UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-40274

Jackson Financial Inc.

(Exact name of registrant as specified in its charter)

Delaware	**98-0486152**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1 Corporate Way, Lansing, Michigan	**48951**
(Address of principal executive offices)	**(Zip Code)**

(517) 381-5500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, Par Value $0.01 Per Share	JXN	New York Stock Exchange
Depositary Shares, each representing a 1/1,000th interest in a share of Fixed-Rate Reset Noncumulative Perpetual Preferred Stock, Series A	JXN PR A	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of May 1, 2025, there were 71,438,520 shares of the registrant's Common Stock, $0.01 par value, outstanding.

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PART I—FINANCIAL INFORMATION

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Jackson Financial Inc.
Condensed Consolidated Balance Sheets
(in millions, except share data)

	March 31, 2025	December 31, 2024
Assets	(Unaudited)	
Investments:		
Debt Securities, available-for-sale, net of allowance for credit losses of $40 and $39 at March 31, 2025 and December 31, 2024, respectively (amortized cost: 2025 $46,312; 2024 $45,007)	$ 42,243	$ 40,289
Debt Securities, at fair value under fair value option	3,430	3,046
Equity securities, at fair value	191	197
Mortgage loans, net of allowance for credit losses of $130 and $121 at March 31, 2025 and December 31, 2024, respectively	9,575	9,462
Mortgage loans, at fair value under fair value option	451	449
Policy loans (including $3,492 and $3,489 at fair value under the fair value option at March 31, 2025 and December 31, 2024, respectively)	4,407	4,403
Freestanding derivative instruments	587	297
Other invested assets	2,844	2,864
Total investments	63,728	61,007
Cash and cash equivalents	3,887	3,767
Accrued investment income	535	529
Deferred acquisition costs	11,770	11,887
Reinsurance recoverable, net of allowance for credit losses of $26 and $27 at March 31, 2025 and December 31, 2024, respectively	21,037	21,830
Reinsurance recoverable on market risk benefits, at fair value	126	121
Market risk benefit assets, at fair value	7,326	8,899
Deferred income taxes, net	382	480
Other assets	830	787
Separate account assets	217,572	229,143
Total assets	$ 327,193	$ 338,450
Liabilities and Equity		
Liabilities		
Reserves for future policy benefits and claims payable	$ 11,026	$ 11,072
Other contract holder funds	59,028	58,312
Market risk benefit liabilities, at fair value	4,125	3,774
Funds withheld payable under reinsurance treaties (including $3,672 and $3,667 at fair value under the fair value option at March 31, 2025 and December 31, 2024, respectively)	16,275	16,742
Long-term debt	2,030	2,034
Repurchase agreements and securities lending payable	1,035	1,554
Collateral payable for derivative instruments	340	150
Freestanding derivative instruments	256	361
Notes issued by consolidated variable interest entities, at fair value under fair value option (Note 4)	2,303	2,343
Other liabilities	2,678	2,983
Separate account liabilities	217,572	229,143
Total liabilities	316,668	328,468
Commitments, Contingencies, and Guarantees (Note 16)		
Equity		
Series A non-cumulative preferred stock and additional paid in capital, $1.00 par value per share: 24,000 shares authorized; 22,000 shares issued and outstanding at March 31, 2025 and December 31, 2024; liquidation preference $25,000 per share (see Note 19)	533	533
Common stock; 1,000,000,000 shares authorized, $0.01 par value per share and 71,878,542 and 73,380,643 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively (see Note 19)	1	1
Additional paid-in capital	6,042	6,046
Treasury stock, at cost; 22,609,773 and 21,107,672 shares at March 31, 2025 and December 31, 2024, respectively	(1,179)	(1,007)
Accumulated other comprehensive income (loss), net of tax expense (benefit) of $(216) and $(311) at March 31, 2025 and December 31, 2024, respectively	(2,719)	(3,522)
Retained earnings	7,623	7,713
Total shareholders' equity	10,301	9,764
Noncontrolling interests	224	218
Total equity	10,525	9,982
Total liabilities and equity	$ 327,193	$ 338,450

See Notes to Condensed Consolidated Financial Statements.

Jackson Financial Inc.
Condensed Consolidated Income Statements
(Unaudited, in millions, except per share data)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Revenues		
Fee income	$ 1,986	$ 1,998
Premiums	40	38
Net investment income:		
Net investment income excluding funds withheld assets	528	464
Net investment income on funds withheld assets	227	270
Total net investment income	755	734
Net gains (losses) on derivatives and investments:		
Net gains (losses) on derivatives and investments	1,343	(2,892)
Net gains (losses) on funds withheld reinsurance treaties	(388)	(201)
Total net gains (losses) on derivatives and investments	955	(3,093)
Other income	14	1
Total revenues	3,750	(322)
Benefits and Expenses		
Death, other policy benefits and change in policy reserves, net of deferrals	244	221
(Gain) loss from updating future policy benefits cash flow assumptions, net	12	11
Market risk benefits (gains) losses, net	2,246	(2,718)
Interest credited on other contract holder funds, net of deferrals and amortization	288	273
Interest expense	25	25
Operating costs and other expenses, net of deferrals	677	685
Amortization of deferred acquisition costs	275	278
Total benefits and expenses	3,767	(1,225)
Pretax income (loss)	(17)	903
Income tax expense (benefit)	1	101
Net income (loss)	(18)	802
Less: Net income (loss) attributable to noncontrolling interests	6	7
Net income (loss) attributable to Jackson Financial Inc.	(24)	795
Less: Dividends on preferred stock	11	11
Net income (loss) attributable to Jackson Financial Inc. common shareholders	$ (35)	$ 784
Earnings per share		
Basic	$ (0.48)	$ 10.04
Diluted	$ (0.48)	$ 9.94

See Notes to Condensed Consolidated Financial Statements.

Jackson Financial Inc.
Condensed Consolidated Statements of Comprehensive Income (Loss)
(Unaudited, in millions)

	Three Months Ended March 31,	
	2025	**2024**
Net income (loss)	$ (18)	$ 802
Other comprehensive income (loss), net of tax:		
Change in unrealized gains (losses) on securities with no credit impairment, net of tax expense (benefit) of: $40 and $(3), for the three months ended March 31, 2025 and 2024, respectively.	607	(278)
Change in unrealized gains (losses) on securities with credit impairment, net of tax expense (benefit) of: nil and nil, for the three months ended March 31, 2025 and 2024, respectively.	(1)	—
Change in current discount rate related to reserve for future policy benefits, net of tax expense (benefit) of $(16) and $18, for the three months ended March 31, 2025 and 2024, respectively.	(59)	63
Change in non-performance risk on market risk benefits, net of tax expense (benefit) of $71 and $(111), for the three months ended March 31, 2025 and 2024, respectively.	256	(400)
Total other comprehensive income (loss)	803	(615)
Comprehensive income (loss)	785	187
Less: Comprehensive income (loss) attributable to noncontrolling interests	6	7
Comprehensive income (loss) attributable to Jackson Financial Inc.	$ 779	$ 180

See Notes to Condensed Consolidated Financial Statements.

Jackson Financial Inc.
Condensed Consolidated Statements of Equity
(Unaudited, in millions)

	Preferred Stock	Common Stock	Additional Paid-In Capital	Treasury Stock at Cost	Accumulated Other Comprehensive Income	Retained Earnings	Total Shareholders' Equity	Non-Controlling Interests	Total Equity
Balances as of December 31, 2024	$ 533	$ 1	$ 6,046	$ (1,007)	$ (3,522)	$ 7,713	$ 9,764	$ 218	$ 9,982
Net income (loss)	—	—	—	—	—	(24)	(24)	6	(18)
Other comprehensive income (loss)	—	—	—	—	803	—	803	—	803
Change in equity of noncontrolling interests	—	—	—	—	—	—	—	—	—
Dividends on preferred stock	—	—	—	—	—	(11)	(11)	—	(11)
Dividends on common stock	—	—	—	—	—	(59)	(59)	—	(59)
Purchase of treasury stock	—	—	—	(202)	—	—	(202)	—	(202)
Share based compensation	—	—	(4)	30	—	4	30	—	30
Balances as of March 31, 2025	$ 533	$ 1	$ 6,042	$ (1,179)	$ (2,719)	$ 7,623	$ 10,301	$ 224	$ 10,525

	Preferred Stock	Common Stock	Additional Paid-In Capital	Treasury Stock at Cost	Accumulated Other Comprehensive Income	Retained Earnings	Total Shareholders' Equity	Non-Controlling Interests	Total Equity
Balances as of December 31, 2023	$ 533	$ 1	$ 6,005	$ (599)	$ (2,808)	$ 7,038	$ 10,170	$ 164	$ 10,334
Net income (loss)	—	—	—	—	—	795	795	7	802
Other comprehensive income (loss)	—	—	—	—	(615)	—	(615)	—	(615)
Change in equity of noncontrolling interests	—	—	—	—	.	—	—	16	16
Dividends on preferred stock	—	—	—	—	—	(11)	(11)	—	(11)
Dividends on common stock	—	—	—	—	—	(56)	(56)	—	(56)
Purchase of treasury stock	—	—	—	(120)	—	—	(120)	—	(120)
Share based compensation	—	—	—	6	—	—	6	—	6
Balances as of March 31, 2024	$ 533	$ 1	$ 6,005	$ (713)	$ (3,423)	$ 7,766	$ 10,169	$ 187	$ 10,356

See Notes to Condensed Consolidated Financial Statements.

Jackson Financial Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited, in millions)

	Three Months Ended March 31,	
	2025	**2024**
Cash flows from operating activities:		
Net income (loss)	$ (18)	$ 802
Adjustments to reconcile net income to net cash provided by operating activities:		
Net realized losses (gains) on investments	66	7
Net losses (gains) on derivatives	(1,409)	2,885
Net losses (gains) on funds withheld reinsurance treaties	388	201
Net (gain) loss on market risk benefits	2,246	(2,718)
(Gain) loss from updating future policy benefits cash flow assumptions, net	12	11
Interest credited on other contract holder funds, gross	288	273
Mortality, expense and surrender charges	(133)	(133)
Amortization of discount and premium on investments	(8)	(14)
Deferred income tax expense (benefit)	2	(13)
Share-based compensation	54	45
Change in:		
Accrued investment income	(6)	24
Deferred acquisition costs	117	128
Funds withheld, net of reinsurance	134	136
Future policy benefits	(137)	(238)
Other assets and liabilities, net	(2)	30
Net cash provided by (used in) operating activities	1,594	1,426
Cash flows from investing activities:		
Sales, maturities and repayments of:		
Debt securities	2,027	2,553
Equity securities	4	185
Mortgage loans	272	360
Purchases of:		
Debt securities	(3,333)	(2,613)
Equity securities	—	(5)
Mortgage loans	(392)	(152)
Settlements related to derivatives and collateral on investments	742	(2,261)
Other investing activities	(273)	(73)
Net cash provided by (used in) investing activities	(953)	(2,006)

(continued)

See Notes to Condensed Consolidated Financial Statements.

Jackson Financial Inc.
Condensed Consolidated Statements of Cash Flows (continued)
(Unaudited, in millions)

	Three Months Ended March 31,	
	2025	**2024**
Cash flows from financing activities:		
Policyholders' account balances:		
Deposits	$ 5,804	$ 3,860
Withdrawals	(10,226)	(8,984)
Net transfers from (to) separate accounts	5,205	4,143
Proceeds from (payments on) repurchase agreements and securities lending	(517)	1,798
Net proceeds from (payments on) Federal Home Loan Bank notes	(700)	(250)
Payments on debt	(4)	(4)
Issuance of debt of consolidated investment entities	215	383
Repayments of debt of consolidated investment entities	(27)	(345)
Contributions from partners of consolidated investments	—	17
Dividends on common stock	(58)	(54)
Dividends on preferred stock	(11)	(11)
Purchase of treasury stock	(202)	(120)
Net cash provided by (used in) financing activities	(521)	433
Net increase (decrease) in cash, cash equivalents, and restricted cash	120	(147)
Cash, cash equivalents, and restricted cash at beginning of period	3,767	2,691
Total cash, cash equivalents, and restricted cash at end of period	$ 3,887	$ 2,544
Supplemental cash flow information		
Income taxes paid (received)	$ (20)	$ —
Interest paid	$ 42	$ 33
Non-cash investing activities		
Debt securities acquired from exchanges, payments-in-kind, and similar transactions	$ 53	$ 27
Other invested assets acquired from stock splits and stock distributions	$ —	$ 19
Non-cash financing activities		
Non-cash dividend equivalents on stock-based awards	$ (1)	$ (2)
Reconciliation to Condensed Consolidated Balance Sheets		
Cash and cash equivalents	$ 3,887	$ 2,542
Restricted cash (included in Other assets)	—	2
Total cash, cash equivalents, and restricted cash	$ 3,887	$ 2,544

See Notes to Condensed Consolidated Financial Statements.

Jackson Financial Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Business and Basis of Presentation

Jackson Financial Inc. ("JFI" or "Jackson Financial") together with its subsidiaries (the "Company," which also may be referred to as "we," "our" or "us"), is a financial services company focused on helping Americans secure their financial futures. Jackson Financial is domiciled in the state of Delaware in the United States ("U.S.").

Jackson Financial's primary life insurance subsidiary, Jackson National Life Insurance Company and its insurance subsidiaries (collectively, "Jackson"), is licensed to sell group and individual annuity products (including variable, registered index-linked, fixed index, fixed and payout annuities), and individual life insurance products, including variable universal life, in all 50 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. In addition to Jackson, Jackson Financial's operating subsidiaries include:

- PPM America, Inc. ("PPM"), a registered investment adviser, is the Company's investment management operation that manages the life insurance companies' general account investment funds. PPM also provides investment services to other former affiliated and unaffiliated institutional clients.
- Brooke Life Insurance Company ("Brooke Life"), the direct parent of Jackson, is a Michigan life insurance company licensed to sell life insurance and annuity products in the state of Michigan.
- Brooke Life Reinsurance Company ("Brooke Re"), also a direct subsidiary of Brooke Life, was formed January 1, 2024, as a Michigan captive reinsurance company.

Other significant wholly-owned subsidiaries of Jackson are as follows:

- Life insurers: Jackson National Life Insurance Company of New York; Squire Reassurance Company II, Inc.; and VFL International Life Company SPC, LTD;
- Registered broker-dealer: Jackson National Life Distributors LLC; and
- Registered investment adviser: Jackson National Asset Management LLC ("JNAM") manages the life insurance companies' separate account funds underlying our variable annuities products, which funds are sub-advised. JNAM manages and oversees those sub-advisers.

The Company's Condensed Consolidated Financial Statements also include other insignificant partnerships, limited liability companies ("LLCs") and other variable interest entities ("VIEs") in which the Company is deemed the primary beneficiary.

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with U.S. GAAP for interim financial information. Accordingly, certain financial information that is normally included in annual financial statements prepared in accordance with U.S. GAAP, but not required for interim reporting purposes, has been condensed or omitted. These Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and the related notes included in our Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the SEC on February 26, 2025 (the "2024 Annual Report"). The condensed consolidated financial information as of December 31, 2024, included herein, has been derived from the audited Consolidated Financial Statements in the 2024 Annual Report.

Certain accounting policies, which significantly affect the determination of financial condition, results of operations and cash flows, are summarized in the Notes to Consolidated Financial Statements in the Company's 2024 Annual Report.

In the opinion of management, these Condensed Consolidated Financial Statements include all normal recurring adjustments necessary for a fair presentation of the Company’s results. Operating results for the three months ended March 31, 2025, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2025. All material intercompany accounts and transactions have been eliminated upon consolidation. All prior period amounts have been conformed to the current period presentation.

Use of Estimates

The preparation of these Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires the use of estimates and assumptions about future events that affect the amounts reported in the Condensed Consolidated Financial Statements and the accompanying notes. Significant estimates or assumptions, as further discussed in these notes, include:

- 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 necessary;
- Assumptions used in calculating policy reserves and liabilities, including policyholder behavior, mortality rates, expenses, investment returns and policy crediting rates;
- Estimates related to expectations of credit losses on certain financial assets and off-balance sheet exposures;
- 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, and assumptions as to future earnings levels being sufficient to realize deferred tax benefits;
- Assumptions used in calculating market risk benefits, including policyholder behavior, mortality rates, and capital market assumptions; and
- Assumptions impacting the expected term used in amortizing deferred acquisition costs, including policyholder behavior and mortality rates.

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 appropriate factors. 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. The effects of changes in estimates, including those resulting from changing expectations with respect to the economic environment, will be reflected in the Consolidated Financial Statements covering the periods in which the estimates are changed.

2. New Accounting Standards

Accounting Pronouncements – Issued but Not Yet Adopted

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-09, “Improvements to Income Tax Disclosures”, which enhances annual income tax disclosures by requiring disclosure of disaggregated information about a reporting entity’s effective tax rate reconciliation as well as information on income taxes paid. The new requirements in this ASU will be effective for the Company for annual periods beginning after December 15, 2024, with early adoption permitted, and are to be applied on a prospective basis with the option to apply retrospectively. The Company will apply the amendments for the annual period ending December 31, 2025. The Company does not expect the adoption to have a material impact on the Company’s financial statements.

In November 2024, the FASB issued ASU 2024-03, “Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40)”, which requires disaggregated disclosure of income statement expenses for public business entities. The ASU requires footnote disclosure about specific types of expenses included in certain expense captions presented on the face of the income statement and the total amount of selling expenses on an annual and interim basis. The entity is also required to disclose its definition of selling expenses in annual reporting periods. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is in the process of evaluating the impact of the new guidance and determining the transition method and the timing of adoption.

3. Segment Information

The Company has three reportable segments: Retail Annuities, Institutional Products, and Closed Life and Annuity Blocks. The Company reports, in Corporate and Other, certain activities and items that are not included in these reportable segments, including the results of PPM Holdings, Inc., the holding company of PPM, which manages the majority of the Company’s general account investment portfolio. The reportable segments reflect how the Company’s chief operating decision maker views and manages the business. The Company’s chief operating decision maker function is performed jointly by the Chief Executive Officer and the Chief Financial Officer. For the Retail Annuities, Closed Life and Annuity Blocks, and Institutional Products segments, the chief operating decision maker uses segment pretax adjusted operating earnings to allocate resources for each segment, predominantly through the annual budget and forecasting process, and to assess the performance of each segment, predominantly by comparing the results of each segment with one another, with planned and forecasted results, and with comparative prior period results. The following is a brief description of the Company’s reportable segments, plus its Corporate and Other segment.

Retail Annuities

The Company’s Retail Annuities segment offers a variety of retirement income and savings products through its diverse suite of products, consisting primarily of variable annuities, registered index-linked annuities ("RILA"), fixed index annuities, fixed annuities and payout annuities. These products are distributed through various wirehouses, insurance brokers and independent broker-dealers, as well as through banks and financial institutions.

The Company’s variable annuities represent an attractive option for retirees and soon-to-be retirees, providing access to equity market appreciation and add-on benefits, including guaranteed lifetime income. A RILA offers customers access to market returns through market index-linked investment options, subject to a cap, and offers a variety of features designed to modify or limit losses. A fixed index annuity is designed for investors who desire principal protection with the opportunity to participate in capped upside investment returns linked to a reference market index. The Company also provides access to guaranteed lifetime income as an add-on benefit. A fixed annuity is a guaranteed product designed to build wealth without market exposure, through a crediting rate that is likely to be superior to interest rates offered by banks or money market funds.

The financial results of the variable annuity business within the Company’s Retail Annuities segment are largely dependent on the performance of the contract holder account value, which impacts both the level of fees collected and the benefits paid to the contract holder. The financial results of the Company’s fixed annuities, including the fixed option on variable annuities, RILA and fixed index annuities, are largely dependent on the Company’s ability to earn a spread between earned investment rates on general account assets and the interest credited to contract holders.

Institutional Products

The Company’s Institutional Products segment consists of traditional Guaranteed Investment Contracts ("GICs"), funding agreements (including agreements issued in conjunction with the Company’s participation in the U.S. Federal Home Loan Bank ("FHLB") program) and medium-term note funding agreements. The Company’s GIC products are marketed to defined contribution pension and profit-sharing retirement plans. Funding agreements are marketed to institutional investors, including corporate cash accounts and securities lending funds, as well as money market funds, and are issued to the FHLB in connection with its program.

The financial results of the Company’s institutional products business are primarily dependent on the Company’s ability to earn a spread between earned investment rates on general account assets and the interest credited on GICs and funding agreements.

Closed Life and Annuity Blocks

The Company's Closed Life and Annuity Blocks segment is primarily composed of blocks of business that have been acquired since 2004. This segment 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. The Company 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.

The profitability of the Company's Closed Life and Annuity Blocks segment is largely driven by its historical ability to appropriately price its products and purchase appropriately priced blocks of business, as realized through underwriting, expense and net gains (losses) on derivatives and investments, and the ability to earn an assumed rate of return on the assets supporting that business.

Corporate and Other

The Company's Corporate and Other segment primarily consists of the operations of its investment management subsidiary, PPM, VIEs, and unallocated corporate income and expenses. The Corporate and Other segment also includes intersegment eliminations and consolidation adjustments.

Segment Performance Measurement

Segment operating revenues and pretax adjusted operating earnings are non-GAAP financial measures that management believes are critical to the evaluation of the financial performance of the Company's segments. The Company uses the same accounting policies and procedures to measure segment pretax adjusted operating earnings as used in its reporting of consolidated net income. Its primary measure is pretax adjusted operating earnings, which is defined as net income recorded in accordance with U.S. GAAP, 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 are not considered to drive underlying performance. Operating revenues and pretax adjusted operating earnings should not be used as a substitute for revenues and net income, respectively, as calculated in accordance with U.S. GAAP.

Pretax adjusted operating earnings equals net income adjusted to eliminate the impact of the items described in the following numbered paragraphs. These items are excluded from pretax adjusted operating earnings as they may vary significantly from period to period due to near-term market conditions and, therefore, are 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) net gains (losses) on hedging instruments which includes: (a) changes in the fair value of freestanding derivatives, and related commissions and expenses, used to manage the risk associated with market risk benefits and other guaranteed benefit features, excluding earned income from periodic settlements and changes in settlement accruals on cross-currency swaps; and (b) investment income and change in fair value of certain non-derivative assets used to manage the risk associated with market risk benefits and other guaranteed benefit features; and (iii) the movements in reserves, market risk benefits, guaranteed benefit features accounted for as embedded derivative instruments, and related claims and benefit payments (excluding impacts of actuarial assumption updates and model enhancements). We believe excluding these items removes the impact to both revenue and related expenses associated with Net Hedging Results.

2. *Amortization of DAC associated with non-operating items at date of transition to LDTI:* Amortization of the balance of unamortized deferred acquisition costs, at January 1, 2021, the date of transition to current Long Duration Targeted Improvements ("LDTI") accounting guidance, associated with items excluded from pretax adjusted operating earnings prior to transition.

3. *Actuarial Assumption Updates and Model Enhancements:* The impact on the valuation of market risk benefits and embedded derivatives arising from our annual actuarial assumption updates and model enhancements review.

4. *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.

5. *Change in Value of Funds Withheld Embedded Derivative and Net Investment Income on Funds Withheld Assets:* Comprised 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.

