional amounts of collateral in the form of cash or other assets. Also, if our creditworthiness were to fall below the FHLBI’s requirements, or if legislative or other political actions cause changes to the FHLBI’s mandate or to the eligibility of life insurance companies to be members of the FHLBI system, we could be required to find other sources to replace this funding, which may prove difficult and increase our liquidity risk.

Some of our investments are relatively illiquid and could be difficult to sell, or to sell in significant amounts at acceptable prices, to generate cash to meet our needs.

We hold certain investments that are relatively illiquid, such as privately placed fixed maturity securities, mortgage loans, certain asset-backed securities and alternative investments. In the past, some of our high-quality investments experienced reduced liquidity during periods of market volatility or disruption. If we were required to liquidate these investments on short notice, we could have difficulty doing so and could be forced to sell them for less than we otherwise would have been able to realize, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our use of financial derivative transactions to hedge risks associated with our operations exposes us to counterparty credit risk that could lead to a financial loss.

We enter into derivative contracts with investment banks, creating an obligation for our counterparties to deliver on financial obligations to Jackson. The failure of a derivative counterparty to meet its obligations could potentially lead to a loss if collateral received is insufficient to cover the replacement cost of the defaulted position. Such a loss could also reduce available capital.

Our use of reinsurance to mitigate a portion of the risks that we face exposes us to counterparty credit risk that could cause a material adverse impact on our business, financial condition, results of operations and cash flows.

We use reinsurance to mitigate a portion of the financial, longevity and mortality risks inherent in some of our in force annuity and life insurance products. Under our reinsurance arrangements, other insurers assume a portion of the obligation to pay claims and related expenses to which we are subject.

We remain liable as the direct insurer on all risks we reinsure and, therefore, are subject to the risk that a reinsurer is unable or unwilling to pay or reimburse claims in a timely manner, which could result in a material adverse impact on our business, financial condition, results of operations and cash flows. Our reinsurance agreement with Athene involves the majority of our in force fixed annuities and fixed index annuities, thereby exposing us to a large concentration of credit risk with respect to a single counterparty.

Jackson may make inefficient decisions regarding the use of capital to meet business objectives, fund strategic initiatives and return capital to shareholders.

We make capital deployment decisions on an ongoing basis, which include growing organically via sales of our products, growing inorganically through acquisitions, returning capital to our shareholder, and increasing capital strength. Failure to make decisions about deploying or retaining capital efficiently could result in decreased shareholder value.

Risks Related to Product Design, Assumptions, and Models

The design and pricing of our products can impact our competitiveness in the marketplace, and negatively affect our earnings and capitalization and increase the volatility of our financial results.

Our failure to design or maintain products that provide competitive benefits and features or that do not conform to distributor requirements could result in short- or long-term loss of sales, distributor selling agreements, and reputational risk that would adversely impact Jackson's growth and profitability.

Improperly priced products may result in revenue streams that cannot support our liabilities, expenses, and hedging program, and could negatively impact our profitability. Any resulting need to modify or suspend products would impact our reputation in the marketplace. Products may not be priced appropriately due to poor assumptions or inputs to a pricing model that do not accurately capture a product's material cash flows, regulatory requirements, or consumer decisions.

We could face unanticipated losses if there are significant deviations from our assumptions regarding the persistency of our annuity contracts or if mortality rates differ significantly from our pricing expectations.

Our future profitability is based in part on expected patterns of premiums, expenses and benefits using a number of assumptions, including those related to the probability that a policy or contract will remain in force from one period to the next. It is not possible to precisely predict persistency (policyholder choosing to keep their policy) or mortality, and actual results may differ significantly from assumptions. Should actual experience deviate from our assumptions for persistency and mortality rates, this difference may have an adverse effect on our business, financial condition, results of operations and cash flows.

Similarly, if policyholders with guaranteed benefits utilize them differently than our assumptions, the Company's reserves may be inadequate to cover its liabilities, resulting in losses affecting income and capital.

We rely on complex models to predict behavior, identify potential risks and estimate financial performance, which models may be ineffective due to incomplete or inaccurate assumptions or errors in data collection, analysis or interpretation that could result in materially inaccurate risk assessments and output.

We use complex models to predict customer behavior, identify risks and establish reserves. In addition, models are used to perform a range of operational functions, including calculating regulatory or internal capital requirements and determining hedging requirements. Some of these tools form an integral part of our decision-making framework. The use of inaccurate models, errors in data collection and analysis, or misuse of model results, could result in poor business and strategic decision-making that could have an adverse financial, regulatory, operational or reputational impact on the Company.

The subjective determination of the amount of allowances and impairments taken on our investments could cause a material adverse effect on our business, financial condition, results of operations and cash flows.

The manner of determining the amount of allowances and impairments varies by investment type and is based upon our evaluation and assessment of known and inherent risks associated with a respective asset class. Although management regularly updates its evaluations to reflect changes in allowances and impairments included in our financial statements, management's judgments, as reflected in our financial statements, may not accurately estimate the ultimately realized value. Historical trends may not be indicative of future impairments or allowances. Further, we may need to take additional impairments or provide for additional allowances in the future, which could cause a material adverse effect on our business, financial condition, results of operations and cash flows. *See Note 4 - Investments of Notes to Statutory Financial Statements for further information.*

Risks Related to the Distribution of Our Products

Our failure to accurately describe the features and options of our annuities, failure to administer those features and options consistent with their descriptions or mishandling of customer complaints could adversely impact our business, financial condition, results of operations and cash flows.

Our annuities contain many options and features, and we rely on third-party distributors to describe and explain our products to investors and our customers. There is a risk that we or our distributors fail to describe accurately and completely every feature and option in our contracts, forms, regulatory filings, marketing literature, and other written descriptions. Any such failure, or any intentional or unintentional misrepresentation of our products in advertising materials or other external communications, or inappropriate activities by our associates or third-party distributors, could adversely affect our reputation and business and lead to potential regulatory action or litigation.

We may directly receive, or regulatory agencies may receive, customer complaints about service or other issues relating to annuity contracts or insurance policies. Should we fail to review each complaint and investigate the potential causes, the complaint could evolve into a litigated matter, or we could face regulatory fines, penalties, or reputational damage.

If we do not design our products in accordance with applicable law, those products may not achieve the intended objectives and could adversely impact our business, financial condition, and results of operations.

U.S. federal income tax law imposes requirements relating to annuity and insurance product design, administration and investments that are conditions for beneficial tax treatment of such products under the Internal Revenue Code of 1986, as amended (the “Code”). State and federal securities and insurance laws also impose requirements relating to annuity and insurance product design, offering, distribution, and administration. Failure to administer product features in accordance with applicable law, or to meet any of these complex tax, securities or insurance requirements could subject us to administrative penalties imposed by a particular governmental or self-regulatory authority, unanticipated costs associated with remedying such failure or other claims, litigation, harm to our reputation or interruption of our operations. If legal proceedings were to occur, they could adversely impact our business, financial condition, results of operations and cash flows.

We could experience difficulties in distributing our products through third-party distribution partners, which are a primary source of our sales.

We distribute our products through a variety of third-party distribution partners under agreements that can be terminated by either party with or without cause. Failure to maintain an understanding of the changing market, what products our competitors are selling, and what channels have opportunity for growth can contribute to the loss of key distribution partners resulting in the Company’s inability to meet or exceed planned sales goals and is detrimental to our overall distribution strategy.

Key distributors could terminate their relationship with us, reduce their distribution contracts with us, or reduce the amount of sales they produce for us. Our key distribution partners could merge, consolidate, or change their business models in ways that affect how our products are sold, or new distribution channels could emerge and adversely impact the effectiveness of our distribution efforts. An increase in bank, wire house and broker-dealer consolidation activity could increase competition for access to distributors, result in greater distribution expenses and impair our ability to market products through these channels. Any of these changes in distribution could materially and adversely impact our business, financial condition, results of operations.

Consolidation of distributors or other industry changes could also increase the likelihood that distributors will try to renegotiate the terms of any existing selling agreements to terms less favorable to us.

Competition could adversely affect our market share and financial results.

In some markets, we face competitors that are larger, have greater financial resources or greater market share, have better brand recognition, offer a broader range of products, or have higher crediting rates. Our competitors include major stock and mutual insurance companies, mutual fund organizations, banks, and other financial services companies. In recent years, substantial consolidation and convergence among companies in the insurance and financial services industries resulted in increased competition from large, well-capitalized insurance and financial services firms that market products and services similar to ours. These companies and firms compete with us for customers, distribution partners, and employees. Increased consolidation among banks and other financial services companies could create firms with even stronger competitive positions, negatively impact the insurance industry’s sales, increase competition for access to third-party distributors, result in greater distribution expenses and impair our ability to market our annuities to our current customer base or expand our customer base.

We face competition from other products, including non-insurance products such as mutual funds, certificates of deposit and newly developed investment products. These competitive product pressures could result in increased pricing pressures on our products and services and could harm our ability to maintain or increase our profitability.

We also face competition from new entrants into our markets or non-traditional or online competitors, many of whom leverage digital technology that could challenge us, a traditional financial service company, by providing new services or creating new distribution channels. Our ability to generate appropriate returns will depend significantly on our capacity to anticipate and respond appropriately to consumer demand, digital and other technological advances, the need for economies of scale and the consequential impact of consolidation, regulatory actions, and other factors. We may not continue to compete effectively, which could cause a material adverse effect on our business, financial condition, results of operations and cash flows.

Risks Related to Legal, Tax and Regulatory Matters

Our businesses are heavily regulated and changes in regulation could reduce our profitability and limit our growth.

Our products and companies are subject to extensive and potentially conflicting state and federal tax, securities, broker-dealer and broker licensing, insurance and employee benefit plan laws and regulations in the jurisdictions in which we operate. These laws and regulations are complex and subject to change. We are monitoring known regulatory actions that could potentially impact our business; however, at this time, we cannot predict what form those regulations may take or their potential impact. Any of these laws and regulations, existing or in the future, could have an unknown or material adverse impact on us. *See, "Our Business—Regulation" for additional discussion on the impact of such laws and regulations.*

Moreover, these laws and regulations are administered and enforced by a number of different governmental and self-regulatory authorities, including state insurance regulators, state securities administrators, the U.S. Securities and Exchange Commission, the Financial Industry Regulatory Authority, the U.S. Department of Labor, the U.S. Department of Justice, the U.S. Internal Revenue Service and state attorneys general, each of which exercises a degree of interpretive latitude. Failure to adhere to these laws and regulations, or respond to changes in them, could result in regulatory action including fines, restrictions in our ability to sell our products, and reputational impact.

A decrease in our or our insurance subsidiary's RBC ratio (as a result of a reduction in statutory capital and surplus or increase in RBC requirements) could result in increased scrutiny by insurance regulators and rating agencies, which could lead to corrective measures and ratings downgrades that would adversely affect our business, financial condition, results of operations and cash flows.

The National Association of Insurance Commissioners ("NAIC") established model regulations that provide minimum capitalization requirements for insurance companies based on risk-based capital formulas. We and our U.S. insurance subsidiary are subject to RBC standards or other minimum statutory capital and surplus requirements imposed under the laws of their respective jurisdictions of domicile. A failure to meet these requirements could subject us or our subsidiary to further examination or corrective action imposed by insurance regulators, including limitations on our or its ability to write additional business, increased regulatory supervision, seizure or liquidation. Any corrective action imposed could cause a material adverse effect on our business, financial condition, results of operations and cash flows.

A decline in our or our insurance subsidiary's RBC ratio, whether or not it results in a failure to meet applicable RBC requirements, could affect our insurance subsidiary's ability to make dividends or distributions to us, could result in a loss of customers or new business, or could influence ratings agencies to downgrade financial strength ratings, each of which could cause a material adverse effect on our business, financial condition, results of operations and cash flows.

In any particular year, total adjusted capital amounts and RBC ratios could change due to a variety of factors, including:

- the amount of statutory earnings generated by us,
- the amount of additional capital that we must hold to support business growth,
- equity, interest rate, and credit market conditions,
- the value and credit ratings of certain fixed income and equity securities in our investment portfolio, and
- changes to the RBC formulas and the interpretation of the NAIC's instructions with respect to RBC calculation methodologies.

In addition, rating agencies may implement changes to their own internal models, which differ from the RBC capital model, that have the effect of increasing or decreasing the amount of capital we and our insurance subsidiary should hold relative to the rating agencies' expectations. Under stressed or stagnant capital market conditions and with the aging of existing insurance liabilities, without offsets from new business, the amount of additional statutory reserves that we and our insurance subsidiary are required to hold could materially increase. Any of these would decrease the total adjusted capital available for use in calculating an RBC ratio. To the extent that our or our insurance subsidiary's RBC ratio is deemed to be insufficient, we may

seek to take actions either to increase the capitalization or reduce the capitalization requirements. If we were unable to accomplish such actions, the rating agencies could view this as a reason for a ratings downgrade.

Changes in U.S. federal income or other tax laws or the interpretation of tax laws could affect sales of our products, cash flows, and profitability.

The annuity products that we market generally provide the customer with certain federal income tax advantages. For example, policyholders of annuity contracts funded with after-tax dollars (“non-qualified”) are able to defer federal income taxation on any gain until it is received. With other savings investments, such as certificates of deposit and taxable bonds, the increase in value is generally taxed each year as it is realized. Additionally, life insurance death benefits are generally exempt from income tax.

From time to time, proposed tax law changes could, for example, eliminate all or a portion of the income tax advantages described above for annuities and life insurance. If legislation were enacted to eliminate the tax deferral for annuities, such a change would have an adverse effect on our ability to sell our annuities. Moreover, if the treatment of annuities were changed prospectively, and the tax-favored status of existing contracts was grandfathered, holders of existing contracts would be less likely to surrender or rollover their contracts. These tax law changes, if implemented, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The Inflation Reduction Act of 2022 (“IRA”) established in 2023 a new 15 percent corporate alternative minimum tax (“CAMT”) on large applicable corporations. The Company is a large applicable corporation and is subject to the tax each year starting in 2023. The implementation of the CAMT contemplates that the U.S. Department of Treasury issues final regulatory guidance. It remains difficult to predict the specific final guidance or the definition of adjusted financial statement income. In the absence of further guidance, despite our federal net operating loss and foreign tax credit carryforwards, we may be required to pay tax equal to 15 percent of our pre-tax financial statement income, as adjusted by the CAMT, which includes certain items that are non-economic and can fluctuate significantly based on the movement of interest rates and equity markets. The CAMT, including the potential impacts of pending regulatory guidance, and any potential future increase in the U.S. corporate income tax rate could have a material adverse effect on our results of operations and cash flows.

Our investment advisory agreements with clients are subject to termination or non-renewal on short notice.

Our investment advisory subsidiary’s written investment management agreements with its clients are terminable without penalty at any time or upon relatively short notice by either party. Moreover, our investment advisory subsidiary’s investment management agreements with U.S. Securities and Exchange Commission-registered investment companies (each, an “RIC”), including the RICs affiliated with Jackson that serve as the sole investment options for our variable annuities, may be terminated at any time, without payment of any penalty, by each RIC’s Board of Trustees (including a majority of the independent trustees) or by vote of a majority of the outstanding voting securities of the RIC on not more than 60 days’ notice. The investment management agreements pursuant to which our investment advisory subsidiary manages RICs must be renewed and approved by each RIC’s Board of Trustees or by vote of a majority of the outstanding voting securities of the RIC (including a majority of each RIC’s independent trustees) annually. A significant majority of an RIC’s trustees are independent. Consequently, the Board of Trustees of each RIC may not approve the investment management agreement each year or may condition its approval on revised terms that are materially adverse to us.

Also, as required by the Investment Company Act of 1940, as amended (the “Investment Company Act”), each investment advisory agreement with a RIC automatically terminates upon its assignment, although new investment advisory agreements may be approved by the RIC’s Board of Trustees and shareholders. The Investment Advisers Act of 1940, as amended (the “Investment Advisers Act”), also requires approval or consent of investment advisory agreements by clients in the event of an assignment of the agreement. An “assignment” for purposes of both the Investment Company Act and the Investment Advisers Act includes a sale of a controlling block of the voting stock of the investment adviser or its parent company, or a change in control of the investment adviser. If an assignment were to occur, clients may not approve it, which event could have a material adverse effect on our business.

Changes to comply with new and potential laws or regulations that impose fiduciary or best interest standards in connection with the sale of our products could materially increase our costs, decrease our sales and result in a material adverse impact on our business, financial condition, results of operations and cash flows.

Regulators continue to propose and adopt fiduciary rules, best interest standards and other similar laws and regulations applicable to the sale of annuities. These rules, standards, laws, and regulations generally require advisers providing investment recommendations to act in the client’s best interest or put the client’s interest ahead of their own interest. We face uncertainty

regarding the adoption of these rules and regulations and the U.S. Securities and Exchange Commission, the U.S. Department of Labor, and state insurance departments could adopt potentially conflicting or overlapping standards. Changes in these standards, rules and laws could lead to changes to our compensation practices and product offerings and increase our litigation risk, which could adversely affect our results of operations and financial condition. See *“Our Business—Regulation—Federal Initiatives Impacting Insurance Companies.”*

Changes in accounting standards could cause a material adverse effect on our business, financial condition, results of operations and cash flows.

Jackson and its insurance subsidiary prepare statutory financial statements that are subject to statutory accounting practices prescribed or permitted by their states of domicile, whose accounting practices are driven by the NAIC. Any changes in the method of calculating reserves for our products under statutory accounting practices could result in increases in, and volatility of, reserve and capital requirements. For example, the NAIC is currently working to revise the economic scenarios that are inputs to the calculation of statutory reserves and required capital for many insurance products. Those revisions, which are expected to be finalized prior to 2026, could result in a material impact on the level and volatility of our statutory surplus and required statutory capital. See *Note 2 of Notes to Statutory Financial Statements for a description of recently adopted and pending changes in accounting principles.*

JFI’s consolidated financial statements are prepared in accordance with U.S. GAAP, the principles of which are revised from time to time. Changes to U.S. GAAP could affect the way we account for and report significant areas of our business, impose special demands on us in areas of governance, associate training, internal controls and disclosures, and affect how we manage our business. To the extent that such changes affect income, expenses, assets, liabilities or shareholders’ equity, they could adversely affect rating agency metrics and could consequently adversely impact our financial strength ratings and our ability to incur new indebtedness or refinance our existing indebtedness.

Legal and regulatory investigations and actions are increasingly common in our industry and could result in a material adverse effect on our business, financial condition, results of operations and cash flows.

We face a significant risk of litigation and regulatory investigations and actions in the ordinary course of operating our business, including the risk of class action lawsuits, arbitration claims, government subpoenas, regulatory investigations, examinations, actions, and other claims. Given the inherent unpredictability of litigation, the unfavorable resolution of one or more pending litigation matters, or future litigation or actions, inquiries, investigations or examinations, could have a material adverse effect on our business, financial condition, results of operations and cash flows. Even if we ultimately prevail in any litigation, arbitration, or any action or investigation by governmental authorities or regulators, we could suffer significant reputational harm, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. See *Note 15 - Commitments and Contingent Liabilities of Notes to Statutory Financial Statements for further information.*

Risks Related to Information Technology, Security and Data

Our information technology systems could fail, which could cause a material adverse effect on our business, financial condition, results of operations and cash flows.

Our business operations depend on the ability to process large numbers of transactions for numerous and diverse products, which requires the effective operation of our information technology systems. We employ a large number of complex and interconnected information technology and finance systems, models, and user developed applications in our processes to support our business operations. We also have arrangements in place with third-party suppliers and other service providers with whom we share and receive information. We could experience significant impacts to our business operations if our technology lack sufficient system capacity, scalability, stability, or if they underperform, or if our data or technology systems suffer an outage impacting availability, due to a disaster or cyberattack. Our systems change management controls may not work as designed, which could result in an unintended change being introduced into a production environment resulting in unexpected effects on functionality, or experience limited availability of one or more systems or devices, or our ability to recover data might be hindered by the impact of a ransomware attack, any or all of which could cause material disruption to normal business operations.

Our information technology systems, and those of our third-party vendors and service providers, are vulnerable to physical or electronic intrusions, computer viruses, ransomware or other attacks potentially exposing confidential customer or associate data or proprietary business information.

We are exposed to continuously evolving risks of attempts to disrupt the availability, confidentiality and integrity of our information technology systems, which could result in disruption to key operations or loss of the availability, confidentiality or integrity of customer, associate, or other data. We have been, and likely will continue to be, subject to potential damage from computer viruses, attempts to access confidential information, including customer data, and cybersecurity attacks such as “denial of service” attacks, phishing, sophisticated and automated attacks, and other disruptive software campaigns. Our security measures, including information security policies, standards, administrative, technical, and physical controls, associate training and other preventative actions may not fully protect us from such events. *See "Our Business - Cybersecurity" for more information.*

Customer, associate or representative data, or strictly confidential or proprietary non-public business information, could be disclosed to unauthorized parties due to associate error, a cyberattack (*i.e.*, hacking, phishing, malware, etc.), or through a third-party relationship, resulting in financial losses, regulatory fines, and impact to our reputation.

Increased cybersecurity threats and computer crime also pose a risk of litigation, regulatory investigations, and other penalties. Data privacy is subject to frequently changing rules and regulations regarding the handling of personal data. Any breach in the security of our information technology systems could result in the disclosure or misuse of confidential or proprietary business information, including sensitive customer, supplier, or associate data maintained in the ordinary course of our business. Any such event, or any failure to comply with these data privacy requirements or other laws in this area, could cause damage to our reputation, or loss of revenue and could result in legal liability or penalties. In addition, we could incur large expenditures to investigate, remediate, and recover networks or information systems and protect against similar future events.

We retain confidential information in our information systems and in cloud-based systems (including customer transactional data and personal data about our distribution partners, customers, and our own associates). We rely on commercial technologies and third parties to maintain the security of those systems. Anyone who circumvents our security measures and penetrates our information systems, or the cloud-based systems we use, has and could access, view, misappropriate, alter or delete any information in the systems, including customer data and proprietary business information. It is possible that an associate, contractor, or representative could, intentionally or unintentionally, disclose or misappropriate personal data or other confidential information. Our associates, distribution partners and other third-party partners use portable computers or mobile devices that could contain similar information to that in our information systems, and these devices have been and could be lost, stolen or damaged.

Any compromise of our information technology systems or of the third-party partners' systems that results in the unauthorized access or disclosure of personal data or proprietary business information could damage our reputation in the marketplace, deter customers from purchasing our products, subject us to civil and criminal liability and require us to incur significant technical, legal and other expenses, any of which could cause a material adverse effect on our business, financial condition, results of operations, and cash flows.

Jackson is exposed to the risk of incomplete, inaccurate, or misinterpreted data being utilized for reporting or decision-making purposes.

Our business depends on the performance of complex information technology systems and the effective management and use of quality and reliable data. This data could become incomplete, inaccurate, or misinterpreted due to inadequate or failed internal and external processes, systems or deliberate human actions, inactions, or error, resulting in misinterpretation of the data or inability to make strategic or timely decisions, which could cause a material adverse effect on our business, financial condition, results of operations and cash flows.

The use of artificial intelligence processes may introduce errors in analysis and decision-making and cause adverse effects on our business, financial condition, results of operations and cash flows.

Generative artificial intelligence is a new use of technology that potentially offers opportunities for businesses to gain efficiencies, pursue growth opportunities, or improve customer, employee or other stakeholder experiences. We are selectively exploring its use where it can provide meaningful benefit to our business. If employed, it could inherently create risks such as biased, discriminatory or otherwise unfair decision-making, misrepresent data leading to negative impacts on decision-making, or be subject to cyberattacks, any of which could result in a material adverse effect on our business, regulatory fines and impact to our reputation. In addition, new and currently unforeseeable regulatory issues could also arise due to the developing and uncertain regulatory environment.

General Risk Factors

Adverse outcomes from the operational risks inherent in our business could disrupt our business, and have a negative impact on our business, financial condition, results of operations and cash flows.

Operational risks are inherent to our businesses and include direct or indirect losses resulting from inadequate or failed internal and external processes, systems or deliberate human actions, inactions, or error. Our policies and procedures may not be fully effective in identifying, monitoring, or mitigating our risk exposure against all types of risk.

We are exposed to risks related to natural and man-made disasters and catastrophes, diseases, epidemics, pandemics, malicious acts, terrorist acts, civil unrest, and global climate change.

We face exposure from the effects of natural or man-made catastrophic events (such as natural disasters, pandemics like COVID-19, cyber-attacks, acts of terrorism, civil unrest, and other catastrophes), and other external events. These risks could also adversely impact us through our distribution partners and our third-party relationships that provide outsourcing services such as policy administration, technology, and data hosting and administration.

Jackson could suffer a major and prolonged business interruption, impacting its ability to deliver on its commitments to customers and other stakeholders, due to a disruption to the communication or utility infrastructures, availability or accessibility of our business locations or people due to a variety of natural or man-made events or actions. If associates are unable to perform regular business operations, we could suffer a significant business interruption, negatively impacting customers or other stakeholders.

Our inability to recruit, motivate and retain key associates and experienced and productive associates could cause a material adverse effect on our business, financial condition, results of operations and cash flows.

Our business depends on our ability to attract, motivate, and retain highly skilled, and often highly specialized, technical, investment, actuarial, managerial, and executive personnel. Intense competition exists for key associates with demonstrated abilities, and we may be unable to retain or hire such associates. Our success also depends on the continued service of our key senior management team, including executive officers and senior managers. The unexpected loss of services of one or more of our key associates could have a material adverse effect on our operations due to their skills, knowledge of our business, their years of industry experience and the potential difficulty in promptly finding qualified replacement associates.

Our succession plans may not operate effectively, and our compensation plans may not be effective in helping us retain our key associates, the loss of one or more of whom could cause a material adverse effect on our business, financial condition, and results of operations.

Adverse outcomes from the operational risks of our material outsourcing partners, could disrupt our business, and have a negative impact on our business, financial condition, results of operations and cash flows.

We rely on the performance and operations of a number of third-party relationships providing services such as back-office support functions, information technology infrastructure, customer facing operations and services, product distribution and services (including through digital channels), and investment operations. Failure to adequately oversee our third-party partners, or the failure of a partner (or of its information technology and operational systems and processes) could result in significant disruption to business operations and customers and could have adverse reputational, regulatory and legal implications, and thus could cause a material adverse effect on our business, financial condition, results of operations and cash flows.

We face risks arising from acquisitions or other complex strategic transactions.

We have made acquisitions and other strategic transactions in the past and may pursue further acquisitions or other strategic transactions, including reinsurance, dispositions, and joint ventures, in the future. We face a number of risks arising from such transactions, including difficulties in assimilating and retaining associates and intermediaries, incurring unforeseen liabilities that arise in connection with such transactions, or facing unfavorable market conditions that could negatively impact our expectations for such transactions. Further, strategic transactions could require us to increase our leverage. These risks could prevent us from realizing the expected benefits from acquisitions and could result in the impairment of goodwill and other intangible assets recognized at the time of acquisition. In addition, should we pursue a strategy to complement our organic growth by exploring opportunities for acquisitions, it could be materially and adversely affected by the increasingly competitive nature of the life insurance and annuity merger and acquisition market and the increased participation of non-traditional buyers in the life insurance and annuity merger and acquisition market.

Our efforts to meet Environmental, Social, and Governance (“ESG”) standards may not meet investors’ or regulators’ expectations; and our customers, prospective investors or shareholders, or those considering such a relationship with us, may negatively evaluate our business or other practices according to a variety of ESG standards and expectations.

Some of our regulators have proposed ESG rules or announced that they intend to review our practices against ESG standards; others may yet do so. Our investors or other stakeholders may evaluate our practices by ESG criteria that are continually evolving and not always clear. These standards and expectations may also reflect contrasting or conflicting values or agendas. Our decisions or priorities must necessarily and simultaneously, consider our business goals and interests. We define our own corporate purpose, in part, by the sustainability of our practices and our impact on all our stakeholders. Our practices may not change in the way or at the rate stakeholders expect. As a result, our efforts to conduct our business in accordance with expectations may involve compromises, at least in the short run. We may fail to meet our ESG commitments or targets. Our policies and processes to evaluate and manage ESG standards in coordination with other business priorities may not be completely effective or satisfy investors, regulators, or other stakeholders. We may face adverse regulatory, investor, or other stakeholder scrutiny resulting in business, reputational, or legal challenges.

We face direct or indirect effects of, or responses to, climate change.

Climate change regulation may affect the prospects of companies and other entities whose securities we hold, the value of those securities, or our willingness to continue to hold those securities. Climate change may also influence investor sentiment with respect to the Company and investments in our portfolio, including real estate investments. We cannot predict the long-term impacts on us from climate change or related regulation. A failure to identify and address these global climate issues and related impacts could cause a material adverse effect on the achievement of our business objectives.

Applicable insurance laws could make it difficult to effect a change of control of our Company.

The insurance laws and regulations of the various states in which we and our insurance subsidiary are organized could delay or impede a business combination involving us. State insurance laws prohibit an entity from acquiring control of an insurance company without the prior approval of the domestic insurance regulator. Under most states’ statutes, an entity is presumed to have control of an insurance company if it owns, directly or indirectly, 10% or more of the voting stock of that insurance company or its parent company. These regulatory restrictions could delay, deter, or prevent a potential merger or sale of our company, even if JFI’s and our Board of Directors decide that it is in the best interests of shareholders for us to merge or be sold. These restrictions also could delay sales by us or acquisitions by third parties.

OUR BUSINESS

Overview

Jackson National Life Insurance Company (“Jackson”) is a financial services company focused on helping Americans grow and protect their retirement savings and income to enable them to pursue financial freedom for life in the United States (“U.S.”). We believe we are well-positioned in our markets because of our differentiated products and our well-known brand among distributors and advisors. Our market position is supported by our efficient and scalable operating platform and industry-leading distribution network. We are confident these core strengths will enable us to grow as an aging U.S. population transitions into retirement. We also refer to Jackson as the “Company,” “we,” “our” or “us.” Among Jackson’s subsidiaries are Jackson National Life Insurance Company of New York (“JNY”), which is admitted to conduct life insurance and annuity business in New York, Delaware and Michigan, and Jackson National Asset Management LLC (“JNAM”), which provides certain administrative services with respect to certain of our separate accounts, including separate account administration services and financial and accounting services.

We offer a diverse suite of annuities to retail investors in the U.S. Our variable annuities have been among the best-selling products of their kind in the U.S. primarily due to the differentiated features we offer as compared to our competitors, in particular the wider range of investment options and greater freedom to invest across multiple investment options. We also offer fixed-index, fixed, and payout annuities. In 2021, we successfully launched Jackson Market Link ProSM and Jackson Market Link Pro AdvisorySM, our commission and advisory based suite of registered index-linked annuities, or RILAs. In the second quarter of 2023, we enhanced our RILA suite of products with the launch of Jackson Market Link ProSM II and Jackson Market Link Pro AdvisorySM II.

We sell our products through an industry-leading distribution network that includes independent broker-dealers, wirehouses, regional broker-dealers, banks, independent registered investment advisors, third-party platforms and insurance agents. Jackson and its subsidiaries were the ninth largest retail annuity company in the U.S. for the year ended December 31, 2023, and the sixth largest for the year ended December 31, 2022, according to the latest available report from Life Insurance Marketing and Research Association ("LIMRA"), a worldwide insurance and related financial services trade association, as measured by sales. Jackson and subsidiaries total retail annuity sales for the years ended December 31, 2023 and 2022 were \$12.8 billion and \$15.7 billion, respectively.

Our operating platform is scalable and efficient. Jackson and its subsidiaries administer approximately 79% of our in-force policies on our in-house policy administration platform. The remainder of our business is administered through established third-party arrangements. We believe our operating platform provides us with a competitive advantage by allowing us to grow efficiently and provide superior customer service while maintaining, for Jackson and its subsidiaries, a combined statutory operating expense-to-asset ratio of 28 basis points for the year ended December 31, 2023, which we believe is among the lowest in the life and annuity industry.

Our Product Offerings

Retail Annuities

We are one of the leading providers of annuities in the U.S. retirement market. Our retail annuities include our variable, fixed index, fixed, and payout annuities as well as our Registered Index-Linked Annuities, or RILA, and our lifetime income solutions offering in the defined contribution market.

Our annuities are designed to offer customers investment opportunities to:

- grow their savings on a tax-deferred basis consistent with their objectives, ranging from annuities that offer full market participation to annuities that offer guaranteed fixed returns, including full or partial protection of principal;
- protect their assets using a variety of standard and optional guaranteed benefits and guaranteed minimum crediting rates; and
- provide a source of income in the form of minimum payments for life and minimum payments to beneficiaries upon death.

Jackson and its subsidiaries annuity sales for the years ended December 31, 2023 and 2022 were as follows (in millions):

	2023	2022
Variable annuities	\$ 9,540	\$ 13,638
Fixed index annuities	210 ⁽¹⁾	126 ⁽¹⁾
Fixed annuities	193 ⁽¹⁾	162 ⁽¹⁾
RILA	2,890	1,811

⁽¹⁾ Net of reinsurance

Variable Annuities

Our variable annuities offer our customers full participation in market returns through a broad selection of funds in a variety of investment styles, including equities and fixed income. Optional benefits offer customers guaranteed minimum protection based on their eligible contributions, adjusted for withdrawals, and are designed to protect against market volatility and investment performance risk. The principal features of our variable annuity optional guaranteed benefits are:

Features of our Optional Guaranteed Benefits	Referred To As	Acronym
Guaranteed minimum payments for the customer's lifetime based on a fixed annual percentage of the benefit base	Guaranteed Minimum Withdrawal Benefits for Life	GMWB for Life
Guaranteed minimum payments based on a fixed annual percentage of the benefit base, for at least the amount of the customer's total eligible contributions	Guaranteed Minimum Withdrawal Benefits	GMWB
Death benefits that guarantee the annuity beneficiary will receive the higher of the current account value or the benefit base, which can be increased through roll-up and step-up features	Enhanced Guaranteed Minimum Death Benefits	Enhanced GMDB

The investment freedom and optional guaranteed benefits valued by our customers and distribution partners have remained generally consistent over our history. As a result, we have strong brand recognition with distributors and advisors, as demonstrated by the +41 Net Promoter Score (“NPS”) for our variable annuities, compared to an industry average NPS of +32, based on advisor surveys conducted by Market Metrics in 2023.

The separate account assets associated with our variable annuities are managed by Jackson National Asset Management LLC (“JNAM”), a wholly-owned registered investment advisor that provides investment advisory, fund accounting and administration services to the funds offered within our variable annuities. JNAM selects, monitors and actively manages the investment advisors that manage the funds we offer within our variable annuities. JNAM also directly manages asset allocation for funds of funds offered within our variable annuities. As of December 31, 2023, JNAM managed \$242.7 billion of assets.

In 2021, AllianceBernstein L.P. (“AllianceBernstein”) added Jackson National Life to its platform of insurers that provide guaranteed income in its Lifetime Income Strategy retirement solution for defined contribution plans. Lifetime Income Strategy is offered to serve as a qualified default investment alternative. Similar to the GMWB options offered on our variable annuities, Lifetime Income Strategy is designed with a flexible guaranteed income option to offer plan participants control of their account, full access to their money and guaranteed income in retirement. For the years ended December 31, 2023 and 2022, we had defined contribution products sales of \$176 million and \$696 million through the platform, respectively.

Fixed Index Annuities

Our fixed index annuities offer a guaranteed minimum crediting rate that may be lower than a traditional fixed annuity and allow the customer discretion in the allocation of assets to either fixed accounts (which offer a fixed interest rate that is similar to our fixed annuities regardless of market performance) or to indexed funds with the potential for additional growth based on the performance of a reference market index (generally, the S&P 500 or MSCI Europe, Australasia, and Far East index), subject to a cap. Our fixed index annuities also offer an optional guaranteed minimum payments for life benefit.

Fixed Annuities

Our fixed annuities offer a guaranteed minimum crediting rate that is typically higher than the interest rates offered by bank savings accounts or money market funds. In addition to our traditional fixed annuities, we currently market multi-year guaranteed annuities with three different guaranteed crediting rate periods. Our fixed annuities do not offer guaranteed minimum payments for life benefits but can be annuitized or converted into a series of income payments that offers such benefits, such as payout annuities.

RILA

The registered index-linked annuity market has been the fastest growing categories in the annuity market over the last five years, growing at a compound annual growth rate of 28% from 2019 through 2023. Our RILA suite offers our customers access to market returns through market index-linked investment options, subject to a cap, and offers a variety of guarantees designed to modify or limit losses. Our RILA generally includes a guaranteed minimum payment to beneficiaries upon death. Our RILA offers a number of options for a customizable product, including several combinations of crediting strategies, index options, term lengths, and levels of downside protection in the form of “floors” or “buffers”. Downside protection beyond a specified percentage loss is provided through a “floor,” which establishes the maximum percentage loss in the selected market index-linked investment option that a customer will experience in a down market. Any loss in excess of the floor is insured and borne by us. Partial downside protection is provided through a “buffer,” which establishes an initial range of loss in the market index-linked investment option selected (e.g., the first 20% of loss) that we will insure and bear. Any loss that exceeds the buffer will result in a loss of account value and be experienced by the customer. We believe the RILA market presents us with a compelling growth opportunity in our traditional channels with the potential to earn attractive risk-adjusted returns.

Institutional Products

Our institutional products consists of traditional guaranteed investment contracts, funding agreements (including agreements issued in conjunction with our participation in the U.S. Federal Home Loan Bank (“FHLB”) program) and medium-term funding agreement-backed notes. Our institutional products provide us with an additional source of investment spread-based income, and generally guarantee our customers the payment of principal and interest at a fixed or floating rate over a term of two to ten years. This investment spread-based income is the difference between the rate of return we earn on the deposit and the interest payable to the customers that purchase these products. We typically issue institutional products on an opportunistic basis depending on both the risk-adjusted return on investment opportunities available and the prevailing cost of funding

required by customers that purchase our institutional products. For the year ended December 31, 2023, we had institutional product sales of \$1.1 billion.

Closed Life and Annuity Blocks

We also have closed life and annuity blocks of business that are composed of blocks of business that have been acquired since 2004. This includes various protection products, primarily whole life, universal life, variable universal life, and term life insurance products, as well as fixed, fixed index, and payout annuities. This also includes a block of group payout annuities that we assumed from John Hancock Life Insurance Company (USA) and John Hancock Life Insurance Company of New York through reinsurance transactions in 2018 and 2019, respectively.

We historically offered traditional and interest-sensitive life insurance products but discontinued new sales of life insurance products in 2012, as we believe opportunistically acquiring mature blocks of life insurance policies is a more efficient means of diversifying our in-force business than selling new life insurance products. As of December 31, 2023, we had more than 1.5 million policies in-force.

Distribution and Operations

Distribution Channels

As of December 31, 2023, our products are distributed through:

- approximately 522 broker-dealer distribution partners and more than 120,000 appointed advisors across the three traditional broker-dealer channels including independent broker-dealers; banks and other financial institutions; and wirehouses and regional broker-dealers; and
- more than 1,380 registered investment advisors ("RIAs") have a Jackson RIA agreement and can access Jackson advisory solutions through an outsourced insurance desk ("OID"). Collectively these firms have more than 11,700 investment advisory representatives ("IARs") without a broker-dealer registration.

In addition, Jackson National Life Distributors, LLC ("JNLD") is registered as a broker-dealer with the U.S. Securities and Exchange Commission ("SEC"), pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is registered as a broker-dealer in all applicable states.

Our strong presence in multiple distribution channels helps position us as a leading provider of retirement savings and income solutions. According to LIMRA LOMA U.S. Individual Annuity Sales Industry report, for the year ended December 31, 2023, Jackson and its subsidiaries accounted for 12.1% of all sales in the U.S. variable annuity market and ranked second in variable annuity sales. The industry-leading size of our wholesaling force propels our sales in the traditional variable annuity market to be over triple that of our closest competitor per ISS Market Intelligence's YTD third quarter 2023 Competitor Sales, Staffing and Productivity Benchmarking report. We are increasingly focused on growing sales through our Independent RIAs, Platforms & Agents ("IPA") channel. We facilitate the sale of annuities by RIAs by offering them use of an insurance support desk that satisfies insurance-related licensing and regulatory requirements. We believe there is a significant long-term opportunity to grow annuity sales through RIAs, who managed approximately \$7.16 trillion in investor assets at the end of 2022, according to a report by Cerulli Associates.

We sell our institutional products through investment banks or other intermediaries to institutional and corporate investors, plan sponsors and other eligible purchasers.

Operating Platform

Our in-house policy administration platform gives us flexibility to administer multiple product types through a single platform. Jackson and its subsidiaries have more than 2.8 million life and annuity policies and currently administer approximately 79% of our in-force policies on our in-house platform, eliminating the burdens, costs and inefficiencies that would be involved in maintaining multiple legacy administration systems. We also have scalable third-party administration agreements. Our ability to utilize both in-house and third-party administrative platforms gives us flexibility to convert and administer acquired business efficiently. We believe our operating platform provides a competitive advantage by allowing us to grow efficiently and provide superior customer service. In 2023, we received the Highest Customer Service — Financial Industry award from Service Quality Measurement Group, Inc. ("SQM") for the 12th straight year. According to the Operations Managers' Roundtable, we ranked 2nd for overall operational capabilities in 2022 and 2023 by our broker-dealer partners.

Underwriting and Product Design

Our key underwriting and product design practices include:

- In 2012, we developed and launched Elite Access, our investment-only variable annuity that does not include any guaranteed living benefits. Since that time, it has been the industry's best-selling investment-only variable annuity.
- In 2021, we successfully launched our commission and advisory based suite of RILAs.
- All our variable annuities, including our flagship variable annuity, Perspective II, may be purchased without any guaranteed living benefits.
- For those products that include optional guaranteed benefits, we focus on living benefits that are easier to manage in terms of risk, such as GMWB and GMWB for Life.
- We no longer offer guaranteed living benefits that we believe offer us a lower risk-adjusted return, such as Guaranteed Minimum Income Benefits, or GMIBs; instead, we utilize third-party reinsurance to mitigate the risks that we face relating to those benefits.
- We have designed substantially all of our products such that the guarantee fee charged to the customer is calculated based on the benefit base, rather than the account value, which supports our hedging program by stabilizing the guarantee fees we earn.
- Less than 4% of Jackson and its subsidiaries in-force variable annuity policies, based on account value as of December 31, 2023, were sold prior to the 2008 financial crisis, a period when many variable annuities sold by our competitors were uneconomically priced and offered difficult to manage guarantee features.

We set what we believe are appropriate mortality and policyholder behavior assumptions as part of our pricing and reserving practices. We monitor experience on a regular basis, and we incorporate new experience data and emerging trends to ensure our actuarial assumptions and models reflect the appropriate mix of all available information and expert judgment.

Our core dynamic hedging program seeks to offset changes in economic liability associated with variable annuity guaranteed benefits due to market movements, while our macro hedging program seeks to protect statutory capital under a range of stress scenarios. We also use third-party reinsurance to mitigate a portion of the risks we face, principally in certain of our in-force annuity and life insurance products with regard to longevity and mortality risks and with regard to the vast majority of our GMIB optional benefit features.

Historically, we have managed and diversified our overall mortality and longevity risks through acquisitions. Consistent with our financial goals, we may opportunistically explore acquisitions we believe provide attractive risk-adjusted returns.

Jackson National Asset Management

The separate account assets associated with our variable annuities are managed by JNAM, a wholly-owned registered investment advisor that provides investment advisory, fund accounting and administration services to the funds offered within our variable annuities. JNAM selects, monitors and actively manages the investment advisors that manage the funds we offer within our variable annuities. JNAM's selection and monitoring process enables us to focus on funds where we believe we can transact in highly correlated hedge assets. JNAM also directly manages asset allocation for funds of funds offered within our variable annuities. As of December 31, 2023, JNAM managed \$242.7 billion of assets.

Risk Management

Enterprise Risk Management Framework

Jackson's risk management is a part of the overall JFI risk management framework (the "Framework"). The Framework defines our approach for identifying, assessing, managing, monitoring and reporting material risks to our business and is reviewed on an annual basis to ensure it meets stakeholders' expectations and remains in compliance with regulatory requirements. The Framework is designed to provide clear direction and embed risk management in day-to-day decision making and is organized around six core components, described below.

Enterprise Risk Management Framework - Core Components

Risk Governance & Culture

JFI's Board of Directors (the "Board of Directors" or the "JFI Board") oversees and approves the Framework and delegates risk oversight responsibilities to JFI Board committees. We embed risk management in the business using a three lines model:

- Risk Ownership and Management (first line): Our business function leaders have primary ownership of risk management relating to their area of expertise.
- Risk Oversight and Challenge (second line): Our Risk team focuses on risk oversight and challenge, especially related to top business, financial and non-financial risks. Our Compliance team oversees and ensures appropriate frameworks are in place to manage compliance and regulatory requirements.
- Independent Assurance (third line): Our Internal Audit team provides independent, objective, and risk-based assessment and reporting on the overall effectiveness of risk management, control, and governance processes across the organization. The Internal Audit team is directly overseen by the JFI Board's Audit Committee and operates pursuant to a charter that is reviewed and approved annually by the JFI Audit Committee.

Risk Appetite and Limits

We manage our business under a JFI Board-approved risk appetite that specifies the risk we are willing to accept in pursuit of our objectives. The JFI Board's Finance and Risk Committee approves and monitors a set of risk limits that support compliance with the Risk Appetite.

Risk Identification, Assessment, Measurement and Management

We operate an enterprise-wide risk identification and risk and control self-assessment ("RCSA") process to develop a holistic view of the material risks we face and our control environment. We consider financial, non-financial and strategic risks. We also monitor the external environment for emerging risks. *See Risk Factors for a description of the risks we face.*

Risk Monitoring, Reporting and Escalation

Risk monitoring and reporting processes facilitate risk-based decision making by management, and risk management oversight by management and JFI Board committees. Risk escalation processes exist to ensure Risk Appetite or Risk Limit breaches along with material non-financial risk events are escalated in a timely manner to executive management, management committees, and JFI Board committees.

Risk Response and Recovery Plans

We maintain a financial recovery plan and other risk response and recovery plans to remediate breaches of Risk Appetite or Risk Limits, strengthen capital or liquidity, or respond to significant non-financial risk events.

Risk Stress and Scenario Testing

We regularly perform stress and scenario testing to assess our risk profile and test our ability to manage through material financial and non-financial risk events.

Risk Management Strategies

Financial Risk

We employ various financial risk management strategies to limit losses and manage exposures to significant risks within established Risk Limits.

Market Risk Management: Our primary market risk exposure results from interest rate fluctuations, equity price movements and changes in credit spreads.

Counterparty Risk Management: The inability of a banking, derivative or reinsurance counterparty to satisfy its obligations could expose us to material risk. Collateralization of the value of contracts we hold with a given counterparty serves as a key component of our counterparty risk management strategy. Collateral requirements are specified contractually. In addition, we have placed formal limits on the amount of exposure we are willing to accept for a given counterparty, after consideration of collateral held both in aggregate and by risk source (banking, derivatives, reinsurance); these limits vary based on the credit worthiness of the counterparty.

Asset-Liability Management: We use asset-liability duration and cash flow management techniques to ensure that obligations arising from our products will be met when they become due. Such techniques consider current and future investment returns, asset and liability durations, risk tolerance and cash flow requirements. We closely monitor our investment portfolio to assess our asset-liability position and adjust the allocation of assets within the investment portfolio as necessary to reduce the risk of mismatched cash flows between our assets and obligations to our policyholders. To further support our asset-liability management process, we analyze the adequacy of reserves annually. This analysis includes dynamic cash flow testing of assets and liabilities, by product, under a variety of interest rate scenarios to provide assurance that current assets and associated yields will be enough to satisfy obligations as they come due.

Hedging Program: Our hedging program seeks to balance three risk management objectives: protecting against the economic impact of adverse market conditions, protecting statutory capital, and stabilizing statutory distributable earnings throughout market cycles.

Third-Party Reinsurance: We utilize third-party reinsurance to mitigate a portion of the risks that we face, principally in certain of our in-force annuity and life insurance products related to longevity and mortality risks and specific features of our variable annuities. We have entered into reinsurance contracts to manage the full spectrum of risk exposure on certain blocks of business. The majority of our in-force fixed annuity and fixed index annuity businesses, as well as the legacy block of Guaranteed Minimum Income Benefits ("GMIBs") on Variable Annuities ("VA"), has been ceded to highly-rated unaffiliated reinsurers.

Pricing and Reserving: We set what we believe are appropriate mortality and policyholder behavior assumptions as part of our pricing and reserving practices. Those assumptions are regularly updated and reflect the appropriate mix of available information and expert judgment. Factors considered in product pricing primarily include expected investment returns, interest rates, market volatility, mortality, longevity, persistency, benefit utilization and operating expenses as well as other features of certain annuity products. Our product pricing models also take into account capital requirements, risk profile, target returns and operating expenses.

Non-Financial Risk

In addition to the financial risks noted above, our business inherently faces operational and regulatory risks, which can lead to financial loss, negative impacts to customers and stakeholders, and regulatory scrutiny. Examples of key “non-financial” risks include cyberattacks and information security breaches, failure of third parties to provide contracted services, fraud, model risk and conflicts of interest.

We regularly assess and report on our key risks to JFI Board's Finance and Risk Committee and have management committees and forums in place to manage and oversee our relevant non-financial risks. Our policies, processes and controls (collectively, our internal control environment) are designed and implemented with a goal to minimize exposure to these risks and prevent material financial losses and operational events (direct or indirect) that adversely affect our ability to meet our commitments to customers. In addition, we have risk-specific response plans and processes in place to quickly identify and appropriately address control failures or other risk events when they occur. Our internal control environment, including compliance with internal policies, is regularly assessed for effectiveness, and oversight is provided by our Risk and Internal Audit teams.

Reinsurance

Our third-party reinsurance strategy is designed to manage our risk exposure against the severity of losses, improve the profitability of our business and optimize our capital requirements. Although reinsurance does not discharge us from our primary obligation to make payments to our customers in respect of their policy benefits, it does make the reinsurer liable to the ceding insurance company for the reinsured portion of the risk. We obtain reinsurance from a diverse group of well-capitalized and highly-rated third-party reinsurers. We regularly evaluate the financial condition of these third-party reinsurers and monitor concentration risk with our largest reinsurers at least annually. As part of this review, we consider financial strength ratings, statutory capital and surplus, RBC, statutory earnings and fluctuations, current claims payment aging and our third-party reinsurers' own reinsurers.

Regulation

Our Company is subject to, or affected by, many laws and regulations as a result of:

- our parent company's public company status,
- our ownership and operation of insurance companies,
- our ownership and operation of a registered investment advisor and regulated broker-dealer,
- our use of derivatives, and
- our advisory relationships with customers.

Operating Entity	Primary Regulator
Jackson National Life Insurance Company (domiciled in Michigan)	Subject to regulation and supervision by the Michigan Department of Insurance and Financial Services ("DIFS"), and by insurance regulatory authorities in other U.S. states in which Jackson is authorized to transact business
Jackson National Life Insurance Company of New York (domiciled in New York)	Subject to regulation and supervision by the New York State Department of Financial Services ("NYSDFS")
Jackson National Asset Management LLC	SEC-registered investment adviser
Jackson National Life Distributors LLC	SEC-registered broker-dealer and subject to regulation and supervision by the Financial Industry Regulatory Authority, Inc. ("FINRA")

These laws and regulations affect, among other things, how we conduct business, our permitted investments and financial condition, marketing and investment disclosures, cybersecurity and privacy requirements, and applicable accounting standards. Further, they are complex, subject to change, and administered and enforced by multiple governmental authorities. The authorities include state insurance regulators, state securities administrators, the SEC, FINRA, the U.S. Department of Labor ("DOL"), the U.S. Department of Justice, and state attorneys general. Generally, these laws and regulations are designed to protect or benefit the interests of a specific constituency, such as, for example, state insurance laws and regulations that are generally intended to protect or benefit purchasers or users of insurance products.

State Insurance Regulation

State insurance laws establish supervisory agencies with broad administrative and supervisory powers related to granting and revoking licenses to transact business, regulating marketing and other trade practices, establishing guaranty associations, licensing agents, prescribing and approving policy forms, regulating certain premium rates, regulating insurance holding company systems, establishing reserve requirements, prescribing the form and content of required financial statements and reports, performing financial and other examinations, determining the reasonableness and adequacy of statutory capital and surplus, regulating the type and amount of investments permitted, limiting the amount of dividends that can be paid and the size of transactions that can be consummated without first obtaining regulatory approval, regulating standards of business conduct and other related matters. Certain information and reports that Jackson has filed with DIFS can be inspected during normal business hours at 530 W. Allegan Street, 7th Floor, Lansing, Michigan.

As part of their regulatory oversight process, state insurance departments conduct periodic examinations, generally once every three to five years, of the books, records, accounts and business practices of insurers domiciled in their states. Examinations are sometimes carried out in cooperation with other states' insurance regulators under guidelines promulgated by the National

Association of Insurance Commissioners (the “NAIC”). State and federal insurance and securities regulatory authorities and other state law enforcement agencies and attorneys general also, from time to time, make inquiries and conduct examinations or investigations regarding our compliance with among other things, insurance laws and securities laws. The most recent DIFS examination of Jackson concluded in 2023 with no material findings.

Insurance companies have been under increased scrutiny by various state regulators, the federal government and the NAIC. Various states have considered or enacted legislation that in many cases increases states’ authority to regulate insurance companies. Although the federal government does not directly regulate the insurance business, federal legislation and administrative policies in several areas, including pension regulation, age and sex discrimination, financial services regulation, securities regulation and federal taxation, can significantly affect the insurance business. Legislation has been introduced from time to time in the U.S. Congress that could result in a more expansive role of regulation of insurance companies. The NAIC has approved and recommended several regulatory initiatives designed to reduce the risk of insurance company insolvencies. These initiatives include investment and reserve requirements, RBC standards, restrictions on an insurance company’s ability to pay dividends to its shareholders, and the adoption of model laws, relating to risk management, financial exposure assessment, and governance structure disclosure.

State insurance laws and regulations also include provisions governing marketplace activity of life and annuity insurers, including provisions governing the form and content of disclosure to consumers, such as illustrations, advertising, sales practices and complaint handling. State regulatory authorities generally enforce these provisions through periodic market conduct examinations, with emphasis in recent years on improper life insurance pricing and sales practices, race-based underwriting or sales practices, and misleading sales presentations, targeting the elderly, and product suitability for potential customers.

In December 2022, Michigan enacted an amendment to the holding company provision within its Insurance Code, which adopts a Group Capital Calculation (“GCC”) for use in DIFS’ monitoring of insurance holding companies’ solvency. While the GCC is not a capital requirement, the calculation is intended to provide additional analytical information for use in assessing group risks and capital adequacy, complementing DIFS’ current holding company analysis. The changes were required to ensure Michigan remained in compliance with accreditation standards set by the NAIC, which allows for inter-state cooperation and reduces regulatory redundancies.

Annuity Suitability Regulation

On February 13, 2020, the NAIC approved revisions to the Suitability in Annuity Transactions Model Regulation (the “Annuity Suitability Model Regulation”). The revised model imposes a “best interest” standard of conduct and includes a “safe harbor” for fiduciary advisors who recommend annuities. Under the safe harbor, as it applies to the “care” elements of the Annuity Suitability Model Regulation, investment advisors offering annuities need only comply with the Investment Advisers Act of 1940, as amended (the “Investment Advisers Act”). Each state chooses whether to implement the Annuity Suitability Model Regulation. If they so choose, they will either amend their current suitability regulations or adopt the new model. NYSDFS' amended insurance regulation (Regulation 187, "Suitability and Best Interest in Life Insurance and Annuity Transactions") incorporates the “best interest” standard for the sale of annuities and expands the application of this standard beyond annuity transactions to include sales of life insurance policies to consumers.

Guaranty Associations and Similar Arrangements

State laws require insurance companies doing business within their jurisdictions to participate in various types of guaranty associations or other similar arrangements. These guaranty associations and arrangements provide certain levels of protection to customers from losses under insurance policies issued by insurance companies that become impaired or insolvent. Typically, these guaranty associations levy assessments up to a prescribed limit on a member insurer's proportionate share of the business in the relevant jurisdiction of all member insurers in the lines of business in which the impaired or insolvent insurer is engaged. Some states permit member insurers to recover assessments that they paid through full or partial premium tax offsets, usually over a period of years. The aggregate assessments levied against us during the prior three years have not been material to our financial condition.

Regulation of Investments

We are subject to state laws and regulations that require diversification of our investment portfolios and limit the amount of investments in certain asset categories, such as below investment-grade fixed income securities, equity real estate, mortgages, other equity investments, foreign investments and derivatives. Failure to comply with these requirements would cause investments exceeding regulatory limitations to be treated as non-admitted assets for purposes of measuring surplus and, in

most instances, would require divestiture of the non-qualifying investments. We believe that our investments complied with these requirements at December 31, 2023.

Surplus and Capital; RBC Requirements

The NAIC has developed RBC standards for life insurance companies as well as a model act for state legislatures to enact. The model act requires that life insurance companies report on a RBC formula standard calculated by applying factors to various asset, premium and reserve items and separate model-based calculations of risk associated primarily with interest rate and market risks. The RBC formula takes into account the risk characteristics of a company, including asset risk, insurance risk, interest rate risk, market risk and business risk. The NAIC designed the formula as an early warning tool to identify potentially inadequately capitalized companies for purposes of initiating regulatory action.

Under RBC requirements, regulatory compliance is determined by an NAIC defined ratio (known as the RBC ratio) of a company's total adjusted capital, to its company action level of RBC, also as defined by the NAIC. Four levels of regulatory attention may be triggered if the RBC ratio is insufficient:

	RBC Ratio	Regulatory Attention
Company action level	Between 75% to 100%	Insurer must submit a plan to the regulator detailing corrective action it proposes to undertake
Regulatory action level	Between 50% to 75%	Insurer must submit a plan, but a regulator may also issue a corrective order requiring the insurer to comply within a specified period
Authorized control level	35% to 50%	Regulatory response is the same as at the "Regulatory action level," but in addition, the regulator may take action to rehabilitate or liquidate the insurer
Mandatory control level	Less than 35%	Regulator must rehabilitate or liquidate the insurer

As of December 31, 2023, Jackson's total adjusted capital and RBC minimum required levels under the NAIC's definition substantially exceeded the standards of its state of domicile and the NAIC.

We believe that we will be able to maintain our RBC ratios in excess of "company action level" through appropriate risk management, investing and capital management, and claims handling. However, no assurances can be given that developments affecting us or our insurance subsidiaries, many of which could be outside of our control, will not cause our RBC ratios to fall below our targeted levels. *See Risks Related to our Business and Industry—Risks Related to Legal, Tax and Regulatory Matters—A decrease in our or our insurance subsidiary's risk-based capital ("RBC") ratio (as a result of a reduction in statutory capital and surplus or increase in RBC requirements) could result in increased scrutiny by insurance regulators and rating agencies, which could lead to corrective measures and ratings downgrades that could adversely affect our business, financial condition, results of operations and cash flows.*

The NAIC updated the risk-based capital framework to reflect more current modeling of asset risk and insurance risk, with changes effective at year-end 2021 and 2022. The changes had minimal impact on our life insurance subsidiaries.

Federal Initiatives Impacting Insurance Companies

While the U.S. government does not directly regulate the insurance industry, federal initiatives can impact the insurance industry.

Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

Title VII of the Dodd-Frank Act, and similar laws passed in jurisdictions outside the U.S., has significantly impacted the regulation of over-the-counter derivatives. In the U.S., the Commodity Futures Trading Commission (the "CFTC") and the SEC regulate swaps and other derivatives. The CFTC has primary jurisdiction over swaps, which constitute the vast majority of the market, and the SEC has primary jurisdiction over security-based swaps.

Dodd-Frank Act requirements and similar non-U.S. regulations make it more costly to use derivatives and hedge investment exposures and may affect our returns. These regulations may impede our ability to utilize derivatives. Another factor that has driven up the cost of trading in both over-the-counter and exchange traded derivatives is the increased capital charges imposed

on financial intermediaries, such as futures commission merchants and banks. As a result of these regulations, we expect costs to continue to rise, which could adversely impact our ability to implement our desired hedging strategies. As a result of the Dodd-Frank Act, the CFTC has adopted significant regulations changing the way swaps are traded in the U.S., including:

- imposing registration requirements on swap dealers and large market participants, known as major swap participants,
- subjecting a significant portion of the interest rate swap market and some of the credit default swap index market to mandatory exchange or swap execution facility trading and central clearing requirements, and
- imposing new requirements on swap transactions, including trade reporting and recordkeeping, know-your-customer and other sales practices, and documentation for swap transactions entered into with swap dealers and major swap participants.

Regulators around the world, including U.S. banking regulators and the CFTC, have implemented margin requirements for uncleared derivatives generally in accordance with the recommendations of the Basel Committee on Bank Supervision and International Organization of Securities Commissions. The variation margin requirements require us to exchange variation margin (comprised of specified liquid instruments and subject to required haircuts) when entering into uncleared swaps and security-based swaps with regulated entities. The initial margin requirements are being phased-in and may also ultimately require us to post initial margin when entering into such derivatives. We completed the required legal documentation and changes to our operational processes in 2021 to accommodate the exchange of initial margin with U.S. and European Union swap dealers, when necessary.

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

The Dodd-Frank Act created the Financial Stability Oversight Council (the "FSOC"). The FSOC has the ability to designate certain insurance companies and insurance holding companies that pose a systemic risk to the financial stability of the U.S., in which case such companies would become subject to heightened prudential regulation by the Board of Governors of the U.S. Federal Reserve (the "Federal Reserve Board"). The Federal Reserve Board may limit such company's ability to enter into merger transactions, restrict its ability to offer financial products, require it to terminate one or more activities, or impose conditions on how it conducts activities. On December 4, 2019, the FSOC issued final guidance regarding the designation of non-bank financial companies as systemically important. The guidance provided that the FSOC will move from an "entity-based" designation approach towards an "activities-based" approach. This approach eliminated the prior quantitative thresholds for designation as a systemically important entity. However, in November 2023, the FSOC adopted a new analytic framework for financial stability risks and updated guidance on its nonbank financial company determinations process, overruling the 2019 guidance. While the impact of this change is not completely clear at this time, it could increase the chance that the Company is subject to additional regulatory measures.

The Dodd-Frank Act also authorizes the Federal Insurance Office ("FIO") to assist the Secretary of the Treasury Department in negotiating covered agreements. A covered agreement is an agreement between the U.S. and one or more foreign governments, authorities or regulatory entities, regarding prudential measures with respect to insurance or reinsurance. The FIO is further charged with determining, in accordance with the procedures and standards established under the Dodd-Frank Act, whether state laws are preempted by a covered agreement. Pursuant to this authority, in September 2017, the U.S. and the European Union signed a covered agreement (the "EU Covered Agreement") to address, among other things, reinsurance collateral requirements. In addition, on December 18, 2018, the Treasury Department and the Office of the U.S. Trade Representative signed a Bilateral Agreement between the U.S. and the United Kingdom on Prudential Measures Regarding Insurance and Reinsurance in anticipation of the United Kingdom's potential exit from the European Union (the "UK Covered Agreement" and, together with the EU Covered Agreement, the "Covered Agreements"). U.S. state regulators had five years from the dates the Covered Agreements were signed to adopt reinsurance reforms removing reinsurance collateral requirements for EU and UK reinsurers that meet the prescribed minimum conditions set forth in the applicable Covered Agreement or else state laws imposing such reinsurance collateral requirements may be subject to federal preemption. On June 25, 2019, the NAIC adopted amendments to the Credit for Reinsurance Model Law and Model Regulation to conform to the requirements of the Covered Agreements. As of December 31, 2023, 50 states and the District of Columbia have enacted and promulgated the Model Law and Model Regulation. Additionally, five other U.S. jurisdictions have adopted regulations or memorandums of understanding consistent with the Model Law and Model Regulation.

SEC's Regulation Best Interest

On June 5, 2019, the SEC adopted investment advice reforms designed to enhance investor protections while preserving retail investor access and choice. The most significant element is a rule (known as "Regulation Best Interest") establishing a best interest standard of conduct for broker-dealers and their representatives when they make recommendations to retail investors. Regulation Best Interest, effective on June 30, 2020, enhances the duties and disclosure requirements that apply to our broker-dealer and investment adviser subsidiaries when they provide recommendations and investment advice to retail investors, as well as our representatives that provide such services. The reforms increase the regulatory burden on broker-dealers selling our products, but also provide a more consistent regulatory standard that could provide benefits to the overall insurance and investment market. FINRA adopted rules to align to Regulation Best Interest and is enforcing both the SEC regulations and its own rules relating to recommendations of investments to retail consumers.

Department of Labor's Fiduciary Advice Rule

The Department of Labor (the "DOL") issued a regulatory action, effective February 16, 2021, that reinstated the text of the DOL's 1975 investment advice regulation defining what constitutes fiduciary "investment advice" to Employee Retirement Income Security Act ("ERISA") plans and individual retirement accounts ("IRAs"). The DOL's related guidance broadened the circumstances under which financial institutions, including insurance companies, could be considered fiduciaries under ERISA or the Federal income tax code. The rule and accompanying guidance faced hurdles, including a February 2023 U.S. District Court decision that vacated the roll-over portion of the guidance, ruling that the DOL exceeded its authority in this area.

On October 31, 2023, the DOL proposed revisions to the definition of fiduciary and related Prohibited Transaction Exemptions (PTE) (the "2023 Fiduciary Advice Rule"), redefining what constitutes fiduciary "investment advice" to ERISA plans and IRAs. The proposal again extends fiduciary status to one-time rollover recommendations and broadens the circumstances under which financial institutions, including insurance companies, could be considered fiduciaries under ERISA or the Federal income tax code, despite the February 2023 U.S. District Court decision. The proposal also narrows the applicability of PTE 84-24 specific to insurance commissions for annuity recommendations to independent insurance agents recommending non-securities products. The proposed changes to PTE 84-24 also impose certain supervisory obligations on insurance carriers that are similar to obligations already covered under the National Association of Insurance Commissioners' Suitability in Annuity Transactions Model Regulation. As currently drafted, the above-reference revisions would be effective 60 days after the rule is finalized and published in the Federal Register.

We continue to analyze the impact of the 2023 Fiduciary Advice Rule, if adopted, and, while we cannot predict the rule's impact, it could have an adverse effect on sales of annuities through our distribution partners. We may need to take certain additional actions to comply with, or assist our distributors in their compliance with, the 2023 Fiduciary Advice Rule. The 2023 Fiduciary Advice Rule may also lead to changes to our compensation practices and product offerings and increase litigation risk, which could adversely affect our results of operations and financial condition. Nonetheless, because the distribution of annuities is primarily through intermediaries, most of which have implemented systems and processes to align to existing state and federal fiduciary and/or best interest standards, we believe that we will have more limited exposure to the 2023 Fiduciary Advice Rule. While the rule may not have a material impact on our business, it may impede certain investors' access to financial advice or annuities that provide guaranteed income streams.

USA PATRIOT Act of 2001

The USA PATRIOT Act of 2001 includes anti-money laundering and financial transparency laws as well as various regulations applicable to broker-dealers and other financial services companies, including insurance companies. Financial institutions are required to collect information regarding the identity of their customers, watch for and report suspicious transactions, respond to requests for information by regulatory authorities and law enforcement agencies and share information with other financial institutions. As a result, we are required to maintain certain internal compliance practices, procedures and controls.

Cybersecurity and Privacy Regulations

Cybersecurity is subject to increased scrutiny by insurance regulators. In 2017, the NYSDFS adopted 23 NYCRR 500 (the "NYSDFS Cybersecurity Regulation"), which requires covered businesses in New York to have a comprehensive cybersecurity program that aligns to the National Institute of Standards and Technology Cybersecurity Framework and requires policies and procedures in several specific areas including, personnel, training, access privileges, penetration testing, vulnerability management, encryption, multifactor authentication, application security, data minimization, incident response planning, and notification and vendor management. The NYSDFS has pursued enforcement actions and penalties for violations demonstrating

the significant risk of noncompliance. On November 1, 2023, the NYSDFS adopted a second amendment to the NYSDFS Cybersecurity Regulation, which includes requirements relating to risk assessments, cybersecurity policies, penetration testing, monitoring, and certain audit requirements. The regulation will take effect in phases during 2024 and 2025.

The NAIC has adopted the Insurance Data Security Model Law, which established the standards for data security, investigation, and notification of a breach of data security for insurance companies. As of January 2024, twenty-three states (including Michigan, effective January 1, 2021) had adopted the model law. Importantly, the drafters of the Data Security Model Law intend that a licensee's compliance with the NYSDFS Cybersecurity Regulation will constitute compliance with the Data Security Model Law. We have taken the necessary steps to comply with this regulation.

The California Consumer Privacy Act of 2018 (the "CCPA") grants all California residents the right to know what information a business has collected from them and the sourcing and sharing of that information, as well as a right to have a business delete their personal information (with some exceptions). The CCPA's definition of "personal information" is more expansive than those found in other privacy laws applicable to us in the U.S. Failure to comply with the CCPA could result in regulatory fines, and the law grants a private right of action for any unauthorized disclosure of personal information as a result of failure to maintain reasonable security procedures. Additionally, on November 3, 2020, California voters passed a ballot initiative, the California Privacy Rights Act (the "CPRA"), that adjusts and, in some respects, expands consumer rights and business obligations created by the CCPA. The CPRA, effective January 1, 2023, imposes additional obligations on companies that collect California residents' personal information, including providing a right to correct personal information, additional protections for certain uses of sensitive personal information, and certain limitations on data use and data sharing that does not involve a sale. The CPRA also created a new California Privacy Protection Agency, which has been charged with enforcing both the CCPA and the CPRA.

Federal law and regulation require financial institutions to protect the security and confidentiality of customer information, notify customers about their policies and practices relating to their collection, disclosure and securing the confidentiality of customer information. Federal and state laws also regulate disclosures of customer information. In March 2022, Congress enacted a 72-hour cyber reporting provision within a larger legislative package. In addition to this provision, Congress and state legislatures are expected to consider additional regulation relating to privacy and other aspects of customer information.

On October 21, 2019, the NAIC formed a Privacy Protections (H) Working Group to review state insurance privacy protections regarding the collection, use and disclosure of information gathered in connection with insurance transactions. In early 2023, the NAIC proposed a consumer privacy protection model law designed to replace the Insurance Information and Privacy Protection Model Act and the Privacy of Consumer Financial Health and Information Regulation. The NAIC is continuing to consider comments received on the proposed model law, which could result in additional requirements for us. Privacy protection is also gaining attention in state legislatures nationwide. There are now thirteen states with laws generally applicable to data privacy (California, Colorado, Connecticut, Delaware, Indiana, Iowa, Montana, New Jersey, Oregon, Tennessee, Texas, Utah, and Virginia). With the exception of California, these laws do not apply to Jackson and other financial institutions subject to the Gramm-Leach-Bliley Act.

In 2019, the NAIC formed the Big Data and Artificial Intelligence (H) Working Group to explore the development of artificial intelligence and its impact on consumer protection and privacy. The Working Group developed the AI Model Bulletin which was adopted by the NAIC in December of 2023. The Model Bulletin serves a reminder of the impact on consumers and their privacy when decisions are made or supported by advanced technologies including AI.

See Cybersecurity - Cybersecurity Risk Management and Strategy.

Holding Company Regulation

We are subject to regulation under the insurance holding company laws of various jurisdictions. These laws and regulations vary by jurisdiction, but generally require each controlled insurance company to register with state regulatory authorities and file reports that provide information, including capital structure, ownership, financial condition, certain intercompany transactions and general business operations.

Restrictions on Acquiring "Control"

Insurance holding company regulations generally provide that no person, corporation or other entity may acquire control of an insurance company, or a controlling interest in any parent company of an insurance company, without the prior approval of such insurance company's domiciliary state insurance regulator. Under the laws of each domiciliary state of us and our insurance subsidiary, any person acquiring, directly or indirectly, 10% or more of the voting securities of an insurance company

is presumed to have acquired “control” of the company. This statutory presumption of control may be rebutted by a showing that control does not, in fact, exist. The state insurance regulators, however, may find that “control” exists even under circumstances in which a person owns or controls less than 10% of voting securities.

These laws and regulations may discourage potential acquisition proposals and may delay, deter or prevent a change of control involving us.

Restrictions on Paying Dividends

State insurance statutes typically place restrictions and limitations on the amount of dividends or other distributions payable by insurance company subsidiaries to their parent companies. Dividends in excess of prescribed limits and transactions above a specified size between an insurer and its affiliates require the approval of the insurance regulator in the insurer’s state of domicile. For example, under the Michigan Insurance Code, DIFS must approve insurance companies' requests to pay a dividend or distribution out of earned surplus. The insurance statutes of New York permit payment of ordinary dividends without regulatory approval if one of two standards are met. One standard allows a domestic stock life insurer to pay an ordinary dividend out of earned surplus. The second standard allows an insurer to pay an ordinary dividend out of other than earned surplus if such insurer does not have sufficient positive earned surplus to pay an ordinary dividend. However, dividends in excess of prescribed limits, based on prior year’s earnings and surplus of the insurance company, are considered extraordinary transactions and require explicit approval from the applicable regulator.

Broker-Dealer, Investment Adviser, Mutual Fund and Securities Regulation

We and certain policies and contracts offered by us are subject to regulation under the federal and state securities laws and regulations. Regulators administering these laws and regulations may conduct examinations of our operations and make requests for information. The primary intent of these laws and regulations is to protect investors in the securities markets and generally grant supervisory agencies broad administrative powers, including the power to limit or restrict the conduct of business for failure to comply.

Governmental regulatory authorities may institute administrative or judicial proceedings that may result in censure, fines, the issuance of cease-and-desist orders, trading prohibitions, the suspension or expulsion of a broker-dealer or member, its officers, registered representatives or employees or other similar sanctions.

Broker-Dealer Regulation

JNLD is registered as a broker-dealer with the SEC, pursuant to the Securities Exchange Act of 1934, as amended, and is registered as a broker-dealer in all applicable states. JNLD is also a member of, and subject to regulation by, FINRA, a self-regulatory organization subject to SEC oversight. The SEC and FINRA also regulate the sales practices of broker-dealers. In recent years, both the SEC and FINRA have intensified their scrutiny of sales practices relating to variable annuities and variable life insurance. In addition, broker-dealers are also subject to regulation by state securities administrators in those states in which they conduct business, who may also conduct examinations and direct inquiries to broker-dealers.

Investment Adviser Regulation

Jackson National Asset Management LLC ("JNAM") is registered with the SEC as an investment adviser pursuant to the Investment Advisers Act of 1940, as amended (the "Investment Advisers Act"). The investment companies (mutual funds) for which JNAM serves as an investment adviser are subject to SEC registration and regulation pursuant to the Securities Act, and the Investment Company Act of 1940, as amended (the "Investment Company Act"). The mutual funds advised by JNAM comprise the investment options within the variable products offered by Jackson National Life. In addition, each variable annuity and variable life product is subject to SEC registration and regulation.

The business of our investment adviser subsidiary will be impacted by SEC regulatory initiatives with respect to the investment management business. In addition to rules discussed elsewhere, the SEC has adopted rules that include (i) new monthly and annual reporting requirements for certain U.S. registered funds; (ii) enhanced reporting regimes for investment advisers; (iii) implementing liquidity risk management programs for exchange-traded funds (“ETFs”) and open-end funds, other than money market funds; (iv) reforms relating to money market funds that require institutional and prime money market funds to use a floating net asset value (“NAV”), and permit money market funds to impose liquidity fees and redemption gates; (v) significant amendments to rules regarding advertisements by investment advisers; and (vi) significant changes to the regulations applicable to the use of derivatives by U.S. registered funds. As noted above, the SEC has also recently proposed comprehensive reforms to improve cybersecurity risk management for registered investment advisers and registered funds. These rules increased the

reporting and disclosure requirements for our investment adviser subsidiaries. These increased regulatory and compliance burdens could be costly and may impede the growth of our investment adviser subsidiaries.

The SEC, beginning in late 2020, instituted a comprehensive regulatory agenda focusing on Environmental, Social, and Governance ("ESG") issues. As part of this agenda, in March 2023, the SEC issued final regulations requiring additional disclosures concerning climate-related risks and related matters for public companies. In addition, the SEC announced a number of actions, including forming an enforcement task force designed to harmonize the efforts of the SEC's divisions and offices, consider potential comprehensive changes to ESG disclosure guidance, announce ESG as an examination priority, address shareholder rights, create accountability in statements and conduct, and adopted changes to the "names rule" under the Investment Company Act regarding the effect of ESG factors on a fund's investment objectives and performance. The SEC's Division of Examinations subsequently issued a risk alert highlighting ESG deficiencies, internal control weaknesses and effective practices identified during recent examinations of investment advisers, registered investment companies and private funds. The SEC's regulatory asset management agenda, including items that have been implemented in 2022 and those that are under consideration, may impact the growth of our investment advisory business due to the increased regulatory and compliance burdens.

Commodities Regulation

JNAM is registered as a "commodity pool operator" with the National Futures Association ("NFA") pursuant to the Commodity Futures Trade Commission ("CFTC") regulations and acts as a commodity pool operator with respect to the operation of certain of the mutual funds. The CFTC is a federal agency whose responsibilities include the regulation of commodity interests and enforcement of the Commodity Exchange Act of 1974. The NFA is a self-regulatory organization to which the CFTC has delegated, among other things, the administration and enforcement of commodity regulatory registration requirements and the regulation of its members. JNAM and the mutual funds have incurred additional regulatory compliance and reporting expenses as a result, which could reduce investment returns or harm the mutual fund's ability to implement its investment strategy.

Corporate Responsibility

We take a balanced, long-term approach to serving all its stakeholders, including business partners, regulators, customers, associates, communities and our shareholder. Our commitments are described below and with more detail in the annual JFI Corporate Responsibility Report. Our parent's annual Corporate Responsibility Report is not incorporated by reference in, and does not form a part of, this prospectus.

Protecting our Environment

We are committed to reducing our climate impact and doing our part to help create a more environmentally sustainable future for us all. To that end, we are taking thoughtful steps to reduce our carbon footprint, consume energy more efficiently, and use natural resources in innovative and impactful ways that result in reduced greenhouse gas ("GHG") emissions. In its second year, the on-site solar farm at our home office in Lansing, Michigan, is generating renewable energy and reducing our need for traditional power generation.

Valuing our Communities

We demonstrate our commitment to corporate social responsibility with charitable donations that (i) generate impact in the communities we serve, (ii) engage associates in a culture of philanthropy, and (iii) grow awareness for our commitment to being a good corporate neighbor. We believe our community partnerships create shared value for Jackson, our associates and the communities in which we operate. We have a passionate and committed workforce that engages with the community and is generous with their time and resources. Jackson encourages community engagement by providing associates with paid time off for volunteering, nonprofit board training and placement, and matching gifts programs for associate charitable contributions and volunteer hours. We remain committed to empowering people and communities and continue to invest in building relationships that serve the greater good. Jackson's philanthropic strategy aligns with its business purpose to build the foundation for financial freedom for all.

Strong Governance and Business Practices

We are committed to governance policies and practices that serve the interest of the Company and its stakeholders, starting with independent membership on all committees of the JFI Board of Directors. The JFI Board seeks directors with a broad range of professional experience, skills, and perspectives who support our commitment to diversity of thought, experience, and

background. It also seeks those who contribute to its gender and racial or ethnic diversity. The JFI Board currently has 33% gender diversity, and 22% racial and ethnic diversity composition. Our Company has an ownership culture that focuses on providing exceptional value to advisors, policyholders, and our shareholder. Jackson also has a risk management framework embedded across the Company, supporting the effectiveness of risk management and the control environment including oversight of ESG risks. We believe our long-term focus produces sustainable, competitive returns for our shareholder. Our internal asset management team at JNAM oversees external managers on our variable annuity platform, performing a robust due diligence process that includes analysis of ESG philosophy and processes.

Human Capital Resources

Our human capital resources are managed at our ultimate parent company level, JFI. Our strength lies in the people we employ and values-based culture we foster. We offer significant career opportunities, competitive merit-based compensation, inclusive practices, world-class facilities, and the ability to work for a purpose-driven organization. Our Company's four corporate values — Empower, Respect, Execute and Create — guide our associate practices and decisions.

JFI had approximately 3,840 associates as of December 31, 2023, comprised of approximately 3,015 full-time associates and approximately 825 part-time associates, inclusive of our Strategic Support Program associates (a flexible, cost-efficient, part-time workforce that provides just-in-time scale). Each of our associates play an important role in delivering on our brand promise of clarity for a more confident future. We make it our priority to offer opportunities for personal growth, talent development, and rewarding career paths for all Jackson team members. We believe our collaborative culture is one of our greatest strengths and is a significant factor in our ability to continue to be an industry leader.

Talent Development, Diversity and Inclusion

We have an established history of developing talent from within. Our senior management team has an average tenure of over 20 years with the Company. We also recruit talent from outside the organization, as we seek to cultivate an inclusive workplace where different ideas and opinions are heard and respected and where people of different backgrounds can come together to accomplish great things as a team. Through learning and development programs, succession and talent management processes, and competitive rewards and recognition, our diverse and high-performing associates are empowered to innovate and challenge one another to be their best selves. In 2023, over 95% of JFI's total associates have completed diversity and inclusion training.

In 2023, Jackson continued its mentoring program to support the long-term career growth of all JFI associates, with particular focus on development opportunities for diverse associates and emerging leaders. The program began in 2021 and in its third year is still seeing strong participation including:

- More than 210 mentor pairings;
- More than 1,000 hours of mentoring reported by participants; and
- 4.7 out of 5 rating in overall program and relationship satisfaction.

Our strategic approach to Diversity and Inclusion focuses on ways to attract and retain highly talented people and cultivates an environment where our associates are encouraged to bring our best selves to work every day. Our Diversity and Inclusion Advisory Council (the "Advisory Council") was established in 2018 to identify opportunities for advancing our diverse and inclusive work environment. The Advisory Council developed a framework and strategy, which includes ensuring an inclusive workplace, developing a diverse talent pool, leveraging diversity and inclusion in the marketplace and reporting our progress.

We recognize the diversity of our associates' backgrounds and cultures through our voluntary, associate-led Business Resource Associate Groups ("BRAGs"). Supported by executive leadership and aligned with our mission and core values, our nine BRAGs provide opportunities to empower all associates to share their unique and diverse talents with each other.



We have acted in several ways to improve inclusion in our recruiting process, including how we approach job postings, develop position requirements, conduct interviews, and evaluate candidates. We also value our strong partnerships with the many organizations that help us diversify and strengthen our talent pool. Through these partnerships, we are building our recruiting pipeline and are developing stronger leaders who support innovative thought and promote an inclusive and an equitable culture. These organizations include:

- **The Association for Wholesaling Diversity** and **International Association of Black Actuaries**: creating opportunities to build, attract and recruit Black talent to Jackson
- **The Coalition for Equity in Wholesaling**: to increase hiring, retention, and career advancement of a wholesaler workforce that better reflects America by sharing knowledge and building relationships
- **Disability:IN**: assessments and education that help us better understand the needs of individual with disabilities within our workforce
- **Michigan State University Athletics**: to foster leadership, cultivate relationships, and explore career pathways with MSU athletes beyond sports
- **Yello**: a platform to recruit and communicate more effectively with diverse candidates, including sourcing and events to engage with a broader candidate pool

As of December 31, 2023, within Jackson’s workforce, approximately 46% of our associates were women and approximately 19% of our associates were racially and ethnically diverse. Additionally, four of the eight-member executive committee team are women, including our CEO and CFO.

Benefits and Rewards

We recognize the contributions our associates make to our future and their futures by offering competitive salaries, wages, and benefits. Our comprehensive benefits package includes medical, dental, vision, and paid time off along with more innovative benefits including associate and dependent tuition reimbursement programs, paid parental leave, adoption assistance, paid time off to volunteer, and associate charitable gift matching. Our associates are compensated based on their job performance. This performance-driven structure aligns performance incentives with our business productivity strategy, serving to both encourage our associates and satisfy our other key stakeholders. To ensure fair pay, we work actively with a third-party consultant to conduct pay equity studies related to race, ethnicity, and gender. We also have rigorous governance processes in place to ensure that we promote equitable pay practices, reinforce strong risk management, and maintain independent oversight of our executive compensation.

Associate Health and Well-Being

We believe it is important to support our associates and are committed to providing a safe and healthy workplace. Our "Living Life Well" program helps ensure that Jackson associates are provided supportive health, safety and financial wellness resources

both at work and at home. These efforts cultivate a supportive and well-balanced corporate culture and help define the future of our success.

The health and safety of our associates is a top priority. Our ergonomics program supports associate wellness by promoting evidence-based ergonomic principles for associates working remotely or at our offices. At the office, associates also have access to a complete training system and highly qualified team of experts to help associates achieve their personal fitness, nutritional and lifestyle goals. We currently operate 21 Occupational, Safety and Health Administration ("OSHA") related programs, in addition to our standard air and water quality programs, in a comprehensive corporate health and safety effort to meet OSHA and American National Standards Institute ("ANSI") Z10-02019 standards.

We offer programs that support the mental health of associates, including confidential support for more serious issues involving emotional stress and well-being. Our Employee Assistance Program, "Life Balance," offers online tools, as well as master's-level professionals available for confidential support around the clock. The financial health of our associates is an equally important part of their well-being. We offer programs and educational tools to support their long-term financial wellness. These efforts help our associates build a more confident future for themselves, as well as for the long-term success of our Company and for our shareholder.

Cybersecurity

Cybersecurity Risk Management and Strategy

We have an enterprise-wide risk management framework for identifying, assessing, managing, monitoring, and reporting our material risks, including cybersecurity risks. Our risk identification and risk and control self-assessment ("RCSA") process assesses the potential likelihood and impact of, among other things, cybersecurity risks to the Company, and the control environment in place to mitigate identified risks. *See Risk Risks Related to Our Business and Industry – "Risks Related to Information Technology, Security and Data" for a description of the cybersecurity risks we face.*

The Company is committed to attaining the highest standards for information security and data privacy programs through disciplined governance and risk management practices.

We have a written JFI Information Security Policy setting forth our expectations with respect to the receipt, handling and management of information, and setting forth our process, procedures and standards for achieving those expectations. Our Information Security Policy is reviewed and updated by management at least annually, to align with multiple industry standards, including the National Institute of Standards and Technology Cyber Security Framework and relevant state regulations, including NYSDFS Cybersecurity Requirements for Financial Services Companies, and federal regulatory requirements. The JFI Privacy Policy is also annually reviewed and updated by management to align with industry best practices and state and federal regulatory requirements.

Our cybersecurity program includes a threat and vulnerability management program to identify, assess, prevent, detect, monitor and remediate internal and external threats to, and vulnerabilities of, the Company's electronic systems, applications and data. Key components of this security program include a 24/7 Security Operations Center, which is managed internally at Jackson, with staff augmentation from third-party service vendors. The Security Operations Center monitors threats and attacks and initiates the incident response management process and associated notifications, as needed. In addition to monitoring threats and attacks, our internal management team reviews daily external threat intelligence and oversees, at least quarterly, external penetration testing of our Company's electronic systems. We provide training to all associates and regularly audit and assess our program with both internal and external resources, and through benchmarking studies and assessments against our Information Security and Privacy Policies and Standards.

We have a third-party vendor management program that oversees the identification and assessment of cybersecurity risk for the Company's use of all third-party service providers. This program evaluates third-party vendors based on their level of access to the Company's data and the level of potential risk the third-party service providers create for the organization through reviews of their security program and systems architecture. The Company identifies monitoring and mitigating controls and implements such controls where appropriate for any identified risks, including adding robust security terms in agreed contracts. We also monitor and periodically reassess third-party service vendors to ensure controls are maintained to expectations.

Cybersecurity Incidents

In June 2023, Jackson determined that its information at one of our third-party vendors, Pension Benefit Information, LLC (“PBI”), was impacted by a cybersecurity breach involving Progress Software Corporation’s MOVEit Transfer software. The PBI service helps Jackson to identify possible beneficiaries for death benefits. According to PBI, an unknown actor exploited a MOVEit software flaw to access PBI’s systems and download certain data. Our assessment indicated that personally identifiable information relating to approximately 850,000 of Jackson’s customers was obtained by that unknown actor from PBI’s systems. PBI informed Jackson that it rectified the MOVEit vulnerability.

Separately, Jackson experienced unauthorized access to two servers as a result of the MOVEit flaw; however, the scope and nature of the data accessed on those servers was significantly less than the PBI impact. Our assessment was that a subset of information relating to certain partner organizations and individuals, including certain customers of Jackson, was obtained from the two affected servers.

At this time, we do not believe the incidents or related litigation will have a material adverse effect on the business, operations, or financial results of the Company.

Governance

JFI’s Board Oversight of Risks from Cybersecurity Threats: JFI’s Board approved both the Company’s initial JFI Information Security Policy and the JFI Privacy Policy. The Finance and Risk Committee of the JFI Board assists the JFI Board with oversight of the Company’s risk framework and its effectiveness. The Finance and Risk Committee regularly reviews top risks identified by management, the Company’s risk appetite, and financial and non-financial risks, including information security and cybersecurity. The committee also reviews activity reports on the status of our cybersecurity program, including material policy changes, breaches, and remediation actions. At least annually, and more often as needed, the committee meets with our Chief Information Security Officer (“CISO”) in a dedicated session to review and discuss in-depth cybersecurity risks facing the Company.

JFI’s Board of Directors receives periodic reports from its Finance and Risk Committee regarding the committee’s actions in respect of cybersecurity and related regulatory developments and receives from our CISO regular updates about cybersecurity threats and our cybersecurity and privacy programs.

Management’s Role in Assessing and Managing Material Risks from Cybersecurity Threats: Our CISO is a member of the senior leadership team and oversees our Information Security and Privacy Team. The CISO provides regular updates to the JFI Board on cybersecurity threats facing the organization, including developments in our ongoing information security and privacy programs. As noted, the CISO meets in dedicated sessions with the JFI Board’s Finance and Risk Committee to review and discuss in-depth cybersecurity risks facing the Company.

Our Information Security and Privacy Team includes 70 full-time positions with at least 50% of our associates holding industry certifications, such as the Certified Information Systems Security Professional (“CISSP”), Certified Information Security Manager (“CISM”), and Certified Information Privacy Professional (“CIPP”). All associates and contractors with access to our Company’s systems receive comprehensive initial and ongoing annual training on responsible information security, data security, and cybersecurity practices and how to protect against cyber threats.

Regular independent third-party assessments, penetration testing, and internal audits are conducted to validate controls and to position our cybersecurity maturity level at or ahead of industry trends in meeting stringent security standards. We regularly assess our security program internally and externally, through benchmarking studies and assessments against our Information Security and Privacy Policies and Standards and conduct assessments of the effectiveness of relevant internal control activities designed to restrict inappropriate access to our IT systems, support data integrity within our IT systems, and ensure ongoing availability of our IT systems. Certain of these control activities are also subject to an assessment by our external auditor to support its opinion on the effectiveness of our internal control over financial reporting.

Properties

We currently own and occupy the buildings comprising our corporate headquarters campus and related properties in Lansing, Michigan as well as our regional headquarters in Franklin, Tennessee. We also have leases for the following offices:

- District of Columbia under a lease that expires in 2029;
- Chicago, Illinois under a lease that in expires in 2029;
- East Lansing, Michigan under a lease that expires in 2029; and
- Lansing, Michigan under a lease that expires in 2028.
- Purchase, New York under a lease that expires in 2024;

Our office in Franklin, Tennessee supports our subsidiary JNLD, which is the principal distributor and sales and marketing organization for the insurance and annuity products issued by us and our affiliates. Our office in Chicago, Illinois supports our subsidiary JNAM, which provides separate account administration services and financial and accounting services.

We believe our properties are adequate and suitable for our business as currently conducted and are adequately maintained.

Information about our Executive Officers

Below are the executive officers of Jackson National Life Insurance Company as of December 31, 2023. The executive officers serve until the next annual appointment of executive officers, or until earlier resignation or removal.

Name	Age	Positions and Offices Held and Principal Occupation
Carrie L. Chelko ¹	50	Executive Vice President, General Counsel of Jackson, a position held since September 2021. As Executive Vice President and General Counsel, Ms. Chelko oversees Legal, Compliance, Corporate Communications and Responsibility, and Shared Services & Operations (Legal), and beginning January 2024, one new group, Government Relations. From September 13, 2021 until August 2022, Ms. Chelko also served as Corporate Secretary of Jackson Financial Inc. From August 30, 2021 until September 13, 2021, Ms. Chelko was Executive Vice President of Jackson Financial Inc. Prior to joining Jackson, from April 2020 through August 2021, Ms. Chelko was Senior Vice President and Chief Compliance Officer of Fidelity Investments, Personal Investing. Prior to Fidelity, from May 2013 through March 2020, Ms. Chelko served as the Senior Vice President and Chief Counsel at Lincoln Financial Group.
Don W. Cummings ²	60	Senior Vice President, Chief Accounting Officer and Controller of Jackson, a position assumed in December 2020. Prior to coming to Jackson, Mr. Cummings served as interim Chief Financial Officer at Fortitude Reinsurance Company Ltd. since 2019 and previously held various finance roles at American International Group, Inc., including Global Corporate Controller. Mr. Cummings is a Certified Public Accountant.
Devkumar D. Ganguly	48	Executive Vice President, Chief Operating Officer of Jackson, a position assumed in February 2021. Mr. Ganguly has served in various leadership roles with Jackson National Life Insurance Company including Senior Vice President and Chief Information Officer from July 2018 to February 2021.
Laura L. Prieskorn	56	Chief Executive Officer and President of Jackson, a position assumed in February 2021. Ms. Prieskorn is also a member of Jackson Financial Inc.'s Board of Directors. Ms. Prieskorn has been with Jackson National Life Insurance Company for more than 30 years, serving in roles of increasing responsibilities. Ms. Prieskorn's prior management positions include Chief Operating Officer from April 2019 through February 2021, and Senior Vice President, Chief Administration Officer from December 2009 through April 2019.

¹ Effective January 24, 2024, Ms. Chelko ceased to serve as general counsel of Jackson; however, she continues to serve as Executive Vice President of Jackson. On the same effective date, Scott Golde, age 54, assumed the role of Senior Vice President, General Counsel of Jackson. Mr. Golde also serves as Chief Ethics & Compliance Officer of JFI where he oversees compliance for the enterprise and serves as the lead attorney for Jackson, with responsibility over insurance and product matters. Mr. Golde has held the Chief Ethics & Compliance Officer portion of his role since March 2021. From February 2019 through February 2021, Mr. Golde also served as Vice President, Deputy General Counsel for Insurance for Jackson.

² Marcia Wadsten has notified the Company of her intention to retire as Chief Financial Officer as of June 3, 2024, although she will continue in an advisory role to support transition activities. Don W. Cummings is expected to be appointed as Chief Financial Officer as of June 3, 2024.

Christopher A. Raub	53	Executive Vice President, Chief Risk Officer of Jackson, a position assumed in April 2023. Prior to his appointment as the Chief Risk Officer of Jackson, Mr. Raub served as Senior Managing Director of Insurance, PPM America, Inc., a subsidiary of JFI (“PPM”), since April 2019. From January 2017 to April 2019, Mr. Raub served as PPM’s Senior Managing Director of Portfolio Strategy.
Scott E. Romine	58	Executive Vice President of Jackson, a position assumed in September 2022. Mr. Romine continues to serve as President and Chief Executive Officer of Jackson National Life Distributors LLC, a role assumed in December 2021. Prior to serving in this role, Mr. Romine served as the President of Advisory Solutions for JNLD from February 2018 to December 2021.
Craig D. Smith	57	Executive Vice President of Jackson, a position assumed in September 2022. Mr. Smith continues to serve as President, Chief Executive Officer and Chief Investment Officer of PPM, a role assumed in January 2021. Prior to this role, Mr. Smith served as Chief Investment Officer, since 2018. Mr. Smith is a designated Charter Financial Analyst.
Marcia Wadsten ³	57	Executive Vice President and Chief Financial Officer of Jackson, a position assumed in February 2021. Ms. Wadsten has been with Jackson for more than 30 years. Prior to her appointment as Chief Financial Officer, Ms. Wadsten served as Senior Vice President, Chief Actuary from June 2016 through February 2021.

Our Board of Directors

The directors of Jackson National Life Insurance Company, as of December 31, 2023, are as follows:

Laura Prieskorn, Chair, has been a member of the Jackson Board of Directors since February 2021. Ms. Prieskorn brings to the board her extensive experience and leadership skills, developed from more than three decades of experience at the Company, including development of the Company’s industry-leading operating platform. She earned a bachelor’s degree from Central Michigan University.

Ms. Prieskorn is the Chief Executive Officer and President of Jackson National Life Insurance Company since February 2021. From September 2020 until February 2021, Ms. Prieskorn served as Executive Vice President and Chief Operating Officer, and Chief Operating Officer since April 2019. Ms. Prieskorn joined Jackson in 1988 and has served in numerous leadership roles, including as Senior Vice President and Chief Administration Officer.

Marcia Wadsten has been a member of the Jackson Board of Directors since February 2021³. Ms. Wadsten has over 30 years of experience at Jackson. Ms. Wadsten holds a bachelor of science in mathematics from Valparaiso University and a master’s degree in applied mathematics from Purdue University. She is a member of the American Academy of Actuaries.

Ms. Wadsten has been Executive Vice President and Chief Financial Officer of Jackson National Life Insurance Company since February 2021. From 2016 to 2021, she served as Senior Vice President and Chief Actuary. During her career at Jackson, Ms. Wadsten has played a key role in financial modeling, product design, pricing and risk management.

Christopher A. Raub has been a member of the Jackson Board of Directors since May 2023. Mr. Raub has over 20 years of experience with PPM America, Inc. (“PPM”), an investment adviser affiliate of Jackson.

Mr. Raub is the Executive Vice President, Chief Risk Officer of Jackson, a position assumed in April 2023. Prior to his appointment as the Chief Risk Officer of Jackson, Mr. Raub served as Senior Managing Director of Insurance/Jackson Accounts, PPM, since April 2019. From January 1999 to April 2019, Mr. Raub served in a variety of roles at PPM, including as Senior Managing Director of Portfolio Strategy and Senior Managing Director in Risk, Private Fixed Income, and Credit Analysis.

³Ms. Wadsten is expected to remain a director until she resigns in June 2024. At that time, a new director is expected to replace her, but that person has not yet been named.

Corporate Governance - Board Composition and Committees

Our Board has three directors. Directors are elected annually and serve for one-year terms and until their successors are elected and qualified, or until their earlier resignation or removal. Vacancies in the board of directors occurring by reason of death, resignation, removal, increase in the number of directors, or otherwise shall be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the board of directors, unless filled by proper action of the Company's shareholder. The Board has a regular quarterly meeting cycle and holds special meetings as necessary.

Our Board has four committees, of which Laura Prieskorn serves as the chair of each committee:

Audit Committee

The Committee assists the Board in meeting its responsibility for the integrity of Jackson's financial statements, for the effectiveness of the Company's internal control and risk management systems, and for monitoring the effectiveness and objectivity of the internal and external auditors.

JFI Compensation Committee

The Committee is accountable to the Board and assists the Board in meeting its responsibilities to review and approve executive officer compensation and any variable incentive or bonus compensation paid to officers of the Company. This Committee also meets once per year to approve insurance company officer compensation as required by the Michigan Insurance Code.

Retirement Plan Committee

The Committee's function relates to certain deferred compensation plans that we maintain (the "Covered Plans"). The Covered Plans include (1) the Defined Contribution Retirement Plan (the "401(k) Plan"), (2) the Management Deferred Income Plan (the "MDIP"), (3) the Very Important Producers' Deferred Commission Plan (the "VIP Plan"), and (4) the New York Very Important Producers' Deferred Commission Plan (the "NYVIP Plan") and (5) the National Planning Holdings LLC Consolidated Registered Representatives' Deferred Commission Plan. The Board delegates to the Committee with regard to the Covered Plans' authority to (a) perform all functions that are described in the "Duties" section of the Retirement Plan Committee's charter, and (b) make all decisions and take all actions that it deems necessary in the course of performing those functions. The Board has not delegated to the Committee authority to amend, freeze or terminate any of the Covered Plans⁴.

Risk Committee

The Committee assists the Board in meeting its responsibilities for overseeing effective management of material financial and non-financial risks, including the investment of assets, the asset liability management program, and compliance with JFI Risk Framework and related JFI and Jackson Risk Policies.

⁴ On October 20, 2023, the President of the Company established a management committee, the Retirement Plan Committee (the "Committee"), which on the same day, immediately replaced the Company's Board Retirement Plan Committee. The Company's President shall appoint not less than three (3) members of Company management to be Committee members. The Committee's function relates to the Covered Plans as set forth in the Jackson National Life Insurance Company Retirement Plan Committee Charter, adopted October 20, 2023 (the "Charter"), and performs all functions and makes all decisions as described in the Charter. The Company's Board and the Board of National Planning Holdings LLC do not delegate to the Committee authority to amend, freeze, or terminate any of the covered Plans.

Security Ownership of Certain Beneficial Owners

The following table sets forth information concerning any person known to JFI to beneficially own more than 5% of JFI's common stock, as of December 31, 2023, except as otherwise noted below. The information in the table and the related notes are based on statements filed by the respective beneficial owners with the SEC pursuant to Sections 13(d) and 13(g) under the Securities Exchange Act of 1934, as amended.

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENT OF CLASS ⁽¹⁾
BlackRock, Inc. ⁽²⁾ 50 Hudson Yards New York, New York 10001	7,578,304	9.8%
Dimensional Fund Advisors LP ⁽³⁾ 6300 Bee Cave Road, Building One Austin, Texas 78746	4,175,972	5.3%
The Vanguard Group ⁽⁴⁾ 100 Vanguard Boulevard Malvern, Pennsylvania 19355	10,657,989	13.4%

1. Unless otherwise indicated, percentages calculated are based on JFI common stock outstanding as described in the Schedule 13G or 13G/A filed by each respective beneficial owner with the SEC.
2. Based on information provided in a Schedule 13G/A filed on March 7, 2024, BlackRock, Inc., a parent holding company, has the sole voting power with respect to 7,424,586 shares and the sole dispositive power with respect to 7,578,304 shares. Various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the common stock of Jackson Financial Inc. Of the subsidiaries set forth in Exhibit A of this Schedule 13G/A, only one entity, BlackRock Fund Advisors, beneficially owns 5% or greater of the outstanding shares of the security class being reported on this Schedule 13G/A. BlackRock, Inc. certifies that the securities were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of Jackson Financial Inc. and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.
3. Based on information provided in a Schedule 13G filed on February 9, 2024, Dimensional Fund Advisors LP has the sole power to vote or to direct the vote* of 4,106,123 shares and the sole power to dispose or to direct the disposition* of 4,175,972 shares. This schedule is not being filed pursuant to Rule 13d-1(b)(1)(ii)(J) or Rule 13d-1(d).

*NOTE: Dimensional Fund Advisors LP stated in its Schedule 13G that (i) it is an investment adviser registered under Section 203 of the Investment Advisors Act of 1940, (ii) it furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, (iii) it serves as investment manager or sub-adviser to certain other commingled funds, group trusts and separate accounts (such investment companies, trusts and accounts, collectively referred to as the "Funds") and (iv) in certain cases, subsidiaries of Dimensional Fund Advisors LP may act as an adviser or sub-adviser to certain Funds. It further stated that in its role as investment advisor, sub-adviser and/or manager, Dimensional Fund Advisors LP or its subsidiaries (collectively, "Dimensional") may possess voting and/or investment power over the securities of JFI that are owned by the Funds, and may be deemed to be the beneficial owner of the shares of Jackson Financial Inc. held by the Funds. However, all securities reported in the table are owned by the Funds. The Funds described in this NOTE have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the securities held in their respective accounts. To the knowledge of Dimensional, the interest of any one such Fund does not exceed 5% of the class of securities. Dimensional disclaims beneficial ownership of all such securities. In addition, Dimensional's filing of this Schedule 13G shall not be construed as an admission that the reporting person or any of its affiliates is the beneficial owner of any securities covered by this Schedule 13G for any other purposes than Section 13(d) of the Securities Exchange Act of 1934. Dimensional Fund Advisors LP certifies that the securities were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of Jackson Financial Inc. and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

4. Based on information provided in a Schedule 13G/A filed on February 13, 2024, The Vanguard Group has shared voting power with respect to 67,882 shares, sole dispositive power with respect to 10,511,083 shares, and shared dispositive power with respect to 146,906 shares. The Vanguard Group, Inc.'s clients, including investment companies registered under the Investment Company Act of 1940 and other managed accounts, have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the securities reported herein. No one other person's interest in the securities reported herein is more than 5%. The Schedule 13G/A certifies that the securities were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired in connection with or as a participant in any transaction having that purpose or effect, other than activities solely in connection with a nomination under §240.14a-11.

Security Beneficial Ownership of Management and Directors

The table below shows the beneficial ownership of Jackson common stock by each employee director, each of our NEOs, and all employee directors and all executive officers as a group, as of April 9, 2024, except as otherwise noted below. Additional details on each NEO's outstanding equity awards are included in the "Compensation Discussion and Analysis" section and related executive compensation tables below.

Beneficial ownership is broadly defined by the SEC. In general, a person beneficially owns securities if the person, alone or with another, has voting power or investment power (the power to sell) over the securities. Being able to acquire either voting

or investment power within 60 days, such as by exercising stock options, also results in beneficial ownership of securities. Unless otherwise indicated in the footnotes following the table, each of the named persons had sole voting and investment power with respect to the indicated number of JFI shares of common stock.

NAME OF BENEFICIAL OWNER	COMMON SHARES	SHARES THAT MAY BE ACQUIRED WITHIN 60 DAYS ⁽¹⁾	PERCENT OF COMMON SHARES ⁽²⁾
Employee Directors			
Laura L. Prieskorn, CEO, President and Director ⁽³⁾	240,257.18	—	*
Marcia L. Wadsten, EVP, CFO and Director	152,608.82	—	*
Christopher A. Raub, Director	12,422.53	—	*
Additional Named Executive Officers			
Craig D. Smith	88,520.94	—	*
Scott E. Romine ⁽⁴⁾	50,006.17	—	*
Carrie L. Chelko	40,348.06	—	*
Directors and Executive Officers as a Group	684,185.76	—	0.9%

1. In computing the percentage of common shares owned by each person and by the group, these shares were added to the total number of outstanding common shares for the separate calculations.
2. An asterisk (*) indicates less than 1%, as of March 25, 2024.
3. Ms. Prieskorn owns 4,900 shares directly in a joint brokerage account in the name of L. Prieskorn and C. Prieskorn TTEE, where Ms. Prieskorn and her spouse are both the trustees and the beneficiaries.
4. Mr. Romine owns 38,0001 shares directly in a joint brokerage account in the name of Scott Romine & Penny Romine, TTEE Eleven D Six Trust U/ A 08/25/23, where Mr. Romine and his spouse are both the trustees and the beneficiaries.

Certain Relationships and Related Persons Transactions

Related Persons Transactions Policy

The JFI Board has adopted a written policy for approval of transactions since the beginning of the Company’s fiscal year under consideration, or any currently proposed transaction, arrangement or relationship between the Company and its directors, director nominees, executive officers, greater than 5% beneficial owners of Jackson Financial Inc. common stock, and each of their respective immediate family members (each, a “Related Person”), where the amount involved since the beginning of the Company’s fiscal year under consideration, exceeded or is expected to exceed \$120,000 in a single fiscal year, and the Related Person has a direct or indirect material interest in the transaction. The policy provides that after consultation with management, if a transaction is determined to be a related person transaction and requires further approval, the transaction will be discussed with the Chair of the JFI Board Audit Committee, who may review or approve the related person transaction in advance of the next scheduled Audit Committee meeting, or request that the entire Audit Committee review and approve the transaction. If the Chair of the Audit Committee is the related person, then action must be taken by a majority of the disinterested members of the Committee or the disinterested members of the full JFI Board. Certain related persons transactions that are deemed pre-approved under the policy do not need to be submitted to the Audit Committee for approval.

In reviewing transactions subject to the policy, the Audit Committee or the Chair of the Audit Committee must consider, among other things, the following:

- The nature and extent of the Related Person’s interest in the transaction;
- The approximate dollar value of the transaction or aggregated transactions;
- The approximate dollar value of the Related Person’s direct or indirect interest in the transaction;
- Whether the transaction was undertaken in the ordinary course of the Company’s business;
- The availability of other sources for the products or services;
- The material terms of the transaction, including whether the Related Person is being treated differently than an unrelated third-party would be treated;
- Whether the transaction would impair the independence of a non-employee Director;

- Required public disclosure, if any; and
- Any other information that would be material to the Audit Committee exercising its business judgment, in light of the circumstances of the particular transaction.

Certain JFI Board-reviewed Related Person transactions are deemed pre-approved, even if the aggregate amount will exceed \$120,000. Those pre-approved Related Person transactions are as follows (as defined in JFI's Related Persons Transactions Policy):

- Executive officer compensation
- Director compensation
- Indemnification and advancement of expenses
- Awards under compensatory plans to executive officers and directors
- Director of another company
- Certain transactions with other companies
- Transactions where all security holders receive proportional benefits
- Competitive or fixed rates
- Banking or similar transactions
- Ordinary course business activities

Transactions with Related Persons

Our Directors and Executive Officers.

Several of the Company's directors and executive officers serve or served as directors or executive officers of other organizations, including organizations with which Jackson has commercial or charitable relationships. The Company does not believe that any director or executive officer had a direct or indirect material interest in any such relationships during 2023 and through the date of this prospectus.

Our Beneficial Owners of More Than Five Percent of Voting Securities

Prudential

As of December 31, 2022, Prudential had a 9.2% interest in JFI, but subsequently reduced that interest to zero as of June 27, 2023. In connection with JFI's 2021 demerger from Prudential, JFI entered into a Registration Rights Agreement with Prudential and former significant shareholder, Athene Life Re Ltd. ("Athene"). The agreement provided Prudential, Athene, and permitted transferees certain registration rights relating to shares of common stock beneficially owned by Prudential, Athene, and permitted transferees whereby, as relevant to Prudential, at any time following the completion of the demerger, Prudential and permitted transferees could have required JFI to register under the Securities Act of 1933, as amended, all or any portion of these shares, subject to certain limitations. The agreement terminated when Prudential ceased to have an equity interest in us (Athene having previously ended its equity interest in JFI).

PPM America, Inc.

Jackson is a party to an Amended and Restated Discretionary Investment Management Agreement among Jackson, Brooke and PPM America, Inc. ("PPM"), a Delaware corporation and JFI subsidiary, and an Amended and Restated Discretionary Asset Management Agreement with PPM. Under these agreements, PPM provides investment management services to Jackson with respect to certain of Jackson's general account assets. Fees paid to PPM under these agreements totaled \$54 million in 2023.

PPM also has Investment Management/Advisory Agreements with Jackson's subsidiary, JNAM, under which PPM provides investment management services. Fees paid to PPM under these agreements totaled \$7 million in 2023.

Lastly, Jackson is a party to an Unsecured Revolving Pay-In-Kind Note with PPM under which PPM may borrow up to \$35 million on a revolving basis from Jackson. Outstanding borrowings at December 31, 2023 were nil, and interest paid to Jackson totaled \$949 thousand in 2023.

Brooke Life Reinsurance Company

During the first quarter of 2024, Jackson entered into a 100% coinsurance with funds withheld reinsurance transaction with Brooke Life Reinsurance Company (“Brooke Re”) with all economics of the transaction effective as of January 1, 2024. Jackson and Brooke Re are both direct subsidiaries of Brooke Life Insurance Company. The transaction provides for the cession from Jackson to Brooke Re of liabilities associated with certain guaranteed benefit riders under our variable annuity contracts and similar products of Jackson (“market risk benefits”), both in-force on the effective date of the reinsurance agreement and written in the future (i.e., on a “flow” basis) as well as related future fees, claims and other benefits, and maintenance expenses in exchange for a ceding commission for the in-force business. Jackson retains the variable annuity base contract, the annuity contract administration of the ceded business, and responsibility for investment management of the assets in the funds withheld account supporting the ceded liabilities. The net GAAP-basis amount ceded, primarily consisting of market risk benefits in a net asset position, was \$1.3 billion. Brooke Re paid a ceding commission of approximately \$1.2 billion to Jackson in connection with the execution of the reinsurance transaction.

Jackson Financial Inc.

Jackson is a party to an Unsecured Revolving Pay-In-Kind Note with JFI under which JFI may borrow up to \$100 million on a revolving basis from Jackson. Outstanding borrowings at December 31, 2023 were nil and interest paid to Jackson totaled \$100 thousand in 2023.

Jackson is also party to a Master Repurchase Agreement dated June 9, 2022 with JFI under which either party may purchase the securities of the other party with cash for a defined period. There is a \$1 billion limit on outstanding transactions under the agreement at any point in time. There were no outstanding transactions at December 31, 2023.

In addition, Jackson is a party to an Uncommitted Money Market Line Credit Agreement dated April 6, 2023 among Jackson, JFI, and Société Générale. This agreement is an uncommitted short-term cash advance facility that provides an additional form of liquidity to Jackson and to JFI. The aggregate borrowing capacity under the agreement is \$500,000,000 and each cash advance request must be at least \$100,000. The interest rate is set at the time of the borrowing and is fixed for the duration of the advance. Jackson and JFI are jointly and severally liable to repay any advance under the agreement, which must be repaid prior to the last day of the quarter in which the advance was drawn.

Ordinary Course Business Activities with Other Related Persons.

From time to time, we engage in ordinary course business activities with entities or affiliates of entities that are the beneficial owner of more than 5% of JFI’s outstanding common stock. For example, we may invest general account assets in a variety of money market funds, exchange-traded funds (“ETFs”), public debt and private placements offered, issued or originated by BlackRock, Fidelity and Vanguard. Further, Jackson National Asset Management LLC’s mutual funds invest in BlackRock and Vanguard ETFs. We also engage Dimensional Fund Advisors LP, Fidelity and BlackRock affiliates to serve as a sub-adviser for certain separate account assets of Jackson. Fidelity also serves as the record-keeper on our associate retirement, deferred income, and health savings account plans. Under an investment management agreement, BlackRock Investment Management, LLC provides Jackson investment management services related to certain infrastructure debt transactions. Finally, Dimensional and Vanguard enter fund sponsor agreements with Jackson National Life Distributors LLC (“JNLD”), for JNLD’s support of the distribution and sales relationship. These ordinary course transactions with our more than 5% holders and their affiliates were arms-length transactions entered into in the ordinary course of business, with management and other fees based on the prevailing rates for non-related persons.

In addition, certain relationships exist with our executive officers or directors. Hilary Cranmore, a vice president in operations, is the sister-in-law of Laura Prieskorn, Chief Executive Officer and Director. Ms. Cranmore is an employee of the Company. For 2023, Ms. Cranmore received approximately \$912,253 in base salary, annual bonus and long-term incentive compensation from the Company, and participated in benefit arrangements generally applicable to similarly-situated associates.

Also, executive officers of the Company may invest their personal funds in funds or other investment vehicles or products that we or one or more of our subsidiaries manage or sponsor in the ordinary course of our business, such as annuities or similar products, on terms and conditions generally available in the marketplace with the same discount extended to all associates of the Company and its subsidiaries, and/or on the same terms as those extended to third parties in arm’s-length transactions.

EXECUTIVE COMPENSATION

The following sections discuss our executive compensation programs and compensation provided in 2023 to our named executive officers (“NEOs”). References in these sections to the JFI Compensation Committee refer to the JFI Compensation Committee of the JFI Board, which is responsible for the oversight of JFI’s executive compensation programs, including those programs applicable to the Company.

Compensation Discussion and Analysis

This compensation discussion and analysis provides information about the material elements of compensation provided in 2023 to our named executive officers (“NEOs”).

Our 2023 NEOs are as follows:

NAME	TITLE
Laura L. Prieskorn	Chief Executive Officer and President
Marcia L. Wadsten	Executive Vice President, Chief Financial Officer
Craig D. Smith	President, CEO and Chief Investment Officer, PPM America, Inc.
Scott E. Romine	President and CEO, Jackson National Life Distributors LLC
Carrie L. Chelko	Executive Vice President and General Counsel ¹

¹ Effective January 24, 2024, Ms. Chelko stepped down as general counsel of Jackson and Scott Golde was announced as Jackson’s new general counsel.

Executive Summary

2023 marked another successful year for Jackson Financial Inc. and its stakeholders. JFI’s results underscore Jackson’s ability to maintain financial and risk management discipline while continuing to serve our customers through product innovation, exceptional distribution partnerships, and industry-leading service.

A few examples of our management team’s strong performance and focused, diligent execution of JFI’s 2023 financial and strategic plans include:

Financial and Capital Strength

For the third consecutive year, JFI met or exceeded each of its key financial targets — RBC ratio, holding company fixed expenses, and capital return to JFI common shareholders.

Jackson had a strong capital position with an RBC ratio of 624% at year-end 2023, which was above the target range for normal market conditions. JFI’s holding company cash and highly liquid securities of \$599 million at year-end was above the 2023 targeted minimum liquidity buffer.

JFI returned \$464 million of capital to common shareholders through \$255 million in share repurchases and \$209 million in dividends, which was comfortably within the target range.

Importantly, in 2023 we received regulatory approval to establish and fund a new Michigan-based captive reinsurer, Brooke Life Reinsurance Company (“Brooke Re”), which was established and funded in January 2024. Brooke Re should allow us to optimize our hedging, stabilize capital generation, and produce more predictable financial results going forward. We have confidence in this arrangement and our healthy and profitable book of business such that we expect to achieve our capital return target established for 2024 of \$550-\$650 million, which represents a 20% increase over the prior year range.

Products, Sales, and Service

Our strength in the market has been built on our consistent presence, a compelling retirement value proposition, strong distribution relationships and our award-winning customer service.

Total JFI retail annuity sales in 2023 were \$12.8 billion and JFI ended the year with a 12% increase in retail annuity account values, net of reinsurance, over the prior year. Variable annuity (VA) sales remained relatively stable over the course of the year, and we saw VA profitability improve with the rise in interest rates. In our second full year of selling registered index-linked annuities (RILAs), sales approached \$3 billion, up 60% from 2022. Notably, RILA sales in the fourth quarter of 2023 alone reached \$1 billion.

We maintained a strong distribution network within our three traditional broker-dealer channels and continued to expand our strong presence among the growing independent registered investment advisers (RIAs) channel. We ended 2023 with more than 1,380 RIA firm agreements providing access to more than 11,700 investment advisor representatives.

We were once again recognized by Service Quality Measurement Group, Inc. for excellence in contact center service, including Highest Customer Service in the Financial Industry in 2023. We were also ranked second for overall operational capabilities in 2023 by Operations Managers' Roundtable, a cohort of our broker-dealer partners.

Corporate Responsibility

JFI's 2022 report for corporate responsibility was published in May 2023 and provides an update on programs and initiatives underway that support our corporate responsibility and sustainability efforts. These efforts are designed to maintain our balanced, long-term approach to serving JFI's stakeholders as we continue to evolve and adapt to a changing market environment. Priorities highlighted in the report based on their materiality to our business or stakeholders include: customer advocacy and investing responsibly, associate culture and development, philanthropy and volunteerism, climate change, waste reduction and recycling efforts, ecology and our strong governance and business practices. With respect to human capital management, the company's strategy is rooted in our core values of Empower, Execute, Respect and Create. Our 2023 accomplishments reflect the hard work of our many talented associates who come to Jackson to work with a market leader and our associates routinely rate our compensation and benefits packages highly and the organization places an emphasis on workforce development and inclusion, highlighting opportunities for growth within the organization.

Compensation Philosophy

Our compensation philosophy is designed to align the interests and incentives of our NEOs with those of our long-term shareholders by linking a substantial portion of each NEO's compensation to achievement of performance metrics aligned with our strategy and includes the following general principles and objectives:

PAYING FOR PERFORMANCE	The majority of executive compensation is in the form of variable elements that are based on company and individual performance results that drive increases in shareholder value
PROVIDING COMPETITIVE TARGET TOTAL DIRECT COMPENSATION ("TDC") OPPORTUNITIES	We aim to offer competitive compensation that enables us to attract, motivate and retain high-performing executives
ALIGNING EXECUTIVES' INTERESTS WITH SHAREHOLDER INTERESTS	A significant portion of our NEOs' Target TDC is delivered in the form of stock-based incentives
ENCOURAGING LONG-TERM DECISION-MAKING	JFI's long-term incentive compensation program includes awards with multi-year overlapping performance or vesting periods
AVOIDING PROBLEMATIC PAY PRACTICES	JFI does not provide excessive perquisites, excessive change-in-control severance pay or excise tax gross-ups, and JFI will not reprice stock options without shareholder approval
REINFORCING STRONG RISK MANAGEMENT	Our compensation program is designed to avoid providing our associates with incentives to take excessive risks
MAINTAINING STRONG GOVERNANCE	Fostered by JFI Compensation Committee oversight of our executive compensation program, we have a rigorous process in place to: <ul style="list-style-type: none"> • review plan design, • set financial goals and target TDC levels, • review risk, control and conduct issues, and • adjust compensation levels as appropriate

Our Compensation and Governance Practices

WHAT WE DO	WHAT WE DON'T DO
<input checked="" type="checkbox"/> Pay-for-performance compensation philosophy	<input checked="" type="checkbox"/> No hedging or pledging of JFI stock by executive officers or directors
<input checked="" type="checkbox"/> Significant majority of executive compensation in the form of at-risk, performance-based pay	<input checked="" type="checkbox"/> No "single-trigger" or excessive change in control severance benefits
<input checked="" type="checkbox"/> Annual incentive program linked to financial and strategic goals including corporate responsibility performance	<input checked="" type="checkbox"/> No golden parachute excise tax gross-ups in connection with a change in control
<input checked="" type="checkbox"/> Multi-year vesting and/or performance periods for equity grants; appropriately capped incentive levels	<input checked="" type="checkbox"/> No repricing of options permitted in the Jackson Financial Inc. 2021 Omnibus Incentive Plan ("JFI OIP") without shareholder approval
<input checked="" type="checkbox"/> Multiple performance metrics that deter excessive focus on a singular performance goal	<input checked="" type="checkbox"/> No evergreen provision in the JFI OIP
<input checked="" type="checkbox"/> "Clawback" policy for incentive programs including recoupment provisions in the event of a financial restatement, breach of law, company conduct, or misconduct	<input checked="" type="checkbox"/> No payout of dividend equivalents accrued on equity awards unless and until underlying award vests
<input checked="" type="checkbox"/> Robust stock ownership guidelines	
<input checked="" type="checkbox"/> Annual assessment of compensation risks	
<input checked="" type="checkbox"/> Limited perquisites	
<input checked="" type="checkbox"/> Independent compensation consultant	

Role of the JFI Compensation Committee

The JFI Compensation Committee discharges the JFI Board's responsibilities relating to executive compensation. The JFI Compensation Committee is currently responsible for:

- Establishing and periodically reviewing the Company's general compensation philosophy, strategy and principles, and, in consultation with senior management and taking into account shareholder feedback (including the results of our Say-on-Pay vote), overseeing the development and implementation of compensation programs in accordance with those principles.
- Annually reviewing and approving corporate goals and objectives relevant to the CEO's total compensation, evaluating the CEO's performance and recommending for approval by the independent directors of the JFI Board the CEO's total compensation level.
- Annually reviewing and approving corporate goals and objectives relevant to the compensation of the other NEOs; with input from the CEO, evaluating the performance of these executive officers; reporting the results to the JFI Board; and reviewing and approving incentive compensation levels for NEOs other than the CEO.
- Reviewing and approving all compensation arrangements for executive officers other than the CEO, including employment, consulting, retirement, severance, and change in control agreements.
- Reviewing and making recommendations to the JFI Board with respect to JFI's equity-based compensation programs.
- Reviewing and approving the JFI's annual incentive compensation programs.
- Reviewing and overseeing compliance with the JFI's executive officer stock ownership guidelines, hedging, pledging, and clawback policies.
- Overseeing management's efforts to ensure JFI's compensation programs do not encourage excessive or inappropriate risk-taking.

The Role of Our CEO

Ms. Prieskorn, as part of her responsibilities as CEO, evaluates each other executive officer's performance and makes recommendations regarding the executive officers' compensation to the JFI Compensation Committee.

The Role of the JFI Compensation Committee’s Independent Compensation Consultant

In overseeing JFI’s compensation programs, the JFI Compensation Committee develops programs based on its own deliberations and recommendations from management and compensation and benefits consultants, including its independent compensation consultant, Mercer (US) LLC (“Mercer”). Mercer provides research, analysis, and independent advice on topics such as the compensation of our NEOs, executive compensation trends, and peer companies that may be utilized for comparative purposes. Mercer reports directly to the JFI Compensation Committee, and the JFI Compensation Committee may replace the firm or hire additional consultants or advisors at any time.

At the JFI Compensation Committee’s direction, Mercer attends JFI Compensation Committee meetings, reviews and advises on all materials provided to the JFI Compensation Committee for discussion and approval, and undertakes special projects as assigned.

The JFI Compensation Committee has assessed the independence of Mercer based on the New York Stock Exchange listing standards and applicable SEC rules and regulations and concluded that Mercer’s engagement does not raise any conflicts of interest.

Compensation Peer Group

Prior to setting target compensation levels for our NEOs, the JFI Compensation Committee reviews the base salary, target short-term incentive, target equity-based long-term incentive and TDC of each NEO, and compares these elements of compensation to equivalent positions at a select group of peer companies. This peer group is evaluated by the JFI Compensation Committee on an annual basis taking into account the advice of its independent compensation consultant. The companies in JFI’s peer group were selected after careful consideration of a range of relevant factors including size, industry and those with which JFI competes for executive talent, among other factors. The JFI Compensation Committee considers pay data from the peer group as an important reference point in determining how to continue to provide competitive pay opportunities.

The peer group used for 2023 executive compensation decisions was the same as the group used in 2022, and included the following companies:

2023 COMPENSATION PEER GROUP

American Equity Investment Life	Ameriprise Financial	Brighthouse	CNO Financial
Equitable	Genworth Financial	Guardian Life	Lincoln National
Pacific Life	Principal Financial	Unum Group	Voya Financial

Elements of JFI’s Executive Compensation Program

Overview

For 2023, the compensation program for our NEOs consisted of base salary, cash-based short-term annual incentive bonus, long-term incentive (“LTI”) and limited perquisites. Collectively, these elements of compensation are designed to further the goals set forth in our compensation principles and our pay-for-performance philosophy.

The graphics below present the 2023 target pay mix for our CEO and average target pay mix of our other NEOs.



What’s New with Our 2023 Compensation Program

We made the following changes to our compensation design for 2023. More information is included in the “Short-Term Incentives for 2023” and “Long-Term Incentive Awards Granted in 2023” sections.

COMPENSATION PROGRAM CHANGES		
Compensation Program	Change Made	Reason for Change
Short-term Incentive Program	Replaced Excess Capital Generation metric with Controllable Costs	Reflects strategic focus on cost management
Short-term Incentive Program	Increased Weighting for Pretax Adjusted Operating Earnings metric to 60% from 40%	Increases emphasis on earnings
Short-term Incentive Program	Changed Mr. Smith’s short-term incentive payout to include both the results of the Jackson Financial Inc. Annual Bonus Program and the PPM Bonus Pool	Emphasizes Mr. Smith’s and PPM’s contribution to the success of Jackson Financial Inc.
Long-term Incentive Program	Added a relative Total Shareholder Return metric as a modifier to performance share unit award results	Further supports shareholder alignment
Long-term Incentive Program	Removed Mr. Smith’s eligibility in the PPM Performance Incentive Award (“PIA”) cash long-term incentive program and reallocated his prior PIA target award to equity-based long-term incentives	Better aligns with other NEOs’ pay structures and further strengthens shareholder alignment

We discuss below each element of our executive compensation, the reason for providing each element, and how each element fits into our overall compensation philosophy.

Base Salary

The Company provides base salaries that are reflective of the responsibilities of each role while maintaining competitiveness in the markets in which we compete for talent. Consistent with our pay-for-performance philosophy, base salaries comprise not only the smallest percentage of our NEOs’ total compensation, but also the only fixed pay element. The JFI Compensation Committee annually reviews and, if appropriate, adjusts each NEO’s base salary. For the CEO’s base salary, the JFI Compensation Committee recommends any adjustment to our independent directors of the Board for approval. When determining if a base salary adjustment is warranted, the JFI Compensation Committee considers several factors including:

- Company performance against business objectives;
- changes in individual levels of responsibility;
- individual performance and experience;
- market data regarding similar positions in our peer group and the broader financial sector;
- salaries of similar internal roles;
- knowledge of our unique business and relationships; and
- general economic conditions.

While the JFI Compensation Committee considers the above factors to guide its decisions, it does not rely on them exclusively. The JFI Compensation Committee exercises its business judgment based on a thorough assessment of our NEOs' compensation levels and their overall alignment with our compensation philosophy and pay strategy.

In February 2023, the JFI Compensation Committee approved the base salary for each NEO, except for Ms. Prieskorn, whose base salary was approved by the independent members of the JFI Board. The table below sets forth the annualized base salaries of our currently employed NEOs as of December 31, 2023.

NAME	2023 SALARY (AS OF DECEMBER 31, 2023)
Laura L. Prieskorn	\$1,000,000
Marcia L. Wadsten	\$800,000
Craig D. Smith	\$540,000
Scott E. Romine	\$650,000
Carrie L. Chelko	\$510,000

Short-Term Incentives for 2023

The annual incentive plan is an important element of NEO compensation. The annual incentive focuses NEOs on the achievement of organizational and individual results within a performance year by providing variable compensation that is determined by performance, measured on a Company-wide basis or with respect to one or more business units, divisions or affiliates, and on individual performance. The target performance objectives are intended to balance the need to achieve our financial and strategic goals while setting challenging standards of performance.

Prior to 2023, Mr. Smith only participated in the PPM Bonus Pool. However, in December 2022, the JFI Compensation Committee approved a change whereby a portion of Mr. Smith's bonus is based on the results of the Jackson Annual Bonus Program and the remaining portion on the results of the PPM Bonus Pool. Ms. Prieskorn, Ms. Wadsten, Mr. Romine and Ms. Chelko will continue to participate in the Jackson Annual Bonus Program.

Details regarding these annual incentive programs are discussed below.

Jackson Annual Bonus Program

Participants in the 2023 Jackson Annual Bonus Program are eligible to receive payouts at various thresholds based on achievements of certain performance measures established by the JFI Compensation Committee at the beginning of each fiscal year.

For the 2023 performance year, our JFI Compensation Committee approved the following quantitative and qualitative performance measures:

Goal	Weighting	Purpose
Pretax Adjusted Operating Earnings	60%	Measures profitability. Weighting increased to 60% from 40% in 2022
Controllable Costs	20%	<p>Reflects the strong historical, cultural, and strategic focus on cost management</p> <p>Replaced prior metric of Excess Capital Generation, which is similar to the “Generation of Net Cash Flow Available to JFI” metric used for the LTI program and more appropriate for measurement over a multi-year period</p>
Key Strategic Objectives	20%	<p>Encourages the achievement of various business objectives including balance sheet health, product distribution and ESG initiatives.</p> <p>Balance Sheet Health</p> <ul style="list-style-type: none"> • Achieve operating company RBC levels within our targeted range, appropriately managed within our risk framework <p>Distribution Partners and Channels</p> <ul style="list-style-type: none"> • Increase number of advisors selling more than one product group • Grow the number of new advisors who sell our products • Increase the number of advisors with production meeting top producer status <p>ESG Objectives</p> <ul style="list-style-type: none"> • Grow and secure a competitive advantage by evolving our inclusive work culture through education, expansion of our diverse talent pools and building corporate accessibility strategies • Reduce our impact to the environment through efficient water consumption, maintenance of energy star certifications, and use of renewable energy through our solar farm project • Drive philanthropic efforts which engage our associates to volunteer in our local communities

2023 Annual Bonus Performance Metric Results

The table below describes the threshold, target, and maximum payout levels for each performance measure, including the performance outcome achieved and the payout percentage for each performance measure (including the overall cumulative payout percentage, which is used to determine the ultimate payout against the target annual cash incentive amount for each NEO).

2023 SHORT-TERM INCENTIVE PERFORMANCE METRIC RESULTS ⁽¹⁾

Goal	Weighting	Threshold 50%	Target 100%	Maximum 200%	Performance Outcome	Payout Percentag	Weighted Payout
Pretax Adjusted Operating Earnings ⁽²⁾	60%	\$924m	\$1,155m	\$1,386m	\$1,238m	135.9%	81.5%
Controllable Costs ⁽³⁾	20%	\$837m	\$761m	\$685m	\$714m	161.8%	32.4%
Key Strategic Objectives ⁽⁴⁾	20%	See description above			Above Target	144.4%	28.9%
Cumulative Payout Percentage							142.8%

⁽¹⁾ If the performance outcome is below the threshold level for a performance measure, then there is a 0% payout for such measure. If the performance outcome for a performance measure is between the threshold and target levels, or the target and maximum levels, then straight-line interpolation is used to determine the payout percentage.

⁽²⁾ Please see Appendix A for the reconciliation of "Pretax Adjusted Operating Earnings" to the most comparable U.S. GAAP measure, as well as the explanation of the adjustments made to "Pretax Adjusted Operating Income" pursuant to the terms of the annual bonus program.

⁽³⁾ Please see Appendix A for the reconciliation of "Controllable Costs" to the most comparable U.S. GAAP measure.

⁽⁴⁾ The JFI Compensation Committee determined that management exceeded the Key Strategic Objectives noting among other items, that:

- Balance Sheet Health: RBC at December 31, 2023 was 624%, well above the upper end of the targeted range, and the establishment of Brooke Re was a substantial accomplishment to help better position Jackson for future success as we seek to optimize our future hedging, stabilize capital generation, and produce more predictable financial results going forward. Management continued to exhibit a strong risk culture and appropriate behaviors, proactively identifying, escalating, reporting, and informing the board on key issues.
- Distribution Partners and Channels: Continued solid growth in new advisors – including new relationships, expansion of existing relationships across additional products, and re-engagement of past advisors – along with continued growth in RILA as a core product.
- ESG: Substantially exceeded goals focused on several areas, including: training on inclusive behavior, teamwork, and collaboration; supporting the communities within which we work and live through volunteerism; and reducing our impact on the environment through measures such as the generation of renewable energy.

PPM 2023 Bonus Pool. Mr. Smith also participated in the PPM 2023 Bonus Pool (the "PPM Bonus Pool"), approved by the JFI Compensation Committee for PPM associates. In 2023, 90% of the PPM Bonus Pool was funded based on investment criteria delivered for each of PPM's clients. For some clients, the assessment was based primarily on one- and three-year performance of funds against their respective benchmarks or peer groups; for others, it was a combination of investment performance and other measures, such as purchase spreads or credit losses. Each client also had the opportunity to assess a discretionary element to address issues like client service, compliance, and similar factors. The remaining 10% of the PPM Bonus Pool was funded based on a qualitative assessment of PPM's achievement of fundamental financial and productivity goals relating to external distribution, successful execution of Collateralized Loan Obligation ("CLO") business and managing expenses. Based on 2023 performance, the PPM Bonus Pool was funded at 124.7% of the target funding amount.

Annual Bonus Payout Amounts for Fiscal Year 2023

2023 BASE SALARY	X	ANNUAL BONUS TARGET	X	APPROVED PAYOUT PERCENT	=	ANNUAL BONUS AMOUNT
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To receive an annual bonus, an NEO must remain employed by the Company through the payment date, except in cases of termination due to death, disability or qualifying retirement (each as defined in the Jackson OIP), in which case the NEO will be paid a pro-rated bonus based on the portion of the performance year worked.

The JFI Compensation Committee, in its discretion, may vary individual bonus percentage payouts based on an individual NEO's performance. For 2023, the JFI Compensation Committee determined that it was appropriate to award a cash bonus based on the full bonus pool funding level of 142.8% for Mr. Smith, Mr. Romine and Ms. Chelko. In addition, the JFI Compensation Committee approved a bonus award at 175.0% of target for Ms. Prieskorn and 160.7% of target for Ms. Wadsten in consideration of their extraordinary performance in the formation of Brooke Life Reinsurance Company and achievement of the Company's strategic goals in 2023.

The table below sets forth the 2023 target bonuses and actual bonus amounts earned for each of our NEOs. The cash bonuses earned by these NEOs are reflected in the "Non-Equity Incentive Compensation" column of our 2023 Summary Compensation Table.

2023 SHORT-TERM INCENTIVE PROGRAM AWARDS

NAMED EXECUTIVE OFFICER	Target Bonus	Approved Payout as Percentage of Target	Actual Bonus Amount
Laura L. Prieskorn	\$2,000,000 (200% of Base Salary)	175.0%	\$3,500,000
Marcia L. Wadsten	\$1,400,000 (175% of Base Salary)	160.7%	\$2,250,000
Craig D. Smith	\$1,566,000 (165% of Base Salary for Jackson) (125% of Base Salary for PPM)	135.0% (142.8% for Jackson) (124.7% for PPM)	\$2,114,100
Scott E. Romine	\$975,000 (150% of Base Salary)	142.8%	\$1,392,300
Carrie L. Chelko	\$765,000 (150% of Base Salary)	142.8%	\$1,092,400

Long-Term Incentive Awards Granted in 2023

JFI's LTI program is designed to incentivize the delivery of longer-term business goals, sustainable long-term returns for shareholders, and strategic priorities. In line with our pay-for-performance philosophy, LTI compensation forms a significant part of the compensation package for each of our NEOs. The LTI program also serves as a key tool for attracting and retaining senior-level talent and rewards participants based on longer-term business outcomes to align our NEOs' interests with the interests of JFI's shareholders.

Each NEO was granted an award of performance share units ("PSUs") and restricted share units ("RSUs") on March 10, 2023 (the "2023 Grant Date") under our LTI program. Each NEO's aggregate target LTI award for 2023 was granted 60% in the form of PSUs and 40% in the form of RSUs. The number of units granted to each NEO was determined by dividing the dollar value of the NEO's target award by the average closing price of the Company's common stock for the 10-trading day period immediately prior to the 2023 Grant Date. Any PSUs and RSUs that vest will be settled in shares of JFI's common stock. To further strengthen the alignment of executives' interests with those of long-term shareholders, all equity awards are subject to JFI's Compensation Clawback Policy, stock ownership guidelines and JFI's Insider Trading Policy.

2023 PSU Awards. The 2023 PSUs may be earned based on the Company's achievement of certain financial performance measures over a three-year performance period commencing on January 1, 2023 and ending on December 31, 2025. PSUs may vest between 0% and 200% of the target award based on the level of achievement of the performance measures. The performance measures used for the PSUs focus on critical financial measures and provide a balance between cash flow generation and return on equity. The performance measures are as follows:

- Generation of Net Cash Flow Available to JFI (60%), which supports facilitation of debt repayment and shareholder capital return; and
- Adjusted Operating ROE Attributable to Common Shareholders ("Adjusted Operating ROE") (40%), which helps ensure strong underlying financial performance of the business.

In connection with its annual review of our LTI program, in consideration of shareholder feedback and upon the advice of its independent compensation consultant, the JFI Compensation Committee added a relative total shareholder return

("rTSR") modifier to the 2023 PSU awards. The inclusion of rTSR in determining performance for the 2023 PSU awards further supports shareholder alignment and is consistent with the design of most peer company LTI programs.

Pursuant to the rTSR modifier, the Company's share price performance will be assessed over the three-year performance period compared against the performance of the S&P Insurance Select Industry Index, an industry peer group. As indicated in the schedule shown below, the modifier will be applied to the vesting result otherwise achieved under Generation of Net Cash Flow Available to JFI and Adjusted Operating ROE metrics. However, the maximum number of PSUs that can be earned cannot exceed the maximum target of 200%, regardless of the rTSR modifier.

rTSR Modifier⁽¹⁾	
Performance Quartile	Payout Modifier
Top Quartile	120%
2 nd and 3 rd Quartiles	100%
Bottom Quartile	80%

The weighting and the threshold, target, and maximum performance goals for each of the two performance measures are set forth in the following table.

2023-2025 GOALS⁽¹⁾				
Performance Measure	Weighting	Threshold (50% Payout)	Target (100% Payout)	Maximum (200% Payout)
Generation of Net Cash Flow Available to JFI ⁽²⁾	60%	\$2,949m	\$4,449m	\$5,949m
Adjusted Operating ROE ⁽²⁾	40%	12.0%	15.0%	18.0%

⁽¹⁾ If performance is below the threshold level for a performance measure, then the payout percentage will be 0% for that measure. If performance is achieved between the threshold and target levels, or between the target and maximum levels, then the payout percentage will be determined by straight-line interpolation.

⁽²⁾ This is a non-GAAP measure. See Appendix A for reconciliation to the most directly comparable financial measure or measures calculated and presented in accordance with U.S. GAAP.

Any PSUs that become earned based on the achievement of the performance measures will vest on March 10, 2026. The table below sets forth the target number of PSUs granted to each NEO in 2023 under our LTI program and the value of such PSUs based on a grant date fair value of \$43.90, using a Monte Carlo valuation model.

NEO	PSUs (#)	GRANT DATE FAIR VALUE
		(\$)
Laura L. Prieskorn	89,717	\$3,938,576
Marcia L. Wadsten	33,126	\$1,454,231
Craig D. Smith	31,193	\$1,369,373
Scott E. Romine	23,464	\$1,030,070
Carrie L. Chelko	15,873	\$696,825

2023 RSU Awards. The RSUs granted in 2023 will vest in equal tranches on the first, second and third anniversaries of the 2023 Grant Date. The table below sets forth the number of RSUs granted to each NEO in 2023 under our LTI program and the value of such RSUs based on closing price of JFI's common stock on the 2023 Grant Date of \$40.02.

NEO	RSUs (#)	GRANT DATE FAIR VALUE
		(\$)
Laura L. Prieskorn	59,811	\$2,393,636
Marcia L. Wadsten	22,084	\$883,802
Craig D. Smith	20,795	\$832,216
Scott E. Romine	15,642	\$625,993
Carrie L. Chelko	10,582	\$423,492

If JFI declares and pays a cash dividend on its common shares, a dividend equivalent equal to the cash dividend will be credited on then outstanding PSU and RSU awards. That dividend equivalent will be deemed reinvested in additional PSUs or RSUs, as applicable, and will be subject to the same vesting and other terms and conditions as the underlying PSU or RSU awards. A dividend equivalent is not payable unless and until the related PSU or RSU award is paid.

PSUs and RSUs vest subject to an NEO's continued employment through the vesting date(s). The treatment of outstanding PSU and RSU awards upon an NEO's termination and/or a change in control of JFI is described below in the "Potential Payments Upon Termination or Change in Control" section.

Performance-Based LTI Awards Vested in 2023

Award achievement for the 2021 PSU Awards. The 2021 PSU awards had a three-year performance period commencing on January 1, 2021 and ending on December 31, 2023. These PSUs may vest between 0% and 200% of the target award based on the level of achievement of the performance measures. On February 1, 2024, the JFI Compensation Committee met to review and certify the performance measures for the 2021 PSU awards. The performance measures, certified achievement and vesting percentage are as described below. These awards vested on April 4, 2024, the thirty-month anniversary of the grant date. These awards were granted on October 4, 2021 at the time of our demerger with Prudential plc and had a thirty-month vesting period to closer align with the vesting schedule for grants that were outstanding at the time of the demerger.

2021-2023 GOALS⁽¹⁾

Performance Measure	Weighting	Threshold (50% Payout)	Target (100% Payout)	Maximum (200% Payout)	Certified Achievement	Vesting Percentage	Weighted Payout
Generation of Net Cash Flow Available to JFI ⁽²⁾	60%	\$1,559m	\$2,059m	\$2,559m	\$1,934m	88%	53%
Adjusted Operating ROE ⁽²⁾	40%	15.0%	18.7%	22.4%	17.5%	84%	34%
Final Vesting Percent							86%

⁽¹⁾ If performance is below the threshold level for a performance measure, then the payout percentage will be 0% for that measure. If performance is achieved between the threshold and target levels, or between the target and maximum levels, then the payout percentage will be determined by straight-line interpolation.

⁽²⁾ This is a non-GAAP measure. See Appendix A for reconciliation to the most directly comparable financial measure or measures calculated and presented in accordance with U.S. GAAP.

PPM Performance Incentive Award Plan. Prior to 2023, Mr. Smith also participated in the PPM Performance Incentive Award Plan (the "PIA"). The PIA is intended to further align individual compensation to the investment performance delivered to PPM clients. The 2020 PIA awards previously granted to Mr. Smith in 2020 vested in April 2023. The cash amount payable under this award (\$410,469) is included in the "Non-Equity Incentive Compensation" column of our Summary Compensation Table. The amount was determined based on returns in the PPM Core Plus Fixed Income Fund, PPM High Yield Core Fund, and PPM Small Cap Value Fund (the latter of which no longer exists) managed by PPM during the three-year performance period, which represented a return of 26.3% on the original grant amount of \$325,000 in 2020.

Stock Ownership Guidelines

The JFI Compensation Committee oversees stock ownership guidelines applicable to senior executives of the Company. The key terms of the stock ownership guidelines are as follows:

TITLE	REQUIRED HOLDINGS
CEO	7 x annual base salary
Executive Committee members	4 x annual base salary
Senior Vice Presidents (and equivalent)	1 x annual base salary

Each covered executive is required to achieve the applicable stock ownership level within five years after becoming subject to it. For purposes of determining ownership levels, stock held outright, stock held in retirement accounts, and unvested stock-settled RSUs granted under the Jackson OIP are counted. Unvested PSUs do not count toward determining ownership levels. Once an executive has acquired sufficient JFI common stock to meet the share ownership requirement, such number of shares then becomes the officer's minimum ownership requirement (even if the officer's salary increases or the fair market value of such shares subsequently changes) unless the officer is promoted to a higher level. If a covered executive fails to meet the guidelines within five years, a mandatory deferral of all or a portion of the executive's annual bonus payment into RSUs will be applied. All NEOs are in compliance with the Company's stock ownership guidelines.

Nonqualified Deferred Compensation Plan

Jackson National Life Insurance Company Management Deferred Income Plan ("MDIP"). All NEOs are eligible to participate in the MDIP, an unfunded, non-qualified deferred compensation plan offered to a select group of management and highly compensated associates. Participation in the MDIP is voluntary and provides participants the opportunity to defer income until a later date. Participants may elect to defer a portion of their salary and/or annual incentive bonus during an open enrollment period prior to the year in which the compensation is earned. Amounts deferred are credited to a bookkeeping account and are always 100% vested. A participant may direct the deemed investment of his or her account among the notional investment options available. A participant may elect to receive payment of deferred amounts upon termination of employment or after a specified calendar year. Payment options include a single lump sum or annual installments not to exceed 25 years.

For more information on the Company's deferred compensation plans, see the fiscal year 2023 Nonqualified Deferred Compensation table.

Tax Implications

Section 162(m) of the Internal Revenue Code generally limits the deductibility, for federal income tax purposes, of compensation paid to certain executives of publicly held companies to \$1 million per person per year. As a publicly held Company, we are subject to the Section 162(m) compensation deduction limits. However, the JFI Compensation Committee has the ability to authorize compensation payments that are not deductible for federal income tax purposes when the JFI Compensation Committee believes that such payments are appropriate to attract, retain and incentivize executive talent.

Limited Perquisites and Other Benefits

The Company provides limited perquisites to its associates, including the NEOs, to facilitate the performance of their management responsibilities.

Corporate Aircraft. We maintain corporate aircraft which are used primarily for business travel by our executive officers to provide the CEO and certain direct reports of the CEO with a secure and private environment in which to work while they travel. The use of corporate aircraft also allows for more efficient and effective use of such executives' time, given the Company's various locations and, with respect to our Lansing headquarters, distance from major commercial airports. It also enables our NEOs to work more productively on confidential and sensitive matters while traveling.

The NEOs and their guests may occasionally use our corporate aircraft for non-business purposes, subject to approval on a case-by-case basis and the availability of planes and crews.

Our NEOs incur taxable income, calculated in accordance with the U.S. Department of Transportation Standard Industry Fare Level Rates, for personal use of our corporate aircraft. We do not grant bonuses or other compensation to cover, reimburse, or otherwise "gross-up" any income tax owed for personal travel on our corporate aircraft.

Financial Planning and Tax Preparation Services. We offer to reimburse our NEOs, along with certain other officers, up to a maximum of \$15,000 annually for any combination of tax/financial-planning services and tax-preparation services provided by a certified public accountant.

Executive Physicals. We offer an executive physical program to our NEOs and certain other officers to promote annual preventive physicals that are comprehensive and are provided in a manner and format that minimizes the NEO's time away from the office.

Jackson Financial Inc. Severance Plan

All NEOs are eligible to participate in the Jackson Financial Inc. Severance Plan (“Severance Plan”). The JFI Compensation Committee adopted the Severance Plan, effective as of November 7, 2022, to provide severance benefits to a select group of officers. The CEO’s eligibility to participate in the Severance Plan was approved on November 7, 2022 by the independent directors of the JFI Board.

The Severance Plan provides for a lump sum cash payment to a participant in the event of his or her employment termination by the Company without Cause or by the participant with Good Reason, each as defined in the Severance Plan. The participant’s receipt of that lump sum cash payment is conditioned upon the participant’s execution and non-revocation of a release of claims in favor of the Company. The amount of the lump sum cash payment for the NEO group in the event of a qualifying termination under the Severance Plan is calculated as:

- for the CEO, a two times multiple of the “severance compensation basis”; and
- for the other NEOs, a 1.5 multiple of the “severance compensation basis”.

The “severance compensation basis” includes a participant’s annual base salary, target annual bonus for the year of termination and the amount required for 12 months of COBRA continuation coverage. The Severance Plan also provides for the payment of a pro-rated annual bonus for the year in which the termination occurs and, if termination occurs before the annual bonus for the immediately prior year is paid, an earned annual bonus for that prior year. The payments are in addition to payments in respect of accrued rights, which include accrued but unpaid base salary, and benefits provided under the Company’s associate benefit plans upon a termination of employment. In the event of a termination for Cause, the Severance Plan provides for the payment of the accrued rights, but not a lump sum cash payment, a pro-rated annual bonus, or an earned annual bonus.

If the participant holds outstanding LTI awards at termination, those awards are treated in the manner set forth in the relevant plan document and award agreement(s).

Retirement Plans

All NEOs participate in the Jackson National Life Insurance Company Defined Contribution Retirement Plan (“DCRP”), in which all U.S.-based associates are generally eligible to participate. Under the DCRP, a 401(k) plan, associates are permitted to contribute a percentage of their annual eligible compensation, subject to limits imposed by the Internal Revenue Code and the DCRP. The Company matches 100% of the first six percent of eligible compensation contributed and may make a discretionary profit-sharing contribution. We do not provide or maintain any defined benefit plans or supplemental executive retirement plans.

Compensation Clawback Policy

JFI maintains a Compensation Clawback Policy, which provides the JFI Compensation Committee the ability to recover certain incentive-based compensation from current and former executives, including our NEOs, in the event of fraud, malfeasance and/or an accounting restatement resulting from material non-compliance with financial reporting requirements. The accounting restatement recoupment provisions summarized below comply with the NYSE requirements and became effective as of December 1, 2023, for any incentive compensation received on or after October 2, 2023. In addition, JFI has expanded its policy beyond the minimum requirements to recoup incentive compensation in the event of breach of law, company conduct, or misconduct.

- **Accounting Restatement:** In the event that JFI is required to prepare an accounting restatement due to the material noncompliance of JFI with financial reporting requirements under securities laws, JFI is required to recoup any excess incentive compensation received by any executive officer during the three prior fiscal years that was predicated on achieving certain financial results that are subsequently the subject of such accounting restatement.
- **Misconduct:** The JFI Compensation Committee may, in its sole discretion, seek recoupment of incentive compensation from any executive officer if it concludes that the executive engaged in fraud, embezzlement, or a violation of his or her employment agreement including:
 - the violation of JFI’s Code of Conduct and Business Ethics, or
 - misconduct that either results in or could reasonably be expected to result in material reputational or other harm to JFI.

Executive Compensation Tables

Summary Compensation Table

The following Summary Compensation Table and accompanying footnotes present important information regarding compensation for each of our NEOs. Additional information regarding the elements of compensation approved by the JFI Compensation Committee are detailed in the Compensation Discussion and Analysis above.

NAME AND PRINCIPAL POSITION	YEAR	SALARY (\$) ⁽¹⁾	BONUS (\$)	STOCK AWARDS (\$) ⁽²⁾	NON-EQUITY INCENTIVE PLAN COMPENSATION (\$) ⁽³⁾	CHANGE IN PENSION VALUE AND NONQUALIFIED DEFERRED COMPENSATION EARNINGS (\$) ⁽⁴⁾	ALL OTHER COMPENSATION (\$) ⁽⁵⁾	TOTAL COMPENSATION (\$)
Laura L. Prieskorn Chief Executive Officer	2023	1,000,000	—	6,332,212	3,500,000	—	143,110	10,975,322
	2022	1,000,000	—	6,187,302	1,800,000	33,291	74,120	9,094,713
	2021	768,846	268	5,299,800	8,220,000	42,855	122,406	14,454,175
Marcia L. Wadsten Executive Vice President & Chief Financial Officer	2023	800,000	—	2,338,033	2,250,000	—	39,600	5,427,633
	2022	800,000	—	2,231,444	1,260,000	67,589	36,600	4,395,633
	2021	576,635	3,844	3,368,068	2,959,200	89,783	34,800	7,032,330
Craig D. Smith President Chief Executive Officer and Chief Investment Officer, PPM	2023	537,693	—	2,201,589	2,524,569	—	42,050	5,305,901
	2022	525,000	—	1,775,005	1,908,391	—	36,600	4,224,997
	2021	450,000	224	1,337,297	2,536,505	—	34,800	4,358,826
Scott E. Romine President of Jackson National Life Distributors	2023	650,000	—	1,656,063	1,392,300	—	49,062	3,747,425
	2022	650,000	1,648	1,648,228	877,500	5,780	36,600	3,219,756
	2021	358,654	247	1,579,847	1,435,500	6,507	34,800	3,415,555
Carrie L. Chelko Executive Vice President & General Counsel ⁽⁶⁾	2023	500,769	—	1,120,317	1,092,400	—	49,199	2,762,685

(1) Amounts reported in this column reflect the actual amount of base salary paid to each NEO in that year.