6. *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, (ii) impacts from derivatives not included in Net Hedging Results (see 1. above), excluding earned income from periodic settlements and changes in settlement accruals on cross-currency swaps, and (iii) one-time or other non-recurring items.

7. *Income taxes.*

Set forth in the tables below is certain information with respect to the Company's segments (in millions):

Three Months Ended March 31, 2025	Retail Annuities	Institutional Products	Closed Life and Annuity Blocks	Corporate and Other	Total Consolidated
Operating Revenues					
Fee income	$ 1,095	$ —	$ 108	$ 12	$ 1,215
Premiums	14	—	29	—	43
Net investment income	187	116	187	11	501
Other income (loss)	7	—	6	1	14
Total Operating Revenues	1,303	116	330	24	1,773
Operating Benefits and Expenses					
Death, other policy benefits and change in policy reserves, net of deferrals	29	—	154	—	183
(Gain) loss from updating future policy benefits cash flow assumptions, net	(3)	—	14	—	11
Interest credited on other contract holder funds, net of deferrals and amortization	94	97	97	—	288
Interest expense	6	—	—	19	25
Asset-based commission expenses	284	—	—	—	284
Other commission expenses	206	—	9	—	215
Sub-advisor expenses	80	—	—	(2)	78
General and administrative expenses	200	1	27	31	259
Deferral of acquisition costs	(158)	—	(1)	—	(159)
Amortization of deferred acquisition costs	145	—	2	—	147
Total Operating Benefits and Expenses	883	98	302	48	1,331
Pretax Adjusted Operating Earnings	$ 420	$ 18	$ 28	$ (24)	$ 442

Three Months Ended March 31, 2024	Retail Annuities	Institutional Products	Closed Life and Annuity Blocks	Corporate and Other	Total Consolidated
Operating Revenues					
Fee income	$ 1,083	$ —	$ 112	$ 12	$ 1,207
Premiums	10	—	30	—	40
Net investment income	152	113	163	4	432
Other income	8	—	7	(14)	1
Total Operating Revenues	1,253	113	312	2	1,680
Operating Benefits and Expenses					
Death, other policy benefits and change in policy reserves, net of deferrals	16	—	144	—	160
(Gain) loss from updating future policy benefits cash flow assumptions, net	1	—	8	—	9
Interest credited on other contract holder funds, net of deferrals and amortization	88	81	104	—	273
Interest expense	6	—	—	19	25
Asset-based commission expenses	279	—	—	—	279
Other commission expenses	194	—	9	—	203
Sub-advisor expenses	82	—	—	(2)	80
General and administrative expenses	180	1	25	65	271
Deferral of acquisition costs	(149)	—	1	—	(148)
Amortization of deferred acquisition costs	137	—	2	—	139
Total Operating Benefits and Expenses	834	82	293	82	1,291
Pretax Adjusted Operating Earnings	$ 419	$ 31	$ 19	$ (80)	$ 389

Intersegment eliminations in the above tables are included in the Corporate and Other segment. These include the elimination of investment income, between Retail Annuities and the Corporate and Other segments, as well as the elimination from fee income and investment income of investment fees paid by Jackson Financial and its subsidiaries to PPM, which were $21 million and $19 million for the three months ended March 31, 2025 and 2024, respectively.

The following table summarizes the reconciling items from the non-GAAP measure of total operating revenues to the U.S. GAAP measure of total revenues attributable to the Company (in millions):

	Three Months Ended March 31,	
	2025	**2024**
Total operating revenues	$ 1,773	$ 1,680
Fees attributed to guarantee benefit reserves	768	788
Net gains (losses) on hedging instruments and investments	982	(3,085)
Net investment income (loss) related to noncontrolling interests	6	7
Consolidated investments	(6)	18
Net investment income on funds withheld assets	227	270
Total revenues [(1)]	$ 3,750	$ (322)

[(1)] Substantially all the Company's revenues originated in the U.S. There were no customers that, individually, generate revenues that exceeded 10% of total revenues attributable to the Company.

The following table summarizes the reconciling items from the non-GAAP measure of total operating benefits and expenses to the U.S. GAAP measure of total benefits and expenses attributable to the Company (in millions):

	Three Months Ended March 31,	
	2025	2024
Total operating benefits and expenses	$ 1,331	$ 1,291
Net (gain) loss on market risk benefits	2,246	(2,718)
Benefits attributed to guaranteed benefit features	62	63
Amortization of DAC related to non-operating revenues and expenses	128	139
Total benefits and expenses	$ 3,767	$ (1,225)

The following table summarizes the reconciling items, from the non-GAAP measure of pretax adjusted operating earnings to the U.S. GAAP measure of net income attributable to the Company (in millions):

	Three Months Ended March 31,	
	2025	2024
Pretax adjusted operating earnings	$ 442	$ 389
Pre-tax reconciling items from adjusted operating income to net income (loss) attributable to Jackson Financial Inc.:		
Fees attributable to guarantee benefit reserves	768	788
Net gains (losses) on hedging instruments	1,011	(2,576)
Market risk benefits gains (losses), net	(2,246)	2,718
Net reserve and embedded derivative movements	333	(364)
Total net hedging results	(134)	566
Amortization of DAC associated with non-operating items at date of transition to LDTI	(128)	(139)
Net realized investment gains (losses)	(66)	(7)
Net realized investment gains (losses) on funds withheld assets	(388)	(201)
Net investment income on funds withheld assets	227	270
Other items	24	18
Pretax income (loss) attributable to Jackson Financial Inc.	(23)	896
Income tax expense (benefit)	1	101
Net income (loss) attributable to Jackson Financial Inc.	(24)	795
Less: Dividends on preferred stock	11	11
Net income (loss) attributable to Jackson Financial Inc. common shareholders	$ (35)	$ 784

The following table summarizes total assets by segment (in millions):

	March 31, 2025	December 31, 2024
Retail Annuities	$ 284,835	$ 296,621
Closed Life and Annuity Blocks	26,243	26,700
Institutional Products	10,239	9,332
Corporate and Other	5,876	5,797
Total Assets	$ 327,193	$ 338,450

4. Investments

Investments consist primarily of fixed-income securities and loans, principally publicly-traded corporate and government bonds, asset-backed securities and mortgage loans. Asset-backed securities include mortgage-backed and other structured securities. The Company generates the majority of its general account deposits from interest-sensitive individual annuity contracts, life insurance products and institutional products on which it has committed to pay a declared rate of interest. The Company's strategy of investing in fixed-income securities and loans seeks the matching of the asset yield with the amounts credited to the interest-sensitive liabilities and to earn a stable return on its investments.

Debt Securities

The following table sets forth the composition of the fair value of debt securities at March 31, 2025, and December 31, 2024, classified by rating categories as assigned by a nationally recognized statistical rating organization (a "rating agency"), the National Association of Insurance Commissioners (the "NAIC"), or if not rated by such organizations, the Company's investment advisors. The Company uses the second lowest rating by a rating agency when rating agencies' ratings are not equivalent and, for purposes of the table, if not otherwise rated by a rating agency, the NAIC rating of a security is converted to an equivalent rating agency rating. At March 31, 2025 and December 31, 2024, the carrying value of investments rated by the Company's consolidated investment advisor totaled $723 million and $417 million, respectively.

	Percent of Total Debt Securities Carrying Value	
	March 31, 2025	**December 31, 2024**
Investment Rating		
U.S. government securities	7.1%	7.3%
AAA	5.8%	6.1%
AA	9.9%	9.6%
A	31.5%	31.2%
BBB	38.2%	38.8%
Investment grade	92.5%	93.0%
BB	3.1%	3.1%
B and below	4.4%	3.9%
Below investment grade	7.5%	7.0%
Total debt securities	100.0%	100.0%

At March 31, 2025 and December 31, 2024, the total carrying value of debt securities in an unrealized loss position consisted of:

	March 31, 2025	December 31, 2024
Investment grade securities	79%	79%
Below investment grade securities	1%	1%
Not rated securities	20%	20%

Unrealized losses on debt securities that were below investment grade or not rated were approximately 19% and 19% of the aggregate gross unrealized losses on available-for-sale debt securities at March 31, 2025 and December 31, 2024, respectively.

Corporate securities in an unrealized loss position were diversified across industries as follows (in millions, except percentages):

	March 31, 2025	December 31, 2024
Industries accounting for the largest percentage of corporate gross unrealized losses:		
Utility	18%	18%
Financial Services	12%	13%
Largest unrealized loss related to a single corporate obligor	$ 59	$ 61

At March 31, 2025 and December 31, 2024, the amortized cost, allowance for credit loss ("ACL"), gross unrealized gains and losses, and fair value of debt securities, including trading securities and securities carried at fair value under the fair value option, were as follows (in millions):

March 31, 2025	Amortized Cost [1]	Allowance for Credit Loss	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. government securities	$ 4,127	$ —	$ 2	$ 869	$ 3,260
Other government securities	1,287	—	1	221	1,067
Public utilities	5,892	—	41	537	5,396
Corporate securities	31,569	8	209	2,413	29,357
Residential mortgage-backed	350	6	28	29	343
Commercial mortgage-backed	1,698	—	4	79	1,623
Other asset-backed securities	4,819	26	15	181	4,627
Total debt securities	$ 49,742	$ 40	$ 300	$ 4,329	$ 45,673

December 31, 2024	Amortized Cost [1]	Allowance for Credit Loss	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. government securities	$ 4,120	$ —	$ 1	$ 962	$ 3,159
Other government securities	1,345	—	1	252	1,094
Public utilities	5,716	—	29	589	5,156
Corporate securities	30,581	8	137	2,732	27,978
Residential mortgage-backed	374	6	14	44	338
Commercial mortgage-backed	1,674	—	3	100	1,577
Other asset-backed securities	4,243	25	11	196	4,033
Total debt securities	$ 48,053	$ 39	$ 196	$ 4,875	$ 43,335

[1] Amortized cost, apart from the carrying value for securities carried at fair value under the fair value option and trading securities.

The amortized cost, ACL, gross unrealized gains and losses, and fair value of debt securities at March 31, 2025, by contractual maturity, are shown below (in millions). Actual maturities may differ from contractual maturities where securities can be called or prepaid with or without early redemption penalties.

	Amortized Cost (1)	Allowance for Credit Loss	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Due in 1 year or less	$ 1,656	$ —	$ 1	$ 7	$ 1,650
Due after 1 year through 5 years	12,471	7	80	360	12,184
Due after 5 years through 10 years	12,298	1	115	555	11,857
Due after 10 years through 20 years	9,021	—	51	1,413	7,659
Due after 20 years	7,429	—	6	1,705	5,730
Residential mortgage-backed	350	6	28	29	343
Commercial mortgage-backed	1,698	—	4	79	1,623
Other asset-backed securities	4,819	26	15	181	4,627
Total	$ 49,742	$ 40	$ 300	$ 4,329	$ 45,673

(1) Amortized cost, apart from the carrying value for securities carried at fair value under the fair value option and trading securities.

As required by law in various states in which business is conducted, securities with a carrying value of $87 million and $83 million at March 31, 2025 and December 31, 2024, respectively, were on deposit with regulatory authorities.

Residential mortgage-backed securities ("RMBS") include certain RMBS that are collateralized by residential mortgage loans and are neither expressly nor implicitly guaranteed by U.S. government agencies ("non-agency RMBS"). The Company's non-agency RMBS include investments in securities backed by prime, Alt-A, and subprime loans, as follows (in millions):

March 31, 2025	Amortized Cost (1)	Allowance for Credit Loss	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Prime	$ 134	$ 3	$ 3	$ 15	$ 119
Alt-A	28	2	19	1	44
Subprime	5	1	5	—	9
Total non-agency RMBS	$ 167	$ 6	$ 27	$ 16	$ 172
December 31, 2024	**Amortized Cost (1)**	**Allowance for Credit Loss**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
Prime	$ 145	$ 3	$ 2	$ 18	$ 126
Alt-A	52	3	8	11	46
Subprime	5	—	4	—	9
Total non-agency RMBS	$ 202	$ 6	$ 14	$ 29	$ 181

(1) Amortized cost, apart from carrying value for securities carried at fair value under the fair value option and trading securities.

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.

The following table summarizes the number of securities, fair value and the gross unrealized losses of debt securities, aggregated by investment category and length of time that individual debt securities have been in a continuous loss position (dollars in millions):

	March 31, 2025			December 31, 2024		
	Less than 12 months			**Less than 12 months**		
	Gross Unrealized Losses	**Fair Value**	**# of securities**	**Gross Unrealized Losses**	**Fair Value**	**# of securities**
U.S. government securities	$ 1	$ 61	11	$ 6	$ 172	21
Other government securities	1	40	11	2	47	13
Public utilities	20	696	76	26	835	92
Corporate securities	99	4,299	536	179	5,998	694
Residential mortgage-backed	2	71	40	3	96	52
Commercial mortgage-backed	15	300	35	18	265	31
Other asset-backed securities	11	1,196	120	9	641	51
Total temporarily impaired securities	$ 149	$ 6,663	829	$ 243	$ 8,054	954
	12 months or longer			**12 months or longer**		
	Gross Unrealized Losses	**Fair Value**	**# of securities**	**Gross Unrealized Losses**	**Fair Value**	**# of securities**
U.S. government securities	$ 868	$ 2,245	22	$ 956	$ 2,149	23
Other government securities	220	973	118	250	1,026	130
Public utilities	517	3,461	439	563	3,486	449
Corporate securities	2,314	13,507	1,750	2,553	13,956	1,828
Residential mortgage-backed	27	169	190	41	187	204
Commercial mortgage-backed	64	878	136	82	1,002	150
Other asset-backed securities	170	1,615	188	187	1,609	194
Total temporarily impaired securities	$ 4,180	$ 22,848	2,843	$ 4,632	$ 23,415	2,978
	Total			**Total**		
	Gross Unrealized Losses	**Fair Value**	**# of securities [1]**	**Gross Unrealized Losses**	**Fair Value**	**# of securities [1]**
U.S. government securities	$ 869	$ 2,306	28	$ 962	$ 2,321	38
Other government securities	221	1,013	129	252	1,073	142
Public utilities	537	4,157	503	589	4,321	524
Corporate securities	2,413	17,806	2,171	2,732	19,954	2,380
Residential mortgage-backed	29	240	229	44	283	255
Commercial mortgage-backed	79	1,178	163	100	1,267	175
Other asset-backed securities	181	2,811	297	196	2,250	238
Total temporarily impaired securities	$ 4,329	$ 29,511	3,520	$ 4,875	$ 31,469	3,752

[1] Certain securities contain multiple lots and fit the criteria of both aging groups.

Debt securities in an unrealized loss position as of March 31, 2025 did not require an impairment recognized in earnings as (i) the Company did not intend to sell these debt securities, (ii) it is not more likely than not that the Company will be required to sell these securities before recovery of their amortized cost basis, and (iii) the difference in the fair value compared to the amortized cost was due to factors other than credit loss. Based upon this evaluation, the Company believes it has the ability to generate adequate amounts of cash from normal operations to meet cash requirements with a reasonable margin of safety without requiring the sale of impaired securities.

As of March 31, 2025, unrealized losses associated with debt securities are primarily due to widening credit spreads or rising risk-free rates since purchase. As described below, the Company performed analyses of the financial performance of the underlying issues in an unrealized loss position and believes that recovery of the entire amortized cost of each impaired security is expected.

Evaluation of Available-for-Sale Debt Securities for Credit Loss

For debt securities in an unrealized loss position, management first assesses whether the Company has the intent to sell, or whether it is more likely than not it will be required to sell, the security before the amortized cost basis is fully recovered. If either criterion is met, the amortized cost is written down to fair value through net gains (losses) on derivatives and investments as an impairment. If neither criterion is met, the securities are further evaluated to determine if the cause of the decline in fair value resulted from credit losses or other factors, such as estimates about issuer operations and future earnings potential.

The credit loss evaluation for a security may consider one or more the following:

- the extent to which the fair value is below amortized cost;
- changes in ratings;
- whether a significant covenant has been breached; assessments of the issuer's ability to make scheduled debt payments based upon judgments related to its current and projected financial position, including whether it has filed or indicated a possibility of filing for bankruptcy, has missed or announced it intends to miss a scheduled debt service payment, or has experienced a specific material adverse change that may impair its creditworthiness;
- the existence of, and realizable value of, any collateral backing the obligations;
- the macro-economic and micro-economic outlooks for the issuer and its industry;
- for asset-backed securities: includes an assessment of future estimated cash flows under 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, such as current and projected default or delinquency rates, levels of credit enhancement, current subordination levels, vintage, expected loss severity and other relevant characteristics; and
- for mortgage-backed securities, credit losses are 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 based on the transaction structure and any existing subordination and credit enhancements. 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 timing, 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.

These estimates reflect a combination of data derived by third parties and internally developed assumptions. Where possible, this data is benchmarked against other third-party sources. In addition, these estimates are extrapolated along a default timing curve to estimate the total lifetime pool default rate. When a credit loss is determined to exist and the present value of cash flows expected to be collected is less than the amortized cost of the security, an allowance for credit loss is recorded along with a charge to net gains (losses) on derivatives and investments, limited by the amount that the fair value is less than amortized cost. Any remaining unrealized loss after recording the allowance for credit loss is the non-credit amount and is recorded to other comprehensive income.

There are inherent uncertainties in assessing the fair values assigned to the Company's investments. The Company's reviews of net present value and fair value involve several criteria including economic conditions, credit loss experience, other issuer-specific developments and estimated future cash flows. These assessments are based on the best available information at the time. Factors such as market liquidity, the widening of bid/ask spreads and a change in the cash flow assumptions can contribute to future price volatility. If actual experience differs negatively from the assumptions and other considerations used in the Condensed Consolidated Financial Statements, unrealized losses currently reported in accumulated other comprehensive income (loss) may be recognized in the Consolidated Income Statements in future periods.

The Company currently has no intent to sell securities with unrealized losses considered to be temporary until they mature or recover in value and believes that it has the ability to do so. However, if the specific facts and circumstances surrounding an individual security, or the outlook for its industry sector change, the Company may sell the security prior to its maturity or recovery and realize a loss.

The allowance for credit loss for specific debt securities may be increased or reversed in subsequent periods due to changes in the assessment of the present value of cash flows that are expected to be collected. Any changes to the allowance for credit loss are recorded as a provision for (or reversal of) credit loss expense in net gains (losses) on derivatives and investments.

When all, or a portion, of a security is deemed uncollectible, the uncollectible portion is written-off with an adjustment to amortized cost and a corresponding reduction to the allowance for credit losses.

Accrued interest receivables are presented separate from the amortized cost basis of debt securities. Accrued interest receivables that are determined to be uncollectible are written off with a corresponding reduction to net investment income. Accrued interest of nil and nil was written off during the three months ended March 31, 2025 and 2024, respectively.

The roll-forward of the allowance for credit loss for available-for-sale securities by sector is as follows (in millions):

Three Months Ended March 31, 2025	**US government securities**	**Other government securities**	**Public utilities**	**Corporate securities**	**Residential mortgage-backed**	**Commercial mortgage-backed**	**Other asset-backed securities**	**Total**
Balance at January 1, 2025	$ —	$ —	$ —	$ 8	$ 6	$ —	$ 25	$ 39
Additions for which credit loss was not previously recorded	—	—	—	—	—	1	—	1
Changes for securities with previously recorded credit loss	—	—	—	—	—	—	1	1
Additions for purchases of PCD debt securities [1]	—	—	—	—	—	—	—	—
Reductions from charge-offs	—	—	—	—	—	—	—	—
Reductions for securities disposed	—	—	—	—	—	—	—	—
Securities intended/required to be sold before recovery of amortized cost basis	—	—	—	—	—	(1)	—	(1)
Balance at March 31, 2025 [2]	$ —	$ —	$ —	$ 8	$ 6	$ —	$ 26	$ 40

Three Months Ended March 31, 2024	**US government securities**	**Other government securities**	**Public utilities**	**Corporate securities**	**Residential mortgage-backed**	**Commercial mortgage-backed**	**Other asset-backed securities**	**Total**
Balance at January 1, 2024	$ —	$ —	$ —	$ 15	$ 6	$ —	$ —	$ 21
Additions for which credit loss was not previously recorded	—	—	—	—	—	—	1	1
Changes for securities with previously recorded credit loss	—	—	—	—	—	—	—	—
Additions for purchases of PCD debt securities [1]	—	—	—	—	—	—	—	—
Reductions from charge-offs	—	—	—	—	—	—	—	—
Reductions for securities disposed	—	—	—	(2)	—	—	—	(2)
Securities intended/required to be sold before recovery of amortized cost basis	—	—	—	—	—	—	—	—
Balance at March 31, 2024 [2]	$ —	$ —	$ —	$ 13	$ 6	$ —	$ 1	$ 20

[1] Represents purchased credit-deteriorated ("PCD") fixed maturity available-for-sale securities.

[2] Accrued interest receivable on debt securities totaled $448 million and $403 million as of March 31, 2025 and 2024, respectively, and was excluded from the determination of credit losses for the three months ended March 31, 2025 and 2024.

Net Investment Income

The sources of net investment income were as follows (in millions):

	Three Months Ended March 31,	
	2025	2024
Debt securities [(1)]	$ 431	$ 404
Equity securities	1	2
Mortgage loans	83	83
Policy loans	17	17
Limited partnerships	38	41
Other investment income	52	39
Total investment income excluding funds withheld assets	622	586
Investment expenses [(2)]	(94)	(122)
Net investment income excluding funds withheld assets	528	464
Net investment income on funds withheld assets (see Note 8)	227	270
Net investment income	$ 755	$ 734

[(1)] Includes changes in fair value gains (losses) on trading securities and includes $(10) million and $25 million for the three months ended March 31, 2025 and 2024, respectively, related to the change in fair value for securities carried under the fair value option.
[(2)] Includes expenses from consolidated variable interest entities, which includes changes in fair value of notes issued by those entities, of $(32) million and $(58) million for the three months ended March 31, 2025 and 2024, respectively.

Unrealized gains (losses) included in investment income that were recognized on equity securities held were $(2) million and $7 million for the three months ended March 31, 2025 and 2024, respectively.

Net Gains (Losses) on Derivatives and Investments

The following table summarizes net gains (losses) on derivatives and investments (in millions):

	Three Months Ended March 31,	
	2025	2024
Available-for-sale securities		
Realized gains on sale	$ 3	$ 13
Realized losses on sale	(12)	(81)
Credit loss income (expense) on mortgage loans	(11)	(4)
Other [(1)]	(46)	65
Net gains (losses) excluding derivatives and funds withheld assets	(66)	(7)
Net gains (losses) on derivative instruments (see Note 5)	1,409	(2,885)
Net gains (losses) on derivatives and investments	1,343	(2,892)
Net gains (losses) on funds withheld reinsurance treaties (see Note 8)	(388)	(201)
Total net gains (losses) on derivatives and investments	$ 955	$ (3,093)

[(1)] Includes the foreign currency gain or loss related to foreign denominated trust instruments supporting funding agreements.

Net gains (losses) on funds withheld reinsurance treaties represents income (loss) from the sale of investments held in segregated funds withheld accounts in support of reinsurance agreements for which Jackson retains legal ownership of the underlying investments. These gains (losses) are increased or decreased by changes in the embedded derivative liability related to the Athene Life Re Ltd. ("Athene") funds withheld coinsurance agreement (the “Athene Reinsurance Transaction”) and also include (i) changes in the related funds withheld payable, as all economic performance of the investments held in the segregated accounts inure to the benefit of the reinsurers under the respective reinsurance agreements with each reinsurer, and (ii) amortization of the difference between book value and fair value of the investments as of the effective date of the reinsurance agreements with each reinsurer.

The aggregate fair value of securities sold at a loss for the three months ended March 31, 2025 and 2024 was $669 million and $1.3 billion, which was approximately 95% and 93% of book value, respectively.

Proceeds from sales of available-for-sale debt securities were $934 million and $1.7 billion during the three months ended March 31, 2025 and 2024, respectively.

Consolidated Variable Interest Entities ("VIEs")

The Company concluded that the following entities are VIEs and that the Company is the primary beneficiary as it has both the power to direct the most significant activities of the VIE and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. In each case, the Company's exposure to loss is limited to the capital invested plus, in the cases of the limited liability companies ("LLCs") and the Private Equity Funds, unfunded capital commitments. Creditors of the consolidated VIEs do not have recourse to the general credit of the Company.

- The Company funds affiliated LLCs to facilitate the issuance of collateralized loan obligations ("CLOs"). The Company's policy is to record the consolidation of VIEs on a one-month lag due to the timing of when information is available from the VIE. In March 2025, a consolidated VIE issued $370 million par, net of the Company's holding, of collateralized loan obligations, which was not reflected in the Company's Condensed Consolidated Balance Sheet as of March 31, 2025 due to the reporting lag.

- Private Equity Funds III – VIII are limited partnership structures that invest the ownership capital in portfolios of various other limited partnership structures. Private Equity Fund IX was created in the third quarter of 2024, but is not expected to be funded by the Company until the second half of 2025.

- PPM has created and managed institutional share class mutual funds, where Jackson seeds new funds, or new share classes within a fund, when deemed necessary to develop the requisite track record prior to allowing investment by external parties. These mutual funds ceased operations during the year ended December 31, 2024.

Asset and liability information for the consolidated VIEs included on the Condensed Consolidated Balance Sheets are as follows (in millions):

	March 31, 2025	December 31, 2024
Assets		
Debt securities, at fair value under fair value option	$ 2,793	$ 2,429
Equity securities	6	6
Other invested assets	643	620
Cash and cash equivalents	153	178
Other assets	101	51
Total assets	$ 3,696	$ 3,284
Liabilities		
Notes issued by consolidated VIEs, at fair value under fair value option	$ 2,304	$ 2,343
Other liabilities	735	279
Total other liabilities	3,039	2,622
Total liabilities	$ 3,039	$ 2,622
Equity		
Noncontrolling interests	$ 224	$ 218

Unconsolidated VIEs

The Company has concluded the following entities are VIEs but does not consolidate them. Based on analysis of the limited partnerships ("LPs"), LLCs and the mutual funds, the Company is not the primary beneficiary of the VIE because the Company lacks the power to direct the activities of the VIE that most significantly impact the VIE's performance or lacks the obligation to absorb losses or the right to receive benefits that could potentially be significant to the entities, or lacks both.

- The carrying amounts of the Company’s investments in certain LPs and LLCs are recognized in other invested assets on the Condensed Consolidated Balance Sheets. Unfunded capital commitments for these investments are detailed in Note 16 of the Notes to Condensed Consolidated Financial Statements. The Company’s exposure to loss was limited to $2,597 million and $2,637 million as of March 31, 2025 and December 31, 2024, respectively, representing the aggregate capital invested and unfunded capital commitments related to the LPs/LLCs at those dates. The capital invested in an LP or LLC equals the original capital contributed, increased for additional capital contributed after the initial investment, and reduced for any returns of capital from the LP or LLC. LPs and LLCs are carried at fair value.

- The Company's investments in certain mutual funds are recognized in equity securities on the Condensed Consolidated Balance Sheets and were $18 million and $19 million as of March 31, 2025 and December 31, 2024, respectively. The Company’s maximum exposure to loss on these mutual funds is limited to the amortized cost for these investments.

The Company makes investments in structured debt securities issued by VIEs for which it is not the manager. These structured debt securities include RMBS, Commercial Mortgage-Backed Securities ("CMBS"), and asset-backed securities ("ABS"). The Company does not consolidate the securitization trusts utilized in these transactions because it does not have the power to direct the activities that most significantly impact the economic performance of these securitization trusts. The Company does not consider its continuing involvement with these VIEs to be significant because it either invests in securities issued by the VIE and was not involved in the design of the VIE or no transfers have occurred between the Company and the VIE. The Company’s maximum exposure to loss on these structured debt securities is limited to the amortized cost of these investments. The Company does not have any further contractual obligations to the VIE. The Company recognizes the variable interest in these VIEs at fair value on the Condensed Consolidated Balance Sheets.

Commercial and Residential Mortgage Loans

The following table shows commercial mortgage loans, residential mortgage loans, and the respective accrued interest thereon (in millions):

	March 31, 2025	December 31, 2024
Commercial mortgage loans [1]	$ 8,971	$ 8,826
Accrued interest receivable on commercial mortgage loans	34	34
Residential mortgage loans [2]	1,055	1,085
Accrued interest receivable on residential mortgage loans	8	7

[1] Net of an allowance for credit losses of $116 million and $116 million at each date, respectively.
[2] Net of an allowance for credit losses of $14 million and $5 million at each date, respectively.

At March 31, 2025, commercial mortgage loans were collateralized by properties located in 36 states, the District of Columbia, and Europe, while residential mortgage loans were collateralized by properties located in 49 states, the District of Columbia, Mexico, and Europe.

Evaluation for Credit Losses on Mortgage Loans

The Company reviews mortgage loans that are not carried at fair value under the fair value option on a quarterly basis to estimate the ACL with changes in the ACL recorded in net gains (losses) on derivatives and investments. Apart from an ACL recorded on individual mortgage loans where the borrower is experiencing financial difficulties, the Company records an ACL on the pool of mortgage loans based on lifetime expected credit losses. The Company utilizes a third-party forecasting model to estimate lifetime expected credit losses at a loan level for mortgage loans. The model forecasts net operating income and property values for the economic scenario selected. The debt service coverage ratios ("DSCR") and loan to values ("LTV") are calculated over the forecastable period by comparing the projected net operating income and property valuations to the loan payment and principal amounts of each loan. The model utilizes historical mortgage loan performance based on DSCRs and LTV to derive probability of default and expected losses based on the economic scenario that is similar to the Company's expectations of economic factors such as unemployment, gross domestic product growth, and interest rates. The Company determined the forecastable period to be reasonable and supportable for a period of two years beyond the end of the reporting period. Over the following one-year period, the model reverts to the historical performance of the portfolio for the remainder of the contractual term of the loans. In cases where the Company does not have an appropriate length of historical performance, the relevant historical rate from an index or the lifetime expected credit loss calculated from the model may be used.

Unfunded commitments are included in the model and an ACL is determined accordingly. Credit loss estimates are pooled by property type and the Company does not include accrued interest in the determination of ACL.

For individual loans or for types of loans for which the third-party model is deemed not suitable, the Company utilizes relevant current market data, industry data, and publicly available historical loss rates to calculate an estimate of the lifetime expected credit loss.

Mortgage loans on real estate deemed uncollectible are charged against the ACL, and subsequent recoveries, if any, are credited to the ACL, limited to the aggregate of amounts previously charged-off and expected to be charged-off. Mortgage loans on real estate are presented net of the ACL on the Condensed Consolidated Balance Sheets.

The following table provides the change in the allowance for credit losses in the Company's mortgage loan portfolios (in millions):

Three Months Ended March 31, 2025	**Apartment**	**Hotel**	**Office**	**Retail**	**Warehouse**	**Other**	**Residential Mortgage**	**Total**
Balance at January 1, 2025	$ 23	$ 7	$ 44	$ 19	$ 20	$ 3	$ 5	$ 121
Charge offs, net of recoveries	—	—	(6)	—	—	—	—	(6)
Additions from purchase of PCD mortgage loans	—	—	—	—	—	—	—	—
Provision (release)	5	—	2	—	—	(1)	9	15
Balance at March 31, 2025 [(1) (2)]	$ 28	$ 7	$ 40	$ 19	$ 20	$ 2	$ 14	$ 130

Three Months Ended March 31, 2024	**Apartment**	**Hotel**	**Office**	**Retail**	**Warehouse**	**Other**	**Residential Mortgage**	**Total**
Balance at January 1, 2024	$ 28	$ 4	$ 78	$ 27	$ 17	$ 6	$ 5	$ 165
Charge offs, net of recoveries	—	—	—	—	—	—	—	—
Additions from purchase of PCD mortgage loans	—	—	—	—	—	—	—	—
Provision (release)	2	2	(5)	—	—	(1)	(1)	(3)
Balance at March 31, 2024 [(1) (2)]	$ 30	$ 6	$ 73	$ 27	$ 17	$ 5	$ 4	$ 162

(1) Accrued interest receivable totaled $42 million and $47 million as of March 31, 2025 and 2024, respectively, and was excluded from the determination of credit losses.

(2) Accrued interest amounting to nil and nil was written off as of March 31, 2025 and 2024, respectively, relating to loans that were greater than 90 days delinquent or in the process of foreclosure.

The Company's mortgage loans that are current and in good standing are accruing interest. Interest is not accrued on loans greater than 90 days delinquent and in process of foreclosure, when deemed uncollectible. Delinquency status is determined from the date of the first missed contractual payment.

The following table provides information about our residential mortgage loans in process of foreclosure (in millions):

	March 31, 2025	December 31, 2024
Recorded investment [1]	$ 33	$ 29
Unpaid principal balance	37	33
Related loan allowance	1	1
Average recorded investment	32	30
Investment income recognized	—	1

[1] At March 31, 2025 and December 31, 2024, includes $3 million and $2 million, respectively, of loans in process of foreclosure, all of which are loans supported with insurance or other guarantees provided by various governmental programs.

The following tables provide information about the credit quality with vintage year and category of mortgage loans (dollars in millions):

	March 31, 2025								
	2025	2024	2023	2022	2021	Prior	Revolving Loans	Total	% of Total
Commercial mortgage loans									
Loan to value ratios [1]:									
Less than 70%	$ 266	$ 577	$ 641	$ 453	$ 580	$ 4,848	$ —	$ 7,365	82 %
70% - 80%	36	105	48	204	327	386	—	1,106	12 %
80% - 100%	—	—	—	186	40	203	—	429	5 %
Greater than 100%	—	—	—	—	—	71	—	71	1 %
Total commercial mortgage loans	302	682	689	843	947	5,508	—	8,971	100 %
Debt service coverage ratios [2]:									
Greater than 1.20x	302	666	577	626	589	5,125	—	7,885	88 %
1.00x - 1.20x	—	16	104	141	245	313	—	819	9 %
Less than 1.00x	—	—	8	76	113	70	—	267	3 %
Total commercial mortgage loans	302	682	689	843	947	5,508	—	8,971	100 %
Residential mortgage loans									
Performing	37	311	71	23	122	394	—	958	91 %
Nonperforming	—	—	23	37	7	30	—	97	9 %
Total residential mortgage loans	37	311	94	60	129	424	—	1,055	100 %
Total mortgage loans	$ 339	$ 993	$ 783	$ 903	$ 1,076	$ 5,932	$ —	$ 10,026	100 %

[1] The loan to value ratio is derived from current loan balance divided by the fair value of the property. The fair value of the underlying commercial properties is updated annually for each mortgage loan.
[2] The debt service coverage ratio is calculated using the most recently reported operating income results from property operations divided by annual debt service.

	December 31, 2024								
	2024	2023	2022	2021	2020	Prior	Revolving Loans	Total	% of Total
Commercial mortgage loans									
Loan to value ratios [1]:									
Less than 70%	$ 577	$ 639	$ 505	$ 594	$ 481	$ 4,504	$ 4	$ 7,304	83 %
70% - 80%	105	49	204	312	169	235	—	1,074	12 %
80% - 100%	—	—	130	40	—	168	—	338	4 %
Greater than 100%	—	—	—	20	28	62	—	110	1 %
Total commercial mortgage loans	682	688	839	966	678	4,969	4	8,826	100 %
Debt service coverage ratios [2]:									
Greater than 1.20x	666	578	627	590	570	4,693	4	7,728	88 %
1.00x - 1.20x	16	103	135	262	108	205	—	829	9 %
Less than 1.00x	—	7	77	114	—	71	—	269	3 %
Total commercial mortgage loans	682	688	839	966	678	4,969	4	8,826	100 %
Residential mortgage loans									
Performing	304	110	32	132	65	344	—	987	91 %
Nonperforming	—	18	45	4	6	25	—	98	9 %
Total residential mortgage loans	304	128	77	136	71	369	—	1,085	100 %
Total mortgage loans	$ 986	$ 816	$ 916	$ 1,102	$ 749	$ 5,338	$ 4	$ 9,911	100 %

[1] The loan to value ratio is derived from current loan balance divided by the fair value of the property. The fair value of the underlying commercial properties is updated annually for each mortgage loan.
[2] The debt service coverage ratio is calculated using the most recently reported operating income results from property operations divided by annual debt service.

	Accruing Loans [1]						
March 31, 2025	Current	30-89 Days Past Due [2]	90 Days or Greater Past Due [2]	Non-accrual Loans [1]	Total Loans [1]	Non-accrual Loans with No Allowance [1]	Interest Income on Non-accrual Loans
Apartment	$ 2,510	$ —	$ —	$ —	$ 2,510	$ —	$ —
Hotel	828	—	—	—	828	—	—
Office	1,267	—	—	—	1,267	—	—
Retail	1,778	—	—	—	1,778	—	—
Warehouse	2,150	—	—	—	2,150	—	—
Other	554	—	—	—	554	—	—
Total commercial	9,087	—	—	—	9,087	—	—
Residential [2]	768	203	20	78	1,069	—	—
Total	$ 9,855	$ 203	$ 20	$ 78	10,156	$ —	$ —
ACL					(130)		
Total with ACL					$ 10,026		

	Accruing Loans [1]						
December 31, 2024	**Current**	**30-89 Days Past Due [2]**	**90 Days or Greater Past Due [2]**	**Non-accrual Loans [1]**	**Total Loans [1]**	**Non-accrual Loans with No Allowance [1]**	**Interest Income on Non-accrual Loans**
Apartment	$ 2,450	$ —	$ —	$ —	$ 2,450	$ —	$ —
Hotel	835	—	—	—	835	—	—
Office	1,317	—	—	—	1,317	—	—
Retail	1,685	—	—	—	1,685	—	—
Warehouse	2,134	—	—	—	2,134	—	—
Other	521	—	—	—	521	—	—
Total commercial	8,942	—	—	—	8,942	—	—
Residential [2]	833	154	24	79	1,090	—	2
Total	$ 9,775	$ 154	$ 24	$ 79	$ 10,032	$ —	$ 2
ACL					(121)		
Total with ACL					$ 9,911		

[1] Amortized cost or fair value for loans carried at fair value under the fair value option.
[2] At March 31, 2025 and December 31, 2024, includes $24 million and $24 million, respectively, of loans 30-89 days past due and $20 million and $24 million, respectively, of loans 90 days or greater past due and supported with insurance or other guarantees provided by various governmental programs.

The following table provides information about the mortgage loans modified during the periods indicated to borrowers experiencing financial difficulty (dollars in millions):

	Term Extension	
	Amortized Cost Basis	**Percent of Total Class**
Three Months Ended March 31, 2025		
Commercial mortgage loans	$ —	— %
Three Months Ended March 31, 2024		
Commercial mortgage loans	$ 27	0.28 %

As of March 31, 2025, the above modified loans had no unfunded commitment.

The following table describes the financial effect of the modifications made to the loans noted above:

	Term Extension
	Financial Effect
Three Months Ended March 31, 2024	
Commercial mortgage loans	Granted extension of term for three-years and rate converted from variable to 4% fixed.

The Company closely monitors the performance of the loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following table depicts the performance of loans that have been modified in the last 12 months (in millions):

	Payment Status (Amortized Cost Basis)		
	Current	30-89 Days Past Due	90+ Days Past Due
March 31, 2025			
Commercial mortgage loans	$ —	$ —	$ —
March 31, 2024			
Commercial mortgage loans	$ 43	$ —	$ —

As of March 31, 2025 and 2024, stressed mortgage loans for which the Company is dependent, or expects to be dependent, on the underlying property to satisfy repayment were $29 million and $19 million, respectively.

Policy Loans

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. At March 31, 2025 and December 31, 2024, $3.5 billion and $3.5 billion of these loans were carried at fair value, which the Company believes is equal to unpaid principal balances, plus accrued investment income. At March 31, 2025 and December 31, 2024, the Company had $0.9 billion and $0.9 billion, respectively, of policy loans not held as collateral for reinsurance, which were carried at the unpaid principal balances.

Other Invested Assets

Other invested assets primarily include investments in Federal Home Loan Bank of Indianapolis ("FHLBI") capital stock, limited partnerships (“LPs”), and real estate. FHLBI capital stock is carried at cost and adjusted for any impairment. At March 31, 2025 and December 31, 2024, FHLB capital stock had a carrying value of $102 million and $127 million, respectively. Real estate is carried at the lower of depreciated cost or fair value and real estate occupied by the Company is carried at depreciated cost. At March 31, 2025 and December 31, 2024, real estate totaling $231 million and $232 million, respectively, included foreclosed properties with a book value of $15 million and $14 million at March 31, 2025 and December 31, 2024, respectively. Carrying values for LP investments are generally determined by using the proportion of the Company’s investment in each fund (Net Asset Value (“NAV”) equivalent) as a practical expedient for fair value, and generally are recorded on a three-month lag, with changes in value included in net investment income. At March 31, 2025 and December 31, 2024, investments in LPs had carrying values of $2.5 billion and $2.5 billion, 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. As of March 31, 2025 and December 31, 2024, the estimated fair value of loaned securities was $69 million and $13 million, respectively. The agreements require a minimum of 102% of the fair value of the loaned securities to be held as collateral, calculated daily. To further minimize the credit risks related to these programs, the financial condition of counterparties is monitored on a regular basis. At March 31, 2025 and December 31, 2024, cash collateral received in the amount of $72 million and $14 million, respectively, was invested by the agent banks and included in cash and cash equivalents of the Company. A securities lending payable for the overnight and continuous loans is included in liabilities in the amount of cash collateral received. Securities lending transactions are used to generate income. Income and expenses associated with these transactions are reported as net investment income.

Repurchase Agreements

The Company routinely enters into repurchase agreements whereby the Company agrees to sell and repurchase securities. These agreements are accounted for as financing transactions, with the assets and associated liabilities included in the Condensed Consolidated Balance Sheets.

At March 31, 2025 and December 31, 2024, the outstanding repurchase agreement balance was $1.0 billion and $1.5 billion, respectively, having maturities within 30 days, and was included within repurchase agreements and securities lending payable in the Condensed Consolidated Balance Sheets. These repurchase agreements were collateralized with U.S. Treasury securities and corporate securities of $1.0 billion and $1.5 billion, respectively, at March 31, 2025 and December 31, 2024.

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. Interest expense totaled $12 million and $19 million for the three months ended March 31, 2025 and 2024, respectively, and is included within net investment income.

Collateral Upgrade Transactions

During the first quarter of 2024, Jackson executed certain paired repurchase and reverse repurchase 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) to bank counterparties in exchange for U.S. Treasury securities that the Company then uses to provide as collateral. The paired repurchase and reverse repurchase transactions are settled on a net basis. As a result, there was no cash exchanged at initiation of these agreements. The paired transactions are reported net within the Condensed Consolidated Balance Sheets. These transactions are evergreened and require at least 150-days' notice prior to termination.

At March 31, 2025 and December 31, 2024, the fair value of the U.S. treasuries received was $1.5 billion and $1.5 billion, respectively, collateralized with corporate securities with a fair value of $1.6 billion and $1.6 billion, respectively. Subsequently, the Company provided these U.S. Treasury securities as collateral for derivative trades, and they are included as part of the derivative collateral disclosures.

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. Gross interest income of $16 million and $12 million and gross interest expense of $19 million and $13 million for the three months ended March 31, 2025 and 2024, respectively, are included within net investment income.

5. Derivative Instruments

The Company's business model includes the acceptance, monitoring and mitigation of risk. Specifically, the Company considers, among other factors, exposures to interest rate and equity market movements, foreign exchange rates and other asset or liability prices. The Company uses derivative instruments to mitigate or reduce these risks in accordance with established policies and goals. The Company's derivative holdings, while effective in managing defined risks, are not structured to meet accounting requirements to be designated as hedging instruments. As a result, freestanding derivatives are carried at fair value with changes recorded in net gains (losses) on derivatives and investments.

A summary of the aggregate contractual or notional amounts and fair values of the Company's freestanding and embedded derivative instruments are as follows (in millions):

	March 31, 2025			
	Contractual/ Notional Amount [(1)]	**Assets Fair Value**	**Liabilities Fair Value**	**Net Fair Value Asset (Liability)**
Freestanding derivatives				
Cross-currency swaps	$ 1,651	$ 129	$ 126	$ 3
Equity index futures [(2)]	35,332	—	—	—
Equity index put options	11,500	293	—	293
Interest rate swaps	4,978	3	99	(96)
Interest rate futures [(2)]	29,338	—	—	—
Total return swaps	1,951	23	11	12
Bond forwards	4,263	104	9	95
Total freestanding derivatives	89,013	552	245	307
Embedded derivatives				
Fixed index annuity embedded derivatives [(3)]	N/A	—	817	(817)
Registered index linked annuity embedded derivatives [(3)]	N/A	—	2,833	(2,833)
Total embedded derivatives	N/A	—	3,650	(3,650)
Derivatives related to funds withheld under reinsurance treaties				
Cross-currency swaps	158	18	—	18
Cross-currency forwards	861	17	11	6
Funds withheld embedded derivative [(4)]	N/A	2,112	—	2,112
Total derivatives related to funds withheld under reinsurance treaties	1,019	2,147	11	2,136
Total	$ 90,032	$ 2,699	$ 3,906	$ (1,207)

(1) The notional amount for swaps and swaptions represents the stated principal balance used as a basis for calculating payments. The contractual amount for futures, forwards, and options represents the market exposure of open positions.

(2) Variation margin is considered settlement resulting in the netting of cash received/paid for variation margin against the fair value of the trades.

(3) Included within other contract holder funds on the Condensed Consolidated Balance Sheets. The non-performance risk adjustment is included in the balance above.

(4) Included within funds withheld payable under reinsurance treaties on the Condensed Consolidated Balance Sheets.