(2) Amounts in this column reflect the aggregate grant date fair value of stock awards granted in the applicable year calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation — Stock Compensation (“ASC 718”).

The amounts included in this column for PSUs granted in 2023 under the Company’s LTI program are calculated based on the achievement of the performance goals at target levels for such awards. If the highest level of performance is achieved, based on the grant date fair value of \$43.90, using a Monte Carlo valuation, the maximum value for these PSUs as of the date of grant are:

Laura L. Prieskorn	Marcia L. Wadsten	Craig D. Smith	Scott E. Romine	Carrie L. Chelko
\$7,877,152	\$2,908,462	\$2,738,746	\$2,060,140	\$1,393,650

(3) Amounts reported in this column reflect the amounts paid under the Company’s annual cash incentive plans for the 2023 performance year, and, for Mr. Smith, the PIA. More information regarding the terms of the annual cash incentive awards is summarized under “Compensation Discussion and Analysis — Short-Term Incentives for 2023,” and for the PIA, under the “Compensation Discussion and Analysis — Performance-Based LTI Awards Vested in 2023.” The amount reported for Mr. Smith reflects the amounts paid under the Jackson Annual Bonus Plan (\$1,272,400), the PPM Bonus Pool (\$841,700) and the PIA (his 2020 award, which vested at a final value of \$410,469 on April 6, 2023).

(4) No above-market earnings are reported for 2023 as the interest that would have been earned at 120% of the applicable federal long-term rates during 2023 was greater than the actual earnings during the period.

(5) The following table reflects 2023 amounts included as “All Other Compensation” for each NEO:

NAME	401(K) COMPANY CONTRIBUTION (\$)	PERQUISITES ^(a) (\$)	TOTAL OTHER COMPENSATION (\$)
Laura L. Prieskorn	39,600	103,510	143,110
Marcia L. Wadsten	39,600	—	39,600
Craig D. Smith	39,600	2,450	42,050
Scott E. Romine	39,600	9,462	49,062
Carrie L. Chelko	39,600	9,599	49,199

(a) For Ms. Prieskorn, \$85,263 in perquisites relate to personal use of the corporate aircraft. We determined the aggregate incremental cost of the personal use of our corporate aircraft to include trip fuel expenses, maintenance labor and parts, landing fees, trip catering and crew expenses. Fuel, landing fees and catering are specific to the trip. Maintenance labor and parts are industry

average and aircraft specific for each hour of operation. Crew expenses are based on a daily per diem. Because our aircraft is used primarily for business travel, this methodology excludes fixed costs that do not change based on usage such as the salaries, benefits, and training of pilots and crew, purchase or lease costs of aircraft and other fixed costs. The additional perquisites for Ms. Prieskorn include \$15,000 for financial planning / tax preparation and \$3,247 for executive physicals. For Mr. Smith, \$2,450 in perquisites relate to financial planning / tax preparation. For Mr. Romine, perquisites include \$7,350 for financial planning / tax preparation and \$2,112 for executive physicals. For Ms. Chelko, perquisites include \$6,575 for financial planning / tax preparation and \$3,024 for executive physicals.

- (6) Effective January 24, 2024, MS. Chelko stepped down as general counsel of Jackson and Scott Golde was announced as Jackson's new general counsel.

Grants of Plan-Based Awards for Fiscal Year 2023

The following table provides information regarding awards granted to the NEOs in the last fiscal year pursuant to the Jackson Annual Bonus Program, the PPM Bonus Pool and the Jackson OIP. Fractional shares have been rounded to the nearest whole share for purposes of this prospectus.

AWARD	GRANT DATE ⁽¹⁾	APPROVAL DATE ⁽¹⁾	ESTIMATED FUTURE PAYOUTS UNDER NON-EQUITY INCENTIVE PLAN AWARDS			ESTIMATED FUTURE PAYOUTS UNDER EQUITY INCENTIVE PLAN AWARDS			ALL OTHER STOCK AWARDS: NUMBER OF SHARES OF STOCK OR UNITS (#)	GRANT DATE FAIR VALUE OF STOCK AWARDS (\$) ⁽²⁾
			THRESHOLD (\$)	TARGET (\$)	MAXIMUM (\$)	THRESHOLD (#)	TARGET (#)	MAXIMUM (#)		
Laura L. Prieskorn										
Jackson Annual Bonus Program ⁽³⁾			1,000,000	2,000,000	4,000,000					
LTI RSUs ⁽⁴⁾	3/10/2023	3/9/2023							59,811	2,393,636
LTI PSUs ⁽⁵⁾	3/10/2023	3/9/2023				44,859	89,717	179,434		3,938,576
Marcia L. Wadsten										
Jackson Annual Bonus Program ⁽³⁾			700,000	1,400,000	2,800,000					
LTI RSUs ⁽⁴⁾	3/10/2023	3/9/2023							22,084	883,802
LTI PSUs ⁽⁵⁾	3/10/2023	3/9/2023				16,563	33,126	66,252		1,454,231
Craig D. Smith										
Jackson Annual Bonus Program ⁽³⁾			783,000	1,566,000	3,132,000					
PPM Bonus Pool ⁽⁶⁾			337,500	675,000	1,012,500					
LTI RSUs ⁽⁴⁾	3/10/2023	3/9/2023							20,795	832,216
LTI PSUs ⁽⁵⁾	3/10/2023	3/9/2023				15,597	31,193	62,386		1,369,373
Scott E. Romine										
Jackson Annual Bonus Program ⁽³⁾			487,500	975,000	1,950,000					
LTI RSUs ⁽⁴⁾	3/10/2023	3/9/2023							15,642	625,993
LTI PSUs ⁽⁵⁾	3/10/2023	3/9/2023				11,732	23,464	46,928		1,030,070
Carrie L. Chelko										
Jackson Annual Bonus Program ⁽³⁾			382,500	765,000	1,530,000					
LTI RSUs ⁽⁴⁾	3/10/2023	3/9/2023							10,582	423,492
LTI PSUs ⁽⁵⁾	3/10/2023	3/9/2023				7,937	15,873	31,746		696,825

- (1) The 2023 LTI awards of PSUs and RSUs under the Jackson OIP were approved by the JFI Board for Ms. Prieskorn and by the JFI Compensation Committee for the remaining NEOs on March 9, 2023 with a grant date of March 10, 2023.
- (2) The amounts in this column represent the aggregate grant date fair value of all equity-based awards granted to the NEOs in 2023 in accordance with ASC 718. The grant date fair value for RSUs was based on the closing price of JFI's common stock on the grant date of \$40.02. The grant date fair value for PSUs was \$43.90, based on a Monte Carlo valuation model.
- (3) These amounts reflect the payout levels for the NEOs under the Jackson Annual Bonus Program based on the potential achievement of certain performance goals as discussed above in "Compensation Discussion and Analysis — Short-Term Incentives for 2023 — Jackson

Annual Bonus Program.” For the actual amounts paid to the NEOs pursuant to the 2023 Jackson Annual Bonus Program, see the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table above.

- (4) RSUs granted under the Jackson OIP pursuant to our LTI program in 2023 will vest in three equal tranches on the first, second and third anniversaries of the grant date subject to each participant’s continued employment through the applicable vesting date. The number of shares of common stock received on settlement will be increased by an additional number of shares to reflect the dividends that would have been payable during the vesting period.
- (5) PSUs granted under the Jackson OIP pursuant to our LTI program in 2023 will vest on March 10, 2026, after completion of the three-year performance period from January 1, 2023 to December 31, 2025, based on achievement of the performance goals described above in “Compensation Discussion and Analysis — Long-Term Incentives for 2023” and subject to each participant’s continued employment through the vesting date. PSUs may vest between 0% and 200% of the target award based on the achievement of the performance measures. If performance is below the threshold level for a performance measure, then the payout percentage will be 0% for that measure. If performance is achieved between the threshold and target levels, or between the target and maximum levels, then the payout percentage will be determined by straight- line interpolation between the applicable levels. The number of shares of common stock received on settlement will be increased by an additional number of shares to reflect the dividends that would have been payable during the vesting period.
- (6) These amounts reflect the payout levels for Mr. Smith under the PPM Bonus Pool based on the potential achievement of certain performance criteria as discussed above in “Compensation Discussion and Analysis — Short-Term Incentives for 2023 — PPM 2023 Bonus Pool.” For the actual amounts paid to Mr. Smith pursuant to the PPM Bonus Pool, see the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table above.

Outstanding Equity Awards at Fiscal Year End 2023

The following table sets forth outstanding equity grants for each NEO as of December 31, 2023, including grants from 2021, 2022 and 2023.

STOCK AWARDS

NAME	NUMBER OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED ⁽¹⁾ (#)	MARKET VALUE OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED ⁽²⁾ (S)	EQUITY INCENTIVE PLAN AWARDS: NUMBER OF UNEARNED SHARES, UNITS OR OTHER RIGHTS THAT HAVE NOT VESTED ⁽¹⁾ (#)	EQUITY INCENTIVE PLAN AWARDS: MARKET OR PAYOUT VALUE OF UNEARNED SHARES, UNITS OR OTHER RIGHTS THAT HAVE NOT VESTED ⁽²⁾ (S)
Laura L. Prieskorn				
2021 LTI PSU Award ⁽³⁾			71,491	3,660,339
2021 LTI RSU Award ⁽⁴⁾	17,870	914,944		
2022 LTI PSU Award ⁽⁵⁾			53,279	2,727,885
2022 LTI RSU Award ⁽⁶⁾	45,824	2,346,189		
2023 LTI PSU Award ⁽⁷⁾			95,787	4,904,294
2023 LTI RSU Award ⁽⁸⁾	61,859	3,167,181		
Marcia L. Wadsten				
2021 LTI PSU Award ⁽³⁾			44,683	2,287,770
2021 LTI RSU Award ⁽⁴⁾	11,169	571,853		
2022 LTI PSU Award ⁽⁵⁾			19,215	983,808
2022 LTI RSU Award ⁽⁶⁾	16,526	846,131		
2023 LTI PSU Award ⁽⁷⁾			35,367	1,810,790
2023 LTI RSU Award ⁽⁸⁾	22,840	1,169,408		
Craig D. Smith				
2021 LTI PSU Award ⁽³⁾			29,044	1,487,053
2021 LTI RSU Award ⁽⁴⁾	7,259	371,661		
2022 LTI PSU Award ⁽⁵⁾			15,285	782,592
2022 LTI RSU Award ⁽⁶⁾	13,145	673,024		
2023 LTI PSU Award ⁽⁷⁾			33,303	1,705,114
2023 LTI RSU Award ⁽⁸⁾	21,502	1,100,902		
Scott E. Romine				
2021 LTI PSU Award ⁽³⁾			15,639	800,717
2021 LTI RSU Award ⁽⁴⁾	3,919	200,653		
2021 LTI PSU Award – December ⁽⁹⁾			12,148	621,978
2021 LTI RSU Award – December ⁽¹⁰⁾	3,045	155,904		
2022 LTI PSU Award ⁽⁵⁾			14,193	726,682
2022 LTI RSU Award ⁽⁶⁾	12,238	626,586		
2023 LTI PSU Award ⁽⁷⁾			25,051	1,282,611
2023 LTI RSU Award ⁽⁸⁾	16,215	830,208		
Carrie L. Chelko				
2021 LTI PSU Award ⁽³⁾			17,873	915,098
2021 LTI RSU Award ⁽⁴⁾	6,781	347,187		
2022 LTI PSU Award ⁽⁵⁾			8,952	458,342
2022 LTI RSU Award ⁽⁶⁾	7,958	407,450		
2023 LTI PSU Award ⁽⁷⁾			16,947	867,686
2023 LTI RSU Award ⁽⁸⁾	11,298	578,458		

- (1) The amounts in these columns represent the number of outstanding PSUs and RSUs, including dividend equivalents credited as of December 31, 2023.
- (2) The values in these columns were calculated by multiplying the number of RSUs/PSUs outstanding as of December 31, 2023 by \$51.20, the closing price of JFI's common stock on December 31, 2023.
- (3) The amounts in these rows reflect PSUs which were granted on October 4, 2021 under our LTI program. The performance period was January 1, 2021 through December 31, 2023. They were earned based on achievement of performance conditions during the performance period and vested on April 4, 2024. All 2021 PSUs are shown based on the number of PSUs outstanding on December 31, 2023, multiplied by the applicable vesting percentage based on the actual achievement of the performance conditions.
- (4) The amounts in these rows reflect RSUs that were granted on October 4, 2021 under our LTI program. The remaining unvested share units vested on April 4, 2024, except that 2,164 of Ms. Chelko's share units vested on March 4, 2024.

- (5) The amounts in these rows reflect PSUs that were granted March 10, 2022 under our LTI program. The performance period is January 1, 2022 through December 31, 2024 with a vesting date of March 10, 2025. The number of PSUs shown is based on achievement at threshold performance level as the performance for these PSUs are below the threshold performance level through December 31, 2023. However, the amount of these awards that are paid out, if any, will depend on the actual performance over the full performance period.
- (6) The amounts in these rows reflect RSUs that were granted on March 10, 2022 under our LTI program. The second tranche vested on March 10, 2024. The remaining unvested share units will vest on March 10, 2025.
- (7) The amounts in these rows reflect PSUs that were granted March 10, 2023 under our LTI program. The performance period is January 1, 2023 through December 31, 2025 with a vesting date of March 10, 2026. The number of PSUs shown is based on achievement at target performance level as the performance for these PSUs are over threshold performance level through December 31, 2023. However, the amount of these awards that are paid out, if any, will depend on the actual performance over the full performance period.
- (8) The amounts in these rows reflect RSUs that were granted on March 10, 2023 under our LTI program. The first tranche vested on March 10, 2024. The remaining unvested share units will vest on March 10, 2025 and March 10, 2026.
- (9) The amounts in these rows reflect PSUs that were granted on December 27, 2021 under our LTI program. The performance period was January 1, 2021 through December 31, 2023. They were earned based on achievement of performance conditions during the performance period and will vest on June 27, 2024. All 2021 PSUs are shown based on the number of PSUs outstanding on December 31, 2023, multiplied by the applicable vesting percentage based on the actual achievement of the performance conditions.
- (10) The amounts in these rows reflect RSUs that were granted on December 27, 2021. The remaining unvested share units will vest on June 27, 2024.

Option Exercises and Stock Vested

The following table summarizes the value received from stock awards vested during 2023.

STOCK AWARDS⁽¹⁾		
NAME	NUMBER OF SHARES ACQUIRED ON VESTING (#)	VALUE REALIZED ON VESTING (\$) ⁽²⁾
Laura L. Prieskorn	217,865	7,943,397
Marcia L. Wadsten	163,495	5,913,052
Craig D. Smith	81,789	2,965,053
Scott E. Romine	61,779	2,292,256
Carrie L. Chelko	20,045	833,409

- (1) Includes dividend equivalents equal to dividends paid throughout the vesting period on the underlying RSU and PSU awards. The amount also reflects share units withheld on November 29, 2023 to cover employment taxes due on unvested grants of RSUs to comply with IRC tax- withholding regulations that apply to equity grants with qualifying retirement vesting provisions.
- (2) Amounts reported represent the total pre-tax value realized upon vesting, calculated as share units vested times the closing price of JFI's common stock on the applicable vesting date (or the last NYSE trading day prior to the date vested).

Fiscal Year 2023 Nonqualified Deferred Compensation Plan

The following table provides information on deferrals made by our NEOs in 2023, as well as their aggregate plan balances in the MDIP. We do not make Company contributions to the MDIP.

NAME	EXECUTIVE CONTRIBUTIONS IN LAST FISCAL YEAR (\$)	AGGREGATE EARNINGS IN LAST FISCAL YEAR ⁽¹⁾ (\$)	AGGREGATE WITHDRAWALS/ DISTRIBUTIONS (\$)	AGGREGATE BALANCE AT LAST FISCAL YEAR END ⁽²⁾ (\$)
Laura L. Prieskorn	—	93,501	—	2,207,408
Marcia L. Wadsten	—	1,183,802	298,753	9,453,418
Craig D. Smith	—	—	—	—
Scott E. Romine	—	11,010	128,871	259,002
Carrie L. Chelko	166,240	32,262	—	263,300

- (1) The amounts included in this column include the amounts reported in the "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column in the "Summary Compensation Table."
- (2) The following amounts included in the Aggregate Balance at Last Fiscal Year End column were reported as compensation in the "Summary Compensation Table" in prior years: Ms. Prieskorn - \$76,146, Ms. Wadsten - \$157,372, Mr. Smith - \$0, and Mr. Romine - \$12,287.

Potential Payments Upon Termination or Change in Control

The following table shows the estimated potential payments to each NEO as if the NEO's employment had been terminated or a qualifying change in control had occurred as of December 31, 2023. These estimated benefits are provided under the terms of the Severance Plan and the incentive plans as described below. The actual amounts that would be paid to any NEO can only be determined at the time of an actual termination of employment or change in control and would vary from those listed below. The estimated amounts listed below are in addition to the amounts listed above in the "Fiscal Year 2023 Nonqualified Deferred Compensation Plan" table, as well as any retirement, welfare and other benefits that are available to our salaried associates generally.

NAME	BASELINE CASH SEVERANCE ⁽¹⁾ (S)	PAYMENT OF ACCRUED BONUS (S) ⁽²⁾	UNVESTED STOCK AWARDS (S) ⁽³⁾	TOTAL (S)
Laura L. Prieskorn				
Death	—	2,856,000	21,043,566 ⁽⁴⁾	23,899,566
Disability	—	2,856,000	17,720,832 ⁽⁵⁾	20,576,832
Involuntary Termination w/o Cause	6,048,291	2,856,000	17,720,832 ⁽⁶⁾	26,625,123
Resignation for Good Reason	6,048,291	2,856,000	17,720,832 ⁽⁶⁾	26,625,123
Qualifying Change in Control	—	—	21,043,566 ⁽⁷⁾	21,043,566
Qualifying Retirement	—	2,856,000	17,720,832 ⁽⁶⁾	20,576,832
Marcia L. Wadsten				
Death	—	1,999,200	9,025,332 ⁽⁴⁾	11,024,532
Disability	—	1,999,200	7,669,760 ⁽⁵⁾	9,668,960
Involuntary Termination w/o Cause	3,323,770	1,999,200	7,669,760 ⁽⁶⁾	12,992,730
Resignation for Good Reason	3,323,770	1,999,200	7,669,760 ⁽⁶⁾	12,992,730
Qualifying Change in Control	—	—	9,025,332 ⁽⁷⁾	9,025,332
Qualifying Retirement	—	1,999,200	7,669,760 ⁽⁶⁾	9,668,960
Craig D. Smith				
Death	—	2,789,927	7,144,525 ⁽⁴⁾	9,934,452
Disability	—	2,789,927	6,120,346 ⁽⁵⁾	8,910,273
Involuntary Termination w/o Cause	3,195,564	2,114,100	6,120,346 ⁽⁶⁾	11,430,010
Resignation for Good Reason	3,195,564	2,114,100	6,120,346 ⁽⁶⁾	11,430,010
Qualifying Change in Control	—	675,827	7,144,525 ⁽⁷⁾	7,820,352
Qualifying Retirement	—	2,789,927	6,120,346 ⁽⁶⁾	8,910,273
Scott E. Romine				
Death	—	1,392,300	6,203,173 ⁽⁴⁾	7,595,473
Disability	—	1,392,300	5,245,338 ⁽⁵⁾	6,637,638
Involuntary Termination w/o Cause	2,473,687	1,392,300	5,245,338 ⁽⁶⁾	9,111,324
Resignation for Good Reason	2,473,687	1,392,300	5,245,338 ⁽⁶⁾	9,111,324
Qualifying Change in Control	—	—	6,203,173 ⁽⁷⁾	6,203,173
Qualifying Retirement	—	1,392,300	5,245,338 ⁽⁶⁾	6,637,638
Carrie L. Chelko				
Death	—	1,092,400	4,181,223 ⁽⁴⁾	5,273,623
Disability	—	1,092,400	3,574,221 ⁽⁵⁾	4,666,621
Involuntary Termination w/o Cause	1,946,325	1,092,400	1,885,624 ⁽⁶⁾	4,924,350
Resignation for Good Reason	1,946,325	1,092,400	1,885,624 ⁽⁶⁾	4,924,350
Qualifying Change in Control	—	—	4,181,223 ⁽⁷⁾	4,181,223
Qualifying Retirement	—	—	— ⁽⁶⁾	—

- (1) Represents the lump sum severance payment that the NEO would receive under the Severance Plan as a result of the indicated triggering event occurring on December 31, 2023, subject to the NEO executing and not revoking a release of claims in favor of the Company. A Disability for purposes of the Severance Plan means a "disability" as approved by the Company's long term disability insurance carrier; provided that in the case of any amount paid under the Severance Plan that is subject to Internal Revenue Code Section 409A, Disability shall have the meaning set forth therein.
- (2) Represents accrued cash payments that would be earned by each NEO under the Company's Severance Plan as a result of the indicated triggering event, except for death, occurring on December 31, 2023, which amounts are equivalent to the funded amounts based on the final results of the Company's key performance indicators for the 2023 Jackson Annual Bonus Program. Upon death, the NEO would receive the target value of his or her 2023 annual bonus. For Mr. Smith, except in the case of an Involuntary Termination without Cause or Resignation for Good Reason, also includes the value of the accelerated vesting of the outstanding awards granted in 2021 and 2022 under the PIA, assuming a triggering event on December 31, 2023.

- (3) The value of the lapse of the service vesting condition for unvested equity awards is calculated by multiplying the estimated number of PSUs and RSUs for which the service vesting is accelerated by the closing market price of JFI's shares on December 31, 2023, which was \$51.20. See "Termination Provisions" for a description of the treatment of each of our outstanding equity awards in each termination scenario and see the footnotes below for a description of how we determined the estimated number of vested performance-based awards included in this column in each termination scenario.
- (4) For the 2021, 2022, and 2023 PSUs, the values at death are based upon target performance levels.
- (5) For the 2022 and 2023 PSUs, the values for disability reflect achievement of the threshold performance level over the entire performance period (which assumption is based on performance through December 31, 2023). For the 2021 PSUs, values for disability are based on the actual value of the PSUs earned for the 2021-2023 performance period.
- (6) With the exception of Ms. Chelko, all NEOs meet the age and service requirements to be eligible for qualifying retirement (as defined in the Jackson OIP) for the awards granted under our LTI program. Therefore, in the event of an involuntary termination without cause or resignation with good reason, the 2021, 2022, and 2023 LTI awards would be treated as if a qualifying retirement occurred, which permits the NEO to receive the full amount of the award over the full vesting period rather than pro-rata vesting upon a typical termination without cause. For an award to be eligible to vest under the qualifying retirement provisions, there must be at least six months between the grant date and the termination date. However, in the event of an involuntary termination without cause, the six-month minimum service requirement is waived. As of December 31, 2023, the six-month service condition for qualifying retirement has been satisfied for all LTI awards held by our NEOs. Ms. Chelko has not met the age and service requirements for a qualifying retirement and therefore no values are reported for the "Qualifying Retirement" row. Upon an involuntary termination without cause or resignation for good reason, LTI awards for Ms. Chelko would vest pro-rata based on the portion of the vesting period that elapsed prior to termination. For the 2021 PSUs, the table value in these rows represents the actual value of the PSUs earned for the 2021-2023 performance period. Values in these rows reflect achievement of the threshold performance level for the 2022 PSUs and the target performance level for the 2023 PSUs over the full performance period (which assumption is based on performance through December 31, 2023), pro-rated in the case of Ms. Chelko.
- (7) While the Company does not have a change in control plan, the values reported are with respect to the accelerated vesting of outstanding unvested equity awards in the event of a qualifying change in control as defined in the Jackson OIP and assume that the awards are not assumed by the successor company in the change in control and that no substitute awards were granted. If the awards are assumed by the successor company and/or substitute awards are granted, no accelerated service vesting would occur without a qualifying termination.

Termination Provisions

RSUs and PSUs granted under the Jackson OIP. Upon the termination of an NEO's employment by the Company for Cause (as defined in the Jackson OIP), or by the NEO in a resignation that is not for Good Reason or a Qualifying Retirement (as defined in the applicable award agreement), unvested RSUs and PSUs granted under the Jackson OIP will be immediately forfeited and canceled. In general, the RSU and PSU award agreements issued under the Jackson OIP provide for the following acceleration or continuation of vesting upon a termination of an NEO's employment:

- ***RSUs:*** Upon an NEO's death or termination of employment due to Disability (as defined in the Jackson OIP), all RSUs that are unvested will immediately vest. Upon the termination of an NEO's employment by the Company without Cause or by the NEO for Good Reason (as defined in the Jackson OIP), a pro rata portion of the number of RSUs scheduled to vest on the next vesting date will vest, based on the portion that has elapsed, as of the NEO's termination date, of the period between the most recent vesting date that occurred prior to the NEO's termination of employment (or the grant date, if no vesting date had yet occurred) and the next scheduled vesting date, subject to the NEO's execution and non-revocation of a general release of claims in favor of the Company. Upon the termination of an NEO's employment due to Qualifying Retirement (as defined in the applicable RSU award agreement), all RSUs will fully vest on the applicable vesting date, subject to the NEO's compliance with certain restrictive covenants set forth in the RSU award agreement and his or her execution and non-revocation of a general release of claims in favor of the Company, provided, that at least six months must elapse from the grant date to the NEO's employment termination date for any termination initiated by the NEO to be treated as a Qualifying Retirement.
- ***PSUs:*** Upon an NEO's death, the PSUs will immediately vest at target performance levels; on a termination by the Company without Cause or by the NEO for Good Reason, a pro rata portion of the PSUs, based on the portion of the period between the grant date and the vesting date that has elapsed, will, to the extent not already vested, become vested based on the actual achievement of the performance goals during the entire performance cycle, subject to the NEO's execution and non-revocation of a general release of claims in favor of the Company; and on a termination due to Disability or a Qualifying Retirement (as defined in the applicable PSU award agreement), a number of the PSUs will be earned and become vested based on the actual achievement of the performance goals during the entire performance cycle (as if the NEO's employment had continued during the entire performance cycle), subject, in the case of a Qualifying Retirement, to the NEO's execution and non-revocation of a general release of claims in favor of the Company, provided, that at least six months must elapse from the grant date to the NEO's employment termination date for any termination initiated by the NEO to be treated as a Qualifying Retirement.

- **Change in Control:** No cancellation, acceleration or other payment will occur upon a Change in Control (as defined in the Jackson OIP) of the Company if, as determined by the JFI Compensation Committee, the equity awards granted under the Jackson OIP are assumed by the successor company in the Change in Control, provided that the replacement awards must have terms such that if an NEO's employment is terminated involuntarily by the Company or its successor other than for Cause or by the NEO with Good Reason, in each case within the twenty-four months immediately following a Change in Control at a time when any portion of the award is unvested, the unvested portion of such award will immediately vest in full and such NEO will receive (as determined by the JFI Board prior to the Change in Control) either (A) a cash payment equal in value to the fair market value of the stock subject to the award at the date of settlement or (B) publicly-traded shares or equity interests equal in value to the value in clause (A). If the JFI Compensation Committee reasonably determines in good faith prior to the occurrence of a Change in Control that the equity awards granted under the Jackson OIP will not be assumed, then all unvested awards will vest and become non-forfeitable.

PPM Performance Incentive Award Plan. Under the PIA, in the event of a Change in Control of JFI, awards that were granted at least one year prior to the date of such Change in Control will vest immediately. Upon a termination of employment due to disability or approved retirement, awards that were granted at least one year prior to the date of termination will remain outstanding and will vest on their original vesting date to the extent that applicable performance conditions are satisfied. Awards granted less than one year prior to a Change in Control or a termination for any reason will lapse upon such termination or Change in Control.

Jackson Annual Bonus Program. The Jackson Annual Bonus Program generally provides that an NEO must be employed with the Company on the payment date to receive the annual bonus, which date usually occurs in March of the subsequent year. However, an NEO is entitled to receive a prorated payment of their earned annual bonus if their employment is terminated during the year due to their death, disability, or qualifying retirement. If the termination of employment due to death, disability or qualifying retirement occurs at or after the end of the year, but prior to the payment date, the NEO is entitled to receive the full amount of the annual bonus earned.

Jackson Financial Inc. Severance Plan. The Severance Plan provides for a lump sum cash payment to a NEO in the event of his or her employment termination by the Company without Cause or by the participant with Good Reason, each as defined in the Plan. The amount of the lump sum cash payment for the NEO group is calculated as:

- for the CEO, a two-times multiple of the "severance compensation basis"; and
- for the other NEOs, a 1.5 multiple of the "severance compensation basis."

The "severance compensation basis" includes a participant's annual base salary, target annual bonus for the year of termination, and the amount required for 12 months of COBRA continuation coverage. The Severance Plan also provides for the payment of a pro-rated annual bonus for the year in which the termination occurs and, if termination occurs before the annual bonus for the immediately prior year is paid, an earned annual bonus for that prior year. The NEO's receipt of the lump sum cash payment, a pro-rated annual bonus, and, if applicable, an earned annual bonus, is conditioned upon his or her execution and non-revocation of a release of claims in favor of the Company. The foregoing payments are in addition to payments in respect of accrued rights, which include accrued but unpaid base salary, earned but unpaid special compensation (if applicable), and benefits provided under the Company's employee benefit plans upon a termination of employment.

In the event of the NEO's employment termination due to death or disability, he or she is entitled to receive the accrued rights, a pro-rated annual bonus for the year in which the death or disability occurs, and if the death or disability occurs before a bonus for the immediately prior year is paid, an earned annual bonus for that prior year.

The Severance Plan provides only for the payment of the accrued rights, but not a lump sum cash payment, a pro-rated annual bonus or an earned annual bonus, in the event of the NEO's employment termination for Cause.

Any outstanding LTI awards held by the NEO upon employment termination are treated in the manner set forth in the relevant plan document and award agreement.

CEO Pay Ratio

Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, require companies to disclose certain information about the annual total compensation of our "median employee" and the annual total compensation of our CEO, Ms. Laura L. Prieskorn.

Median Associate Identification Process

To identify the median employee, we took the following steps:

- We determined that, as of October 31, 2023, our associate population consisted of approximately 3,650 individuals. This population consisted of our full-time, part-time, and temporary associates. We selected October 31, 2023, which is within the last three months of 2023, as the date upon which we would identify the median employee because it enabled us to make such identification in a reasonably efficient and economical manner.
- To identify the “median employee” from our associate population, we used the total of annualized base salary, target annual bonus, target special compensation and target LTI, where applicable, as of October 31, 2023.
- We identified our median employee using this compensation measure, which was consistently applied to all our associates included in the calculation. Since our associates and CEO are located in the United States, we did not exclude any associates or make any cost-of-living adjustments in identifying the median employee.

Calculation of the Pay Ratio

Once we identified our median employee, we combined all the elements of such associate’s compensation for 2023 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K. With respect to the total annual compensation of our CEO, we used the amount reported in the “Total” column of our 2023 Summary Compensation Table presented in this prospectus.

Pay Ratio

For 2023, our last completed fiscal year:

- The annual total compensation of our median employee was \$70,945; and
- The annual total compensation of our CEO, as reported in the Summary Compensation Table included in this prospectus, was \$10,975,322.

Based on this information, for 2023 the ratio of the annual total compensation of our CEO to our median employee’s annual total compensation was 155 to 1.

The above pay ratio and annual total compensation amount are reasonable estimates that have been calculated using methodologies and assumptions permitted by SEC rules. We note that the ratio and total compensation amount may not be directly comparable to those of other companies because the methodologies and assumptions used to identify the median employee and determine that associate’s total compensation, the composition and location of the workforce, and other factors that may vary significantly among companies.

Alternative Pay Ratio Disclosure

We employ a large number of temporary, on call associates who generally work part-time hours on an as-needed basis. For 2023, our last completed fiscal year, excluding this temporary, on call population of approximately 800 associates in 2023:

- The annual total compensation of our median employee was \$102,808; and
- The annual total compensation of our CEO, as reported in the Summary Compensation Table included in this prospectus, was \$10,975,322.

Based on this information, for 2023 the alternative ratio was 107 to 1.

APPENDIX A: CALCULATION EXAMPLES

The Contract currently offers five interest Crediting Method/Protection Option combinations for crediting Index Adjustments to the Index Account Options: Cap with Buffer, Cap with Floor, Performance Trigger with Buffer, Performance Trigger with Floor, and Performance Boost with Buffer.

We calculate the Interim Value on each day of the Index Account Option Term. The Interim Value is the amount that is available to be withdrawn or for an Intra-Term Performance Lock from your Index Account Option on any given day. The Interim Value calculation depends, in part, on the Crediting Method and Protection Option you elect. In calculating the Interim Value, we use the Index Value on two dates, which helps us determine the Index Adjustment, positive or negative, to be credited to your Index Account Option Value each day: the Index Value on the first day of the Term and the Index Value on each day we calculate your Interim Value. To determine the Index Adjustment, we then determine the net change in Index Value and express it as a percentage. This result is called the Index Return. If the Index Return is positive or zero on the Cap and Performance Trigger Crediting Methods, or if the Index Return is positive, zero, or negative but within the elected Buffer on the Performance Boost Crediting Method, we apply the prorated Crediting Method rate. For the Cap Crediting Method, the positive Index Return is multiplied by the Index Participation Rate before the application of the prorated Cap Rate. If the Index Return is negative on the Cap and Performance Trigger Crediting Methods, or if the Index Return is negative in excess of the elected Buffer on the Performance Boost Crediting Method, we adjust the return to reflect the prorated Protection Option. The Floor rate is not prorated and will be equal to the term-length Floor. Certain states require us to provide guaranteed minimum Index Adjustment Factors (identified in Appendix B: State Variations). In these states, when we calculate your Interim Value, we will apply the greater of the (non-guaranteed) prorated Index Adjustment Factors or the guaranteed minimum Index Adjustment Factors. This means, if the guaranteed minimum Index Adjustment Factors result in a higher Interim Value, we will apply the higher Interim Value. The Adjusted Index Return is then multiplied by the Index Account Option Value at the beginning of the Term (adjusted to reflect any withdrawals during the Term) to determine the amount of Index Adjustment to credit. The Index Adjustment is then added to or subtracted from your Index Account Option Value at the beginning of the Term (adjusted to reflect any withdrawals during the Term) to get the current Index Account Option Value. It should be noted that unless otherwise indicated, Withdrawal Charges are not included in the examples for simplicity and the total Withdrawal Value at any point is equal to the Pre-Withdrawal Interim Value, Intra-Term Performance Lock Interim Value, or the Total Withdrawal Value in the tabular representation of examples 1-13.

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Interim Value Adjustment Upon Withdrawals and Index Crediting Examples

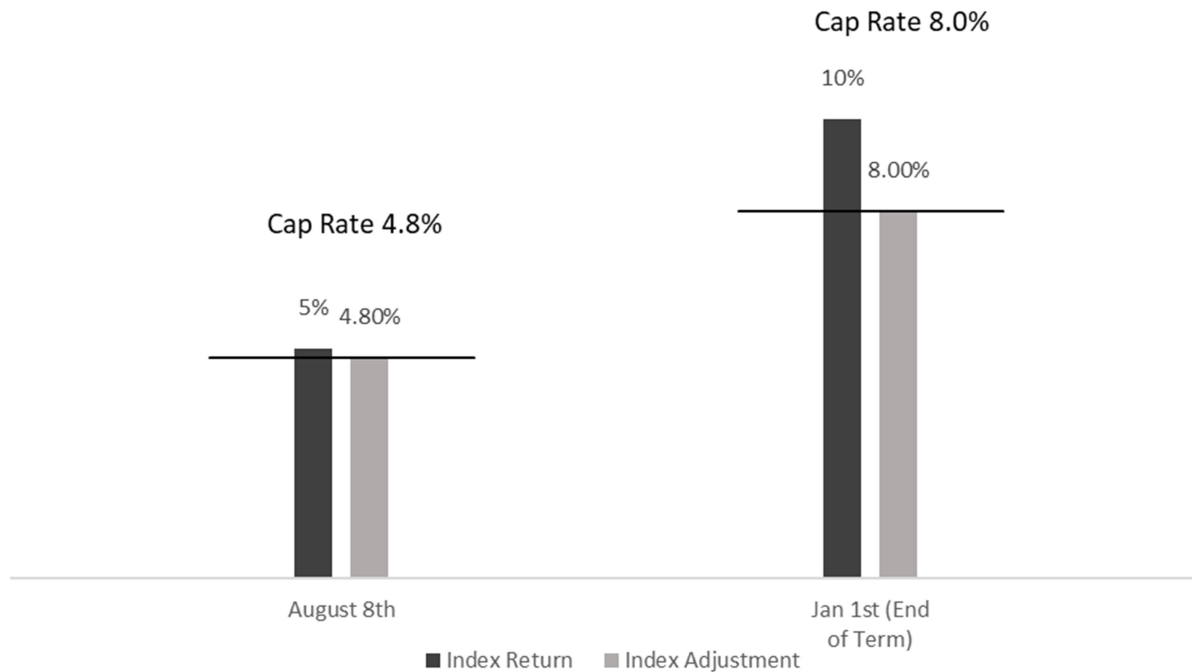
Example 1: This example demonstrates the impact on contract values of taking a single partial withdrawal when the Cap crediting method is elected with the Buffer protection option. The term starts on January 1, and the withdrawal occurs on August 8 when the index return is positive and higher than the prorated Cap Rate. Contract values are also quoted at the beginning of the term and end of the term where the index return is positive and higher than the Cap Rate.

- On January 1, you make the first Premium payment of \$100,000 and you are 100% allocated to a 1-year Cap with Buffer Index Account Option with an 8% Cap Rate, 100% Index Participation Rate ("IPR"), and 10% Buffer, then on August 8, you would have accrued 60% (219/365) of your Cap Rate ($0.6 * 8\% = 4.8\%$) and 60% (219/365) of your Buffer ($0.6 * 10\% = 6.00\%$) since 219 days have elapsed during your crediting term and your Cap Rate and Buffer are prorated by multiplying the Index Adjustment Factors by the number of days elapsed during the Index Account Option Term over the total number of days in the Index Account Option Term.
- If the Index is up 5% your Interim Value at that time would be credited with the lesser of the prorated Cap Rate (4.8%) and Index Return multiplied by the Index Participation Rate ($5\% * 100\% = 5\%$) ($\$100,000 * 4.8\% + \$100,000 = \$104,800$). This would be the amount available for a full withdrawal from the Index Account at that time.
- If you take a partial withdrawal of \$5,000, your Index Account Option Value will be reduced by the proportion of your partial withdrawal to the Interim Value ($\$5,000/\$104,800 = 4.77\%$).
- Your Index Account Option Value at the beginning of the Term would be reduced by the percentage reduction in your Interim Value ($\$100,000 - 4.77\% * \$100,000 = \$95,229.00$). This adjusted Index Account Option Value is used to calculate subsequent Interim Values and to calculate the end of term Index Account Option Value.
- After the partial withdrawal, your Index Account Option Value would then have a recalculated Index Adjustment credited to obtain the current remaining total Withdrawal Value ($\$95,229.01 * 4.8\% + \$95,229.01 = \$99,800$). This remaining total Withdrawal Value is the same as the Interim Value prior to the withdrawal (\$104,800) minus the withdrawal amount (\$5,000).
- Carrying this example forward to the end of the Term, assume the Index is up 10%. You will have accrued the full Cap Rate (8%) and Buffer (10%). Since the Index Return is positive, the Index Adjustment credited would be the lesser of the Cap Rate and Index growth multiplied by the Index Participation Rate ($\$95,229.01 + 8\% * \$95,229.01 = \$102,847.33$) to find the final total Withdrawal Value. The total Withdrawal Value will become the starting Index Account Option Value for the next Index Account Option Term.

Tabular Representation of Example 1 (1-year Term)			
Days Elapsed in Crediting Term [A]	0	219	365
Total number of days in Crediting Term [B]	365	365	365
Proration of Index Adjustment Factors [C] = [A]/[B]	0	0.6	1
Year to Date Index Change [D]	0%	5%	10%

Index Participation Rate [E]	100%	100%	100%
Cap Rate [F]	8%	8%	8%
Prorated Cap Rate [G] = [C] x [F]	0%	4.8%	8.0%
Buffer [H]	10%	10%	10%
Prorated Buffer [I] = [C] x [H]	0%	6%	10%
Index Adjustment [J] = min([D] + [I], 0%) if [D] < 0% [J] = min([G], [D] x [E]) otherwise	0%	4.8%	8.0%
Pre-Withdrawal Index Account Option Value [K]	\$100,000.00	\$100,000.00	\$95,229.01
Pre-Withdrawal Interim Value [L] = (1+[J]) x [K]	\$100,000.00	\$104,800.00	\$102,847.33
Withdrawals [M]	\$0.00	\$5,000.00	\$0.00
Interim Value reduced by withdrawal (%) [N] = [M] / [L]	0.00%	4.77%	0.00%
Index Account Option Value [O] = [K] x (1-[N])	\$100,000.00	\$95,229.01	\$95,229.01

Example 1

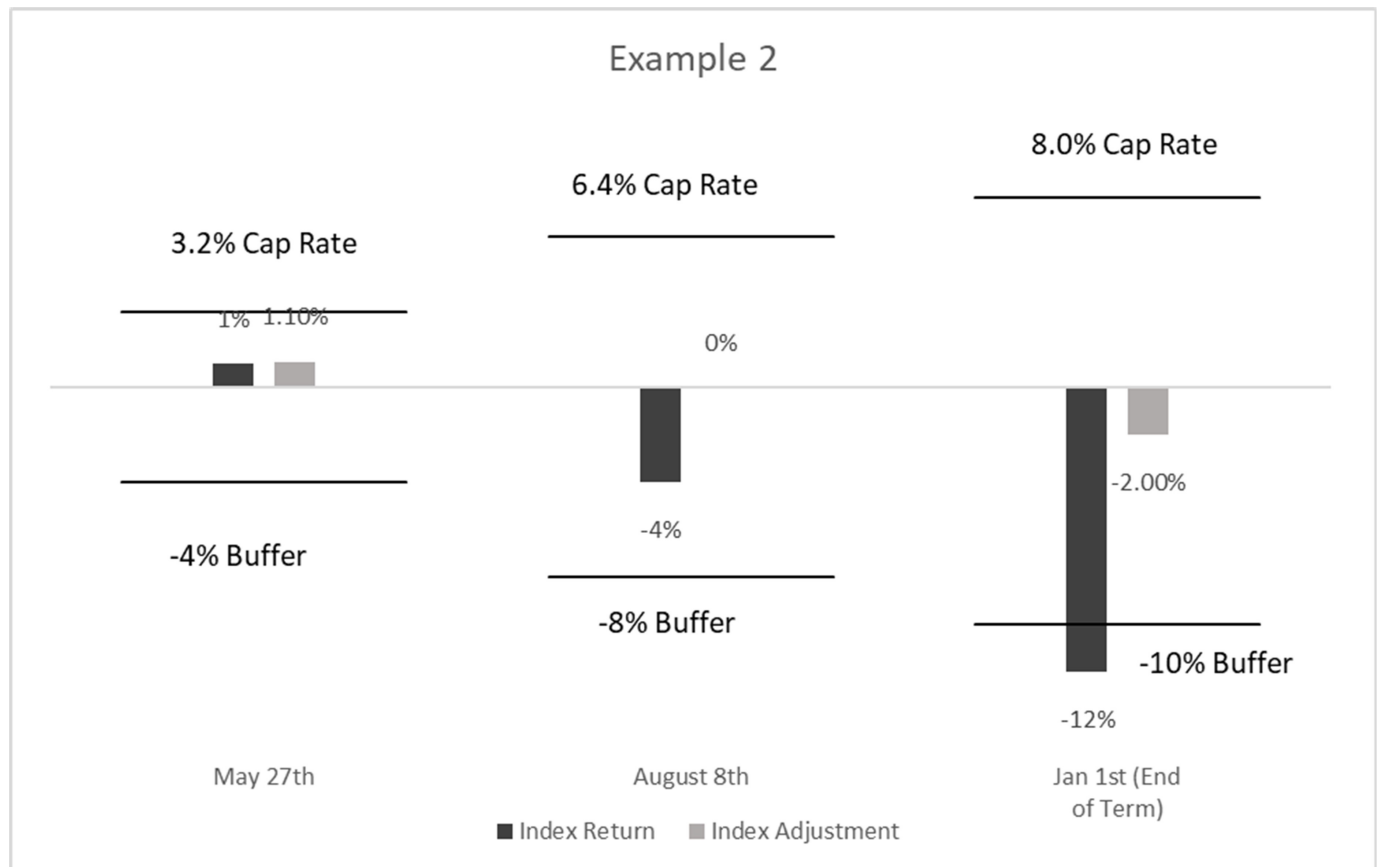


Example 2: This example demonstrates the impact on contract values of taking multiple partial withdrawals throughout the Term when the Cap crediting method is elected with the Buffer protection option. The Term starts on January 1 and the first withdrawal occurs on May 27 when the index return is positive and lower than the prorated Cap Rate. The second withdrawal occurs on October 20 when the index return is negative and within the prorated Buffer. Contract values are also quoted at the beginning of the term and end of the term where the index return is negative and exceeds the Buffer.

- On January 1, you make your first Premium payment of \$100,000 and you are 100% allocated to a 1-year Cap with Buffer Index Account Option with an 8% Cap Rate, 110% Index Participation Rate, and 10% Buffer, then on May 27 you would have accrued 40% (146/365) of your Cap Rate ($0.4 * 8\% = 3.2\%$) and 40% of your Buffer ($0.4 * 10\% = 4\%$) since 146 days have elapsed during your crediting term and your Cap Rate and Buffer are by multiplying the Index Adjustment Factors by the number of days elapsed during the Index Account Option Term over the total number of days in the Index Account Option Term.
- If the Index is up 1% your Interim Value at that time would be credited with the lesser of the prorated Cap Rate (2%) and Index Return multiplied by the Index Participation Rate ($1\% * 110\% = 1.1\%$) ($\$100,000 * 1.1\% + \$100,000 = \$101,100$). This would be the amount available for a full withdrawal from the Index Account at that time.
- If you take a partial withdrawal of \$5,000 on May 27, your Index Account Option Value at the beginning of the Term will be reduced by the proportion of your withdrawal to the Interim Value ($\$5,000/\$101,100 = 4.95\%$).
- Your Index Account Option Value at the beginning of the Term would be reduced by the percentage reduction in your Interim Value ($\$100,000 - 4.95\% * \$100,000 = \$95,054.40$). This adjusted Index Account Option Value is used to calculate subsequent Interim Values and to calculate the end of term Index Account Option Value.
- After the partial withdrawal, your Index Account option Value would then have a recalculated Index Adjustment credited to obtain the current remaining total Withdrawal Value ($\$95,054.40 * 1.1\% + \$95,054.40 = \$96,100$). This remaining total Withdrawal Value is the same as the Interim Value prior to the withdrawal ($\$101,100$) minus the withdrawal amount ($\$5,000$).
- If you make a second partial withdrawal of \$5,000 on October 20, you would have accrued 80% (292/365) of your Cap Rate ($0.8 * 8\% = 6.4\%$) and 80% of your Buffer ($0.8 * 10\% = 8\%$) since 292 days have elapsed during your crediting term and your Cap Rate and Buffer are prorated by multiplying the Index Adjustment Factors by the number of days elapsed during the Index Account Option Term over the total number of days in the Index Account Option Term.
- If the Index is down 4%, no Index Participation Rate is applied to the Index Return and at that time your Interim Value would have the prorated Buffer applied to the loss and since the prorated Buffer is larger than the loss in Index Value, no loss is applied to the Interim Value ($\$95,054.40 + 0\% * \$95,054.40 = \$95,054.40$). This would be the amount available for a full withdrawal from the Indexed Account at that time.
- Your Index Account Option Value at the beginning of the Term would be reduced by the percentage reduction ($\$5,000/\$95,054.40 = 5.26\%$) in your Interim Value ($\$95,054.40 - 5.26\% * \$95,054.40 = \$90,054.40$). This adjusted Index Account Option Value is used to calculate subsequent Interim Values and to calculate the end of term Index Account Option Value.
- After the partial withdrawal, your Index Account Option Value would then have a recalculated Index Adjustment credited to obtain the current remaining total Withdrawal Value ($\$90,054.40 * 0\% + \$90,054.40 = \$90,054.40$). This remaining total Withdrawal Value is the same as the Interim Value prior to the withdrawal ($\$95,054.40$) minus the withdrawal amount ($\$5,000$).
- Carrying this example forward to the end of the Term assume the Index is down 12%. You will have accrued the full Cap Rate (8%) and Buffer (10%). The Index Participation Rate is not applied to the Index Return because the Index Return is negative. Since the Index is down by more than the Buffer, the Index Adjustment credited would be the loss added to the Buffer ($-12\% + 10\% = -2\%$) ($\$90,054.40 + -2\% * \$90,054.40 = \$88,253.31$) to find the final total Withdrawal Value. The total Withdrawal Value will become the starting Index Account Option Value for the next Index Account Option Term.

Tabular Representation of Example 2 (1-year Term)				
Days Elapsed in Crediting Term [A]	0	146	292	365
Total number of days in Crediting Term [B]	365	365	365	365
Proration of Index Adjustment Factors [C] = [A]/[B]	0	0.4	0.8	1
Year to Date Index Change [D]	0	1%	-4%	-12%

Index Participation Rate [E]	110%	110%	110%	110%
Cap Rate [F]	8%	8%	8%	8%
Prorated Cap Rate [G] = [C] x [F]	0%	3.2%	6.4%	8.0%
Buffer [H]	10%	10%	10%	10%
Prorated Buffer [I] = [C] x [H]	0%	4%	8%	10%
Index Adjustment [J] = min([D] + [I], 0%) if [D] < 0% [J] = min([G], [D] x [E]) otherwise	0%	1.1%	0.0%	-2.0%
Pre-Withdrawal Index Account Option Value [K]	\$100,000.00	\$100,000.00	\$95,054.40	\$90,054.40
Pre-Withdrawal Interim Value [L] = (1+[J]) x [K]	\$100,000.00	\$101,100.00	\$95,054.40	\$88,253.31
Withdrawals [M]	\$0.00	\$5,000.00	\$5,000.00	\$0.00
Interim Value reduced by withdrawal (%) [N] = [M] / [L]	0.00%	4.95%	5.26%	0.00%
Index Account Option Value [O] = [K] x (1-[N])	\$100,000.00	\$95,054.40	\$90,054.40	\$90,054.40
Total Withdrawal Value [P] = [O]*(1+[J])	\$100,000.00	\$96,100.00	\$90,054.40	\$88,253.31

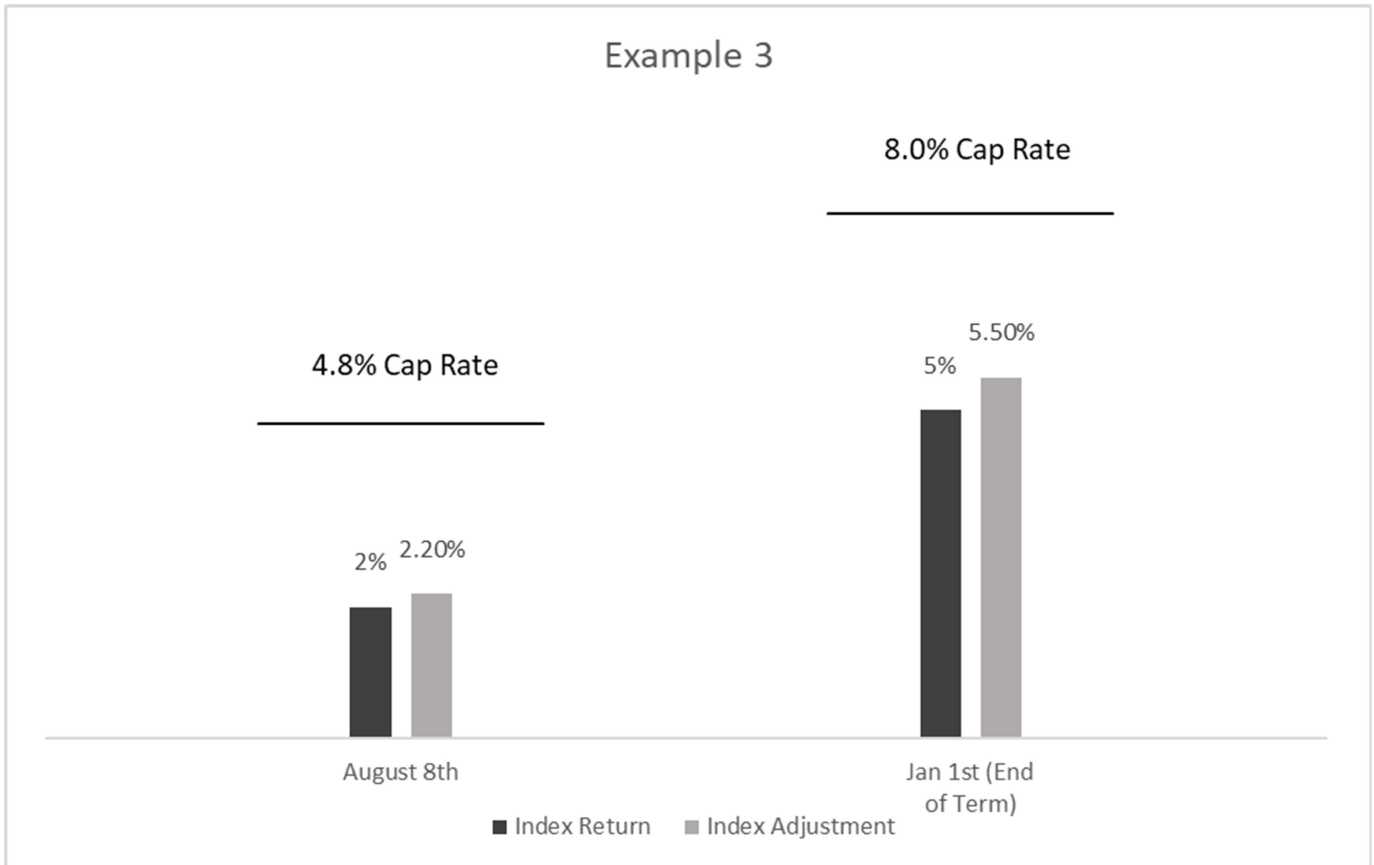


Example 3: This example demonstrates the impact on contract values of taking a single partial withdrawal when the Cap crediting method is elected with the with Floor protection option. The term starts on January 1 and the withdrawal occurs on August 8 when the index return is positive and lower than the prorated Cap Rate after application of the IPR. Contract values are also quoted at the beginning of the term and end of the term where the index return is positive and lower than the Cap Rate.

- On January 1, you make an initial premium payment of \$100,000 and you are 100% allocated to a 1-year Cap with Floor Index Account Option with an 8% Cap Rate, 110% Index Participation Rate, and 10% Floor, then on August 8 you would have accrued 60% (219/365) of your Cap Rate ($0.6 * 8\% = 4.8\%$) since 219 days have elapsed during your crediting term and your Cap Rate is prorated by multiplying the Cap Rate by the number of days elapsed during the Index Account Option Term over the total number of days in the Index Account Option Term. The Floor rate is not prorated and is equal to the full term-length quantity (10%).
- If the Index is up 2% your Interim Value at that time would be credited with the lesser of the prorated Cap Rate (4%) and Index Return multiplied by the Index Participation Rate ($2\% * 110\% = 2.2\%$) ($\$100,000 * 2.2\% + \$100,000 = \$102,200$). This would be the amount available for a full withdrawal from the Index Account at that time.
- If you take a partial withdrawal of \$5,000 your Index Account Option Value at the beginning of the Term will be reduced by the proportion of your partial withdrawal to the Interim Value ($\$5,000/\$102,200 = 4.89\%$).
- Your Index Account Option Value at the beginning of the Term would be reduced by the percentage reduction in your Interim Value ($\$100,000 - 4.89\% * \$100,000 = \$95,107.63$). This adjusted Index Account Option Value is used to calculate subsequent Interim Values and to calculate the end of term Index Account Option Value.
- After the partial withdrawal, your Index Account Option Value would then have a recalculated Index Adjustment credited to obtain the current remaining total Withdrawal Value ($\$95,107.63 * 2.2\% + \$95,107.63 = \$97,200$). This remaining total Withdrawal Value is the same as the Interim Value prior to the withdrawal (\$102,200) minus the withdrawal amount (\$5,000).
- Carrying this example forward to the end of the Term, assume the Index is up 5%. Your Floor is 10% and you will have accrued the full Cap Rate (8%). Since the Index is up, the Index Adjustment credited would be the lesser of the Cap Rate and the Index Return multiplied by the Index Participation Rate ($\$95,107.63 + (5\% * 110\%) * \$95,107.63 = \$100,338.55$) to find the final total Withdrawal Value. The total Withdrawal Value will become the starting Index Account Option Value for the next Index Account Option Term.

Tabular Representation of Example 3 (1-year Term)			
Days Elapsed in Crediting Term [A]	0	219	365
Total number of days in Crediting Term [B]	365	365	365
Proration of Index Adjustment Factors [C] = [A]/[B]	0	0.6	1
Year to Date Index Change [D]	0%	2%	5%
Index Participation Rate [E]	110%	110%	110%
Cap Rate [F]	8%	8%	8%
Prorated Cap Rate [G] = [C] x [F]	0.0%	4.8%	8.0%
Floor [H]	10%	10%	10%
Index Adjustment [J] = max(-[H], [D]) if [D] < 0% [J] = min([G], [D] x [E]) otherwise	0.0%	2.2%	6%
Pre-Withdrawal Index Account Option Value [K]	\$100,000.00	\$100,000.00	\$95,107.63
Pre-Withdrawal Interim Value [L] = (1+[J]) x [K]	\$100,000.00	\$102,200.00	\$100,338.55
Withdrawals [M]	\$0.00	\$5,000.00	\$0.00

Interim Value reduced by withdrawal (%) [N] = [M] / [L]	0.00%	4.89%	0.00%
Index Account Option Value [O] = [K] x (1-[N])	\$100,000.00	\$95,107.63	\$95,107.63
Total Withdrawal Value [P] = [O]*(1+[J])	\$100,000.00	\$97,200.00	\$100,338.55

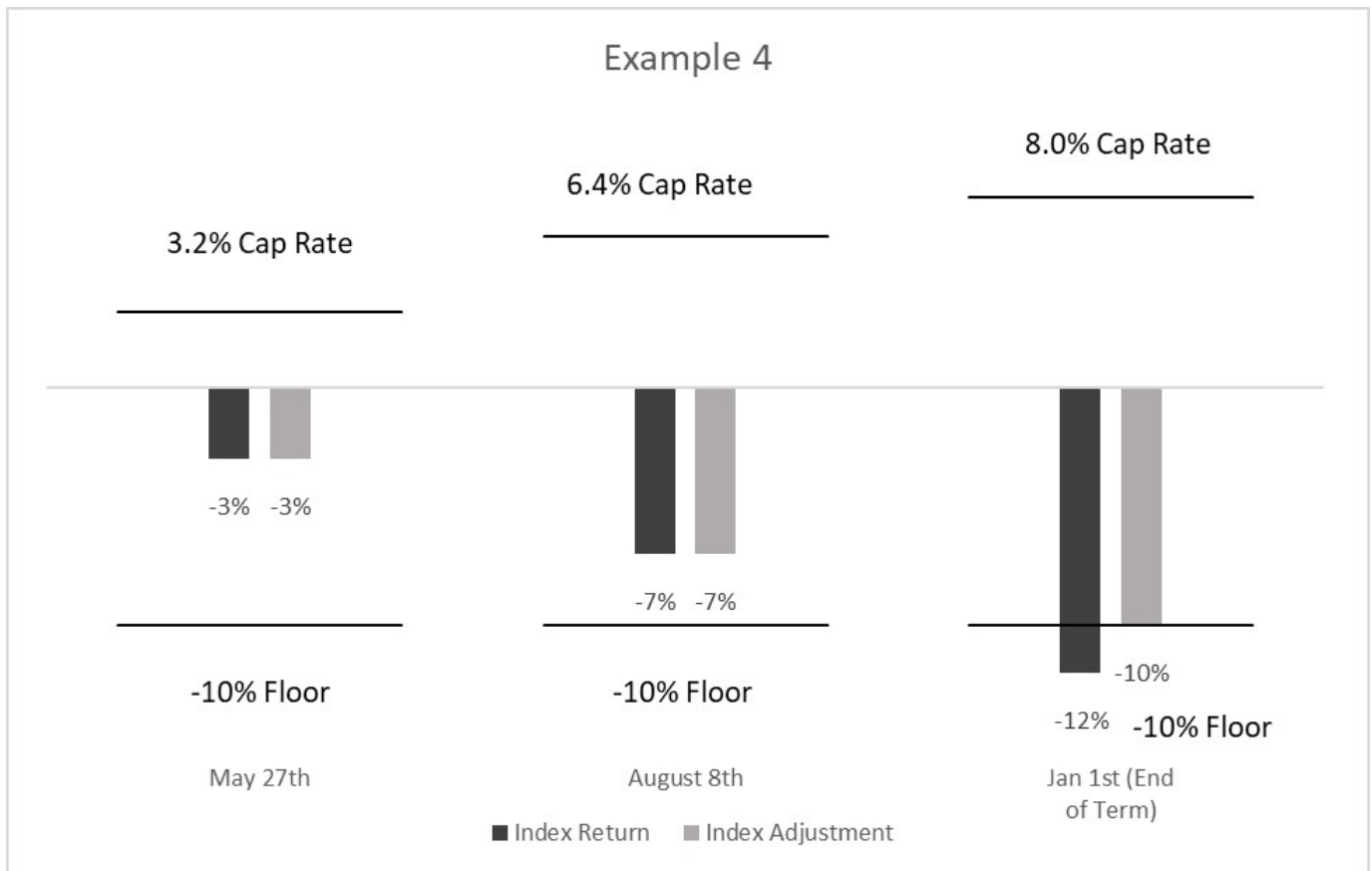


Example 4: This example demonstrates the impact on contract values of taking multiple partial withdrawals throughout the Term when the Cap crediting method is elected with the Floor protection option. The Term starts on January 1 and the first withdrawal occurs on May 27 when the index return is negative and does not exceed the Floor. The second withdrawal occurs on October 20 when the index return is negative and does not exceed the Floor. Contract values are also quoted at the beginning of the term and end of the term where the index return is negative and exceeds the Floor.

- On January 1, you make an initial Premium payment of \$100,000 and you are 100% allocated to a 1-year Cap with Floor Index Account Option with an 8% Cap Rate, 100% Index Participation Rate, and 10% Floor, then on May 27 you would have accrued 40% (146/365) of your Cap Rate ($0.4 * 8\% = 3.2\%$) since 146 days have elapsed during your crediting term and your Cap Rate is prorated by multiplying the Cap Rate by the number of days elapsed during the Index Account Option Term over the total number of days in the Index Account Option Term. The Floor rate is not prorated and is equal to the full term-length quantity (10%).
- If the Index is down 3%, no Index Participation Rate is applied to the Index Return and your Interim Value at that time would be credited with the loss as long as it is not less than the Floor (Maximum $(-3\%, -10\%) = -3\%$). That loss is applied to the Interim Value ($\$100,000 * -3\% + \$100,000 = \$97,000$). This would be the amount available for a full withdrawal from the Index Account at that time.
- If you take a partial withdrawal of \$5,000, your Index Account Option Value will be reduced by the proportion of your partial withdrawal to the Interim Value ($\$5,000/\$97,000 = 5.15\%$).
- Your Index Account Option Value at the beginning of the Term would be reduced by the percentage reduction in your Interim Value ($\$100,000 - 5.15\% * \$100,000 = \$94,845.36$). This adjusted Index Account Option Value is used to calculate subsequent Interim Values and to calculate the end of term Index Account Option Value.
- After the partial withdrawal, your Index Account Option Value would then have a recalculated Index Adjustment credited to obtain the current remaining total Withdrawal Value ($\$94,845.36 * -3\% + \$94,845.36 = \$92,000$). This remaining total Withdrawal Value is the same as the Interim Value prior to the withdrawal (\$97,000) minus the withdrawal amount (\$5,000).
- If you make a second partial withdrawal of \$5,000 on October 20, you would have accrued 80% (292/365) of your Cap Rate ($0.8 * 8\% = 6.0\%$) since 292 days have elapsed during your crediting term and your Cap Rate is prorated by multiplying the Cap Rate by the number of days elapsed during the Index Account Option Term over the total number of days in the Index Account Option Term. The Floor rate is not prorated and is equal to the full term-length quantity (10%).
- If the Index is down 7%, no Index Participation Rate is applied to the Index Return and at that time your Interim Value would have the Floor applied to the loss. Since the Floor is smaller than the loss $(-10\% < -7\%)$ it would apply the full loss to your Index Account Option Value ($\$94,845.36 + -7\% * \$94,845.36 = \$88,206.19$). This would be the amount available for a full withdrawal from the Indexed Account at that time.
- Your Index Account Option Value at the beginning of the Term would be reduced by the percentage reduction ($\$5,000/\$88,206.19 = 5.67\%$) in your Interim Value ($\$94,845.36 - 5.67\% * \$94,845.36 = \$89,469.02$). This adjusted Index Account Option Value is used to calculate subsequent Interim Values and to calculate the end of term Index Account Option Value.
- After the partial withdrawal, your Index Account Option Value would then have a recalculated Index Adjustment credited to obtain the current remaining total Withdrawal Value ($\$89,469.02 * -7\% + \$89,469.02 = \$83,206.19$). This remaining total Withdrawal Value is the same as the Interim Value prior to the withdrawal (\$88,206.19) minus the withdrawal amount (\$5,000).
- Carrying this example forward to the end of the Term, assume the Index is down 12%. Your Floor is 10% and you will have accrued the full Cap Rate (8%). Since the Index is down the Index Participation Rate does not apply to the Index Return and the Index Adjustment credited would be capped at the Floor (Maximum $(-12\%, -10\%) = -10\%$). Since the loss is more negative than the Floor, the Floor would be used to determine Index Adjustment credited to the final total Withdrawal Value ($\$89,469.02 + -10\% * \$89,469.02 = \$80,522.12$). The total Withdrawal Value will become the starting Index Account Option Value for the next Index Account Option Term.

Tabular Representation of Example 4 (1-year Term)				
Days Elapsed in Crediting Term [A]	0	146	292	365
Total number of days in Crediting Term [B]	365	365	365	365
Proration of Index Adjustment Factors [C] = [A]/[B]	0	0.4	0.8	1
Year to Date Index Change [D]	0%	-3%	-7%	-12%

Index Participation Rate [E]	100%	100%	100%	100%
Cap Rate [F]	8%	8%	8%	8%
Prorated Cap Rate [G] = [C] x [F]	0.0%	3.2%	6.4%	8.0%
Floor [H]	10%	10%	10%	10%
Index Adjustment [J] = max(-[H], [D]) if [D] < 0% [J] = min([G], [D] x [E]) otherwise	0.0%	-3.0%	-7.0%	-10.0%
Pre-Withdrawal Index Account Option Value [K]	\$100,000.00	\$100,000.00	\$94,845.36	\$89,469.02
Pre-Withdrawal Interim Value [L] = (1+[J]) x [K]	\$100,000.00	\$97,000.00	\$88,206.19	\$80,522.12
Withdrawals [M]	\$0.00	\$5,000.00	\$5,000.00	\$0.00
Interim Value reduced by withdrawal (%) [N] = [M] / [L]	0.00%	5.15%	5.67%	0.00%
Index Account Option Value [O] = [K] x (1-[N])	\$100,000.00	\$94,845.36	\$89,469.02	\$89,469.02
Total Withdrawal Value [P] = [O] x (1+[J])	\$100,000.00	\$92,000.00	\$83,206.19	\$80,522.12

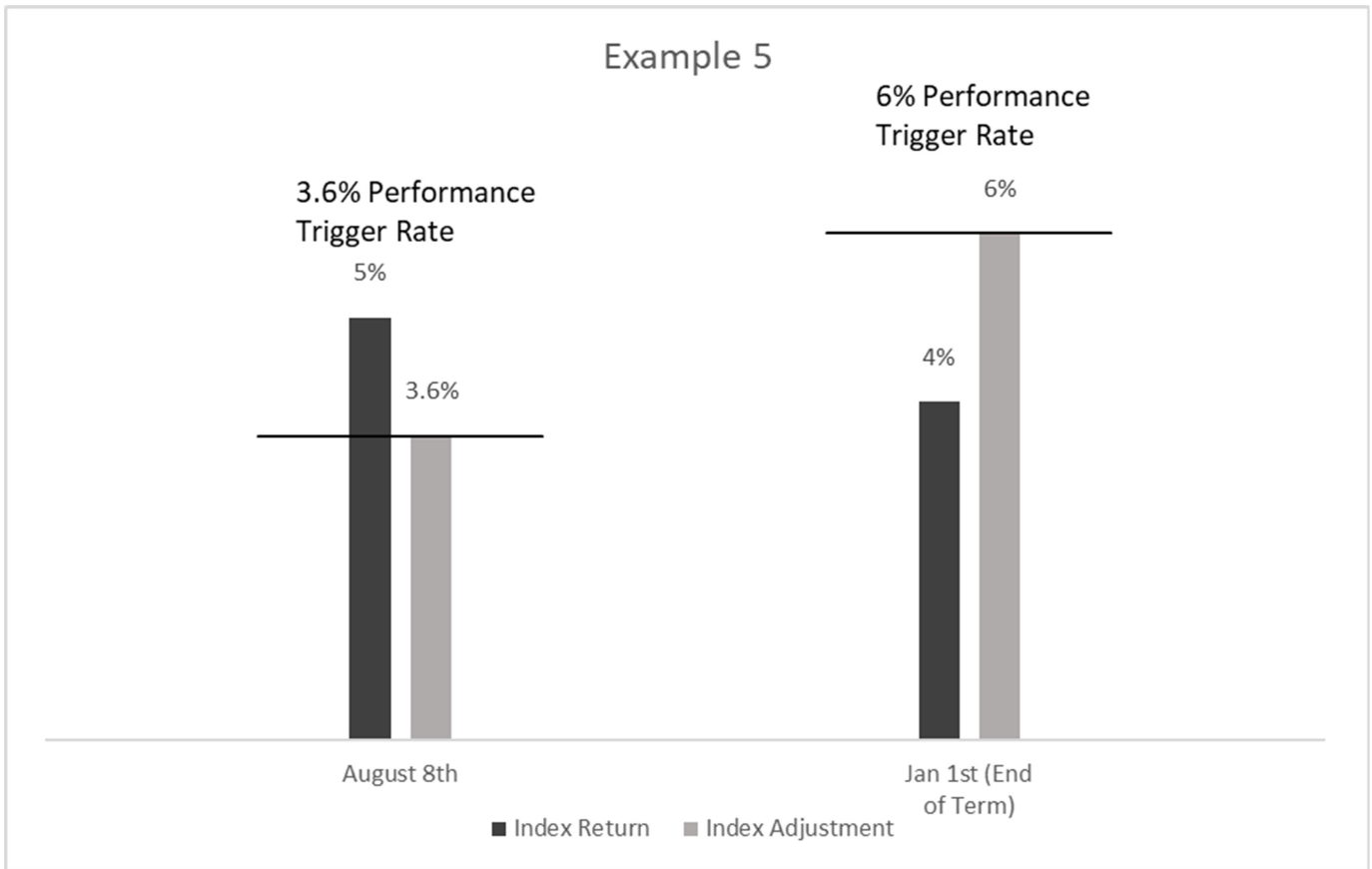


Example 5: This example demonstrates the impact on contract values of taking a single partial withdrawal when the Performance Trigger crediting method is elected with the Buffer protection option. The Term starts on January 1 and the withdrawal occurs on August 8 when the index return is positive and higher than the prorated Performance Trigger Rate. Contract values are also quoted at the beginning of the term and end of the term where the index return is positive and lower than the Performance Trigger Rate.

- On January 1, you make an initial Premium payment of \$100,000 and you are 100% allocated to a 1-year Performance Trigger with Buffer Index Account Option with a 6% Performance Trigger Rate and 10% Buffer, then on August 8 you would have accrued 60% (219/365) of your Performance Trigger Rate ($0.6 * 6\% = 3.6\%$) and 60% of your Buffer ($0.6 * 10\% = 6.00\%$) since 219 days have elapsed during your crediting term and your Performance Trigger Rate and Buffer are prorated by multiplying the Index Adjustment Factors by the number of days elapsed during the Index Account Option Term over the total number of days in the Index Account Option Term.
- If the Index is up 5% your Interim Value at that time would be credited with the prorated Performance Trigger Rate ($\$100,000 * 3.6\% + \$100,000 = \$103,600$). This would be the amount available for a full withdrawal from the Index Account at that time.
- If you take a partial withdrawal of \$5,000, your Index Account Option Value will be reduced by the proportion of your partial withdrawal to the Interim Value ($\$5,000/\$103,600 = 4.83\%$).
- Your Index Account Option Value at the beginning of the Term would be reduced by the percentage reduction in your Interim Value ($\$100,000 - 4.83\% * \$100,000 = \$95,173.75$). This adjusted Index Account Option Value is used to calculate subsequent Interim Values and to calculate the end of term Index Account Option Value.
- After the partial withdrawal, your Index Account Option Value would then have a recalculated Index Adjustment credited to obtain the current remaining total Withdrawal Value ($\$95,173.75 * 3.6\% + \$95,173.75 = \$98,600$). This remaining total Withdrawal Value is the same as the Interim Value prior to the withdrawal ($\$103,600$) minus the withdrawal amount ($\$5,000$).
- Carrying this example forward to the end of the Term, assume the Index is up 4%. You will have accrued the full Performance Trigger Rate (6%) and Buffer (10%). Since the Index is up, the Index Adjustment credited would be the Performance Trigger Rate ($\$95,173.75 + 6\% * \$95,173.75 = \$100,884.17$) to find the final total Withdrawal Value. The total Withdrawal Value will become the starting Index Account Option Value for the next Index Account Option Term.

Tabular Representation of Example 5 (1-year Term)			
Days Elapsed in Crediting Term [A]	0	219	365
Total number of days in Crediting Term [B]	365	365	365
Proration of Index Adjustment Factors [C] = [A]/[B]	0	0.6	1
Year to Date Index Change [D]	0%	5%	4%
Performance Trigger Rate [F]	6%	6%	6%
Prorated Performance Trigger Rate [G] = [C] x [F]	0.0%	3.6%	6.0%
Buffer [H]	10%	10%	10%
Prorated Buffer [I] = [C] x [H]	0%	6%	10%
Index Adjustment [J] = min([I] + [D], 0%) if [D] < 0% [J] = [G] otherwise	0.0%	3.6%	6.0%
Pre-Withdrawal Index Account Option Value [K]	\$100,000.00	\$100,000.00	\$95,173.75

Pre-Withdrawal Interim Value [L] = (1+[J]) x [K]	\$100,000.00	\$103,600.00	\$100,884.17
Withdrawals [M]	\$0.00	\$5,000.00	\$0.00
Interim Value reduced by withdrawal (%) [N] = [M] / [L]	0.00%	4.83%	0.00%
Index Account Option Value [O] = [K] x (1-[N])	\$100,000.00	\$95,173.75	\$95,173.75
Total Withdrawal Value [P] = [O]*(1+[J])	\$100,000.00	\$98,600.00	\$100,884.17

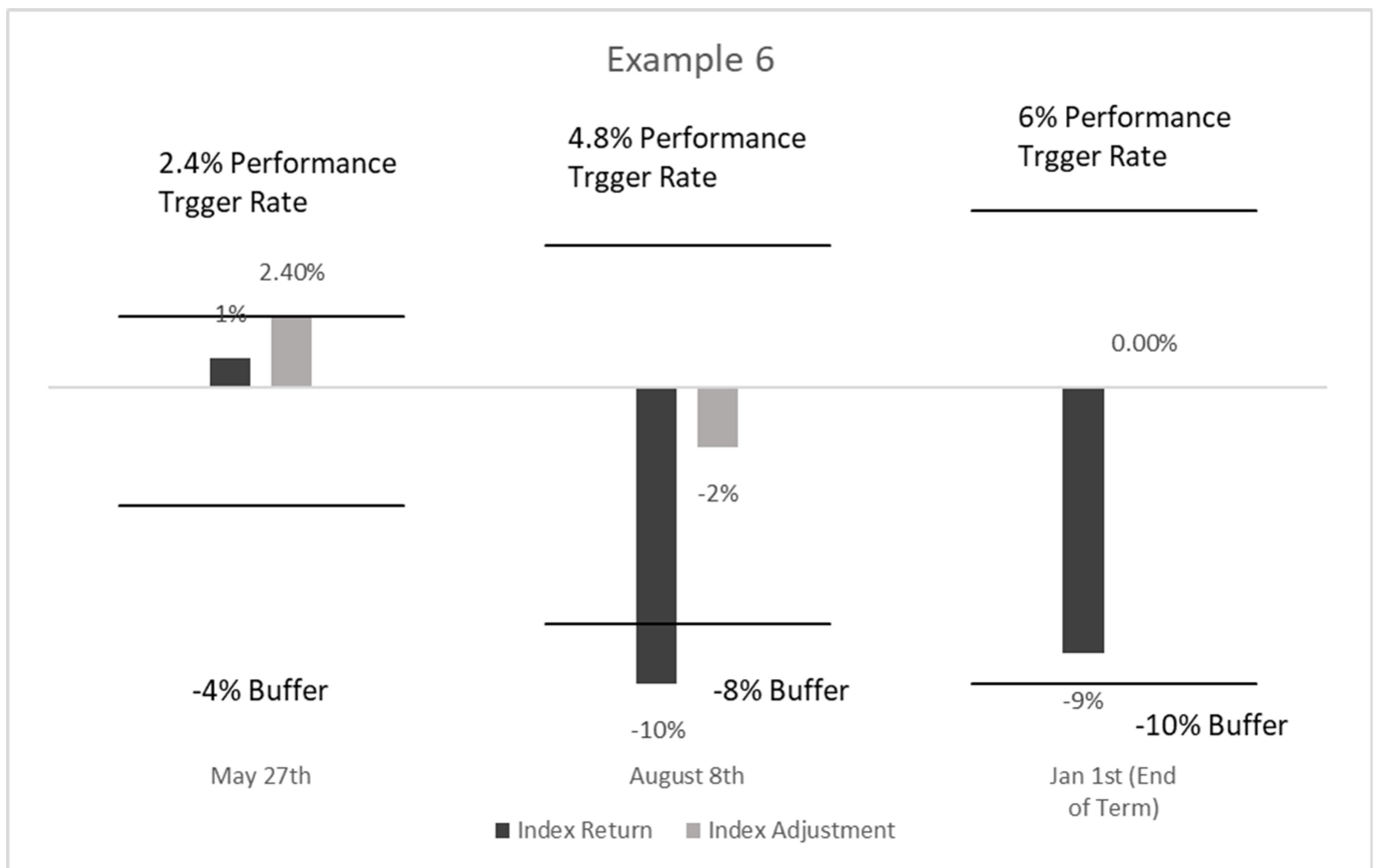


Example 6: This example demonstrates the impact on contract values of taking multiple partial withdrawals throughout the Term when the Performance Trigger crediting method is elected with the Buffer protection option. The Term starts on January 1 and the first withdrawal occurs on May 27 when the index return is positive and does not exceed the prorated Performance Trigger Rate. The second withdrawal occurs on October 20 when the index return is negative and exceeds the Buffer. Contract values are also quoted at the beginning of the term and end of the term where the index return is negative and within the Buffer.