	December 31, 2024			
	Contractual/ Notional Amount [1]	**Assets Fair Value**	**Liabilities Fair Value**	**Net Fair Value Asset (Liability)**
Freestanding derivatives				
Cross-currency swaps	$ 1,725	$ 121	$ 151	$ (30)
Equity index futures [2]	33,104	—	—	—
Equity index put options	10,000	77	—	77
Interest rate swaps	5,978	3	177	(174)
Interest rate futures [2]	20,592	—	—	—
Total return swaps	2,065	39	—	39
Bond forwards	609	—	21	(21)
Total freestanding derivatives	74,073	240	349	(109)
Embedded derivatives				
Fixed index annuity embedded derivatives [3]	N/A	—	877	(877)
Registered index linked annuity embedded derivatives [3]	N/A	—	3,065	(3,065)
Total embedded derivatives	N/A	—	3,942	(3,942)
Derivatives related to funds withheld under reinsurance treaties				
Cross-currency swaps	158	18	1	17
Cross-currency forwards	1,017	39	11	28
Funds withheld embedded derivative [4]	N/A	2,314	—	2,314
Total derivatives related to funds withheld under reinsurance treaties	1,175	2,371	12	2,359
Total	$ 75,248	$ 2,611	$ 4,303	$ (1,692)

[1] The notional amount for swaps and swaptions represents the stated principal balance used as a basis for calculating payments. The contractual amount for futures, forwards, and options represents the market exposure of open positions.

[2] Variation margin is considered settlement resulting in the netting of cash received/paid for variation margin against the fair value of the trades.

[3] Included within other contract holder funds on the Condensed Consolidated Balance Sheets. The non-performance risk adjustment is included in the balance above.

[4] Included within funds withheld payable under reinsurance treaties on the Condensed Consolidated Balance Sheets.

The following table reflects the results of the Company’s derivatives, including gains (losses) and change in fair value of freestanding derivative instruments and embedded derivatives (in millions):

	Three Months Ended March 31,	
	2025	**2024**
Derivatives excluding funds withheld under reinsurance treaties		
Cross-currency swaps	$ 27	$ (59)
Equity index futures	147	(903)
Equity index put options	108	(114)
Interest rate swaps	28	(74)
Put-swaptions	—	(477)
Interest rate futures	476	(810)
Total return swaps	112	(147)
Bond forwards	115	—
Fixed index annuity embedded derivatives	(1)	(1)
Registered index linked annuity embedded derivatives	397	(300)
Total net gains (losses) on derivative instruments excluding derivative instruments related to funds withheld under reinsurance treaties	1,409	(2,885)
Derivatives related to funds withheld under reinsurance treaties		
Cross-currency swaps	1	1
Cross-currency forwards	(18)	13
Funds withheld embedded derivative	(201)	29
Total net gains (losses) on derivative instruments related to funds withheld under reinsurance treaties	(218)	43
Total net gains (losses) on derivative instruments including derivative instruments related to funds withheld under reinsurance treaties	$ 1,191	$ (2,842)

All the Company’s trade agreements for freestanding, over-the-counter derivatives 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 March 31, 2025 and December 31, 2024, the fair value of the Company’s net non-cleared, over-the-counter derivative assets by counterparty were $436 million and $203 million, respectively, and held collateral was $495 million and $252 million, respectively, related to these agreements. At March 31, 2025 and December 31, 2024, the fair value of the Company’s net non-cleared, over-the-counter derivative liabilities by counterparty were $105 million and $267 million, respectively, and provided collateral was $174 million and $302 million, respectively, related to these agreements. If all the downgrade provisions had been triggered at March 31, 2025 and December 31, 2024, in aggregate, the Company would have had to disburse $59 million and $49 million, respectively, and would have been allowed to claim $69 million and $35 million, respectively.

The Company pledged collateral of $1,389 million and $1,780 million as of March 31, 2025 and December 31, 2024, respectively, for initial margin related to uncleared margin for over-the-counter derivatives and exchange-traded futures. Variation margin on exchange traded futures is settled through the netting of cash paid/received for variation margin against the fair value of the trades.

Offsetting Assets and Liabilities

The Company’s derivative instruments, repurchase agreements and securities lending agreements are subject to master netting arrangements and collateral arrangements. A master netting arrangement with a counterparty creates a right of offset for amounts due to and due from that same counterparty that is enforceable in the event of a default or bankruptcy. The Company recognizes amounts subject to master netting arrangements on a gross basis within the Condensed Consolidated Balance Sheets.

The following tables present the gross and net information about the Company's financial instruments subject to master netting arrangements (in millions):

March 31, 2025	Gross Amounts Recognized	Gross Amounts Offset in the Condensed Consolidated Balance Sheets	Net Amounts Presented in the Condensed Consolidated Balance Sheets	Gross Amounts Not Offset in the Condensed Consolidated Balance Sheets: Financial Instruments [1]	Cash Collateral	Securities Collateral [2]	Net Amount
Financial Assets:							
Freestanding derivative assets	$ 587	$ —	$ 587	$ 151	$ 299	$ 113	$ 24
Financial Liabilities:							
Freestanding derivative liabilities	$ 256	$ —	$ 256	$ 151	$ 1	$ 104	$ —
Securities lending	72	—	72	—	72	—	—
Repurchase agreements	963	—	963	—	—	963	—
Repurchase agreements - collateral upgrade	1,514	(1,514)	—	—	—	—	—
Total financial liabilities	$ 2,805	$ (1,514)	$ 1,291	$ 151	$ 73	$ 1,067	$ —

[1] Represents the amount that could be offset under master netting or similar arrangements that management elects not to offset on the Condensed Consolidated Balance Sheets.

[2] Excludes initial margin amounts for exchange-traded derivatives.

December 31, 2024	Gross Amounts Recognized	Gross Amounts Offset in the Condensed Consolidated Balance Sheets	Net Amounts Presented in the Condensed Consolidated Balance Sheets	Gross Amounts Not Offset in the Condensed Consolidated Balance Sheets: Financial Instruments [1]	Cash Collateral	Securities Collateral [2]	Net Amount
Financial Assets:							
Freestanding derivative assets	$ 297	$ —	$ 297	$ 95	$ 149	$ 21	$ 32
Financial Liabilities:							
Freestanding derivative liabilities	$ 361	$ —	$ 361	$ 95	$ —	$ 215	$ 51
Securities lending	14	—	14	—	14	—	—
Repurchase agreements	1,540	—	1,540	—	—	1,540	—
Repurchase agreements - Collateral upgrade	1,476	(1,476)	—	—	—	—	—
Total financial liabilities	$ 3,391	$ (1,476)	$ 1,915	$ 95	$ 14	$ 1,755	$ 51

[1] Represents the amount that could be offset under master netting or similar arrangements that management elects not to offset on the Condensed Consolidated Balance Sheets.

[2] Excludes initial margin amounts for exchange-traded derivatives.

In the above tables, the amounts of assets or liabilities presented in the Company's Condensed Consolidated Balance Sheets are offset first by financial instruments that have the right of offset under master netting or similar arrangements with any remaining amount reduced by the amount of cash and securities collateral. The actual amount of collateral may be greater than amounts presented in the tables. The above tables exclude net embedded derivative liabilities of $3,650 million and $3,942 million as of March 31, 2025 and December 31, 2024, respectively, as these derivatives are not subject to master netting arrangements. The above tables also exclude the funds withheld embedded derivative asset (liability) of $2,112 million and $2,314 million at March 31, 2025 and December 31, 2024, respectively.

6. Fair Value Measurements

The following table summarizes the fair value and carrying value of the Company's financial instruments (in millions):

	March 31, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets				
Debt securities [1]	$ 45,673	$ 45,673	$ 43,335	$ 43,335
Equity securities	191	191	197	197
Mortgage loans [1]	10,026	9,594	9,911	9,351
Limited partnerships	2,511	2,511	2,505	2,505
Policy loans [1]	4,407	4,407	4,403	4,403
Freestanding derivative instruments	587	587	297	297
FHLBI capital stock	102	102	127	127
Cash and cash equivalents	3,887	3,887	3,767	3,767
Reinsurance recoverable on market risk benefits	126	126	121	121
Market risk benefit assets	7,326	7,326	8,899	8,899
Separate account assets	217,572	217,572	229,143	229,143
Liabilities				
Annuity reserves [2]	38,958	37,046	38,640	36,522
Market risk benefit liabilities	4,125	4,125	3,774	3,774
Reserves for guaranteed investment contracts [3]	571	566	556	546
Trust instruments supported by funding agreements [3]	6,755	6,754	5,892	5,825
FHLB funding agreements [3]	1,936	1,927	1,936	1,900
Funds withheld payable under reinsurance treaties [1]	16,275	16,275	16,742	16,742
Long-term debt	2,030	1,846	2,034	1,836
Securities lending payable [4]	72	72	14	14
Freestanding derivative instruments	256	256	361	361
Notes issued by consolidated VIEs	2,303	2,303	2,343	2,343
Repurchase agreements [4]	963	963	1,540	1,540
FHLB advances [5]	—	—	700	700
Separate account liabilities	217,572	217,572	229,143	229,143

[1] Includes items carried at fair value under the fair value option included as a component of debt securities.
[2] Annuity reserves exclude contracts classified as insurance contracts.
[3] Included as a component of other contract holder funds on the Condensed Consolidated Balance Sheets.
[4] Included as a component of repurchase agreements and securities lending payable on the Condensed Consolidated Balance Sheets.
[5] Included as a component of other liabilities on the Condensed Consolidated Balance Sheets.

The following is a discussion of the methodologies used to determine fair values of the financial instruments measured on a recurring basis reported in the following tables.

Debt and Equity Securities

The fair values for debt 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 reported trades, benchmark yields, credit spreads, liquidity premiums and/or estimated cash flows based on default and prepayment assumptions.

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. These securities are classified as Level 3 in the fair value hierarchy.

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, as defined below, 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 an 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 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 using 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 March 31, 2025 and December 31, 2024, 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.

Limited Partnerships

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 adjustments to these amounts were deemed necessary at March 31, 2025 and December 31, 2024. As a result of using the net asset value per share practical expedient, limited partnership interests are not classified in the fair value hierarchy.

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. Limited partnership interests expected to be sold 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.

Policy Loans

Policy loans are funds provided to policyholders in return for a claim on the policies' values. They are repaid upon repayment, death or surrender, and there is only one market price at which the loans could be settled – the then current carrying value. The loans are limited to, and fully collateralized by, the cash surrender value of the underlying policy. The nature of policy loans is to have a negligible default risk. 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. The reinsurance related component of policy loans at fair value under the fair value option have been classified as Level 3 within the fair value hierarchy.

Freestanding Derivative Instruments

Freestanding derivative instruments are reported at fair value, which reflects the estimated amounts, net of payment accruals, that the Company would receive or pay upon sale or termination of the contracts at the reporting date. Changes in fair value are included in net gains (losses) on derivatives and investments. Freestanding derivatives priced using third-party pricing services incorporate inputs that are observable in the market. Inputs used to value derivatives include interest rate swap curves, credit spreads, interest rates, counterparty credit risk, equity volatility and equity index levels.

Freestanding derivative instruments classified as:

- Level 1 include futures, which are traded on active exchanges.
- Level 2 include interest rate swaps, cross currency swaps, credit default swaps, total return swaps, bond forwards, put-swaptions and certain equity index call and put options. These 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.
- Level 3 include interest rate contingent options that are valued by third-party pricing services utilizing significant unobservable inputs.

Cash and Cash Equivalents

Cash and cash equivalents primarily include money market instruments and bank deposits. Cash equivalents also include all highly liquid securities and other investments purchased with an original or remaining maturity of three months or less at the date of purchase. Certain money market instruments are valued using unadjusted quoted prices in active markets and are classified as Level 1.

Funds Withheld Payable Under Reinsurance Treaties

The funds withheld payable under reinsurance treaties includes both the funds withheld payable that is held at fair value under the fair value option and the funds withheld embedded derivative. Both are considered Level 3 in the fair value hierarchy.

- The fair value of the funds withheld payable that is held at fair value under the fair value option is equal to the fair value of the assets held as collateral, which primarily consists of policy loans using industry standard valuation techniques.
- The funds withheld embedded derivative is determined based upon a total return swap technique referencing the fair value of the investments held under the reinsurance contract and requires certain significant unobservable inputs.

Separate Account Assets

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.

Market Risk Benefits

Variable Annuities

Variable annuity contracts issued by the Company may include various guaranteed minimum death, withdrawal, income and accumulation benefits, which are classified as market risk benefits ("MRBs") and measured at fair value.

Our MRB assets and MRB liabilities are reported separately on our Condensed Consolidated Balance Sheets. Increases to an asset or decreases to a liability are described as favorable changes to fair value. Changes in fair value are reported in Market risk benefits (gains) losses, net on the Condensed Consolidated Income Statements. However, the change in fair value related to our own non-performance risk is recognized as a component of other comprehensive income ("OCI") and is reported in Change in non-performance on market risk benefits, net of tax expense (benefit) on the Condensed Consolidated Statements of Comprehensive Income (Loss).

The fair value of variable annuity guaranteed benefit features classified as MRBs, which have explicit fees, are measured using the attributed fee method as the difference between the present value of projected future liabilities and the present value of projected attributed fees. At the inception of the contract, the Company attributes to the MRB a portion of total fees expected to be assessed against the contract holder's account value to offset the projected claims over the lifetime of the contract. The attributed fee is expressed as a percentage of total projected future fees at inception of the contract. This percentage of total projected fees is considered a fixed term of the MRB feature and is held static over the life of the contract. As the Company may issue contracts that have projected future liabilities greater than the projected future guaranteed benefit fees at issue, the Company may also attribute mortality and expense charges when performing this calculation. The percentage of guaranteed benefit fees and the percentage of mortality and expense charges may not exceed 100% of the total projected fees as of contract inception. In subsequent valuations, both the present value of future projected liabilities and the present value of projected attributed fees are remeasured based on current market conditions and policyholder behavior assumptions.

The Company has ceded the guaranteed minimum income benefit (“GMIB”) features elected on certain annuity contracts to an unrelated party. The GMIBs ceded under this reinsurance treaty are classified as a MRB in their entirety. The reinsurance contract is measured at fair value and reported in Reinsurance recoverable on market risk benefits. Changes in fair value are recorded in Market risk benefits (gains) losses, net. Due to the inability to economically reinsure or hedge new issues of the GMIB, the Company discontinued offering the benefit in 2009.

Fair values for MRBs related to variable annuities, including the contract reinsuring GMIB features, are calculated using internally developed models because active, observable markets do not exist for those guaranteed benefits.

The fair value calculation is based on the present value of future cash flows comprised of future expected benefit payments, less future attributed rider fees, over the lives of the contracts. Estimating these cash flows requires numerous estimates and subjective judgments related to capital market inputs, as well as actuarially determined assumptions related to expectations concerning policyholder behavior. Capital market inputs include expected market rates of return, market volatility, correlations of market index returns to fund returns, and discount rates, which include an adjustment for non-performance risk. The more significant actuarial assumptions include benefit utilization by policyholders, lapse, mortality, and withdrawal rates. Best estimate assumptions plus risk margins are used as applicable.

At each valuation date, the fair value calculation reflects expected returns based on treasury rates as of that date to determine the value of expected future cash flows produced in a stochastic process. Volatility assumptions are based on available market data for implied market volatility for durations up to 5 years, grading to a historical volatility level by year 10, where such long-term historical volatility levels contain an explicit risk margin. Non-performance risk is incorporated into the calculation through the adjustment of the risk-free rate curve based on credit spreads for debt and debt-like instruments issued by the Company or its insurance operating subsidiaries, adjusted, as necessary, to reflect the financial strength ratings of the issuing insurance subsidiaries. Risk margins are also incorporated into the model assumptions, particularly for policyholder behavior. Estimates of future policyholder behavior are subjective and are based primarily on the Company's experience.

As markets change, mature and evolve and actual policyholder behavior emerges, management evaluates the appropriateness of its assumptions for the fair value model.

The use of the models and assumptions described above requires a significant amount of judgment. Management believes this results in an amount that the Company would be required to transfer for a liability, or receive for an asset, to or from a willing buyer or seller, if one existed, for those market participants to assume the risks associated with the guaranteed benefits and the related reinsurance. However, the ultimate settlement amount of the asset or liability, which is currently unknown, could likely be significantly different than this fair value.

Fixed Index Annuities

The longevity riders issued on fixed index annuities are classified as MRBs and measured at fair value. Similar to the variable annuity guaranteed benefit features, these contracts have explicit fees and are measured using the attributed fee method. The Company attributes a percentage of total projected future fees expected to be assessed against the policyholder to offset the projected future claims over the lifetime of the contract. If the fees attributed are insufficient to offset the claims at issue, the shortfall is borrowed from the host contract rather than recognizing a loss at inception.

RILA

RILA guaranteed benefit features are classified as MRBs and measured at fair value. The fair value measurement represents the present value of future claims payable by the MRB feature. At inception, the value of the MRB is deducted from the value of the contract resulting in no gain or loss.

See Note 12 - Market Risk Benefits of the Notes to Condensed Consolidated Financial Statements for more information regarding MRBs.

Fixed Index Annuities

The fair value of the index-linked crediting derivative feature embedded in fixed index annuities, included in Annuity Reserves in the above tables, is calculated using the closed form Black-Scholes Option Pricing model or Monte Carlo simulations, as appropriate for the type of option, incorporating such factors as the volatility of returns, the level of interest rates and the time remaining until the option expires. Additionally, although not a significant input, assumed withdrawal rates are used to estimate the expected volume of embedded options that will be realized by policyholders.

RILA

The fair value of the index-linked crediting derivative feature embedded in RILAs, included in Annuity Reserves in the above table, is calculated using the closed form Black-Scholes Option Pricing model, incorporating such factors as the volatility of returns, the level of interest rates and the time remaining until the option expires. Additionally, although not a significant input, assumed withdrawal rates are used to estimate the expected volume of embedded options that will be realized by policyholders.

Notes Issued by Consolidated VIEs

These notes are issued by CLOs and are carried at fair value under the fair value option based on the fair values of corresponding fixed maturity collateral. The CLO liabilities are also reduced by the fair value of the beneficial interest the Company retains in the CLO and the carrying value of any beneficial interests that represent compensation for services. As the notes are valued based on the reference collateral, they are classified as Level 2.

Fair Value Option

The Company elected the fair value option for debt securities related to certain consolidated investments totaling $2,793 million and $2,429 million at March 31, 2025 and December 31, 2024, respectively. These debt securities are reflected on the Company's Condensed Consolidated Balance Sheets as debt securities, at fair value under the fair value option.

During the third quarter of 2024, the Company began purchasing certain debt securities for purposes of mitigating components of the Company's exposure to changes in the value of certain market risk benefits. The Company elected the fair value option on these debt securities, with changes in fair value reflected in net income, to align with the corresponding changes in the value of the market risk benefits recognized through net income. These debt securities totaling $525 million and $501 million at March 31, 2025 and December 31, 2024, respectively, are presented as debt securities, at fair value under the fair value option in the Condensed Consolidated Balance Sheets.

The Company has elected the fair value option for certain funds withheld assets, which are held as collateral for reinsurance, totaling $4,055 million and $4,054 million at March 31, 2025 and December 31, 2024, respectively, as discussed above, and includes mortgage loans as discussed below.

The Company elected the fair value option for certain mortgage loans held under the funds withheld reinsurance agreement with Athene. The fair value option was elected for these mortgage loans, purchased or funded after December 31, 2021, to mitigate inconsistency in earnings that would otherwise result between these mortgage loan assets and the funds withheld liability, including the associated embedded derivative, and are valued using third-party pricing services. Changes in fair value are reflected in net investment income on the Condensed Consolidated Income Statements.

The fair value and aggregate contractual principal for mortgage loans where the fair value option was elected after December 31, 2021, were as follows (in millions):

	March 31, 2025	December 31, 2024
Fair value	$ 451	$ 449
Aggregate contractual principal	462	464

As of March 31, 2025, no loans in good standing for which the fair value option was elected were in non-accrual status, and no loans were more than 90 days past due and still accruing interest.

The Company elected the fair value option for notes issued by consolidated VIEs totaling $2,303 million and $2,343 million at March 31, 2025 and December 31, 2024, respectively.

Income and changes in unrealized gains and losses on other assets for which the Company has elected the fair value option are immaterial to the Company's Condensed Consolidated Financial Statements.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables summarize the Company’s assets and liabilities that are carried at fair value by hierarchy levels (in millions):

	March 31, 2025			
	Total	Level 1	Level 2	Level 3
Assets				
Debt securities				
U.S. government securities	$ 3,260	$ 3,260	$ —	$ —
Other government securities	1,067	—	1,067	—
Public utilities	5,396	—	5,396	—
Corporate securities	29,357	—	29,057	300
Residential mortgage-backed	343	—	343	—
Commercial mortgage-backed	1,623	—	1,623	—
Other asset-backed securities	4,627	—	3,836	791
Equity securities	191	9	175	7
Mortgage loans	451	—	—	451
Limited partnerships [1]	203	—	—	203
Policy loans	3,492	—	—	3,492
Freestanding derivative instruments	587	—	587	—
Cash and cash equivalents	3,887	3,887	—	—
Reinsurance recoverable on market risk benefits	126	—	—	126
Market risk benefit assets	7,326	—	—	7,326
Separate account assets	217,572	—	217,572	—
Total	$ 279,508	$ 7,156	$ 259,656	$ 12,696
Liabilities				
Embedded derivative liabilities [2]	$ 3,650	$ —	$ 3,650	$ —
Funds withheld payable under reinsurance treaties [3]	1,560	—	—	1,560
Freestanding derivative instruments	256	—	256	—
Notes issued by consolidated VIEs	2,303	—	2,303	—
Market risk benefit liabilities	4,125	—	—	4,125
Total	$ 11,894	$ —	$ 6,209	$ 5,685

(1) Excludes $2,308 million of limited partnership investments measured at NAV.

(2) Includes the embedded derivative liabilities of $2,833 million related to RILA and $817 million liability of fixed index annuities, both included in other contract holder funds on the Condensed Consolidated Balance Sheets.

(3) Includes the Athene embedded derivative asset of $2,112 million and funds withheld payable under reinsurance treaties at fair value under the fair value option.

	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Assets				
Debt securities				
U.S. government securities	$ 3,159	$ 3,159	$ —	$ —
Other government securities	1,094	—	1,094	—
Public utilities	5,156	—	5,112	44
Corporate securities	27,978	—	27,704	274
Residential mortgage-backed	338	—	338	—
Commercial mortgage-backed	1,577	—	1,577	—
Other asset-backed securities	4,033	—	3,372	661
Equity securities	197	9	181	7
Mortgage loans	449	—	—	449
Limited partnerships [1]	195	—	—	195
Policy loans	3,489	—	—	3,489
Freestanding derivative instruments	297	—	297	—
Cash and cash equivalents	3,767	3,767	—	—
Reinsurance recoverable on market risk benefits	121	—	—	121
Market risk benefit assets	8,899	—	—	8,899
Separate account assets	229,143	—	229,143	—
Total	$ 289,892	$ 6,935	$ 268,818	$ 14,139
Liabilities				
Embedded derivative liabilities [2]	$ 3,942	$ —	$ 3,942	$ —
Funds withheld payable under reinsurance treaties [3]	1,353	—	—	1,353
Freestanding derivative instruments	361	—	361	—
Notes issued by consolidated VIEs	2,343	—	2,343	—
Market risk benefit liabilities	3,774	—	—	3,774
Total	$ 11,773	$ —	$ 6,646	$ 5,127

[1] Excludes $2,310 million of limited partnership investments measured at NAV.

[2] Includes the embedded derivative liabilities of $3,065 million related to RILA and $877 million of fixed index annuities, both included in other contract holder funds on the Condensed Consolidated Balance Sheets.

[3] Includes the Athene embedded derivative asset of $2,314 million and funds withheld payable under reinsurance treaties at fair value under the fair value option.

Assets and Liabilities Measured at Fair Value Using Significant Unobservable Inputs (Level 3)

Level 3 Assets and Liabilities by Price Source

The table below presents the balances of Level 3 assets and liabilities measured at fair value with their corresponding pricing sources (in millions):

	March 31, 2025		
Assets	**Total**	**Internal**	**External**
Debt securities:			
Corporate	$ 300	$ —	$ 300
Other asset-backed securities	791	135	656
Equity securities	7	1	6
Mortgage loans	451	—	451
Limited partnerships	203	1	202
Policy loans	3,492	3,492	—
Reinsurance recoverable on market risk benefits	126	126	—
Market risk benefit assets	7,326	7,326	—
Total	$ 12,696	$ 11,081	$ 1,615
Liabilities			
Funds withheld payable under reinsurance treaties [1]	1,560	1,560	—
Market risk benefit liabilities	4,125	4,125	—
Total	$ 5,685	$ 5,685	$ —

[1] Includes the Athene Embedded Derivative asset of $2,112 million and funds withheld payable under reinsurance treaties at fair value under the fair value option.

	December 31, 2024		
Assets	**Total**	**Internal**	**External**
Debt securities:			
Public utilities	$ 44	$ 44	$ —
Corporate	274	47	227
Other asset-backed securities	661	28	633
Equity securities	7	1	6
Mortgage loans	449	—	449
Limited partnerships	195	1	194
Policy loans	3,489	3,489	—
Reinsurance recoverable on market risk benefits	121	121	—
Market risk benefit assets	8,899	8,899	—
Total	$ 14,139	$ 12,630	$ 1,509
Liabilities			
Funds withheld payable under reinsurance treaties [1]	1,353	1,353	—
Market risk benefit liabilities	3,774	3,774	—
Total	$ 5,127	$ 5,127	$ —

[1] Includes the Athene Embedded Derivative asset of $2,314 million and funds withheld payable under reinsurance treaties at fair value under the fair value option.

External pricing sources for securities represent unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.

Quantitative Information Regarding Internally-Priced Level 3 Assets and Liabilities

The table below presents quantitative information on internally-priced Level 3 assets and liabilities that use significant unobservable inputs (dollar amounts in millions):

	As of March 31, 2025					
	Fair Value		Valuation Technique(s)	Significant Unobservable Input(s)	Assumption or Input Range	Impact of Increase in Input on Fair Value
Assets						
Reinsurance recoverable on market risk benefits	$	126	Discounted cash flow	Mortality[1]	0.01% - 20.63%	Increase
				Lapse[2]	1.47% - 8.10%	Increase
				Utilization[3]	0.00% - 50.00%	Decrease
				Withdrawal[4]	41.00% - 46.50%	Decrease
				Non-performance risk adjustment[5]	0.27% - 1.26%	Increase
				Long-term Equity Volatility[6]	18.50%	Decrease
Market risk benefit assets	$	7,326	Discounted cash flow	Mortality[1]	0.00% - 23.47%	Increase
				Lapse[2]	0.05% - 30.76%	Increase
				Utilization[3]	0.00% - 100.00%	Decrease
				Withdrawal[4]	4.00% - 100.00%	Decrease
				Non-performance risk adjustment[5]	0.46% - 1.92%	Increase
				Long-term Equity Volatility[6]	18.50%	Decrease
Liabilities						
Market risk benefit liabilities	$	4,125	Discounted cash flow	Mortality[1]	0.00% - 23.47%	Decrease
				Lapse[2]	0.05% - 30.76%	Decrease
				Utilization[3]	0.00% - 100.00%	Increase
				Withdrawal[4]	4.00% - 100.00%	Increase
				Non-performance risk adjustment[5]	0.46% - 1.92%	Decrease
				Long-term Equity Volatility[6]	18.50%	Increase

(1) Mortality rates vary by attained age, tax qualification status, guaranteed benefit election, and duration. The range displayed reflects ages from the minimum issue age for the benefit through age 95, which corresponds to the typical maturity age. A mortality improvement assumption is also applied.

(2) Base lapse rates vary by contract-level factors, such as product type, surrender charge schedule and guaranteed benefits election. Lapse rates are further adjusted based on the degree to which a guaranteed benefit is in-the-money, with lower lapse applying when benefits are more in-the-money. Lapse rates are also adjusted to reflect lower lapse expectations when guaranteed benefits are utilized.

(3) The utilization rate represents the expected percentage of contracts that will utilize the benefit through annuitization (GMIB) or commencement of withdrawals (GMWB). Utilization may vary by benefit type, attained age, duration, tax qualification status, benefit provision, and degree to which the guaranteed benefit is in-the-money.

(4) The withdrawal rate represents the percentage of annual withdrawal assumed relative to the maximum allowable withdrawal amount under the free partial withdrawal provision or the GMWB, as applicable. Free partial withdrawal rates vary based on the product type and duration. Withdrawal rates on contracts with a GMWB vary based on attained age, tax qualification status, GMWB type and GMWB benefit provisions.

(5) Non-performance risk adjustment is applied as a spread over the risk-free rate to determine the rate used to discount the related cash flows and varies by projection year.

(6) Long-term equity volatility represents the equity volatility beyond the period for which observable equity volatilities are available.

	As of December 31, 2024				
	Fair Value	**Valuation Technique(s)**	**Significant Unobservable Input(s)**	**Assumption or Input Range**	**Impact of Increase in Input on Fair Value**
Assets					
Reinsurance recoverable on market risk benefits	$ 121	Discounted cash flow	Mortality[(1)]	0.01% - 20.63%	Increase
			Lapse[(2)]	1.47% - 8.10%	Increase
			Utilization[(3)]	0.00% - 50.00%	Decrease
			Withdrawal[(4)]	41.00% - 46.50%	Decrease
			Non-performance risk adjustment[(5)]	0.35% - 1.20%	Increase
			Long-term Equity Volatility[(6)]	18.50%	Decrease
Market risk benefit assets	$ 8,899	Discounted cash flow	Mortality[(1)]	0.00% - 23.47%	Increase
			Lapse[(2)]	0.05% - 30.76%	Increase
			Utilization[(3)]	0.00% - 100.00%	Decrease
			Withdrawal[(4)]	4.00% - 100.00%	Decrease
			Non-performance risk adjustment[(5)]	0.65% - 1.75%	Increase
			Long-term Equity Volatility[(6)]	18.50%	Decrease
Liabilities					
Market risk benefit liabilities	$ 3,774	Discounted cash flow	Mortality[(1)]	0.00% - 23.47%	Decrease
			Lapse[(2)]	0.05% - 30.76%	Decrease
			Utilization[(3)]	0.00% - 100.00%	Increase
			Withdrawal[(4)]	4.00% - 100.00%	Increase
			Non-performance risk adjustment[(5)]	0.65% - 1.75%	Decrease
			Long-term Equity Volatility[(6)]	18.50%	Increase

(1) Mortality rates vary by attained age, tax qualification status, guaranteed benefit election, and duration. The range displayed reflects ages from the minimum issue age for the benefit through age 95, which corresponds to the typical maturity age. A mortality improvement assumption is also applied.

(2) Base lapse rates vary by contract-level factors, such as product type, surrender charge schedule and guaranteed benefits election. Lapse rates are further adjusted based on the degree to which a guaranteed benefit is in-the-money, with lower lapse applying when benefits are more in-the-money. Lapse rates are also adjusted to reflect lower lapse expectations when guaranteed benefits are utilized.

(3) The utilization rate represents the expected percentage of contracts that will utilize the benefit through annuitization (GMIB) or commencement of withdrawals (GMWB). Utilization may vary by benefit type, attained age, duration, tax qualification status, benefit provision, and degree to which the guaranteed benefit is in-the-money.

(4) The withdrawal rate represents the percentage of annual withdrawal assumed relative to the maximum allowable withdrawal amount under the free partial withdrawal provision or the GMWB, as applicable. Free partial withdrawal rates vary based on the product type and duration. Withdrawal rates on contracts with a GMWB vary based on attained age, tax qualification status, GMWB type and GMWB benefit provisions.

(5) Non-performance risk adjustment is applied as a spread over the risk-free rate to determine the rate used to discount the related cash flows and varies by projection year.

(6) Long-term equity volatility represents the equity volatility beyond the period for which observable equity volatilities are available.

Sensitivity to Changes in Unobservable Inputs

The following is a general description of sensitivities of significant unobservable inputs and their impact on the fair value measurement for the assets and liabilities reflected in the tables above.

At March 31, 2025 and December 31, 2024, securities of $137 million and $121 million, respectively, of debt securities, equity securities, and limited partnerships are fair valued using techniques incorporating unobservable inputs and are classified in Level 3 of the fair value hierarchy. For these assets, their unobservable inputs and ranges of possible inputs do not materially affect their fair valuations and have been excluded from the quantitative information in the tables above.

Policy loans that support funds withheld reinsurance agreements that are held at fair value under the fair value option on the Company's Condensed Consolidated Balance Sheets are excluded from the tables above. These policy loans do not have a stated maturity and the balances, plus accrued investment income, 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, which includes accrued investment income, approximates fair value and is classified as Level 3 within the fair value hierarchy.

The fair value of funds withheld payable under the Reassure America Life Insurance Company ("REALIC") reinsurance treaties is determined based upon the fair value of the funds withheld investments held by the Company and is excluded from the tables above.

The funds withheld payable under the Athene reinsurance treaty includes the Athene embedded derivative which is measured at fair value. The valuation of the embedded derivative utilizes a total return swap technique that incorporates the fair value of the invested assets supporting the reinsurance agreement as a component of the valuation. As a result, these valuations for the funds withheld payable under the REALIC reinsurance treaties and the Athene embedded derivative require certain significant inputs that are generally not observable and, accordingly, the valuation is considered Level 3 in the fair value hierarchy.

The GMIB reinsurance recoverable fair value calculation is based on the present value of future cash flows comprised of future expected reinsurance benefit receipts, less future attributed premium payments to reinsurers, over the lives of the contracts. Estimating these cash flows requires actuarially determined assumptions related to expectations concerning policyholder behavior and long-term market volatility. The more significant policyholder behavior actuarial assumptions include benefit utilization, fund allocation, lapse, and mortality.

The MRB asset and liability fair value calculation is based on the present value of future cash flows comprised of future expected benefit payments, less future attributed fees (if applicable), over the lives of the contracts. Estimating these cash flows requires numerous estimates and subjective judgments related to capital market inputs, as well as actuarially determined assumptions related to expectations concerning policyholder behavior. The more significant actuarial assumptions include benefit utilization by policyholders, lapse, mortality, and withdrawal rates. Best estimate assumptions plus risk margins are used as applicable.

The tables below provide roll-forwards for the three months ended March 31, 2025 and 2024 of the financial instruments for which significant unobservable inputs (Level 3) are used in the fair value measurement. Gains and losses in the tables below include changes in fair value due partly to observable and unobservable factors. The Company utilizes derivative instruments to manage the risk associated with certain assets and liabilities. However, the derivative instruments hedging the related risks may not be classified within the same fair value hierarchy level as the associated assets and liabilities. Therefore, the impact of the derivative instruments reported in Level 3 may vary significantly from the total income effect of the hedged instruments.

Three Months Ended March 31, 2025	Fair Value as of January 1, 2025	Total Realized/Unrealized Gains (Losses) Included in: Net Income (Loss)	Total Realized/Unrealized Gains (Losses) Included in: Other Comprehensive Income (Loss)	Purchases, Sales, Issuances and Settlements	Transfers in and/or (out of) Level 3	Fair Value as of March 31, 2025
Assets						
Debt securities						
Public utilities	$ 44	$ —	$ —	$ (44)	$ —	$ —
Corporate securities	274	—	4	27	(5)	300
Other asset-backed securities	661	—	(2)	11	121	791
Equity securities	7	—	—	—	—	7
Mortgage loans	449	4	—	(2)	—	451
Limited partnerships	195	7	—	1	—	203
Policy loans	3,489	(10)	—	13	—	3,492
Reinsurance recoverable on market risk benefits	121	5	—	—	—	126
Market risk benefit assets	8,899	(1,573)	—	—	—	7,326
Liabilities						
Funds withheld payable under reinsurance treaties	(1,353)	(193)	—	(14)	—	(1,560)
Market risk benefit liabilities	(3,774)	(678)	327	—	—	(4,125)

Three Months Ended March 31, 2024	Fair Value as of January 1, 2024	Total Realized/Unrealized Gains (Losses) Included in: Net Income (Loss)	Total Realized/Unrealized Gains (Losses) Included in: Other Comprehensive Income (Loss)	Purchases, Sales, Issuances and Settlements	Transfers in and/or (out of) Level 3	Fair Value as of March 31, 2024
Assets						
Debt securities						
Other government securities	$ 150	$ —	$ 2	$ —	$ —	$ 152
Public utilities	41	—	—	3	—	44
Corporate securities	83	—	—	5	6	94
Other asset-backed securities	975	(1)	—	14	—	988
Equity securities	8	—	—	—	—	8
Mortgage loans	481	(2)	—	(24)	—	455
Limited partnerships	135	2	—	—	—	137
Policy loans	3,457	29	—	(38)	—	3,448
Reinsurance recoverable on market risk benefits	149	(23)	—	—	—	126
Market risk benefit assets	6,737	1,288	—	—	—	8,025
Liabilities						
Funds withheld payable under reinsurance treaties	(1,158)	(1)	—	37	—	(1,122)
Market risk benefit liabilities	(4,785)	1,452	(510)	—	—	(3,843)

The components of the amounts included in purchases, sales, issuances and settlements for the three months ended March 31, 2025 and 2024 shown above are as follows (in millions):

Three Months Ended March 31, 2025	**Purchases**	**Sales**	**Issuances**	**Settlements**	**Total**
Assets					
Debt securities					
Public utilities	$ —	$ (44)	$ —	$ —	$ (44)
Corporate securities	104	(77)	—	—	27
Other asset-backed securities	158	(147)	—	—	11
Mortgage loans	81	(83)	—	—	(2)
Limited partnerships	1	—	—	—	1
Policy loans	—	—	61	(48)	13
Total	$ 344	$ (351)	$ 61	$ (48)	$ 6
Liabilities					
Funds withheld payable under reinsurance treaties	$ —	$ —	$ (116)	$ 102	$ (14)

Three Months Ended March 31, 2024	**Purchases**	**Sales**	**Issuances**	**Settlements**	**Total**
Assets					
Debt securities					
Public utilities	$ 3	$ —	$ —	$ —	$ 3
Corporate securities	13	(8)	—	—	5
Other asset-backed securities	74	(60)	—	—	14
Mortgage loans	48	(72)	—	—	(24)
Policy loans	—	—	63	(101)	(38)
Total	$ 138	$ (140)	$ 63	$ (101)	$ (40)
Liabilities					
Funds withheld payable under reinsurance treaties	$ —	$ —	$ (160)	$ 197	$ 37

For the three months ended March 31, 2025, transfers from Level 3 to Level 2 of the fair value hierarchy were $58 million, and transfers from Level 2 to Level 3 were $174 million.

For the three months ended March 31, 2024, transfers from Level 3 to Level 2 of the fair value hierarchy were $9 million, and transfers from Level 2 to Level 3 were $15 million.

The portion of gains (losses) included in net income (loss) or OCI attributable to the change in unrealized gains and losses on Level 3 financial instruments still held was as follows (in millions):

	Three Months Ended March 31,			
	2025		2024	
Assets	Included in Net Income	Included in OCI	Included in Net Income	Included in OCI
Debt securities				
Other government securities	$ —	$ —	$ —	$ 2
Corporate securities	—	4	(1)	—
Other asset-backed securities	—	(3)	(1)	—
Mortgage loans	4	—	(2)	—
Limited partnerships	7	—	—	—
Policy loans	(10)	—	29	—
Reinsurance recoverable on market risk benefits	5	—	(23)	—
Market risk benefit assets	(1,573)	—	1,288	—
Liabilities				
Funds withheld payable under reinsurance treaties	(193)	—	(1)	—
Market risk benefit liabilities	(678)	327	1,452	(510)

Fair Value of Financial Instruments Carried at Other Than Fair Value

The table below presents the carrying amount and fair value by fair value hierarchy level of certain financial instruments that are not reported at fair value (in millions):

	March 31, 2025				
		Fair Value			
	Carrying Value	Total	Level 1	Level 2	Level 3
Assets					
Mortgage loans	$ 9,575	$ 9,143	$ —	$ —	$ 9,143
Policy loans	915	915	—	—	915
FHLBI capital stock	102	102	102	—	—
Liabilities					
Annuity reserves [(1)]	$ 35,308	$ 33,396	$ —	$ —	$ 33,396
Reserves for guaranteed investment contracts [(2)]	571	566	—	—	566
Trust instruments supported by funding agreements [(2)]	6,755	6,754	—	—	6,754
FHLB funding agreements [(2)]	1,936	1,927	—	—	1,927
Funds withheld payable under reinsurance treaties	14,715	14,715	—	—	14,715
Long-term debt	2,030	1,846	—	1,846	—
Securities lending payable [(3)]	72	72	—	72	—
Repurchase agreements [(3)]	963	963	—	963	—
Separate account liabilities [(5)]	217,572	217,572	—	217,572	—

	December 31, 2024				
		Fair Value			
	Carrying Value	Total	Level 1	Level 2	Level 3
Assets					
Mortgage loans	$ 9,462	$ 8,902	$ —	$ —	$ 8,902
Policy loans	914	914	—	—	914
FHLBI capital stock	127	127	127	—	—
Liabilities					
Annuity reserves (1)	$ 34,698	$ 32,580	$ —	$ —	$ 32,580
Reserves for guaranteed investment contracts (2)	556	546	—	—	546
Trust instruments supported by funding agreements (2)	5,892	5,825	—	—	5,825
FHLB funding agreements (2)	1,936	1,900	—	—	1,900
Funds withheld payable under reinsurance treaties	15,389	15,389	—	—	15,389
Long-term debt	2,034	1,836	—	1,836	—
Securities lending payable (3)	14	14	—	14	—
Repurchase agreements (3)	1,540	1,540	—	1,540	—
FHLB advances (4)	700	700	—	700	—
Separate account liabilities (5)	229,143	229,143	—	229,143	—

(1) Annuity reserves exclude contracts classified as insurance contracts.

(2) Included as a component of other contract holder funds on the Condensed Consolidated Balance Sheets.

(3) Included as a component of repurchase agreements and securities lending payable on the Condensed Consolidated Balance Sheets.

(4) Included as a component of other liabilities on the Condensed Consolidated Balance Sheets.

(5) The values of separate account liabilities are set equal to the values of separate account assets.

The following is a discussion of the methodologies used to determine fair values of the financial instruments that are not reported at fair value reported in the table above:

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.

Mortgage loans held under a 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

As described under “Policy Loans” in *Note 4 – Investments of the Notes to Condensed Consolidated Financial Statements,* 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. The non-reinsurance related component of policy loans has been classified as Level 3 within the fair value hierarchy.

FHLBI Capital Stock

FHLBI capital stock, which is included in other invested assets, can only be sold to FHLBI at a constant price of $100 per share. Due to the lack of valuation uncertainty, the investment has been classified as Level 1.

Other Contract Holder Funds

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 the fixed option on variable annuities, fixed annuities, fixed index annuities and RILAs, are determined using projected future cash flows discounted at current market interest rates.

Fair values for guaranteed investment contracts, trust instruments supported by funding agreements and FHLB funding agreements are based on the present value of future cash flows discounted at current market interest rates.

Funds Withheld Payable Under Reinsurance Treaties

The fair value of the funds withheld payable is equal to the fair value of the assets held as collateral, which primarily consists of bonds, mortgages, limited partnerships, and cash and cash equivalents. The fair value of the assets generally uses industry standard valuation techniques as described above and the funds withheld payable components are valued consistent with the assets in the fair value hierarchy and the funds withheld payable is classified in its entirety according to the lowest level input that is significant to the determination of the fair value. The funds withheld payable is classified as Level 3 within the fair value hierarchy.

Debt

Fair values for the Company's surplus notes and long-term debt are generally determined by prices obtained from independent broker dealers or discounted cash flow models. Such prices are derived from market observable inputs and are classified as Level 2.

Securities Lending Payable

The Company's securities lending payable 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.

FHLB Advances

Carrying value of the Company's FHLB advances, which are included in other liabilities, is considered a reasonable estimate of fair value due to their short-term maturities and are classified as Level 2.

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

The values of separate account liabilities are set equal to the values of 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.

7. Deferred Acquisition Costs

Certain costs that are directly related to the successful acquisition of new or renewal insurance business are capitalized as deferred acquisition costs ("DAC") in the period in which they are incurred. These costs primarily pertain to commissions and certain costs associated with policy issuance and underwriting. All other acquisition costs are expensed as incurred.

Contracts are grouped into cohorts by contract type and issue year. For traditional and limited-payment insurance contracts, contracts are grouped consistent with the groupings used in estimating the associated liability. DAC are amortized into expense on a constant level basis over the expected term of the grouped contracts. For traditional and limited-payment insurance contracts, amortization is determined based on projected in force amounts. For non-traditional contracts, amortization is determined based on projected policy counts.

The expected term used to amortize DAC is determined using best estimate assumptions, including mortality and persistency, consistent with the best estimate assumptions used to determine the reserve for future policy benefits, MRBs, and additional liabilities for applicable contracts. For amortization of DAC related to contracts without these balances, assumptions used to determine expected term are developed in a similar manner. The amortization rate is determined using all information available as of the end of the reporting period, including actual experience and any assumption updates. Annually, or as circumstances warrant, a comprehensive review of assumptions is conducted, and assumptions are revised as appropriate. If assumptions are revised, the amortization rate is calculated using revised assumptions such that the effect of revised assumptions is recognized prospectively as of the beginning of that reporting period.

Unamortized DAC are written off when a contract is internally replaced and substantially changed. Substantially unchanged contracts are treated as a continuation of the replaced contract, with no change to the unamortized DAC at the time of the replacement.

The following table presents the roll-forward of the DAC (in millions). The current period amortization is based on the end of the period estimates of mortality and persistency. The amortization pattern is revised on a prospective basis at the beginning of the period based on the period's actual experience.

	Three Months Ended March 31, 2025	Year Ended December 31, 2024
Variable Annuities		
Balance, beginning of period	$ 11,314	$ 11,967
Deferrals of acquisition costs	102	411
Amortization	(260)	(1,064)
Variable Annuities balance, end of period	$ 11,156	$ 11,314
Reconciliation of total DAC		
Variable Annuities balance, end of period	$ 11,156	$ 11,314
Other product lines, end of period	614	573
Total balance, end of period	$ 11,770	$ 11,887

8. Reinsurance

The Company, through its subsidiary insurance companies, assumes and cedes reinsurance from and to other insurance companies as a means of managing capital and risk 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 on a coinsurance, coinsurance with funds withheld, modified coinsurance, or yearly renewable term basis. The Company regularly monitors the financial strength ratings of its reinsurers.