- On January 1, you make an initial Premium payment of \$100,000 and you are 100% allocated to a 1-year Performance Trigger with Buffer Index Account Option with a 6% Performance Trigger Rate and 10% Buffer, then on May 27 you would have accrued 40% (146/365) of your Performance Trigger Rate ($0.4 * 6\% = 2.4\%$) and 40% (146/365) of your Buffer ($0.4 * 10\% = 4\%$) since 146 days have elapsed during your crediting term and your Performance Trigger Rate and Buffer are prorated by multiplying the Index Adjustment Factors by the number of days elapsed during the Index Account Option Term over the total number of days in the Index Account Option Term.
- If the Index is up 1%, your Interim Value at that time would be credited with the prorated Performance Trigger Rate ($\$100,000 * 2.40\% + \$100,000 = \$102,400$). This would be the amount available for a full withdrawal from the Index Account at that time.
- If you take a partial withdrawal \$5,000 on May 27, your Index Account Option Value will be reduced by the proportion of your partial withdrawal to the Interim Value ($\$5,000/\$102,400 = 4.88\%$).
- Your Index Account Option Value at the beginning of the Term would be reduced by the percentage reduction in your Interim Value ($\$100,000 - 4.88\% * \$100,000 = \$95,117.19$). This adjusted Index Account Option Value is used to calculate subsequent Interim Values and to calculate the end of term Index Account Option Value.
- After the partial withdrawal, your Index Account Option Value would then have a recalculated Index Adjustment credited to obtain the current remaining total Withdrawal Value ($\$95,117.19 * 2.40\% + \$95,117.19 = \$96,400$). This remaining total Withdrawal Value is the same as the Interim Value prior to the withdrawal ($\$102,400$) minus the withdrawal amount ($\$5,000$).
- If you make a second partial withdrawal of \$5,000 on October 20, you would have accrued 80% (292/365) of your Performance Trigger Rate ($0.80 * 6\% = 4.80\%$) and 80% (292/365) of your Buffer ($0.80 * 10\% = 8\%$) since 292 days have elapsed during your crediting term and your Performance Trigger Rate and Buffer are prorated by multiplying the Index Adjustment Factors by the number of days elapsed during the Index Account Option Term over the total number of days in the Index Account Option Term.
- If the Index is down 10% at that time, your Interim Value would have the prorated Buffer applied to the loss and since the Index is down by more than the prorated Buffer it would apply the net difference ($8\% + -10\% = -2\%$) to your Interim Value ($\$95,117.19 + -2\% * \$95,117.19 = \$93,214.84$). This would be the amount available for a full withdrawal from the Indexed Account at that time.
- Your Index Account Option Value at the beginning of the Term would be reduced by the percentage reduction ($\$5,000/\$93,214.84 = 5.36\%$) in your Interim Value ($\$95,117.19 - 5.36\% * \$95,117.19 = \$90,015.15$). This adjusted Index Account Option Value is used to calculate subsequent Interim Values and to calculate the end of term Index Account Option Value.
- After the partial withdrawal, your Index Account Option Value would then have a recalculated Index Adjustment credited to obtain the current remaining total Withdrawal Value ($\$90,015.15 * -2\% + \$90,015.15 = \$88,214.84$). This remaining total Withdrawal Value is the same as the Interim Value prior to the withdrawal ($\$93,214.84$) minus the withdrawal amount ($\$5,000$).
- Carrying this example forward to the end of the Term, assume the Index is down 9%. You will have accrued the full Performance Trigger Rate (6%) and Buffer (10%). Since the Index is down but within the Buffer, the Index Adjustment credited would be fully absorbed by the Buffer and be 0%. Since the loss is smaller than the Buffer, the Index Account Option Value is fully protected ($\$90,015.15 + 0\% * \$90,015.15 = \$90,015.15$ to find the final total Withdrawal Value. The total Withdrawal Value will become the starting Index Account Option Value for the next Index Account Option Term.

Tabular Representation of Example 6 (1-year Term)				
Days Elapsed in Crediting Term [A]	0	146	292	365
Total number of days in Crediting Term [B]	365	365	365	365
Proration of Index Adjustment Factors [C] = [A]/[B]	0	0.4	0.8	1
Year to Date Index Change [D]	0%	1%	-10%	-9%

Performance Trigger Rate [F]	6%	6%	6%	6%
Prorated Performance Trigger Rate [G] = [C] x [F]	0.0%	2.4%	4.8%	6.0%
Buffer [H]	10%	10%	10%	10%
Prorated Buffer [I] = [C] x [H]	0%	4%	8%	10%
Index Adjustment [J] = min([I] + [D], 0%) if [D] < 0% [J] = [G] otherwise	0.0%	2.4%	-2.0%	0.0%
Pre-Withdrawal Index Account Option Value [K]	\$100,000.00	\$100,000.00	\$95,117.19	\$90,015.15
Pre-Withdrawal Interim Value [L] = (1+[J]) x [K]	\$100,000.00	\$102,400.00	\$93,214.84	\$90,015.15
Withdrawals [M]	\$0.00	\$5,000.00	\$5,000.00	\$0.00
Interim Value reduced by withdrawal (%) [N] = [M] / [L]	0.00%	4.88%	5.36%	0.00%
Index Account Option Value [O] = [K] x (1-[N])	\$100,000.00	\$95,117.19	\$90,015.15	\$90,015.15
Total Withdrawal Value [P] = [O] x (1+[J])	\$100,000.00	\$97,400.00	\$88,214.84	\$90,015.15

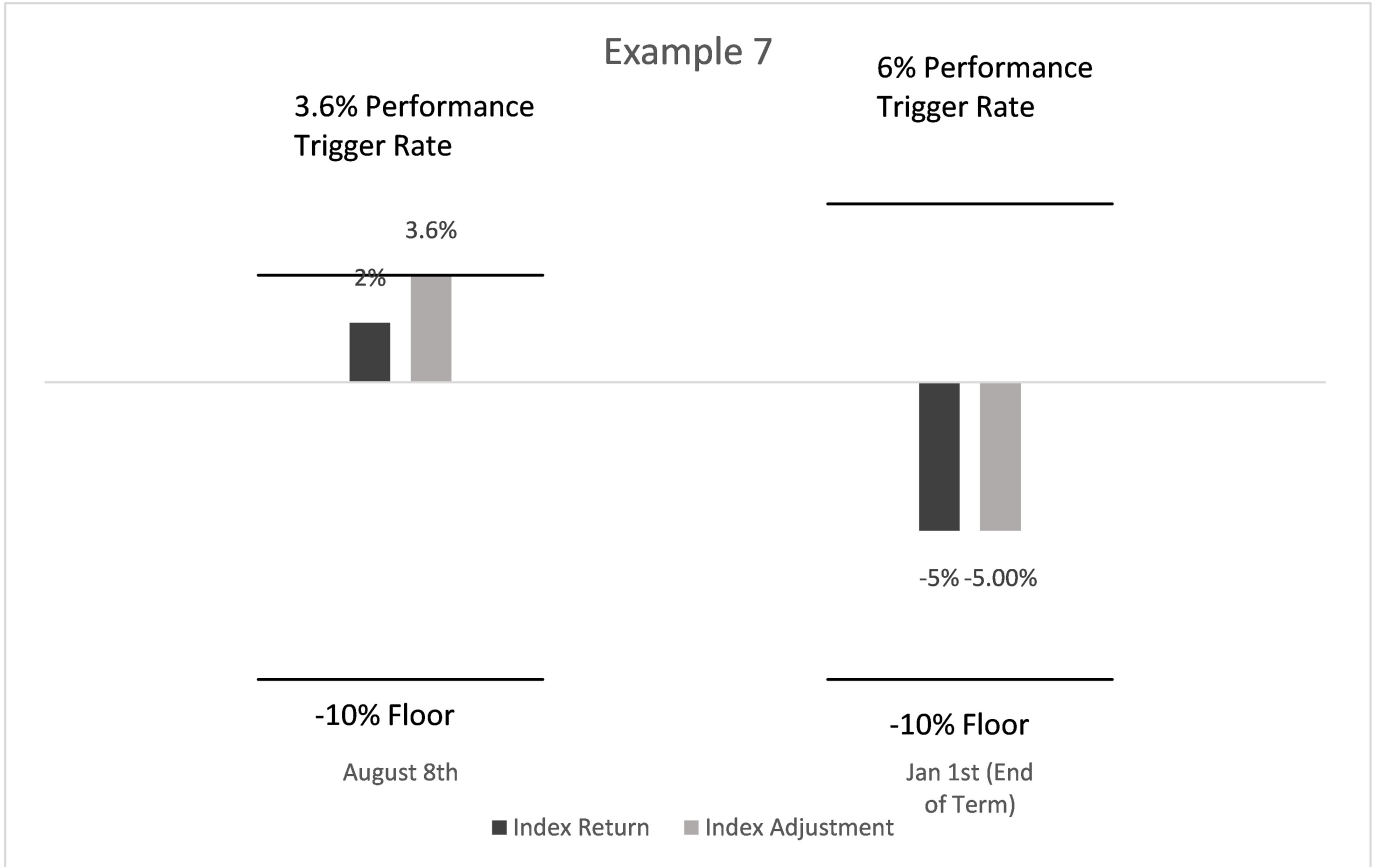


Example 7: This example demonstrates the impact on contract values of taking a single partial withdrawal when the Performance Trigger crediting method is elected with the Floor protection option. The Term starts on January 1 and the withdrawal occurs on August 8 when the index return is positive and lower than the prorated Performance Trigger Rate. Contract values are also quoted at the beginning of the term and end of the term where the index return is negative and does not exceed the Floor.

- On January 1, you make an initial Premium payment of \$100,000 and you are 100% allocated to a 1-year Performance Trigger with Floor Index Account Option with a 6% Performance Trigger Rate and 10% Floor, then on August 8 you would have accrued 60% (219/365) of your Performance Trigger Rate ($0.6 * 6\% = 3.6\%$) since 219 days have elapsed during your crediting term and your Performance Trigger Rate is prorated by multiplying the Performance Trigger Rate by the number of days elapsed during the Index Account Option Term over the total number of days in the Index Account Option Term. The Floor rate is not prorated and is equal to the full term-length quantity (10%).
- If the Index is up 2%, your Interim Value at that time would be credited with the prorated Performance Trigger Rate ($\$100,000 * 3.6\% + \$100,000 = \$103,600$). This would be the amount available for a full withdrawal from the Index Account at that time.
- If you take a partial withdrawal of \$5,000, your Index Account Option Value will be reduced by the proportion of your partial withdrawal to the Interim Value ($\$5,000/\$103,600 = 4.83\%$).
- Your Index Account Option Value at the beginning of the Term would be reduced by the percentage reduction in your Interim Value ($\$100,000 - 4.83\% * \$100,000 = \$95,173.75$). This adjusted Index Account Option Value is used to calculate subsequent Interim Values and to calculate the end of term Index Account Option Value.
- After the partial withdrawal, your Index Account Option Value would then have a recalculated Index Adjustment credited to obtain the current remaining total Withdrawal Value ($\$95,173.17 * 3.6\% + \$95,173.17 = \$98,600$). This remaining total Withdrawal Value is the same as the Interim Value prior to the withdrawal (\$103,600) minus the withdrawal amount (\$5,000).
- Carrying this example forward to the end of the Term, assume the Index is down 5%. Your Floor is 10% and you will have accrued the full Performance Trigger Rate (6%). Since the Index Return is negative but doesn't exceed the Floor, the loss credited would be equal to the Index Return ($\$95,173.75 + -5\% * \$95,173.75 = \$90,415.06$) to find the final total Withdrawal Value. The total Withdrawal Value will become the starting Index Account Option Value for the next Index Account Option Term.

Tabular Representation of Example 7 (1-year Term)			
Days Elapsed in Crediting Term [A]	0	219	365
Total number of days in Crediting Term [B]	365	365	365
Proration of Index Adjustment Factors [C] = [A]/[B]	0	0.6	1
Year to Date Index Change [D]	0%	2%	-5%
Performance Trigger Rate [F]	6%	6%	6%
Prorated Performance Trigger Rate [G] = [C] x [F]	0.0%	3.6%	6.0%
Floor [H]	10%	10%	10%
Index Adjustment [J] = max(-[H], [D]) if [D] < 0% [J] = [G] otherwise	0.0%	3.6%	-5.0%
Pre-Withdrawal Index Account Option Value [K]	\$100,000.00	\$100,000.00	\$95,173.75
Pre-Withdrawal Interim Value [L] = (1+[J]) x [K]	\$100,000.00	\$103,600.00	\$90,415.06

Withdrawals [M]	\$0.00	\$5,000.00	\$0.00
Interim Value reduced by withdrawal (%) [N] = [M] / [L]	0.00%	4.83%	0.00%
Index Account Option Value [O] = [K] x (1 - [N])	\$100,000.00	\$95,173.75	\$95,173.75
Total Withdrawal Value [P] = [O]*(1+[J])	\$100,000.00	\$98,600.00	\$90,415.06

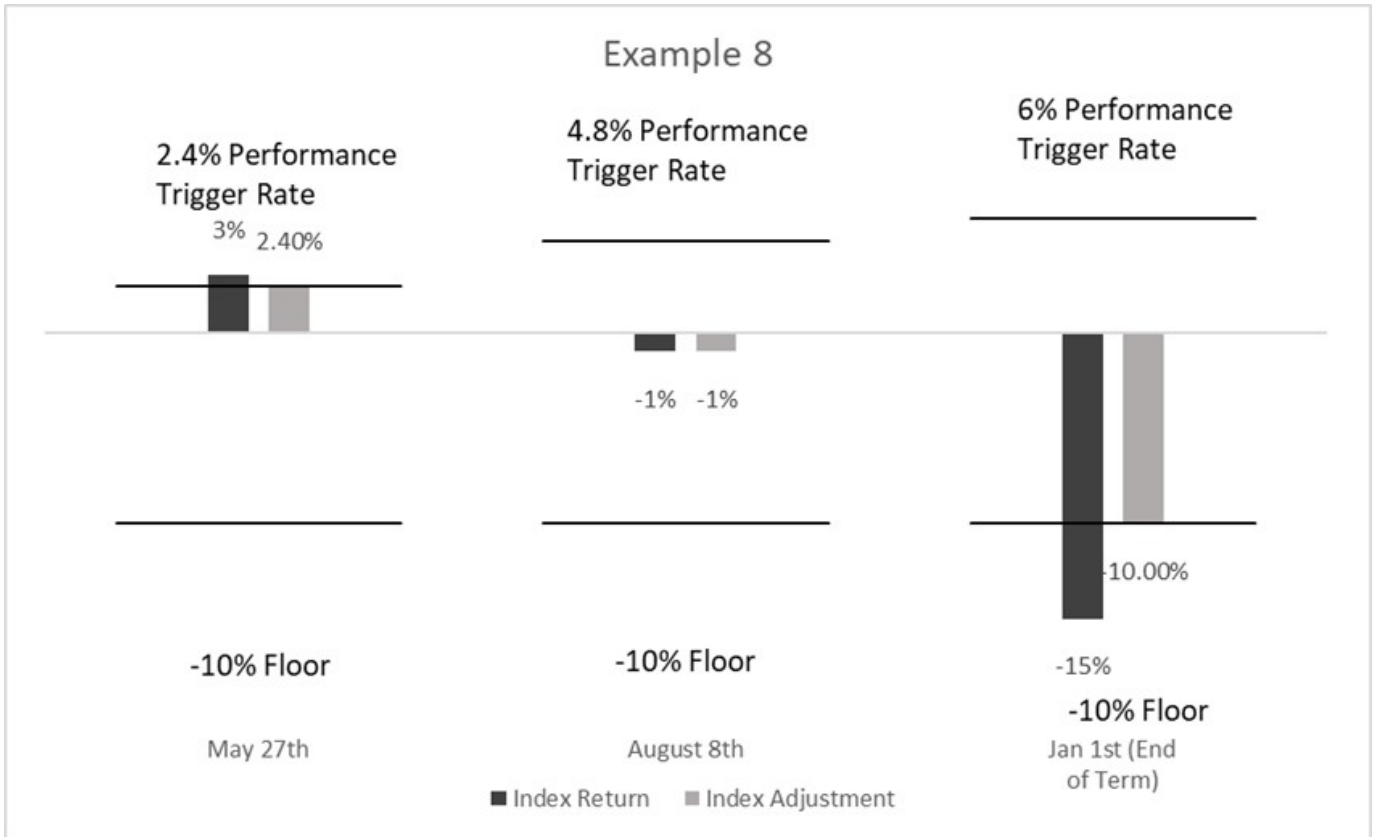


Example 8: This example demonstrates the impact on contract values of taking multiple partial withdrawals throughout the Term when the Performance Trigger crediting method is elected with the Floor protection option. The Term starts on January 1 and the first withdrawal occurs on May 27 when the index return is positive and higher than the prorated Performance Trigger Rate. The second withdrawal occurs on October 20 when the index return is negative and does not exceed the Floor. Contract values are also quoted at the beginning of the term and end of the term where the index return is negative and exceeds the Floor.

- On January 1, you make an initial Premium payment of \$100,000 and you are 100% allocated to a 1-year Performance Trigger with Floor Index Account Option with a 6% Performance Trigger Rate and 10% Floor, then on May 27 you would have accrued 40% (146/365) of your Performance Trigger Rate ($0.4 * 6\% = 2.4\%$) since 146 days have elapsed during your crediting term and your Performance Trigger Rate is prorated by multiplying the Performance Trigger Rate by the number of days elapsed during the Index Account Option Term over the total number of days in the Index Account Option Term. The Floor rate is not prorated and is equal to the full term-length quantity (10%).
- If the Index is up 3% your Interim Value at that time would be credited with the prorated Performance Trigger Rate ($\$100,000 * 2.4\% + \$100,000 = \$102,400$). This would be the amount available for a full withdrawal from the Index Account at that time.
- If you take a partial withdrawal of \$5,000 on May 27, your Index Account Option Value will be reduced by the proportion of your partial withdrawal to the Interim Value ($\$5,000/\$102,400 = 4.88\%$).
- Your Index Account Option Value at the beginning of the Term would be reduced by the percentage reduction in your Interim Value ($\$100,000 - 4.88\% * \$100,000 = \$95,117.19$). This adjusted Index Account Option Value is used to calculate subsequent Interim Values and to calculate the end of term Index Account Option Value.
- After the partial withdrawal, your Index Account Option Value would then have a recalculated Index Adjustment credited to obtain the current remaining total Withdrawal Value ($\$95,117.19 * 2.4\% + \$95,117.19 = \$97,400$). This remaining total Withdrawal Value is the same as the Interim Value prior to the withdrawal (\$102,400) minus the withdrawal amount (\$5,000).
- If you make a second partial withdrawal of \$5,000 on October 20, you would have accrued 80% (292/365) of your Performance Trigger Rate ($0.8 * 6\% = 4.8\%$) since 292 days have elapsed during your crediting term and your Performance Trigger Rate is prorated by multiplying the Performance Trigger Rate by the number of days elapsed during the Index Account Option Term over the total number of days in the Index Account Option Term. The Floor rate is not prorated and is equal to the full term-length quantity (10%).
- If the Index is down 1% at that time, your Interim Value would have the Floor applied to the loss and since the Index is down less than the Floor, it would apply the full loss to your Index Account Option Value ($\$95,117.19 + -1\% * \$95,117.19 = \$94,116.02$). This would be the amount available for a full withdrawal from the Indexed Account at that time.
- Your Index Account Option Value at the beginning of the Term would be reduced by the percentage reduction in your Interim Value ($\$5,000/\$94,116.02 = 5.31\%$) ($\$94,116.02 - 5.31\% * \$94,116.02 = \$90,066.68$). This adjusted Index Account Option Value is used to calculate subsequent Interim Values and to calculate the end of term Index Account Option Value.
- After the partial withdrawal, your Index Account Option Value would then have a recalculated Index Adjustment credited to obtain the current remaining total Withdrawal Value ($\$90,066.68 * -1\% + \$90,066.68 = \$89,166.02$). This remaining total Withdrawal Value is the same as the Interim Value prior to the withdrawal (\$94,166.02) minus the withdrawal amount (\$5,000).
- Carrying this example forward to the end of the Term, assume the Index is down 15%. Your Floor is 10% and you will have accrued the full Performance Trigger Rate (6%). Since the Index is down more than the Floor, the Index Adjustment credited would be capped at the Floor (Maximum (-15%, -10%) = -10%) to find the final total Withdrawal Value ($\$90,066.68 + -10\% * \$90,066.68 = \$81,060.01$). The total Withdrawal Value will become the starting Index Account Option Value for the next Index Account Option Term.

Tabular Representation of Example 8 (1-year Term)				
Days Elapsed in Crediting Term [A]	0	146	292	365
Total number of days in Crediting Term [B]	365	365	365	365
Proration of Index Adjustment Factors [C] = [A]/[B]	0	0.4	0.8	1
Year to Date Index Change [D]	0%	3%	-1%	-15%

Performance Trigger Rate [F]	6%	6%	6%	6%
Prorated Performance Trigger Rate [G] = [C] x [F]	0.0%	2.4%	4.8%	6.0%
Floor [H]	10%	10%	10%	10%
Index Adjustment [J] = max(-[H], [D]) if [D] < 0% [J] = [G] otherwise	0.0%	2.4%	-1.0%	-10.0%
Pre-Withdrawal Index Account Option Value [K]	\$100,000.00	\$100,000.00	\$95,117.19	\$90,066.68
Pre-Withdrawal Interim Value [L] = (1+[J]) x [K]	\$100,000.00	\$102,400.00	\$94,166.02	\$81,060.01
Withdrawals [M]	\$0.00	\$5,000.00	\$5,000.00	\$0.00
Interim Value reduced by withdrawal (%) [N] = [M] / [L]	0.00%	4.88%	5.31%	0.00%
Index Account Option Value [O] = [K] x (1-[N])	\$100,000.00	\$95,117.19	\$90,066.68	\$90,066.68
Total Withdrawal Value [P] = [O]*(1+[J])	\$100,000.00	\$97,400.00	\$89,166.02	\$81,060.01

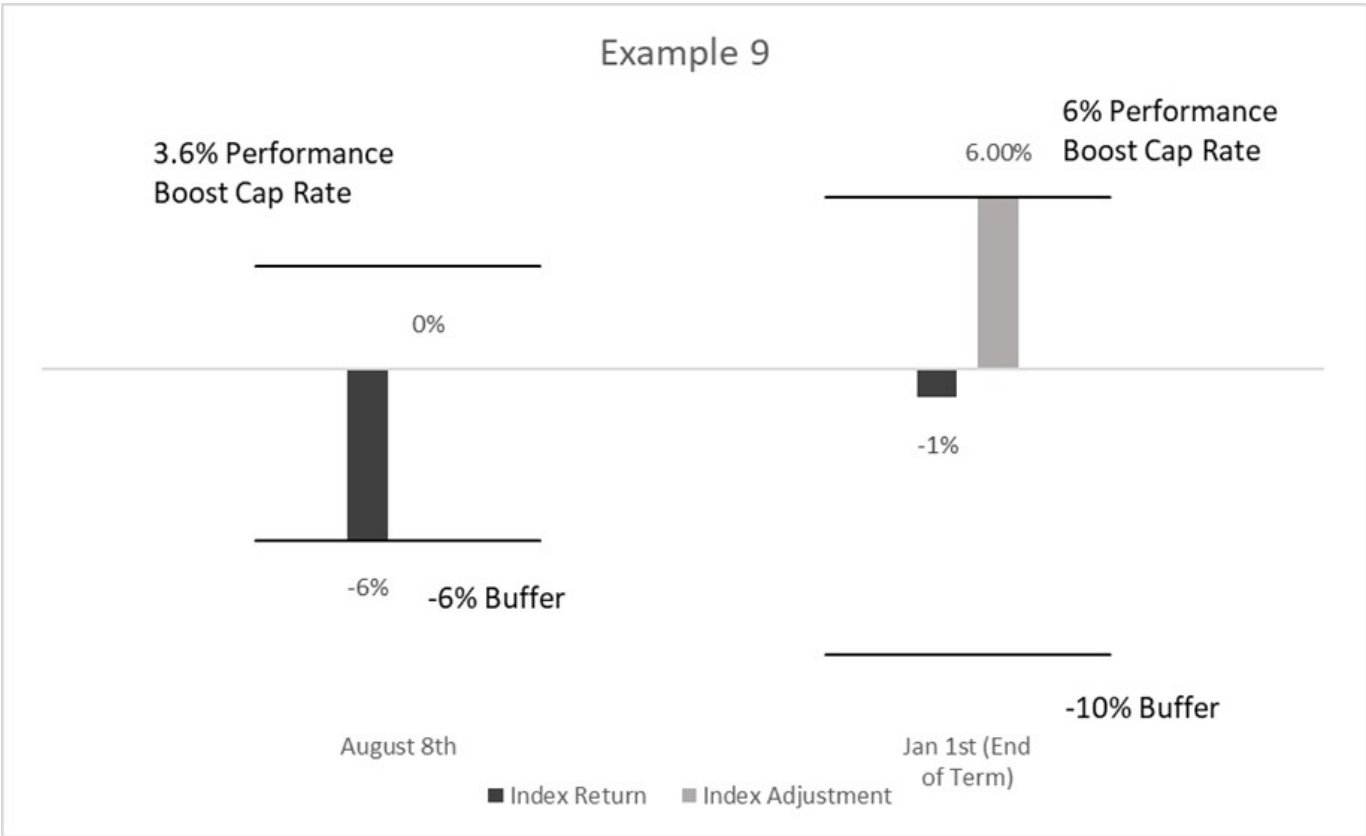


Example 9: This example demonstrates the impact on contract values of taking a single partial withdrawal when the Performance Boost crediting method is elected with the Buffer protection option. The Term starts on January 1 and the withdrawal occurs on August 8 when the index return is negative and equal to the prorated Buffer. Policy values are also quoted at the beginning of the term and end of the term where the index return is negative and within the Buffer.

- On January 1, you make an initial Premium payment of \$100,000 and you are 100% allocated to a 1-year Performance Boost with Buffer Index Account Option with a 6% Performance Boost Cap Rate, 10% Performance Boost Rate, and 10% Buffer, then on August 8 you would have accrued 60% (219/365) of your Performance Boost Cap Rate ($0.6 * 6\% = 3.6\%$), 60% (219/365) of your Performance Boost Rate ($0.6 * 10\% = 6.00\%$), and 60% (219/365) of your Buffer ($0.6 * 10\% = 6.00\%$) since 219 days have elapsed during your crediting term and your Performance Boost Cap Rate, Performance Boost Rate, and Buffer are prorated by multiplying the Index Adjustment Factors by the number of days elapsed during the Index Account Option Term over the total number of days in the Index Account Option Term.
- If the Index is down 6% your Interim Value at that time would be credited with the lesser of the prorated Performance Boost Cap Rate (3%) and the sum of the Index Return and the prorated Performance Boost Rate ($-6\% + 6\% = 0\%$) ($\$100,000 * 0\% + \$100,000 = \$100,000$). This would be the amount available for a full withdrawal from the Index Account at that time.
- If you take a partial withdrawal of \$5,000, your Index Account Option Value will be reduced by the proportion of your partial withdrawal to the Interim Value ($\$5,000/\$100,000 = 5.00\%$).
- Your Index Account Option Value at the beginning of the Term would be reduced by the percentage reduction in your Interim Value ($\$100,000 - 5.00\% * \$100,000 = \$95,000.00$). This adjusted Index Account Option Value is used to calculate subsequent Interim Values and to calculate the end of term Index Account Option Value.
- After the partial withdrawal, your Index Account Option Value would then have a recalculated Index Adjustment credited to obtain the current total Withdrawal Value ($\$95,000.00 * 0\% + \$95,000.00 = \$95,000$). This remaining total Withdrawal Value is the same as the Interim Value prior to the withdrawal ($\$100,000$) minus the withdrawal amount ($\$5,000$).
- Carrying this example forward to the end of the Term, assume the Index is down 1%. You will have accrued the full Performance Boost Cap Rate (6%), Performance Boost Rate (10%), and Buffer (10%). The Index Adjustment credited would be the lesser of the Performance Boost Cap Rate (6%) and the sum of the Index return and the Performance Boost Rate ($-1\% + 10\% = 9\%$) ($\$95,000.00 + 6\% * \$95,000.00 = \$100,700.00$) to find the final total Withdrawal Value. The total Withdrawal Value will become the starting Index Account Option Value for the next Index Account Option Term.

Tabular Representation of Example 9 (1-year Term)			
Days Elapsed in Crediting Term [A]	0	219	365
Total number of days in Crediting Term [B]	365	365	365
Proration of Index Adjustment Factors [C] = [A]/[B]	0	0.6	1
Year to Date Index Change [D]	0%	-6%	-1%
Performance Boost Rate [E]	10%	10%	10%
Prorated Performance Boost Rate [F] = [C]*[E]	0%	6%	10%
Performance Boost Cap [G]	6.0%	6.0%	6.0%
Prorated Performance Boost Cap Rate [H] = [C] x [G]	0%	4%	6%
Buffer [I]	10%	10%	10%
Prorated Buffer [J] = [C] x [I]	0.0%	6.0%	10.0%
Index Adjustment [K] = min([F] + [D], [H]) if [D] >= [J] [K] = [D] + [I] otherwise	0.00%	0.00%	6.00%

Pre-Withdrawal Index Account Option Value [L]	\$100,000.00	\$100,000.00	\$95,000.00
Pre-Withdrawal Interim Value [M] = (1+[K]) x [L]	\$100,000.00	\$100,000.00	\$100,700.00
Withdrawals [N]	\$0.00	\$5,000.00	\$0.00
Interim Value reduced by withdrawal (%) [O] = [N] / [M]	0.00%	5.00%	0.00%
Index Account Option Value [P] = [L] x (1-[O])	\$100,000.00	\$95,000.00	\$95,000.00
Total Withdrawal Value [Q] = [P]*(1+[K])	\$100,000.00	\$95,000.00	\$100,700.00

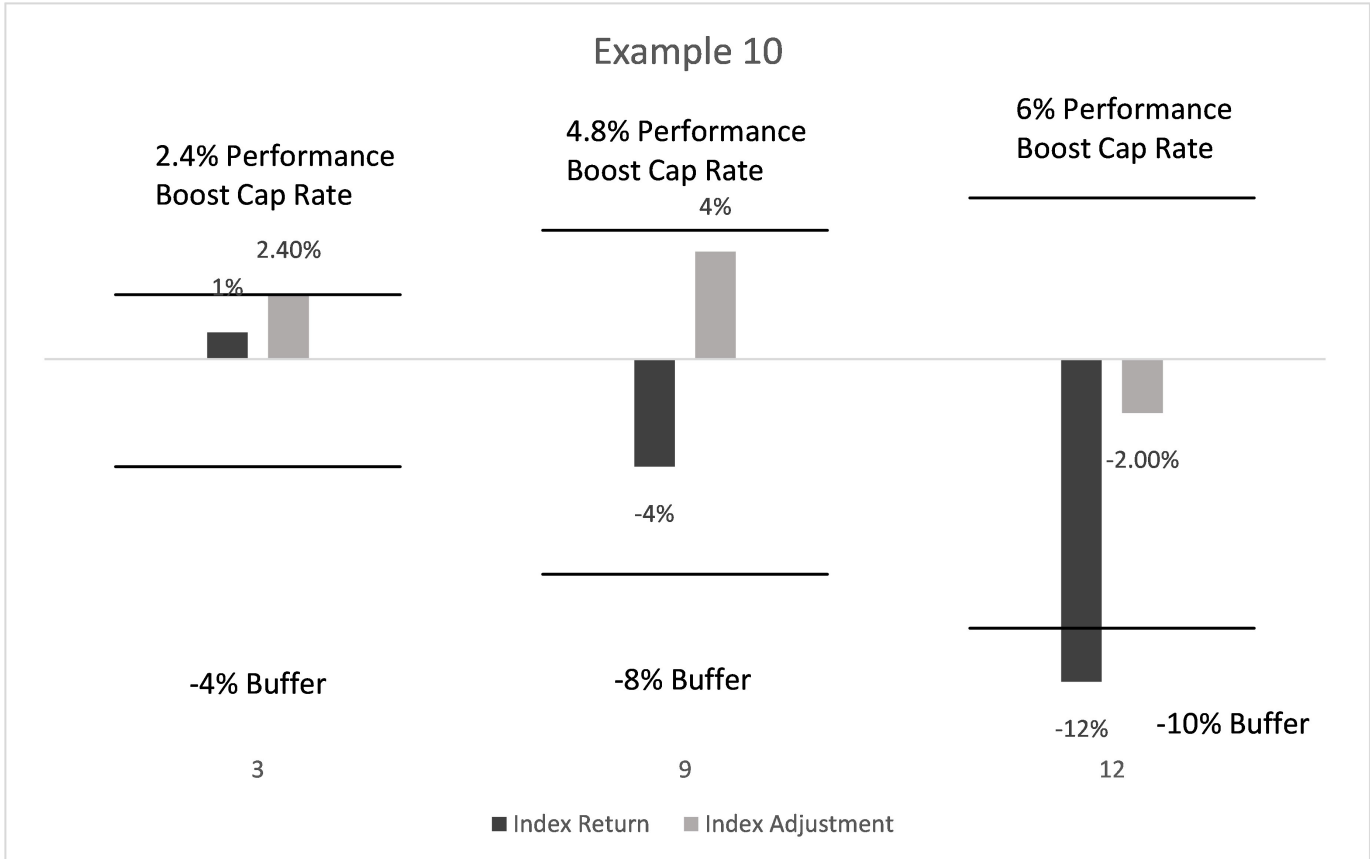


Example 10: This example demonstrates the impact on contract values of taking multiple partial withdrawals throughout the Term when the Performance Boost crediting method is elected with the Buffer protection option. The Term starts on January 1 and the first withdrawal occurs on May 27 the term when the index return is positive and lower than the prorated Performance Boost Cap Rate. The second withdrawal occurs on October 20 when the index return is negative and within the Buffer. Policy values are also quoted at the beginning of the term and end of the term where the index return is negative and exceeds the Buffer.

- On January 1, you make an initial Premium payment of \$100,000 and you are 100% allocated to a 1-year Performance Boost with Buffer Index Account Option with a 6% Performance Boost Cap Rate, 10% Performance Boost Rate, and 10% Buffer, then on May 27 you would have accrued 40% (146/365) of your Performance Boost Cap Rate ($0.4 * 6\% = 2.4\%$), 40% (146/365) of your Performance Boost Rate ($0.4 * 10\% = 4\%$), and 40% (146/365) of your Buffer ($0.4 * 10\% = 4\%$) since 146 days have elapsed during your crediting term and your Performance Boost Cap Rate, Performance Boost Rate, and Buffer are prorated by multiplying the Index Adjustment Factors by the number of days elapsed during the Index Account Option Term over the total number of days in the Index Account Option Term.
- If the Index is up 1% your Interim Value at that time would be credited with the lesser of the prorated Performance Boost Cap Rate (2.4%) and the sum of the Index Return and the prorated Performance Boost Rate ($1\% + 4\% = 5\%$) ($\$100,000 * 2.4\% + \$100,000 = \$102,400$). This would be the amount available for a full withdrawal from the Index Account at that time.
- If you take a partial withdrawal of \$5,000 at a quarter through the Term, your Index Account Option Value at the beginning of the Term will be reduced by the proportion of your partial withdrawal to the Interim Value ($\$5,000 / \$102,400 = 4.88\%$).
- Your Index Account Option Value at the beginning of the Term would be reduced by the percentage reduction in your Interim Value ($\$100,000 - 4.88\% * \$100,000 = \$95,117.19$). This adjusted Index Account Option Value is used to calculate subsequent Interim Values and to calculate the end of term Index Account Option Value.
- After the partial withdrawal, your Index Account Option Value would then have a recalculated Index Adjustment credited to obtain the current remaining total Withdrawal Value ($\$95,117.19 * 2.4\% + \$95,117.19 = \$97,400$). This remaining total Withdrawal Value is the same as the Interim Value prior to the withdrawal ($\$102,400$) minus the withdrawal amount ($\$5,000$).
- If you make a second partial withdrawal of \$5,000 on October 20th, you would have accrued 80% (292/365) of your Performance Boost Cap Rate ($0.8 * 6\% = 4.8\%$), 80% (292/365) of your Performance Boost Rate ($0.8 * 10\% = 8\%$), and 80% (292/365) of your Buffer ($0.8 * 10\% = 8\%$) since 292 days have elapsed during your crediting term and your Performance Boost Cap Rate, Performance Boost Rate, and Buffer are prorated by multiplying the Index Adjustment Factors by the number of days elapsed during the Index Account Option Term over the total number of days in the Index Account Option Term.
- If the Index is down 4% at that time your Interim Value at that time would be credited with the lesser of the prorated Performance Boost Cap Rate (4.8%) and the sum of the Index Return and the prorated Performance Boost Rate ($-4\% + 8\% = 4\%$) ($\$95,117.19 + 4\% * \$95,117.19 = \$98,921.88$). This would be the amount available for a full withdrawal from the Index Account at that time.
- Your Index Account Option Value at the beginning of the Term would be reduced by the percentage reduction ($\$5,000 / \$98,921.88 = 5.05\%$) in your Interim Value ($\$95,117.19 - 5.05\% * \$95,117.19 = \$90,309.50$). This adjusted Index Account Option Value is used to calculate subsequent Interim Values and to calculate the end of term Index Account Option Value.
- After the partial withdrawal, your Index Account Option Value would then have a recalculated Index Adjustment credited to obtain the current remaining total Withdrawal Value ($\$90,309.50 * 4\% + \$90,309.50 = \$93,921.88$). This remaining total Withdrawal Value is the same as the Interim Value prior to the withdrawal ($\$98,921.88$) minus the withdrawal amount ($\$5,000$).
- Carrying this example forward to the end of the Term assume the Index is down 12%. You will have accrued the full Performance Boost Cap Rate (6%), Performance Boost Rate (10%), and Buffer (10%). The Index Adjustment credited would be the sum of the Index return and the Buffer ($-12\% + 10\% = -2\%$) ($\$90,309.50 + -2\% * \$90,309.50 = \$88,503.314$) to find the final total Withdrawal Value. The total Withdrawal Value will become the starting Index Account Option Value for the next Index Account Option Term.

Tabular Representation of Example 10 (1-year Term)				
Days Elapsed in Crediting Term [A]	0	146	292	365
Total number of days in Crediting Term [B]	365	365	365	365
Proration of Index Adjustment Factors [C] = [A]/[B]	0	0.4	0.8	1

Year to Date Index Change [D]	0%	1%	-4%	-12%
Performance Boost Rate [E]	10%	10%	10%	10%
Prorated Performance Boost Rate [F] = [C]*[E]	0%	4%	8%	10%
Performance Boost Cap [G]	6.0%	6.0%	6.0%	6.0%
Prorated Performance Boost Cap Rate [H] = [C] x [G]	0.00%	2.40%	4.80%	6.00%
Buffer [I]	10%	10%	10%	10%
Prorated Buffer [J] = [C] x [I]	0.0%	4.0%	8.0%	10.0%
Index Adjustment [K] = min([F] + [D], [H]) if [D] >= [J] [K] = [D] + [I] otherwise	0.00%	2.40%	4.00%	-2.00%
Pre-Withdrawal Index Account Option Value [L]	\$100,000.00	\$100,000.00	\$95,117.19	\$90,309.50
Pre-Withdrawal Interim Value [M] = (1+[K]) x [L]	\$100,000.00	\$102,400.00	\$98,921.88	\$88,503.31
Withdrawals [N]	\$0.00	\$5,000.00	\$5,000.00	\$0.00
Interim Value reduced by withdrawal (%) [O] = [N] / [M]	0.00%	4.88%	5.05%	0.00%
Index Account Option Value [P] = [L] x (1-[O])	\$100,000.00	\$95,117.19	\$90,309.50	\$90,309.50
Total Withdrawal Value [Q] = [P]*(1+[K])	\$100,000.00	\$97,400.00	\$93,921.88	\$88,503.31



Intra-Term Performance Lock Examples

Example 11: This example demonstrates an Intra-Term Performance Lock transfer three fifths of the way through the Term from a Cap with Buffer Index Account Option.

- This example utilizes the same return parameters as Example 1. If your starting Premium is \$100,000 on January 1 and you are 100% allocated to a 1-year Cap with Buffer Index Account Option with an 8% Cap Rate, 100% IPR, and 10% Buffer, then on August 8 you would have accrued 60% (219/365) of your Cap Rate ($0.6 * 8\% = 4.8\%$) and 60% (219/365) of your Buffer ($0.6 * 10\% = 6.00\%$) since 219 days have elapsed during your Index Account Option Term and your Cap Rate and Buffer are prorated by multiplying the Index Adjustment Factors by the number of days elapsed during the Index Account Option Term over the total number of days in the Index Account Option Term.
- If the Index is up 5% your Interim Value at that time would be credited with the lesser of the prorated Cap Rate (4.8%) and Index Return multiplied by the Index Participation Rate ($5\% * 100\% = 5\%$) ($\$100,000 * 4.8\% + \$100,000 = \$104,800$).
- If you perform an Intra-Term Performance Lock, all of your Index Account Option Value associated with the Index Account Option will be transferred into the Short Duration Fixed Account where it will be credited a fixed interest rate until the next Contract Anniversary. Thus, all \$104,800 of the Interim Value would be subject to the Intra-Term Performance Lock and the Index Account Option Value will be reduced by 100% ($\$104,800/\$104,800 = 100\%$).
- Your Index Account Option Value at the beginning of the Term would be reduced by the percentage reduction in your Interim Value and is now zero ($\$100,000 - 100\% * \$100,000 = \$0$). Since the Index Account Option Value is zero, no adjustments will be applied and your Withdrawal Value from the Index Account Option is also zero.
- Carrying this example forward to the end of the Term, assume the Index is up 10%. Since your Index Account Option Value is still zero, no Index Adjustment is applied and the final total Withdrawal Value associated with the Index Account is zero.

Tabular Representation of Example 11 (1-year Term)			
Days Elapsed in Index Account Option Term [A]	0	219	365
Total number of days in Index Account Option Term [B]	365	365	365
Proration of Index Adjustment Factors [C] = [A] / [B]	0	0.6	1
Year to Date Index Change [D]	0.00%	5.00%	10.00%
Index Participation Rate [E]	100.0%	100.0%	100.0%
Cap Rate [F]	8%	8%	8%
Prorated Cap Rate [G] = [C] x [F]	0.00%	4.80%	8.00%
Buffer [H]	10.00%	10.00%	10.00%
Prorated Buffer [I] = [C] x [H]	0.00%	6.00%	10.00%
Index Adjustment [J] = min([D] + [I], 0%) if [D] < 0% [J] = min([G], [D] x [E]) otherwise	0.00%	4.80%	N/A
Pre Intra-Term Performance Lock Index Account Option Value [K]	\$100,000.00	\$100,000.00	\$0.00

Pre Intra-Term Performance Lock Interim Value [L] = (1+[J]) x [K]	\$100,000.00	\$104,800.00	\$0.00
Intra-Term Performance Lock [M]	\$0.00	\$104,800.00	\$0.00
Interim Value reduced by Intra-Term Performance Lock (%) [N] = [M] / [L]	0.00%	100.00%	0.00%
Index Account Option Value [O] = [K] x (1-[N])	\$100,000.00	\$0.00	\$0.00
Total Withdrawal Value [P] = [O] x (1+[J])	\$100,000.00	\$0.00	\$0.00

Example 12: This example demonstrates an Intra-Term Performance Lock transfer three fifths of the way through the Term from a Cap Rate with Floor Index Account Option.

- This example utilizes the same return parameters as Example 3. If your starting Premium is \$100,000 on January 1 and you are 100% allocated to a 1-year Cap with Floor Index Account Option with an 8% Cap Rate, 110% Index Participation Rate, and 10% Floor, then on August 8 you would have accrued 60% (219/365) of your Cap Rate ($0.6 * 8\% = 4.8\%$) since 219 days have elapsed during your Index Account Option Term and your Cap Rate is prorated by multiplying the Cap Rate by the number of days elapsed during the Index Account Option Term over the total number of days in the Index Account Option Term. The Floor rate is not prorated and is equal to the full term-length quantity (10%).
- If the Index is up 2% your Interim Value at that time would be credited with the lesser of the prorated Cap Rate (4%) and Index Return multiplied by the Index Participation Rate ($2\% * 110\% = 2.2\%$) ($\$100,000 * 2.2\% + \$100,000 = \$102,200$).
- If you perform an Intra-Term Performance Lock, all of your Index Account Option Value associated with the Index Account Option will be transferred into the Short Duration Fixed Account where it will be credited a fixed interest rate until the next Contract Anniversary. Thus, all \$102,200 of the Interim Value would be subject to the Intra-Term Performance Lock and the Index Account Option Value will be reduced by 100% ($\$102,200/\$102,200 = 100\%$).
- Your Index Account Option Value at the beginning of the Term would be reduced by the percentage reduction in your Interim Value ($\$100,000 - 100\% * \$100,000 = \$0$). Since the Index Account Option Value is zero, no adjustments will be applied and your Withdrawal Value from the Index Account Option is also zero.
- Carrying this example forward to the end of the Term, assume the Index is up 5%. Since your Index Account Option Value is still zero, no Index Adjustment is applied and the final total Withdrawal Value associated with the Index Account is zero.

Tabular Representation of Example 12 (1-year Term)			
Days Elapsed in Index Account Option Term [A]	0	219	365
Total number of days in Index Account Option Term [B]	365	365	365
Proration of Index Adjustment Factors [C] = [A] / [B]	0	0.6	1
Year to Date Index Change [D]	0.00%	2.00%	5.00%
Index Participation Rate [E]	110.0%	110.0%	110.0%
Cap Rate [F]	8%	8%	8%
Prorated Cap Rate [G] = [C] x [F]	0.00%	4.80%	8.00%
Floor [H]	10.00%	10.00%	10.00%
Index Adjustment [J] = max(-[H], [D]) if [D] < 0% [J] = min([G], [D] x [E]) otherwise	0.00%	2.20%	N/A
Pre Intra-Term Performance Lock Index Account Option Value [K]	\$100,000.00	\$100,000.00	\$0.00

Pre Intra-Term Performance Lock Interim Value [L] = (1+[J]) x [K]	\$100,000.00	\$102,200.00	\$0.00
Intra-Term Performance Lock [M]	\$0.00	\$102,200.00	\$0.00
Interim Value reduced by Intra-Term Performance Lock (%) [N] = [M] / [L]	0.00%	100.00%	0.00%
Index Account Option Value [O] = [K] x (1-[N])	\$100,000.00	\$0.00	\$0.00
Total Withdrawal Value [P] = [O] x (1+[J])	\$100,000.00	\$0.00	\$0.00

Example 13: This example demonstrates an Intra-Term Performance Lock transfer two fifths of the way through the Term from a Performance Boost with Buffer Index Account Option.

- This example utilizes the same return parameters as Example 9. If your starting Premium is \$100,000 on January 1 and you are 100% allocated to a 1-year Performance Boost with Buffer Index Account Option with a 6% Performance Boost Cap Rate, 10% Performance Boost Rate, and 10% Buffer, then on May 27 you would have accrued 40% (146/365) of your Performance Boost Cap Rate ($0.4 * 6\% = 2.4\%$), 40% (146/365) of your Performance Boost Rate ($0.4 * 10\% = 4.00\%$) and 40% (146/365) of your Buffer ($0.4 * 10\% = 4.00\%$) since 146 days have elapsed during your Index Account Option Term and your Performance Boost Cap Rate, Performance Boost Rate, and Buffer are pro-rated by multiplying the Index Adjustment Factors by the number of days elapsed during the Index Account Option Term over the total number of days in the Index Account Option Term.
- If the Index is up 1% your Interim Value at that time would be credited with the lesser of the prorated Performance Boost Cap Rate (2.4%) and the sum of the Index Return and the prorated Performance Boost Rate ($1\% + 4\% = 5\%$) ($\$100,000 * 2.4\% + \$100,000 = \$102,400$).
- If you perform an Intra-Term Performance Lock, all of your Index Account Option Value associated with the Index Account Option will be transferred into the Short Duration Fixed Account where it will be credited a fixed interest rate until the next Contract Anniversary. Thus, all \$102,400 of the Interim Value would be subject to the Intra-Term Performance Lock and the Index Account Option Value will be reduced by 100% ($\$102,400/\$102,400 = 100\%$).
- Your Index Account Option Value at the beginning of the Term would be reduced by the percentage reduction in your Interim Value and is now zero ($\$100,000 - 100\% * \$100,000 = \$0$). Since the Index Account Option Value is zero, no adjustments will be applied and your Withdrawal Value from the Index Account Option is also zero.
- Carrying this example forward to the end of the Term, assume the Index is down 1%. Since your Index Account Option Value is still zero, no Index Adjustment is applied and the final total Withdrawal Value associated with the Index Account is zero.

Tabular Representation of Example 13 (1-year Term)			
Days Elapsed in Index Account Option Term [A]	0	146	365
Total number of days in Index Account Option Term [B]	365	365	365
Proration of Index Adjustment Factors [C] = [A] / [B]	0	0.4	1
Year to Date Index Change [D]	0.00%	5.00%	-1.00%
Performance Boost Rate [E]	10%	10%	10%
Prorated Performance Boost Rate [F] = [C]*[E]	0.00%	4%	10.00%
Performance Boost Cap [G]	600%	6.00%	6.00%
Prorated Performance Boost Cap Rate [H] = [C] x [G]	0.00%	2.40%	6.00%
Buffer [I]	10.00%	10.00%	10.00%
Prorated Buffer [J] = [C] x [I]	0.00%	4.00%	10.00%
Index Adjustment [K] = min([F] + [D], [H]) if [D] >= [J] [K] = [D] + [I] otherwise	0.00%	2.40%	N/A

Pre Intra-Term Performance Lock Index Account Option Value [L]	\$100,000.00	\$100,000.00	\$0.00
Pre Intra-Term Performance Lock Interim Value [M] = (1+[K]) x [L]	\$100,000.00	\$102,400.00	\$0.00
Intra-Term Performance Lock [N]	\$0.00	\$102,400.00	\$0.00
Interim Value reduced by Intra-Term Performance Lock (%) [O] = [N] / [M]	0.00%	100.00%	0.00%
Index Account Option Value [P] = [L] x (1-[O])	\$100,000.00	\$0.00	\$0.00
Total Withdrawal Value [Q] = [P] x (1+[K])	\$100,000.00	\$0.00	\$0.00

Automatic Rebalancing at Contract Anniversaries Examples

Example 14: This example demonstrates the automatic rebalancing option at the 1st Contract Anniversary when Contract Options with one-year terms are elected on the Contract.

- For this example, assume you have an initial Premium of \$100,000. Your initial allocations are 25% to the 1-year Fixed Account Option with a 1.00% credited rate, 25% to the 1-year S&P 500 Cap with Buffer Crediting Method with a Cap Rate of 8.00% and 100% Index Participation Rate, 25% to the 1-year S&P 500 Performance Trigger with Buffer Crediting Method with a Performance Trigger Rate of 6.00%, and 25% to the 1-year Performance Boost with Buffer Crediting Method with a Performance Boost Cap Rate of 7.00% and Performance Boost Rate of 10%. The Buffer for each Index Account Option is 10%. Each Contract Option would be allocated with \$25,000 ($\$100,000 * 25\% = \$25,000$).
- You elect the automatic rebalancing option with the same allocation instructions as you provided for your initial Premium.
- If the S&P 500 Index is up 10% at the 1st Contract Anniversary, the following adjustments to the Contract Value would be made for each Contract Option:
- For the 1-year Fixed Account Option, the Fixed Account Value would be credited with the 1.00% credited rate ($\$25,000 * 1\% + \$25,000 = \$25,250$).
 - For the 1-year S&P 500 Cap with Buffer Crediting Method, the Index Account Option Value would be credited with the lesser of the Cap Rate (8%) and the Index Return multiplied by the Index Participation Rate ($10\% * 100\% = 10\%$) ($\$25,000 * 8\% + \$25,000 = \$27,000$).
 - For the 1-year S&P 500 Performance Trigger with Buffer Crediting Method, the Index Account Option Value would be credited with the Performance Trigger Rate (6%) ($\$25,000 * 6\% + \$25,000 = \$26,500$).
 - For the 1-year S&P 500 Performance Boost with Buffer Crediting Method, the Index Account Option Value would be credited with the lesser of the Performance Boost Cap Rate (7%) and the sum of the Index Return and Performance Boost Rate ($10\% + 10\% = 20\%$) ($\$25,000 * 7\% + \$25,000 = \$26,750$).
- At the 1st Contract Anniversary, all four elected Contract Options are at the end of their term and are eligible to be automatically rebalanced. The total Contract Value eligible for rebalancing would be calculated as the sum of the Contract Value of each Contract Option eligible for rebalancing ($\$25,250 + \$27,000 + \$26,500 + \$26,750 = \$105,500$).
- Given all four elected Contract Options are eligible for automatic rebalancing, the allocation percentages for the Contract Options do not need to be adjusted.
- At the 1st Contract Anniversary, automatic transfers will be performed so that the Contract Options eligible for automatic rebalancing will have Contract Value equal to the allocation percentage for the Contract Option multiplied by the total Contract Value eligible for rebalancing:
 - For the 1-year Fixed Account Option, the amount allocated at the 1st Contract Anniversary would be \$26,375.00 ($\$105,500 * 25\% = \$26,375.00$).
 - For the 1-year S&P 500 Cap with Buffer Crediting Method, the amount allocated at the 1st Contract Anniversary would be \$26,375.00 ($\$105,500 * 25\% = \$26,375.00$).
 - For the 1-year S&P 500 Performance Trigger with Buffer Crediting Method, the amount allocated at the 1st Contract Anniversary would be \$26,375.00 ($\$105,500 * 25\% = \$26,375.00$).
 - For the 1-year S&P 500 Performance Boost with Buffer Crediting Method, the amount allocated at the 1st Contract Anniversary would be \$26,375.00 ($\$105,500 * 25\% = \$26,375.00$).

Contract Option	1-Year Fixed Account Option	1-Year S&P 500 Cap with Buffer	1-Year S&P 500 Performance Trigger with Buffer	1-Year S&P 500 Performance Boost Cap with Buffer
Initial Premium [A]	\$100,000.00			
Allocation (%) [B]	25%	25%	25%	25%
Allocation (\$) [C] = [A] × [B]	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00
Interest Rate / Index Adjustment [D]	1.00%	8.00%	6.00%	7.00%
Contract Value at 1st Contract Anniversary [E] = [C] × (1+[D])	\$25,250.00	\$27,000.00	\$26,500.00	\$26,750.00

Contract Option	1-Year Fixed Account Option	1-Year S&P 500 Cap with Buffer	1-Year S&P 500 Performance Trigger with Buffer	1-Year S&P 500 Performance Boost Cap with Buffer
Contract Option Eligible for Rebalancing [F] = "No" if Contract Option has not expired and the Contract Option Value is > 0, "Yes" Otherwise	Yes	Yes	Yes	Yes
Total Contract Value Eligible for Rebalancing [G] = Sum of row [E] if row [F] = "Yes"	\$105,500.00			
Total Allocation Percentage Ineligible for Automatic Rebalancing [H] = Sum of row [B] if row [F] = "No"	0.00%			
Adjusted Allocation Percentage [I] = [B] / (1-[H]) if [F] = "Yes", "N/A" otherwise	25.00%	25.00%	25.00%	25.00%
Allocation at 1st Contract Anniversary [J] = [G] × [I] if [F] = "Yes", "N/A" Otherwise	\$26,375.00	\$26,375.00	\$26,375.00	\$26,375.00
Net Amount Transferred In (+)/ Out (-) due to Automatic Rebalancing [K] = [J] - [E] if [F] = "Yes", 0 Otherwise	\$1,125.00	-\$625.00	-\$125.00	-\$375.00

Example 15: This example demonstrates the automatic rebalancing option at the 1st Contract Anniversary when Contract Options with one-year, three-year, and six-year terms are elected on the Contract.

- For this example, assume you have an initial Premium of \$100,000. Your initial allocations are 25% to the 1-year Fixed Account Option with a 1.00% credited rate, 25% to the 1-year S&P 500 Cap with Buffer Crediting Method with a Cap Rate of 8.00% and 100% Index Participation Rate, 25% to the 3-year S&P 500 Cap with Buffer Crediting Method with a Cap Rate of 24.00% and 100% Index Participation Rate, and 25% to the 6-year Performance Boost with Buffer Crediting Method with a Performance Boost Cap Rate of 42.00% and a Performance Boost Rate of 10%. The Buffer for each Index Account Option is 10%. Each Contract Option would be allocated with \$25,000 ($\$100,000 * 25\% = \$25,000$).
- You elect the automatic rebalancing option with the same allocation instructions as you provided for your initial Premium.
- If the S&P 500 Index is up 10% at the 1st Contract Anniversary, the following adjustments to the Contract Value would be made for each Contract Option:
 - For the 1-year Fixed Account Option, the Fixed Account Value would be credited with the 1.00% credited rate ($\$25,000 * 1\% + \$25,000 = \$25,250$).
 - For the 1-year S&P 500 Cap with Buffer Crediting Method, the Index Account Option Value would be credited with the lesser of the Cap Rate (8%) and the Index Return multiplied by the Index Participation Rate ($10\% * 100\% = 10\%$) ($\$25,000 * 8\% + \$25,000 = \$27,000$).
 - For the 3-year S&P 500 Cap with Buffer Crediting Method, the Index Account Option Value would be credited with the lesser of the prorated Cap Rate (8%) and the Index Return multiplied by the Index Participation Rate ($10\% * 100\% = 10\%$) ($\$25,000 * 8\% + \$25,000 = \$27,000$).
 - For the 6-year S&P 500 Performance Boost with Buffer Crediting Method, the Index Account Option Value would be credited with the lesser of the prorated Performance Boost Cap Rate (7%) and the sum of the Index Return and prorated Performance Boost Rate ($10\% + 1.67\% = 11.67\%$) ($\$25,000 * 7\% + \$25,000 = \$26,750$).
- At the 1st Contract Anniversary, only the Contract Options with the one-year terms are at the end of their term and are eligible to be automatically rebalanced. The Contract Options with the three- and six-year terms are not expired, so they are ineligible for automatic rebalancing on this Contract Anniversary.

- The total Contract Value eligible for rebalancing would be calculated as the sum of the Contract Value of each Contract Option eligible for rebalancing ($\$25,250 + \$27,000 = \$52,250$).
- The total allocation percentage ineligible for automatic rebalancing is the sum of the instructed allocation percentages corresponding to Contract Options that are ineligible for rebalancing on this Contract Anniversary, in this case the 3-year term and 6-year term crediting methods ($25\% + 25\% = 50\%$).
- The allocation percentages for automatic rebalancing at the 1st Contract Anniversary for the eligible Contract Options are adjusted to not include the allocation percentages of Contract Options ineligible for automatic rebalancing. The adjusted allocation percentages of the eligible Contract Options are calculated as the specified allocation percentage of the eligible Contract Option divided by one minus the total allocation percentage ineligible for automatic rebalancing ($1 - 50\% = 50\%$):
 - For the 1-year Fixed Account Option, the adjusted allocation percentage is 50% ($25\% / (50\%) = 50\%$).
 - For the 1-year S&P 500 Cap with Buffer Crediting Method, the adjusted allocation percentage is 50% ($25\% / (50\%) = 50\%$).
- At the 1st Contract Anniversary, automatic transfers will be performed so that the Contract Options eligible for automatic rebalancing will have Contract Value equal to the adjusted allocation percentage for the eligible Contract Option multiplied by the total Contract Value eligible for rebalancing:
 - For the 1-year Fixed Account Option, the amount allocated at the 1st Contract Anniversary would be $\$26,125.00$ ($\$52,250 * 50\% = \$26,125.00$).
 - For the 1-year S&P 500 Cap with Buffer Crediting Method, the amount allocated at the 1st Contract Anniversary would be $\$26,125.00$ ($\$52,250 * 50\% = \$26,125.00$).
 - For the 3-year S&P 500 Cap with Buffer Crediting Method, no amount would allocate since the Contract Option is ineligible for automatic rebalancing on this Contract Anniversary.
 - For the 6-year S&P 500 Performance Boost with Buffer Crediting Method, no amount would allocate since the Contract Option is ineligible for automatic rebalancing on this Contract Anniversary.

Contract Option	1-Year Fixed Account Option	1-Year S&P 500 Cap with Buffer	3-Year S&P 500 Cap with Buffer	6-Year S&P 500 Performance Boost Cap with Buffer
Initial Premium [A]	\$100,000.00			
Allocation (%) [B]	25%	25%	25%	25%
Allocation (\$) [C] = [A] × [B]	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00
Interest Rate / Index Adjustment [D]	1.00%	8.00%	8.00%	7.00%
Contract Value at 1st Contract Anniversary [E] = [C] × (1+[D])	\$25,250.00	\$27,000.00	\$27,000.00	\$26,750.00
Contract Option Eligible for Rebalancing [F] = "No" if Contract Option has not expired and the Contract Option Value is > 0, "Yes" Otherwise	Yes	Yes	No	No
Total Contract Value Eligible for Rebalancing [G] = Sum of row [E] if row [F] = "Yes"	\$52,250.00			
Total Allocation Percentage Ineligible for Automatic Rebalancing [H] = Sum of row [B] if row [F] = "No"	50.00%			
Adjusted Allocation Percentage [I] = [B] / (1-[H]) if [F] = "Yes", "N/A" otherwise	50.00%	50.00%	N/A	N/A

Contract Option	1-Year Fixed Account Option	1-Year S&P 500 Cap with Buffer	3-Year S&P 500 Cap with Buffer	6-Year S&P 500 Performance Boost Cap with Buffer
Allocation at 1st Contract Anniversary [J] = [G] × [I] if [F] = "Yes", "N/A" Otherwise	\$26,125.00	\$26,125.00	N/A	N/A
Net Amount Transferred In (+)/ Out (-) due to Automatic Rebalancing [K] = [J] - [E] if [F] = "Yes", 0 Otherwise	\$875.00	-\$875.00	\$0.00	\$0.00

Example 16: This example demonstrates the automatic rebalancing option at the 3rd Contract Anniversary when Contract Options with one-year, three-year, and six-year terms are elected on the Contract.

- This example is a continuation of Example 15 in which the automatic rebalancing option is elected. You have the following allocation instructions on the Contract: 25% allocated to the 1-year Fixed Account Option with a 1.00% credited rate, 25% allocated to the 1-year S&P 500 Cap with Buffer Crediting Method with a Cap Rate of 8.00% and 100% Index Participation Rate, 25% allocated to the 3-year S&P 500 Cap with Buffer Crediting Method with a Cap Rate of 24.00% and 100% Index Participation Rate, and 25% allocated to the 6-year Performance Boost with Buffer Crediting Method with a Performance Boost Cap Rate of 42.00% and Performance Boost Rate of 10%. The Buffer for each Index Account Option is 10%. The 1-year Fixed Account Option and 1-year S&P 500 Cap with Buffer Crediting Method had \$27,200 allocated to them each at the 2nd Contract Anniversary. The 3-year S&P 500 Cap with Buffer and 6-year Performance Boost with Buffer had \$25,000 allocated to them at the issue of the Contract, consistent with Example 15.
- If the S&P 500 Index is up 24% since the issue of the Contract and is up 4% during the 3rd Contract Year, the following adjustments to the Contract Value would be made for each Contract Option:
 - For the 1-year Fixed Account Option, the Fixed Account Value would be credited with the 1.00% credited rate ($\$27,200 * 1\% + \$27,200 = \$27,472$).
 - For the 1-year S&P 500 Cap with Buffer Crediting Method, the Index Account Option Value would be credited with the lesser of the Cap Rate (8%) and the Index Return during the 3rd Contract Year multiplied by the Index Participation Rate ($4\% * 100\% = 4\%$) ($\$27,200 * 4\% + \$27,200 = \$28,288$).
 - For the 3-year S&P 500 Cap with Buffer Crediting Method, the Index Account Option Value would be credited with the lesser of the Cap Rate (24%) and the Index Return since the issue of the Contract multiplied by the Index Participation Rate ($24\% * 100\% = 24\%$) ($\$25,000 * 24\% + \$25,000 = \$31,000$).
 - For the 6-year S&P 500 Performance Boost with Buffer Crediting Method, the Index Account Option Value would be credited with the lesser of the prorated Performance Boost Cap Rate (21%) and the sum of the Index Return since the issue of the Contract and prorated Performance Boost Rate ($24\% + 5\% = 29.00\%$) ($\$25,000 * 21\% + \$25,000 = \$30,250$).
- At the 3rd Contract Anniversary, only the Contract Options with the one-year Terms and three-year Term are at the end of their term and are eligible to be automatically rebalanced. The Contract Option with the six-year term is not expired, so it is ineligible for automatic rebalancing on this Contract Anniversary.
 - The total Contract Value eligible for rebalancing would be calculated as the sum of the Contract Value of each Contract Option eligible for rebalancing ($\$27,472 + \$28,288 + \$31,000 = \$86,760$).
 - The total allocation percentage ineligible for automatic rebalancing is the sum of the instructed allocation percentages corresponding to Contract Options that are ineligible for rebalancing on this Contract Anniversary, in this case the 6-year term crediting method (25%).
- The allocation percentages for automatic rebalancing at the 3rd Contract Anniversary for the eligible Contract Options are adjusted to not include the allocation percentages of Contract Options ineligible for automatic rebalancing. The adjusted allocation percentages of the eligible Contract Options are calculated as the specified allocation percentage of eligible Contract Options divided by one minus the total allocation percentage ineligible for automatic rebalancing ($1 - 25\% = 75\%$):
 - For the 1-year Fixed Account Option, the adjusted allocation percentage is 33.33% ($25\% / (75\%) = 33.33\%$).
 - For the 1-year S&P 500 Cap with Buffer Crediting Method, the adjusted allocation percentage is 33.33% ($25\% / (75\%) = 33.33\%$).
 - For the 3-year S&P 500 Cap with Buffer Crediting Method, the adjusted allocation percentage is 33.33% ($25\% / (75\%) = 33.33\%$).

- At the 3rd Contract Anniversary, automatic transfers will be performed so that the Contract Options eligible for automatic rebalancing will have Contract Value equal to the adjusted allocation percentage for the eligible Contract Option multiplied by the total Contract Value eligible for rebalancing:
 - For the 1-year Fixed Account Option, the amount allocated at the 3rd Contract Anniversary would be \$28,920.00 ($\$86,760 \times 33.33\% = \$28,920.00$).
 - For the 1-year S&P 500 Cap with Buffer Crediting Method, the amount allocated at the 3rd Contract Anniversary would be \$28,920.00 ($\$86,760 \times 33.33\% = \$28,920.00$).
 - For the 3-year S&P 500 Cap with Buffer Crediting Method, the amount allocated at the 3rd Contract Anniversary would be \$28,920.00 ($\$86,760 \times 33.33\% = \$28,920.00$).
 - For the 6-year S&P 500 Performance Boost with Buffer Crediting Method, no amount would allocate since the Contract Option is ineligible for automatic rebalancing on this Contract Anniversary.

Contract Option	1-Year Fixed Account Option	1-Year S&P 500 Cap with Buffer	3-Year S&P 500 Cap with Buffer	6-Year S&P 500 Performance Boost Cap with Buffer
Initial Premium [A]	\$100,000.00			
Allocation (%) [B]	25%	25%	25%	25%
Allocation (\$) [C]	\$27,200.00	\$27,200.00	\$25,000.00	\$25,000.00
Interest Rate / Index Adjustment [D]	1.00%	4.00%	24.00%	21.00%
Contract Value at 3rd Contract Anniversary [E] = [C] × (1+[D])	\$27,472.00	\$28,288.00	\$31,000.00	\$30,250.00
Contract Option Eligible for Rebalancing [F] = "No" if Contract Option has not expired and the Contract Option Value is > 0, "Yes" Otherwise	Yes	Yes	Yes	No
Total Contract Value Eligible for Rebalancing [G] = Sum of row [E] if row [F] = "Yes"	\$86,760.00			
Total Allocation Percentage Ineligible for Automatic Rebalancing [H] = Sum of row [B] if row [F] = "No"	25.00%			
Adjusted Allocation Percentage [I] = [B] / (1-[H]) if [F] = "Yes", "N/A" otherwise	33.33%	33.33%	33.33%	N/A
Allocation at 3rd Contract Anniversary [J] = [G] × [I] if [F] = "Yes", "N/A" Otherwise	\$28,920.00	\$28,920.00	\$28,920.00	N/A
Net Amount Transferred In (+)/ Out (-) due to Automatic Rebalancing [K] = [J] - [E] if [F] = "Yes", 0 Otherwise	\$1,448.00	\$632.00	-\$2,080.00	\$0.00

Example 17: This example demonstrates the automatic rebalancing option at the 1st Contract Anniversary when an Intra-Term Performance Lock occurs on a three-year term Contract Option on the 1st Contract Anniversary.

- For this example, assume you have an initial Premium of \$100,000. Your initial allocations are 50% to the 1-year Fixed Account Option with a 1.00% credited rate and 50% to the 3-year S&P 500 Cap with Buffer Crediting Method with a Cap Rate of 24.00% and 100% Index Participation Rate. The Buffer for the Index Account Option is 10%. Each Contract Option would be allocated with \$50,000 ($\$100,000 * 50\% = \$50,000$).
- You elect the automatic rebalancing option with the same allocation instructions as you provided for your initial Premium.
- If the S&P 500 Index is up 6% at the 1st Contract Anniversary, the following adjustments to the Contract Value would be made for each Contract Option:
 - For the 1-year Fixed Account Option, the Fixed Account Value would be credited with the 1.00% credited rate ($\$50,000 * 1\% + \$50,000 = \$50,500$).
 - For the 3-year S&P 500 Cap with Buffer Crediting Method, the Index Account Option Value would be credited with the lesser of the prorated Cap Rate (8%) and the Index Return multiplied by the Index Participation Rate ($6\% * 100\% = 6\%$) ($\$50,000 * 6\% + \$50,000 = \$53,000$).
- At the 1st Contract Anniversary, an Intra-Term Performance Lock is executed on the 3-year S&P 500 Cap with Buffer Crediting Method, transferring \$53,000 to the Short Duration Fixed Account Option. After the Intra-Term Performance Lock, the Index Account Option Value of the 3-year S&P 500 Cap with Buffer Crediting Method is \$0.
- At the 1st Contract Anniversary, both Contract Options are eligible for automatic rebalancing. The 1-year Fixed Account Option is eligible as its term has expired. The 3-year S&P 500 Cap with Buffer Crediting Method is eligible since it now has \$0 of Contract Value allocated to it due to the Intra-Term Performance Lock.
 - The total Contract Value eligible for rebalancing would be calculated as the sum of the Contract Value of each Contract Option eligible for rebalancing ($\$50,500 + \$53,000 = \$103,500$).
 - Given both elected Contract Options are eligible for automatic rebalancing, the allocation percentages for the Contract Options do not need to be adjusted to calculate the automatically rebalanced allocations.
- At the 1st Contract Anniversary, automatic transfers will be performed so that the Contract Options eligible for automatic rebalancing will have Contract Value equal to the allocation percentage for the Contract Option multiplied by the total Contract Value eligible for rebalancing:
 - For the 1-year Fixed Account Option, the amount allocated at the 1st Contract Anniversary would be \$51,750.00 ($\$103,500 * 50\% = \$51,750.00$).
 - For the 3-year S&P 500 Cap with Buffer Crediting Method, the amount allocated at the 1st Contract Anniversary would be \$51,750.00 ($\$103,500 * 50\% = \$51,750.00$).

Contract Option	1-Year Fixed Account Option	3-Year S&P 500 Cap with Buffer	Short Duration Fixed Account Option
Initial Premium [A]	\$100,000.00		
Allocation (%) [B]	50%	50%	0%
Allocation (\$) [C] = [A] × [B]	\$50,000.00	\$50,000.00	\$0.00
Interest Rate / Index Adjustment [D]	1.00%	6.00%	N/A
Contract Value Before Intra-Term Performance Lock [E] = [C] × (1+[D])	\$50,500.00	\$53,000.00	\$0.00
Contract After Intra-Term Performance Lock at 1st Contract Anniversary [F]	\$50,500.00	\$0.00	\$53,000.00
Contract Option Eligible for Rebalancing [G] = "No" if Contract Option has not expired and the Contract Option Value is > 0, "Yes" Otherwise	Yes	Yes	Yes

Contract Option	1-Year Fixed Account Option	3-Year S&P 500 Cap with Buffer	Short Duration Fixed Account Option
Total Contract Value Eligible for Rebalancing [H] = Sum of row [E] if row [G] = "Yes"	\$103,500.00		
Total Allocation Percentage Ineligible for Automatic Rebalancing [I] = Sum of row [B] if row [G] = "No"	0.00%		
Adjusted Allocation Percentage [J] = [B] / (1-[I]) if [G] = "Yes", "N/A" otherwise	50.00%	50.00%	0.00%
Allocation at 1st Contract Anniversary [K] = [H] × [J] if [G] = "Yes", "N/A" Otherwise	\$51,750.00	\$51,750.00	\$0.00
Net Amount Transferred In (+)/ Out (-) due to Automatic Rebalancing [L] = [K] - [F] if [G] = "Yes", 0 Otherwise	\$1,250.00	\$51,750.00	-\$53,000.00

Withdrawal Charge Examples

Example 18: This example demonstrates the calculation of withdrawal charges when there are no earnings under different potential withdrawal amounts.