Athene Reinsurance

The Company entered into a funds withheld coinsurance agreement with Athene 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 $1.2 billion ceding commission. The coinsurance with funds withheld agreement ("the coinsurance agreement") required Jackson to establish a segregated account in which the investments supporting the ceded obligations are maintained. While the economic benefits of the investments flow to Athene, Jackson retains physical possession and legal ownership of the investments supporting the reserve. Further, the investments in the segregated account are not available to settle any policyholder obligations other than those specifically covered by the coinsurance agreement and are not available to settle obligations to general creditors of Jackson. The profit and loss with respect to obligations ceded to Athene are included in periodic net settlements pursuant to the coinsurance agreement. To further support its obligations under the coinsurance agreement, Athene procured $1.1 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 $65 million at March 31, 2025.

Swiss Re Reinsurance

Jackson has three retrocession reinsurance agreements ("retro treaties") with Swiss Reinsurance Company Ltd. ("SRZ"). Pursuant to these retro treaties, Jackson ceded certain blocks of business to SRZ on a 100% coinsurance with funds withheld basis, subject to pre-existing reinsurance with other parties. As a result of the reinsurance agreements with SRZ, Jackson withholds certain assets, primarily in the form of policy loans and debt securities, as collateral for the reinsurance recoverable.

The Company has also acquired certain blocks of business that are closed to new business and wholly ceded to non-affiliates. These include both direct and assumed accident and health businesses, direct and assumed life insurance business, and certain institutional annuities.

GMIB Reinsurance

The Company's guaranteed minimum income benefits ("GMIBs") are reinsured with an unrelated party. GMIB reinsured benefits are subject to aggregate annual claim limits. Deductibles also apply on reinsurance of GMIB business issued since March 1, 2005. The Company discontinued offering the GMIB in 2009.

Reinsurance Recoverables and Reinsured Market Risk Benefits

Ceded reinsurance agreements are reported on a gross basis on the Company's Condensed Consolidated Balance Sheets as an asset for amounts recoverable from reinsurers or as a component of other assets or liabilities for amounts, such as premiums, owed to or due from reinsurers.

Reinsurance recoverables relating to reinsurance of traditional and limited-payment contracts are required to be recognized and measured in a manner consistent with liabilities relating to the underlying reinsured contracts, including using consistent assumptions. Reinsurance contracts may be executed subsequent to the direct contract issue dates, and market interest rates may have changed between the date that the underlying insurance contracts were issued and the date the reinsurance contract is recognized in the financial statements, resulting in the underlying discount rate differing between the direct and reinsured business.

The Company regularly monitors the financial strength ratings of its reinsurers. At March 31, 2025 and December 31, 2024, the Company had an allowance for credit losses ("ACL") of $26 million and $27 million, respectively, on its reinsurance recoverables, which are reported net of ACL on the Condensed Consolidated Balance Sheets. The ACL considers the credit quality of the reinsurer and is generally determined based on probability of default and loss given default assumptions, after considering any applicable collateral arrangements.

For reinsurance recoverables that are collateralized, the amount of collateral is expected to be adjusted as necessary as a result of fair value changes in that collateral. If the fair value of the collateral at the reporting date is less than the carrying value of the reinsurance recoverable, the Company recognizes an ACL on the difference between the fair value of the collateral at the reporting date and the carrying value of the reinsurance recoverable. Additions to or releases of the ACL are reported in Death, other policyholder benefits, and changes in reserves, net of deferrals in the Condensed Consolidated Income Statements.

Reinsurance recoverable on market risk benefits is recognized at fair value with changes being recognized in current period earnings within market risk benefit (gains) losses, net. Non-performance risk of the reinsurer is incorporated into the calculation through the adjustment of the risk-free rate curve based on credit spreads observed on instruments issued by similarly-rated life insurance companies.

The Company's reinsurance contract that cedes only the GMIB elected on certain variable annuity products is classified as a reinsurance recoverable on market risk benefits. These reinsured MRBs may have direct MRB balances recorded as either assets or liabilities; however, because the unit of account for the reinsured MRB is the reinsurance contract, the ceded MRB is presented in total within reinsurance recoverable on market risk benefits. The fees used to determine the fair value of the reinsurance recoverable on market risk benefits are those defined in the reinsurance contract.

Guaranteed benefits related to the optional lifetime income rider offered on certain fixed index annuities are MRBs that are reinsured with Athene. The reinsured MRBs are measured using a non-option valuation approach that uses cash flow assumptions and an attributed fee ratio consistent with those used to measure the MRBs on the direct contract and a discount rate that considers the reinsurer's credit risk. The attributed fee is locked-in at inception of the contract.

Components of the Company’s reinsurance recoverable excluding MRBs were as follows (in millions):

	March 31, 2025	December 31, 2024
Reserves:		
Life	$ 5,154	$ 5,205
Accident and health	448	450
Annuity benefits [1]	14,799	15,526
Claims liability and other	636	649
Total	$ 21,037	$ 21,830

[1] Other annuity benefits primarily attributable to fixed and fixed index annuities reinsured with Athene.

Components of the Company’s reinsurance recoverable on market risk benefits were as follows (in millions):

	March 31, 2025	December 31, 2024
Variable annuity	$ 57	$ 62
Other product lines	69	59
Total	$ 126	$ 121

Reinsurance and Funds Withheld Payable Under Reinsurance Treaties

Under the reinsurance agreement with Athene and the retro treaties with SRZ, the Company maintains ownership of the underlying investments instead of transferring them to the reinsurer and, as a result, records a funds withheld liability payable to the reinsurer. Investment returns earned on withheld assets are paid by the Company to the reinsurer, pursuant to the terms of the agreements. Investment income and net gains (losses) on derivatives and investments are reported net of gains or losses on the funds withheld payable under reinsurance treaties.

The amounts credited to reinsurers on the funds withheld payable is based on the return earned on those assets. The return earned on the assets is subject to the credit risk of the original issuer of the instrument rather than Jackson’s own creditworthiness, which results in an embedded derivative (total return swap).

Funds withheld under reinsurance agreement with Athene

The Company recognizes a liability for the embedded derivative related to the funds withheld under the reinsurance agreement with Athene within funds withheld payable under reinsurance treaties in the Condensed Consolidated Balance Sheets. The embedded derivative is measured at fair value with changes in fair value reported in net gains (losses) on derivatives and investments in the Condensed Consolidated Income Statements. At inception of the reinsurance agreement with Athene, the fair value of the withheld investments differed from their book value and, accordingly, while the investments are held, the amortization of this difference is reported in net gains (losses) on derivatives and investments in the Condensed Consolidated Income Statements. *See Note 5 - Derivative Instruments of the Notes to Condensed Consolidated Financial Statements for more information on the embedded derivative.*

Funds withheld under reinsurance agreements with SRZ

At execution of the retro treaties with SRZ, the Company elected the fair value option for the withheld assets, as well as the related funds withheld payable. Accordingly, the embedded derivative is not bifurcated or separately measured. The funds withheld payable is measured at fair value with changes in fair value reported in net gains (losses) on derivatives and investments. The fair value of the funds withheld payable is equal to the fair value of the assets held as collateral.

The following assets and liabilities were held in support of reserves associated with the Company's funds withheld reinsurance agreements and were reported in the respective financial statement line items in the Condensed Consolidated Balance Sheets (in millions):

	March 31, 2025	December 31, 2024
Assets		
Debt securities, available-for-sale	$ 8,587	$ 9,058
Debt securities, at fair value under the fair value option	112	116
Equity securities	120	125
Mortgage loans	2,572	2,611
Mortgage loans, at fair value under the fair value option	451	449
Policy loans	3,505	3,501
Freestanding derivative instruments, net	24	45
Other invested assets	711	777
Cash and cash equivalents	384	253
Accrued investment income	103	114
Other assets and liabilities, net	(17)	(41)
Total assets [1]	$ 16,552	$ 17,008
Liabilities		
Funds held under reinsurance treaties [2]	$ 16,275	$ 16,742
Total liabilities	$ 16,275	$ 16,742

(1) Certain assets are reported at amortized cost while the fair value of those assets is reported in the embedded derivative in the funds withheld liability.
(2) Includes funds withheld embedded derivative asset (liability) of $2,112 million and $2,314 million at March 31, 2025 and December 31, 2024, respectively.

The sources of income related to funds withheld under reinsurance treaties reported in net investment income in the Condensed Consolidated Income Statements were as follows (in millions):

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Debt securities [1]	$ 100	$ 145
Equity securities	—	9
Mortgage loans [2]	43	49
Policy loans	83	82
Limited partnerships	10	(4)
Other investment income	4	5
Total investment income on funds withheld assets	240	286
Other investment expenses on funds withheld assets [3]	(13)	(16)
Total net investment income on funds withheld reinsurance treaties	$ 227	$ 270

(1) Includes $1 million and $1 million for the three months ended March 31, 2025 and 2024, respectively, related to the change in fair value for securities carried under the fair value option.
(2) Includes $4 million and $(2) million for the three months ended March 31, 2025 and 2024, respectively, related to the change in fair value for mortgage loans carried under the fair value option.
(3) Includes management fees.

The gains and losses on funds withheld reinsurance treaties as a component of net gains (losses) on derivatives and investments in the Condensed Consolidated Income Statements were as follows (in millions):

	Three Months Ended March 31,	
	2025	2024
Available-for-sale securities		
Realized gains on sale	$ 5	$ 2
Realized losses on sale	(49)	(19)
Credit loss expense	(2)	1
Credit loss expense on mortgage loans	(4)	7
Other	7	(7)
Net gains (losses) on non-derivative investments	(43)	(16)
Net gains (losses) on derivative instruments	(17)	14
Net gains (losses) on funds withheld payable under reinsurance treaties [1]	(328)	(199)
Total net gains (losses) on derivatives and investments	$ (388)	$ (201)

[1] Includes the Athene embedded derivative gain (loss) of $(201) million and $29 million for the three months ended March 31, 2025 and 2024, respectively.

9. Reserves for Future Policy Benefits and Claims Payable

Reserves for Future Policy Benefits

For non-participating traditional and limited-payment insurance contracts, the reserve for future policy benefits represents the present value of estimated future policy benefits to be paid to or on behalf of policyholders in future periods and certain related expenses less the present value of estimated future net premiums.

Reserves for future policy benefits for non-participating traditional and limited-payment insurance contracts are measured using the net premium ratio ("NPR") measurement model. The NPR measurement model accrues for future policy benefits in proportion to the premium revenue recognized. The reserve for future policy benefits is derived from the Company's best estimate of future net premium and future benefits and expenses, which is based on best estimate assumptions including mortality, persistency, claims expense, and discount rate. On an annual basis, or as circumstances warrant, we conduct a comprehensive review of our current best estimate assumptions based on our experience, industry benchmarking, and other factors, as applicable. Expense assumptions are updated based on estimates of expected non-level costs, such as termination or settlement costs, and costs after the premium-paying period and exclude acquisition costs or any costs that are required to be charged to expenses as incurred. Updates to assumptions are applied on a retrospective basis, and the change in the reserve for future policy benefits resulting from updates to assumptions is reported separately on the Condensed Consolidated Income Statements within the (gain) loss from updating future policy benefits cash flow assumptions, net. Each reporting period the reserve for future policy benefits is updated to reflect actual experience to date.

The Company establishes cohorts, which are groupings used to measure reserves for future policy benefits. In determining cohorts, the Company considered both qualitative and quantitative factors, including the issue year, type of product, product features, and legal entity.

The discount rate used to estimate reserves for future policy benefits is consistent with an upper-medium grade (low-credit risk) fixed-income corporate instrument yield, which has been interpreted to represent a single-A corporate instrument yield. This discount rate curve is determined by fitting a parametric function to yields to maturity and related times to maturity of market observable single-A rated corporate instruments. The discount rate used to recognize interest accretion on the reserves for future policy benefits is locked at the initial measurement of the cohort. Each reporting period, the reserve for future policy benefits is remeasured using the current discount rate. The difference between the reserve calculated using the current discount rate and the reserve calculated using the locked-in discount rate is recorded in OCI.

For limited-payment insurance contracts, premiums are paid over a period shorter than the period over which benefits are provided. Gross premiums received in excess of the net premium are deferred and recognized as a deferred profit liability ("DPL"). The DPL is included within the reserve for future policy benefits and profits are recognized in income as a component of benefit expenses on a constant relationship with the amount of expected future benefit payments. Interest is accreted on the balance of the DPL using the discount rate locked in at the initial measurement of the cohort. Measurement of the DPL uses best estimate assumptions for mortality. These assumptions are similarly subject to the annual review process discussed above.

Additional Liabilities – Universal Life-type

For universal life-type insurance contracts, a liability is recognized for the policyholder’s account value as discussed further in Note 10 of the Notes to Condensed Consolidated Financial Statements. Where these contracts provide additional benefits beyond the account balance or base insurance coverage that are not market risk benefits or embedded derivatives, liabilities in addition to the policyholder’s account value are recognized. These additional liabilities for annuitization, death and other insurance benefits are reported within reserves for future policy benefits and claims payable. The methodology uses a benefit ratio defined as a constant percentage of the assessment base. This ratio is multiplied by current period assessments to determine the reserve accrual for the period. The assumptions used in the measurement of the additional liabilities for annuitization, death and other insurance benefits are based on best estimate assumptions including mortality, persistency, investment returns, and discount rates. These assumptions are similarly subject to the annual review process discussed above. As available-for-sale debt securities are carried at fair value, an adjustment is made to these additional liabilities equal to the change in liability that would have occurred if such securities had been sold at their stated fair value and the proceeds reinvested at current yields. This adjustment, along with the change in net unrealized gains (losses) on available-for-sale debt securities, net of applicable tax, is credited or charged directly to equity as a component of OCI.

See Note 10 - Other Contract Holder Funds of the Notes to Condensed Consolidated Financial Statements for more information regarding other contract holder funds.

Other Future Policy Benefits and Claims Payable

In conjunction with a prior acquisition, the Company recorded a fair value adjustment at acquisition related to certain annuity and interest-sensitive liability blocks of business to reflect the cost of the interest guarantees within the in-force liabilities, based on the difference between the guaranteed interest rate and an assumed new money guaranteed interest rate at acquisition. This adjustment is included in other future policy benefits and claims payable as disclosed in the table below. This liability is remeasured at the end of each period, taking into account changes in the in-force block. Any resulting change in the liability is recorded as a Gain (loss) from updating future policy benefits cash flow assumptions, net through the Condensed Consolidated Income Statements.

In addition, annuity and life claims liabilities in course of settlement are included in other future policy benefits and claims payable as disclosed in the table below.

The following table summarizes the Company's reserves for future policy benefits and claims payable balances (in millions):

	March 31, 2025	December 31, 2024
Reserves for future policy benefits		
Payout Annuities	$ 1,124	$ 1,095
Closed Block Life	3,560	3,578
Closed Block Annuity	3,808	3,837
Reserves for future policy benefits	8,492	8,510
Additional liabilities		
Closed Block Life	1,178	1,184
Other future policy benefits and claims payable	1,356	1,378
Reserves for future policy benefits and claims payable	$ 11,026	$ 11,072

The following tables present the roll-forward of components of reserves for future policy benefits (in millions):

	Present Value of Expected Net Premiums					
	Three Months Ended March 31, 2025			Year Ended December 31, 2024		
	Payout Annuities	Closed Block Life	Closed Block Annuity	Payout Annuities	Closed Block Life	Closed Block Annuity
Balance, beginning of period	$ —	$ 847	$ —	$ —	$ 1,140	$ —
Beginning of period cumulative effect of changes in discount rate assumptions	—	125	—	—	113	—
Beginning balance at original discount rate	—	972	—	—	1,253	—
Effect of changes in cash flow assumptions	—	—	—	—	(193)	—
Effect of actual variances from expected experience	—	(16)	—	—	(2)	—
Balance adjusted for variances from expectation	—	956	—	—	1,058	—
Issuances	—	1	—	—	4	—
Interest accrual	—	8	—	—	41	—
Net premiums collected	—	(30)	—	—	(131)	—
Ending balance at original discount rate	—	935	—	—	972	—
End of period cumulative effect of changes in discount rate assumptions	—	(111)	—	—	(125)	—
Balance, end of period	$ —	$ 824	$ —	$ —	$ 847	$ —

	Present Value of Expected Future Policy Benefits					
	Three Months Ended March 31, 2025			Year Ended December 31, 2024		
	Payout Annuities	Closed Block Life	Closed Block Annuity	Payout Annuities	Closed Block Life	Closed Block Annuity
Balance, beginning of period	$ 1,095	$ 4,425	$ 3,837	$ 1,090	$ 5,134	$ 4,215
Beginning of period cumulative effect of changes in discount rate assumptions	100	806	255	99	767	185
Beginning balance at original discount rate (including DPL of $91, nil and $588 in March 31, 2025, and $42, nil and $626 in December 31, 2024 for payout annuities, closed block life and closed block annuity, respectively)	1,195	5,231	4,092	1,189	5,901	4,400
Effect of changes in cash flow assumptions	—	—	—	(41)	(247)	(13)
Effect of actual variances from expected experience	(5)	(5)	2	(34)	(6)	4
Balance adjusted for variances from expectation	1,190	5,226	4,094	1,114	5,648	4,391
Issuances	47	1	—	173	10	—
Interest accrual	12	37	43	45	165	182
Benefits payments	(40)	(139)	(113)	(137)	(592)	(481)
Ending balance of original discount rate (including DPL of $90, nil and $574 in March 31, 2025, and $91, nil and $588 in December 31, 2024 for payout annuities, closed block life and closed block annuity, respectively)	1,209	5,125	4,024	1,195	5,231	4,092
End of period cumulative effect of changes in discount rate assumptions	(85)	(741)	(216)	(100)	(806)	(255)
Balance, end of period	$ 1,124	$ 4,384	$ 3,808	$ 1,095	$ 4,425	$ 3,837
Reserves for future policy benefits	1,124	3,560	3,808	1,095	3,578	3,837
Less: Reinsurance recoverable	118	1,966	4	109	1,978	4
Reserves for future policy benefits, after reinsurance recoverable	$ 1,006	$ 1,594	$ 3,804	$ 986	$ 1,600	$ 3,833

The following table presents the weighted average duration of the reserves for future policy benefits. The weighted average duration represents average cohort-level duration weighted by the benefit reserves amount:

	Payout Annuities	Closed Block Life	Closed Block Annuity
March 31, 2025			
Weighted average duration (years)	6.5	6.8	6.6
December 31, 2024			
Weighted average duration (years)	6.5	6.9	6.6

The discount rate assumption related to the single-A corporate instrument yield was updated based on current market data. Discount rates decreased in 2025 compared to 2024, based on the duration of the liability. This resulted in an increase in the liability. Refer to the roll-forward above for further details.

The following table presents the amount of undiscounted and discounted expected future gross premiums and expected future benefit payments for future policy benefits for non-participating traditional and limited-payment insurance contracts (in millions). The discounted premiums are calculated using the current discount rate, while the undiscounted cash flows represent the gross cash flows before any discounting is applied:

	March 31, 2025		December 31, 2024	
	Undiscounted	Discounted	Undiscounted	Discounted
Payout Annuities				
Expected future benefit payments	$ 1,562	$ 1,034	$ 1,530	$ 1,003
Expected future gross premiums	—	—	—	—
Closed Block Life				
Expected future benefit payments	6,672	4,497	6,820	4,539
Expected future gross premiums	4,458	2,682	4,589	2,729
Closed Block Annuity				
Expected future benefit payments	4,900	3,212	4,988	3,226
Expected future gross premiums	$ —	$ —	$ —	$ —

The following table presents the amount of revenue and interest related to non-participating traditional and limited-pay insurance contracts recognized in the Condensed Consolidated Income Statements (in millions):

	Gross Premiums		Interest Expense	
	Three Months Ended March 31, 2025	Year Ended December 31, 2024	Three Months Ended March 31, 2025	Year Ended December 31, 2024
Payout Annuities	$ 14	$ 53	$ 12	$ 45
Closed Block Life	75	316	29	124
Closed Block Annuity	(1)	(2)	43	182
Total	$ 88	$ 367	$ 84	$ 351

The following table presents the weighted average interest rate for the reserves for future policy benefits at the cohort's level for the locked-in discount rate (interest accretion rate), and current discount rate, weighted by the cohort's benefit reserve amount:

	March 31, 2025	December 31, 2024
Payout Annuities		
Interest accretion rate	4.11 %	4.06 %
Current discount rate	5.34 %	5.52 %
Closed Block Life		
Interest accretion rate	3.06 %	3.05 %
Current discount rate	5.53 %	5.65 %
Closed Block Annuity		
Interest accretion rate	4.40 %	4.40 %
Current discount rate	5.37 %	5.54 %

The following table presents a roll-forward of Closed Block Life additional liabilities for annuitization, death and other insurance benefits (in millions):

	Three Months Ended March 31, 2025	Year Ended December 31, 2024
Balance, beginning of period	$ 1,184	$ 1,153
Beginning of period cumulative effect of changes in shadow adjustments	23	17
Beginning balance excluding shadow	1,207	1,170
Effect of changes in cash flow assumptions	—	90
Effect of actual variances from expected experience	6	18
Interest accrual	14	57
Net assessments collected	(30)	(128)
Ending balance excluding shadow	1,197	1,207
End of period cumulative effect of changes in shadow adjustments	(19)	(23)
Balance, end of period	$ 1,178	$ 1,184

The following table presents the weighted average duration of Closed Block Life additional liabilities for annuitization, death and other insurance benefits. The weighted average duration represents average cohort-level duration weighted by the benefit reserves amount:

	March 31, 2025	December 31, 2024
Weighted average duration (years)	9.0	9.1

The following table presents assessments and interest expense of Closed Block Life additional liabilities for annuitization, death and other insurance benefits recognized in the Condensed Consolidated Income Statements (in millions):

	Assessments		Interest Expense	
	Three Months Ended March 31, 2025	Year Ended December 31, 2024	Three Months Ended March 31, 2025	Year Ended December 31, 2024
Additional liability for annuitization, death and other insurance benefits	$ (30)	$ (128)	$ 14	$ 57

The following table presents the weighted average current discount rate of Closed Block Life additional liabilities for annuitization, death and other insurance benefits, applied at the cohort level weighted by reserve benefit amount:

	March 31, 2025	December 31, 2024
Weighted average current discount rate	4.99 %	4.99 %

10. Other Contract Holder Funds

Other contract holder funds represent the policyholder account balance on our universal life-type products, investment contracts, and the fair value of the embedded derivatives associated with the indexed crediting features on our fixed index annuities and registered index-linked annuities.

Universal life type contracts have, as a principal component, an account balance in which interest is credited to policyholders and assessments are deducted for mortality risk and contract administration. The account balance is recognized as a liability within other contract holder funds, and the liability is updated each period for fee and assessment deductions and increased for interest or returns credited to the account balance.

Certain of our universal life type contracts contain features that are not classified as market risk benefits or embedded derivatives but provide additional benefits beyond the account balance or base insurance coverage for which a liability in addition to the account balance is necessary. These additional liabilities for death or other insurance benefits are reported as a component of reserves for future policy benefits and claims payable in the Condensed Consolidated Balance Sheets. *See Note 9 - Reserves for Future Policy Benefits and Claims Payable of the Notes to the Condensed Consolidated Financial Statements* for more information regarding these additional liabilities.

Certain contracts without significant mortality or morbidity risk and certain annuities that lack insurance risk are treated as investment contracts. For investment contracts, payments received are reported as liabilities and accounted for in a manner consistent with the accounting for interest-bearing or other financial instruments, within other contract holder funds.

The Company issues a variety of annuity products including variable annuities, registered index linked annuities, fixed index annuities, fixed annuities and payout annuities. For annuity contracts that are classified as investment contracts, the liability is the account balance as of the reporting date, reported within the other contract holder funds. For the variable annuity products, only the allocations to fixed fund options are reported in other contract holder funds.

For our fixed index annuities and registered index linked annuities, the equity-linked option issued by the Company is accounted for as an embedded derivative measured at fair value and reported as a component of other contract holder funds on the Condensed Consolidated Balance Sheets with changes in fair value recorded in net income within net gains (losses) on derivatives and investments. The fair value is determined using an option-budget method with capital market inputs of market index returns and discount rates as well as actuarial assumptions including lapse, mortality and withdrawal rates. Favorable equity market movements cause increases in future contract holder benefits, resulting in an increase in the fair value of the embedded derivative liability (and vice versa). The Company also establishes a host contract reserve to support the underlying guaranteed account value growth. This host contract liability is included as a component of other contract holder funds on the Condensed Consolidated Balance Sheets. Interest is accreted to the host contract liability using an effective yield method.

Our annuity products may contain certain features or guarantees that are classified as MRBs. These market risk benefits are a component of the market risk benefits line items in the Condensed Consolidated Balance Sheet. *See Note 12 - Market Risk Benefits of the Notes to Condensed Consolidated Financial Statements for more information regarding market risk benefits.*

The Company's institutional products business is comprised of the guaranteed investment contracts, medium-term funding agreement-backed notes and funding agreements (including agreements issued in conjunction with the Company's participation in the U.S. Federal Home Loan Bank ("FHLB") program) described below.

Jackson has established a $27 billion aggregate Global Medium-Term Note ("MTN") 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 the Company and secured by the issuance of funding agreements. The carrying values at March 31, 2025 and December 31, 2024 totaled $6.8 billion and $5.9 billion, respectively.

Those Medium-Term Note instruments issued in a foreign currency have been hedged for changes in exchange rates using cross-currency swaps. The unrealized foreign currency gains and losses on those Medium-Term Note instruments are included in the carrying value of the trust instruments supported by funding agreements.

Trust instrument liabilities are adjusted to reflect the effects of foreign currency translation gains and losses using exchange rates as of the reporting date. Foreign currency translation gains and losses are included in net gains (losses) on derivatives and investments.

Jackson is a member of the FHLBI primarily for the purpose of participating in the bank's mortgage-collateralized loan advance program with long-term funding facilities. Advances are in the form of funding agreements, short-term and long-term borrowings issued to FHLBI. At March 31, 2025 and December 31, 2024, the Company held $102 million and $127 million of FHLBI capital stock, respectively, supporting $2.0 billion and $2.7 billion in funding agreements and short-term and long-term borrowings at March 31, 2025 and December 31, 2024, respectively. At March 31, 2025 and December 31, 2024, the funding agreements and short-term and long-term borrowings were collateralized by mortgage-related securities and commercial mortgage loans with a carrying value of $3.1 billion and $4.2 billion, respectively.

The following table presents the liabilities for other contract holder funds (in millions):

	March 31, 2025	December 31, 2024
Variable Annuity	$ 7,018	$ 7,206
RILA	12,432	11,685
Fixed Index Annuities	8,097	8,515
Fixed Annuity	9,441	9,615
Payout Annuity	842	844
Closed Block Life	10,652	10,750
Closed Block Annuity	1,123	1,149
Institutional Products	9,262	8,384
Other Product Lines	161	164
Total other contract holder funds	$ 59,028	$ 58,312

The following table presents a roll-forward of other contract holder funds, gross of reinsurance (in millions):

	Variable Annuity	RILA	Fixed Indexed Annuities	Fixed Annuity	Payout Annuity	Closed Block Life	Closed Block Annuity	Total
Balance as of January 1, 2025	$ 7,206	$ 11,685	$ 8,515	$ 9,615	$ 844	$ 10,750	$ 1,149	$ 49,764
Deposits	202	1,195	35	150	54	72	1	1,709
Surrenders, withdrawals and benefits	(527)	(65)	(485)	(371)	(63)	(206)	(36)	(1,753)
Net transfers from (to) separate accounts	105	—	—	—	—	—	—	105
Investment performance / change in value of equity option	—	(396)	(1)	—	—	—	—	(397)
Interest credited	47	13	38	83	7	158	9	355
Policy charges and other	(15)	—	(5)	(36)	—	(122)	—	(178)
Balance as of March 31, 2025	$ 7,018	$ 12,432	$ 8,097	$ 9,441	$ 842	$ 10,652	$ 1,123	$ 49,605

	Variable Annuity	RILA	Fixed Indexed Annuities	Fixed Annuity	Payout Annuity	Closed Block Life	Closed Block Annuity	Total
Balance as of January 1, 2024	$ 8,396	$ 5,219	$ 10,243	$ 9,736	$ 860	$ 11,039	$ 1,252	$ 46,745
Deposits	722	5,674	181	1,427	214	280	4	8,502
Surrenders, withdrawals and benefits	(2,160)	(193)	(2,298)	(1,706)	(258)	(694)	(151)	(7,460)
Net transfers from (to) separate accounts	94	—	—	—	—	—	—	94
Investment performance / change in value of equity option	—	948	232	—	—	—	—	1,180
Interest credited	225	37	175	319	28	613	45	1,442
Policy charges and other	(71)	—	(18)	(161)	—	(488)	(1)	(739)
Balance as of December 31, 2024	$ 7,206	$ 11,685	$ 8,515	$ 9,615	$ 844	$ 10,750	$ 1,149	$ 49,764

The following table presents weighted average crediting rate, net amount at risk, and cash surrender value of contract holder account balances (dollars in millions):

	Variable Annuity	RILA	Fixed Indexed Annuities	Fixed Annuity	Payout Annuity	Closed Block Life	Closed Block Annuity
March 31, 2025							
Weighted-average crediting rate [(1)]	2.68 %	0.42 %	1.88 %	3.52 %	3.33 %	5.93 %	3.21 %
Net amount at risk [(2)]	$ —	$ —	$ —	$ —	$ —	$ 15,442	$ —
Cash surrender value [(3)]	$ 6,979	$ 11,855	$ 7,888	$ 9,274	$ —	$ 10,585	$ 1,123
December 31, 2024							
Weighted-average crediting rate [(1)]	3.12 %	0.32 %	2.06 %	3.32 %	3.32 %	5.70 %	3.92 %
Net amount at risk [(2)]	$ —	$ —	$ —	$ —	$ —	$ 15,713	$ —
Cash surrender value [(3)]	$ 7,153	$ 11,285	$ 8,256	$ 9,446	$ —	$ 10,694	$ 1,148

(1) Weighted average crediting rate is the average crediting rate weighted by contract holder account balances invested in fixed account funds.

(2) Net amount at risk represents the standard excess benefit base for guaranteed death benefits on universal life type products. The net amount at risk associated with market risk benefits are presented within *Note 12 - Market Risk Benefits of the Notes to Condensed Consolidated Financial Statements*.

(3) Cash surrender value represents the amount of the contract holder's account balance distributable at the balance sheet date less the applicable surrender charges.

At March 31, 2025 and December 31, 2024, excluding reinsurance business, approximately 94% and 94% of the Company's annuity account values correspond to crediting rates that are at the minimum guaranteed interest rates, respectively. At March 31, 2025 and December 31, 2024, excluding reinsurance business, approximately 82% and 82% of the Company's closed block life account values correspond to crediting rates that are at the minimum guaranteed interest rates, respectively.

The following table presents contract holder account balances invested in fixed account funds by range of guaranteed minimum crediting rates and the related range of the difference between rates being credited to other contract holder funds and the respective guaranteed minimums (in millions):

	March 31, 2025				
Range of Guaranteed Minimum Crediting Rate	**At Guaranteed Minimum**	**1 Basis Point-50 Basis Points Above**	**51 Basis Points-150 Basis Points Above**	**Greater Than 150 Basis Points Above**	**Total**
Variable Annuities					
0.00%-1.50%	$ —	$ 10	$ 1	$ —	$ 11
1.51%-2.50%	152	—	—	—	152
Greater than 2.50%	6,821	34	—	—	6,855
Total	$ 6,973	$ 44	$ 1	$ —	$ 7,018
RILA					
0.00%-1.50%	$ 6	$ —	$ 3	$ 4	$ 13
1.51%-2.50%	—	—	—	—	—
Greater than 2.50%	83	24	—	—	107
Total	$ 89	$ 24	$ 3	$ 4	$ 120
Fixed Indexed Annuities					
0.00%-1.50%	$ 3	$ 7	$ 2	$ 38	$ 50
1.51%-2.50%	—	—	—	—	—
Greater than 2.50%	16	—	94	35	145
Total	$ 19	$ 7	$ 96	$ 73	$ 195
Fixed Annuities					
0.00%-1.50%	$ 33	$ 40	$ 25	$ 11	$ 109
1.51%-2.50%	18	1	1	—	20
Greater than 2.50%	2,182	39	1	278	2,500
Total	$ 2,233	$ 80	$ 27	$ 289	$ 2,629
Closed Block Life					
0.00%-1.50%	$ —	$ —	$ —	$ —	$ —
1.51%-2.50%	1	11	—	—	12
Greater than 2.50%	5,409	402	743	5	6,559
Total	$ 5,410	$ 413	$ 743	$ 5	$ 6,571
Closed Block Annuity					
0.00%-1.50%	$ —	$ —	$ —	$ —	$ —
1.51%-2.50%	—	—	1	11	12
Greater than 2.50%	929	18	25	—	972
Total	$ 929	$ 18	$ 26	$ 11	$ 984

	December 31, 2024				
Range of Guaranteed Minimum Crediting Rate	At Guaranteed Minimum	1 Basis Point-50 Basis Points Above	51 Basis Points-150 Basis Points Above	Greater Than 150 Basis Points Above	Total
Variable Annuities					
0.00%-1.50%	$ —	$ 10	$ —	$ —	$ 10
1.51%-2.50%	153	—	—	—	153
Greater than 2.50%	7,043	—	—	—	7,043
Total	$ 7,196	$ 10	$ —	$ —	$ 7,206
RILA					
0.00%-1.50%	$ 6	$ —	$ 3	$ 4	$ 13
1.51%-2.50%	—	—	—	—	—
Greater than 2.50%	89	10	—	—	99
Total	$ 95	$ 10	$ 3	$ 4	$ 112
Fixed Index Annuities					
0.00%-1.50%	$ 3	$ 8	$ 2	$ 38	$ 51
1.51%-2.50%	—	—	—	—	—
Greater than 2.50%	17	—	94	28	139
Total	$ 20	$ 8	$ 96	$ 66	$ 190
Fixed Annuities					
0.00%-1.50%	$ 34	$ 44	$ 28	$ 1	$ 107
1.51%-2.50%	24	1	1	—	26
Greater than 2.50%	2,075	41	1	265	2,382
Total	$ 2,133	$ 86	$ 30	$ 266	$ 2,515
Closed Block Life					
0.00%-1.50%	$ —	$ —	$ —	$ —	$ —
1.51%-2.50%	1	11	—	—	12
Greater than 2.50%	5,461	403	746	5	6,615
Total	$ 5,462	$ 414	$ 746	$ 5	$ 6,627
Closed Block Annuity					
0.00%-1.50%	$ —	$ —	$ —	$ —	$ —
1.51%-2.50%	—	—	1	11	12
Greater than 2.50%	950	19	25	—	994
Total	$ 950	$ 19	$ 26	$ 11	$ 1,006

11. Separate Account Assets and Liabilities

The Company issues variable 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). The Company also issues variable annuity and life 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 account adjusted for any partial withdrawals, b) total deposits made to the account adjusted for any partial withdrawals plus a minimum return, or c) the highest account 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 benefits, or "GMDB"), at annuitization (guaranteed minimum income benefits, or "GMIB"), upon the depletion of funds (guaranteed minimum withdrawal benefits, or "GMWB") or at the end of a specified period (guaranteed minimum accumulation benefits, or "GMAB"). These guarantees are classified as market risk benefits. *See Note 12 - Market Risk Benefits of the Notes to Condensed Consolidated Financial Statements* for more information regarding market risk benefits.

The separate account assets supporting the variable portion of both traditional variable annuities and variable contracts with guarantees are carried at fair value and reported as summary total separate account assets with an equivalent summary total reported for separate account liabilities. At March 31, 2025 and December 31, 2024, the assets and liabilities associated with variable life and annuity contracts were $218 billion and $229 billion, respectively. Investment risks associated with market value changes are borne by the contract holders, except to the extent of minimum guarantees made by the Company.

Separate account net investment income, net investment realized and unrealized gains and losses, and the related liability changes are offset within the same line item in the Condensed Consolidated Income Statements. Amounts assessed against the contract holders for mortality, variable annuity benefit guarantees, administrative, and other services are reported in revenue as fee income.

Included in the separate account assets and liabilities described above is a Jackson issued 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 Jackson National Separate Account - II, which had balances of $200 million and $208 million at March 31, 2025 and December 31, 2024, respectively. The Company receives administrative fees for managing the funds. These fees are recorded as earned and included in fee income in the Condensed Consolidated Income Statements.

The following table presents the roll-forward of the separate account balance for variable annuities (in millions):

	Three Months Ended March 31, 2025	Year Ended December 31, 2024
Balance as of beginning of period	$ 228,851	$ 219,381
Deposits [1]	2,460	9,839
Surrenders, withdrawals and benefits [1]	(6,917)	(27,016)
Net transfer from (to) general account	(105)	(94)
Investment performance	(6,315)	29,532
Policy charges and other	(683)	(2,791)
Balance as of end of period, gross	$ 217,291	$ 228,851
Cash surrender value [2]	$ 212,744	$ 224,157

[1] Excludes certain internal exchanges.

[2] Cash surrender value represents the amount of the contract holder's account balances distributable at the balance sheet date less applicable surrender charges.

The following table presents the reconciliation of the separate account balance in the Condensed Consolidated Balance Sheets (in millions):

	March 31, 2025	December 31, 2024
Variable Annuities	$ 217,291	$ 228,851
Other Product Lines	281	292
Total	$ 217,572	$ 229,143

The following table presents aggregate fair value of assets, by major investment asset category, supporting separate accounts (in millions):

	March 31, 2025	December 31, 2024
Variable Annuities By Fund Type		
Equity	$ 153,630	$ 163,904
Bond	19,460	19,486
Balanced	41,554	42,909
Money Market	2,647	2,552
Total Variable Annuities	217,291	228,851
Other Product Lines	281	292
Total Separate Accounts	$ 217,572	$ 229,143

12. Market Risk Benefits

Contracts or contract features that provide protection to the contract holder from capital market risk and expose the Company to other-than-nominal capital market risk are classified as MRBs.

All long-duration insurance contracts and certain investment contracts are subject to MRB evaluation. MRBs are measured at fair value at the contract level and can be in either an asset or liability position. For contracts that contain multiple MRB features, the MRBs are valued together as a single compound MRB. Market risk benefit assets and Market risk benefit liabilities are reported separately on the Condensed Consolidated Balance Sheets.

Changes in fair value are reported in Net (gains) losses on market risk benefits on the Condensed Consolidated Income Statements. However, the change in fair value related to our own non-performance risk is reported as a component of other comprehensive income in Change in non-performance risk on market risk benefits on the Condensed Consolidated Statements of Comprehensive Income (Loss).

A description of the items affecting the change in fair value by category is as follows:

- *Changes in interest rates* — movement in risk free rates (impacts both assumed future separate account returns and discounting of cash flows)
- *Fund performance* — separate account returns gross of fees
- *Change in equity index volatility* — movement in implied volatility
- *Expected policyholder behavior* — policyholder behavior as assumed in reserving
- *Actual policyholder behavior different than expected* — difference between actual behavior during the period versus assumed behavior
- *Time* — effect of passage of time including reduction to separate account balances from fees, the change in proximity of future cash flows, and impacts to policy features such as bonus credits
- *Change in assumptions* — changes in assumptions resulting from our periodic review
- *Change in non-performance risk* — changes in Jackson's non-performance risk

See Note 6 - Fair Value Measurements of the Notes to Condensed Consolidated Financial Statements for more information regarding fair value measurements.

Additionally, when an annuitization occurs (for annuitization benefits) or upon extinguishment of the account balance (for withdrawal benefits), the balance related to the MRB is derecognized and the amount deducted (after derecognition of any related amount included in accumulated other comprehensive income) is used in the calculation of the liability for future policy benefits for the resulting payout annuity.

Variable Annuities

Variable annuity contracts issued by the Company offer various guaranteed minimum death, withdrawal, income and accumulation benefits. These guaranteed benefit features, as well as the reinsurance recoverable on the Company's GMIB, are classified as MRBs and measured at fair value. The Company discontinued offering the GMIB in 2009.

Variable annuity guaranteed benefit features classified as MRBs, which have explicit fees, are measured using the attributed fee method. Under the attributed fee method, fair value is measured as the difference between the present value of projected future liabilities and the present value of projected attributed fees. At the inception of the contract, the Company attributes to the MRB a portion of total fees expected to be assessed against the contract holder to offset the projected claims over the lifetime of the contract. The attributed fee is expressed as a percentage of total projected future fees at inception of the contract. This percentage of total projected fees is considered a fixed term of the MRB feature and is held static over the life of the contract. This percentage may not exceed 100% of the total projected contract fees as of contract inception. As the Company may issue contracts that have projected future liabilities greater than the projected future guaranteed benefit fees at issue, the Company may also attribute mortality and expense charges when performing this calculation. In subsequent valuations, the present value of both future projected liabilities and projected attributed fees are remeasured based on current market conditions and policyholder behavior assumptions.

Fixed Index Annuities

The longevity riders issued on fixed index annuities are classified as MRBs and measured at fair value. Similar to the variable annuity guaranteed benefits features, these contracts have explicit fees and are measured using the attributed fee method. The Company attributes a percentage of total projected future fees expected to be assessed against the policyholder to offset the projected future claims over the lifetime of the contract. If the fees attributed are insufficient to offset the claims at issue, the shortfall is borrowed from the host contract rather than recognizing a loss at inception.

RILA

RILA guaranteed benefit features are classified as MRBs and measured at fair value. The fair value measurement represents the present value of future claims payable by the MRB feature. At inception, the value of the MRB is deducted from the value of the contract resulting in no gain or loss.

The following table presents the reconciliation of the market risk benefits balance in the Condensed Consolidated Balance Sheets (in millions):

	March 31, 2025			December 31, 2024		
	Variable Annuities	Other Product Lines	Total	Variable Annuities	Other Product Lines	Total
Market risk benefit - (assets)	$ (7,322)	$ (4)	$ (7,326)	$ (8,894)	$ (5)	$ (8,899)
Market risk benefit - liabilities	4,056	69	4,125	3,718	56	3,774
Market risk benefit - net (asset) liability	$ (3,266)	$ 65	$ (3,201)	$ (5,176)	$ 51	$ (5,125)

The following table presents the roll-forward of the net MRB (assets) liabilities for variable annuities (dollars in millions):

	Three Months Ended March 31, 2025	Year Ended December 31, 2024
Net MRB balance, beginning of period	$ (5,176)	$ (2,000)
Beginning of period cumulative effect of changes in non-performance risk	314	972
Net MRB balance, beginning of period, before effect of changes in non-performance risk	(4,862)	(1,028)
Effect of changes in interest rates	698	(3,555)
Effect of fund performance	516	(3,545)
Effect of changes in equity index volatility	246	(196)
Effect of expected policyholder behavior	186	820
Effect of actual policyholder behavior different from expected	124	673
Effect of time	456	1,537
Effect of changes in assumptions	6	432
Net MRB balance, end of period, before effect of changes in non-performance risk	(2,630)	(4,862)
End of period cumulative effect of changes in non-performance risk	(636)	(314)
Net MRB balance, end of period, gross	(3,266)	(5,176)
Reinsurance recoverable on market risk benefits at fair value, end of period	(57)	(62)
Net MRB balance, end of period, net of reinsurance	(3,323)	(5,238)
Weighted average attained age (years) [1]	70	70
Net amount at risk [2]	$ 8,107	$ 6,360

[1] Weighted-average attained age is defined as the average age of policyholders weighted by account value.

[2] Net amount at risk (NAR) is defined as of the valuation date for each contract as the greater of Death Benefit NAR (DBNAR) and Living Benefit NAR (LBNAR), as applicable, where DBNAR is the GMDB benefit base in excess of the account value, and LBNAR is the actuarial present value of guaranteed living benefits in excess of the account value.

At each reporting date, the Company regularly evaluates the inputs and assumptions to be used to measure the fair value of the MRB assets and MRB liabilities. In prior periods, the non-performance risk adjustment was determined based on credit spreads indicated by a blend of yields on similarly rated peer debt and yields on Company debt. Starting June 30, 2023, non-performance risk is incorporated into the calculation through the adjustment of the risk-free rate curve based only on credit spreads for debt and debt-like instruments issued by the Company or its insurance operating subsidiaries, adjusted, as necessary, to reflect the financial strength ratings of the issuing insurance subsidiaries. The change was made as a result of management's determination that the reliability of credit spreads on debt and debt-like instruments issued by the Company as a measure of company-specific credit risk has increased due to sustained levels of market trading volume of these instruments.

The significant assumptions used in the MRB fair value calculations are discussed in Note 6 - Fair Value Measurements of the Notes to Condensed Consolidated Financial Statements.

13. Long-Term Debt

Liabilities for the Company’s debt are primarily carried at an amount equal to the principal balance net of any unamortized original issuance discount or premium. Original issuance discount or premium and any debt issue costs, if applicable, are recognized as a component of interest expense over the period the debt is expected to be outstanding.

The aggregate carrying value of long-term debt was as follows (in millions):

Long-Term Debt	March 31, 2025	December 31, 2024
Senior Notes due 2027	$ 398	$ 398
Senior Notes due 2031	496	497
Senior Notes due 2032	348	347
Senior Notes due 2051	490	490
Surplus notes due 2027	250	250
FHLBI bank loans due 2034 & 2035	48	52
Total long-term debt	$ 2,030	$ 2,034

The following table presents the contractual maturities of the Company's long-term debt as of March 31, 2025 (in millions):

	Calendar Year					
	2026	2027	2028	2029	2030 and thereafter	Total
Long-term debt	$ —	$ 648	$ —	$ —	$ 1,382	$ 2,030

Revolving Credit Facility

On February 24, 2023, the Company replaced its prior revolving credit facility that was scheduled to expire in February 2024, with a new revolving credit facility (the "2023 Revolving Credit Facility") with a syndicate of banks and Bank of America, N.A., as Administrative Agent. The 2023 Revolving Credit Facility provides for borrowings for working capital and other general corporate purposes under aggregate commitments of $1.0 billion, with a sub-limit of $500 million available for letters of credit. The 2023 Revolving Credit Facility further provides for the ability to request, subject to customary terms and conditions, an increase in commitments thereunder by up to an additional $500 million.