- For this example, assume you have an initial Premium of \$100,000 and your first-year Withdrawal Charge Percentage is 8%. Your Contract Value is \$100,000, your Remaining Premium is \$100,000, and your earnings are \$0.
- Your free withdrawal amount is calculated as 10% of Remaining Premium during each Contract Year that would otherwise incur a Withdrawal Charge minus earnings. Your free withdrawal amount is \$10,000 ($10\% * \$100,000 - \$0 = \$10,000$).
- Your total Withdrawal Charge is calculated as the Remaining Premium minus the free withdrawal amount, then multiplied by the Withdrawal Charge Percentage. Your total Withdrawal Charge is \$7,200 ($(\$100,000 - \$10,000) * 8\% = \$7,200$). Your Withdrawal Value is \$92,800 ($\$100,000 - \$7,200 = \$92,800$).
- If you were to take a withdrawal of \$6,000:
 - Your Contract Value becomes \$94,000 ($\$100,000 - \$6,000 = \$94,000$).
 - There is no Withdrawal Charge on the withdrawal since the withdrawal amount is less than or equal to the free withdrawal amount plus earnings.
 - Your net amount received for the withdrawal is \$6,000, which is equal to the requested withdrawal amount minus Withdrawal Charges ($\$6,000 - \$0 \text{ Withdrawal Charge} = \$6,000$).
 - The Remaining Premium becomes \$94,000 ($\$100,000 - \$6,000 = \$94,000$).
 - Your remaining free withdrawal amount for the Contract Year is \$4,000 ($\$10,000 - \$6,000 = \$4,000$).
 - Your remaining total Withdrawal Charge remains \$7,200 ($(\$94,000 - \$4,000) * 8\% = \$7,200$).
 - Your remaining Withdrawal Value is \$86,800 ($\$94,000 - \$7,200 = \$86,800$).
- If you were to take a withdrawal of \$10,000:
 - Your Contract Value becomes \$90,000 ($\$100,000 - \$10,000 = \$90,000$).
 - There is no Withdrawal Charge on the withdrawal since the withdrawal amount is less than or equal to the free withdrawal amount plus earnings.
 - Your net amount received for the withdrawal is \$10,000, which is equal to the requested withdrawal amount minus Withdrawal Charges ($\$10,000 - \$0 \text{ Withdrawal Charge} = \$10,000$).
 - The Remaining Premium becomes \$90,000 ($\$100,000 - \$10,000 = \$90,000$).
 - Your remaining free withdrawal amount for the Contract Year is \$0.
 - Your remaining total Withdrawal Charge remains \$7,200 ($(\$90,000 - \$0) * 8\% = \$7,200$).
 - Your remaining Withdrawal Value is \$82,800 ($\$90,000 - \$7,200 = \$82,800$).
- If you were to take a withdrawal of \$20,000:
 - Your Contract Value becomes \$80,000 ($\$100,000 - \$20,000 = \$80,000$).
 - A Withdrawal Charge would be assessed on the withdrawal since the withdrawal amount is greater than the free withdrawal amount plus earnings. The Withdrawal Charge is calculated as the withdrawal amount minus earnings minus the free withdrawal amount, then multiplied by the Withdrawal Charge Percentage. The Withdrawal Charge is \$800 ($(\$20,000 - \$0 - \$10,000) * 8\% = \800).
 - Your net amount received for the withdrawal is \$19,200, which is equal to the requested withdrawal amount minus Withdrawal Charges ($\$20,000 - \$800 \text{ Withdrawal Charge} = \$19,200$).
 - The Remaining Premium becomes \$80,000 ($\$100,000 - \$20,000 = \$80,000$).
 - Your remaining free withdrawal amount for the Contract Year is \$0.
 - Your remaining total Withdrawal Charge becomes \$6,400 ($(\$80,000 - \$0) * 8\% = \$6,400$).
 - Your remaining Withdrawal Value is \$73,600 ($\$80,000 - \$6,400 = \$73,600$).

Example 19: This example demonstrates the calculation of withdrawal charges when there are earnings under different potential withdrawal amounts.

- For this example, assume you have an initial Premium of \$100,000 and your first-year Withdrawal Charge Percentage is 8%. Your Contract Value is \$104,000, your Remaining Premium is \$100,000, and your earnings are \$4,000.

- Your free withdrawal amount is calculated as 10% of Remaining Premium during each Contract Year that would otherwise incur a Withdrawal Charge minus earnings. Your free withdrawal amount is \$6,000 ($10\% * \$100,000 - \$4,000 = \$6,000$).
- Your total Withdrawal Charge is calculated as the Remaining Premium minus the free withdrawal amount, then multiplied by the Withdrawal Charge Percentage. Your total Withdrawal Charge is \$7,520 ($(\$100,000 - \$6,000) * 8\% = \$7,520$). Your Withdrawal Value is \$92,800 ($\$104,000 - \$7,520 = \$96,480$)
- If you were to take a withdrawal of \$6,000:
 - Your Contract Value becomes \$98,000 ($\$104,000 - \$6,000 = \$98,000$).
 - There is no Withdrawal Charge on the withdrawal since the withdrawal amount is less than or equal to the free withdrawal amount plus earnings.
 - Your net amount received for the withdrawal is \$6,000, which is equal to the requested withdrawal amount minus Withdrawal Charges ($\$6,000 - \$0 \text{ Withdrawal Charge} = \$6,000$).
 - Your Earnings (\$4,000) are fully withdrawn and become \$0, as withdrawals come first from earnings and withdrawals free of Withdrawal Charges. The remaining \$2,000 ($\$6,000 - \$4,000$) is taken from Remaining Premium.
 - The Remaining Premium becomes \$98,000 ($\$100,000 - \$2,000 = \$98,000$).
 - Your remaining free withdrawal amount for the Contract Year is \$4,000 ($\$6,000 - \$2,000 = \$4,000$).
 - Your remaining total Withdrawal Charge remains \$7,520 ($(\$98,000 - \$4,000) * 8\% = \$7,520$)
 - Your remaining Withdrawal Value is \$90,480 ($\$98,000 - \$7,520 = \$90,480$)
- If you were to take a withdrawal of \$10,000:
 - Your Contract Value becomes \$94,000 ($\$104,000 - \$10,000 = \$94,000$).
 - There is no Withdrawal Charge on the withdrawal since the withdrawal amount is less than or equal to the free withdrawal amount plus earnings.
 - Your net amount received for the withdrawal is \$10,000, which is equal to the requested withdrawal amount minus Withdrawal Charges ($\$10,000 - \$0 \text{ Withdrawal Charge} = \$10,000$).
 - Your Earnings (\$4,000) are fully withdrawn and become \$0, as withdrawals come first from earnings and withdrawals free of Withdrawal Charges. The remaining \$6,000 ($\$10,000 - \$4,000$) is taken from Remaining Premium.
 - The Remaining Premium becomes \$94,000 ($\$100,000 - \$6,000 = \$94,000$).
 - Your remaining free withdrawal amount for the Contract Year is \$0 ($\$6,000 - \$6,000 = \0).
 - Your remaining total Withdrawal Charge remains \$7,520 ($(\$94,000 - \$0) * 8\% = \$7,520$)
 - Your remaining Withdrawal Value is \$86,480 ($\$94,000 - \$7,520 = \$86,480$)
- If you were to take a withdrawal of \$20,000:
 - Your Contract Value becomes \$84,000 ($\$104,000 - \$20,000 = \$84,000$).
 - A Withdrawal Charge would be assessed on the withdrawal since the withdrawal amount is greater than the free withdrawal amount plus earnings. The Withdrawal Charge is calculated as the withdrawal amount minus earnings minus the free withdrawal amount, then multiplied by the Withdrawal Charge Percentage. The Withdrawal Charge is \$800 ($(\$20,000 - \$4,000 - \$6,000) * 8\% = \800).
 - Your net amount received for the withdrawal is \$19,200, which is equal to the requested withdrawal amount minus Withdrawal Charges ($\$20,000 - \$800 \text{ Withdrawal Charge} = \$19,200$).
 - Your Earnings (\$4,000) are fully withdrawn and become \$0, as withdrawals come first from earnings and withdrawals free of Withdrawal Charges. The remaining \$16,000 ($\$20,000 - \$4,000$) is taken from Remaining Premium.
 - The Remaining Premium becomes \$84,000 ($\$100,000 - \$16,000 = \$84,000$).
 - Your remaining free withdrawal amount for the Contract Year is \$0.
 - Your remaining total Withdrawal Charge becomes \$6,720 ($(\$84,000 - \$0) * 8\% = \$6,720$)
 - Your remaining Withdrawal Value is \$77,280 ($\$84,000 - \$6,720 = \$77,280$)

APPENDIX B: STATE VARIATIONS

Contracts issued in your state may provide different features and benefits from, and impose different costs than, those described in this prospectus because of state law variations. The state in which your Contract is issued also governs whether or not certain options are available or will vary under your Contract.

STATE	MATERIAL VARIATION OR AVAILABILITY
Arizona	<p>Requirement that 30 days advance notice be given to owners/beneficiaries of their available income options prior to the Income Date.</p> <p>Requirement that a 180 day maximum limit be placed on any deferral of payments for partial and/or total withdrawals, and that the owner be given notice of such postponement in payments without 15 days of receipt of the partial and/or total withdrawal request at the Customer Care Center.</p>
California	<p>No Waiver of Withdrawal Charges for Extended Care available.</p> <p>State-specific requirement that seniors have the option to invest in the Fixed Account during the Free Look period if Return of Premium Free Look is elected on the application.</p> <p>If the Return of Premium Free Look is elected by a senior applicant, the initial Index Account Option Term is shortened by 35 days.</p>
Connecticut	No restrictions on Fixed Account allocations.
Florida	<p>No Withdrawal Charges assessed upon annuitization, even if annuitized in the first Contract Year.</p> <p>No restrictions on Fixed Account allocations or transfers.</p>
Kansas	Increased waiting period for Waiver of Withdrawal Charge due to Terminal Illness to 24 months.
Louisiana	<p>Pre-selected Death Benefit option is not available per state regulation. Beneficiary is always able to choose the death benefit option.</p> <p>As of the date of the prospectus, the +Income GMWB and +Income GMWB with Joint Option are not available.</p>
Maryland	<p>Reduced waiting period for Waiver of Withdrawal Charge due to Terminal Illness or for Extended Care to 6 months.</p> <p>Beneficiary's Entitlement to Death Benefit Before Income Date section of Contract revised to indicate beneficiary's death prior to or simultaneous to the Owner's death makes them ineligible to receive the death benefit.</p>
Massachusetts	<p>Increased waiting period for Waiver of Withdrawal Charge due to Terminal Illness to 24 months.</p> <p>No Waiver of Withdrawal Charge for Extended Care available.</p>
New Jersey	<p>Renewal Notice will include the current interest rate for the Fixed Account and Index Adjustment Factors for the Index Account.</p> <p>No restrictions on Fixed Account allocations.</p> <p>Guaranteed minimum Cap Rates, Performance Trigger Rates, Performance Boost Cap Rates, and Buffers may be used in the calculation of Interim Value. We apply the greater of the applicable guaranteed minimum Index Adjustment Factor(s) or the (non-guaranteed) prorated Index Adjustment Factors. Higher Index Adjustment Factors result in higher Interim Values.</p>
Texas	<p>Requires 31 day advance notice of Fixed Account unavailability or restrictions.</p> <p>Waiver of Withdrawal Charge Due to Terminal Illness eligibility date is the Issue Date.</p>
Virginia	No Waiver of Withdrawal Charge for Extended Care.
Washington	GMWB Charge not assessed against the Fixed Account.
Washington, DC	As of the date of the prospectus, the +Income GMWB and +Income GMWB with Joint Option are not available.

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APPENDIX D

GMWB PROSPECTUS EXAMPLES

I. +INCOME GMWB

Unless otherwise specified, the following examples apply to and assume you elected the +Income GMWB (referred to below as a GMWB) when you purchased your Contract, your initial Premium payment net of any applicable taxes was \$100,000, your GAWA is greater than your RMD (if applicable) at the time a withdrawal is requested, and all partial withdrawals requested include any applicable charges. Unless otherwise stated, it is assumed that each withdrawal occurs after the GAWA% has been determined. The examples assume that your age and accrued Deferral Years when the GAWA% is first determined corresponds to a GAWA% of 5%, and the GMWB and any For Life Guarantee have not been terminated. If your age at the time the GAWA% is first determined corresponds to a GAWA% other than 5%, the examples will still apply, given that you replace the 5% in each of the GAWA calculations with the appropriate GAWA%.

Example 1: This example demonstrates how GMWB values are set at election.

- Your initial GWB is \$100,000, which is your initial Premium payment, net of any applicable taxes.
- Your GAWA is \$5,000, which is 5% of your initial GWB ($\$100,000 * 0.05 = \$5,000$).

Example 2: This example demonstrates how your GAWA% is determined. Your GAWA% is determined on the earlier of the time of your first withdrawal, the date you elect to opt out of GMWB charge increases, the date that your Contract Value reduces to zero, the date that the GMWB is continued by a spousal Beneficiary who is not a Covered Life, or upon election of a GMWB Income Option. This date is referred to as your Determination Date. Your GAWA% is set based upon your attained age and accrued Deferral Years at that time. Your initial GAWA is determined based on this GAWA% and the GWB after any applicable Determination Date step-up has occurred.

- This example demonstrates what happens if your Contract Value is \$200,000 and your GWB is \$100,000 on the Determination Date.
 - ♦ Your new GWB automatically steps-up to equal \$200,000, which is equal to your Contract Value, since the Contract Value is larger than the GWB.
 - ♦ Your GAWA is calculated to equal \$10,000, which is to the applicable GAWA% multiplied by your GWB ($0.05 * \$200,000 = \$10,000$)
- Notes:
 - ♦ The Determination Date step-up of the GWB to the Contract Value will only occur if the Contract Value is greater than your GWB on the Determination Date.
 - ♦ In the case that your GAWA% is determined due to a partial withdrawal, you would be eligible for a GAWA withdrawal based on the GWB after the Determination Date step-up occurs, if applicable.
 - ♦ Your GAWA% will not change once determined.
 - ♦ The Deferral Years stop accruing at the Determination Date.

Example 3: This example demonstrates how your GWB is re-determined upon withdrawal of the guaranteed amount (which is your GAWA, or for certain tax-qualified Contracts only, the RMD (if greater than the GAWA)).

- Example 3a: This example demonstrates what happens if you withdraw an amount equal to your GAWA (\$5,000) when your GWB is \$100,000:
 - ♦ Your new GWB is \$95,000, which is your GWB prior to the withdrawal (\$100,000) less the amount of the withdrawal (\$5,000).
 - ♦ Your GAWA for the next year remains \$5,000 since you did not withdraw an amount that exceeds your GAWA.

- ♦ If you continued to take annual withdrawals equal to your GAWA, it would take an additional 19 years to deplete your GWB ($\$95,000 / \$5,000$ per year = 19 years), provided that there are no further adjustments made to your GWB or your GAWA (besides the annual reduction of your GWB by the amount of the withdrawal) and that the withdrawals are taken prior to the Latest Income Date. However, if the For Life Guarantee is in effect, withdrawals equal to your GAWA could continue for the rest of your life (or in the case of Joint Owners, until the death of any Owner or until the death of the last surviving Covered Life if your endorsement is a For Life GMWB with Joint Option), even beyond 19 years.
- Example 3b: This example demonstrates what happens if you withdraw an amount equal to your RMD (\$7,500), which is greater than your GAWA (\$5,000) when your GWB is \$100,000 and the RMD provision is in effect for your endorsement:
 - ♦ Your new GWB is \$92,500, which is your GWB prior to the withdrawal (\$100,000) less the amount of the withdrawal (\$7,500).
 - ♦ Your GAWA for the next year remains \$5,000 since your withdrawal did not exceed the greater of your GAWA (\$5,000) or your RMD (\$7,500).
 - ♦ If you continued to take annual withdrawals equal to your initial and unchanged RMD (\$7,500), it would take approximately an additional 12 years to deplete your GWB ($\$92,500 / \$7,500$ per year = approximately 12 years), provided that there are no further adjustments made to your GWB or your RMD (besides the annual reduction of your GWB by the amount of the withdrawal) and that the withdrawals are taken prior to the Latest Income Date. However, if the For Life Guarantee is in effect, withdrawals equal to your RMD could continue for the rest of your life (or until the death of the last surviving Covered Life if your endorsement is a For Life GMWB with Joint Option), even beyond 12 years.
- Notes:
 - ♦ If the For Life Guarantee is not in effect, and if your GWB falls below your GAWA at the end of your Contract Year, your GAWA will be adjusted to equal your GWB.
 - ♦ Withdrawals taken in connection with a GMWB are considered the same as any other withdrawal for the purpose of determining all other values under the Contract.

Example 4: This example demonstrates how your GWB and GAWA are re-determined upon withdrawal of an amount that exceeds your guaranteed amount (as defined in Example 3).

- Example 4a: This example demonstrates the proportional reduction of your GWB and GAWA if you withdraw an amount (\$10,000) that exceeds your GAWA (\$5,000) when your Contract Value is \$130,000 and your GWB is \$100,000:
 - The dollar-for-dollar portion of your withdrawal is equal to your GAWA of \$5,000.
 - The Proportional Reduction Factor for the withdrawal is 0.96, equal to $(1 - (\$10,000 - \$5,000) / (\$130,000 - \$5,000))$. This is calculated as $(1 - (\text{partial withdrawal amount} - \text{dollar-for-dollar amount}) / (\text{Contract Value prior to partial withdrawal} - \text{dollar-for-dollar amount}))$.
 - ♦ Your new GWB is \$91,200, which is your GWB, first reduced dollar-for-dollar for any portion of the partial withdrawal not defined as an Excess Withdrawal then multiplied by the Proportional Reduction Factor [$(\$100,000 - \$5,000) * 0.96 = \$91,200$].
 - ♦ Your GAWA is recalculated to equal \$4,800, which is your current GAWA multiplied by the Proportional Reduction Factor [$\$5,000 * 0.96 = \$4,800$]. If you continued to take annual withdrawals equal to your GAWA, it would take an additional 19 years to deplete your GWB ($\$91,200 / \$4,800$ per year = 19 years), provided that there are no further adjustments made to your GWB or your GAWA (besides the annual reduction of your GWB by the amount of the withdrawal) and that the withdrawals are taken prior to the Latest Income Date. However, if your For Life Guarantee is in effect, withdrawals equal to your GAWA could continue for the rest of your life (or in the case of Joint Owners, until the first death of the Joint Owners or until the death of the last surviving Covered Life if your endorsement is a For Life GMWB with Joint Option), even beyond 19 years.

- Example 4b: This example demonstrates the proportional reduction of your GWB and GAWA if you withdraw an amount (\$10,000) that exceeds your GAWA (\$5,000) when your Contract Value is \$105,000 and your GWB is \$100,000:
 - The dollar-for-dollar portion of your withdrawal is equal to your GAWA of \$5,000.
 - The Proportional Reduction Factor for the withdrawal is 0.95, equal to $(1 - (\$10,000 - \$5,000) / (\$105,000 - \$5,000))$. This is calculated as $(1 - (\text{partial withdrawal amount} - \text{dollar-for-dollar amount}) / (\text{Contract Value prior to partial withdrawal} - \text{dollar-for-dollar amount}))$.
 - ♦ Your new GWB is \$90,250, which is your GWB, first reduced dollar-for-dollar for any portion of the partial withdrawal not defined as an Excess Withdrawal then multiplied by the Proportional Reduction Factor $[(\$100,000 - \$5,000) * 0.95 = \$90,250]$.
 - ♦ Your GAWA is recalculated to equal \$4,750, which is your current GAWA multiplied by the Proportional Reduction Factor $[\$5,000 * 0.95 = \$4,750]$. If you continued to take annual withdrawals equal to your GAWA, it would take an additional 19 years to deplete your GWB $(\$90,250 / \$4,750 \text{ per year} = 19 \text{ years})$, provided that there are no further adjustments made to your GWB or your GAWA (besides the annual reduction of your GWB by the amount of the withdrawal) and that the withdrawals are taken prior to the Latest Income Date. However, if your For Life Guarantee is in effect, withdrawals equal to your GAWA could continue for the rest of your life (or in the case of Joint Owners, until the first death of the Joint Owners or until the death of the last surviving Covered Life if your endorsement is a For Life GMWB with Joint Option), even beyond 19 years.

- Example 4c: This example demonstrates the proportional reduction of your GWB and GAWA if you withdraw an amount (\$10,000) that exceeds your GAWA (\$5,000) when your Contract Value is \$55,000 and your GWB is \$100,000:
 - The dollar-for-dollar portion of your withdrawal is equal to your GAWA of \$5,000.
 - The Proportional Reduction Factor for the withdrawal is 0.90, equal to $(1 - (\$10,000 - \$5,000) / (\$55,000 - \$5,000))$. This is calculated as $(1 - (\text{partial withdrawal amount} - \text{dollar-for-dollar amount}) / (\text{Contract Value prior to partial withdrawal} - \text{dollar-for-dollar amount}))$.
 - ♦ Your new GWB is \$85,500, which is your GWB, first reduced dollar-for-dollar for any portion of the partial withdrawal not defined as an Excess Withdrawal then multiplied by the Proportional Reduction Factor $[(\$100,000 - \$5,000) * 0.90 = \$85,500]$.
 - ♦ Your GAWA is recalculated to equal \$4,500, which is your current GAWA multiplied by the Proportional Reduction Factor $[\$5,000 * 0.90 = \$4,500]$. If you continued to take annual withdrawals equal to your GAWA, it would take an additional 19 years to deplete your GWB $(\$85,500 / \$4,500 \text{ per year} = 19 \text{ years})$, provided that there are no further adjustments made to your GWB or your GAWA (besides the annual reduction of your GWB by the amount of the withdrawal) and that the withdrawals are taken prior to the Latest Income Date. However, if your For Life Guarantee is in effect, withdrawals equal to your GAWA could continue for the rest of your life (or in the case of Joint Owners, until the first death of the Joint Owners or until the death of the last surviving Covered Life if your endorsement is a For Life GMWB with Joint Option), even beyond 19 years.

- Notes:
 - ♦ If the For Life Guarantee is not in effect, and if your GWB falls below your GAWA at the end of your Contract Year, your GAWA will be adjusted to equal your GWB.
 - ♦ The Excess Withdrawal is defined to be the lesser of the total amount of the current partial withdrawal, or the amount by which the cumulative partial withdrawals for the current Contract Year exceeds the greater of the GAWA or the RMD, as applicable.
 - ♦ Withdrawals taken in connection with a GMWB are considered the same as any other withdrawal for the purpose of determining all other values under the Contract.

Example 5: This example illustrates how GMWB values are re-determined upon automatic step-up.

- Example 5a: This example demonstrates what happens if at the time of step-up your Contract Value (as determined based on Contract Anniversary Value) is \$200,000, your GWB is \$90,000, and your GAWA is \$5,000:
 - ♦ Your new GWB is recalculated to equal \$200,000, which is equal to your Contract Value (as determined based on the Contract Anniversary Value).
 - ♦ Your GAWA for the next year increases to \$10,000, which is the greater of 1) your GAWA prior to the step-up (\$5,000) or 2) 5% of your new GWB ($\$200,000 * 0.05 = \$10,000$).

- Example 5b: This example demonstrates what happens if at the time of step-up your Contract Value (as determined based on Contract Anniversary Value) is \$90,000, your GWB is \$80,000, and your GAWA is \$5,000:
 - ♦ Your new GWB is recalculated to equal \$90,000, which is equal to your Contract Value (as determined based on the Contract Anniversary Value).
 - ♦ Your GAWA for the next year remains \$5,000, which is the greater of 1) your GAWA prior to the step-up (\$5,000) or 2) 5% of your new GWB ($\$90,000 * 0.05 = \$4,500$).
 - After step-up, if you continued to take annual withdrawals equal to your GAWA, it would take an additional 18 years to deplete your GWB ($\$90,000 / \$5,000$ per year = 18 years), provided that there are no further adjustments made to your GWB or your GAWA (besides the annual reduction of your GWB by the amount of the withdrawal) and that the withdrawals are taken prior to the Latest Income Date. However, if the For Life Guarantee is in effect, withdrawals equal to your GAWA could continue for the rest of your life (or in the case of Joint Owners, until the first death of the Joint Owners or until the death of the last surviving Covered Life if your endorsement is a For Life GMWB with Joint Option), even beyond 18 years.

- Notes:
 - ♦ Your GWB will only step-up to the Contract Value if the Contract Value (as determined based on Contract Anniversary Value) is greater than your GWB at the time of the automatic step-up.
 - ♦ Automatic step-ups occur annually on every Contract Anniversary unless the owner elects to opt out of an increase in GMWB charge, even if the contract has already received the determination date step-up during that contract year.
 - ♦ These examples relate to an unspecified Contract Anniversary, which show scenarios in which the original \$100,000 Contract Value has either increased or decreased at the Contract Anniversary due to market performance or GAWA withdrawals, neither of which would have reduced the original \$5,000 GAWA.

Example 6: This example demonstrates how the timing of a withdrawal request interacts with the timing of the annual step-up provision to impact re-determination of GMWB values.

- This example demonstrates what happens if your Contract Value (as determined based on the Contract Anniversary Value) is \$200,000, your GAWA% is locked in at 5%, your GAWA is \$5,000, your GWB is \$100,000, your GWB is due to step-up automatically, and you also wish to take a withdrawal of an amount equal to \$5,000:
 - ♦ If you request the withdrawal the day after the step-up, upon step-up, your GWB is set equal to \$200,000, which is your Contract Value (as determined based on Contract Anniversary Value). At that time, your GAWA is equal to \$10,000, which is 5% of your new GWB ($\$200,000 * 0.05 = \$10,000$). On the day following the step-up and after the withdrawal of \$5,000, your new GWB is \$195,000, which is your GWB less the amount of the withdrawal ($\$200,000 - \$5,000 = \$195,000$) and your GAWA will remain at \$10,000 since the amount of the withdrawal does not exceed your GAWA. If you continued to take annual withdrawals equal to your GAWA, it would take approximately an additional 20 years to deplete your GWB ($\$195,000 / \$10,000$ per year = approximately 20 years), provided that there are no further adjustments made to your GWB or your GAWA (besides the annual reduction of your GWB by the amount of the withdrawal) and that the withdrawals are taken prior to the Latest Income Date. However, if the For Life Guarantee is in effect, withdrawals equal to your GAWA could continue for the rest of your life (or in the case of Joint Owners, until the first death of the Joint Owners or until the death of

the last surviving Covered Life if your endorsement is a For Life GMWB with Joint Option), even beyond 20 years.

- ♦ If you request the withdrawal prior to the step-up, immediately following the withdrawal transaction, your new GWB is \$95,000, which is your GWB less the amount of the withdrawal ($\$100,000 - \$5,000 = \$95,000$) and your Contract Value (as determined based on the Contract Anniversary Value) becomes \$195,000, which is your Contract Value (as determined based on the Contract Anniversary Value) prior to the withdrawal less the amount of the withdrawal ($\$200,000 - \$5,000 = \$195,000$). Upon step-up following the withdrawal, your GWB is set equal to \$195,000, which is your Contract Value (as determined based on the Contract Anniversary Value). At that time, your GAWA is recalculated and is equal to \$9,750, which is the greater of 1) your GAWA prior to the step-up (\$5,000) or 2) 5% of your new GWB ($\$195,000 * 0.05 = \$9,750$). If you continued to take annual withdrawals equal to your GAWA, it would take an additional 20 years to deplete your GWB ($\$195,000 / \$9,750$ per year = 20 years), provided that there are no further adjustments made to your GWB or your GAWA (besides the annual reduction of your GWB by the amount of the withdrawal) and that the withdrawals are taken prior to the Latest Income Date. However, if the For Life Guarantee is in effect, withdrawals equal to your GAWA could continue for the rest of your life (or in the case of Joint Owners, until the first death of the Joint Owners or until the death of the last surviving Covered Life if your endorsement is a For Life GMWB with Joint Option), even beyond 20 years.
- Notes:
 - This is for the annual step-up only. For examples of how the GMWB values are determined due to the step-up on the Determination Date see example 2.
 - As the example illustrates, when considering a request for a withdrawal at or near the same time as application of a step-up, the order of the two transactions may impact your GAWA.
 - If the step-up would result in an increase in your GAWA and the requested withdrawal is less than or equal to your new GAWA, your GAWA resulting after the two transactions would be greater if the withdrawal is requested after the step-up is applied.
 - If the step-up would result in an increase in your GAWA, and the withdrawal requested is greater than your new GAWA, your GAWA resulting after the two transactions would be greater if the withdrawal is requested after the step-up is applied.
 - Otherwise, your GAWA resulting from the transactions is the same regardless of the order of transactions.
 - ♦ This example would also apply in situations when the withdrawal exceeded your GAWA but not your permissible RMD.
 - ♦ If the For Life Guarantee is not in effect, and if your GWB falls below your GAWA at the end of your Contract Year, your GAWA will be adjusted to equal your GWB.
 - ♦ Withdrawals taken in connection with a GMWB are considered the same as any other withdrawal for the purpose of determining all other values under the Contract.

Example 7: This example illustrates how the GAWA is re-determined when the For Life Guarantee for the GMWB becomes effective after the effective date of the endorsement at age 59½. At the time the For Life Guarantee becomes effective, your GAWA is re-determined. (This example only applies if your endorsement is a For Life GMWB that contains a For Life Guarantee that becomes effective after the effective date of the endorsement.)

- Example 7a: This example demonstrates what happens if on the date the For Life Guarantee becomes effective, your Contract Value is \$40,000, your GWB is \$50,000, and your GAWA is \$5,000:
 - ♦ Your GAWA for the next year is recalculated to equal \$2,500, which is equal to 5% of the current GWB ($\$50,000 * 0.05 = \$2,500$).
 - ♦ The For Life Guarantee becomes effective, thus allowing you to make annual withdrawals equal to your GAWA for the rest of your life (or in the case of Joint Owners, until the first death of the Joint Owners or until the death of the last surviving Covered Life if your endorsement is a For Life GMWB with Joint Option). Once the For Life

Guarantee becomes effective, it remains in effect until the endorsement is terminated, as described in the Access to Your Money section of this prospectus, or upon continuation of the Contract by the spouse (unless your endorsement is a For Life GMWB with Joint Option and the spouse continuing the Contract is a Covered Life in which case the For Life Guarantee remains in effect upon continuation of the Contract by the spouse).

- Example 7b: This example demonstrates what happens if your Contract Value has fallen to \$0 prior to the date the For Life Guarantee becomes effective, your GWB is \$50,000 and your GAWA is \$5,000:
 - ♦ You will continue to receive automatic payments of a total annual amount that equals your GAWA until your GWB is depleted. However, your GAWA would not be permitted to exceed your remaining GWB. Your GAWA is not recalculated since the Contract Value is \$0.
 - ♦ The For Life Guarantee does not become effective due to the depletion of the Contract Value prior to the effective date of the For Life Guarantee.

Example 8: This example illustrates how the For Life Guarantee is affected upon death of the Owner on a For Life GMWB with Joint Option.

- This example demonstrates what happens if at the time of the death of the Owner (or either Joint Owner) the Contract Value is \$105,000 and your GWB is \$100,000:
 - ♦ If your endorsement has a For Life Guarantee that becomes effective after the effective date of the endorsement, the surviving Covered Life may continue the Contract and the For Life Guarantee will remain in effect or begin on the date the For Life Guarantee becomes effective. The GAWA% and the GAWA will continue to be determined or re-determined based on the youngest Covered Life's attained age (or the age he or she would have attained) and accrued Deferral Years. Once the For Life Guarantee becomes effective, the surviving Covered Life will be able to take annual withdrawals equal to the GAWA for the rest of his or her life.
 - ♦ If your endorsement has a For Life Guarantee that becomes effective on the effective date of the endorsement, the surviving Covered Life may continue the Contract and the For Life Guarantee will remain in effect. The GAWA % and the GAWA will continue to be determined or re-determined based on the youngest Covered Life's attained age (or the age he or she would have attained) and accrued Deferral Years. The surviving Covered Life will be able to take annual withdrawals equal to the GAWA for the rest of his or her life.
 - ♦ The surviving spouse who is not a Covered Life may continue the Contract and the For Life Guarantee is null and void. However, the surviving spouse will be entitled to make withdrawals until the GWB is exhausted, provided that the withdrawals are taken prior to the Latest Income Date.
 - ♦ Your GWB remains \$100,000 and your GAWA remains unchanged at the time of continuation.
- Notes:
 - ♦ If your endorsement has a For Life Guarantee that becomes effective after the effective date of the endorsement, your reset date is the Contract Anniversary on or immediately following the youngest Covered Life attaining the age of 59½.

APPENDIX E (MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS and FINANCIAL STATEMENTS

(Continued on Next Page)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The following executive summary of Management's Discussion and Analysis of Financial Condition and Results of Operation highlights selected information and may not contain all the information that is important to current or potential investors in our securities. You should read this prospectus, including the Statutory Financial Statements, in its entirety for a more detailed description of events, trends, uncertainties, risks and critical accounting estimates affecting us.

Jackson National Life Insurance Company ("Jackson", which also may be referred to as the "Company," "we," "our" or "us") along with its subsidiaries, is wholly owned by Brooke Life Insurance Company ("Brooke Life" or the "Parent"), which is wholly owned by Jackson Financial Inc. ("JFI"). We are a financial services company focused on helping Americans grow and protect their savings and income to enable them to pursue financial freedom for life in the United States ("U.S."). We believe that we are uniquely positioned in our markets because of our differentiated products, well-known brand and disciplined risk management. Our market position is supported by our efficient and scalable operating platform and industry-leading distribution network. We believe these core strengths will enable us to grow profitably as an aging U.S. population transitions into retirement.

The "*Statutory Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" included in this prospectus have been prepared in accordance with accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services ("statutory"), which vary in some respects from U.S. generally accepted accounting principles ("GAAP"). See the *Statutory Financial Statements – Note 2. Summary of Significant Accounting Policies* for a description of the significant differences between statutory and U.S. GAAP accounting.

Executive Summary

We help Americans grow and protect their retirement savings and income to enable them to pursue financial freedom for life. We believe that we are uniquely positioned in our markets because of our differentiated products, well-known brand and disciplined risk management. Our market position is supported by our efficient and scalable operating platform and industry-leading distribution network. We believe these core strengths will enable us to grow profitably as an aging, U.S. population transitions into retirement.

We earn revenues predominantly from fee income, spread income resulting from what we earn on investments versus the interest we credit to contract holders, and margins on other insurance products. Our profitability is dependent on our ability to properly price and manage risk on insurance and annuity products, to manage our portfolio of investments effectively, and to control costs through expense discipline.

Recent Events of Note

- *RILA Product*: In the fourth quarter of 2021, Jackson successfully launched Jackson Market Link ProSM and Jackson Market Link Pro AdvisorySM, a commission and an advisory based suite of registered index-linked annuities ("RILA"). In the second quarter of 2023, we enhanced our RILA suite of products with the launch of Jackson Market Link ProSM II and Jackson Market Link Pro AdvisorySM II.
- *Inflation Reduction Act of 2022 ("IRA")*: As discussed in *Statutory Financial Statements - Note 8 - Federal Income Taxes* in this prospectus, a new corporate alternative minimum tax ("CAMT") based on adjusted financial statement income, rather than reported taxable income, became effective January 1, 2023. Jackson is an applicable reporting entity that is part of a controlled group of corporations that is subject to the CAMT in 2023. At December 31, 2023 and 2022, the CAMT current tax was \$163 million and nil, respectively. At December 31, 2023 and 2022, the CAMT reduced net capital and surplus by \$187 million and nil, respectively. The CAMT was not applicable to the year ended December 31, 2021. The calculation of adjusted financial statement income, and therefore the CAMT, is subject to the issuance of regulatory guidance by the U.S. Department of the Treasury, which may materially change the estimated provision for the CAMT. We continue to monitor developments and regulations associated with the IRA for any potential future impacts on our business, financial condition, results of operations and cash flows.

- *Brooke Life Reinsurance Company (“Brooke Re”)*: During the first quarter of 2024, Jackson entered into a 100% coinsurance with funds withheld reinsurance transaction with Brooke Re with all economics of the transaction effective as of January 1, 2024. Jackson and Brooke Re are both direct subsidiaries of Brooke Life. The transaction provides for the cession from Jackson to Brooke Re of liabilities associated with certain guaranteed benefits under our variable annuity contracts and similar products of Jackson (“market risk benefits”), both in-force on the effective date of the reinsurance agreement and written in the future (*i.e.*, on a “flow” basis) as well as related future fees, claims and other benefits, and maintenance expenses in exchange for a ceding commission for the in-force business. Jackson retains the variable annuity base contract, the annuity contract administration of the ceded business, and responsibility for investment management of the assets in the funds withheld account supporting the ceded liabilities. Brooke Re paid a ceding commission of approximately 1.2 billion to Jackson in connection with the execution of the reinsurance transaction.

Brooke Re is a Michigan captive insurer regulated by the Michigan Department of Insurance and Financial Services and created for the express purpose of serving as the counterparty to the reinsurance transaction previously described with Jackson. Brooke Re was capitalized with assets contributed from Brooke Life of approximately \$1.9 billion originating from Jackson as a return of capital to Brooke Life. Brooke Re will utilize a modified GAAP approach primarily related to market risk benefits, with the intent to increase alignment between assets and liabilities in response to changes in economic factors.

The transaction allows us to mitigate the impact of the cash surrender value floor on Jackson’s total adjusted capital, statutory required capital, and risk-based capital ratio, as well as to allow for more efficient economic hedging of the underlying risks of Jackson’s business. This outcome will serve the interests of policyholders by protecting statutory capital through diminished non-economic hedging and related costs. Overall, this transaction allows us to optimize our hedging, stabilize capital generation, and produce more predictable financial results going forward.

Macroeconomic, Industry and Regulatory Trends

We discuss a number of trends and uncertainties below that we believe could materially affect our future business performance, including our results of operations, our investments, our cash flows, and our capital and liquidity position.

Macroeconomic and Financial Market Conditions

Our business and results of operations are affected by macroeconomic factors. The level of interest rates and shape of the yield curve, credit and equity market performance and equity volatility, regulation, tax policy, the level of U.S. employment, inflation and the overall U.S. economic growth rate can affect both our short- and long-term profitability. Monetary and fiscal policy in the U.S., or similar actions in foreign nations, could result in increased volatility in financial markets, including interest rates, currencies and equity markets, and could impact our business in both the short- and medium-term. Government actions, including responses to future pandemics, civil unrest, tariffs or other barriers to international trade, and the effects that these or other government events could have on levels of U.S. economic activity, could also impact our business through any of their individual impacts on consumers’ behavior or on financial markets.

In the short- to medium-term, the potential for increased volatility could pressure sales and reduce demand for our products as consumers consider purchasing alternative products to meet their objectives. Our financial performance can be adversely affected by market volatility and equity market declines if fees assessed on the account value of our annuities fluctuate, hedging costs increase and revenues decline due to reduced sales and increased outflows.

In early March through late April 2023, several regional U.S. banks were taken over by federal regulators with the Federal Deposit Insurance Corporation (“FDIC”) named as the receiver. These bank failures raised concern among investors and depositors regarding the solvency and liquidity of regional banks across the country, leading to increased stress on the banking sector. Except for assets held as part of reinsurance arrangements within our funds withheld portfolios, where the Company does not have direct exposure to default risk, the Company’s general account portfolio had no exposure to Silicon Valley Bank (“SVB”), Signature Bank, First Republic Bank, and Credit Suisse Additional Tier 1 debt as of December 31, 2023.

Equity Market Environment

Our financial performance is impacted by equity market performance. On our variable annuities, the fees we earn that are not associated with guaranteed benefits are mainly based on the account value, which changes with equity market levels. In addition, our hedges could be less effective in periods of large directional movements or we could experience more frequent or more costly rebalancing in periods of high volatility, which would lead to adverse performance versus our hedge targets and

increased hedging costs. Further, we also are exposed to basis risk, which results from our inability to purchase or sell hedge assets whose performance is directly correlated to the performance of the funds into which customers allocate their assets. We make available to customers funds where we believe we can transact in sufficiently correlated hedge assets, yet we anticipate some variance in the performance of our hedge assets and customer funds. This variance may result in our hedge assets outperforming or underperforming the customer assets they are intended to match. This variance may be exacerbated during periods of high volatility, leading to a mismatch in our hedge results relative to our hedge targets and U.S GAAP results.

Interest Rate Environment

The interest rate environment has affected, and will continue to affect, our business and financial performance for the following reasons:

- Periods of sharp rises in interest rates, as we have seen as a result of the Federal Reserve's past actions, impact investment-related activity including investment income returns, net investment spread results, new money rates, mortgage loan prepayments, and bond redemptions. Due to increases in interest rates, the yield on new investments has generally exceeded the yield on asset maturities and redemptions (runoff yield). Rising interest rates also impact the hedging results of our variable annuity business as the market value of interest rate hedges decline, thereby driving immediate hedging losses. We would expect lower hedging costs and reduced levels of hedging going forward after such an increase in rates. Further, we expect near-term hedging losses from rising rates may be more than offset by changes in the fair value of the related guaranteed benefit liabilities, which are reduced with an increase in interest rates due to the higher discount rate.
- Interest rate increases also expose us to disintermediation risk, where higher rates make currently sold fixed annuity products more attractive while simultaneously reducing the market value of assets backing our liabilities. This creates an incentive for our customers to lapse their products in an environment where selling assets causes us to realize losses.
- In the past, our statutory total adjusted capital ("TAC") has been negatively impacted by rising rates due to minimum required reserving levels (*i.e.*, cash surrender value floor) when reserve releases are limited and unable to offset interest rate hedging losses. The risk-based capital ("RBC") ratio increased or decreased depending on the interaction between movements in TAC and movements in statutory required capital (the company action level, or "CAL"); such movements can impact available dividends from our insurance subsidiaries. We expect the Brooke Re transaction to largely moderate the impact of the cash surrender value floor going forward. *See Executive Summary above for more information regarding the Brooke Re Transaction.*
- Low interest rate environments could also subject us to increased hedging costs or an increase in the amount of statutory reserves that we and our insurance subsidiary are required to hold for optional guaranteed benefits, decreasing statutory surplus, which would adversely affect our insurance subsidiaries' ability to pay dividends. In addition, low interest rates could also increase the perceived value of optional guaranteed benefit features to our customers, which in turn could lead to a higher utilization of withdrawal or annuitization features of annuity policies and higher persistency of those products over time.
- Some of our annuities have guaranteed minimum interest crediting rates ("GMICRs") that limit our ability to reduce crediting rates. If earnings on our investment portfolio decline, those GMICRs may result in net investment spread compression that negatively impacts earnings. Many of our annuities with GMICRs have GMICRs that reset at contractually specified times after issue, subject to a contractually specified minimum GMICR. In a rising interest rate environment, these GMICRs can increase over time. Conversely, in a falling interest rate environment the interest crediting rate will eventually decrease; however, there may be a lag between interest rate movements and the GMICR reset, temporarily limiting our ability to lower crediting rates. When policies have comparatively high GMICRs, in a subsequent low interest rate environment more customers are expected to hold on to their policies, which may result in lower lapses than previously expected.

Credit Market Environment

Conditions in fixed income markets impact our financial performance. As credit spreads widen, the fair value of our existing investment portfolio generally decreases, although we generally expect the widening spreads to increase the yield on new fixed income investments. Conversely, as credit spreads tighten, the fair value of our existing investment portfolio generally increases, and the yield available on new investment purchases decreases. While changing credit spreads impact the fair value of our investment portfolio, this revaluation is generally reflected in our accumulated other comprehensive income, or AOCI.

The revaluation will impact net income for realized gains or losses from the sale of securities, the change in fair value of trading securities or securities carried at fair value under the fair value election, or potential changes in the allowance for credit loss ("ACL"). In addition, if credit conditions deteriorate due to a recession or other negative credit events in capital markets, we could experience an increase in defaults and other-than-temporary-impairments ("OTTI").

OTTI in our underlying investments would result in a reduction in TAC held by us and our insurance company subsidiary. Also, shifts in the credit quality or credit rating downgrades of our investments as a result of stressed credit conditions may also impact the level of regulatory required statutory capital. As such, significant credit rating downgrades along with elevated defaults and OTTI losses would negatively impact our RBC ratio, which could impact available dividends from our insurance subsidiaries.

Pandemics and Other Public Health Crises

The COVID-19 pandemic disrupted our business and contributed to additional operating costs in prior years. Other similar pandemics, epidemics or disease outbreaks in the U.S. or globally could disrupt our business by affecting how we protect and interact with our critical workforce, customers, key vendors, third-party suppliers, or counterparties with whom we transact. Disruption could result from an inability of those persons to work or transact effectively due to illness, quarantines, and government actions in response to public health emergencies. The extent and severity of governmental actions will necessarily depend on the extent and severity of the perceived emergency. We have risk management plans in place and were able to navigate through COVID-19 with remote and hybrid work environments; however, those plans may be challenged by a new public health emergency.

Consumer Behavior

We believe that many retirees look to tax-efficient savings products as a tool for addressing their unmet need for retirement planning. We believe our products are well-positioned to meet this increasing consumer demand. However, consumer behavior may be impacted by increased economic uncertainty, unemployment rates, declining equity markets, significant changes in interest rates and increased volatility of financial markets. In recent years, we have introduced new products to better address changes in consumer demand and targeted distribution channels that meet changes in consumer preferences.

Demographics

We expect demographic trends in the U.S. population, in particular the increase in the number of retirement age individuals, to generate significant demand for our products. In addition, the potential risk to government social safety net programs and shifting of responsibility for retirement planning and financial security from employers and other institutions to employees, highlight the need for individuals to plan for their long-term financial security and will create additional opportunities to generate sustained demand for our products. We believe we are well-positioned to capture the increased demand generated by these demographic trends.

Regulatory Policy

We operate in a highly regulated industry. We and our insurance company subsidiary are regulated primarily at the state level, with some policies and products also subject to federal regulation. New federal and state regulations could impact our business model, including statutory reserve and capital requirements. Our ability to respond to changes in regulation and other legislative activity are critical to our long-term financial performance. The following regulations could materially impact our business:

Department of Labor Fiduciary Advice Rule

See Regulation—"Federal Initiatives Impacting Insurance Companies—Department of Labor's Fiduciary Advice Rule" for a discussion of the 2023 Fiduciary Advice Rule.

Legislative Reforms

In recent years, Congress approved legislation beneficial to our business model. The Setting Every Community Up for Retirement Enhancement Act of 2019 (the "SECURE Act"), approved by Congress on December 20, 2019, provides individuals with greater access to retirement products. Namely, it made it easier for 401(k) programs to offer annuities as an investment option by, among other things, creating a statutory safe harbor in ERISA for a retirement plan's selection of an annuity provider. On December 29, 2022, Congress signed into law the SECURE 2.0 Act of 2022 ("SECURE 2.0"). SECURE 2.0

expands automatic enrollment programs, increases the age for required minimum distributions, and eliminates age requirements for traditional IRA contributions. These changes are intended to expand and increase Americans' retirement savings.

Tax Laws

Our annuities offer investors the opportunity to benefit from tax deferrals. If U.S. tax laws change such that our annuities no longer offer tax-deferred advantages, demand for our products could materially decrease.

Results of Operations

The following table sets forth, for the periods presented, certain data from our Statutory Statement of Operations. The information contained in the table below should be read in conjunction with our Statutory Financial Statements and the related notes elsewhere in this prospectus:

	Years Ended December 31,		
	2023	2022	2021
	(in thousands)		
Income:			
Premiums and annuity considerations	\$ 13,227,578	\$ 16,204,649	\$ 19,845,301
Considerations for supplementary contracts with life contingencies	1,443	4,942	7,010
Net investment income	2,854,547	3,259,909	3,491,801
Amortization of interest maintenance reserve	(732,212)	108,459	182,273
Separate Accounts net gain from operations excluding unrealized gains or losses	210,502	152,511	6,293
Commissions and expense allowances on reinsurance ceded	54,250	56,511	67,993
Fee income	5,465,127	5,451,822	5,555,531
Other income	612,302	628,393	699,019
Total income	21,693,537	25,867,196	29,855,221
Benefits and other deductions:			
Death and other benefits	24,334,421	21,213,881	25,011,763
Increase (decrease) in aggregate reserves	(2,528,619)	482,195	(1,344,167)
Commissions	1,752,864	1,865,652	2,168,761
General insurance expenses	767,894	637,103	722,125
Taxes, licenses and fees	40,014	56,745	44,784
Amortization of value of business acquired and goodwill	—	32,752	49,128
Interest on funds withheld treaties	1,169,449	1,195,917	1,198,329
Change in loading and other	(1,551)	(156)	289
Reinsurance on in-force business	(10,186)	(162,654)	(96,352)
Reinsurance on in-force business - Athene	(109,611)	(84,818)	(77,860)
Net transfers from separate accounts	(6,514,054)	(3,495,689)	(2,926,856)
Total benefits and other deductions	18,900,621	21,740,928	24,749,944
Gain from operations before federal income tax expense and net realized capital losses	2,792,916	4,126,268	5,105,277
Dividends to policyholders	8,386	7,674	8,835
Gain from operations after dividends to policyholders and before federal income taxes	2,784,530	4,118,594	5,096,442
Federal income tax expense	966,356	96,261	883,790
Gain from operations before net realized capital losses	1,818,174	4,022,333	4,212,652
Net realized capital losses, less tax benefit of \$545,555, \$69,775, and \$1,008,921 in 2023, 2022, and 2021, respectively, excluding tax benefit of \$342,797 in 2023, tax benefit of \$68,678 in 2022, and tax expense of \$135,159 in 2021 transferred to the IMR	(1,939,868)	(334,731)	(4,076,745)
Net income	\$ (121,694)	\$ 3,687,602	\$ 135,907

Year Ended December 31, 2023 compared to Year Ended December 31, 2022

Net Income

Pretax operating income totaled \$2,785 million for the year ended December 31, 2023, as compared to \$4,119 million for the year ended December 31, 2022. The decrease in pretax operating income was primarily due to the decrease in interest maintenance reserve ("IMR") amortization of \$841 million and the decrease in investment income of \$405 million.

Net loss totaled \$122 million for the year ended December 31, 2023, as compared to net income of \$3,688 million for the year ended December 31, 2022. This decrease was primarily due to lower pretax income, higher federal income tax, and higher realized losses.

Sales and Revenues

Premiums and annuity considerations totaled \$13.2 billion for the year ended December 31, 2023, as compared to \$16.2 billion in 2022. The decrease in premiums and annuity considerations was primarily due to the decrease in variable annuity premiums, partially offset by the increase in registered index-linked annuity premiums. Direct premiums and annuity considerations totaled \$12.7 billion for the year ended December 31, 2023, as compared to \$15.4 billion in 2022. In 2023, variable annuity premiums were \$8.9 billion, compared to \$12.6 billion in 2022.

In the fourth quarter of 2021, Jackson successfully launched Market Link ProSM and Market Link Pro AdvisorySM, our commission and advisory based suite of registered index-linked annuities ("RILAs"). In 2023, RILA annuity premiums were \$2.9 billion, compared to \$1.8 billion in 2022. We also entered the Defined Contribution market in the fourth quarter of 2021, as a carrier in the AllianceBernstein Lifetime Income Strategy. In 2023, Defined Contribution premiums were \$176 million, compared to \$696 million in 2022.

In 2023, net investment income, which represents gross income earned on invested assets reduced by investment expenses, decreased to \$2.9 billion from \$3.3 billion in 2022. Gross investment income earned on invested assets totaled \$3.1 billion in 2023, compared to \$3.5 billion in 2022. The yield earned on average invested assets, adjusted for various leverage transactions, decreased to 4.55% on average adjusted invested assets of \$62.7 billion in 2023, compared to 4.79% on average adjusted invested assets of \$68.1 billion in 2022. Excluding the assets under the funds withheld coinsurance agreements, net investment income was \$1.7 billion in 2023, compared to \$2.1 billion in 2022.

In 2023, fee income from separate accounts remained relatively unchanged at \$5.4 billion compared to \$5.4 billion in 2022.

Other income decreased to \$696 million in 2023 from \$715 million in 2022, primarily due to the \$11 million decrease in marketing fees and the \$3 million decrease in general account policy fees.

Reserves, Benefits and Expenses

Annuity benefits and annuity and life surrenders, which includes systematic withdrawals, partial withdrawals, surrender benefits, and death benefits on annuities, increased to \$23.0 billion in 2023 from \$20.0 billion in 2022. The increase is primarily due to an increase in separate account growth generating higher cash surrender value, as well as the increase in variable annuity surrenders and systematic withdrawals as the business matures. As a percentage of mean account value, variable annuity withdrawal rates increased from 5.97% in 2022 to 7.47% in 2023. Fixed annuity surrender rates increased as withdrawals were 24.48% and 13.35% of the mean account value in 2023 and 2022, respectively. As a percentage of mean life reserves, life withdrawal rates increased from 2.04% in 2022 to 2.20% in 2023. Jackson regularly monitors liquidity and believes that the investment portfolio and other sources of funds provide sufficient liquidity for anticipated general account withdrawals.

In 2023, aggregate reserves for life and annuity contracts decreased \$2,529 million, compared to an increase of \$482 million in 2022. The significant decrease in reserves in 2023 as compared to 2022 was primarily a result of decreased VA net flows.

Interest credited on institutional investment products totaled \$334 million in 2023, as compared to \$201 million in 2022, due to higher crediting rates.

Commissions decreased to \$1.8 billion in 2023, compared to \$1.9 billion in 2022 primarily due to lower sales. Asset based commissions increased to \$957 million in 2023, compared to \$946 million in 2022, due primarily to increased average separate account balances. Average commission rates on direct business increased to 4.93% of total premiums in 2023, from 4.66% in 2022.

In 2023, general insurance expenses increased to \$768 million from \$637 million in 2022, due to a \$102 million increase in deferred compensation (due to favorable equity market returns), a \$20 million increase in incentive compensation and an \$8 million increase in software.

In 2023, net transfers from separate accounts were \$6,514 million compared to \$3,496 million in 2022, primarily due to an increase in the voluntary transfer from separate account to the general account due to market volatility.

Federal income tax expense on operations totaled \$966 million in 2023, compared to \$96 million expense in 2022, resulting in effective current tax rates of 34.72% and 2.34% in 2023 and 2022, respectively. For the year ended December 31, 2023, the

effective current tax rate differs from the expected 21% rate, primarily due to the operations loss deduction carryover, Corporate Alternative Minimum Tax expense, and disallowed IMR amortization expense, partially offset by the deductibility of the dividends received deduction, the timing of the deductibility of insurance reserves and hedge amounts, and the net benefit of foreign tax credits. For the year ended December 31, 2022, the effective current tax rate differs from the expected 21% rate, primarily due to the deductibility of the dividends received deduction, the net benefit of foreign tax credits, and the timing of the deductibility of the hedge amounts, partially offset by the operations loss deduction carryover.

Realized Gains and Losses

Realized gains and losses were as follows (in millions):

	<u>Years Ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Net realized gain (loss)		
Sales of bonds	\$ (475.1)	\$ (384.5)
Other assets	(28.2)	2.8
Derivative instruments	(3,816.3)	(362.5)
Mortgage loans on real estate	(29.2)	(5.1)
Other assets	493.1	54.0
Impairment write-downs	(148.1)	(69.6)
Total	<u>\$ (4,003.8)</u>	<u>\$ (764.9)</u>
Less: Transferred to IMR	(1,518.4)	(360.4)
Transferred to AVR	(2,485.4)	(404.5)
Tax benefit	545.6	69.8
Per Income Statement	<u>\$ (1,939.8)</u>	<u>\$ (334.7)</u>

Jackson's hedging program is structured to manage the economic impact of movements in interest rates and equity levels, rather than the accounting results. However, additional consideration will be given where variable annuity statutory requirements diverge significantly as compared to the economic basis. Accordingly, while the program remains effective on an economic basis, results may differ from the accounting perspective in any discrete period. From an economic point of view, current losses on derivative instruments, driven primarily by increasing equity markets, are offset by the benefit of higher future fees and lower future benefits on increased separate account balances. Likewise, current year derivative gains are offset by lower future fees and higher future benefits. However, given the nature of the regulatory accounting requirements, these future impacts are not fully reflected in the current year accounting results.

Net realized capital gains and losses, net of tax effects, transferred to the IMR are amortized into income over the approximate remaining lives of the investments sold. Losses of \$1,518 million and \$360 million were transferred to the IMR in 2023 and 2022, respectively. A tax benefit of \$314 million and \$71 million were transferred to the IMR in 2023 and 2022, respectively. At December 31, 2023, \$253 million of net negative (disallowed) IMR was recorded as an admitted asset, per INT 23-01. At December 31, 2022, the IMR balance was \$219 million.

Year Ended December 31, 2022 compared to Year Ended December 31, 2021

Net Income

Pretax operating income totaled \$4,119 million for the year ended December 31, 2022, as compared to \$5,096 million for the year ended December 31, 2021. The decrease in pretax operating income was primarily due to the \$854 million unfavorable change in variable annuity reserves.

Net income totaled \$3,688 million for the year ended December 31, 2022, as compared to net income of \$136 million for the year ended December 31, 2021. This increase was primarily due to lower realized losses.

Sales and Revenues

Premiums and annuity considerations totaled \$16.2 billion for the year ended December 31, 2022, as compared to \$19.9 billion in 2021. The decrease in premiums and annuity considerations was primarily due to the decrease in variable annuity premiums, partially offset by the increase in registered index-linked annuity premiums. Direct premiums and annuity considerations totaled \$15.4 billion for the year ended December 31, 2022, as compared to \$18.8 billion in 2021. In 2022, variable annuity premiums were \$12.6 billion, compared to \$17.6 billion in 2021.

In the fourth quarter of 2021, Jackson successfully launched Market Link ProSM and Market Link Pro AdvisorySM, our commission and advisory based suite of registered index-linked annuities ("RILAs"). In 2022, RILA annuity premiums were \$1,811 million, compared to \$108 million in 2021. We also entered the Defined Contribution market in the fourth quarter of 2021, as a carrier in the AllianceBernstein Lifetime Income Strategy. In 2022, Defined Contribution premiums were \$696 million, compared to \$24 million in 2021.

In 2022, net investment income, which represents gross income earned on invested assets reduced by investment expenses, decreased to \$3.3 billion from \$3.5 billion in 2021. Gross investment income earned on invested assets totaled \$3.5 billion in 2022, compared to \$3.8 billion in 2021. The yield earned on average invested assets, adjusted for various leverage transactions, decreased to 4.79% on average adjusted invested assets of \$68.1 billion in 2022, compared to 4.93% on average adjusted invested assets of \$70.8 billion in 2021. Excluding the assets under the funds withheld coinsurance agreements, net investment income was \$2.1 billion in 2022, compared to \$2.3 billion in 2021.

In 2022, fee income from separate accounts decreased to \$5.4 billion from \$5.5 billion in 2021, primarily due to \$10.0 billion lower average separate account balance in 2022.

Other income decreased to \$715 million in 2022 from \$782 million in 2021, primarily due to the \$77 million decrease in marketing fees, partially offset by the \$4 million increase in general account policy fees.

Reserves, Benefits and Expenses

Annuity benefits and annuity and life surrenders, which includes systematic withdrawals, partial withdrawals, surrender benefits, and death benefits on annuities, decreased to \$20.0 billion in 2022 from \$23.7 billion in 2021. The decrease is primarily due to a decrease in variable annuity surrenders, driven by declines in equity markets. As a percentage of mean account value, variable annuity withdrawal rates decreased from 7.10% in 2021 to 5.97% in 2022. Fixed annuity surrender rates increased as withdrawals were 13.35% and 7.18% of the mean account value in 2022 and 2021, respectively. As a percentage of mean life reserves, life withdrawal rates increased from 1.85% in 2021 to 2.04% in 2022. Jackson regularly monitors liquidity and believes that the investment portfolio and other sources of funds provide sufficient liquidity for anticipated general account withdrawals.

In 2022, aggregate reserves for life and annuity contracts increased \$482 million, compared to a decrease of \$1,344 million in 2021. The significant increase in reserves in 2022 as compared to 2021 was primarily a result of declining equity markets.

Interest credited on institutional investment products totaled \$201 million in 2022, as compared to \$188 million in 2021, due to higher crediting rates.

Commissions decreased to \$1.9 billion in 2022, compared to \$2.2 billion in 2021. Asset based commissions decreased to \$946 million in 2022, compared to \$1,055 million in 2021, due primarily to decreased average separate account balances. Average commission rates on direct business decreased to 4.66% of total premiums in 2022, from 4.72% in 2021.

In 2022, general insurance expenses decreased to \$637 million from \$722 million in 2021, due to a \$50 million decrease in incentive compensation and a \$45 million decrease in deferred compensation.

In 2022, net transfers from separate accounts were \$3,496 million compared to \$2,927 million in 2021, primarily due to an increase in the voluntary transfer from separate account to the general account due to market volatility.

Federal income tax expense on operations totaled \$96 million in 2022, compared to \$884 million expense in 2021, resulting in effective current tax rates of 2.34% and 17.34% in 2022 and 2021, respectively. For the year ended December 31, 2022 the effective current tax rate differs from the expected 21% rate, primarily due to the deductibility of the dividends received deduction, the benefit of foreign tax credits, and the timing of the deductibility of the hedge amounts, partially offset by the operations loss deduction carryover. For the year ended December 31, 2021, the effective current tax rate differs from the expected 21% rate, primarily due to the deductibility of the dividends received deduction, the benefit of foreign tax credits, and the timing of the deductibility of the hedge amounts, partially offset by the operations loss deduction carryover.

Realized Gains and Losses

Realized gains and losses were as follows (in millions):

	Years Ended December 31,	
	2022	2021
Net realized gain (loss)		
Sales of bonds	\$ (384.5)	\$ 544.5
Other assets	2.8	2.0
Derivative instruments	(362.5)	(5,142.9)
Mortgage loans on real estate	(5.1)	4.1
Other assets	54.0	(356.6)
Impairment writedowns	(69.6)	(27.2)
Total	(764.9)	(4,976.1)
Less: Transferred to IMR	(360.4)	109.6
Transferred to AVR	(404.5)	(5,085.7)
Tax benefit	69.8	1,008.9
Per Income Statement	\$ (334.7)	\$ (4,076.8)

Net realized capital gains and losses transferred to the interest maintenance reserve (“IMR”) are amortized into income over the approximate remaining lives of the investments sold. Losses of \$360 million and gains of \$110 million were transferred to the IMR in 2022 and 2021, respectively. At December 31, 2022 and 2021, the IMR balance was \$219 million and \$617 million, respectively.

Investments

Our investment portfolio primarily consists of fixed-income securities and loans, primarily publicly-traded corporate and government bonds, private securities and loans, asset-backed securities and mortgage loans. Asset-backed securities include mortgage-backed and other structured securities. The fair value of these and our other invested assets fluctuates depending on market and other general economic conditions and the interest rate environment and is affected by other economic factors.

Investment Strategy

Our overall investment strategy seeks to maintain a diversified and largely investment grade fixed income portfolio that is capital efficient, achieves risk-adjusted returns that support competitive pricing for our products, generates profitable growth of our business and maintains adequate liquidity to support our obligations. We utilize repurchase and reverse repurchase transactions as a part of our overall portfolio management program to assist with collateral requirements associated with our hedging program and other liquidity needs of our insurance subsidiaries. The investments within our investment portfolio are primarily managed by PPM, JFI’s wholly-owned registered investment advisor. Our investment strategy benefits from PPM’s ability to originate investments directly, as well as participate in transactions originated by banks, investment banks, commercial finance companies and other intermediaries. Certain investments held in funds withheld accounts for reinsurance transactions are managed by Apollo Insurance Solutions Group LP (“Apollo”), an Athene affiliate. *See Statutory Financial Statements - Note 7 - Reinsurance of Notes to Statutory Financial Statements for further details.* We may also use other third-party investment managers for certain niche asset classes.

Our investment program seeks to generate a competitive rate of return on our invested assets to support the profitable growth of our business, while maintaining investment portfolio allocations within the Company’s risk tolerance. This means maximizing risk-adjusted return within the context of a largely fixed income portfolio while also managing exposure to downside risk in a stressed environment, regulatory and rating agency capital models, overall portfolio yield, diversification and correlation with other investments and company exposures.

Our Investment Committee has specified a target strategic asset allocation (“SAA”) that is designed to deliver the highest expected return within a defined risk tolerance while meeting other important objectives such as those mentioned in the prior paragraph. The fixed income portion of the SAA is assessed relative to a customized index of public corporate bonds that represents a close approximation of the maturity profile of our liabilities and a credit quality mix that is consistent with our risk tolerance. PPM’s objective is to outperform this index on a number of measures including portfolio yield, total return and capital loss due to downgrades and defaults. While PPM has access to a broad universe of potential investments, we believe

grounding the investment program with a customized public corporate index that can be easily tracked and monitored helps guide PPM in meeting the risk and return expectations and assists with performance evaluation.

Recognizing the trade-offs between the level of risk, required capital, liquidity and investment return, the largest allocation within our investment portfolio is to investment grade fixed income securities. As previously mentioned, our investment manager accesses a broad universe of potential investments to construct the investment portfolio and considers the benefits of diversification across various sectors, collateral types and asset classes. To this end, our SAA and investment portfolio includes allocations to public and private corporate bonds (both investment grade and high yield), mortgage loans, structured securities, private equity and U.S. Treasury securities. These U.S. Treasury securities, while lower yielding than other alternatives, provide a higher level of liquidity and play a role in managing our interest rate exposure.

Investment Portfolio

The following table summarizes our cash and invested assets (in millions):

	December 31,	
	2023	2022
Bonds	\$ 38,258	\$ 44,080
Preferred stocks, at statement value	173	79
Common stocks - unaffiliated, at fair value	384	428
Common stocks - affiliated, on equity basis	721	603
Cash, cash equivalents, and short-term investments	2,064	4,158
Mortgage loans	10,278	11,589
Policy loans	4,242	4,223
Limited partnership interests	1,981	2,433
Real estate	227	237
Derivatives	85	833
Other invested assets	164	258
Total cash and invested assets	\$ 58,577	\$ 68,922

Jackson's investment portfolio is broadly diversified among sectors and issuers. Below investment grade bonds totaled 1.5% and 2.1% of cash and invested assets at December 31, 2023 and December 31, 2022, respectively. Jackson's direct exposure to the subprime mortgage market is \$113 million and \$140 million at December 31, 2023 and December 31, 2022, respectively. Most of this exposure is in fixed rate, residential mortgage-backed securities that hold first liens on the underlying collateral. Jackson had gross unrealized gains of \$243 million and gross unrealized losses of \$4,307 million on its debt securities at December 31, 2023. Of the total carrying value of bonds in an unrealized loss position at December 31, 2023, 98% were investment grade. Unrealized losses on bonds that were below investment grade comprised approximately 2% of the aggregate gross unrealized loss on debt securities. For Statutory reporting, Jackson's debt securities are generally reported at amortized cost, meaning the unrealized gains and losses are not reflected in income or capital and surplus. At December 31, 2023, Jackson held \$6.5 billion of Governments, down from \$7.2 billion at December 31, 2022.

Mortgage loans with balances totaling \$10.3 billion at December 31, 2023, consisted of 431 commercial mortgage loans and 4,990 residential mortgage loans collateralized by properties located in 50 states, the District of Columbia, Europe, and Mexico. The average loan balance of the mortgage loans was approximately \$2 million and approximately 31% of this portfolio was multi-family residential, 19% was retail, 18% was distribution/warehouse, 14% was office, 10% was residential, and 8% was hotel. At December 31, 2023, approximately 21% of the commercial mortgage loans were secured by properties located in California, 9% by properties located in Texas, 6% by properties located in Illinois, and no more than 6% of this portfolio was secured by properties in any other single state. At the time of their origination or purchase, Jackson's commercial mortgage loans had loan-to-value ratios of 80% or less. At year-end 2023 and 2022, aggregate of loans without a government guarantee of insurance that were delinquent by more than 90 days, foreclosed, or restructured were not significant to the total mortgage loan portfolio.

Other invested assets, which totaled \$2.1 billion at December 31, 2023, were comprised of investment vehicles that primarily have holdings in unaffiliated private equities of \$1,318 million, other unaffiliated investments of \$336 million, investment in affiliates of \$278 million, and residual tranches of \$131 million. Other invested assets are generally accounted for using the equity method of accounting.

Investments in common and preferred stocks are minimal, representing less than 2.2% of cash and invested assets at December 31, 2023. Jackson's investments in common stocks are primarily investments in subsidiaries.

At December 31, 2023, derivatives were primarily comprised of \$33.0 billion notional amount of treasury futures, \$26.0 billion notional amount of options, \$23.5 billion notional amount of swaptions, and \$23.4 billion aggregate notional amount of equity futures. Overall, the net fair value of Jackson's derivatives at December 31, 2023, was \$(820) million, as compared to \$(878) million at December 31, 2022. Included in surplus at December 31, 2023 and 2022, were unrealized losses on derivatives of \$2,693 million and \$2,005 million, respectively.

See Statutory Financial Statements - Note 4 - Investments and Note 5 - Derivatives Instruments of Notes to Statutory Financial Statements for further details.

Life and Annuity Reserves

See Statutory Financial Statements - Note 11 - Life and Annuity Reserves and Note 12 - Separate Accounts of Notes to Statutory Financial Statements for further details.

Liquidity and Capital Resources

Liquidity is our ability to generate sufficient cash flows to meet the cash requirements of operating, investing and financing activities. Capital refers to our long-term financial resources available to support the business operations and contribute to future growth. Our ability to generate and maintain sufficient liquidity and capital depends on the profitability of the businesses, timing of cash flows on investments and products, general economic conditions and access to the capital markets and alternate sources of liquidity and capital described herein.

The discussion below describes our liquidity and capital resources for the years ended December 31, 2023, 2022 and 2021.

Cash Flows

Cash flows from Operating Activities

The principal operating cash inflows from our insurance activities come from insurance premiums, fees charged on our products and net investment income. The principal operating cash outflows are the result of the payment of annuity and life insurance benefits, operating expenses and income tax, as well as interest expense. The primary liquidity concern with respect to these cash flows is the risk of earlier than expected contract holder and policyholder benefit payments.

Cash flows from Investing Activities

The principal cash inflows from our investment activities come from repayments of principal, proceeds from maturities and sales of investments, as well as settlements of freestanding derivatives. The principal cash outflows relate to purchases of investments and settlements of freestanding derivatives. It is not unusual to have a net cash outflow from investing activities because cash inflows from insurance operations are typically reinvested to fund insurance liabilities. We closely monitor and manage these risks through our comprehensive investment risk management process. The primary liquidity concerns with respect to these cash flows are the risk of default by debtors or market disruptions that might impact the timing of investment-related cash flows as well as derivative collateral needs, which could result in material liquidity needs.

Cash flows from Financing Activities

The principal cash inflows from our financing activities come from deposits of funds associated with policyholder account balances, issuance of securities and lending of securities as well as contributions from our Parent. The principal cash outflows come from withdrawals associated with policyholder account balances, repayment of debt, and the return of securities on loan and distributions to our Parent. The primary liquidity concerns with respect to these cash flows are market disruption and the risk of early policyholder withdrawal.

Statutory Capital

Jackson has statutory surplus above the level needed to meet current regulatory requirements. RBC requirements are used as minimum capital requirements by the NAIC and the state insurance departments to identify companies that merit regulatory action. RBC is based on a formula that incorporates both factor-based components (applied to various asset, premium, and statutory reserve items) and model-based components. The formula takes into account the risk characteristics of the insurer, including asset risk, insurance risk, interest rate risk, market risk and business risk and is calculated on an annual basis. The formula is used as an early warning regulatory tool to identify possible inadequately capitalized insurers for purposes of initiating regulatory action, and not to rank insurers generally. As of December 31, 2023, Jackson was well in excess of the minimum required capital levels.

Our statutory TAC (total adjusted capital) may be negatively impacted by minimum required reserving levels (i.e., cash surrender value floor) when reserve releases are limited and unable to offset losses from our hedging program. The RBC ratio may increase or decrease depending on the interaction between movements in TAC and movements in statutory CAL (the company action level), which could impact available dividends from our insurance subsidiaries. At times the cash surrender value floor materially affects the CAL calculation in addition to reserve levels. The formation and operation of Brooke Re is anticipated to mitigate these impacts. See “*Recent Events of Note – Brooke Life Reinsurance Company*” above for more information on Brooke Re and associated transactions.

Jackson had an RBC ratio of 624%, 544% and 580% as of December 31, 2023, 2022 and 2021, respectively. The increase in Jackson’s RBC ratio as of December 31, 2023 as compared to December 31, 2022 was primarily due to reductions in interest rate and market risk. There was also lower asset risk subsequent to the sale of the private equities limited partnerships.

Jackson’s Liquidity

The liquidity requirements for Jackson primarily relate to the liabilities associated with our insurance and reinsurance activities, operating expenses and income taxes. Liabilities arising from insurance and reinsurance activities include the payment of policyholder benefits when due, cash payments in connection with policy surrenders and withdrawals and policy loans.

Liquidity requirements are principally for purchases of new investments, management of derivative related margin requirements, repayment of principal and interest on debt, payments of interest on surplus notes, funding of insurance product liabilities including payments for policy benefits, surrenders, maturities and new policy loans, funding of expenses including payment of commissions, operating expenses and taxes.

Significant increases in interest rates could create sudden increases in surrender and withdrawal requests by customers and contract holders and result in increased liquidity requirements for Jackson. Significant increases in interest rates or equity markets may also result in higher margin and collateral requirements on our derivative portfolio. The derivative contracts are an integral part of our risk management program, especially for the management of our variable annuities program, and are managed in accordance with our hedging and risk management program. Our cash flows associated with collateral received from counterparties and posted with counterparties fluctuates with changes in the market value of the underlying derivative contract and/or the market value of the collateral. The net collateral position depends on changes in interest rates and equity markets related to the amount of the exposures hedged. Collateral posting requirements can result in material liquidity needs for Jackson.

Other factors that are not directly related to interest rates can also give rise to an increase in liquidity requirements, including, changes in ratings from rating agencies, general policyholder concerns relating to the life insurance industry (e.g., the unexpected default of a large, unrelated life insurer) and competition from other products, including non-insurance products such as mutual funds, certificates of deposit and newly developed investment products. Most of the life insurance and annuity products Jackson offers permit the policyholder or contract holder to withdraw or borrow funds or surrender cash values.

The liquidity sources for Jackson are their cash, short-term investments, sales of publicly traded bonds, insurance premiums, fees charged on our products, sales of annuities and institutional products, investment income, commercial repurchase agreements and utilization of a short-term borrowing facility with the FHLBI.

Jackson uses a variety of asset liability management techniques to provide for the orderly provision of cash flow from investments and other sources as policies and contracts mature in accordance with their normal terms. Jackson’s principal sources of liquidity to meet unexpected cash outflows associated with sudden and severe increases in surrenders and withdrawals or benefit payments are its portfolio of liquid assets and its net operating cash flows. As of December 31, 2023, the

portfolio of cash, short-term investments and privately and publicly traded securities and equities that are unencumbered and unrestricted to sale, amounted to \$15.5 billion.

Our Indebtedness

Surplus Notes

On March 15, 1997, the Company issued 8.2% surplus notes in the principal amount of \$250 million due March 15, 2027. These surplus notes are unsecured and subordinated to all present and future indebtedness, policy claims and other creditor claims and may not be redeemed at the option of the Company or any holder prior to maturity. Interest is payable semi-annually on March 15th and September 15th of each year. Interest expense on the notes was \$20 million, \$20 million, and \$20 million for the years ended December 31, 2023, 2022 and 2021, respectively.

Under Michigan insurance law, for statutory reporting purposes, the surplus notes are not part of the legal liabilities of the Company and are considered surplus funds. Payments of interest or principal may only be made with the prior approval of the Michigan Director of Insurance and only out of surplus earnings that the director determines to be available for such payments under Michigan insurance law.

Federal Home Loan Bank

Jackson is a member of the regional FHLBI primarily for the purpose of participating in its collateralized loan advance program with funding facilities. Membership requires us to purchase and hold a minimum amount of FHLBI capital stock, plus additional stock based on outstanding advances. Advances are in the form of either notes or funding agreements issued to FHLBI. As of December 31, 2023 and 2022, Jackson held a bank loan with an outstanding balance of \$57 million and \$62 million, respectively.

Collateral Upgrade Transactions

During the first quarter of 2024, Jackson executed certain paired repurchase and reverse repurchase transactions (“Collateral Upgrade” transactions) totaling \$1.5 billion pursuant to master repurchase agreements with participating bank counterparties. Under these transactions, the Company lends securities (e.g., corporate debt securities or other securities agreed upon between the parties) to one or more bank counterparties in exchange for cash (repurchase agreement) and exchange that cash for an equal value of U.S. Treasury securities (reverse repurchase agreement) to provide as collateral as part of our hedging program. The transactions are paired as two legs of a Collateral Upgrade trade.

Financial Strength Ratings

Our access to funding and our related cost of borrowing, the attractiveness of our products to customers, our attractiveness as a reinsurer to potential ceding companies and requirements for derivatives collateral posting are affected by our credit ratings and financial strength ratings, which are periodically reviewed by the rating agencies. Financial strength ratings and credit ratings are important factors affecting consumer confidence in an insurer and its competitive position in marketing products as well as critical factors considered by ceding companies in selecting a reinsurer.

We and our principal insurance company subsidiary are rated by A.M. Best, S&P, Moody’s and Fitch. Financial strength ratings represent the opinions of rating agencies regarding the financial ability of an insurer or reinsurer to meet its obligations under an insurance policy or reinsurance arrangement and generally involve quantitative and qualitative evaluations by rating agencies of a company’s financial condition and operating performance. Generally, rating agencies base their financial strength ratings upon information furnished to them by the company and upon their own investigations, studies and assumptions. Financial strength ratings are based upon factors of concern to customers, distribution partners and ceding companies and are not directed toward the protection of investors. Financial strength ratings are not recommendations to buy, sell or hold securities and may be revised or revoked at any time at the sole discretion of the rating organization.

As of April 1, 2024, the financial strength ratings of Jackson and its wholly owned subsidiary, Jackson National Life Insurance Company of New York, were as follows:

Company	A.M. Best	Fitch	Moody's	S&P
Jackson National Life Insurance Company				
Rating	A	A	A3	A
Outlook	stable	stable	stable	stable
Jackson National Life Insurance Company of New York				
Rating	A	A	A3	A
Outlook	stable	stable	stable	stable

In evaluating our Company's financial strength, the rating agencies evaluate a variety of factors including our strategy, market positioning and track record, mix of business, profitability, leverage and liquidity, the adequacy and soundness of our reinsurance, the quality and estimated market value of our assets, the adequacy of our surplus, our capital structure, and the experience and competence of our management.

In addition to the financial strength ratings, rating agencies use an outlook statement to indicate a short- or medium-term trend which, if continued, may lead to a rating change. A positive outlook indicates a rating may be raised and a negative outlook indicates a rating may be lowered. A stable outlook is assigned when ratings are not likely to be changed. Outlooks should not be confused with expected stability of the issuer's financial or economic performance. A stable outlook does not preclude a rating agency from changing a rating at any time without notice.

A.M. Best, S&P, Moody's and Fitch review their ratings of insurance companies from time to time. There can be no assurance that any particular rating will continue for any given period of time or that it will not be changed or withdrawn entirely if, in their judgment, circumstances so warrant. While the degree to which ratings adjustments will affect sales of our annuities and institutional products, and persistency is unknown, if our ratings are negatively adjusted for any reason, we believe we could experience a material decline in the sales in our individual channel, origination in our institutional channel, and the persistency of our existing business.

Contractual Obligations

Contractual Obligations are identified within the *Statutory Financials Statements - Note. 15. Commitments and Contingent Liabilities*.

Impact of Recent Accounting Pronouncements

For a complete discussion of new accounting pronouncements affecting us, see *Statutory Financials Statements - Note 2 - Summary of Significant Accounting Policies of Notes to Statutory Financial Statements*.

Critical Accounting Estimates

For a complete discussion of critical accounting estimates affecting us, see *Statutory Financials Statements - Note 2 - Summary of Significant Accounting Policies of Notes to Statutory Financial Statements*.

Quantitative and Qualitative Disclosures about Market Risk

Our primary market risk exposure results from interest rate fluctuations, equity price movements and changes in credit spreads.

Interest Rates

Our market risk exposure to changes in interest rates principally arises from investments in fixed-income securities (primarily, publicly-traded corporate and government bonds and asset-backed securities), interest-rate derivative instruments, in addition to market risk benefits and embedded derivatives associated with certain variable annuities, fixed index annuities, and RILAs.

Equity Markets

Our risk exposure to changes in equity markets principally arises from investments in equity securities, equity derivative instruments, in addition to market risk benefits and embedded derivatives associated with certain variable annuities, fixed index annuities, and RILAs.

Variable Annuity Equity Market Risk

Equity market risk arises from the variable annuities we offer principally in the following ways:

- Core contract charges and investment management fees are generally calculated based on the account value. Our customers typically allocate a significant portion of their account value to separate account investment options that hold equity securities. Increases or decreases in the value of the referenced equity securities will increase or decrease the associated core contract charges and investment management fees.
- As of December 31, 2023, 77% of our total variable annuity account value included a return of premium death benefit and 11% of our total variable annuity account value included an enhanced GMDB selection. Decreases in equity markets increase the likelihood that a customer's account value will be insufficient to cover the benefit paid to the beneficiary at the time of a claim following the customer's death. As a result, the risk associated with such payouts is dependent on both the equity market performance and the time of the claim.
- As of December 31, 2023, 76% of total variable annuity account value included either a GMWB for Life or GMWB selection. These benefits guarantee minimum payments based on a fixed annual percentage of the benefit base. These withdrawals may continue even if the account value subsequently falls to zero. When equity markets decrease, we generally expect account values to decline, and the account value therefore to be able to fund relatively fewer guaranteed withdrawals. Conversely, increases in equity markets generally increase account values and extend the number of withdrawals the account value is able to fund.

See Our Business – “Our Product Offerings – Retail Annuities” for additional information about variable annuity guaranteed living benefit and guaranteed death benefit riders.

In addition to equity market declines, certain other equity market changes could also increase our losses. For example, certain of our guaranteed living benefits and guaranteed death benefits include provisions that step up the benefit base if the account value exceeds the benefit base at specified time intervals (generally annually or quarterly). Therefore, if equity markets increase over the short-term but return to lower levels in the longer-term, those step-up provisions could increase the benefit base relative to the account value, resulting in additional benefit payments paid by us compared to a scenario where equity markets had remained flat over time. The fees attributable to guaranteed benefits are generally calculated based on the benefit base, so the scenario in which equity markets increase and then later decrease will also result in relatively higher fee income.

Fixed Index Annuity Equity Market Risk

We sell fixed index annuities where the crediting rate to the contract holder is determined by reference to equity market performance. A higher equity market return over a given period will credit more interest to the account value of those annuities, though the final amounts credited are generally capped at specified maximum possible crediting rates.

We also offer an optional lifetime withdrawal guarantee benefit on our fixed index annuities, which allows contract holders to withdraw a specified amount each year until death, or until the contract holder's account value is exhausted. *See Our Business – “Our Product Offerings – Retail Annuities” for additional information about fixed index annuity guaranteed living benefit riders.* The equity market risk exposure on these benefits differs from comparable benefits offered on variable annuities, because declines in equity markets only reduce the interest credited to the customer's account value for that period and not the account value itself. As a result, declines in equity markets do not shorten the time remaining before we expect to make payments on these guarantees. However, increasing equity markets will result in higher amounts credited to the customer's account value, thereby extending the number of annual guaranteed withdrawals funded from the account value. In addition, increasing equity markets could potentially increase the specified amount available for withdrawal.

RILA Equity Market Risk

We sell RILA where the crediting rate to the contract holder is determined by reference to equity market performance. Similar to fixed index annuities, a higher equity market return over a given period will credit more interest to the account value of

those annuities, though the final amounts credited are generally capped at specified maximum possible crediting rates. Unlike fixed index annuities, and similar to variable annuities, a lower equity market return over a given period may result in a reduction to the account value. Unlike variable annuities, the amount of the reduction is limited by a floor (which defines the maximum amount of market loss to which the contract holder is exposed) or buffer (which defines the amount of the market loss not credited to the contract holder).

We also offer a return of premium death benefit on our RILA. Decreases in equity markets increase the likelihood that a customer's account value will be insufficient to cover the benefit paid to the beneficiary at the time of a claim following the customer's death. As a result, the risk associated with such payouts is dependent on both the equity market performance and the time of the claim. *See Our Business – "Our Product Offerings – Retail Annuities" for additional information about RILA.*

Risk Management

Our actuarial, asset-liability management and finance functions have responsibility for managing our market risk exposures. Our risk function provides risk oversight and challenge, and our internal audit team provides independent assurance. Our enterprise risk management framework contemplates a wide range of market risks and focuses on exposures and risk limits on a consolidated basis for the Company. *A description of our Enterprise Risk Management Framework is provided in Our Business – "Risk Management."*

We have an Asset Liability Management Committee ("ALCO") that maintains a written Asset Liability Management Policy ("ALM Policy"). ALCO regularly reviews all material financial risks in accordance with our ALM Policy. If market risks exceed predetermined tolerances, management is required to inform the Finance and Risk Committee of our JFI Board of Directors. Management proposes how best to mitigate or address such risks, including equity market and interest rate risks.

Equity Market Risk: We manage equity market risk by both holding sufficient capital and by using derivative-based hedges as described above in our hedging program. We hedge the equity risk embedded within our products by using equity options, total return swaps, and futures on a variety of indices that best represent the equity exposures inherent in the range of underlying investment options available on certain of our annuities.

Interest Rate Risk: We manage interest rate risk by employing product design, pricing and asset-liability management strategies intended to mitigate the potential effects of interest rate movements. Product design and pricing strategies include the use of surrender charges, market value adjustments, restrictions on withdrawals and the ability to reset crediting rates. Our asset-liability management strategies may include the use of derivatives, such as interest rate swaps, interest rate swaptions (also known as a swap option) and interest rate/bond futures, as well as fixed income assets. We manage interest rate risk in aggregate, contemplating natural offsets between products before pursuing hedging transactions.

We analyze interest rate risk using various models, including multi-scenario models that project future cash flows from our product and benefit liabilities and their supporting investments, including derivatives. These projections involve evaluating the potential gain or loss on our in-force business under various increasing and decreasing interest rate environments. State insurance regulations require that we perform some of these analyses annually as part of our review of the sufficiency of our regulatory reserves. We also measure the relative sensitivities of the value of our assets and liabilities to changes in key assumptions utilizing internal models. These models reflect specific product characteristics and include assumptions based on our expectations regarding lapse, mortality and crediting rates.

We also use common industry metrics, such as duration and convexity, to measure the relative sensitivity of asset and liability values to changes in interest rates. In computing the duration of liabilities, we consider all policyholder guarantees as well as non-guaranteed elements of policyholder liabilities.

Our Hedging Approach and Evaluating Hedge Effectiveness

Our hedging program seeks to balance three objectives: protecting against the economic impact of adverse market conditions, protecting our statutory capital, and stabilizing our statutory distributable earnings throughout market cycles. Our core dynamic hedging program seeks to offset changes in economic liability associated with variable, registered index-linked, and fixed indexed annuity guaranteed benefits due to market movements, while our macro hedging program seeks to manage capital and liquidity risk.

Our hedging strategy manages equity and interest rate risk within risk tolerances through a mix of equity and interest rate derivatives and fixed income assets. We do not directly use hedging to offset the movement in our U.S. GAAP liabilities as market conditions change from period to period, which may result in U.S. GAAP net income volatility.

Depending on market conditions and our capital position, we may favor the use of one type of hedging instrument over another. When evaluating the effectiveness of our hedge program we look at the combined net effect of our hedge assets and the liabilities these assets are intended to hedge. We consider our hedge program effective if it is successful in keeping the net effect of these assets and liabilities within our defined risk measures and limits. This analysis of hedge positioning relative to the liabilities these assets are intended to hedge provides our management team a view on the effectiveness of the hedging program.

For our equity market exposure, we compare the impact of changes to equity markets on our hedge assets relative to the liabilities these assets are intended to hedge. For example, in periods with increasing equity markets, we expect significant losses on our equity hedges, but as increasing equity markets also generally increase contract holder account values, we expect a related decrease in the likelihood or level of future payments we need to make on our guaranteed benefits. Likewise, in periods of decreasing markets we expect significant increases in the value of our equity hedges, but also would expect liabilities for future guaranteed benefit payments to increase.

For our interest rate exposure, similar to equity market risk, we evaluate the level of interest rate hedge coverage by comparing the impacts of interest rate movements on our hedge assets relative to the liabilities these assets are intended to hedge. The types of derivative instruments we use to manage interest rate risk are different from those we use to manage equity market risk. We also recognize the sensitivity of our equity hedges to interest rates but believe their contribution to the overall interest rate hedge is small due to their relatively short duration of these derivatives.

Market Risk—Fair Value Exposures

For the purpose of this Item, we define “market risk” as changes in fair value resulting from changes in interest rates or equity market prices. The estimated fair values of certain assets and liabilities may be materially impacted by changes in interest rates and equity markets. Our exposures to interest rates and equity markets also impact our business, financial condition, results of operations and cash flows other than through changes in fair value. *See Risks Related to Our Business and Industry – “Risks Related to Conditions in the Global Financial Markets and Economy.”*

Risk Measurement—Sensitivity Analysis

In the following discussion and analysis, we measure market risk related to our market sensitive assets and liabilities based on changes in interest rates and equity market prices utilizing an internal sensitivity analysis. Due to our current portfolio structure and holdings, foreign currency movements are not material to the Company. This analysis estimates the potential changes in estimated fair value based on a hypothetical 50 basis point parallel shift (increase or decrease) in risk-free interest rates and a 10% change (increase or decrease) in equity market prices. In performing the analysis summarized below, we used market rates and balance sheet positions as of December 31, 2023 and 2022, respectively. We modeled the impact of changes in market rates and prices on the estimated fair values of our market sensitive assets and liabilities as follows:

- the net present values of our interest rate sensitive exposures resulting from a parallel 50 basis point shift (increase or decrease) in interest rates; and
- the estimated fair value of our equity positions due to a 10% change (increase or decrease) in equity market prices.

The sensitivity analysis reflects hypothetical scenarios and is an estimate as of a specific point in time based on asset and liability positioning on that date. These hypothetical scenarios do not represent management’s view of future market changes and should not be viewed as predictive of our future financial performance. Actual results in any particular period may vary from the amounts indicated in the table below as a result of changes in the composition of our assets and liabilities, market conditions, management actions and other factors.

The sensitivity analysis reflects changes in fair value resulting from changes in interest rates or equity market levels and does not reflect changes in the economic value of assets or liabilities.

The market risk information is limited by the assumptions and parameters established in creating the related sensitivity analysis, including:

- interest-rate sensitive liabilities do not include policy and contract liabilities as of December 31, 2023 and 2022, respectively, which are accounted for on a book value basis under U.S. GAAP;
- interest-rate sensitive assets do not include assets accounted for on a book value basis under U.S. GAAP, which primarily consist of \$10.1 billion and \$11.0 billion of mortgage loans as of December 31, 2023 and 2022, respectively;
- the analysis excludes the effect of market or interest rate impacts on assets and liabilities related to our funds withheld reinsurance treaties;
- the analysis excludes real estate holdings;
- the analysis excludes the impact of changes in income taxes; and
- the analysis assumes that the composition of assets and liabilities remains unchanged upon measurement and excludes the impacts of management actions.

Given the limitations described above, we use models as tools and not as substitutes for the experience and judgment of our management. Based on the fair values of the financial instruments and our analysis of the impacts of the measured changes in market rates and prices, we have determined that our interest rate and equity market exposures are material.

The table below provides detail regarding the potential change in estimated fair value of our debt securities in addition to our variable annuity, fixed index and RILA market risk benefits and embedded derivatives due to a 50 basis point parallel increase and decrease in the yield curve by type of asset or liability (in millions):

	December 31, 2023			December 31, 2022		
	Fair Value	Impact of +50 bps Change	Impact of -50 bps Change	Fair Value	Impact of +50 bps Change	Impact of -50 bps Change
Debt Securities ⁽¹⁾						
Floating Rate	\$ 1,088	\$ (1)	\$ 1	\$ 1,098	\$ —	\$ —
Fixed Rate	27,719	(806)	854	27,193	(882)	920

⁽¹⁾ Includes debt securities that are classified as available-for-sale and includes securities at fair value under the fair value option.

	December 31, 2023			December 31, 2022		
	Fair Value	Impact of +50 bps Change	Impact of -50 bps Change	Fair Value	Impact of +50 bps Change	Impact of -50 bps Change
Fixed index and RILA embedded derivatives	\$ 1,275	\$ (49)	\$ 52	\$ 235	\$ (9)	\$ 9
Market risk benefits	(1,136)	(2,213)	2,470	2,753	(2,212)	2,463

The fair value of certain market risk benefits reflects the present value of projected benefit payments less the present value of attributed fees. These benefit payments and fees are subject to differing degrees of discounting, as benefit payments are generally projected to occur further in the future as compared to attributed fees. As a result, the degree of sensitivity between the present values of projected fees as compared to the present values of projected benefit payments may result in disproportionate sensitivity impacts relative to the market risk benefits fair value.

The table below provides additional detail regarding the potential change in estimated fair value of our equity investment portfolio in addition to our variable annuity, fixed index and RILA market risk benefits and embedded derivatives due to a 10% increase and decrease in equity market prices by type of asset or liability (in millions):

	December 31, 2023			December 31, 2022		
	Fair Value	Impact of 10% Change	Impact of -10% Change	Fair Value	Impact of 10% Change	Impact of -10% Change
	Equity Securities and Limited Partnerships	\$ 1,573	\$ (157)	\$ 157	\$ 1,923	\$ (192)

	December 31, 2023			December 31, 2022		
	Fair Value	Impact of 10% Change	Impact of -10% Change	Fair Value	Impact of 10% Change	Impact of -10% Change
	Fixed index and RILA embedded derivatives	\$ 1,275	\$ 2	\$ (5)	\$ 235	\$ 1
Market risk benefits	(1,136)	(2,048)	2,587	2,753	(2,382)	2,867

The fair value of our market risk benefits reflect our contract holders' exposure to equity market declines. When equity markets increase, this exposure and the related fair value declines.

The table below provides details regarding the potential change in estimated fair value of our derivative instruments due to a 50 basis point parallel increase and decrease in the yield curve by type of derivative instrument, as well as the potential change in estimated fair value of our derivative instruments due to a 10% increase and decrease in equity prices (dollars in millions):

	Notional Amount	Weighted Average Term (Years)	Interest Rate Sensitivity		
			Impact of +50 bps Change	Fair Value	Impact of -50 bps Change
December 31, 2023					
Swaps	\$ 7,893	5.68	\$ (93)	\$ (120)	\$ 96
Swaptions	23,500	0.36	(612)	(752)	885
Interest Rate Futures	33,919	0.25	(1,011)	—	1,138
Total			\$ (1,716)	\$ (872)	\$ 2,119
December 31, 2022					
Swaps	\$ 11,053	6.01	\$ (165)	\$ (257)	\$ 174
Swaptions	25,000	1.07	(685)	(1,711)	647
Interest Rate Futures	105,249	0.91	(102)	—	83
Total			\$ (952)	\$ (1,968)	\$ 904

	Notional Amount	Weighted Average Term (Years)	Equity Sensitivity		
			Impact of +10% Change	Fair Value	Impact of -10% Change
December 31, 2023					
Options					
Calls	\$ —	—	\$ —	\$ —	\$ —
Puts	26,000	0.07	(55)	59	1,226
Total options	26,000	0.07	(55)	59	1,226
Equity Futures	24,739	1.81	(1,452)	—	1,452
Total Return Swaps	1,599	4.50	(162)	(22)	162
Total			\$ (1,669)	\$ 37	\$ 2,840
December 31, 2022					
Options					
Calls	\$ 21,000	0.20	\$ 698	\$ 106	\$ (99)
Puts	27,500	0.20	(473)	958	1,015
Total options	48,500	0.20	225	1,064	916
Equity Futures	18,258	0.21	(1,988)	—	1,988
Total Return Swaps	—	—	(71)	31	71
Total			\$ (1,834)	\$ 1,095	\$ 2,975



Jackson National Life Insurance Company

Statutory Financial Statements
December 31, 2023

Jackson National Life Insurance Company

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KPMG LLP
Aon Center
Suite 5500
200 E. Randolph Street
Chicago, IL 60601-6436

Independent Auditors' Report

The Audit and Risk Management Committee of the Board of Directors
Jackson National Life Insurance Company:

Opinions

We have audited the financial statements of Jackson National Life Insurance Company (the Company), which comprise the statutory statements of admitted assets, liabilities, capital and surplus as of December 31, 2023 and 2022, and the related statutory statements of operations, capital and surplus, and cash flow for each of the years in the three-year period ended December 31, 2023, and the related notes to the statutory financial statements.

Unmodified Opinion on Statutory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the admitted assets, liabilities, capital and surplus of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flow for each of the years in the three-year period ended December 31, 2023 in accordance with accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with U.S. generally accepted accounting principles, the financial position of the Company as of December 31, 2023 and 2022, or the results of its operations or its cash flows for the three-year period ended December 31, 2023.

Basis for Opinions

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

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

As described in Note 2 to the financial statements, the financial statements are prepared by the Company using accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services, which is a basis of accounting other than U.S. generally accepted accounting principles. Accordingly, the financial statements are not intended to be presented in accordance with U.S. generally accepted accounting principles. The effects on the financial statements of the variances between the statutory accounting practices described in Note 2 and U.S. generally accepted accounting principles, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in the supplemental schedule of selected financial data, supplemental investment risks interrogatories, summary investment schedule, and reinsurance risk interrogatories is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Michigan Department of Insurance and Financial Services. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

/s/ KPMG LLP

Chicago, Illinois
March 22, 2024

Jackson National Life Insurance Company
Statutory Statements of Admitted Assets, Liabilities, Capital and Surplus
(In thousands, except for share information)

	December 31,	
	2023	2022
Admitted Assets		
Bonds	\$ 38,257,780	\$ 44,080,473
Preferred stocks, at statement value (cost: 2023, \$202,132; 2022, \$113,825)	172,812	79,449
Common stocks - unaffiliated, at fair value (cost: 2023, \$391,632; 2022, \$450,764)	384,287	428,001
Common stocks - affiliated, on equity basis (cost: 2023, \$726,278; 2022, \$609,179)	721,254	603,128
Cash, cash equivalents, and short-term investments	2,064,327	4,158,359
Mortgage loans	10,278,312	11,588,720
Policy loans	4,241,716	4,223,154
Limited partnership interests	1,981,198	2,433,042
Real estate	226,592	236,841
Derivatives	84,816	832,749
Other invested assets	163,941	258,476
Total cash and invested assets	<u>58,577,035</u>	<u>68,922,392</u>
Investment income due and accrued	585,905	633,062
Premiums deferred and uncollected	203,084	234,195
Federal income taxes receivable	—	128,217
Net deferred tax asset	606,942	781,090
Amounts due from reinsurers	139,989	224,241
Receivable for derivatives	757,312	—
Admitted disallowed IMR	252,977	—
Other admitted assets	4,688	1,690
Separate account assets	208,449,179	183,704,207
Total admitted assets	<u>\$ 269,577,111</u>	<u>\$ 254,629,094</u>
Liabilities, Capital and Surplus		
Liabilities:		
Aggregate reserves for life, accident and health and annuity contracts	\$ 25,250,874	\$ 27,779,493
Liability for deposit-type contracts	9,011,732	9,691,716
Policy and contract claims	760,037	857,769
Other contract liabilities	(31,727)	(31,400)
Remittances in process	40,834	29,334
Interest maintenance reserve	—	218,795
Commissions payable and expense allowances on reinsurance assumed	126,297	109,467
Asset valuation reserve	489,670	986,974
Funds held under reinsurance treaties with unauthorized reinsurers	3,628,585	3,588,452
Funds held under coinsurance	18,856,107	22,550,117
General expenses and taxes due and accrued	210,509	190,954
Accrued transfers to separate accounts	(4,499,524)	(5,068,709)
Borrowed money and interest thereon	307,618	62,358
Repurchase agreements	—	1,011,762
Payable for securities lending	13,050	23,316
Derivatives	904,691	1,710,737
Federal income tax payable	721	—
Other liabilities	1,405,836	1,226,334
Separate account liabilities	208,449,179	183,704,207
Total liabilities	<u>264,924,489</u>	<u>248,641,676</u>
Capital and Surplus:		
Capital stock (par value \$1.15 per share; 50,000 shares authorized; 12,000 shares issued and outstanding)	13,800	13,800
Surplus notes	249,817	249,769
Gross paid-in and contributed surplus	4,631,055	4,781,055
Aggregate write-ins for special surplus funds	252,977	—
Unassigned surplus	(495,027)	942,794
Total capital and surplus	<u>4,652,622</u>	<u>5,987,418</u>
Total liabilities, capital and surplus	<u>\$ 269,577,111</u>	<u>\$ 254,629,094</u>

See accompanying Notes to Statutory Financial Statements.

Jackson National Life Insurance Company
Statutory Statements of Operations
(In thousands)

	Years Ended December 31,		
	2023	2022	2021
Income:			
Premiums and annuity considerations	\$ 13,227,578	\$ 16,204,649	\$ 19,845,301
Considerations for supplementary contracts with life contingencies	1,443	4,942	7,010
Net investment income	2,854,547	3,259,909	3,491,801
Amortization of interest maintenance reserve	(732,212)	108,459	182,273
Separate Accounts net gain from operations excluding unrealized gains or losses	210,502	152,511	6,293
Commissions and expense allowances on reinsurance ceded	54,250	56,511	67,993
Fee income	5,465,127	5,451,822	5,555,531
Other income	612,302	628,393	699,019
Total income	<u>21,693,537</u>	<u>25,867,196</u>	<u>29,855,221</u>
Benefits and other deductions:			
Death and other benefits	24,334,421	21,213,881	25,011,763
Increase (decrease) in aggregate reserves	(2,528,619)	482,195	(1,344,167)
Commissions	1,752,864	1,865,652	2,168,761
General insurance expenses	767,894	637,103	722,125
Taxes, licenses and fees	40,014	56,745	44,784
Amortization of value of business acquired and goodwill	—	32,752	49,128
Interest on funds withheld treaties	1,169,449	1,195,917	1,198,329
Change in loading and other	(1,551)	(156)	289
Reinsurance on in-force business	(10,186)	(162,654)	(96,352)
Reinsurance on in-force business - Athene	(109,611)	(84,818)	(77,860)
Net transfers from separate accounts	(6,514,054)	(3,495,689)	(2,926,856)
Total benefits and other deductions	<u>18,900,621</u>	<u>21,740,928</u>	<u>24,749,944</u>
Gain from operations before federal income tax expense and net realized capital losses	2,792,916	4,126,268	5,105,277
Dividends to policyholders	8,386	7,674	8,835
Gain from operations after dividends to policyholders and before federal income taxes	2,784,530	4,118,594	5,096,442
Federal income tax expense	966,356	96,261	883,790
Gain from operations before net realized capital losses	1,818,174	4,022,333	4,212,652
Net realized capital losses, less tax benefit of \$545,555, \$69,775, and \$1,008,921 in 2023, 2022, and 2021, respectively, excluding tax benefit of \$342,797 in 2023, tax benefit of \$68,678 in 2022, and tax expense of \$135,159 in 2021 transferred to the IMR	(1,939,868)	(334,731)	(4,076,745)
Net income	<u>\$ (121,694)</u>	<u>\$ 3,687,602</u>	<u>\$ 135,907</u>

See accompanying Notes to Statutory Financial Statements.

Jackson National Life Insurance Company
Statutory Statements of Capital and Surplus
(In thousands)

	Capital stock	Surplus notes	Surplus			Total
			Gross paid-in and contributed	Special Funds	Unassigned	
Balances at December 31, 2020	\$ 13,800	\$ 249,680	\$ 4,006,055	\$ —	\$ 510,975	\$ 4,780,510
Net income	—	—	—	—	135,907	135,907
Change in net unrealized capital gains and losses	—	—	—	—	(95,220)	(95,220)
Change in net unrealized foreign exchange capital gains and losses	—	—	—	—	4,127	4,127
Change in net deferred income tax	—	—	—	—	148,051	148,051
Change in asset valuation reserve	—	—	—	—	(44,497)	(44,497)
Change in non-admitted assets	—	—	—	—	(28,333)	(28,333)
Change in liability for reinsurance in						
unauthorized companies	—	—	—	—	(3,192)	(3,192)
Change in surplus in separate accounts	—	—	—	—	(6,293)	(6,293)
Surplus withdrawn from separate accounts	—	—	—	—	6,293	6,293
Surplus notes accretion	—	44	—	—	—	44
Change in surplus as a result of reinsurance	—	—	—	—	(174,212)	(174,212)
Paid-in surplus	—	—	1,375,000	—	—	1,375,000
Balances at December 31, 2021	\$ 13,800	\$ 249,724	\$ 5,381,055	\$ —	\$ 453,606	\$ 6,098,185
Net income	—	—	—	—	3,687,602	3,687,602
Change in net unrealized capital gains and losses	—	—	—	—	(1,960,366)	(1,960,366)
Change in net deferred income tax	—	—	—	—	(529,550)	(529,550)
Change in asset valuation reserve	—	—	—	—	(472,560)	(472,560)
Change in non-admitted assets	—	—	—	—	7,579	7,579
Change in liability for reinsurance in						
unauthorized companies	—	—	—	—	3,954	3,954
Change in surplus in separate accounts	—	—	—	—	(152,511)	(152,511)
Surplus withdrawn from separate accounts	—	—	—	—	152,511	152,511
Surplus notes accretion	—	45	—	—	—	45
Change in surplus as a result of reinsurance	—	—	—	—	(247,471)	(247,471)
Paid-in surplus	—	—	(600,000)	—	—	(600,000)
December 31, 2022	13,800	249,769	4,781,055	—	942,794	5,987,418
Net income	—	—	—	—	(121,694)	(121,694)
Change in net unrealized capital gains and losses	—	—	—	—	(652,825)	(652,825)
Change in net deferred income tax	—	—	—	—	398,028	398,028
Change in asset valuation reserve	—	—	—	—	497,303	497,303
Change in non-admitted assets	—	—	—	—	(768,985)	(768,985)
Change in liability for reinsurance in						
unauthorized companies	—	—	—	—	33,126	33,126
Change in surplus in separate accounts	—	—	—	—	(210,502)	(210,502)
Surplus withdrawn from separate accounts	—	—	—	—	210,502	210,502
Surplus notes accretion	—	48	—	—	—	48
Change in surplus as a result of reinsurance	—	—	—	—	(119,797)	(119,797)
Dividends to stockholders	—	—	—	—	(450,000)	(450,000)
Change in special surplus funds	—	—	—	252,977	(252,977)	—
Paid-in surplus	—	—	(150,000)	—	—	(150,000)
Balances at December 31, 2023	\$ 13,800	\$ 249,817	\$ 4,631,055	\$ 252,977	\$ (495,027)	\$ 4,652,622

See accompanying Notes to Statutory Financial Statements.

Jackson National Life Insurance Company
Statutory Statements of Cash Flow
(In thousands)

	Years Ended December 31,		
	2023	2022	2021
Cash from operations:			
Operating receipts:			
Premiums and annuity considerations	\$ 13,259,779	\$ 16,199,182	\$ 19,748,533
Net investment income	2,489,559	2,775,799	2,571,941
Other	6,118,652	6,134,568	6,296,909
Total cash received from operations	21,867,990	25,109,549	28,617,383
Operating disbursements:			
Benefit payments	24,164,287	20,952,875	24,450,073
Commissions, general expenses and taxes	2,951,813	2,529,558	2,828,019
Net transfers to separate accounts	(6,861,123)	(3,906,152)	(2,734,870)
Federal income taxes	(22,120)	(11,679)	(396,456)
Total cash disbursed from operations	20,232,857	19,564,602	24,146,766
Net cash from operations	1,635,133	5,544,947	4,470,617
Cash from investments:			
Proceeds from investments sold, matured, or repaid:			
Bonds	7,790,462	10,958,764	18,659,461
Stocks	239,491	44,234	35,144
Mortgage loans	2,077,633	1,682,161	1,739,701
Real estate	4,419	200	1,397
Limited partnerships and other invested assets	(1,555,962)	3,823,308	(2,006,481)
Total investment proceeds	8,556,043	16,508,667	18,429,222
Cost of investments acquired:			
Bonds	2,828,856	7,850,163	13,216,280
Stocks	195,331	219,890	122,894
Mortgage loans	837,867	1,750,467	2,415,893
Real estate	2,263	1,800	1,280
Limited partnerships and other invested assets	2,352,696	4,362,433	3,598,286
Total investments acquired	6,217,013	14,184,753	19,354,633
Net (increase) decrease in policy loans	(18,278)	126,933	46,782
Net cash from (used in) investments	2,320,752	2,450,847	(878,629)
Cash from financing and miscellaneous sources:			
Cash provided (applied):			
Paid in surplus	(150,000)	(600,000)	1,375,000
Borrowed funds	244,961	(5,039)	(385,040)
Net deposits on deposit-type contracts	(1,143,229)	(113,792)	(2,585,805)
Other	(4,551,649)	(4,170,118)	(2,189,275)
Net cash used in financing and miscellaneous sources	(6,049,917)	(4,888,949)	(3,785,120)
Net change in cash, cash equivalents and short-term investments	(2,094,032)	3,106,845	(193,132)
Cash, cash equivalents and short-term investments at beginning of year	4,158,359	1,051,514	1,244,646
Cash, cash equivalents and short-term investments at end of year	\$ 2,064,327	\$ 4,158,359	\$ 1,051,514
Cash flow information for non-cash transactions:			
Debt and equity securities acquired from exchange transactions	\$ 446,817	\$ 402,464	\$ —
Debt and equity securities disposed from exchange transactions	\$ 437,006	\$ —	\$ —
Transfer of debt securities for other invested assets	\$ —	\$ 104,427	\$ 457,657
Non-cash financial assets acquired from subsidiary	\$ —	\$ 80,370	\$ —
Non-cash exchange of financial assets with parent	\$ —	\$ 24,582	\$ —
Non-cash financial assets transferred to subsidiary	\$ 8,156	\$ 14,412	\$ —
Non-cash financial assets transferred to separate account	\$ 222,116	\$ —	\$ —

See accompanying Notes to Statutory Financial Statements.

Jackson National Life Insurance Company
Notes to Statutory Financial Statements

Note 1 - Organization

Jackson National Life Insurance Company (the “Company” or “Jackson”) is wholly owned by Brooke Life Insurance Company (“Brooke Life” or the “Parent”), which is wholly owned by Jackson Financial Inc. (“Jackson Financial”). Jackson Financial was a majority-owned subsidiary of Prudential plc (“Prudential”), London, England. Jackson Financial's demerger from Prudential was completed on September 13, 2021 (“Demerger”), and Jackson Financial is a stand-alone U.S. public company. Prudential retained an equity interest in Jackson Financial after the Demerger. As a result of sales subsequent to the Demerger, Prudential has no remaining equity interest in the Company as of June 30, 2023.

Jackson is licensed to sell group and individual annuity products (including immediate, fixed index, deferred fixed, variable, and registered index-linked annuities) and individual life insurance products in 49 states and the District of Columbia. Jackson also participates in the institutional products market through the issuance of guaranteed investment contracts (“GICs”), funding agreements and medium-term note funding agreements. There is not substantial doubt about the Company’s ability to continue as a going concern.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services (“statutory”), which vary in some respects from U.S. generally accepted accounting principles (“GAAP”) and include the following:

1. the costs related to acquiring business, principally commissions, bonus interest on certain products and certain policy issue and underwriting costs, are charged to income in the year incurred and, thus, are not capitalized and amortized over the periods benefited;
2. recognition of the value of business acquired (“VOBA”) and goodwill is limited and is amortized over the life of the business acquired, up to ten years;
3. assets must be included in the statement of admitted assets, liabilities, capital and surplus at "admitted asset value," with "non-admitted assets" excluded through a charge to surplus;
4. bonds are generally carried at amortized cost and, for investments carried at fair value, changes in investment valuations are recorded in surplus (under GAAP, investments are generally carried at fair value, amortized cost for mortgage loans and policy loans, with changes in valuation recorded in other comprehensive income);
5. investments in subsidiaries or companies where Jackson has a controlling interest or is the primary beneficiary of a variable interest entity are reported as investments, but are consolidated under GAAP;
6. the indexed portion of registered index-linked annuities are included in separate accounts for statutory reporting;
7. current expected credit losses (“CECL”) on certain financial assets are not included herein, but are required for GAAP;
8. a net deferred tax asset (“DTA”), for the tax effect of timing differences between book and tax assets and liabilities, is only reported as an admitted asset to the extent that it is realizable within three years and represents less than 15% of capital and surplus (adjusted to exclude any net DTAs, electronic data processing (“EDP”) equipment and operating system software and any net positive goodwill), subject to limits set by Statement of Statutory Accounting Principles (“SSAP”) No. 101, with the change in net deferred tax asset or liability being recorded directly to surplus;
9. assets and liabilities for certain derivative contracts are reported net for statutory, but are reported gross under GAAP;
10. for derivative instruments carried at fair value, changes in fair value are recorded directly to surplus (under GAAP, derivative instruments are carried at fair value with changes in fair value generally recorded in income);
11. future policy benefit reserves for life insurance are based on statutory mortality and interest requirements without the consideration of withdrawals;

Jackson National Life Insurance Company
Notes to Statutory Financial Statements

12. the Commissioners' Annuity Reserve Valuation Method ("CARVM") expense allowance associated with statutory reserving practices for deferred variable annuities held in the separate accounts is reported in the general account as a negative liability;
13. reserve credits for reinsurance ceded are netted against the reserve liability, but are reported as assets under GAAP;
14. surplus notes issued by the Company are recorded as surplus rather than as a liability under GAAP;
15. an asset valuation reserve ("AVR") is established by a direct charge to surplus to offset future potential credit related investment losses;
16. realized gains and losses, net of tax, resulting from changes in interest rates on fixed income investments are deferred in the interest maintenance reserve ("IMR") and amortized into investment income over the approximate remaining life of the investment sold;
17. gains or losses resulting from market value adjustments ("MVA") on policies and contracts backed by assets that are valued at book/adjusted carrying value are deferred in the IMR and amortized in a manner consistent with the determination of the MVA;
18. premiums for universal life and investment-type products, other than GICs and annuities certain, are recognized as income, but are accounted for as deposits to policyholders' accounts under GAAP;
19. net after tax gains on reinsurance transactions comprised of contracts in force at the date of the transaction are excluded from net income and recorded directly to surplus, and amortized into income as earnings emerge from the business reinsured;
20. statements of cash flow are prepared under a prescribed format, which differs from the indirect format under GAAP; and
21. there is no presentation of comprehensive income.

The effects on the financial statements of the variances between the statutory accounting practices described above and US generally accepted accounting principles, although not reasonably determinable, are presumed to be material and pervasive.

Certain amounts in the 2022 and 2021 statutory financial statements have been reclassified to conform to the 2023 presentation.

The Department of Insurance and Financial Services ("DIFS") recognizes statutory accounting practices prescribed or permitted by the state of Michigan for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under Michigan Insurance Law. The DIFS has adopted the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual ("NAIC SAP") to the extent that the accounting practices, procedures, and reporting standards are not modified by the Michigan Insurance Code. The state of Michigan has adopted certain prescribed accounting practices that differ from those defined in NAIC SAP. The commissioner of insurance also has the right to permit other specific practices that deviate from prescribed practices.

Under Michigan law, the value of the book of business arising from the acquisition of a subsidiary or through reinsurance may be recognized as an admitted asset if certain criteria are met. In NAIC SAP, goodwill may be admitted in amounts not to exceed 10% of an insurer's capital and surplus, as adjusted, and is eliminated in the event of a merger.

As a result of an acquisition accounted for as a statutory purchase in accordance with SSAP No. 68, the Company had goodwill attributed to the VOBA, with the remaining VOBA balance fully amortized as of August 31, 2022.

The Valuation of Life Insurance Policies Model Regulation ("Model 830", also known as Regulation XXX), was effective for NAIC SAP in 2000. The state of Michigan did not permit Model 830 for reserve calculations until January 1, 2002. Thus, reserves for life business issued in calendar years 2000-2001 are not valued according to Model 830 and NAIC SAP, but rather, are valued under the prior method of the Standard Valuation Law, referred to as the 'unitary' method.

Jackson National Life Insurance Company
Notes to Statutory Financial Statements

Actuarial Guideline XXXV (“Actuarial Guideline 35”) was adopted by the NAIC in December 1998. The purpose of Actuarial Guideline 35 is to interpret the standards for the valuation of statutory reserves for fixed index annuities. NAIC SAP requires application of Actuarial Guideline 35 for all fixed index annuities issued after December 31, 2000. Michigan law prescribes the valuation of fixed index annuities without consideration of Actuarial Guideline 35. As a result, and as demonstrated in the Company’s reconciliation of net income and capital and surplus between NAIC SAP and practices prescribed or permitted by the state of Michigan below, Actuarial Guideline 35 is not reflected in the Company’s accounts as of December 31, 2023 and 2022.

Reconciliation to NAIC SAP

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

	Years Ended December 31,		
	2023	2022	2021
Net income (loss), as stated herein	\$ (121.7)	\$ 3,687.6	\$ 135.9
Adjustments - prescribed practices:			
Valuation of Life Insurance Policies Model Regulation (XXX):			
Decrease in aggregate reserves for life and accident and health policies and contracts	0.4	0.8	0.2
Actuarial Guideline 35:			
Decrease/(increase) in aggregate reserves for life and accident and health policies and contracts	(11.1)	3.8	(29.5)
Amortization of value of business acquired	—	32.8	49.1
Prescribed practices adjustment	(10.7)	37.4	19.8
Tax effect of prescribed practice differences	—	—	6.2
Net income, NAIC SAP	<u>\$ (132.4)</u>	<u>\$ 3,725.0</u>	<u>\$ 161.9</u>

	December 31,	
	2023	2022
Statutory Capital and Surplus, as stated herein	\$ 4,652.6	\$ 5,987.4
Adjustments - prescribed practices:		
Aggregate reserve for life policies and contracts		
Valuation of Life Insurance Policies Model Regulation (XXX):		
Reserve per Michigan basis	6.1	6.4
Reserve per NAIC SAP	16.0	16.7
Model Regulation (XXX) adjustment	(9.9)	(10.3)
Actuarial Guideline 35:		
Reserve per Michigan basis	437.9	293.2
Reserve per NAIC SAP	475.2	319.4
Actuarial Guideline 35 adjustment	(37.3)	(26.2)
Tax effect of prescribed practice differences	2.6	4.2
Net impact of prescribed practices	(44.6)	(32.3)
Statutory capital and surplus, NAIC SAP	<u>\$ 4,608.0</u>	<u>\$ 5,955.1</u>

Cybersecurity Event

In 2023, Jackson determined that Jackson’s information at one of our third-party vendors, Pension Benefit Information, LLC (“PBI”), was impacted by a cybersecurity breach involving Progress Software Corporation’s MOVEit Transfer software. The PBI service helps Jackson to identify possible beneficiaries for death benefits. According to PBI, an unknown actor exploited a MOVEit software flaw to access PBI’s systems and download certain data. Our assessment indicated that personally identifiable information relating to approximately 850,000 of Jackson’s customers was obtained by that unknown actor from PBI’s systems. PBI informed Jackson that it rectified the MOVEit vulnerability.

Jackson National Life Insurance Company
Notes to Statutory Financial Statements

Separately, Jackson experienced unauthorized access to two servers as a result of the MOVEit flaw; however, the scope and nature of the data accessed on those servers was significantly less than the PBI impact. Our assessment was that a subset of information relating to certain partner organizations and individuals, including certain customers of Jackson, was obtained from the two affected servers.

At this time, we do not believe the incident or related litigation will have a material adverse effect on the business, operations, or financial results of the Company.

New and Pending Accounting Pronouncements

In August 2023, the NAIC adopted revisions to SSAP No. 26R - *Bonds*; SSAP No. 43R - *Loan-Backed and Structured Securities*; and other SSAPs (e.g., SSAP No. 21R - *Other Admitted Assets*, and SSAP No. 86 - *Derivatives*) to incorporate the principles-based bond definition into statutory accounting guidance and amend the accounting for certain asset-backed securities and investments not classified as bonds. In December 2023, SSAP No. 2R - *Cash, Cash Equivalents, Drafts, and Short-Term Investments*, was also revised to exclude certain securities from being reported as a cash equivalents or short-term investments. The amendments are effective January 1, 2025. The Company is currently in the process of evaluating the impact of the new guidance.

Estimates

The preparation of the accompanying financial statements and notes requires the use of estimates and assumptions about future events that affect the amounts reported in the financial statements and the accompanying notes. Significant estimates or assumptions, as further discussed in the notes, include: 1) valuation of investments and derivative instruments, including fair values of securities deemed to be in an illiquid market and the determination of when an impairment is other-than-temporary; 2) assumptions used in calculating policy reserves and liabilities, including, but not limited to mortality rates, policyholder behavior, expenses, investment returns, policy crediting rates and future hedging activity; 3) assumptions as to future earnings levels being sufficient to realize deferred tax benefits and whether or not certain deferred tax assets will reverse within three years; 4) estimates related to liabilities for lawsuits and establishment of liability for state guaranty fund assessments; and 5) assumptions and estimates associated with the Company's tax positions, including an estimate of the dividends received deduction, which impact the amount of recognized tax benefits recorded by the Company. These estimates and assumptions are based on management's best estimates and judgments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors as deemed appropriate. As facts and circumstances dictate, these estimates and assumptions may be adjusted. Since future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in estimates, including those resulting from continuing changes in the economic environment, will be reflected in the financial statements in the periods the estimates are changed.

Investments

Bonds, excluding loan-backed and structured securities, are stated at amortized cost except those with an NAIC designation of "6," which are stated at the lower of amortized cost or fair value. Acquisition premiums and discounts are amortized into investment income through call or maturity dates using the effective interest method.

Jackson recognizes an other-than-temporary impairment ("OTTI") for non-loan-backed securities when the Company does not expect full recovery of amortized cost. These impairment losses are recognized in net realized capital losses for the full difference between fair value and amortized cost.

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

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

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

Jackson National Life Insurance Company
Notes to Statutory Financial Statements

If the Company intends to sell an impaired loan-backed security or does not have the intent and ability to retain the impaired loan-backed security for a period of time sufficient to recover the amortized cost basis, an other-than-temporary impairment has occurred. In these situations, the other-than-temporary impairment loss recognized is the difference between the amortized cost basis and fair value. For loan-backed securities, the credit portion of the recognized loss is recorded to the AVR and the non-credit portion is recorded to the IMR. If the Company does not expect to recover the entire amortized cost basis when compared to the present value of cash flows expected to be collected, it cannot assert that it has the ability to recover the loan-backed security's amortized cost basis even though it has no intent to sell and has the intent and ability to retain the loan-backed security. Therefore, an other-than-temporary impairment has occurred and a realized loss is recognized for the non-interest related decline, which is calculated as the difference between the loan-backed security's amortized cost basis and the present value of cash flows expected to be collected. For situations where an other-than-temporary impairment is recognized, the previous amortized cost basis less the other-than-temporary impairment recognized as a realized loss becomes the new amortized cost basis of the loan-backed security. The new amortized cost basis is not adjusted for subsequent recoveries in fair value. Therefore, the prospective adjustment method is used for periods subsequent to other-than-temporary impairment loss recognition.

Unaffiliated common stocks are stated at fair value. The Company's investments in subsidiaries are recorded based on the equity method. Insurance subsidiaries are reported at their audited statutory capital and surplus and non-insurance subsidiaries are carried at their audited equity as determined under GAAP. The Company has non-admitted \$5.0 million of the unaudited equity of five subsidiaries in 2023. The Company had non-admitted \$6.1 million of the unaudited equity of seven subsidiaries in 2022. Included in common stocks is the Company's 100% interest in the common stock of Jackson National Life Insurance Company of New York ("Jackson New York"). Jackson New York's financial statements are presented on the basis of accounting practices prescribed or permitted by the New York State Department of Financial Services. The State of New York has adopted certain prescribed practices that differ from those found in NAIC SAP:

- Reserves for fixed deferred annuities are valued under Continuous CARVM according to New York insurance law, rather than Curtate CARVM according to NAIC SAP.
- For variable annuity reserves, New York insurance law incorporates Valuation Manual-21 ("VM-21") but also includes an additional floor calculation. Jackson New York reserves are not valued solely under VM-21 according to NAIC SAP, but rather, are valued with the additional floor calculation according to New York insurance law.
- For payout business, New York insurance law requires an adapted version of Valuation Manual-22 ("VM-22") for purposes of defining minimum reserve standards, thus, reserves for payout business are not valued according to VM-22 as defined by the NAIC SAP, but rather, are valued per New York regulation.

The effect of the prescribed practice is an increase to income of \$6.3 million and a decrease to surplus of \$23.0 million. The risk based capital of Jackson New York would not have triggered a regulatory event had it not used these prescribed practices according to New York insurance law.

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

Limited partnership interests, including limited liability company interests, are carried at fair value.

Distributions of earnings from these entities are recorded as investment income and unrealized gains and losses are credited or charged directly to surplus. Included in limited partnership interests was \$69.0 million and \$71.3 million at December 31, 2023 and 2022, respectively, of the Company's 100% ownership of member interests in the following entities: Jackson National Asset Management, LLC, a registered investment advisor and transfer agent; and Jackson National Life Distributors, LLC, a registered broker-dealer. The Company has non-admitted its 100% ownership interests totaling \$17.9 million and \$16.8 million at December 31, 2023 and 2022, respectively, in Squire Reassurance Company LLC, a captive reinsurance company; PGDS (US One), LLC, which provided certain services to Jackson and certain former affiliates; and Hermitage Management, LLC ("Hermitage"), which holds and manages certain real estate related investments.

The Company also acquires controlling ownership interests in companies through troubled debt restructuring arrangements. These investments are held for sale and are not operated as subsidiaries. These equity investments are carried at fair value.

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Derivative instruments afforded hedge accounting treatment are accounted for in a manner consistent with the hedged items. Derivative instruments not afforded hedge accounting treatment are stated at fair value. See Note 5 for more information on derivative instruments. The Company generally does not account for derivative instruments as either fair value or cash flow hedges as might be permitted if specific hedging documentation requirements were followed.

Cash and short-term investments, which primarily include high quality money market instruments, are carried at amortized cost. These investments have original maturities of twelve months or less, and are considered cash equivalents for reporting cash flow.

Mortgage loans are carried at aggregate unpaid principal balances, net of unamortized discounts and premiums, impairments and any allowance for loan losses.

On a periodic basis, Jackson assesses the mortgage loan portfolio for the need for an allowance for loan losses. In determining its allowance for loan losses, the Company evaluates each loan to determine if it is probable that amounts due according to the contractual terms of the loan agreement will not be collected. The allowance includes loan specific reserves for loans that are determined to be non-performing as a result of this loan review process. The loan specific portion of the loss allowance is based on the Company's assessment as to ultimate collectability of loan principal and interest, or other value expected in lieu of loan principal and interest. This review contemplates a variety of factors which may include, but are not limited to, current economic conditions, the physical condition of the property, the financial condition of the borrower, and the near and long-term prospects for change in these conditions. Changes in the allowance for loan losses are recorded in surplus.

Separately, Jackson also reviews individual loans in the portfolio for impairment charge-off based on an assessment of the factors identified above. Impairments deemed other-than-temporary requiring charge-off are recorded initially against the established loan loss allowance if any, and, if necessary, any additional amounts are recorded as realized losses. As deemed necessary based on cash flow expectations and other factors, Jackson may place loans on non-accrual status. In this case, all cash received is applied against the carrying value of the loan.

Policy loans are loans the Company issues to contract holders that use the cash surrender value of their life insurance policy or annuity contract as collateral. Policy loans are carried at unpaid principal balances.

Real estate is carried at depreciated cost and net of encumbrances. Buildings are depreciated over their estimated useful life, up to 40 years.

Realized capital gains and losses are recorded at the date of sale and are calculated on a specific cost identification basis.

Life and Annuity Reserves

Aggregate reserves for life insurance policies are based on statutory mortality and interest requirements without consideration for withdrawals. With respect to ordinary policies, the mortality assumptions range from the American Experience Table to the 1980/2017 Commissioners' Standard Ordinary Tables with interest assumptions ranging from 1.00% to 7.00%. With respect to older industrial policies, the mortality assumptions range from the American Experience Table to the 1961 Commissioners' Standard Industrial Table with interest assumptions ranging from 2.50% to 6.00%. As of December 31, 2023 and 2022, 30% and 31%, respectively, of the life reserves were calculated on a net level reserve basis and 70% and 69%, respectively, were calculated on a modified reserve basis.

As it relates to VM-20, the Company meets the conditions for exemption under Subsection 1.G.2.b. of the Valuation Manual and filed the statement of exemption required by Subsection 1.G.1. of the Valuation Manual with the State of Michigan DIFS in a letter dated April 26, 2022. Because all conditions outlined in Subsection 1.G.1. have been met for continued use, all policies issued since 2022 are also covered by this statement of exemption and follow reserving standards mentioned above.

Reserves for variable annuity and registered index-linked annuity ("RILA") products and related guarantees are determined using Actuarial Guideline 43 and VM-21. Reserves are set equal to the stochastic reserve plus the additional standard projection amount. The stochastic reserve uses prudent estimate assumptions for items such as expenses, mortality and policyholder behavior, as well as "real world" stochastically generated equity and interest rate scenarios. The additional standard projection amount is based on assumptions prescribed by the regulation. Both the additional standard projection amount and stochastic reserve are adjusted to reflect the impact of hedge instruments owned on the valuation date, and the stochastic reserve is adjusted to reflect future assumed hedging activity.

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As previously described in Note 1, Michigan law prescribes the valuation of fixed index annuities without consideration of Actuarial Guideline 35.

The majority of all other annuity reserves and GIC deposits are established with an interest rate assumption ranging from 2.25% to 8.75% and are carried at the greater of the cash surrender value or the greatest present value of the guaranteed benefits discounted at statutory valuation interest rates.

Jackson and Jackson National Life Global Funding have established a \$27.0 billion aggregate Global Medium Term Note program. Jackson National Life Global Funding was formed as a statutory business trust, solely for the purpose of issuing Medium Term Note instruments to institutional investors, the proceeds of which are deposited with Jackson and secured by the issuance of funding agreements. The liability for the outstanding balances at December 31, 2023 and 2022 totaled \$5.7 billion and \$5.9, respectively and these liabilities are included in liability for deposit-type contracts. Issued instruments representing obligations denominated in a foreign currency have been hedged for changes in exchange rates using cross-currency swaps.

Jackson is a member of the Federal Home Loan Bank of Indianapolis (“FHLBI”) primarily for the purpose of participating in the bank’s mortgage-collateralized loan advance program with short-term and long-term funding facilities. Members are required to purchase and hold a minimum amount of FHLBI capital stock, plus additional stock based on outstanding advances. Advances are in the form of short-term or long-term notes or funding agreements issued to FHLBI and held in the general account.

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

The following table summarizes the amount of FHLB capital stock held in aggregate and classified as follows (in thousands):

	December 31,	
	2023	2022
Membership Stock - Class A	\$ —	\$ —
Membership Stock - Class B	5,000	5,000
Activity Stock	96,338	87,800
Excess Stock	6,680	53,664
Aggregate Total	<u>\$ 108,019</u>	<u>\$ 146,464</u>
Actual or estimated borrowing capacity as determined by the insurer	\$ 2,400,413	\$ 3,254,764

Membership Stock eligible and not eligible for redemption are as follows (in thousands):

Membership Stock	Current Year Total	Not Eligible For Redemption	Eligible for Redemption			
			Less Than 6 Months	6 Months to Less Than 1 Year	1 to Less Than 3 Years	3 to 5 Years
Class A	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Class B	5,000	—	—	—	—	5,000
Total Stock	<u>\$ 5,000</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,000</u>

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The amount of collateral pledged to the FHLB are as follows (in thousands):

Collateral Pledged to FHLB

	Fair Value	Carrying Value	Aggregate Total Borrowing
December 31, 2023	\$ 3,284,330	\$ 3,525,096	\$ 2,251,959
December 31, 2022	\$ 2,904,495	\$ 3,172,535	\$ 2,062,224

Maximum Amount Pledged During Reporting Period

	Fair Value	Carrying Value	Aggregate Total Borrowing
Period ended December 31, 2023	\$ 4,030,626	\$ 4,350,767	\$ 2,807,974
Period ended December 31, 2022	\$ 3,781,315	\$ 3,831,594	\$ 2,563,013

Aggregate amount of borrowings from the FHLB were as follows (in thousands):

	General Account	Funding Agreements Reserves Established
December 31, 2023		
(a) Debt		
Short-term	\$ 250,000	XXX
Long-term	57,184	XXX
(b) Funding Agreements	1,944,775	1,944,775
(d) Aggregate Total (a+b+c)	\$ 2,251,959	\$ 1,944,775
December 31, 2022		
(a) Debt		
Short-term	—	XXX
Long-term	62,224	XXX
(b) Funding Agreements	2,000,000	2,000,000
(d) Aggregate Total (a+b+c)	\$ 2,062,224	\$ 2,000,000

The maximum amount borrowed during the reporting period was as follows (in thousands):

	General Account
Debt	\$ 57,974
Funding Agreements	2,750,000
Aggregate Total	\$ 2,807,974

Interest Maintenance Reserve

The Company is required to maintain an IMR, which is a reserve for the net, after tax, accumulated unamortized realized gains and losses on sales of fixed income investments primarily attributable to changes in interest rates. Net realized gains and losses charged or credited to the IMR are amortized into investment income over the approximate remaining life of the investment sold using the grouped method.

Gains or losses resulting from MVA on policies and contracts backed by assets that are valued at book/adjusted carrying value are deferred in the IMR and amortized in a manner consistent with the determination of the MVA using the grouped method.

Realized gains and losses included in IMR on sales of fixed income investments subject to a funds withheld arrangement are released from the IMR and transferred to the liability for funds held under coinsurance with no impact to income.

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The following table provides the adjusted capital and surplus as of the most recently filed statement, the amount of net negative (disallowed) IMR in aggregate and allocated between the general account, insulated separate accounts and non-insulated accounts, and the percentage of adjusted capital and surplus for which the admitted net negative (disallowed) IMR represents (in thousands):

Capital and surplus of most recently filed statement			\$ 3,988,895
Less:			
Goodwill			—
EDP equipment and operating system software			(248)
Net deferred tax asset			(520,698)
Admitted net negative disallowed IMR			—
Adjusted capital & surplus			<u>\$ 3,467,949</u>
	Net negative (disallowed IMR)	Negative IMR admitted	Percentage of adjusted capital and surplus
General account	\$ 252,977	\$ 252,977	7.3 %
Insulated separate account	—	—	— %
Non-insulated separate account	5,555	5,555	0.2 %
	<u>\$ 258,532</u>	<u>\$ 258,532</u>	<u>7.5 %</u>

The following table summarizes the unamortized balances in IMR from derivatives that were reported at fair value prior to the termination of the derivative (in thousands):

Description	December 31, 2023 balance of:	
	Unamortized gain	Unamortized loss
Swaps	\$ 24	\$ (332,907)
Options	46,317	—
Interest rate futures	46,889	(52,015)
	<u>\$ 93,230</u>	<u>\$ (384,922)</u>

As of December 31, 2022, the Company had no net negative (disallowed) IMR.

Fixed income investments generating IMR losses comply with the Company's documented investment or liability management policies. Any deviation was either because of a temporary and transitory timing issue or related to a specific event that mechanically made the cause of IMR losses not reflective of reinvestment activities.

IMR losses for fixed income related derivatives are all in accordance with prudent and documented risk management procedures, in accordance with the Company's derivative use plans and reflect symmetry with historical treatment in which unrealized derivative gains were reversed to IMR and amortized in lieu of being recognized as realized gains upon derivative termination. Asset sales were not compelled by liquidity pressures.

Asset Valuation Reserve

The Company is required to maintain an AVR, which is computed in accordance with a formula prescribed by the NAIC and represents a provision for potential credit related investment losses. Changes in the AVR are recorded directly to surplus.

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Revenue and Expense Recognition

Premiums for traditional life insurance are recognized as revenue when due. Annuity considerations are recognized as revenue when collected. GICs and other investment products with no mortality risk are accounted for using deposit accounting. Accordingly, premiums and withdrawals for GICs and other investment products are not reflected in the statement of operations, but are credited or charged directly to policyholders' accounts, while interest credited to the policyholders' accounts is reflected in the statement of operations. Fee income is recognized as revenue when earned. Commission and expense allowances, which are commission and expense reimbursements related to reinsurance ceded to other companies, are recognized as revenue when due. The CARVM allowance represents the excess of separate account contract values over statutory separate account reserves for variable annuities and variable life and is reported in accrued transfers to separate accounts. Benefits, claims and expenses (including the change in CARVM allowance) are recognized when incurred. Commissions, general expenses, and taxes, licenses and fees, including costs of acquiring new business, are charged to operations as incurred.

Investment Income

Income due and accrued was excluded from surplus on the following basis:

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

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

Real estate - properties where rent is in arrears for more than three months.

Income due and accrued on investments where collection is not likely has been excluded from net investment income. For the years ended December 31, 2023, 2022, and 2021, the amounts excluded from investment income were \$859 thousand, \$113 thousand, \$4.2 million, respectively.

The following table provides the gross, nonadmitted and admitted amounts for interest income due and accrued (in thousands):

<u>Interest Income Due and Accrued</u>	<u>Amount</u>
1. Gross	\$ 587,242
2. Nonadmitted	\$ 1,337
3. Admitted	\$ 585,905

At December 31, 2023 and 2022, the Company had \$31.4 thousand and nil, respectively in aggregate deferred interest.

At December 31, 2023, 2022, and 2021, the Company had \$10.0 million, 2.8 million, and 9.4 million cumulative amounts of paid-in-kind interest, respectively.

Furniture and Equipment

Furniture and equipment are carried at cost less accumulated depreciation, which is charged to operations on a straight line basis over the estimated useful lives of the related assets. Furniture and EDP equipment and software are depreciated over three to seven years. Furniture and equipment, except for certain EDP equipment and software reported in other admitted assets, is non-admitted. Depreciation expense on admitted assets totaled \$0.2 million, \$0.5 million, and \$2.4 million for 2023, 2022, and 2021 respectively, while depreciation expense on non-admitted assets totaled \$14.4 million, \$15.4 million, and \$18.0 million in 2023, 2022, and 2021, respectively.

Federal Income Taxes

Federal income taxes are charged to operations based on current taxable income. Current year federal income tax expense is based on financial reporting income or loss adjusted for certain differences, which are the result of dissimilar financial reporting and tax basis accounting methods, and the corporate alternative minimum tax. A net DTA, for the tax effect of timing differences between financial reporting and the tax basis of assets and liabilities, is allowed to be reported as an admitted asset only to the extent that it is realizable within three years up to 15% of capital and surplus (adjusted to exclude any net DTAs, EDP equipment and operating system software and any net positive goodwill), with the change in net deferred tax asset or liability being recorded directly to surplus. See Note 8 - Federal Income Taxes, for additional information on these accounting policies.

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Non-admitted Assets

Certain assets designated as "non-admitted assets" (principally net deferred tax assets not realizable within three years, agents' debit balances, furniture, equipment, computer software, prepaid expenses, certain other receivables, and investments in certain common stocks and limited liability corporations) have been excluded from the statutory statements of admitted assets, liabilities, capital and surplus by a direct charge to surplus.

Separate Account Assets and Liabilities

The assets and liabilities associated with variable life and annuity contracts, which aggregated \$203.6 billion and \$181.7 billion at December 31, 2023 and 2022, respectively, are segregated in insulated separate accounts. The Company receives fees for assuming mortality and certain expense risks and for providing guaranteed benefits under the variable annuity contracts. These fees are recorded as earned.

The Company has issued a group variable annuity contract designed for use in connection with and issued to the Company's Defined Contribution Retirement Plan. These deposits are allocated to the non-guaranteed, insulated Jackson National Separate Account – II and aggregated \$198.1 million and \$284.3 million at December 31, 2023 and 2022, respectively.

The assets and liabilities associated with registered index-linked annuities are allocated to a non-insulated separate account and aggregated \$4,664.5 million and \$1,746.9 million at December 31, 2023 and 2022, respectively.

Value of Business Acquired

The value of business acquired relates to the acquisition of Reassure America Life Insurance Company ("REALIC") in 2012. During 2023, 2022, and 2021, the Company recorded amortization expense of nil, \$32.8 million, and \$49.1 million, respectively. In 2022, the remaining Voba balance was fully amortized. As a result, the balance at December 31, 2023 and 2022, totaled nil.

Subsequent Events

Reinsurance Transaction

During the first quarter of 2024, Jackson entered into a 100% coinsurance funds withheld reinsurance transaction with Brooke Life Reinsurance Company ("Brooke Re"), a Michigan captive insurer regulated by the Michigan Department of Insurance and Financial Services created in the first quarter of 2024 for the express purpose of serving as the counterparty to this new reinsurance transaction. Jackson and Brooke Re are both direct subsidiaries of Brooke Life Insurance Company ("Brooke Life"). Brooke Re was capitalized with assets contributed from Brooke Life of approximately \$1.9 billion, originating from Jackson as a return of capital of approximately \$1.95 billion to Brooke Life in January 2024. Of the \$1.9 billion contributed to Brooke Re, approximately \$1.2 billion was paid to Jackson into unassigned surplus by Brooke Re as a ceding commission in connection with the execution of the reinsurance transaction.

All economics of the reinsurance transaction are effective as of January 1, 2024. The reinsurance transaction provides for the cession from Jackson to Brooke Re of liabilities associated with certain guaranteed benefits under our variable annuity contracts and similar products of Jackson, both in-force on the effective date of the reinsurance agreement and written in the future (i.e., on a "flow" basis) as well as related future fees, claims and other benefits, and maintenance expenses in exchange for a ceding commission for the in-force business. Brooke Re paid a ceding commission of approximately \$1.2 billion to Jackson in connection with the execution of the reinsurance transaction. Jackson retains the variable annuity base contract, the annuity contract administration of the ceded business, and responsibility for investment management of the assets in the funds withheld account supporting the ceded liabilities. The reinsurance transaction allows us to mitigate the impact of the cash surrender value floor on Jackson's total adjusted capital, statutory required capital, and risk-based capital ratio, as well as to allow for more efficient economic hedging of the underlying risks of Jackson's business. This outcome will serve the interests of policyholders by protecting statutory capital through avoidance of non-economic hedging costs. Overall, this allows us to optimize our hedging, stabilize capital generation, and produce more predictable financial results going forward.

Collateral Upgrade Transaction

During the first quarter of 2024, Jackson executed certain paired repurchase and reverse repurchase transactions ("Collateral Upgrade" transactions) totaling \$1.5 billion pursuant to master repurchase agreements with participating bank counterparties. Under these transactions, the Company lends securities (e.g., corporate debt securities or other securities agreed upon between the parties) to one or more bank counterparties in exchange for cash (repurchase agreement) and exchange that cash for an equal value of U.S. Treasury securities (reverse repurchase agreement) to provide as a collateral as part of our hedging program. The transactions are paired as two legs of a Collateral Upgrade trade.

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The Company has evaluated events through March 22, 2024, which is the date the financial statements were available to be issued.

Note 3 - Fair Value of Financial Instruments

Fair value measurements are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's view of market assumptions in the absence of observable market information. Jackson utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. All financial assets and liabilities are required to be classified into one of the following categories:

- Level 1 Observable inputs that reflect quoted prices for identical assets or liabilities in active markets that the Company has the ability to access at the measurement date. Level 1 securities include government securities and exchange traded equity securities and derivative instruments.

- Level 2 Observable inputs, other than quoted prices included in Level 1, for the asset or liability or prices for similar assets and liabilities. Most debt securities that are priced using observable inputs and freestanding derivative instruments that are priced using models with observable market inputs are included in Level 2.

- Level 3 Valuations that are derived from techniques in which one or more of the significant inputs are unobservable (including assumptions about risk). Level 3 includes limited partnership interests and less liquid securities such as certain highly structured or lower quality asset-backed securities. Because Level 3 fair values, by their nature, contain unobservable market inputs, considerable judgment may be used to determine the Level 3 fair values. Level 3 fair values represent the Company's best estimate of an amount that could be realized in a current market exchange absent actual market exchanges.

In many situations, inputs used to measure the fair value of an asset or liability may fall into different levels of the fair value hierarchy. In these situations, the Company determines the level in which the fair value falls based upon the lowest level input that is significant to the determination of the fair value. As a result, both observable and unobservable inputs may be used in the determination of fair values that the Company has classified within Level 3.

The Company determines the fair values of certain financial assets and liabilities based on quoted market prices, where available. The Company may also determine fair value based on estimated future cash flows discounted at the appropriate current market rate. When appropriate, fair values reflect adjustments for counterparty credit quality, the Company's credit standing, liquidity and risk margins on unobservable inputs.

Where quoted market prices are not available, fair value estimates are made at a point in time, based on relevant market data, as well as the best information about the individual financial instrument. At times, illiquid market conditions may result in inactive markets for certain of the Company's financial instruments. In such instances, there may be no or limited observable market data for these assets and liabilities. Fair value estimates for financial instruments deemed to be in an illiquid market are based on judgments regarding current economic conditions, liquidity discounts, currency, credit and interest rate risks, loss experience and other factors. These fair values are estimates and involve considerable uncertainty and variability as a result of the inputs selected and may differ materially from the values that would have been used had an active market existed. As a result of market inactivity, such calculated fair value estimates may not be realizable in an immediate sale or settlement of the instrument. In addition, changes in the underlying assumptions used in the fair value measurement technique could significantly affect these fair value estimates.

The following is a discussion of the methodologies used to determine fair values of the financial instruments.

Bonds and Equity Securities

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

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As a result of typical trading volumes and the lack of specific quoted market prices for most debt securities, independent pricing services will normally derive the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available market observable information as outlined above. If there are no recently reported trades, the independent pricing services and broker-dealers may use matrix or pricing model processes to develop a security price where future cash flow expectations are developed based upon collateral performance and discounted at relevant market rates. Certain securities are priced using broker-dealer quotes, which may utilize proprietary inputs and models. Additionally, the majority of these quotes are non-binding and are classified as Level 3.

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

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

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

For those securities that were internally valued at December 31, 2023 and 2022, the pricing model used by the Company utilizes current spread levels of similarly rated securities to determine the market discount rate for the security. Furthermore, appropriate risk premiums for illiquidity and non-performance are incorporated in the discount rate. Cash flows, as estimated by the Company using issuer-specific default statistics and prepayment assumptions, are discounted to determine an estimated fair value.

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

At December 31, 2023 and 2022, bonds valued internally, including matrix-priced securities, had a book/adjusted carrying value of \$6.6 billion and \$7.4 billion, respectively, and an estimated fair value of \$6.0 billion and \$6.5 billion at 2023 and 2022, respectively.

Mortgage Loans

Fair values are generally determined by discounting expected future cash flows at current market interest rates, inclusive of a credit spread, for similar quality loans. For loans whose value is dependent on the underlying property, fair value is the estimated value of the collateral. Certain characteristics considered significant in determining the spread or collateral value may be based on internally developed estimates. As a result, these investments have been classified as Level 3 within the fair value hierarchy.

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Mortgage loans held under the funds withheld reinsurance agreement are valued using third-party pricing services, which may use economic inputs, geographical information, and property specific assumptions in deriving the fair value price. The Company reviews the valuations from these pricing providers to ensure they are reasonable. Due to lack of observable inputs, these investments have been classified as Level 3 within the fair value hierarchy.

Policy Loans

Policy loans are funds provided to policyholders in return for a claim on the policies values and function like demand deposits which are redeemable upon repayment, death or surrender, and there is only one market price at which the transaction could be settled – the then current carrying value. The funds provided are limited to the cash surrender value of the underlying policy. The nature of policy loans is to have a negligible default risk as the loans are fully collateralized by the value of the policy. Policy loans do not have a stated maturity and the balances and accrued interest are repaid either by the policyholder or with proceeds from the policy. Due to the collateralized nature of policy loans and unpredictable timing of payments, the Company believes the carrying value of policy loans approximates fair value.

Derivative Instruments

Fair values for derivatives priced using valuation models incorporate inputs that are predominantly observable in the market. Inputs used to value derivatives include, but are not limited to, interest rate swap curves, credit spreads, interest rates, counterparty credit risk, equity volatility and equity index levels.

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

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

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

Limited Partnership Interests

Fair values for limited partnership interests, which are included in other invested assets, are generally determined using the proportion of the Company's investment in the value of the net assets of each fund (“NAV equivalent”) as a practical expedient for fair value, and generally, are recorded on a three-month lag. No material adjustments were deemed necessary at December 31, 2023 or 2022.

The Company’s limited partnership interests are not redeemable, and distributions received are generally the result of liquidation of the underlying assets of the partnerships. The Company generally has the ability under the partnership agreements to sell its interest to another limited partner with the prior written consent of the general partner. In cases when the Company expects to sell the limited partnership interest, the estimated sales price is used to determine the fair value rather than the practical expedient. These limited partnership interests are classified as Level 2 in the fair value hierarchy.

In cases when a limited partnership’s financial statements are unavailable and a NAV equivalent is not available or practical, the fair value may be based on an internally developed model or provided by the general partner as determined using private transactions, information obtained from the primary co-investor or underlying company, or financial metrics provided by the lead sponsor. These investments are classified as Level 3 in the fair value hierarchy.

Separate Account Assets

For the insulated separate account, assets are comprised of investments in mutual funds that transact regularly, but do not trade in active markets as they are not publicly available, and are categorized as Level 2 assets. For the non-insulated separate account, assets include bonds (refer to fair value discussion above), commercial mortgage loans and cash equivalents.

Jackson National Life Insurance Company
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Annuity Reserves

Fair values for immediate annuities, without mortality features, are derived by discounting the future estimated cash flows using current market interest rates for similar maturities. Fair values for deferred annuities, including fixed index annuities, are determined using projected future cash flows discounted at current market interest rates. Fair values for registered index-linked annuities are allocated between the separate and general accounts in accordance to admitted reserves.

Reserves for Guaranteed Investment Contracts

Fair value is based on the present value of future cash flows discounted at current market interest rates.

Payable for Securities Lending

The Company's payable for securities lending is set equal to the cash collateral received. Due to the short-term nature of the loans, carrying value is a reasonable estimate of fair value and is classified as Level 2.

Funds Held Under Reinsurance Treaties

The fair value of the funds held is equal to the fair value of the assets held as collateral, which primarily consist of policy loans, debt securities, and mortgage loans.

Repurchase Agreements

Carrying value of the Company's repurchase agreements is considered a reasonable estimate of fair value due to their short-term maturities and are classified as Level 2.

Separate Account Liabilities

For the insulated separate account, separate account liabilities are carried at the fair value of the separate account assets, which are comprised of investments in mutual funds that transact regularly, but do not trade in active markets as they are not publicly available, and, are categorized as Level 2. For the non-insulated separate account, fair values for registered index-linked annuities are determined using projected future cash flows discounted at current market interest rates and are allocated between the separate and general accounts in accordance to admitted reserves.

Debt

Carrying value of the short-term borrowings is considered a reasonable estimate for fair value due to their short-term maturity. Fair value of surplus notes is based on the present value of future cash flows discounted at current market interest rates.

Fair Value Measurements at Reporting Date

The following tables provide information about the Company's financial assets and liabilities that are carried at fair value by hierarchy levels (in thousands):

	December 31, 2023				
	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at fair value:					
Bonds:					
Corporate	\$ —	\$ 2,036	\$ 947	\$ —	\$ 2,983
Residential mortgage-backed securities	—	15	—	—	15
Other asset backed securities	—	1,306	—	—	1,306
Preferred stock	—	172,812	—	—	172,812
Common stock	290,064	93,094	1,129	—	384,287
Subtotal	290,064	269,263	2,076	—	561,403
Limited partnership interests	—	—	7,278	1,939,235	1,946,513
Other invested assets	—	—	8,398	—	8,398
Derivatives	—	84,816	—	—	84,816
Separate account assets	—	203,784,653	—	—	203,784,653
Total assets at fair value	\$ 290,064	\$ 204,138,732	\$ 17,752	\$ 1,939,235	\$ 206,385,783
Liabilities at fair value:					
Derivatives	\$ —	\$ 904,691	\$ —	\$ —	\$ 904,691
Total liabilities at fair value	\$ —	\$ 904,691	\$ —	\$ —	\$ 904,691

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	December 31, 2022				
	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at fair value:					
Bonds:					
Corporate	\$ —	\$ 2,619	\$ —	\$ —	\$ 2,619
Residential mortgage-backed securities	—	28	—	—	28
Preferred stock	12,565	64,466	—	—	77,031
Common stock	296,656	130,392	953	—	428,001
Subtotal	309,221	197,505	953	—	507,679
Limited partnership interests	—	—	14,375	2,418,667	2,433,042
Other invested assets	—	21,676	—	—	21,676
Derivatives	—	832,749	—	—	832,749
Separate account assets	—	181,957,315	—	—	\$ 181,957,315
Total assets at fair value	<u>\$ 309,221</u>	<u>\$ 183,009,245</u>	<u>\$ 15,328</u>	<u>\$ 2,418,667</u>	<u>\$ 185,752,461</u>
Liabilities at fair value:					
Derivatives	\$ —	\$ 1,710,737	\$ —	\$ —	\$ 1,710,737
Total liabilities at fair value	<u>\$ —</u>	<u>\$ 1,710,737</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,710,737</u>

During the current year, management determined that the fair value measurements for certain bonds and other invested assets, primarily comprised of asset-backed and other debt securities included in funds withheld accounts, which were classified as Level 2 measurements within the fair value hierarchy in prior reporting periods, should be classified as Level 3 fair value measurements. The fair value of these securities is primarily obtained from external sources which may use unobservable inputs, proprietary inputs and models, or inputs or values that cannot be corroborated by market transactions, and should be classified as externally priced Level 3 fair value measurements. In 2023, securities totaling \$1,345.0 million were reclassified as Level 3, which is disclosed in the Aggregate Fair Value of the Company's Financial Instruments table. Included in this amount is \$24.9 million of assets carried at fair value, which is included in the Fair Value Measurements table and disclosed as "transfers in Level 3" on the Changes in Level 3 Assets Measured at Fair Value table. The change in classification did not change the fair value of these securities and did not impact the Statutory Financial Statements.

Jackson National Life Insurance Company
Notes to Statutory Financial Statements

Changes in Level 3 Assets Measured at Fair Value

The following tables summarize the changes in assets measured at fair value classified in Level 3 (in thousands). Gains and losses reported in these tables may include changes in fair value that are attributable to both observable and unobservable inputs.

	Balance			Total gains and (losses) included in net income	Total gains and (losses) included in surplus	Purchases, issuances, sales and settlements	Balance as of
	as of January 1, 2023	Transfers in Level 3	Transfers out Level 3	net income	included in surplus	and settlements	December 31, 2023
Assets							
Corporate bonds	\$ —	\$ 947	\$ —	\$ —	\$ —	\$ —	\$ 947
Common stock	953	—	(2)	—	178	—	1,129
Limited partnerships	14,375	—	(8,455)	—	1,358	—	7,278
Other invested assets	—	24,915	(16,197)	—	514	(834)	8,398

	Balance			Total gains and (losses) included in net income	Total gains and (losses) included in surplus	Purchases, issuances, sales and settlements	Balance as of
	as of January 1, 2022	Transfers in Level 3	Transfers out Level 3	net income	included in surplus	and settlements	December 31, 2022
Assets							
Common stock	\$ 1,186	\$ —	\$ —	\$ (235)	\$ —	\$ 2	\$ 953
Limited partnerships	723	14,546	—	4,452	(5,346)	—	14,375

The components of the amounts included in purchases, sales, issuances and settlements shown above are as follows (in thousands):

	December 31, 2023				
	Purchases	Sales	Issuances	Settlements	Total
Assets					
Other invested assets	\$ —	\$ (834)	\$ —	\$ —	\$ (834)
Total	\$ —	\$ (834)	\$ —	\$ —	\$ (834)

	December 31, 2022				
	Purchases	Sales	Issuances	Settlements	Total
Assets					
Common stock	\$ 2	\$ —	\$ —	\$ —	\$ 2
Total	\$ 2	\$ —	\$ —	\$ —	\$ 2

For both of the years ended December 31, 2023 and 2022, other invested assets with a fair value of nil, were transferred into Level 3 related to investments that no longer use NAV as a practical expedient for fair value.

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Notes to Statutory Financial Statements

Aggregate Fair Value of the Company's Financial Instruments

The following tables detail the aggregate fair value of the Company's financial instruments (in thousands):

December 31, 2023

Description	Fair Value	Admitted Value	Level 1	Level 2	Level 3	NAV
Assets at fair value:						
Bonds	\$ 34,250,549	\$ 38,257,780	\$ 3,432,736	\$ 29,624,623	\$ 1,193,190	\$ —
Preferred stock	172,812	172,812	—	172,812	—	—
Common stock	384,287	384,287	290,064	93,094	1,129	—
Mortgage loans	9,547,811	10,278,312	—	—	9,547,811	—
Cash and cash equivalents	945,915	945,915	945,915	—	—	—
Short-term investments	1,118,835	1,118,412	841,967	276,868	—	—
Policy loans	4,241,716	4,241,716	—	—	4,241,716	—
Derivatives	84,816	84,816	—	84,816	—	—
Limited partnership interests	1,946,513	1,981,198	—	—	7,278	1,939,235
Other invested assets	34,685	32,906	—	—	34,685	—
Securities lending assets	13,050	13,050	13,050	—	—	—
Separate account assets	208,478,267	208,449,179	—	208,478,267	—	—
Total assets at fair value	<u>\$261,219,256</u>	<u>\$ 265,960,383</u>	<u>\$ 5,523,732</u>	<u>\$238,730,480</u>	<u>\$ 15,025,809</u>	<u>\$ 1,939,235</u>
Liabilities at fair value:						
Reserves for life insurance and annuities ⁽¹⁾	\$ 15,890,306	\$ 14,339,825	\$ —	\$ 73,517	\$ 15,816,789	\$ —
Liability for deposit-type contracts	8,592,897	9,011,732	—	—	8,592,897	—
Payable for securities lending	13,050	13,050	—	13,050	—	—
Funds held under reinsurance treaties with unauthorized reinsurers	3,625,564	3,628,585	—	—	3,625,564	—
Funds held under coinsurance	16,606,120	18,856,107	—	—	16,606,120	—
Separate account liabilities	208,479,580	208,449,179	—	208,479,580	—	—
Repurchase agreements	—	—	—	—	—	—
Derivatives	904,691	904,691	—	904,691	—	—
Borrowed money and interest thereon	307,618	307,618	—	307,618	—	—
Total liabilities at fair value	<u>\$254,419,826</u>	<u>\$ 255,510,787</u>	<u>\$ —</u>	<u>\$209,778,456</u>	<u>\$ 44,641,370</u>	<u>\$ —</u>

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

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Notes to Statutory Financial Statements

December 31, 2022

Description	Fair Value	Admitted Value	Level 1	Level 2	Level 3	NAV
Assets at fair value:						
Bonds	\$ 38,390,527	\$ 44,080,473	\$ 3,444,261	\$ 34,946,224	\$ 42	\$ —
Preferred stock	77,031	79,449	12,565	64,466	—	—
Common stock	428,001	428,001	296,656	130,392	953	—
Mortgage loans	10,783,562	11,588,720	—	—	10,783,562	—
Cash and cash equivalents	2,903,130	2,902,437	2,903,130	—	—	—
Short-term investments	1,255,229	1,255,922	1,255,229	—	—	—
Policy loans	4,223,154	4,223,154	—	—	4,223,154	—
Derivatives	832,749	832,749	—	832,749	—	—
Limited partnership interests	2,433,042	2,433,042	—	—	14,375	2,418,667
Other invested assets	42,996	42,275	—	42,996	—	—
Securities lending assets	23,316	23,316	23,316	—	—	—
Separate account assets	183,630,877	183,704,207	—	183,630,877	—	—
Total assets at fair value	\$245,023,614	\$ 251,593,745	\$ 7,935,157	\$219,647,704	\$ 15,022,086	\$ 2,418,667
Liabilities at fair value:						
Reserves for life insurance and annuities ⁽¹⁾	\$ 15,023,924	\$ 16,540,478	\$ —	\$ 54,046	\$ 14,969,878	\$ —
Liability for deposit-type contracts	9,438,847	9,691,716	—	—	9,438,847	—
Payable for securities lending	23,316	23,316	—	23,316	—	—
Funds held under reinsurance treaties with unauthorized reinsurers	3,590,479	3,588,452	—	—	3,590,479	—
Funds held under coinsurance	19,700,416	22,550,117	—	—	19,700,416	—
Separate account liabilities	183,609,783	183,704,207	—	183,609,783	—	—
Repurchase agreements	1,011,762	1,011,762	—	1,011,762	—	—
Derivatives	1,710,737	1,710,737	—	1,710,737	—	—
Borrowed money and interest thereon	62,358	62,358	—	62,358	—	—
Total liabilities at fair value	\$234,171,622	\$ 238,883,143	\$ —	\$186,472,002	\$ 47,699,620	\$ —

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

There were no financial instruments for which it was not practicable to estimate fair value.

Note 4 - Investments

Investments are comprised primarily of debt securities and mortgage loans. Debt securities primarily include publicly traded industrial, loan-backed, utility and government bonds. Loan-backed securities include mortgage-backed and other structured securities. The Company generates the majority of its general account deposits from interest-sensitive annuity contracts, life insurance products and GICs on which it has committed to pay a declared rate of interest. The Company's strategy of investing in fixed-income securities aims to ensure matching of the asset yield with the amounts credited to the interest-sensitive liabilities and to earn a stable return on its investments.

With the Company's primarily fixed-rate securities portfolio, it is exposed to interest rate risk, which is the risk that interest rates will change and cause a change in the value of its investments. Additionally, changes in interest rates may cause certain interest-sensitive products to become uncompetitive or may cause disintermediation. The Company mitigates this risk by charging fees for surrenders in early policy years, by offering products that transfer this risk to the purchaser and/or by attempting to match the maturity schedule of its assets with the expected payouts of its liabilities. To the extent that liabilities come due more quickly than assets mature, the Company could potentially have to borrow funds or sell assets prior to maturity and potentially recognize a gain or loss.

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Notes to Statutory Financial Statements

Assets subject to funds withheld coinsurance are included on the balance sheet and within the respective footnotes; however, the economic risk of these assets is born by the reinsurance company. In addition, the reinsurance company is required to provide additional assets should the value of assets fall below the respective liability values. The following table summarizes the types of assets held under funds withheld coinsurance arrangements (in thousands):

	December 31,	
	2023	2022
Government	\$ 848,440	\$ 954,998
Special revenue	25,373	25,412
Industrial and miscellaneous	9,671,764	10,787,771
Residential mortgage-backed	138,430	218,734
Commercial mortgage-backed	404,806	508,996
Other asset-backed	2,801,727	4,158,327
Debt Securities	13,890,540	16,654,238
Common stocks	178	—
Preferred stocks	150,870	79,449
Equity securities	151,048	79,449
Limited partnerships	709,494	793,085
Other invested assets	—	10,676
Commercial mortgage loans	2,569,815	3,406,362
Residential mortgage loans	1,012,728	1,314,861
Mortgage loans	3,582,543	4,721,223
Policy loans	3,470,648	3,434,759
Cross currency swaps	13,288	21,717
Cross currency forwards	1,706	56,631
Derivative instruments, net	14,994	78,348
Cash, cash equivalents and short-term	549,005	288,346
Accrued investment income	147,890	168,113
Other assets and liabilities, net	(31,470)	(89,668)
Total funds withheld assets	\$ 22,484,692	\$ 26,138,569

Debt Securities, Common and Preferred Stock

Cost or amortized cost, gross unrealized gains and losses, estimated fair value and book/adjusted carrying value of the Company's debt securities and unaffiliated equity investments are as follows (in thousands):

	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Book/Adjusted Carrying Value
December 31, 2023					
Governments	\$ 6,493,828	\$ 22,843	\$ 966,706	\$ 5,549,965	\$ 6,493,804
Special revenue and special assessment	133,131	379	9,002	124,508	133,131
Industrial and miscellaneous	26,689,280	190,367	2,857,844	24,021,803	26,647,901
Residential mortgage-backed	357,560	25,959	33,510	350,009	357,340
Commercial mortgage-backed	1,376,755	432	137,822	1,239,365	1,376,755
Other asset-backed	4,382,641	3,017	301,924	4,083,734	4,367,261
Total debt securities	39,433,195	242,997	4,306,808	35,369,384	39,376,192
Common and preferred stock	593,764	2,784	39,449	557,099	557,099
Total securities	<u>\$ 40,026,959</u>	<u>\$ 245,781</u>	<u>\$ 4,346,257</u>	<u>\$ 35,926,483</u>	<u>\$ 39,933,291</u>

Total debt securities are reported on the balance sheet as:

Bonds	\$ 38,257,780
Cash, cash equivalents and short-term investments	1,118,412
	<u>\$ 39,376,192</u>

Jackson National Life Insurance Company
Notes to Statutory Financial Statements

December 31, 2022	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Book/Adjusted Carrying Value
Governments	\$ 7,171,582	\$ 20,392	\$ 1,165,358	\$ 6,026,617	\$ 7,171,582
Special revenue and special assessment	139,219	3,722	4,281	138,660	139,219
Industrial and miscellaneous	30,048,935	127,184	4,098,367	26,077,753	29,970,210
Residential mortgage-backed	456,295	31,814	50,593	437,517	456,287
Commercial mortgage-backed	1,651,354	166	171,259	1,480,261	1,651,354
Other asset-backed	5,964,915	14,884	494,850	5,484,949	5,947,743
Total debt securities	45,432,300	198,162	5,984,708	39,645,755	45,336,395
Common and preferred stock	564,589	396	59,953	505,032	507,450
Total securities	<u>\$ 45,996,889</u>	<u>\$ 198,559</u>	<u>\$ 6,044,661</u>	<u>\$ 40,150,788</u>	<u>\$ 45,843,847</u>

Total debt securities are reported on the balance sheet as:

Bonds	\$ 44,080,473
Cash, Cash equivalents and short-term investments	1,255,922
	<u>\$ 45,336,395</u>

The amount of gross unrealized losses and the associated estimated fair value of debt securities and stocks (excluding wholly-owned subsidiaries) are as follows (in thousands):

December 31, 2023	Less than 12 months		12 months or longer		Total	
	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value
	\$ 61,969	\$ 607,028	\$ 904,737	\$ 3,497,944	\$ 966,706	\$ 4,104,972
Special revenue	10	5,666	8,992	105,429	9,002	111,095
Industrial and miscellaneous	31,120	1,035,398	2,826,724	19,462,684	2,857,844	20,498,082
Residential mortgage-backed	866	38,413	32,644	217,683	33,510	256,096
Commercial mortgage-backed	211	11,593	137,611	1,194,753	137,822	1,206,346
Other asset-backed	26,210	554,923	275,714	3,108,100	301,924	3,663,023
Total debt securities	120,386	2,253,021	4,186,422	27,586,593	4,306,808	29,839,614
Common and preferred stock	9,165	90,897	30,284	123,412	39,449	214,309
Total temporarily impaired securities	<u>\$ 129,551</u>	<u>\$ 2,343,918</u>	<u>\$ 4,216,706</u>	<u>\$ 27,710,005</u>	<u>\$ 4,346,257</u>	<u>\$ 30,053,923</u>

December 31, 2022	Less than 12 months		12 months or longer		Total	
	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value
	\$ 411,885	\$ 3,566,336	\$ 753,474	\$ 1,682,488	\$ 1,165,359	\$ 5,248,824
Special revenue	4,281	56,916	—	—	4,281	56,916
Industrial and miscellaneous	2,362,173	19,156,031	1,736,194	4,857,204	4,098,367	24,013,235
Residential mortgage-backed	36,865	260,908	13,727	67,293	50,592	328,201
Commercial mortgage-backed	126,937	1,283,619	44,322	185,899	171,259	1,469,518
Other asset-backed	275,962	3,406,918	218,888	1,544,869	494,850	4,951,787
Total debt securities	3,218,103	27,730,728	2,766,605	8,337,753	5,984,708	36,068,481
Common and preferred stock	44,562	147,781	15,390	54,581	59,952	202,362
Total temporarily impaired securities	<u>\$ 3,262,665</u>	<u>\$ 27,878,509</u>	<u>\$ 2,781,995</u>	<u>\$ 8,392,334</u>	<u>\$ 6,044,660</u>	<u>\$ 36,270,843</u>

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Debt securities include investments in mortgage-backed securities, which are collateralized by residential mortgage loans (“RMBS”) and are neither explicitly nor implicitly guaranteed by U.S. government agencies. The Company’s non-agency RMBS include investments in securities backed by prime, Alt-A, and subprime loans as follows (in thousands):

December 31, 2023	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Book/Adjusted Carrying Value
Prime	\$ 148,373	\$ 1,856	\$ 18,131	\$ 132,098	\$ 148,153
Alt-A	37,036	17,914	2,649	52,301	37,036
Subprime	4,692	4,297	114	8,875	4,692
Total non-agency RMBS	<u>\$ 190,101</u>	<u>\$ 24,067</u>	<u>\$ 20,894</u>	<u>\$ 193,274</u>	<u>\$ 189,881</u>

December 31, 2022	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Book/Adjusted Carrying Value
Prime	\$ 186,727	\$ 4,135	\$ 28,890	\$ 161,972	\$ 186,727
Alt-A	64,611	18,240	4,418	78,433	64,603
Subprime	25,205	9,142	275	34,072	25,205
Total non-agency RMBS	<u>\$ 276,543</u>	<u>\$ 31,517</u>	<u>\$ 33,583</u>	<u>\$ 274,477</u>	<u>\$ 276,535</u>

The Company defines its exposure to non-agency RMBS as follows. Prime loan-backed securities are collateralized by mortgage loans made to the highest rated borrowers. Alt-A loan-backed securities are collateralized by mortgage loans made to borrowers who lack credit documentation or necessary requirements to obtain prime borrower rates. Subprime loan-backed securities are collateralized by mortgage loans made to borrowers that have a FICO score of 660 or lower. 76% of the Company’s investments in Alt-A related mortgage-backed securities and 100% of the Company’s investments in subprime related mortgage-backed securities are rated investment grade by the NAIC.

Debt securities also include investments in securities, which are collateralized by commercial mortgage loans (“CMBS”). The carrying value and estimated fair value of the Company’s investment in CMBS are \$1.4 billion and \$1.2 billion, respectively, at December 31, 2023. Of these investments, 98% are rated investment grade by the NAIC.

Corporate securities include direct investments in below investment grade syndicated bank loans. Unlike most corporate debentures, syndicated bank loans are collateralized by specific tangible assets of the borrowers. As such, investors in these securities that become impaired have historically experienced less severe losses than corporate bonds. At December 31, 2023, the carrying value and estimated fair value of the Company’s direct investments in bank loans are \$58.3 million and \$54.4 million, respectively.

At December 31, 2023, of the total carrying value for bonds in an unrealized loss position, 98% were investment grade and 2% were below investment grade based on NAIC designation. Unrealized losses on bonds that were below investment grade comprised approximately 2% of the aggregate gross unrealized losses on debt securities.

Corporate bonds in an unrealized loss position were diversified across industries. As of December 31, 2023, the industries comprising the larger proportion of unrealized losses included utilities (17% of corporate bonds gross unrealized losses) and financial services (14%). The largest unrealized loss related to a single corporate obligor was \$50.3 million at December 31, 2023.

The amortized cost, gross unrealized gains and losses, estimated fair value and book/adjusted carrying value of debt securities at December 31, 2023, by contractual maturity, are shown below (in thousands). Actual maturities may differ from contractual maturities where securities can be called or pre-paid with or without early redemption penalties.

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Maturity distribution	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Book/ Adjusted Carrying Value
Due in 1 year or less	\$ 2,930,395	\$ 581	\$ 20,125	\$ 2,910,851	\$ 2,930,327
Due after 1 year through 5 years	6,939,756	23,222	251,867	6,711,111	6,939,680
Due after 5 years through 10 years	8,833,447	69,674	859,693	8,043,428	8,799,679
Due after 10 years through 20 years	8,067,320	107,782	1,163,599	7,011,503	8,059,997
Due after 20 years	6,545,321	12,330	1,538,268	5,019,383	6,545,153
Residential mortgage-backed	357,560	25,959	33,510	350,009	357,340
Commercial mortgage-backed	1,376,755	432	137,822	1,239,365	1,376,755
Other asset-backed	4,382,641	3,017	301,924	4,083,734	4,367,261
Total debt securities	\$ 39,433,195	\$ 242,997	\$ 4,306,808	\$ 35,369,384	\$ 39,376,192

Effective yields, which are used to calculate amortization, are adjusted periodically to reflect actual payments to date and anticipated future payments. Other than as discussed below for certain loan-backed securities, resultant adjustments to carrying values are included in investment income using the retrospective method. Prepayment assumptions for loan-backed securities were obtained from independent providers of broker-dealer estimates.

With regard to certain loan-backed securities deemed to be high-risk, meaning the Company might not recover substantially all of its recorded investment, changes in investment yields due to changes in estimated future cash flows are accounted for on a prospective basis. The book/adjusted carrying value of securities changing from the retrospective to the prospective methodology in 2023 and 2022 was \$25.6 million and \$38.9 million, respectively.

Debt securities are classified into six NAIC quality categories. These categories range from Class 1 (the highest) to Class 6 (the lowest). Performing securities are designated Classes 1 - 5. Securities in or near default are designated Class 6. Securities designated as Class 3, 4, 5, and 6 are non-investment grade securities. If a designation is not currently available from the NAIC, the Company's investment advisor provides the designation. At December 31, 2023, the Company's investment advisor provided the designation for debt securities with carrying values and estimated fair values of \$512.2 million and \$473.2 million, respectively.

The NAIC approved guidance to adjust the ratings (NAIC 1 through NAIC 6) for CMBS, RMBS and certain asset-backed securities. For CMBS and RMBS, the guidance replaces nationally recognized statistical rating organizations ("NRSRO") ratings with a two-step process based upon the book and/or carrying values of each security and prices derived from models developed by an independent third party contracted by the NAIC. For certain asset-backed securities, the guidance replaces NRSRO ratings with a two-step process based upon the book and/or carrying values of each security and prices derived from generic models. This method acknowledges that securities which have a lower comparative carrying value would have a lower risk of further loss and, therefore, a higher rating.

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The Company's debt securities by NAIC designation are as follows at December 31, 2023 (in thousands):

Quality category per NAIC designation	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Book/Adjusted Carrying Value
Class 1	\$ 23,475,365	\$ 145,804	\$ 2,581,615	\$ 21,039,554	\$ 23,437,490
Class 2	15,052,853	93,474	1,644,400	13,501,927	15,037,150
Class 3	739,836	2,536	66,936	675,436	739,836
Class 4	147,541	847	9,417	138,971	147,541
Class 5	6,739	65	1,016	5,788	6,739
Class 6	10,861	271	3,424	7,708	7,436
Total debt securities	\$ 39,433,195	\$ 242,997	\$ 4,306,808	\$ 35,369,384	\$ 39,376,192

The book/adjusted carrying value and fair value of debt securities in default that were anticipated to be income producing when purchased were \$3,227 thousand and \$3,399 thousand at December 31, 2023, respectively, and \$735 thousand and \$1,414 thousand at December 31, 2022, respectively. There were no debt securities that were non-income producing for the 12 months preceding December 31, 2023 and 2022.

Debt securities with a book/adjusted carrying value of \$101.4 million and \$99.4 million at December 31, 2023 and 2022, respectively, were on deposit with regulatory authorities as required by law in various states in which business is conducted.

At December 31, 2023 and 2022, debt securities with a book/adjusted carrying value of \$118.8 million and \$161.6 million, respectively, were held in trust pursuant to the 100% coinsurance transactions ("retro treaties") with Swiss Reinsurance Company Ltd ("Swiss Re") discussed in Note 7.

At December 31, 2023 and 2022, debt securities with a book/adjusted carrying value of \$278.9 million and \$302.1 million, respectively, were held pursuant to the Squire Reassurance Company II, Inc. ("Squire Re II") reinsurance treaty.

At December 31, 2023 and 2022, debt securities with a book/adjusted carrying value of \$1,849.9 million and \$1,828.2 million, respectively, were held in trust pursuant to the Jackson New York reinsurance treaty.

At December 31, 2023 and 2022, debt securities with a book/adjusted carrying value of \$13,492.8 million and \$16,190.5 million, respectively, were held pursuant to the Athene reinsurance treaty.

Other-Than-Temporary Impairment

The Company periodically reviews its debt securities and equities on a case-by-case basis to determine if any decline in fair value to below cost or amortized cost is other-than-temporary. Factors considered in determining whether a decline is other-than-temporary include the length of time a security has been in an unrealized loss position, the severity of the unrealized loss and the reasons for the decline in value and expectations for the amount and timing of a recovery in fair value, and the Company's intent and ability not to sell a security prior to a recovery in fair value. If it is determined that a decline in fair value of an investment is temporary, an impairment loss is not recorded. If the decline is considered to be other-than-temporary, a realized loss is recorded in the statement of operations. The AVR is also charged for the realized loss, with an offsetting credit to surplus.

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

In performing these reviews, the Company considers the relevant facts and circumstances relating to each investment and exercises considerable judgment in determining whether a security is other-than-temporarily impaired. Assessment factors include judgments about an obligor's current and projected financial position, an issuer's current and projected ability to service

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and repay its debt obligations, the existence of, and realizable value of, any collateral backing the obligations and the macro-economic and micro-economic outlooks for specific industries and issuers. This assessment may also involve assumptions regarding underlying collateral such as prepayment rates, default and recovery rates, and third-party servicing capabilities.

Among the specific factors considered are whether the decline in fair value results from a change in the credit quality of the security itself, or from a downward movement in the market as a whole, and the likelihood of recovering the carrying value based on the near-term prospects of the issuer. Unrealized losses that are considered to be primarily the result of market conditions (e.g., changes in interest rates, temporary market illiquidity or volatility, or industry-related events) and where the Company also believes there exists a reasonable expectation for recovery in the near term are usually determined to be temporary. To the extent that factors contributing to impairment losses recognized affect other investments, such investments are also reviewed for other-than-temporary impairment and losses are recorded when appropriate.

In addition to the review procedures described above, investments in asset-backed securities where market prices are depressed are subject to a review of their future estimated cash flows, including expected and stress case scenarios, to identify potential shortfalls in contractual payments. These estimated cash flows are developed using available performance indicators from the underlying assets including current and projected default or delinquency rates, levels of credit enhancement, current subordination levels, vintage, expected loss severity and other relevant characteristics. These estimates reflect a combination of data derived by third parties and internally developed assumptions. Where possible, this data is benchmarked against third-party sources.

Even in the case of severely depressed market values on asset-backed securities, the Company places significant reliance on the results of its cash flow testing and its lack of an intent to sell these securities until their fair values recover when reaching other-than-temporary impairment conclusions with regard to these securities. Other-than-temporary impairment charges are recorded on asset-backed securities when the Company forecasts a contractual payment shortfall.

For mortgage-backed securities, credit impairment is assessed using a cash flow model that estimates the cash flows on the underlying mortgages, using the security-specific collateral characteristics and transaction structure. The model estimates cash flows from the underlying mortgage loans and distributes those cash flows to various tranches of securities, considering the transaction structure and any subordination and credit enhancements existing in that structure. The cash flow model incorporates actual cash flows on the mortgage-backed securities through the current period and then projects the remaining cash flows using a number of assumptions, including prepayment speeds, default rates and loss severity.

Specifically for prime and Alt-A RMBS, the assumed default percentage is dependent on the severity of delinquency status, with foreclosures and real estate owned receiving higher rates, but also includes the currently performing loans. At both December 31, 2023 and 2022, assumed default rates for delinquent loans ranged from 10% to 100%. At December 31, 2023 and 2022, assumed loss severities were applied to generate and analyze cash flows of each bond and ranged from 10% to 40% and 15% to 35%, respectively.

Management develops specific assumptions using available market data, including internal estimates and references to data published by rating agencies and other third-party sources. These estimates are extrapolated along a default timing curve to estimate the total lifetime pool default rate.

The Company currently intends to hold securities with unrealized losses not considered other-than-temporary until they mature or for sufficient time to recover the amortized cost. However, if there are changes in the specific facts and circumstances surrounding a security, or the outlook for its industry sector, the Company may sell the security and realize a loss.

There were no loan-backed securities with a recognized other-than-temporary impairment where the Company has either the intent to sell the securities or may be forced to sell the securities prior to a recovery in value as of the statement date.

In 2023, 2022, and 2021, the Company recognized other-than-temporary impairments of \$11.3 million, \$4.2 million, and \$11.9 million, respectively, related to loan-backed and structured securities. See Note 17 for a table detailing securities with recognized other-than-temporary impairment charges during 2023, where the Company has (or had at the quarterly reporting date) the intent and ability to hold the securities for sufficient time to recover the amortized cost.

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The following table summarizes other-than-temporary impairment charges recorded for the years ended (in thousands):

	2023	2022	2021
Residential mortgage-backed securities:			
Prime	\$ 1,193	\$ 2,112	\$ 2,641
Alt-A	1,194	2,027	233
Subprime	126	23	—
Industrial and miscellaneous	53,097	48,139	127
Governments	2,076	6,084	—
Commercial mortgage backed securities	8,773		—
Asset-backed securities	41	86	8,979
Common stock	5,006	—	50
Limited partnership interests	10,632	11,107	15,163
Mortgage loans	66,000	—	—
Total other-than-temporary impairment charges	<u>\$ 148,138</u>	<u>\$ 69,578</u>	<u>\$ 27,193</u>

Realized Gains and Losses on Investments

Net realized gains and losses on investments are as follows (in thousands):

	Years Ended December 31,		
	2023	2022	2021
Sales of bonds:			
Gross gains	\$ 78,348	\$ 81,354	\$ 693,858
Gross losses	(553,444)	(465,791)	(149,401)
Sales of stocks:			
Gross gains	387	2,868	2,213
Gross losses	(28,547)	(73)	(175)
Derivative instruments	(3,816,256)	(362,518)	(5,142,870)
Mortgage loans on real estate	(29,238)	(5,130)	4,108
Other assets	493,064	53,977	(356,568)
Other-than-temporary impairment losses	(148,138)	(69,578)	(27,193)
Net realized losses	<u>\$ (4,003,824)</u>	<u>\$ (764,891)</u>	<u>\$ (4,976,028)</u>
Net (losses) gains allocated to IMR	\$ (1,518,401)	\$ (360,385)	\$ 109,638
Net losses allocated to AVR	(2,485,423)	(72,592)	(4,039,055)
Net losses unallocated	—	(331,914)	(1,046,611)
Net realized losses	<u>\$ (4,003,824)</u>	<u>\$ (764,891)</u>	<u>\$ (4,976,028)</u>
Net losses allocated to AVR	\$ (2,485,423)	\$ (72,592)	\$ (4,039,055)
Net losses unallocated	—	(331,914)	(1,046,611)
Tax benefit	545,555	69,775	1,008,921
Reported net realized losses	<u>\$ (1,939,868)</u>	<u>\$ (334,731)</u>	<u>\$ (4,076,745)</u>

Proceeds from the sale of bonds totaled \$5.8 billion, \$8.5 billion, and \$15.0 billion in 2023, 2022, and 2021, respectively.

Loan-Backed and Structured Securities

The Company has no significant concentrations as defined in SSAP No. 27, *Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk, Financial Instruments with Concentrations of Credit Risk and Disclosures about Fair Value of Financial Instruments*, arising from its investment in loan-backed securities.

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The following table summarizes loan-backed and structured securities in an unrealized loss position as of December 31, 2023 (in thousands):

	Total	<12 Months	12+ Months
Fair value	\$ 5,125,465	\$ 604,929	\$ 4,520,536
Unrealized loss	473,256	27,287	445,969

At December 31, 2023, the carrying value and fair value of all loan-backed and structured securities, regardless of whether the security was in an unrealized loss position, were \$6.1 billion and \$5.7 billion, respectively.

Commercial Mortgage Loan Concessions

In response to the adverse economic impact of the COVID-19 pandemic, the Company granted concessions to certain of its commercial mortgage loan borrowers, including payment deferrals and other loan modifications. Following the guidance in INT 20-03: Troubled Debt Restructuring Due to COVID-19 and INT 20-07: Troubled Debt Restructuring of Certain Instruments Due to COVID-19, the Company does not account for or report qualifying concessions as troubled debt restructurings and does not classify such loans as past due during the payment deferral period. The Company continues to accrue interest income on such loans that have deferred payment. For some commercial mortgage loan borrowers (principally in the hotel and retail sectors), the Company granted concessions which were primarily interest and/or principal payment deferrals generally ranging from 6 to 14 months and, to a much lesser extent, maturity date extensions. Repayment periods are generally within one year but may extend until maturity date. Deferred commercial mortgage loan interest and principal payments were \$8.1 million and \$10.3 million at December 31, 2023 and 2022, respectively. The concessions granted had no impact on the Company's results of operations or financial position as the Company has not granted concessions related to COVID-19 that would have been disclosed and accounted for as troubled debt restructurings.

Mortgage Loans on Real Estate

At December 31, 2023, commercial mortgage loans were collateralized by properties located in 36 states, the District of Columbia, and Europe. The minimum and maximum lending rates for loans issued in 2023 were 5.5% and 8.8%. The maximum percentage of any one loan to the value of the security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages, was 79.7%.

At December 31, 2023, residential mortgage loans were collateralized by properties located in 50 states, the District of Columbia, Europe, and Mexico. The minimum and maximum lending rates for loans issued in 2023 were 6.1% and 10.4%. The maximum percentage of any one loan to the value of the security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages, was 354.6%.

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The age analysis of mortgage loans and identification of the mortgage loans in which the insurer is a participant or co-lender in a mortgage loan agreement are as follows (in millions):

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
2023							
1. Recorded investment (All)							
(a) Current	\$ —	\$ 72	\$ 654	\$ —	\$ 8,410	\$ 860	\$ 9,996
(b) 30-59 days past due	—	18	123	—	—	3	144
(c) 60-89 days past due	—	11	34	—	—	1	46
(d) 90-179 days past due	—	12	30	—	—	1	43
(e) 180+ days past due	—	15	32	—	—	1	48
2. Accruing interest 90-179 days past due							
(a) Recorded investment	\$ —	\$ 12	\$ —	\$ —	\$ —	\$ —	\$ 12
(b) Interest accrued	—	—	—	—	—	—	—
3. Accruing interest 180+ days past due							
(a) Recorded investment	\$ —	\$ 15	\$ —	\$ —	\$ —	\$ —	\$ 15
(b) Interest accrued	—	1	—	—	—	—	1
4. Interest reduced							
(a) Recorded investment	\$ —	\$ —	\$ 62	\$ —	\$ —	\$ 3	\$ 65
(b) Number of loans	—	—	349	—	—	18	367
(c) Percent reduced	—%	—%	100%	—%	—%	100%	—%
5. Participant or Co-lender in a Mortgage Loan Agreement							
(a) Recorded investment	\$ —	\$ 128	\$ 873	\$ —	\$ 644	\$ 240	\$ 1,886
2022							
1. Recorded investment (All)							
(a) Current	\$ —	\$ 96	\$ 815	\$ —	\$ 9,386	\$ 848	\$ 11,144
(b) 30-59 days past due	—	28	192	—	43	5	268
(c) 60-89 days past due	—	16	81	—	—	1	98
(d) 90-179 days past due	—	16	19	—	—	1	35
(e) 180+ days past due	—	36	9	—	—	—	44
2. Accruing interest 90-179 days past due							
(a) Recorded investment	\$ —	\$ 16	\$ —	\$ —	\$ —	\$ —	\$ 16
(b) Interest accrued	—	—	—	—	—	—	—
3. Accruing interest 180+ days past due							
(a) Recorded investment	\$ —	\$ 36	\$ —	\$ —	\$ —	\$ —	\$ 36
(b) Interest accrued	—	2	—	—	—	—	2
4. Interest reduced							
(a) Recorded investment	\$ —	\$ —	\$ 27	\$ —	\$ —	\$ 1	\$ 28
(b) Number of loans	—	—	155	—	—	3	158
(c) Percent reduced	—%	—%	100%	—%	—%	100%	—%
5. Participant or Co-lender in a Mortgage Loan Agreement							
(a) Recorded investment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

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The allowance for loan losses are as follows (in thousands):

	2023	2022
Balance at beginning of period	\$ 31	\$ 64
Additions charged to operations	80,809	31
Direct write-downs charged against the allowances	66,000	—
Recoveries of amounts previously charged off	31	64
Balance at end of period (a+b-c-d)	<u>\$ 14,809</u>	<u>\$ 31</u>

As of December 31, 2023 and 2022, the Company's mortgage loan portfolio, exclusive of loans with a government guarantee or insurance, had \$45.9 million and \$23.1 million, respectively, of loans greater than 90 days past due and \$20.1 million and \$3.9 million, respectively, of loans in the process of foreclosure that were not accruing interest. Interest deemed uncollectible and written off totaled \$2.0 million, \$256 thousand, and \$205 thousand in 2023, 2022, and 2021, respectively. Included in real estate are \$5.5 million and nil of foreclosed properties as of December 31, 2023 and 2022, respectively. The remaining balance of the 2023 and 2022 mortgage loan portfolio is current and accruing interest. Delinquency status is determined from the date of the first missed contractual payment.

Under Jackson's policy for monitoring mortgage loans, all impaired mortgage loans are closely evaluated subsequent to impairment.

Impaired loans are as follows (in thousands):

December 31, 2023	Recorded Investment	Related Loan Allowance	Average Recorded Investment	Investment Income Recognized
Impaired loans with a valuation allowance				
Commercial	\$ 2,600	\$ 13,877	\$ 3,302	\$ 636
Residential (Insured)	—	—	—	—
Residential (All Other)	4,676	932	3,683	167
Total	<u>7,276</u>	<u>14,809</u>	<u>6,985</u>	<u>803</u>
Impaired loans without a valuation allowance				
Commercial	—	—	—	—
Residential (Insured)	5,538	—	8,249	526
Residential (All Other)	15,387	—	7,567	363
Total	<u>20,925</u>	<u>—</u>	<u>15,816</u>	<u>889</u>
Commercial	2,600	13,877	3,302	636
Residential (Insured)	5,538	—	8,249	526
Residential (All Other)	20,063	932	11,250	530
Total	<u>\$ 28,201</u>	<u>\$ 14,809</u>	<u>\$ 22,801</u>	<u>\$ 1,692</u>

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December 31, 2022	Recorded Investment	Related Loan Allowance	Average Recorded Investment	Investment Income Recognized
Impaired loans with a valuation allowance				
Residential (Insured)	\$ —	\$ —	\$ —	\$ —
Residential (All Other)	226	31	376	37
Total	226	31	376	37
Impaired loans without a valuation allowance				
Residential (Insured)	11,851	—	14,510	1,044
Residential (All Other)	3,714	—	3,039	—
Total	15,565	—	17,549	1,044
Residential (Insured)	11,851	—	14,510	1,044
Residential (All Other)	3,940	31	3,415	37
Total	\$ 15,791	\$ 31	\$ 17,925	\$ 1,081

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The following tables provide information about the credit quality of mortgage loans (in thousands):

	December 31, 2023				
	In Good Standing ⁽¹⁾	Restructured	Greater than 90 Days Delinquent	In the Process of Foreclosure	Total Carrying Value
Apartment	\$ 3,157,475	\$ —	\$ —	\$ —	\$ 3,157,475
Hotel	864,672	—	—	—	864,672
Office	1,451,778	17,770	—	—	1,469,548
Retail	1,925,162	—	—	—	1,925,162
Warehouse	1,848,726	—	—	—	1,848,726
Total commercial mortgage loans	\$ 9,247,813	\$ 17,770	\$ —	\$ —	\$ 9,265,583
Residential ⁽³⁾	919,521	—	67,607	25,601	1,012,729
Total	\$ 10,167,334	\$ 17,770	\$ 67,607	\$ 25,601	\$ 10,278,312

	December 31, 2022				
	In Good Standing ⁽²⁾	Restructured	Greater than 90 Days Delinquent	In the Process of Foreclosure	Total Carrying Value
Apartment	\$ 3,553,508	\$ —	\$ —	\$ —	\$ 3,553,508
Hotel	1,035,431	—	—	—	1,035,431
Office	1,810,306	—	—	—	1,810,306
Retail	2,102,051	—	—	—	2,102,051
Warehouse	1,772,564	—	—	—	1,772,564
Total commercial mortgage loans	\$ 10,273,860	—	—	—	\$ 10,273,860
Residential ⁽⁴⁾	1,235,492	—	63,577	15,791	1,314,860
Total	\$ 11,509,352	\$ —	\$ 63,577	\$ 15,791	\$ 11,588,720

⁽¹⁾ Includes mortgage loans which the Company is a participant or co-lender of \$263.6 million, \$127.2 million, \$239.6 million, \$96.6 million, \$146.0 million, and \$1,012.6 million in the categories of apartment, hotel, office, retail, warehouse, and residential, respectively. Also includes mezzanine and bridge loans of \$396.5 million, \$21.6 million, \$176.3 million, \$28.3 million, and \$244.6 million in the categories of apartment, hotel, office, retail, and warehouse, respectively.

⁽²⁾ Includes mortgage loans which the Company is a participant or co-lender of \$360.2 million, \$228.2 million, \$504.6 million, \$175.8 million, \$176.2 million, and \$740.2 million in the categories of apartment, hotel, office, retail, warehouse, and residential, respectively. Also includes mezzanine and bridge loans of \$413.6 million, \$41.6 million, \$239.0 million, \$39.7 million, and \$120.6 million in the categories of apartment, hotel, office, retail, and warehouse, respectively.

⁽³⁾ Includes \$21.7 million of loans purchased when the loans were greater than 90 days delinquent and are supported with insurance or other guarantees provided by various governmental programs, and \$5.5 million of loans in process of foreclosure.

⁽⁴⁾ Includes \$40.5 million of loans purchased when the loans were greater than 90 days delinquent and are supported with insurance or other guarantees provided by various governmental programs, and \$11.9 million of loans in process of foreclosure.

During 2023 and 2022, there were no mortgage loans involved in troubled debt restructuring.

Limited Partnership and Limited Liability Interests

The unaffiliated limited partnerships and limited liability companies in which the Company has an interest primarily invest in securities. Income recognized by the Company on all limited partnerships and limited liability companies was \$690.3 million, \$747.2 million, and \$822.9 million in 2023, 2022, and 2021, respectively, including \$607.0 million, \$636.0 million, and \$684.2 million, respectively, of dividends and membership distributions from subsidiaries. In 2023 and 2022, \$(380.6) million and \$87.4 million, respectively, of net unrealized gains (losses) were credited directly to surplus. In 2023, 2022, and 2021, the realized gain on partnership sales were \$383.4 million, \$29.5 million, and \$133.2 million, respectively, including \$292.4 million, \$25.0 million and nil, respectively, of realized gains on sales to affiliates. The Company recognized impairment writedowns of \$10.6 million, \$11.1 million, and \$14.6 million on limited partnerships and limited liability companies during 2023, 2022, and 2021, respectively.

Securities Lending

The Company has entered into securities lending agreements with agent banks whereby blocks of securities are loaned to third parties, primarily major brokerage firms. At 2023 and 2022, the estimated fair value of loaned securities was \$12.6 million and \$22.5 million, respectively. The agreements require a minimum of 102 percent of the fair value of the loaned securities to be held as collateral, calculated on a daily basis. To further minimize the credit risks related to these programs, the financial condition of the counterparties is monitored on a regular basis. At 2023 and 2022, unrestricted cash collateral received in the amount of \$13.0 million and \$23.3 million, respectively, was included in other invested assets of the Company. In 2023 and

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2022, an offsetting liability for the overnight and continuous loan of \$13.0 million and \$23.3 million, respectively, is included in payable for securities lending in the accompanying statutory statements of admitted assets, liabilities, capital and surplus.

Restricted Assets

At December 31, 2023, the Company has the following assets pledged to others as collateral or otherwise restricted (in thousands):

Restricted Asset Category	Gross Restricted			Total Current Year Admitted Restricted	Percentage	
	Total General Account	Total Prior Year	Increase/ (Decrease)		Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Repurchase agreements	\$ —	\$ 1,141,872	\$ (1,141,872)	\$ —	0.00%	0.00%
FHLB capital stock	108,018	146,464	(38,446)	108,018	0.04%	0.04%
On deposit with state	101,388	99,408	1,980	101,388	0.04%	0.04%
Pledged as collateral to FHLB	3,525,096	3,172,535	352,561	3,525,096	1.30%	1.31%
Pledged as collateral for cleared and OTC derivatives	4,013,879	4,102,208	(88,329)	4,013,879	1.48%	1.49%
Cleared interest rate swaps	—	150,648	(150,648)	—	0.00%	0.00%
Securities loaned for sec. lending agreements	13,030	25,144	(12,114)	13,030	0.00%	0.00%
Total restricted assets	<u>\$ 7,761,411</u>	<u>\$ 8,838,279</u>	<u>\$ (1,076,868)</u>	<u>\$ 7,761,411</u>	<u>2.86%</u>	<u>2.88%</u>

5GI Securities

The assignment of a 5GI designation to a debt security occurs when the necessary documentation for a full credit analysis does not exist but the security is current on all contractual payments and the Company expects the security to make full payment of all contractual principal and interest. At December 31, 2023, the Company had nil debt securities with a 5GI designation. At December 31, 2022, the Company had 3 debt securities with a 5GI designation, with a carrying value and fair value of \$8.5 million and \$4.7 million, respectively.

Note 5 – Derivative Instruments

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

Derivative instruments are held primarily for hedging purposes. Derivative instruments afforded hedge accounting treatment are stated at either amortized cost or fair value and are accounted for in a manner consistent with the hedged items. Derivative instruments not afforded hedge accounting treatment are stated at fair value. Hedge accounting practices are supported by cash flow matching, duration matching and/or scenario testing.

Fair values for derivative instruments are based on quoted market prices, estimates received from independent pricing services, or valuation pricing models, and generally reflect the estimated amounts that the Company would receive or pay upon sale or termination of the contracts as of the reporting date.

Cash requirements for derivative instrument activities are limited to settlements, payment commitments on swaps, margin requirements on exchange-traded and cleared derivatives, and collateral posting requirements in accordance with derivatives' counterparty agreements.

The Company manages the potential credit exposure for over-the-counter derivative contracts through careful evaluation of the counterparty credit standing, collateral agreements, and master netting agreements. The Company is exposed to credit-related losses in the event of non-performance by counterparties; however, it does not anticipate non-performance. There were no charges incurred related to derivative counterparty non-performance during 2023, 2022 or 2021.

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

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All of these master agreements also contain downgrade triggers that allow the party potentially harmed by the downgrade to, at its option, cause the related transactions to be unwound at market value or to be assigned to a different counterparty. All of these triggers are set in the BBB range and refer to Jackson's claims paying rating and the counterparty's senior debt rating. The intent of the triggers is to provide for a more orderly unwind of positions than might otherwise take place in the event of a bankruptcy. During 2023 and 2022, no counterparties triggered an event.

Interest rate swap agreements used for hedging purposes generally involve the exchange of fixed and floating payments based on a notional contract amount over the period for which the agreement remains outstanding, without an exchange of the underlying notional amount.

Put-swaption contracts provide the purchaser with the right, but not the obligation, to require the writer to pay the present value of a long-term interest rate swap at future exercise dates. The Company purchases and writes put-swaptions for hedging purposes with original maturities of up to 10 years. Put-swaptions hedge against movements in interest rates. Written put-swaptions may be entered into in conjunction with associated put-swaptions purchased from the same counterparties ("linked put-swaptions"). Linked put-swaptions have identical notional amounts and strike prices, but have different underlying swap terms. Linked put-swaptions are presented at the fair value of the net position for each pair of contracts.

Put-swaption contracts and put-swaption contracts written are included in the related assets and liabilities for derivatives at fair value. Changes in fair value are recorded as unrealized capital gains or losses.

Equity index futures contracts and equity index options (including various call and put options, interest rate-contingent options, currency-contingent options, and put spreads) are used to hedge the Company's overall net exposure to equities. Interest rate futures contracts are used to hedge movements in interest rates. Equity index options (including various call and put options) are recorded in derivatives at fair value with changes in fair value recorded as unrealized capital gains or losses. Futures contracts are executed on regulated exchanges through brokers. Variation margin is recorded in cash and short-term investments, with changes in variation margin recorded as unrealized capital gains or losses.

Cross-currency total return swaps, which embody spot and forward currency swaps and, in some cases, interest rate and equity index swaps, are entered into for the purpose of hedging the Company issued foreign currency denominated trust instruments supported by funding agreements. Cross-currency total return swaps serve to hedge foreign currency exchange risk embedded in the funding agreements. Cross-currency total return swaps are carried at fair value. The fair value of derivatives embedded in funding agreements, including unrealized foreign currency translation gains and losses, are included in the carrying value of the trust instruments supported by funding agreements. Amounts paid or received are netted with amounts paid or received on the hedged foreign currency denominated trust agreements supported by funding agreements. Foreign currency translation gains and losses associated with funding agreement hedging activities are included in unrealized foreign exchange capital gains and losses and realized capital gains and losses.

Cross-currency swaps are over-the-counter agreements to exchange interest and principal payments denominated in different currencies. Cross-currency forwards are over-the-counter agreements to exchange payments denominated in different currencies. Cross-currency swaps and cross-currency forwards are entered into for the purpose of hedging the foreign currency exposure on certain debt securities and mortgage loans held in the investment portfolio. Cross currency swaps are carried at fair value.

Credit default swaps, with maturities up to five years, are agreements where the Company has purchased default protection on certain underlying corporate bonds held in its portfolio. These contracts allow the Company to sell the protected bonds at par value to the counterparty if a defined "default event" occurs, in exchange for periodic payments made by the Company for the life of the agreement. Credit default swaps are carried at fair value and included in derivatives. Changes in fair value are recorded as unrealized capital gains or losses. The Company does not currently sell default protection using credit default swaps or other similar derivative instruments.

The fair value of derivatives reflects the estimated amounts, net of payment accruals, which the Company would receive or pay upon sale or termination of the contracts at the reporting date. With respect to swaps and put-swaptions, the notional amount represents the stated principal balance used as a basis for calculating payments. With respect to futures and options, the contractual amount represents the market exposure of outstanding positions.

A summary of the aggregate contractual or notional amounts, carrying values and fair values for derivative instruments outstanding is as follows (in thousands):

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	December 31, 2023					
	Contractual/ Notional Amount	Assets		Liabilities		Net Fair Value
		Carrying Value	Fair Value	Carrying Value	Fair Value	
Cross-currency swaps	\$ 785,914	\$ 38,577	\$ 38,577	\$ —	\$ —	\$ 38,577
Cross-currency total return swaps	1,037,318	(18,317)	(18,317)	—	—	(18,317)
Equity index put options	26,000,000	58,705	58,705	—	—	58,705
Put-swaptions	23,500,000	152,680	152,680	904,691	904,691	(752,011)
Equity futures	23,377,218	—	—	—	—	—
Interest rate futures	33,043,167	—	—	—	—	—
Forwards	1,410,194	1,707	1,707	—	—	1,707
Total return swaps	1,598,595	(21,947)	(21,947)	—	—	(21,947)
Interest rate swaps	6,228,135	(126,589)	(126,589)	—	—	(126,589)
Total	\$ 116,980,541	\$ 84,816	\$ 84,816	\$ 904,691	\$ 904,691	\$ (819,875)

	December 31, 2022					
	Contractual/ Notional Amount	Assets		Liabilities		Net Fair Value
		Carrying Value	Fair Value	Carrying Value	Fair Value	
Cross-currency swaps	\$ 742,808	\$ 67,448	\$ 67,448	\$ —	\$ —	\$ 67,448
Cross-currency total return swaps	1,239,850	(76,958)	(76,958)	—	—	(76,958)
Equity index call options	17,500,000	106,123	106,123	—	—	106,123
Equity index put options	30,500,000	957,646	957,646	—	—	957,646
Put-swaptions	25,000,000	—	—	1,710,737	1,710,737	(1,710,737)
Equity futures	20,626,295	—	—	—	—	—
Interest rate futures	105,941,948	—	—	—	—	—
Forwards	1,489,577	56,631	56,631	—	—	56,631
Total return swaps	739,409	31,166	31,166	—	—	31,166
Interest rate swaps	9,228,135	(309,307)	(309,307)	—	—	(309,307)
Total	\$ 213,008,022	\$ 832,749	\$ 832,749	\$ 1,710,737	\$ 1,710,737	\$ (877,988)

All of Jackson's master swap agreements contain credit downgrade provisions that allow a party to assign or terminate derivative transactions if the counterparty's credit rating declines below an established limit. At December 31, 2023 and 2022, the fair value of Jackson's net derivative assets by counterparty were \$116.8 million and \$885.1 million, respectively, and held collateral was \$840.5 million and \$858.0 million, respectively, related to these agreements. At December 31, 2023 and 2022, the fair value of Jackson's net derivative liabilities by counterparty was \$936.7 million and \$1,763.1 million, respectively, and provided collateral was \$896.8 million and \$1,732.5 million, respectively, related to these agreements. If all of the downgrade provisions had been triggered at December 31, 2023 or 2022, in aggregate, Jackson would have had to disburse \$763.6 million and \$30.7 million, respectively, and would have been allowed to claim nil and \$27.0 million, respectively.

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Note 6 - Investment Income

The sources of net investment income by major category are as follows (in thousands):

	Years Ended December 31,		
	2023	2022	2021
Debt securities	\$ 1,685,186	\$ 1,696,734	\$ 1,837,320
Derivative instruments	(338,037)	15,787	154,706
Limited partnership interests	690,271	747,189	822,617
Mortgage loans	544,686	528,122	503,623
Policy loans	389,979	381,221	387,170
Other investment income	137,191	105,655	48,822
Total investment income	<u>3,109,276</u>	<u>3,474,708</u>	<u>3,754,258</u>
Less investment expenses	206,086	185,516	232,705
Less interest expenses	48,643	29,283	29,752
Net investment income	<u>\$ 2,854,547</u>	<u>\$ 3,259,909</u>	<u>\$ 3,491,801</u>

During 2023, the Company sold, redeemed, or otherwise disposed of 13 securities due to the exercise of a callable or tender offer feature, generating investment income of \$2.0 million as a result of the associated prepayment penalty and/or acceleration fee. During 2022, the Company sold, redeemed, or otherwise disposed of 28 securities due to the exercise of a callable or tender offer feature, generating investment income of \$12.1 million as a result of the associated prepayment penalty and/or acceleration fee. During 2021, the Company sold, redeemed, or otherwise disposed of 80 securities due to the exercise of a callable or tender offer feature, generating investment income of \$43.2 million as a result of the associated prepayment penalty and/or acceleration fee.

Note 7 - Reinsurance

The Company assumes and cedes reinsurance from and to other insurance companies in order to limit losses from large exposures. However, if the reinsurer is unable to meet its obligations, the originating issuer of the coverage retains the liability. The Company reinsures certain of its risks to other reinsurers under a yearly renewable term, coinsurance or modified coinsurance basis. The Company regularly monitors the financial strength rating of its reinsurers.

During the first quarter of 2024, Jackson entered into a 100% coinsurance funds withheld reinsurance transaction with Brooke Re, a Michigan captive insurer regulated by the Michigan Department of Insurance and Financial Services created in the first quarter of 2024 for the express purpose of serving as the counterparty to this new reinsurance transaction. All economics of the reinsurance transaction are effective as of January 1, 2024. The reinsurance transaction provides for the cession from Jackson to Brooke Re of liabilities associated with certain guaranteed benefit under our variable annuity contracts and similar products of Jackson, both in-force on the effective date of the reinsurance agreement and written in the future (i.e., on a “flow” basis) as well as related future fees, claims and other benefits, and maintenance expenses in exchange for a ceding commission for the in-force business. Brooke Re paid a ceding commission of approximately \$1.2 billion to Jackson in connection with the execution of the reinsurance transaction. Jackson retains the variable annuity base contract, the annuity contract administration of the ceded business, and responsibility for investment management of the assets in the funds withheld account supporting the ceded liabilities. The reinsurance transaction allows us to mitigate the impact of the cash surrender value floor on Jackson’s total adjusted capital, statutory required capital, and risk-based capital ratio, as well as to allow for more efficient economic hedging of the underlying risks of Jackson’s business. This outcome will serve the interests of policyholders by protecting statutory capital through avoidance of non-economic hedging costs. Overall, this allows us to optimize our hedging, stabilize capital generation, and produce more predictable financial results going forward.

The Company entered into a funds withheld coinsurance agreement with Athene Life Re Ltd. effective June 1, 2020 to reinsure on a 100% quota share basis, a block of Jackson's in-force fixed and fixed index annuity product liabilities in exchange for a \$1,231.1 million ceding commission. The \$1,016.3 million ceding commission, net of tax, was reported direct to surplus and will be amortized into income over the life of the business. In addition, \$59.6 million of the IMR reserve was released from the IMR reserve and transferred to Athene under the reinsurance arrangement. The release of the reserve was recorded in income. In September 2021, the post closing settlement resulted in ceded premium of \$6.3 million and a \$28.5 million decrease in ceding commission.

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Pursuant to the Athene reinsurance agreement, the Company holds certain assets, primarily debt securities and mortgage loans, as collateral. This collateral is reported as funds held under coinsurance on the statements of admitted assets, liabilities, capital and surplus. The income and realized gains on these assets are reported in income with a corresponding offset reported in interest on funds withheld treaties, with no impact on net income.

To further support its obligations under the reinsurance agreements, Athene procured \$1.2 billion in letters of credit for Jackson's benefit and established a trust account for Jackson's benefit, which had a book value of approximately \$82.6 million and \$212.8 million as of December 31, 2023 and 2022, respectively.

On May 29, 2019, the Michigan Department of Insurance and Financial Services revoked the status of an accredited reinsurer in Michigan. As of December 31, 2022, a liability for reinsurance in unauthorized companies of \$33.1 million was established for the ceded reserve. In July 2023, the reinsurer was ordered into liquidation. During the fourth quarter of 2023, the liability for reinsurance in authorized companies was recognized as a loss, with no impact to capital and surplus.

The Company has agreements with John Hancock Life Insurance Company ("John Hancock") and John Hancock Life Insurance Company of New York ("John Hancock New York") to reinsure Group Payout Annuities. On December 31, 2023 and 2022, the Company included \$230.1 million and \$512.8 million, respectively, of miscellaneous group annuity reserves initially established by John Hancock and John Hancock New York. The additional reserves are in excess of those required under minimum statutory standards.

In 2016, the Company executed a reserve financing transaction with Squire Re II. At December 31, 2023 and 2022, the Company ceded \$376.5 million, \$445.7 million, respectively, of level premium term reserves under a funds withheld 100% coinsurance treaty. The Company holds certain assets, primarily debt securities, as collateral. This collateral is reported as funds held under coinsurance on the statements of admitted assets, liabilities, capital and surplus. The income and realized gains on these assets are reported in income and with a corresponding offset reported in interest on funds withheld treaties, with no impact on net income.

The Company assumes 90% of the risk associated with the variable annuities from its subsidiary, Jackson New York, on a coinsurance/modified coinsurance basis. Premiums assumed from Jackson New York were \$716.1 million, \$980.1 million, and \$1,320.3 million in 2023, 2022, and 2021, respectively. At December 31, 2023 and 2022, the liability for the reserves assumed from Jackson New York totaled \$1,250.6 million and \$1,389.6 million, respectively.

The Company has also acquired certain lines of business that are wholly ceded to non-affiliates. These include direct and assumed accident and health business, direct and assumed life insurance business, and certain institutional annuities.

The Company has three retro treaties with Swiss Reinsurance Company Ltd. ("Swiss Re"). Pursuant to these retro treaties, the Company ceded to Swiss Re on a 100% coinsurance basis, subject to pre-existing reinsurance with other parties, certain blocks of business. These blocks of business include disability income and accident and health business, a mix of life and annuity insurance business, and corporate owned life insurance business.

Pursuant to the retro treaties, the Company holds certain assets, primarily policy loans and debt securities, as collateral. This collateral is reported as funds held under reinsurance treaties with unauthorized reinsurers on the statements of admitted assets, liabilities, capital and surplus. The income and realized gains on these assets are reported in income with a corresponding offset reported in interest on funds withheld treaties, with no impact on net income.

At December 31, 2023 and 2022, assets of \$1,216.2 million and \$1,265.0 million, respectively, were held in trust pursuant to the 100% coinsurance transactions with Swiss Re.

As the previously mentioned reinsurance transactions resulted in gains and were comprised of contracts in force at the date of the transaction, the net, after tax, impact of the transactions was excluded from net income and recorded directly to surplus, and will be amortized into income as earnings emerge from the business reinsured.

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The effect of reinsurance on premiums and benefits was as follows (in thousands):

	Years Ended December 31,		
	2023	2022	2021
Direct premiums and annuity considerations	\$ 12,645,332	\$ 15,406,040	\$ 18,799,480
Reinsurance assumed	819,805	1,096,807	1,446,936
Reinsurance ceded	(237,559)	(298,198)	(401,115)
Total premiums and annuity considerations	\$ 13,227,578	\$ 16,204,649	\$ 19,845,301
Direct benefits to policyholders and beneficiaries	\$ 22,002,447	\$ 18,487,705	\$ 22,292,257
Reinsurance assumed	1,082,026	1,173,141	1,161,442
Reinsurance ceded	1,249,948	1,553,035	1,558,064
Total benefits to policyholders and beneficiaries	\$ 24,334,421	\$ 21,213,881	\$ 25,011,763

Policy reserves and liabilities are stated net of reinsurance ceded to other companies. At December 31, 2023 and 2022, reserves ceded were \$24.4 billion and \$28.1 billion, respectively, which included reserves ceded to Brooke Life of \$24.0 million and \$26.0 million, respectively, and also included reserves ceded to Squire Re II of \$376.5 million and \$445.7 million, respectively.

Note 8 - Federal Income Taxes

The Company is subject to federal income taxation as a life insurance company and files a consolidated federal income tax return with Brooke Life, Jackson New York, and Squire Re II. The Company has entered into written tax sharing agreements that are based on separate return calculations with benefits for credits and losses. The Company's portion of any Corporate Alternative Minimum Tax ("CAMT") incurred or the benefit from CAMT credits is based on its share of the impact of CAMT for the consolidated group.

The Company is no longer subject to U.S. federal tax examinations by tax authorities for years prior to 2019. Tax years from 2019 to 2023 remain open under the statute of limitations.

Inflation Reduction Act

The Inflation Reduction Act ("IRA"), enacted on August 16, 2022, includes the CAMT, which was effective January 1, 2023. The Company is an applicable reporting entity that is part of a controlled group of corporations that is subject to the CAMT in 2023. At December 31, 2023 and 2022, the CAMT current tax was \$163.0 million and nil, respectively. At December 31, 2023 and 2022, the CAMT reduced net capital and surplus by \$187 million and nil, respectively. The CAMT was not applicable to the year ended December 31, 2021.

Net Deferred Tax Asset

The components of the net DTA at December 31 are as follows (in thousands):

	December 31, 2023			December 31, 2022			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Total gross DTA	\$2,553,775	\$ 62,035	\$2,615,810	\$1,995,078	\$ 99,786	\$2,094,864	\$ 558,697	\$ (37,751)	\$ 520,946
Statutory valuation allowance	—	—	—	—	—	—	—	—	—
Adjusted gross DTA	2,553,775	62,035	2,615,810	1,995,078	99,786	2,094,864	558,697	(37,751)	520,946
DTA nonadmitted	1,856,172	—	1,856,172	1,079,931	—	1,079,931	776,241	—	776,241
Subtotal net admitted DTA	697,603	62,035	759,638	915,147	99,786	1,014,933	(217,544)	(37,751)	(255,295)
Deferred tax liabilities	(42,745)	(109,951)	(152,696)	(40,711)	(193,132)	(233,843)	(2,034)	83,181	81,147
Net admitted DTA	\$ 654,858	\$ (47,916)	\$ 606,942	\$ 874,436	\$ (93,346)	\$ 781,090	\$ (219,578)	\$ 45,430	\$ (174,148)

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Admission calculation components for SSAP No. 101 are as follows (in thousands):

	December 31, 2023			December 31, 2022			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Federal income taxes									
Paid in prior years									
recoverable through									
loss carrybacks	\$ —	\$ 476	\$ 476	\$ —	\$ 166	\$ 166	\$ —	\$ 310	\$ 310
(b) Adjusted gross DTA									
Expected to be realized									
after application of the									
threshold limitation									
(Lesser of (b)1 or									
(b)2 below)	606,466	—	606,466	780,924	—	780,924	(174,458)	—	(174,458)
1. Adjusted gross DTA									
Expected to be realized									
following the balance									
sheet date			1,868,854			1,503,003			365,851
2. Adjusted gross DTA									
Allowed per limitation									
threshold			606,466			780,924			(174,458)
(c) Adjusted gross DTA									
(Excluding the amount of									
DTA from (a) and (b)									
above) offset by									
gross DTL	91,137	61,559	152,696	134,223	99,620	233,843	(43,086)	(38,061)	(81,147)
(d) DTA admitted as the									
result of application of									
SSAP No. 101	\$ 697,603	\$ 62,035	\$ 759,638	\$ 915,147	\$ 99,786	\$ 1,014,933	\$ (217,544)	\$ (37,751)	\$ (255,295)

	2023	2022
Ratio Percentage Used to Determine Recovery		
Period and Threshold Limitation Amount	1,102.0%	965.8%
Amount of Adjusted Capital and Surplus Used to		
Determine Recovery Period and Threshold		
Limitation Amount (in thousands)	\$ 4,043,109	\$ 5,206,164

The impact of tax planning strategies was as follows (in thousands):

	December 31, 2023		December 31, 2022		Change	
	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital
Determination of Adjusted Gross DTA and						
Net Admitted DTA, by tax character as a percentage						
1. Adjusted gross DTAs	\$ 2,553,775	\$ 62,035	\$ 1,995,078	\$ 99,786	\$ 558,697	\$ (37,751)
2. Percentage of adjusted gross DTAs by						
by tax character attributable to						
the impact of tax planning						
strategies	0%	0%	0%	0%	0%	0%
3. Net admitted adjusted gross DTAs	\$ 697,603	\$ 62,035	\$ 915,147	\$ 99,786	\$ (217,544)	\$ (37,751)
4. Percentage of net admitted adjusted						
gross DTAs by tax character						
admitted because of the impact						
of tax planning strategies	0%	0%	0%	0%	0%	0%

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At December 31, 2023 and December 31, 2022, the Company did not consider tax planning strategies for the determination of the amount of adjusted gross CAMT credit DTA. At December 31, 2023 and December 31, 2022, the consideration of tax planning strategies did not impact the determination of the amount of admitted CAMT credit DTA.

The Company's tax planning strategies do not include the use of reinsurance.

The main components of the deferred tax assets and liabilities are as follows (in thousands):

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Deferred tax assets resulting from book/tax differences in:			
Ordinary:			
Deferred acquisition costs	\$ 191,494	\$ 202,018	\$ (10,524)
Insurance reserves	207,853	276,299	(68,446)
Investments	863,269	773,792	89,477
Employee benefits	111,921	128,826	(16,905)
Deferred and uncollected premium	1,562	1,889	(327)
Net operating loss carryforward	863,316	527,316	336,000
Tax credit carryforward	274,165	43,043	231,122
Other	40,195	41,895	(1,700)
Total ordinary gross & adjusted gross deferred tax assets	2,553,775	1,995,078	558,697
Deferred tax assets nonadmitted	(1,856,172)	(1,079,931)	(776,241)
Admitted ordinary gross deferred tax assets per NAIC SAP	697,603	915,147	(217,544)
Capital:			
Investments	27,422	37,470	(10,048)
Unrealized capital losses	34,613	62,316	(27,703)
Total capital gross & adjusted gross deferred tax assets	62,035	99,786	(37,751)
Deferred tax assets nonadmitted	—	—	—
Admitted capital gross deferred tax assets per NAIC SAP	62,035	99,786	(37,751)
Total admitted deferred tax assets	\$ 759,638	\$ 1,014,933	\$ (255,295)
Deferred tax liabilities resulting from book/tax differences in:			
Ordinary:			
Investments	\$ 14,937	\$ 9,754	\$ 5,183
Fixed assets	12,151	11,309	842
Insurance reserves	6,947	10,420	(3,473)
Due and deferred premium	8,705	9,227	(522)
Other	5	1	4
Total ordinary deferred tax liabilities	42,745	40,711	2,034
Total capital deferred tax liabilities	109,951	193,132	(83,181)
Total deferred tax liabilities	152,696	233,843	(81,147)
Total net admitted deferred tax asset	\$ 606,942	\$ 781,090	\$ (174,148)

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The application of SSAP No. 101, requires a company to evaluate the recoverability of deferred tax assets and to establish a valuation allowance if necessary, to reduce the deferred tax asset to an amount which is more likely than not to be realized. Considerable judgment is required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance the Company considers many factors, including: (1) the nature of the deferred tax assets and liabilities; (2) whether they are ordinary or capital; (3) the timing of their reversal; (4) taxable income in prior carry back years as well as projected taxable earnings, exclusive of reversing temporary differences and carry forwards; (5) the length of time that carryovers can be utilized; (6) unique tax rules that would impact the utilization of the deferred tax assets; and, (7) any tax planning strategies that the Company would employ to avoid a tax benefit from expiring unused. Although the realization is not assured, management believes it is more likely than not that the deferred tax assets under the regular tax system or for the CAMT credit deferred tax assets will be realized. The Company has not recorded a valuation allowance against deferred tax assets under the regular tax system or for the CAMT credit deferred tax assets as of December 31, 2023 and December 31, 2022. All reporting entities of the controlled group have made an accounting policy election to disregard the effect of the CAMT system in determining the valuation allowance for deferred tax assets under the regular tax system. There were no material modifications to the methodology used to project CAMT.

The change in the net deferred income taxes is comprised of the following (this analysis is exclusive of the non-admitted DTAs as the Change in Non-admitted Assets is reported separately from the Change in Net Deferred Income Taxes in the Statutory Statements of Capital and Surplus) (in thousands):

	2023	2022	Change
Total deferred tax assets	\$ 2,615,810	\$ 2,094,864	\$ 520,946
Total deferred tax liabilities	(152,696)	(233,843)	81,147
Net deferred tax assets/liabilities	2,463,114	1,861,021	602,093
Tax effect of unrealized gains	(530,763)	(326,697)	(204,066)
Change in net deferred income tax	<u>\$ 1,932,351</u>	<u>\$ 1,534,324</u>	<u>\$ 398,027</u>

There are no temporary differences for which deferred tax liabilities have not been recognized. Accordingly, there are no events that would cause unrecognized temporary differences to become taxable. There are no unrecognized deferred tax liabilities in foreign subsidiaries and foreign corporate joint ventures that are permanent in duration.

Taxes Incurred

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

	2023	2022	2021
Operations			
Federal taxes from operations	\$ 960,869	\$ 73,645	\$ 959,485
Foreign tax expense	—	—	—
Subtotal	960,869	73,645	959,485
Federal tax benefit on capital losses	(850,652)	(140,453)	(976,002)
Utilization of operating loss carryforwards	—	—	—
Other	(3,399)	22,616	(75,695)
Total federal current taxes incurred	<u>\$ 106,818</u>	<u>\$ (44,192)</u>	<u>\$ (92,212)</u>

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

	2023	2022	2021
Federal taxes incurred	\$ 966,356	\$ 96,261	\$ 883,790
Capital gains tax, excluding IMR taxes	(545,555)	(69,775)	(1,008,921)
Taxes transferred to IMR	(342,797)	(68,678)	135,159
Taxes on liability gains released from the IMR	28,814	(2,000)	(102,240)
Total federal current taxes incurred	<u>\$ 106,818</u>	<u>\$ (44,192)</u>	<u>\$ (92,212)</u>

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A reconciliation of the more significant permanent book to tax differences and the related tax effects (at a 21% statutory rate) is as follows (in thousands):

	<u>2023</u>		<u>2022</u>		<u>2021</u>	
Income before taxes	\$	(1,220,210)	\$3,353,705		\$120,414	
Income taxes at statutory rate		(256,244)	704,278	21 %	25,287	21 %
Dividends received deduction		(123,641)	(131,507)	(4)%	(135,678)	(113)%
Effect of tax sharing agreement		—	—	— %	(9,162)	(8)%
Interest maintenance reserve		153,867	(22,744)	(1)%	(38,266)	(32)%
Amortization of value of business acquired and goodwill		—	6,878	— %	10,317	9 %
Tax credits		(44,668)	(22,990)	(1)%	(43,148)	(36)%
Gain on reinsurance of inforce business		(25,157)	(51,969)	(2)%	(36,585)	(30)%
Net IRS audit interest		—	—	— %	(19,126)	(16)%
Other		4,633	3,412	— %	6,098	5 %
Taxable income and current tax on operations	\$	<u>(291,210)</u>	<u>\$ 485,358</u>	<u>14 %</u>	<u>\$ (240,263)</u>	<u>(200)%</u>
Federal and foreign taxes incurred		\$966,356	\$96,261		\$883,790	
Tax on capital losses		(859,539)	(140,453)		(976,002)	
Change in net deferred taxes		(398,027)	529,550		(148,051)	
Total statutory taxes	\$	<u>(291,210)</u>	<u>\$ 485,358</u>		<u>\$ (240,263)</u>	

At December 31, 2023, the Company had ordinary loss carryforwards of \$4.0 billion which may be carried forward indefinitely and used to offset up to 80% of taxable income in future periods and \$137.0 million of ordinary loss carryforwards limited pursuant to section 382 that will begin to expire beginning in 2026.

Loss carryforwards (in thousands):

Tax Year Generated	Amount of Carryforward
2012	\$ 137,020
2021	1,201,272
2022	1,160,449
2023	1,612,287
Total	<u>\$ 4,111,028</u>

There are no capital loss carryforwards available. The Company had a foreign tax credit carryforward in the amount of \$104.4 million originating from 2022 and 2023 which expire as follows: 2032: \$52.2 million; 2033: \$52.2 million. The Company had a general business tax credit carryforward in the amount of \$573 thousand originating from 2022 and 2023 which expires as follows: 2042: \$423 thousand; 2043: \$150 thousand.

The Company has no capital gains taxes paid in prior years that is available for recoupment.

The Company has no deposits under Internal Revenue Code Section 6603.

The Company does not owe any Repatriation Transition Tax ("RTT") and has made no payment or expect to make any future payments to satisfy the RTT liability.

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

At December 31, 2023 and 2022, the Company had alternative minimum tax credit deferred tax assets of \$169.2 million and \$6.2 million, respectively. As of December 31, 2023, the \$169.2 million, consisting of \$163.0 million originating from the 2023 tax year, and \$6.2 million from prior tax years that is limited pursuant to section 383, may be carried forward indefinitely. At December 31, 2023 and 2022, the Company's net admitted DTAs were limited by 15% of adjusted capital and surplus.

Jackson National Life Insurance Company
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Note 9 - Capital, Surplus and Dividend Restrictions

Under the Michigan Insurance Code of 1956, Jackson must notify the Michigan Director of Insurance prior to payment of any dividend. Ordinary dividends on capital stock may only be distributed out of earned surplus, excluding any unrealized capital gains and the effect of permitted practices (referred to as adjusted earned surplus). At December 31, 2023, Jackson had no adjusted surplus. Ordinary dividends in any twelve month period are also limited to the greater of 10% of statutory surplus as of the preceding year-end, excluding any increase arising from the application of permitted practices, or the statutory net income, excluding any net realized investment gains, for the twelve month period ended on the preceding December 31. The Michigan Director of Insurance may approve payment of dividends in excess of these amounts, which would be deemed an extraordinary dividend. The maximum dividend that can be paid to Brooke Life in 2024, subject to the availability of earned surplus, with approval of the director is approximately \$463.9 million.

During 2023, the Company remitted a \$450.0 million ordinary dividend and a \$150.0 million return of capital to Brooke Life.

During 2022, the Company remitted a \$600.0 million return of capital to Brooke Life.

During 2021, the Company received a capital contribution of \$1.4 billion from Brooke Life.

During 2023, changes in the balance of special surplus funds from the prior year are due to the admittance of net negative (disallowed) IMR of \$253.0 million.

The NAIC has developed certain RBC requirements for life insurance companies. Under those requirements, compliance is determined by a ratio of a company's total adjusted capital ("TAC"), calculated in a manner prescribed by the NAIC, to its authorized control level RBC ("ACL RBC"), calculated in a manner prescribed by the NAIC. Companies below specific trigger points or ratios are classified within certain levels, each of which requires specified corrective action. The minimum level of TAC before corrective action commences is twice ACL RBC ("company action level RBC"). At December 31, 2023, 2022, and 2021 the Company's TAC remained well in excess of the company action level RBC.

Note 10 - Debt

Surplus Notes

Under Michigan insurance law, the surplus notes are not part of the legal liabilities of the Company and are considered capital and surplus for statutory reporting purposes. Payments of interest or principal may only be made with the prior approval of the Michigan Director of Insurance and only out of surplus earnings which the director determines to be available for such payments under Michigan insurance law.

On March 15, 1997, the Company issued 8.15% surplus notes in the principal amount of \$250.0 million due March 15, 2027. These surplus notes were issued pursuant to Rule 144A under the Securities Act of 1933 as amended, underwritten by a syndicate that included Goldman Sachs & Co., and Morgan Stanley & Co., and are administered by Citibank, N.A. as fiscal agent. The surplus notes are unsecured and subordinated to all present and future indebtedness, policy claims and other creditor claims may not be redeemed at the option of the Company or any holder prior to maturity. Upon approval from DIFS, interest is payable semi-annually on March 15th and September 15th of each year. Interest paid on surplus notes was \$20.4 million in 2023, 2022, and 2021, respectively.

As of December 31, 2023, life to date interest expense on surplus notes were \$534.1 million.

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Federal Home Loan Bank Loans

The Company received loans of \$50.0 million from the FHLBI under its community investment program in both 2015 and 2014, which amortize on a straight-line basis over the loan term. The weighted average interest rate on these loans was 5.12% in 2023 and 1.71% in 2022. The outstanding balance on these loans was \$57.2 million and \$62.2 million at December 31, 2023 and 2022, respectively. During 2023, 2022, and 2021, interest expense for these loans totaled \$2.9 million, \$0.9 million, and \$0.1 million, respectively. At December 31, 2023 and 2022, the loans were collateralized by mortgage-related securities and commercial mortgage loans with a carrying value of \$89.5 million and \$95.7 million, respectively.

Federal Home Loan Bank Advances

The Company entered into an advance program with the FHLBI in which interest rates were either fixed or variable based on the FHLBI cost of funds or market rates. Advances averaged \$373.1 million during 2023, with a weighted average interest rate of 5.15%. Advances of \$250.2 million and nil were outstanding at December 31, 2023 and 2022, respectively, and were recorded in other liabilities. The Company paid interest of \$6.6 million, \$0.1 million, \$0.2 million on such advances in 2023, 2022, and 2021, respectively. The largest outstanding balance at any month end during 2023 was \$650.1 million.

Repurchase Agreements

The Company routinely enters into repurchase agreements whereby the Company agrees to sell and repurchase securities. These agreements are bilateral and accounted for as financing transactions, with the assets and associated liabilities included in the balance sheet.

The maturity time for borrowings are as follows (in thousands):

	2023	2022
Maximum Amount:		
Overnight	\$ 915,058	\$ 1,080,027
2 Days to 1 Week	1,690,301	625,504
>1 Week to 1 Month	1,561,085	1,011,762
Ending Balance:		
Overnight	\$ —	\$ —
2 Days to 1 Week	—	—
>1 Week to 1 Month	—	1,011,762

Short-term borrowings under such agreements averaged \$969.8 million and \$310.8 million during 2023 and 2022, respectively, with weighted average interest rates of 4.59% in 2023 and 2.54% in 2022. The highest level of short-term borrowings at any month end was \$1,660.0 million in 2023 and \$1,011.8 million in 2022. At December 31, 2023 and 2022, the outstanding repurchase agreement balance was nil and \$1,011.8 million, respectively, collateralized with U.S. Treasury notes and maturing within 30 days, and was included within repurchase agreements in the balance sheet. In the event of a decline in the fair value of the pledged collateral under these agreements, the Company may be required to transfer cash or additional securities as pledged collateral.

Collateral received on secured borrowings are as follows (in thousands):

	2023	2022
Maximum Amount:		
Cash	\$ 2,243,022	\$ 1,333,772
Securities (FV)	—	—
Ending Balance:		
Cash	\$ —	\$ 1,011,762
Securities (FV)	—	—

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The liability to return collateral on secured borrowings are as follows (in thousands):

	2023	2022
Maximum Amount:		
Cash (Collateral - All)	\$ 2,243,022	\$ 1,333,772
Securities Collateral (FV)	—	—
Ending Balance:		
Cash (Collateral - All)	\$ —	\$ 1,011,762
Securities Collateral (FV)	—	—

Interest paid totaled \$49.1 million, \$7.9 million, \$1.1 million in 2023, 2022, and 2021, respectively.

Note 11 - Life and Annuity Reserves

The Company waives deductions of deferred fractional premiums upon death of the insured and returns premiums paid and due beyond the date of death. A reserve is held where a surrender value is promised in excess of the minimum required basic reserves.

At December 31, 2023 and 2022, 90% and 87%, respectively, of annuity reserves and deposit liabilities were subject to surrender charges of at least 5% or at market value in the event of discretionary withdrawal by policyholders.

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

The Company had insurance in force, for which the gross premiums are less than the net premiums of approximately \$11.1 billion and \$14.6 billion, at December 31, 2023 and 2022, respectively, according to the valuation standard set by the state of Michigan.

The Company's incurred but not reported claim provision is based on the Company's historical experience. The provision was \$117.9 million and \$118.0 million at December 31, 2023 and 2022, respectively.

The Company issues variable annuity and life contracts through its separate accounts for which investment income and investment gains and losses accrue directly to, and investment risk is borne by, the contract holder (traditional variable annuities and life). The Company issues registered index-linked annuity contracts through its separate accounts for which investment risk is borne by the Company. The Company also issues variable and registered index-linked annuity contracts through separate accounts where the Company contractually guarantees to the contract holder (variable contracts with guarantees) either a) return of no less than total deposits made to the contract adjusted for any partial withdrawals, b) total deposits made to the contract adjusted for any partial withdrawals plus a minimum return, or c) the highest contract value on a specified anniversary date adjusted for any withdrawals following the contract anniversary. These guarantees include benefits that are payable in the event of death (guaranteed minimum death benefit ("GMDB")), at annuitization (guaranteed minimum income benefit ("GMIB")), or upon depletion of funds (guaranteed minimum withdrawal benefits ("GMWB")).

GMIB benefits are reinsured, subject to aggregate annual claim limits. Deductibles also apply on reinsurance of GMIB business issued since March 1, 2005. Reinsurance credits of \$1.1 million and \$20.4 million were taken in 2023 and 2022, respectively. Due to the inability to economically reinsure or hedge new issues of the GMIB, the Company discontinued offering the benefit in 2009.

Jackson National Life Insurance Company
Notes to Statutory Financial Statements

Account balances of contracts were invested in variable separate accounts as follows (in millions):

Fund type:	December 31,	
	2023	2022
Equity	\$ 142,464	\$ 122,744
Bond	18,385	17,775
Balanced	40,055	38,177
Money market	2,606	2,911
Total	<u>\$ 203,510</u>	<u>\$ 181,607</u>

Reserves for registered index-linked and variable annuities and associated guarantees are calculated using Actuarial Guideline 43 and VM-21. Required reserves associated with guaranteed benefits were \$17.4 million and \$209.8 million at December 31, 2023 and 2022, respectively.

Analysis of annuity reserves and deposit type contract liabilities by withdrawal characteristics is as follows (in thousands):

	December 31, 2023			Total	% of Total
	General Account	Guaranteed Separate Account	Nonguaranteed Separate Account		
Individual Annuities:					
Subject to discretionary withdrawal:					
With market value adjustment	\$ 1,986,003	\$ 210,279	\$ —	\$ 2,196,282	1.0%
At book value without market value adjustment and					
adjustment and with current					
surrender charge of 5% or more	4,823,408	4,629,816	—	9,453,224	4.4%
At fair value	—	—	179,151,105	179,151,105	84.3%
At book value without market value					
adjustment and with current					
surrender charge less than 5%	20,049,698	—	—	20,049,698	9.4%
Total subject to discretionary withdrawal	<u>26,859,109</u>	<u>4,840,095</u>	<u>179,151,105</u>	<u>210,850,309</u>	<u>99.2%</u>
Not subject to discretionary withdrawal	1,472,714	—	185,385	1,658,099	0.8%
Total gross	<u>28,331,823</u>	<u>4,840,095</u>	<u>179,336,490</u>	<u>212,508,408</u>	<u>100.0%</u>
Reinsurance ceded	17,129,925	—	—	17,129,925	
Total, net of reinsurance	<u>\$ 11,201,898</u>	<u>\$ 4,840,095</u>	<u>\$ 179,336,490</u>	<u>\$ 195,378,483</u>	

Jackson National Life Insurance Company
Notes to Statutory Financial Statements

	December 31, 2022				
	General Account	Guaranteed Separate Account	Nonguaranteed Separate Account	Total	% of Total
Individual Annuities:					
Subject to discretionary withdrawal:					
With market value adjustment	\$ 2,561,508	\$ 91,139	\$ —	\$ 2,652,647	1.4%
At book value without market value adjustment and adjustment and with current					
surrender charge of 5% or more	6,054,138	1,623,150	—	7,677,288	4.0%
At fair value	—	—	158,246,819	158,246,819	82.0%
At book value without market value adjustment and with current					
surrender charge less than 5%	22,823,051	—	—	22,823,051	11.8%
Total subject to discretionary withdrawal	31,438,697	1,714,289	158,246,819	191,399,805	99.2%
Not subject to discretionary withdrawal	1,468,023	—	158,571	1,626,594	0.8%
Total gross	32,906,720	1,714,289	158,405,390	193,026,399	100.0%
Reinsurance ceded	20,288,936	—	—	20,288,936	
Total, net of reinsurance	<u>\$ 12,617,784</u>	<u>\$ 1,714,289</u>	<u>\$ 158,405,390</u>	<u>\$ 172,737,463</u>	

	December 31, 2023				
	General Account	Guaranteed Separate Account	Nonguaranteed Separate Account	Total	% of Total
Group Annuities:					
Subject to discretionary withdrawal:					
With market value adjustment	\$ 167,459	\$ 1,994	\$ —	\$ 169,453	0.7%
At book value without market value adjustment and adjustment and with current					
surrender charge of 5% or more	35,445	—	—	35,445	0.1%
At fair value	—	—	19,908,315	19,908,315	77.8%
At book value without market value adjustment and with current					
surrender charge less than 5%	1,898,103	190	—	1,898,293	7.4%
Total subject to discretionary withdrawal	2,101,007	2,184	19,908,315	22,011,506	86.0%
Not subject to discretionary withdrawal	3,562,320	—	22,235	3,584,555	14.0%
Total gross	5,663,327	2,184	19,930,550	25,596,061	100.0%
Reinsurance ceded	1,413,260	—	—	1,413,260	
Total, net of reinsurance	<u>\$ 4,250,067</u>	<u>\$ 2,184</u>	<u>\$ 19,930,550</u>	<u>\$ 24,182,801</u>	

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	December 31, 2022				
	General Account	Guaranteed Separate Account	Nonguaranteed Separate Account	Total	% of Total
Group Annuities:					
Subject to discretionary withdrawal:					
With market value adjustment	\$ 233,246	\$ 2,095	\$ —	\$ 235,341	0.9%
At book value without market value adjustment and					
adjustment and with current					
surrender charge of 5% or more	84,508	—	—	84,508	0.3%
At fair value	—	—	18,685,370	18,685,370	74.6%
At book value without market value					
adjustment and with current					
surrender charge less than 5%	2,265,549	—	—	2,265,549	9.0%
Total subject to discretionary withdrawal	2,583,303	2,095	18,685,370	21,270,768	85.0%
Not subject to discretionary withdrawal	3,753,770	189	13,536	3,767,495	15.0%
Total gross	6,337,073	2,284	18,698,906	25,038,263	100.0%
Reinsurance ceded	1,749,295	—	—	1,749,295	
Total, net of reinsurance	<u>\$ 4,587,778</u>	<u>\$ 2,284</u>	<u>\$ 18,698,906</u>	<u>\$ 23,288,968</u>	

	December 31, 2023				
	General Account	Guaranteed Separate Account	Nonguaranteed Separate Account	Total	% of Total
Deposit-type contracts:					
Subject to discretionary withdrawal:					
With market value adjustment	\$ —	\$ —	\$ —	\$ —	0.0%
At book value without market value adjustment and					
adjustment and with current					
surrender charge of 5% or more	—	—	—	—	0.0%
At fair value	—	—	79,570	79,570	0.9%
At book value without market value					
adjustment and with current					
surrender charge less than 5%	1,454,272	—	—	1,454,272	15.9%
Total subject to discretionary withdrawal	1,454,272	—	79,570	1,533,842	16.8%
Not subject to discretionary withdrawal	7,596,763	—	—	7,596,763	83.2%
Total gross	9,051,035	—	79,570	9,130,605	100.0%
Reinsurance ceded	39,303	—	—	39,303	
Total, net of reinsurance	<u>\$ 9,011,732</u>	<u>\$ —</u>	<u>\$ 79,570</u>	<u>\$ 9,091,302</u>	

Jackson National Life Insurance Company
Notes to Statutory Financial Statements

	December 31, 2022				Total	% of Total
	General Account	Guaranteed Separate Account	Nonguaranteed Separate Account			
Deposit-type contracts:						
Subject to discretionary withdrawal:						
With market value adjustment	\$ —	\$ —	\$ —	\$ —	\$ —	0.0%
At book value without market value adjustment and adjustment and with current surrender charge of 5% or more	—	—	—	—	—	0.0%
At fair value	—	—	60,740	60,740	60,740	0.6%
At book value without market value adjustment and with current surrender charge less than 5%	1,479,384	—	—	1,479,384	1,479,384	15.1%
Total subject to discretionary withdrawal	1,479,384	—	60,740	1,540,124	1,540,124	15.7%
Not subject to discretionary withdrawal	8,251,489	—	—	8,251,489	8,251,489	84.3%
Total gross	9,730,873	—	60,740	9,791,613	9,791,613	100.0%
Reinsurance ceded	39,157	—	—	39,157	39,157	
Total, net of reinsurance	<u>\$ 9,691,716</u>	<u>\$ —</u>	<u>\$ 60,740</u>	<u>\$ 9,752,456</u>	<u>\$ 9,752,456</u>	

Analysis of life reserves by withdrawal characteristics is as follows (in thousands):

	December 31, 2023		
	Account Value	General Account Cash Value	Reserve
Subject to discretionary withdrawal, surrender values, or policy loans:			
Term Policies with Cash Value	\$ —	\$ 123,657	\$ 559,111
Universal Life	7,934,886	8,267,711	8,724,048
Universal Life with Secondary Guarantees	1,203,614	1,160,024	1,624,975
Indexed Universal Life	—	—	—
Indexed Universal Life with Secondary Guarantees	—	—	—
Indexed Life	—	—	—
Other Permanent Cash Value Life Insurance	—	2,675,469	2,847,432
Variable Life	—	—	—
Variable Universal Life	18,183	18,182	18,495
Miscellaneous Reserves	67,249	71,411	89,950
Not subject to discretionary withdrawal, or no cash values:			
Term Policies with Cash Value	XXX	XXX	1,018,589
Accidental Death Benefits	XXX	XXX	9,222
Disability - Active Lives	XXX	XXX	10,600
Disability - Disabled Lives	XXX	XXX	186,011
Miscellaneous Reserves	XXX	XXX	415,411
Total (gross: direct + assumed)	9,223,932	12,316,454	15,503,844
Reinsurance Ceded	4,031,317	4,390,186	5,704,935
Total (net)	<u>\$ 5,192,615</u>	<u>\$ 7,926,268</u>	<u>\$ 9,798,909</u>

Jackson National Life Insurance Company
Notes to Statutory Financial Statements

	December 31, 2023					
	Separate Account - Guaranteed			Separate Account - Nonguaranteed		
	Account Value	Cash Value	Reserve	Account Value	Cash Value	Reserve
Subject to discretionary withdrawal, surrender values, or policy loans:						
Term Policies with Cash Value	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Universal Life	—	—	—	—	—	—
Universal Life with Secondary Guarantees	—	—	—	—	—	—
Indexed Universal Life	—	—	—	—	—	—
Indexed Universal Life with Secondary Guarantees	—	—	—	—	—	—
Indexed Life	—	—	—	—	—	—
Other Permanent Cash Value Life Insurance	—	—	—	—	—	—
Variable Life	—	—	—	—	—	—
Variable Universal Life	291	291	291	103,148	103,171	103,501
Miscellaneous Reserves	—	—	—	—	—	—
Not subject to discretionary withdrawal, or no cash values:						
Term Policies with Cash Value	XXX	XXX	—	XXX	XXX	—
Accidental Death Benefits	XXX	XXX	—	XXX	XXX	—
Disability - Active Lives	XXX	XXX	—	XXX	XXX	—
Disability - Disabled Lives	XXX	XXX	—	XXX	XXX	—
Miscellaneous Reserves	XXX	XXX	—	XXX	XXX	—
Total (gross: direct + assumed)	291	291	291	103,148	103,171	103,501
Reinsurance Ceded	—	—	—	—	—	—
Total (net)	<u>\$ 291</u>	<u>\$ 291</u>	<u>\$ 291</u>	<u>\$ 103,148</u>	<u>\$ 103,171</u>	<u>\$ 103,501</u>

	December 31, 2022		
	General Account		
	Account Value	Cash Value	Reserve
Subject to discretionary withdrawal, surrender values, or policy loans:			
Term Policies with Cash Value	\$ —	\$ 177,720	\$ 629,291
Universal Life	8,047,633	8,365,526	8,883,419
Universal Life with Secondary Guarantees	1,245,130	1,197,565	1,643,288
Indexed Universal Life	—	—	—
Indexed Universal Life with Secondary Guarantees	—	—	—
Indexed Life	—	—	—
Other Permanent Cash Value Life Insurance	—	2,739,639	2,965,395
Variable Life	—	—	—
Variable Universal Life	17,439	17,438	17,439
Miscellaneous Reserves	70,776	75,575	305,768
Not subject to discretionary withdrawal, or no cash values:			
Term Policies with Cash Value	XXX	XXX	1,119,107
Accidental Death Benefits	XXX	XXX	9,763
Disability - Active Lives	XXX	XXX	12,187
Disability - Disabled Lives	XXX	XXX	193,798
Miscellaneous Reserves	XXX	XXX	704,532
Total (gross: direct + assumed)	9,380,978	12,573,463	16,483,987
Reinsurance Ceded	4,032,764	4,449,637	5,910,056
Total (net)	<u>\$ 5,348,214</u>	<u>\$ 8,123,826</u>	<u>\$ 10,573,931</u>

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Notes to Statutory Financial Statements

	December 31, 2022					
	Separate Account - Guaranteed			Separate Account - Nonguaranteed		
	Account Value	Cash Value	Reserve	Account Value	Cash Value	Reserve
Subject to discretionary withdrawal, surrender values, or policy loans:						
Term Policies with Cash Value	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Universal Life	—	—	—	—	—	—
Universal Life with Secondary Guarantees	—	—	—	—	—	—
Indexed Universal Life	—	—	—	—	—	—
Indexed Universal Life with Secondary Guarantees	—	—	—	—	—	—
Indexed Life	—	—	—	—	—	—
Other Permanent Cash Value Life Insurance	—	—	—	—	—	—
Variable Life	—	—	—	—	—	—
Variable Universal Life	285	285	285	93,133	93,149	93,293
Miscellaneous Reserves	—	—	—	—	—	—
Not subject to discretionary withdrawal, or no cash values:						
Term Policies with Cash Value	XXX	XXX	—	XXX	XXX	—
Accidental Death Benefits	XXX	XXX	—	XXX	XXX	—
Disability - Active Lives	XXX	XXX	—	XXX	XXX	—
Disability - Disabled Lives	XXX	XXX	—	XXX	XXX	—
Miscellaneous Reserves	XXX	XXX	—	XXX	XXX	—
Total (gross: direct + assumed)	285	285	285	93,133	93,149	93,293
Reinsurance Ceded	—	—	—	—	—	—
Total (net)	<u>\$ 285</u>	<u>\$ 285</u>	<u>\$ 285</u>	<u>\$ 93,133</u>	<u>\$ 93,149</u>	<u>\$ 93,293</u>

Universal Life Insurance Secondary Guarantees

The Company previously issued universal life contracts with secondary guarantees, also called “no-lapse” guarantees. No-lapse guarantees are offered in the form of minimum premium guarantees or no-lapse account values. Reserves are calculated according to the Standard Valuation Law, Universal Life Insurance Model Regulation, Valuation of Life Insurance Policies Model Regulation, and Actuarial Guideline 38. Reserve balances were \$936.6 million and \$928.8 million at December 31, 2023 and 2022, respectively.

Reserves for variable universal life contracts are calculated according to the Standard Valuation Law, Universal Life Insurance Model Regulation, Variable Life Insurance Model Regulation and Actuarial Guideline 37. Reserve balances were \$118.5 million and \$106.0 million at December 31, 2023 and 2022, respectively.

Jackson National Life Insurance Company
Notes to Statutory Financial Statements

Fixed Interest Rate Annuity

At December 31, 2023 and 2022, approximately 92% and 93%, respectively, of the Company's fixed interest rate annuity account values correspond to crediting rates that are at the minimum guaranteed interest rates. The following tables show the distribution of the fixed interest rate annuities' account values within the presented ranges of minimum guaranteed interest rates at December 31 (in millions):

2023					
Minimum Guaranteed Interest Rate	At Guaranteed Minimum	1-50bps Above	51-150bps Above	150+bps Above	Total
Variable Annuities					
0.0%-1.50%	\$ —	\$ —	\$ —	\$ —	\$ —
1.51%-2.50%	0.9	—	—	—	0.9
>2.50%	7,058.4	—	—	18.4	7,076.8
Total	\$ 7,059.3	\$ —	\$ —	\$ 18.4	\$ 7,077.7
Fixed Annuities + Closed Block Annuities					
0.0%-1.50%	\$ 11.1	\$ 46.8	\$ 55.5	\$ —	\$ 113.4
1.51%-2.50%	0.4	0.1	0.7	11.7	12.9
>2.50%	1,236.9	168.6	23.2	273.1	1,701.8
Total	\$ 1,248.4	\$ 215.5	\$ 79.4	\$ 284.8	\$ 1,828.1
Fixed Indexed Annuities					
0.0%-1.50%	\$ 4.2	\$ 9.1	\$ 3.0	\$ 43.4	\$ 59.7
1.51%-2.50%	—	0.4	0.2	—	0.6
>2.50%	20.9	0.1	61.5	9.8	92.3
Total	\$ 25.1	\$ 9.6	\$ 64.7	\$ 53.2	\$ 152.6
RILA					
0.0%-1.50%	\$ 6.9	\$ —	\$ 3.9	\$ 0.7	\$ 11.5
1.51%-2.50%	—	—	—	—	—
>2.50%	39.1	11.9	—	—	51.0
Total	\$ 46.0	\$ 11.9	\$ 3.9	\$ 0.7	\$ 62.5

Jackson National Life Insurance Company
Notes to Statutory Financial Statements

Minimum Guaranteed Interest Rate	2022				
	At Guaranteed Minimum	1-50bps Above	51-150bps Above	150+bps Above	Total
Variable Annuities					
0.0%-1.50%	\$ 5,717.4	\$ 16.0	\$ 1.1	\$ 71.7	\$ 5,806.2
1.51%-2.50%	1.6	—	—	—	1.6
>2.50%	2,978.2	—	—	0.1	2,978.3
Total	<u>\$ 8,697.2</u>	<u>\$ 16.0</u>	<u>\$ 1.1</u>	<u>\$ 71.8</u>	<u>\$ 8,786.1</u>
Fixed Annuities + Closed Block Annuities					
0.0%-1.50%	\$ 11.9	\$ 63.5	\$ 77.9	\$ —	\$ 153.3
1.51%-2.50%	0.6	0.2	0.8	10.2	11.8
>2.50%	1,131.0	159.0	364.9	—	1,654.9
Total	<u>\$ 1,143.5</u>	<u>\$ 222.7</u>	<u>\$ 443.6</u>	<u>\$ 10.2</u>	<u>\$ 1,820.0</u>
Fixed Indexed Annuities					
0.0%-1.50%	\$ 6.4	\$ 17.0	\$ 5.4	\$ 39.8	\$ 68.6
1.51%-2.50%	—	0.3	0.1	—	0.4
>2.50%	23.9	—	—	—	23.9
Total	<u>\$ 30.3</u>	<u>\$ 17.3</u>	<u>\$ 5.5</u>	<u>\$ 39.8</u>	<u>\$ 92.9</u>
RILA					
0.0%-1.50%	\$ 9.9	\$ —	\$ 6.8	\$ —	\$ 16.7
1.51%-2.50%	—	—	—	—	—
>2.50%	—	—	—	—	—
Total	<u>\$ 9.9</u>	<u>\$ —</u>	<u>\$ 6.8</u>	<u>\$ —</u>	<u>\$ 16.7</u>

Deferred Premiums and Considerations

Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2023 were as follows (in thousands):

Type	Gross	Net of Loading
Industrial	\$ 4	\$ 2
Ordinary new business	129,371	129,219
Ordinary renewal	77,812	70,544
Group Life	3,339	3,320
Totals	<u>\$ 210,526</u>	<u>\$ 203,084</u>

Note 12 – Separate Accounts

Reserves of the non-guaranteed separate accounts are subject to discretionary withdrawal at fair value. Reserves for minimum guaranteed death benefits on variable life, variable annuity, and registered index-linked annuity contracts, as well as minimum guaranteed living benefits on variable annuity contracts, are held in the general account. Assets of the insulated separate accounts are carried at fair value. All assets of the non-insulated separate accounts are carried at book value.

Jackson National Life Insurance Company
Notes to Statutory Financial Statements

A reconciliation of net transfers to separate accounts for the years ended December 31, 2023, 2022, and 2021 is as follows (in thousands):

	2023	2022	2021
Transfers as reported in the Summary of Operations of the Separate			
Accounts Statement:			
Transfers to separate accounts	\$ 12,322,649	\$ 12,457,523	\$ 16,765,050
Transfers from separate accounts	15,763,006	13,167,324	17,459,230
Net transfers from separate accounts	(3,440,357)	(709,801)	(694,180)
Reconciling adjustments:			
Benefit (guaranteed minimum income/withdrawal) and other fees	(2,625,142)	(2,552,656)	(2,300,771)
Other	(448,555)	(233,232)	68,095
Transfers as reported in the accompanying Statements of Operations	\$ (6,514,054)	\$ (3,495,689)	\$ (2,926,856)

For the insulated separate account, the difference between the CARVM reserve and the fair value of assets is recognized as an expense allowance in the general account. The CARVM allowance reduced the general account liability by \$4.3 billion and \$4.7 billion, for December 31, 2023 and 2022, respectively.

The amount of risk charges paid by the separate account to the general account for the past five years as compensation for the risk taken by the general account are as follows (in millions):

Year	Amount
2023	\$ 2,946
2022	2,901
2021	2,693
2020	2,369
2019	2,248

Premiums, considerations or deposits totaled \$10.7 billion, \$13.2 billion, \$16.5 billion for 2023, 2022, and 2021, respectively.

Jackson National Life Insurance Company
Notes to Statutory Financial Statements

Premiums, considerations, or deposits of separate accounts for 2023 are as follows (in thousands):

	Nonindexed Guarantee Less than/equal to 4%	Nonindexed Guarantee More than 4%	Nonguaranteed Separate Accounts	Total
Premiums, considerations or deposits for year ended December 31, 2023	\$ 2,803,576	\$ —	\$ 7,910,010	\$ 10,713,586

Reserves in the separate accounts totaled \$204.3 billion and \$178.9 billion at December 31, 2023 and 2022, respectively.

Withdrawal characteristics of separate account reserves for 2023 are as follows (in thousands):

	Nonindexed Guarantee Less than/equal to 4%	Nonindexed Guarantee More than 4%	Nonguaranteed Separate Accounts	Total
For accounts with assets at:				
Fair value	\$ 3,183	\$ 1,060	\$ 199,450,111	\$ 199,454,354
Amortized cost	4,838,327	—	—	4,838,327
Total reserves	\$ 4,841,510	\$ 1,060	\$ 199,450,111	\$ 204,292,681
By withdrawal characteristics:				
With market value adjustment	\$ 211,695	\$ 1,060	\$ —	\$ 212,755
At book value without market value adjustment and with current surrender charge of 5% or more	4,629,816	—	—	4,629,816
At fair value	\$ —	\$ —	\$ 199,242,491	\$ 199,242,491
At book value without market value adjustment and with current surrender charge less than 5%	—	—	—	—
Subtotal	\$ 4,841,510	\$ 1,060	\$ 199,242,491	\$ 204,085,062
Not subject to discretionary withdrawal	—	—	\$ 207,620	207,620
Total	\$ 4,841,510	\$ 1,060	\$ 199,450,111	\$ 204,292,681

At December 31, 2023, reserves for asset default risk in lieu of AVR was nil.

Note 13 - Employee Retirement Plans

The Company has a defined contribution retirement plan covering substantially all associates. Effective January 1, 2020 associates are immediately eligible to participate in the Company's matching contribution. To be eligible to participate in the Company's profit sharing contribution, an associate must have attained the age of 21, completed at least 1,000 hours of service in a 12-month period and passed their 12-month employment anniversary. In addition, the associate must be employed on the applicable January 1 or July 1 entry date. The Company's annual profit sharing contributions, as declared by the Company's Board of Directors, are based on a percentage of eligible compensation paid to participating associates during the year. In addition, the Company matches a participant's elective contribution, up to 6 percent of eligible compensation, to the plan during the year. The Company's expense related to this plan was \$18.6 million, \$16.3 million, and \$17.3 million in 2023, 2022, and 2021, respectively.

The Company maintains non-qualified voluntary deferred compensation plans for independent agents and certain associates of Jackson and certain affiliates. At December 31, 2023 and 2022, the liability for such plans totaled \$302.1 million and \$297.1 million, respectively. The Company's expense/(benefit) related to these plans, for the change in market value of plan liabilities for participant elected deferrals, was \$56.5 million, \$(45.5) million, and \$52.1 million in 2023, 2022, and 2021, respectively.

Jackson National Life Insurance Company
Notes to Statutory Financial Statements

Note 14 – Other Related Party Transactions

The Company's investment portfolio is managed by PPM America, Inc. ("PPMA"), a registered investment advisor. PPMA is ultimately a wholly owned subsidiary of Jackson Financial. The Company paid \$53.8 million, \$55.1 million, and \$54.7 million to PPMA for investment advisory services in 2023, 2022, and 2021, respectively.

The Company has entered into shared services and administrative agreements with certain affiliates. Under the agreements, Jackson allocated \$104.2 million, \$108.0 million, and \$89.5 million of certain management and administrative services expenses to affiliates in 2023, 2022, and 2021, respectively.

The Company has a Master Repurchase Agreement with Jackson Financial Inc., which allows for repurchase agreement transactions between the companies. There were no such borrowings during 2023 and 2022. There was no outstanding balance at both December 31, 2023 and 2022. Interest paid during 2023, 2022, and 2021 was nil.

The Company has an Administrative Services agreement with Jackson National Asset Management, LLC ("JNAM"). JNAM guarantees to annually pay at least 95% of its net operating earnings to Jackson as sole member of JNAM which will be payable monthly. In 2023, 2022, and 2021, the Company received membership distributions of \$607.0 million, \$636.0 million, and \$684.2 million, respectively, from JNAM.

The Company provides a \$100.0 million revolving credit facility to Jackson Financial, an upstream holding company. The loan was amended on December 14, 2021, is unsecured and matures in December 2026, accrues interest at Secured Overnight Financial Rate ("SOFR") plus 2% plus 0.12% spread adjustment, and has a commitment fee of 0.10% per annum. There was no outstanding balance at both December 31, 2023 and 2022. The highest outstanding loan balance was nil at both December 31, 2023 and 2022, respectively. Interest and commitment fees totaled \$100 thousand, \$100 thousand, and \$160 thousand during 2023, 2022, and 2021, respectively.

The Company provides a \$35.0 million revolving credit facility to PPMA. The loan was amended on September 30, 2023, is unsecured, matures in September 2028, accrues interest at SOFR plus 2% plus 0.12% spread adjustment, and has a commitment fee of 0.10% per annum. At both December 31, 2023 and 2022, the outstanding balance was nil. The highest outstanding loan balance during both 2023 and 2022 was \$34.0 million and \$20.0 million, respectively. Interest and commitment fees totaled \$949 thousand, \$778 thousand, and \$342 thousand during 2023, 2022, and 2021, respectively.

The Company provided a \$20.0 million revolving credit facility to Jackson Holdings, LLC, an upstream holding company, which terminated June 30, 2023. The loan was unsecured, accrued interest at LIBOR plus 2% per annum and had a commitment fee of 0.25% per annum. Interest and commitment fees totaled \$25 thousand, \$50 thousand, and \$50 thousand during 2023, 2022, and 2021, respectively.

During 2023, The Company made a capital contribution of \$5.0 million to National Planning Holdings, LLC ("NPH").

During 2023, 2022, and 2021, the Company recognized impairment write downs of \$4.2 million, nil, and \$3.9 million, respectively, on subsidiary investments.

Note 15 – Commitments and Contingent Liabilities

The Company and its subsidiaries are involved in litigation arising in the ordinary course of business. It is the opinion of management that the ultimate disposition of such litigation will not have a material adverse affect on the Company's financial condition. Jackson has been named in civil litigation proceedings, which appear to be substantially similar to other class action litigation brought against many life insurers, including allegations of misconduct in the sale of insurance products. The Company accrues for legal contingencies once the contingency is deemed to be probable and reasonably estimable. At December 31, 2023 and 2022, Jackson recorded accruals totaling nil and \$131 thousand, respectively.

The Company has provided an unlimited guarantee for the policyholder obligations of its wholly owned life insurance subsidiary, Jackson New York. The maximum potential amount of future payments cannot be estimated as Jackson New York continues to write new business. This guarantee is not expected to result in future required payments by the Company and is not considered to result in a material contingent exposure of the Company's assets to liability because the Company and Jackson New York share the same management and Jackson New York is subject to regulatory supervision of the state of New York. Accordingly, the Company has not accrued any liability for this guarantee (exception allowed under SSAP No. 5R, paragraph 18f).

Jackson National Life Insurance Company
Notes to Statutory Financial Statements

The Company is a party to an Uncommitted Money Market Line Credit Agreement dated April 6, 2023 among Jackson, Jackson Financial, and Société Générale. This agreement is an uncommitted short-term cash advance facility that provides an additional form of liquidity to Jackson and to Jackson Financial. The aggregate borrowing capacity under the agreement is \$500.0 million and each cash advance request must be at least \$100 thousand. The interest rate is set by the lender at the time of the borrowing and is fixed for the duration of the advance. Jackson and Jackson Financial are jointly and severally liable to repay any advance under the agreement, which must be repaid prior to the last day of the quarter in which the advance was drawn.

At December 31, 2023 and 2022, the Company had unfunded commitments related to its investments in limited partnerships and limited liability companies totaling \$810.8 million and \$1,398.3 million, respectively, including \$47.8 million and \$86.3 million, respectively, to limited partnerships and limited liability companies on which the Company has recognized an impairment charge. At December 31, 2023 and 2022, the Company had funded commitments related to fixed-rate mortgage loans and other debt securities totaled \$854.2 million and \$1,133.1 million, respectively. Line of credits to affiliates totaled \$135.0 million and \$195.0 million, respectively, at December 31, 2023 and 2022.

At December 31, 2023 and 2022, the Company had pledged mortgage related securities and commercial mortgage loans with a fair value of \$3.3 billion and \$2.9 billion, respectively, in connection with funding agreements issued to and borrowed money from the FHLBI. Securities for which all or a portion of Jackson's holdings have been pledged continue to be reported as invested assets.

In connection with the reinsurance treaty with Jackson New York described in Note 7, Jackson placed high quality securities with a carrying value and fair value of \$1,849.9 million and \$1,782.6 million, respectively, at December 31, 2023, in a trust for the benefit of Jackson New York. Securities in the trust had a carrying value and fair value at December 31, 2022 of \$1,828.2 million and \$1,721.3 million, respectively. The trust is required in order for Jackson New York to record a credit for the reserves ceded to Jackson. The securities are reported as invested assets.

In connection with other life business ceded to non-affiliates, Jackson placed high quality securities in a trust for the benefit of the assuming company. These securities had a carrying value and fair value of \$278.9 million and \$276.2 million, respectively, at December 31, 2023. These securities had a carrying value and fair value at December 31, 2022 of \$289.9 million and \$261.9 million, respectively. The securities are reported as invested assets.

The Company leases office space and equipment under several operating leases that expire at various dates through 2051. Certain leases include escalating lease rates and, as a result, at December 31, 2023, Jackson recorded a liability of \$5.2 million for future lease payments. Lease expense was \$39.7 million, \$41.9 million, and \$29.9 million in 2023, 2022, and 2021, respectively.

At December 31, 2023, future minimum payments under noncancellable operating leases were as follows (in thousands):

2024	\$	5,311
2025		3,653
2026		3,641
2027		1,467
2028		549
Thereafter		1,250
Total	\$	<u>15,871</u>

The Company has a separate service agreement with third party administrator to provide policyholder administrative services. The agreement, subject to certain termination provisions, have ten and twelve-year terms and expire in 2030.

Jackson National Life Insurance Company
Notes to Statutory Financial Statements

Note 16 – Share-Based Compensation

Omnibus Incentive Plan

In April 2021, the Jackson Financial's Board of Directors adopted, and Jackson Financial's shareholders approved, the Incentive Plan. This Incentive Plan became effective following the completion of the Demerger and replaced the Prudential Share Plans. The outstanding unvested awards previously issued under the Prudential Share Plans were exchanged for equivalent awards of shares of Jackson Financial's Class A Common Stock under the Incentive Plan, with a grant date of October 4, 2021. The performance conditions of the awards were modified to be based on U.S. GAAP based metrics, rather than International Financial Reporting Standards ("IFRS"). The incremental compensation cost resulting from the modifications will be recognized ratably over the remaining requisite service period of each award.

The Incentive Plan allows for stock-based awards including stock options, stock appreciation rights, restricted share awards, performance share awards, and deferred share units. The Incentive Plan has a ten-year term, expiring in September 2031. Jackson Financial currently has Restricted Share Unit and Performance Unit equity-based compensation awards outstanding. Dividend equivalents are generally accrued on restricted share units and performance share units outstanding as of the record date. These dividend equivalents are paid only on restricted share units and performance share units that ultimately vest. Generally, the requisite service period is the vesting period. In the case of retirement (eligibility for which is based on the associate's age and years of service as provided in the relevant award agreement), awards vest in full, but are subject to the satisfaction of any applicable performance criteria and paid in line with the original vesting date.

The Company reflects the cash settled awards of the above plan as a liability classified plan and, therefore, reports the accrued compensation expense and the value of the cash settled awards within other liabilities. At December 31, 2023 and 2022, the Company had \$69.3 million and \$64.4 million accrued for future payments under this plan, respectively. Jackson Financial allocates a portion of the compensation expense associated with the share-settled awards to Jackson, which the Company settles with Jackson Financial monthly, on a one-month lag.

Restricted Share Units ("RSU"s)

Jackson Financial grants RSUs to certain associates and non-employee directors. The majority of associate RSUs are expected to vest in three equal installments on the first through third anniversaries of the grant date over a 3-year service period, subject to forfeiture and transfer restrictions, and are payable in cash or shares of Jackson Financial common stock at Jackson Financial's discretion. The associate awards granted in 2021 will have a shortened, 30-month vesting period. In addition, 1 and 2-year awards were issued in connection with Jackson Financial's Demerger. RSUs have immediate dividend rights and voting rights upon issuance of underlying shares when the share units vest. In lieu of cash dividend payments, the dividends on unvested RSUs are awarded in additional units equal to the value of the dividends, and are subject to the same vesting and distribution conditions as the underlying RSU.

At December 31, 2023 and 2022, there were 1,658,795 and 1,712,791, respectively, non-vested RSUs, with a weighted average grant price of \$36.86 and \$32.76.

Performance Share Units ("PSU"s)

Jackson Financial grants PSUs to certain associates. PSU vesting is contingent on meeting a specified service requirement and the level of achievement of performance conditions. The PSU awards entitle recipients to receive, upon vesting, a number of units that ranges from 0% to 200% of the number of PSUs awarded, depending on the level of achievement of the specified performance conditions. The awards are generally expected to vest after a period of three years, subject to forfeiture and transfer restrictions, and are payable in cash or shares of Jackson Financial common stock at Jackson Financial's discretion. However, the awards granted in 2021 will have a shortened, 30-month vesting period. Award recipients have immediate dividend rights and voting rights upon issuance of underlying shares when the share units vest. The dividends on unvested PSUs are awarded in additional units equal to the value of the dividends, and are subject to the same vesting and distribution conditions as the underlying PSUs. The modified PSU awards retained their vesting and performance conditions, modified to be based on U.S. GAAP based metrics, rather than IFRS.

At December 31, 2023 and 2022, there were 517,050 and 1,124,372, respectively, non-vested PSUs, with a weighted average grant price of \$35.27 and \$28.68.

Jackson National Life Insurance Company
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Compensation Cost

The Company charges the fair value of the restricted share units and performance share units to expense over the requisite service period. The fair value of equity-classified RSUs and PSUs is based on the price of Jackson Financial's common stock on the grant date. The fair value of liability-classified RSUs and PSUs is based on the price of Jackson Financial's common stock as of the reporting date. For performance-based awards, Jackson Financial estimates the number of shares expected to vest at the end of the performance period based on the probable achievement of the performance objectives. RSUs have graded vesting features and the Company recognizes expense for those awards on a straight-line basis over the requisite service period. Jackson Financial recognizes forfeitures as they occur when recognizing share-based compensation expense.

Total compensation expense recognized under the plans was \$85.1 million, \$110.4 million, and \$93.5 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Unrecognized compensation cost for RSUs and PSUs under the Incentive Plan as of December 31, 2023, 2022, and 2021, was \$39.8 million, \$40.8 million, and \$113.1 million respectively, with a weighted average recognition period of 1.19 years, 1.08 years, and 1.44 years.

Note 17 – Loan Backed Securities' Other-Than-Temporary Impairments

The following table (shown in dollars) details loan-backed and structured securities with a recognized other-than-temporary impairment recorded in 2023.

1	2	3	4	5	6	7
CUSIP	Book/Adj Carrying Value Amortized cost before current period OTTI	Projected Cash Flows	Recognized other-than-temporary impairment	Amortized cost after other-than-temporary impairment	Fair Value	Financial Statement Reporting Period
05493AAQ3	14,631,000	5,901,695	8,729,305	5,901,695	5,901,695	Q1-2023
12666UAE3	1,374,910	1,333,650	41,260	1,333,650	1,333,650	Q1-2023
00442JAD6	424,803	299,104	125,699	299,104	299,104	Q2-2023
02149JAU0	655,298	622,284	33,014	622,284	622,284	Q2-2023
058930AD0	1,740,048	1,737,917	2,131	1,737,917	1,737,917	Q2-2023
073871BL8	302,006	291,305	10,701	291,305	291,305	Q2-2023
12669FZZ9	1,215,284	1,194,691	20,593	1,194,691	1,194,691	Q2-2023
36185MEV0	2,750,465	2,745,914	4,551	2,745,914	2,745,914	Q2-2023
41161PVF7	1,755,932	1,469,928	286,004	1,469,928	1,469,928	Q2-2023
41161PWC3	1,318,823	1,069,881	248,942	1,069,881	1,069,881	Q2-2023
41161UAC6	1,132,948	1,066,882	66,066	1,066,882	1,066,882	Q2-2023
57643MJV7	297,815	124,999	172,816	124,999	124,999	Q2-2023
59023MAD2	1,967,602	1,530,640	436,963	1,530,640	1,530,640	Q2-2023
61760CAN5	1,071,306	1,063,879	7,427	1,063,879	1,063,879	Q2-2023
81743QAG9	1,058,139	955,046	103,093	955,046	955,046	Q2-2023
81743QAJ3	3,489,570	3,160,128	329,442	3,160,128	3,160,128	Q2-2023
94984NAA0	1,129,911	1,111,647	18,265	1,111,647	1,111,647	Q2-2023
12659JAG2	15,504,429	15,461,179	43,250	15,461,179	15,461,179	Q3-2023
12669FZZ9	1,255,224	1,178,379	76,844	1,178,379	1,178,379	Q3-2023
17313FAA0	1,157,364	793,030	364,334	793,030	793,030	Q3-2023
41161UAC6	1,149,202	1,044,703	104,499	1,044,703	1,044,703	Q3-2023
12669FZL0	1,363,982	1,360,441	3,541	1,360,441	1,360,441	Q4-2023
12669FZZ9	1,288,712	1,191,780	96,932	1,191,780	1,191,780	Q4-2023
Total			11,325,672			

Additional Information
Jackson National Life Insurance Company
Supplemental Schedule of Selected Financial Data
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Investment income earned

U.S. government bonds	\$ 89,351,814
Other bonds (unaffiliated)	1,595,834,196
Bonds exempt from U.S. tax	—
Bonds of affiliates	—
Preferred stocks (unaffiliated)	8,366,743
Preferred stocks of affiliates	—
Common stocks (unaffiliated)	16,018,961
Common stocks of affiliates	—
Mortgage loans	544,686,269
Real estate	39,029,351
Contract loans	389,978,901
Cash, cash equivalents and short-term investments	75,900,937
Derivative instruments	(346,579,577)
Other invested assets	687,890,688
Aggregate write-ins for investment income	255,131
Total investment income	<u>\$ 3,100,733,414</u>
Real estate owned - book value less encumbrances	<u>\$ 226,591,548</u>
Mortgage loans by type - book value	
Farm mortgages	\$ —
Residential mortgages	1,012,728,287
Commercial mortgages	9,265,583,270
Total mortgage loans	<u>\$ 10,278,311,557</u>
Mortgage loans by standing - book value	
Good standing	<u>\$ 10,185,103,706</u>
Good standing with restructured loans	<u>\$ —</u>
Interest overdue more than 90 days, not in foreclosure	<u>\$ 67,606,898</u>
Foreclosure in process	<u>\$ 25,600,953</u>
Other long term assets - statement value	<u>\$ 2,083,122,612</u>
Contract loans	<u>\$ 4,241,715,886</u>
Bonds & stocks of parents, subsidiaries and affiliates - book value	
Bonds	<u>\$ —</u>
Preferred stocks	<u>\$ —</u>
Common stocks	<u>\$ 726,277,726</u>

(Continued)

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Bonds and short-term investments by class and maturity:

Bonds by maturity - statement value	
Due within one year or less	\$ 3,692,752,787
Over 1 year through 5 years	10,484,691,905
Over 5 years through 10 years	11,224,789,657
Over 10 years through 20 years	7,829,490,315
Over 20 years	6,144,467,181
Total by maturity	<u>\$ 39,376,191,845</u>
Bonds by class - statement value	
Class 1	\$ 23,437,489,353
Class 2	15,037,149,680
Class 3	739,836,528
Class 4	147,540,768
Class 5	6,739,297
Class 6	7,436,219
Total by class	<u>\$ 39,376,191,845</u>
Total bonds publicly traded	<u>\$ 21,428,589,805</u>
Total bonds privately placed	<u>\$ 17,947,602,041</u>
Preferred stocks - statement value	\$ 172,812,053
Common stocks - market value	<u>\$ 1,105,540,606</u>
Short-term investments - book value	<u>\$ 1,118,412,043</u>
Options, caps and floors owned - statement value	<u>\$ 211,384,642</u>
Options, caps and floors written & in force - statement value	<u>\$ (904,690,873)</u>
Collar, swap and forward agreements open - statement value	<u>\$ (126,568,354)</u>
Futures contracts open - current value	<u>\$ —</u>
Cash on deposit	<u>\$ 192,715,787</u>
Cash equivalents	<u>\$ 753,199,633</u>
Life insurance in force	
Industrial	<u>\$ 220,516,000</u>
Ordinary	<u>\$ 42,686,987,000</u>
Credit life	<u>\$ —</u>
Group life	<u>\$ 759,201,000</u>
Amount of accidental death benefits in force under ordinary policies	<u>\$ 1,444,961,000</u>

(Continued)

Additional Information
Jackson National Life Insurance Company
Supplemental Schedule of Selected Financial Data
December 31, 2023

Life insurance policies with disability provisions in force	
Industrial	\$ 71,000
Ordinary	<u>\$ 3,638,074,000</u>
Credit life	<u>\$ —</u>
Group life	<u>\$ 159,019,000</u>
Supplementary contracts in force:	
Ordinary - not involving life contingencies-	
Amount on deposit	\$ 191,027,115
Income payable	<u>\$ 8,554,822</u>
Ordinary - involving life contingencies-	
Amount on deposit	\$ 14,195,623
Income payable	<u>\$ 5,011,762</u>
Group - not involving life contingencies-	
Amount on deposit	\$ 414,563
Income payable	<u>\$ 178,788</u>
Group - involving life contingencies-	
Amount on deposit	\$ 15,189,029
Income payable	<u>\$ 1,918,448</u>
Annuities:	
Ordinary-	
Immediate - amount of income payable	\$ 224,562,471
Deferred - fully paid account balance	<u>\$ 1,272,268,647</u>
Deferred - not fully paid - account balance	<u>\$ 8,862,721,713</u>
Group-	
Amount of income payable	\$ 462,009,455
Fully paid account balance	<u>\$ 6,815,568</u>
Not fully paid - account balance	<u>\$ 715,332,066</u>
Accident and health insurance - premiums in force:	
Ordinary	\$ —
Group	<u>\$ —</u>
Credit	<u>\$ —</u>
Deposit funds and dividend accumulations:	
Deposit funds - account balance	\$ 20,807,872
Dividend accumulations - account balance	<u>\$ 44,180,104</u>

See accompanying independent auditors' report.

JACKSON NATIONAL LIFE INSURANCE COMPANY

Supplemental Investment Risks Interrogatories

December 31, 2023

1) Total admitted assets (excluding Separate Accounts): \$ 61,127,932,391

2) 10 largest exposures to a single issuer/borrower/investment (excluding US Government):

Issuer	Category	Amount	Percentage
JACKSON NATIONAL LIFE INS OF NEW YORK	AFFILIATED DOMESTIC SECURITIES	\$ 720,061,326	1.2 %
AP TUNDRA	UNAFFILIATED DOMESTIC SECURITIES/PARTNERSHIP	278,536,897	0.5 %
CAYMAN UNIVERSE HOLDINGS	UNAFFILIATED FOREIGN SECURITIES/PARTNERSHIP	260,878,063	0.4 %
DUKE ENERGY	UNAFFILIATED DOMESTIC SECURITIES	242,173,952	0.4 %
PPM America Private Equity Fund VIII-A, L.P.	AFFILIATED DOMESTIC PARTNERSHIP	209,053,153	0.3 %
AMERICAN ELECTRIC POWER CO INC TEXAS	UNAFFILIATED DOMESTIC SECURITIES	196,666,583	0.3 %
WEC ENERGY GROUP INC	UNAFFILIATED DOMESTIC SECURITIES	173,148,844	0.3 %
SOUTHERN CO GAS CAPITAL	UNAFFILIATED DOMESTIC SECURITIES	168,649,879	0.3 %
ALDAR INVESTMENTS HYBRID LIMIT	UNAFFILIATED FOREIGN SECURITIES	166,500,000	0.3 %
PROLOGIS	UNAFFILIATED DOMESTIC SECURITIES	166,409,304	0.3 %

3) Amounts and percentages of total admitted assets held in bonds and preferred stocks by NAIC rating.

Bonds	Amount	Percentage	Preferred Stock	Amount	Percentage
NAIC-1	\$ 23,437,489,352	38.3 %	P/RP-1	\$ 3,539,888	0.0 %
NAIC-2	\$ 15,037,149,680	24.6 %	P/RP-2	\$ 118,760,313	0.2 %
NAIC-3	\$ 739,836,528	1.2 %	P/RP-3	\$ 50,343,430	0.1 %
NAIC-4	\$ 147,540,769	0.2 %	P/RP-4	\$ —	0.0 %
NAIC-5	\$ 6,739,296	0.0 %	P/RP-5	\$ —	0.0 %
NAIC-6	\$ 7,436,219	0.0 %	P/RP-6	\$ 168,422	0.0 %

4) Assets held in foreign investments:

	Amount	Percentage
Total admitted assets held in foreign investments	\$ 8,372,512,899	13.7 %
Foreign-currency-denominated investments	\$ 1,422,376,337	2.3 %
Insurance liabilities denominated in that same foreign currency	\$ —	0.0 %

5) Aggregate foreign investment exposure categorized by NAIC sovereign rating:

	Amount	Percentage
Countries rated NAIC-1	\$ 7,400,469,617	12.1 %
Countries rated NAIC-2	\$ 694,086,825	1.1 %
Countries rated NAIC-3 or below	\$ 277,956,457	0.5 %

6) Two largest foreign investment exposures in a single country, categorized by the country's NAIC sovereign rating:

	Amount	Percentage
Countries rated NAIC-1:		
UNITED KINGDOM	\$ 1,688,720,683	2.8 %
CAYMAN ISLANDS	\$ 1,405,614,280	2.3 %
Countries rated NAIC-2:		
MEXICO	\$ 240,122,343	0.4 %
INDONESIA	\$ 138,172,592	0.2 %
Countries rated NAIC-3 or below:		
BRAZIL	\$ 64,674,273	0.1 %
COLUMBIA	\$ 44,641,031	0.1 %

(Continued)

JACKSON NATIONAL LIFE INSURANCE COMPANY

Supplemental Investment Risks Interrogatories

December 31, 2023

- 7) There is no unhedged foreign currency exposure.
 8) There is no unhedged foreign currency exposure.
 9) There is no unhedged foreign currency exposure
 10) Two largest foreign investment exposures in a single country, categorized by the country's NAIC sovereign rating:

Issuer	NAIC Rating	Amount	Percentage
CAYMAN UNIVERSE HOLDINGS	1	\$ 260,878,063	0.4 %
TAKEDA PHARMACEUTICAL CO LTD	2	\$ 107,384,487	0.2 %
ANHEUSER-BUSCH	1	\$ 107,093,493	0.2 %
BARD BIDCO LIMITED	MORTGAGE LOAN	\$ 102,715,190	0.2 %
UBS	1	\$ 97,845,483	0.2 %
CODELCO	2	\$ 93,641,868	0.2 %
BRITISH AMERICAN TOBACCO PLC	2	\$ 92,263,240	0.2 %
AIRBUS SE	1	\$ 89,539,817	0.1 %
CSL LIMITED	1	\$ 81,179,790	0.1 %
DYSON FINANCE	1	\$ 78,913,783	0.1 %

- 11) There were no assets held in Canadian investments that exceeded 2.5% of the Company's total admitted assets.
 12) There were no assets held in investments with contractual sales restrictions that exceeded 2.5% of the Company's total admitted assets.
 13) Amounts and percentages of admitted assets held in the ten largest equity interests:

Issuer	Amount	Percentage
JACKSON NATIONAL LIFE INS OF NEW YORK	\$ 720,061,326	1.2 %
PPM America Private Equity Fund VIII-A, L.P.	\$ 209,053,153	0.3 %
FIDELITY CONSERVATIVE INCOME	\$ 181,818,183	0.3 %
SFR Delos Partners, L.P.	\$ 145,187,296	0.2 %
Pretium Olympus JV, L.P.	\$ 116,332,424	0.2 %
FHLBICLASS B-1	\$ 90,000,000	0.1 %
Motive Capital Fund II-A, L.P.	\$ 79,434,243	0.1 %
AOP Finance Partners, L.P.	\$ 56,738,825	0.1 %
AA GP Solutions Fund, L.P.	\$ 52,513,695	0.1 %
NNN AGP Opportunities Fund II, L.P.	\$ 50,429,419	0.1 %

- 14) There were no assets held in nonaffiliated, privately placed equities, exceeding 2.5% of the Company's total admitted assets.
 15) There were no assets held in general partnership interests that exceeded 2.5% of the Company's total admitted assets.
 16) Amounts and percentages of total admitted assets held in the ten largest mortgage loans:

Type	Amount	Percentage
COMMERCIAL	\$ 230,000,000	0.4 %
COMMERCIAL	\$ 200,000,000	0.3 %
COMMERCIAL	\$ 151,955,996	0.2 %
COMMERCIAL	\$ 110,000,000	0.2 %
COMMERCIAL	\$ 108,328,570	0.2 %
COMMERCIAL	\$ 105,475,053	0.2 %
COMMERCIAL	\$ 102,715,190	0.2 %
COMMERCIAL	\$ 96,574,752	0.2 %
RESIDENTIAL	\$ 95,000,000	0.2 %
COMMERCIAL	\$ 85,000,000	0.1 %

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

16.12 Construction loans	\$ —	0.0 %
16.13 Mortgage loans over 90 days past due	\$ 67,606,898	0.1 %
16.14 Mortgage loans in the process of foreclosure	\$ 25,600,953	0.0 %
16.15 Mortgage loans foreclosed	\$ —	0.0 %
16.16 Restructured mortgage loans	\$ —	0.0 %

(Continued)

JACKSON NATIONAL LIFE INSURANCE COMPANY

Supplemental Investment Risks Interrogatories

December 31, 2023

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

Loan to Value	Commercial	
	Amount	Percentage
above 95%	\$ 107,547,554	0.2 %
91 to 95%	\$ 25,000,000	0.0 %
81 to 90%	\$ 127,347,705	0.2 %
71 to 80%	\$ 700,269,016	1.1 %
below 70%	\$ 8,305,418,995	13.6 %

Loan to Value	Residential	
	Amount	Percentage
above 95%	\$ 40,723,908	0.1 %
91 to 95%	\$ 33,429,544	0.1 %
81 to 90%	\$ 44,909,024	0.1 %
71 to 80%	\$ 110,248,087	0.2 %
below 70%	\$ 783,417,723	1.3 %

- 18) There were no assets held in real estate that exceeded 2.5% of the Company's total admitted assets.
 19) There were no assets held in mezzanine real estate loans that exceeded 2.5% of the Company's total admitted assets.
 20) Amounts and percentages of total admitted assets subject to the following types of agreements:

Agreement type	At year end		At end of each quarter		
	Amount	Percentage	1st Qtr	2nd Qtr	3rd Qtr
Securities lending	\$ 13,029,678	0.0%	\$ 29,719,700	\$ 48,611,367	\$ 21,898,794
Repurchase	—	0.0%	1,191,220,851	1,849,033,970	—
Reverse repurchase	—	0.0%	—	—	—
Dollar repurchase	—	0.0%	—	—	—
Dollar reverse repurchase	—	0.0%	—	—	—

- 21) Amounts and percentages of total admitted assets for warrants not attached to other financial instruments, options, caps and floors:

Type	Owned		Written	
	Amount	Percentage	Amount	Percentage
Hedging	\$ 211,384,642	0.3%	\$ 904,690,873	1.5 %

- 22) Amounts and percentages of total admitted assets of potential exposure for collars, swaps and forwards:

Type	At year end		At end of each quarter		
	Amount	Percentage	1st Qtr	2nd Qtr	3rd Qtr
Hedging	\$ 70,440,427	0.1%	\$ 105,046,098	\$ 87,330,712	\$ 84,465,235

- 23) Amounts and percentages of total admitted assets of potential exposure for futures contracts:

Type	At year end		At end of each quarter		
	Amount	Percentage	1st Qtr	2nd Qtr	3rd Qtr
Hedging	\$ 1,948,415,606	3.2%	\$ 1,151,311,984	\$ 749,662,240	\$ 716,847,768

See accompanying independent auditors' report.

JACKSON NATIONAL LIFE INSURANCE COMPANY

Summary Investment Schedule

December 31, 2023

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	Amount	Percentage	Amount	Securities Lending Reinvested Collateral Amount	Total Amount	Percentage
Bonds:						
U.S. governments	4,246,462,599	7.25 %	4,246,462,599	—	4,246,462,599	7.25 %
All other governments	653,341,951	1.11 %	653,341,951	—	653,341,951	1.12 %
U.S. states, territories and possessions, guaranteed	277,358,421	0.47 %	277,358,421	—	277,358,421	0.47 %
U.S. political subdivisions of states, territories	52,206,094	0.09 %	52,206,094	—	52,206,094	0.09 %
U.S. special revenue and special assessment obligations	829,634,914	1.42 %	829,634,914	—	829,634,914	1.42 %
Industrial and miscellaneous	32,114,040,806	54.80 %	32,114,040,806	—	32,114,040,806	54.82 %
Hybrid securities	26,454,377	0.05 %	26,454,377	—	26,454,377	0.05 %
Unaffiliated bank loans	58,280,640	0.10 %	58,280,640	—	58,280,640	0.10 %
Preferred Stocks:						
Industrial and miscellaneous (unaffiliated)	172,812,053	0.29 %	172,812,053	—	172,812,053	0.30 %
Common Stocks:						
Industrial and miscellaneous publicly traded (unaffiliated)	227,575	— %	227,575	—	227,575	— %
Industrial and miscellaneous Other (unaffiliated)	117,303,995	0.20 %	117,303,995	—	117,303,995	0.20 %
Parent, subsidiaries and affiliates other	726,277,725	1.24 %	721,253,660	—	721,253,660	1.23 %
Mutual funds	266,755,376	0.46 %	266,755,376	—	266,755,376	0.46 %
Mortgage loans:						
Residential mortgages	1,002,349,209	1.71 %	1,002,349,209	—	1,002,349,209	1.71 %
Commercial loans	8,423,390,541	14.37 %	8,423,390,541	—	8,423,390,541	14.38 %
Mezzanine real estate loans	867,380,778	1.48 %	867,380,778	—	867,380,778	1.48 %
Total valuation allowance	(14,808,971)	(0.03)%	(14,808,971)	—	(14,808,971)	—
Real estate:						
Property occupied by the company	213,878,328	0.36 %	213,878,327	—	213,878,327	0.37 %
Property held for the production of income	7,172,124	0.01 %	7,172,124	—	7,172,124	0.01 %
Property held for sale	5,541,097	0.01 %	5,541,097	—	5,541,097	0.01 %
Cash, cash equivalents and short-term investments						
Cash equivalents - short term	1,118,412,043	1.91 %	1,118,412,043	—	1,118,412,043	1.91 %
Cash	192,715,787	0.33 %	192,715,787	—	192,715,787	0.33 %
Cash equivalents	753,199,633	1.29 %	753,199,633	13,049,799	766,249,432	1.31 %
Contract loans	4,243,593,375	7.24 %	4,241,715,886	—	4,241,715,886	7.24 %
Derivatives	84,816,291	0.14 %	84,816,291	—	84,816,291	0.14 %
Other invested assets	2,101,790,972	3.59 %	2,083,122,612	—	2,083,122,612	3.56 %
Receivables for securities	48,966,740	0.08 %	48,966,740	—	48,966,740	0.08 %
Securities lending	13,049,799	0.02 %	13,049,799	XXX	XXX	XXX
	<u>58,602,604,272</u>	<u>100.00 %</u>	<u>58,577,034,357</u>	<u>13,049,799</u>	<u>58,577,034,357</u>	<u>100.00 %</u>

See accompanying independent auditors' report.

JACKSON NATIONAL LIFE INSURANCE COMPANY

Reinsurance Risk Interrogatories

December 31, 2023

1. Does the reporting entity have any reinsurance contracts subject to A-791 that include a provision, which limits the reinsurer's assumption of significant risks identified as in A-791? Yes
- The Company's Guaranteed Minimum Income Benefits on Variable Annuities (GMIBs) are reinsured with Chubb Tempest Life Reinsurance LTD. GMIB reinsured benefits are subject to aggregate annual claim limits. Deductibles also apply on reinsurance of GMIB business issued since March 1, 2005. At December 31, 2023, the Company recorded a \$1,146,443 reserve credit in consideration of the GMIB cession that is fully collateralized through a combination of letters of credit and a reinsurance trust. The reserve credit considers the treaty's risk limiting factors.
2. Does the reporting entity have any reinsurance contracts not subject to A-791, for which reinsurance accounting was applied and includes a provision that limits the reinsurer's assumption risk? No
3. Does the reporting entity have any reinsurance contracts that contain features described below which result in delays in payment in form or in fact:
- a. Provisions which permit the reporting of losses, or settlements are made, less frequently than quarterly or payments due from the reinsurer are not made in cash within ninety days of the settlement date? No
- b. Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? No
4. Does the reporting entity reflect a reinsurance accounting credit for any contracts not subject to Appendix A-791 and not yearly renewable term, which meet the risk transfer requirements of SSAP No. 61R for the following?
- a. Assumption Reinsurance? No
- b. Non-proportional reinsurance, which does not result in significant surplus relief? No
5. Does the reporting entity cede any risk which is not subject to A-791 and not yearly renewable term reinsurance, under any reinsurance contract during the period covered by the financial statement, and either:
- a. Accounted for that contract as reinsurance under SAP and as a deposit under GAAP; or No
- b. Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? No

See accompanying independent auditors' report.

APPENDIX A

JFI Definitions and Non-GAAP Financial Measures Utilized for Executive Compensation

As used in this Appendix A, the terms: “Company,” “JFI,” “we,” “our” and “us” refer to Jackson Financial Inc.; “Compensation Committee” refers to the Compensation Committee of the JFI Board of Directors; and “U.S. GAAP” refers to generally accepted accounting principles in the United States. The various financial measures discussed in this Appendix A refer to JFI financial measures determined on a consolidated basis.

Jackson’s executive compensation is based on target metrics for JFI. Certain of the target metrics used in our incentive programs are based upon financial measures that are not determined in accordance with U.S. GAAP. These target metrics may include additional limited adjustments, as described below, to maintain the pay-for-performance link and preserve the original economic intent of the incentives as reasonably determined by the JFI Compensation Committee. Although these non-GAAP financial measures should not be considered substitutes for U.S. GAAP measures, our management and JFI Board consider them important performance indicators and have employed them as well as other factors in determining senior management and associate incentive compensation.

The non-GAAP financial measures listed below that we use in evaluating performance under our incentive programs described in this prospectus. Management believes that the use of these non-GAAP financial measures, together with relevant U.S. GAAP financial measures, provides a better understanding of our results of operations, financial condition and the underlying performance drivers of our business. The definitions for these non-GAAP financial measures and how they may be calculated from the most directly comparable U.S. GAAP financial measures are as follows:

Adjusted Book Value Attributable to Common Shareholders and Adjusted Operating ROE Attributable to Common Shareholders We use Adjusted Operating Return on Equity (“ROE”) Attributable to Common Shareholders to manage our business and evaluate our financial performance that: (i) excludes items that vary from period to period due to accounting treatment under U.S. GAAP or that are non-recurring in nature, as such items may distort the underlying performance of our business; and (ii) is calculated by dividing our Adjusted Operating Earnings by average Adjusted Book Value Attributable to Common Shareholders.

Adjusted Book Value Attributable to Common Shareholders excludes JFI Preferred Stock and AOCI attributable to Jackson Financial, which does not include AOCI arising from investments held within the funds withheld account related to the Athene Reinsurance Transaction.

We exclude AOCI attributable to Jackson Financial from Adjusted Book Value Attributable to Common Shareholders because our invested assets are generally invested to closely match the duration of our liabilities, which are longer duration in nature, and, therefore we believe period-to-period fair market value fluctuations in AOCI to be inconsistent with this objective. We believe excluding AOCI attributable to Jackson Financial is more useful to investors in analyzing trends in our business. Changes in AOCI within the funds withheld account related to the Athene Reinsurance Transaction offset the related non-operating earnings from the Athene Reinsurance Transaction resulting in a minimal net impact on Adjusted Book Value of Jackson Financial.

Adjusted Book Value Attributable to Common Shareholders and Adjusted Operating ROE Attributable to Common Shareholders should not be used as substitutes for total shareholders’ equity and ROE as calculated using annualized net income and average equity in accordance with U.S. GAAP. However, we believe the adjustments to equity and earnings are useful to gaining an understanding of our overall results of operations.

The following is a reconciliation of JFI Adjusted Book Value Attributable to Common Shareholders to JFI total shareholders' equity and a comparison of JFI Adjusted Operating ROE Attributable to Common Shareholders to ROE Attributable to Common Shareholders, the most comparable U.S. GAAP measure:

	Years Ended December 31,		
	2023	2022	2021
	(in millions)		
Net income (loss) attributable to Jackson Financial Inc. common shareholders	\$ 899	\$ 6,186	\$ 3,417
Adjusted Operating Earnings	1,073	1,454	2,179
Total shareholders' equity	\$ 10,170	\$ 8,646	\$ 7,641
Less: Preferred stock	533	—	—
Total common shareholders' equity	9,637	8,646	7,641
Adjustments to total common shareholders' equity:			
Exclude AOCI attributable to Jackson Financial Inc. ⁽¹⁾	1,196	1,272	(1,073)
Adjusted Book Value Attributable to Common Shareholders	\$ 10,833	\$ 9,918	\$ 6,568
ROE Attributable to Common Shareholders	10.3 %	69.7 %	44.1 %
Adjusted Operating ROE Attributable to Common Shareholders on average equity	10.6 %	16.2 %	32.8 %

(1) Excludes \$(1,612) million, \$(2,106) million and \$287 million related to the investments held within the funds withheld account related to the Athene Reinsurance Transaction as of December 31, 2023, 2022 and 2021, respectively, which are not attributable to Jackson Financial Inc. and are therefore not included as an adjustment to total shareholders' equity in the reconciliation of Adjusted Book Value Attributable to Common Shareholders to total shareholders' equity.

Adjusted Operating Earnings Adjusted Operating Earnings is an after-tax non-GAAP financial measure, which we believe should be used to evaluate our financial performance on a consolidated basis by excluding certain items that may be highly variable from period to period due to accounting treatment under U.S. GAAP or that are non-recurring in nature, as well as certain other revenues and expenses that we do not view as driving our underlying performance. Adjusted Operating Earnings should not be used as a substitute for net income as calculated in accordance with U.S. GAAP. However, we believe the adjustments to net income are useful for gaining an understanding of our overall results of operations.

Adjusted Operating Earnings equals our Net income (loss) attributable to Jackson Financial Inc.'s common shareholders (which excludes income attributable to non-controlling interest and dividends on preferred stock) adjusted to eliminate the impact of the items described in the following numbered paragraphs. These items are excluded as they may vary significantly from period to period due to near-term market conditions or are otherwise not directly comparable or reflective of the underlying performance of our business. We believe these exclusions provide investors a better picture of the drivers of our underlying performance.

1. *Net Hedging Results*: Comprised of: (i) fees attributed to guaranteed benefits; (ii) changes in the fair value of freestanding derivatives used to manage the risk associated with market risk benefits and other guaranteed benefit features, excluding earned income (periodic settlements and changes in settlement accruals); (iii) the movements in reserves, market risk benefits, guaranteed benefit features accounted for as embedded derivative instruments, and related claims and benefit payments; (iv) amortization of the balance of unamortized deferred acquisition costs at the date of transition to current accounting guidance on January 1, 2021 associated with items excluded from adjusted operating earnings prior to transition; and (v) the impact on the valuation of Guaranteed Benefits and Net Hedging Results arising from changes in underlying actuarial assumptions. We believe excluding these items removes the impact to both revenue and related expenses associated with Guaranteed Benefits and Net Hedging Results.
2. *Net Realized Investment Gains and Losses*: Comprised of: (i) realized investment gains and losses associated with the periodic sales or disposals of securities, excluding those held within our trading portfolio, and (ii) impairments of securities, after adjustment for the non-credit component of the impairment charges.
3. *Change in Value of Funds Withheld Embedded Derivative and Net investment income on funds withheld assets*: Composed of: (i) the change in fair value of funds withheld embedded derivatives, and (ii) net investment income on funds withheld assets related to funds withheld reinsurance transactions.

4. *Other items*: Comprised of: (i) the impact of investments that are consolidated in our financial statements due to U.S. GAAP accounting requirements, such as our investments in collateralized loan obligations (“CLOs”), but for which the consolidation effects are not consistent with our economic interest or exposure to those entities, and (ii) one-time or other non-recurring items, such as costs relating to our separation from Prudential.

Operating income taxes are calculated using the prevailing corporate federal income tax rate of 21% while taking into account any items recognized differently in our financial statements and federal income tax returns, including the dividends received deduction and other tax credits. For interim reporting periods, the Company uses an estimated annual effective tax rate (“ETR”) in computing its tax provision including consideration of discrete items.

The following is a reconciliation of JFI Adjusted Operating Earnings to net income (loss) attributable to Jackson Financial common shareholders, the most comparable U.S. GAAP measure:

	Years Ended December 31,		
	2023	2022	2021
	(in millions)		
Net income (loss) attributable to Jackson Financial Inc common shareholders	\$ 899	\$ 6,186	\$ 3,417
Add: dividends on preferred stock	35	—	—
Add: income tax expense (benefit)	4	1,505	666
Pretax income (loss) attributable to Jackson Financial Inc	938	7,691	4,083
Non-operating adjustments (income) loss:			
Guaranteed benefits and hedging results:			
Fees attributable to guarantee benefit reserves	(3,125)	(3,077)	(2,855)
Net movement in freestanding derivatives	4,651	2,744	5,674
Market risk benefits (gains) losses, net	(3,897)	(3,536)	(3,966)
Net reserve and embedded derivative movements	787	222	141
Amortization of DAC associated with non-operating items at date of transition to LDTI	591	658	737
Total guaranteed benefits and net hedging results	(993)	(2,989)	(269)
Net realized investment (gains) losses	554	359	(182)
Net realized investment (gains) losses on funds withheld assets	1,801	(2,186)	21
Net investment income on funds withheld assets	(1,174)	(1,254)	(1,188)
Other items	39	22	36
Total non-operating adjustments	227	(6,048)	(1,582)
Pretax adjusted operating earnings	1,165	1,643	2,501
Less: operating income tax expense (benefit)	57	189	322
Adjusted operating earnings before dividends on preferred stock	1,108	1,454	2,179
Less: dividends on preferred stock	35	—	—
Adjusted operating earnings	<u>\$ 1,073</u>	<u>\$ 1,454</u>	<u>\$ 2,179</u>

The prospectus also references other financial measures that our management and the JFI Board consider important performance indicators and have employed, along with other factors, in determining senior management and associate incentive compensation. The following discussion explains how financial measures are calculated and how they are, or may be, adjusted.

2023 Short-Term Incentive Performance Metrics

Pretax Adjusted Operating Earnings begins with the amount calculated as described above. The JFI Compensation Committee is empowered to make additional adjustments in order to enable the evaluation of actual performance on a basis relatively consistent with the assumptions underlying the projected performance used to set the original target. Those additional adjustments may exclude the following:

- the net impact of equity market total returns over the period outside a corridor of 7% above or below the equity market total return assumption under our business plan;
- the impact on spread earnings resulting from movement in the 10-year Treasury rate, relative to the beginning of year rate, of more than 2%; and
- the impact on net investment income resulting from increases (or decreases) in general account assets resulting from net freestanding derivatives gains (or losses) in excess of \$2 billion.

Other examples include the impact of significant events not contemplated in setting the original target, including new business investment, business continuity disruptions, restructuring initiatives, mergers and acquisitions, guarantee fund assessments in the event of insurance company liquidations, material litigation and regulatory matters, and legislative, regulatory, or accounting changes.

Pretax Adjusted Operating Income, adjusted as described above, is measured relative to the plan projection of Pretax Adjusted Operating Income for the year (with interest rates as implied by the forward rate curve as of the beginning of the year). For the actual short-term incentives for 2023 metric, the Pretax Adjusted Operating Income measure described above was further adjusted as follows:

	Years Ended December 31, 2023	
	(in millions)	
Pretax adjusted operating earnings ⁽¹⁾	\$	1,165
Net impact of equity market total returns in 2023 outside of a pre-defined corridor		13
Net impact of the Company's annual actuarial assumption review		60
Pretax adjusted operating earnings, adjusted as described above	\$	1,238

⁽¹⁾ See Adjusted Operating Earnings above for information regarding our non-GAAP financial measures and reconciliations to the most comparable U.S. GAAP measures.

Controllable Costs represents general and administrative expenses, adjusted to exclude the following items which may vary significantly during a period based on factors outside of management control or overall incentive funding levels:

- a. Costs related to nonqualified deferred compensation plans, which vary based on performance of underlying notional investments selected by participants;
- b. Costs of PPM related to investment management fees paid by third parties, which vary based on the value of assets under management; and
- c. Compensation expense related to annual bonuses and long-term incentive awards, the inclusion of which could cause misalignment between overall Company performance and funding outcomes for this metric.

Other examples include adjustments for unplanned costs relating to significant events including new business investment, business continuity disruptions, restructuring initiatives, mergers and acquisitions, guarantee fund assessment in the event of insurance company liquidations, material litigation and regulatory matters, and legislative, regulatory, or accounting changes.

Controllable Costs is general and administrative expenses, adjusted as described above, measured relative to the plan projection of Controllable Costs for the year, as shown in the table below:

	Years Ended December 31, 2023	
	(in millions)	
General and administrative expenses per 10-K	\$	1,007
Costs related to nonqualified deferred compensation plans		(58)
Costs of PPM related to investment management fees paid by third parties		(59)
Compensation expense related to annual bonuses and long-term incentive award		(188)
Other		12
Total Controllable costs	\$	714

Risk-Based Capital requirements are insurance company statutory capital requirements based on rules published by the National Association of Insurance Commissioners (NAIC). The NAIC has developed certain RBC requirements for life insurance companies. Under the NAIC requirements, compliance is determined by a ratio of a company's TAC, calculated in a manner prescribed by the NAIC to its authorized control level RBC, calculated in a manner prescribed by the NAIC.

RBC measures the Company's balance sheet health by achieving operating company RBC levels within our targeted range, appropriately managed within our risk framework.

2023 Long-Term Incentive Performance Metrics

Generation of Net Cash Flow Available to JFI is a financial measure that the Company uses to facilitate an understanding of its ability to generate cash for reinvestment into its business or use in non-mandatory capital actions, such as dividends. We

define net cash flow as the sum of cash flows, to or available to, Jackson Financial Inc. from its operating subsidiaries in the form of (i) dividends, (ii) return of capital distributions, (iii) interest payments on intercompany surplus notes, (iv) payments related to expense or tax sharing arrangements, (v) other similar payments, and (vi) unremitted cash in excess of the upper end of the stated target RBC range, less capital contributions to the operating subsidiaries. This measure considers cash flows related to performance in calendar year periods that may take place in the following calendar year (i.e., dividends from operating companies pertain to excess capital development over a calendar year period but are likely to be remitted in the first quarter of the following year to allow for the regulatory approval process). Net Cash Flow Available to JFI is distinct from any JFI capital actions, such as common stock dividends and repurchases, debt reduction payments and mergers and acquisitions.

As provided under the long-term incentive (“LTI”) program, Net Cash Flow Available to JFI may, at the Committee’s discretion, be adjusted to include, or not be limited to, situations such as the following:

For material movements in interest rates or equity levels during the three-year period, the plan sensitivities for impacts on net cash flow available to JFI can be used to adjust the planned level for the period. For example, in the event of a down 20% equity movement during the period, the down 20% sensitivity could be applied and the change in net cash flow available to JFI could be adjusted accordingly.

For significant movements arising from the interaction of path dependent rate or equity movements and the risk framework in place during the period, the JFI Compensation Committee may assess the performance of the hedging program to adjust the final outcome.

Other examples could include events not contemplated in setting the original target, such as new business investment, business continuity disruptions, restructuring initiatives, mergers and acquisitions, guarantee fund assessments in the event of insurance company liquidations, material litigation and regulatory matters, and legislative, regulatory, or accounting changes.

Net Cash Flow Available to JFI, adjusted as described above, is measured relative to the plan projections of Net Cash Flow Available to JFI for the period.

Adjusted Operating ROE Attributable to Common Shareholders begins with the amount calculated as described above. The JFI Compensation Committee is empowered to adjust that amount further to include, or not be limited to, situations such as the following:

- a. The actual Adjusted Operating Earnings for each of the three years that is used in the calculation of Adjusted Operating ROE Attributable to Common Shareholders may be adjusted to exclude:
 - i. the net impact of equity market total returns over the period outside a corridor of 7% above or below the equity market total return assumption under our business plan;
 - ii. the impact on spread earnings resulting from movement in the 10-year Treasury rate, relative to the beginning of year rate, of more than 2%; and
 - iii. the impact on net investment income resulting from increases (or decreases) in general account assets resulting from net freestanding derivatives gains (or losses) in excess of \$2 billion.
- b. For significant movements arising from the interaction of path dependent rate or equity movements and the risk framework in place during the period, the JFI Compensation Committee may assess the performance of the hedging program and adjust the average Adjusted Book Value Attributable to Common Shareholders outcome used in the calculation.

Other examples could include events not contemplated in setting the original target, such as new business investment, business continuity disruptions, restructuring initiatives, mergers and acquisitions, guarantee fund assessments in the event of insurance company liquidations, material litigation and regulatory matters, and legislative, regulatory, or accounting changes.

Adjusted Operating ROE Attributable to Common Shareholders is measured relative to the plan projections of Adjusted Operating ROE Attributable to Common Shareholders for the period (with interest rates as implied by the forward rate curve as of the beginning of the period). For the period covered for the actual 2023 long-term incentive metric, there were no further adjustments made to the Adjusted Operating ROE Attributable to Common Shareholders, as described above.

Dealer Prospectus Delivery Obligations. All dealers that effect transactions in these securities are required to deliver a prospectus.

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