The credit agreement for the 2023 Revolving Credit Facility contains financial maintenance covenants, including a minimum adjusted consolidated net worth test of no less than 70% of our adjusted consolidated net worth as of September 30, 2022 (plus (to the extent positive) or minus (to the extent negative) 70% of the impact on such adjusted consolidated net worth resulting from the application of a one-time transition adjustment for the LDTI accounting change for insurance contracts, and plus 50% of the aggregate amount of any increase in adjusted consolidated net worth resulting from equity issuances by the Company and its consolidated subsidiaries after September 30, 2022), and a maximum consolidated indebtedness to total capitalization ratio test not to exceed 35%. Commitments under the 2023 Revolving Credit Facility terminate on February 24, 2028.

Line of Credit Agreement

Jackson 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 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.

14. Federal Home Loan Bank Advances

The Company, through its subsidiary, Jackson, 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 of nil and $700 million were outstanding at March 31, 2025 and December 31, 2024, respectively, and were recorded in other liabilities. Interest expense on such advances was $4 million and nil for the three months ended March 31, 2025 and 2024, respectively. *See Note 10 - Other Contract Holder Funds of the Notes to Condensed Consolidated Financial Statements for the carrying value securities pledged as collateral for our FHLB obligations*.

15. Income Taxes

The Company uses the estimated annual effective tax rate ("ETR") method in computing the interim tax provision. Certain items, including those deemed unusual, infrequent, or that cannot be reliably estimated, are treated as discrete items and excluded from the estimated annual ETR. In these cases, the actual tax expense or benefit is reported in the same period as the related item. Certain tax effects are also not reflected in the estimated annual ETR, primarily certain changes in the realizability of deferred tax assets and uncertain tax positions and are recorded in the period in which the change occurs. The estimated annual ETR is revised, as necessary, at the end of successive interim reporting periods.

The Company's effective income tax rate was (5.9)% for the three months ended March 31, 2025, compared with 11.3% for the same period in 2024. The ETR differs from the statutory rate of 21% primarily due to the dividends received deduction, utilization of foreign tax credits, and valuation allowance. The change in the ETR for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 was due to the relationship of taxable income to consolidated pre-tax income (loss) and the valuation allowance. The ETR differs for the three months ended March 31, 2025 from the full year-ended December 31, 2024 ETR of 4.6% due to the relationship of taxable income to consolidated pre-tax income (loss) and the valuation allowance.

For the three months ended March 31, 2025 and 2024, the Company recorded an estimate of nil and $111 million, respectively, for the provision of the corporate alternative minimum tax ("CAMT") with an offsetting increase to the deferred tax asset for the credit carryover resulting in no impact to total tax expense. The determination of the estimated 2025 CAMT liability considered carryover impacts from prior tax years and consideration of the applicability of the proposed regulations. The U.S. Treasury Department is expected to issue Final Regulations in 2025 or later which may materially change the estimated provision of the CAMT.

The Company is required to evaluate the recoverability of its deferred tax assets and establish a valuation allowance, if necessary, to reduce its deferred tax asset to an amount that is more likely than not to be realizable. Considerable judgment and the use of estimates are required when determining whether a valuation allowance is necessary and, if so, the amount of such valuation allowance. When evaluating the need for a valuation allowance, the Company considers many factors, including: the nature and character of the deferred tax assets and liabilities; taxable income in prior carryback years; future reversals of temporary differences; the length of time carryovers can be utilized; and any tax planning strategies the Company would employ to avoid a tax benefit from expiring unused. The Company has adopted an accounting policy to analyze the ability to recover the CAMT credit carryover deferred tax asset separately from the deferred tax assets generated under the regular tax system.

For the three months ended March 31, 2025, changes in market conditions and interest rates impacted the unrealized tax gains and losses in the available for sale securities portfolio resulting in deferred tax assets related to net unrealized tax capital losses for the life insurance group. The deferred tax asset relates to the unrealized losses for which the carryforward period has not yet begun, and as such, when assessing its recoverability, we consider our ability and intent to hold the underlying securities to recovery, our capital loss carryback capacity, along with reversing capital deferred tax liabilities.

As of March 31, 2025, based on all available evidence, we concluded that a valuation allowance should be established on a portion of the deferred tax asset related to unrealized losses that are not more likely than not to be realized. For the three months ended March 31, 2025, the Company recorded a decrease of $98 million, to the valuation allowance associated with the unrealized tax losses in the Company's available for sale securities portfolio and a change of nil related to both realized and unrealized losses on capital assets of the Non-life Companies. The $98 million decrease for the three months ended March 31, 2025, to the valuation allowance consists of $99 million tax benefit recorded to other comprehensive income and $1 million tax expense recorded in the income tax expense. At March 31, 2025 and December 31, 2024, the Company has recorded a total valuation allowance for $636 million and $734 million, respectively, associated with the unrealized tax losses in the Life Companies' available for sale securities portfolio where it is not more likely than not that the full tax benefit of the losses will be realized.

16. Commitments and Contingencies

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 effect 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 March 31, 2025, the Company had unfunded commitments related to its investments in limited partnerships and limited liability companies totaling $886 million. At March 31, 2025, unfunded commitments related to fixed-rate mortgage loans and other debt securities totaled $923 million.

17. Operating Costs and Other Expenses

The following table is a summary of the Company’s operating costs and other expenses (in millions):

	Three Months Ended March 31,	
	2025	**2024**
Asset-based commission expenses	$ 284	$ 279
Other commission expenses	215	203
Sub-advisor expenses	78	80
General and administrative expenses	259	271
Deferral of acquisition costs	(159)	(148)
Total operating costs and other expenses	$ 677	$ 685

18. Accumulated Other Comprehensive Income (Loss)

The following table represents changes in the balance of accumulated other comprehensive income ("AOCI"), net of income tax, related to unrealized investment gains (losses) (in millions):

	Three Months Ended March 31,	
	2025	2024
Balance, beginning of period [1]	$ (3,522)	$ (2,808)
Change in unrealized gains (losses) of investments	641	(282)
Change in current discount rate - reserve for future policy benefits[2]	(75)	81
Change in non-performance risk on market risk benefits	327	(511)
Change in unrealized gains (losses) - other	(4)	4
Change in deferred tax asset	(93)	95
Other comprehensive income (loss) before reclassifications	796	(613)
Reclassifications from AOCI, net of tax	7	(2)
Other comprehensive income (loss)	803	(615)
Balance, end of period [1]	$ (2,719)	$ (3,423)

(1) Includes $(1,463) million and $(1,597) million related to the investments held within the funds withheld account related to the Athene Reinsurance Transaction as of March 31, 2025 and December 31, 2024, respectively.
(2) Represents the impact of changes in the discount rate used in the remeasurement of our direct reserves for future policy benefits and claims payable, net of the remeasurement of ceded reserves for future policy benefits and claims payable.

The following table represents amounts reclassified out of AOCI (in millions):

AOCI Components	Amounts Reclassified from AOCI		Affected Line Item in the Condensed Consolidated Income Statements
	Three Months Ended March 31,		
	2025	2024	
Net unrealized investment gain (loss):			
Net realized gain (loss) on investments	$ 24	$ (1)	Net gains (losses) on derivatives and investments
Other impaired securities	(15)	(2)	Net gains (losses) on derivatives and investments
Net unrealized gain (loss)	9	(3)	
Income tax expense (benefit)	2	(1)	
Reclassifications, net of income taxes	$ 7	$ (2)	

19. Equity

Preferred Stock

On March 13, 2023, the Company issued and sold 22,000,000 depositary shares (the "Depositary Shares"), each representing a 1/1,000th fractional interest in a share of the Company's Fixed-Rate Reset Noncumulative Perpetual Preferred Stock, Series A, $25,000 liquidation preference per share (equivalent to $25 per Depositary Share), with a 5-year dividend rate reset period and noncumulative dividends (the "Series A Preferred Stock"). After underwriting discounts and expenses, we received net proceeds of approximately $533 million.

The Series A Preferred Stock carries a dividend rate equal to i) from issuance to but excluding March 30, 2028, 8.000% per annum; and ii) from, and including, March 30, 2028, during each reset period, at a rate per annum equal to the Five-year U.S. Treasury Rate as of the applicable reset dividend determination date plus 3.728%. The dividend is payable quarterly in arrears on March 30, June 30, September 30 and December 30, and commenced on June 30, 2023. Dividends on the Series A Preferred Stock are not cumulative. Under the terms of the Series A Preferred Stock, if the Company has not declared and paid, or declared and set aside a sum sufficient for the payment of, dividends on the Series A Preferred Stock for the immediately preceding dividend period, then the Company's ability to pay dividends or make distributions with respect to its common stock, or to repurchase or otherwise acquire its common stock, is subject to certain restrictions. Similar restrictions would apply in respect of any preferred stock ranking on parity with, or junior to, the Series A Preferred Stock, if any such preferred stock were to be issued by the Company.

We may, at our option, redeem the shares of Series A Preferred Stock (a) in whole but not in part at any time prior to March 30, 2028, (i) within 90 days after the occurrence of a "rating agency event" at a redemption price equal to $25,500 per share (equivalent to $25.50 per Depositary Share), plus an amount equal to any accrued but unpaid dividends to, but excluding, the redemption date, or (ii) within 90 days after the occurrence of a "regulatory capital event," at a redemption price equal to $25,000 per share (equivalent to $25 per Depositary Share), plus an amount equal to any accrued but unpaid dividends to, but excluding, the redemption date, or (b) in whole or in part, from time to time, on or after March 30, 2028, at a redemption price equal to $25,000 per share (equivalent to $25 per Depositary Share), plus an amount equal to any accrued but unpaid dividends to, but excluding, the redemption date. If we redeem any shares of Series A Preferred Stock, a proportionate number of Depositary Shares will be redeemed. Holders of Depositary Shares have no right to require the redemption or repurchase of the Series A Preferred Stock or the Depositary Shares.

The net proceeds from the sale were used for general corporate purposes, including the repayment of senior notes that matured in November 2023.

The following table presents the declaration date, record date, payment date and dividends paid per preferred share of, and per depositary share representing, the Series A Preferred Stock:

				Dividends Paid	
	Declaration Date	**Record Date**	**Payment Date**	**Per Preferred Share**	**Per Depositary Share**
Quarter Ended					
03/31/2025	February 17, 2025	March 11, 2025	March 31, 2025	$500	$0.50
Quarter Ended					
03/31/2024	February 20, 2024	March 12, 2024	April 1, 2024	$500	$0.50

Common Stock

At March 31, 2025 and December 31, 2024, the Company was authorized to issue up to 1 billion shares of common stock with a par value of $0.01 per share.

Share Repurchase Program

On February 27, 2023 and August 1, 2024, our Board of Directors authorized increases of $450 million and $750 million, respectively, in our existing authorization to repurchase shares of our outstanding common stock as part of the Company's share repurchase program. As of May 1, 2025, the Company had remaining authorization to purchase $431 million of its common shares.

The Company expects to repurchase common shares from time to time in the open market or in privately negotiated transactions. The timing, form and amount of the share repurchases under the program are at the discretion of management and will depend on a variety of factors, including funds available at the Company, other potential uses for such funds, market conditions, the Company's capital position, legal requirements and other factors. The repurchase program may be modified, extended or terminated by the Board at any time. It does not have an expiration date. There can be no assurance that we will continue share repurchases or approve any further increase to our current, or approve any new, stock repurchase program, or any assurance to the amount of any repurchases that may be made pursuant to such programs.

Through March 31, 2025, we have incurred $6 million of excise tax in connection with share repurchases that exceeded stock issuances. The excise tax incurred was recognized as part of the cost basis of the treasury stock acquired and not reported as income tax expense.

The following table represents share repurchase activities as part of our share repurchase program:

Period	Number of Shares Repurchased	Total Payments (in millions)	Average Price Paid Per Share
2024 (January 1- March 31)	2,157,372	$ 116	$ 53.76
2024 (April 1- June 30)	1,294,473	90	69.16
2024 (July 1- September 30)	1,352,821	113	83.39
2024 (October 1- December 31)	974,324	96	98.31
Total 2024	5,778,990	$ 415	$ 71.65
2025 (January 1- March 31)	1,966,909	172	87.69
2025 (April 1- May 1)	440,022	33	74.71
Total 2025	2,406,931	$ 205	$ 85.32

The following table presents changes in the number of shares of common stock outstanding:

	Common Stock Issued	Treasury Stock	Total Common Stock Outstanding
Shares at December 31, 2024	94,488,315	(21,107,672)	73,380,643
Share-based compensation programs	—	464,808 [1]	464,808
Shares repurchased under repurchase program	—	(1,966,909)	(1,966,909)
Shares at March 31, 2025	94,488,315	(22,609,773)	71,878,542

[1] Represents net shares issued from treasury stock pursuant to the Company’s share-based compensation programs.

Dividends to Shareholders

Any declaration of cash dividends on common stock will be at the discretion of JFI’s Board of Directors and will depend on our financial condition, earnings, liquidity and capital requirements, regulatory constraints, level of indebtedness, preferred stock, contractual restrictions with respect to paying cash dividends, restrictions imposed by Delaware law, general business conditions and any other factors that JFI’s Board of Directors deems relevant in making any such determination. Therefore, there can be no assurance that we will pay any cash dividends to holders of our stock or as to the amount of any such cash dividend.

The following table presents declaration date, record date, payment date and dividends paid per share of JFI's common stock:

	Declaration Date	Record Date	Payment Date	Dividends Paid Per Share
Quarter Ended				
03/31/2025	February 17, 2025	March 11, 2025	March 20, 2025	$0.80
Quarter Ended				
03/31/2024	February 20, 2024	March 12, 2024	March 21, 2024	$0.70

20. Earnings Per Share

Basic earnings per share is calculated by dividing net income (loss) attributable to Jackson Financial common shareholders by the weighted-average number of common shares outstanding during the period. Diluted earnings per share is calculated by dividing the net income (loss) attributable to Jackson Financial common shareholders, by the weighted-average number of shares of common stock outstanding for the period, plus shares representing the dilutive effect of share-based awards. The Company grants share-based awards subject to vesting provisions of the 2021 Omnibus Incentive Plan, which can have a dilutive effect. *See Note 18 - Share-Based Compensation of the Notes to Consolidated Financial Statements in the Company's 2024 Annual Report for further description of our share-based awards.*

The following table sets forth the calculation of earnings per common share:

	Three Months Ended March 31,	
	2025	2024
	(in millions, except share and per share data)	
Net income (loss) attributable to Jackson Financial Inc.	$ (24)	$ 795
Less: Preferred stock dividends	11	11
Net income (loss) attributable to Jackson Financial Inc. common shareholders	$ (35)	$ 784
Weighted average shares of common stock outstanding - basic	73,469,317	78,059,817
Dilutive common shares	—	807,286
Weighted average shares of common stock outstanding - diluted [1]	73,469,317	78,867,103
Earnings per share—common stock		
Basic	$ (0.48)	$ 10.04
Diluted	$ (0.48)	$ 9.94

[1] If we reported a net loss attributable to Jackson Financial Inc., all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts. The shares excluded from the diluted EPS calculation were 247,765 shares for the three months ended March 31, 2025.

21. Subsequent Events

The Company has evaluated subsequent events through the date these Condensed Consolidated Financial Statements were issued.

Dividends Declared to Shareholders

On May 2, 2025, our Board of Directors approved a cash dividend on JFI's common stock of $0.80 per share for the second quarter 2025, payable on June 26, 2025, to common shareholders of record on June 12, 2025. The Company also announced the declaration of a cash dividend of $0.50 per depositary share, each representing a 1/1,000th interest in a share of Fixed-Rate Reset Noncumulative Perpetual Preferred Stock, Series A. The dividend will be payable on June 30, 2025, to depositary shareholders of record at the close of business on June 12, 2025.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING STATEMENTS – CAUTIONARY LANGUAGE

The information in this Quarterly Report on Form 10-Q (this “report”) contains forward-looking statements about future events and circumstances and their effects upon revenues, expenses and business opportunities. Generally speaking, any statement in this report 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,” “predict,” “remain,” “future,” “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 Part I, Item 1A. Risk Factors and Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the U.S. Securities and Exchange Commission (the "SEC") on February 26, 2025, (the "2024 Annual Report"), and elsewhere in Jackson Financial Inc.’s reports filed with the SEC. Except as required by law, Jackson Financial Inc. does not undertake to update such forward-looking statements. You should not rely unduly on forward-looking statements.

Certain financial data included in this release consists of non-GAAP (Generally Accepted Accounting Principles) financial measures. These non-GAAP financial measures may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with U.S. GAAP. Although the Company believes these non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-GAAP financial measures and ratios included in this release. A reconciliation of the non-GAAP financial measures to the most directly comparable U.S. GAAP financial measure can be found in the “Non-GAAP Financial Measures” in this report.

Certain financial data included in this release consists of statutory accounting principles (“statutory”) financial measures. These statutory financial measures are included in or derived from the Jackson National Life Insurance Company annual and/or quarterly statements filed with the Michigan Department of Insurance and Financial Services and available in the investor relations section of the Company’s website at investors.jackson.com/financials/statutory-filings.

We routinely use our investor relations website, at investors.jackson.com, as a primary channel for disclosing key information to our investors. We may use our website as a means of disclosing material, non-public information and for complying with our disclosure obligations. Accordingly, investors should monitor our investor relations website, in addition to following our press releases, filings with the SEC, public conference calls, presentations, and webcasts. We and certain of our senior executives may also use social media channels to communicate with our investors and the public about our Company and other matters, and those communications could be deemed to be material information. The information contained on, or that may be accessed through, our website, our social media channels, or our executives' social media channels, is not incorporated by reference into and is not part of this report.

Available Information

We make available free of charge, through our website, investors.jackson.com, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, our proxy and information statements, and any amendments to those reports or statements as soon as reasonably practicable after these materials are electronically filed with, or furnished to, the SEC. The SEC's website, www.sec.gov, contains financial reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

We use the investor relations page of our website, investors.jackson.com, as a primary channel for dissemination of important information, including news releases, analyst presentations, financial information, insider beneficial owner reports, and corporate governance information. We may use our website as a means of disclosing material, non-public information and for complying with our disclosure obligations. Accordingly, investors should monitor our investor relations website, in addition to following our press releases, filings with the SEC, public conference calls, presentations, and webcasts. We and certain of our senior executives may also use social media channels to communicate with our investors and the public about our Company and other matters, and those communications could be deemed to be material information. None of the content of Jackson's website, jackson.com, the content of our social media channels or the content of our executives' social media channels is incorporated by reference into this report or in any other report or document filed with the SEC, and any references to Jackson's website are intended to be inactive textual references only.

Principal Definitions, Abbreviations, and Acronyms Used in the Text and Notes of this Report

we, us, our and the Company	Jackson Financial Inc. and its consolidated subsidiaries, unless the context refers only to Jackson Financial Inc. as a corporate entity (which we refer to as "JFI" or "Jackson Financial")
Jackson	Jackson National Life Insurance Company, our primary operating subsidiary
Brooke Life	Brooke Life Insurance Company, our subsidiary and the direct parent company of Jackson and Brooke Re
Brooke Re	Brooke Life Reinsurance Company, a direct subsidiary of Brooke Life, and a Michigan-based captive reinsurer
Jackson Finance	Jackson Finance, LLC, our subsidiary
PPMH	PPM Holdings, Inc., our subsidiary
PPM	PPM America, Inc., a subsidiary of PPMH
ACL	Allowance for credit loss
Account value ("AV") or account balance	The amount of money in a customer's account. For example, the account value increases with additional premiums and investment gains, and it decreases with withdrawals, investment losses and fees.
Athene	Athene Life Re Ltd. and its affiliates, including Athene Co-Invest Reinsurance Affiliate 1A Ltd.
Athene Reinsurance Transaction	The funds withheld coinsurance agreement with Athene, entered on June 18, 2020, and effective June 1, 2020, to reinsure a 100% quota share of a block of our in-force fixed and fixed index annuity liabilities in exchange for approximately $1.2 billion in ceding commissions
AUM ("Assets under management")	Investment assets that are managed by our subsidiaries and includes: (i) assets managed by PPM, including our investment portfolio (but excluding assets held in funds withheld accounts for reinsurance transactions), (ii) third-party assets (including those owned by our former parent and its affiliates), and (iii) the separate account assets of our retail annuities managed and administered by JNAM
Benefit base	A notional amount (not actual cash value) used to calculate guaranteed benefits within an owner's annuity contract and fees due in respect of those guaranteed benefits. The death benefit and living benefit within the same contract may have different benefit bases.
CMBS	Commercial mortgage-backed securities

DAC ("Deferred acquisition costs")	Represent the incremental costs related directly to the successful acquisition of new, and certain renewal, insurance policies and annuity contracts. The recognition of these costs has been deferred, and the deferred amounts are shown on the balance sheet as an asset, which is amortized over the estimated lives of those policies and contracts.
Deferred tax asset or Deferred tax liability	Asset or liability that is recorded for the difference between financial reporting, or book basis, and tax basis of an asset or a liability
Fixed Annuity	An annuity that guarantees a set annual rate of return with interest at rates we determine, subject to specified minimums. Credited interest rates are guaranteed not to change for certain limited periods of time, after which rates may reset.
Fixed Index Annuity	An annuity with an ability to share in the upside from certain financial markets, such as equity indices, and provides downside protection
General account assets	The assets held in the general accounts of our insurance companies
GIC	Guaranteed investment contract
Guarantee Fees	Fees charged on our annuity contracts for optional benefit guarantees
GMAB ("Guaranteed minimum accumulation benefit")	An add-on benefit (enhanced benefits available for an additional cost) that entitles an owner to a minimum payment, typically in a lump-sum, after a set period of time, referred to as the accumulation period. The minimum payment is based on the benefit base, which could be greater than the underlying account value.
GMDB ("Guaranteed minimum death benefit")	An add-on benefit (enhanced benefits available for an additional cost) that guarantees an owner's beneficiaries are entitled to a minimum payment based on the benefit base, which could be greater than the underlying account value, upon the death of the owner
GMIB ("Guaranteed minimum income benefit")	An add-on benefit (available for an additional cost) where an owner is entitled to annuitize the policy and receive a minimum payment stream based on the benefit base, which could be greater than the payment stream resulting from current annuitization of the underlying account value
GMWB ("Guaranteed minimum withdrawal benefit")	An add-on benefit (available for an additional cost) where an owner is entitled to withdraw a maximum amount of their benefit base each year, for which cumulative payments to the owner could be greater than the underlying account value
GMWB for Life ("Guaranteed minimum withdrawal benefit for life")	An add-on benefit (available for an additional cost) where an owner is entitled to withdraw the guaranteed annual withdrawal amount each year for the duration of the policyholder's life, regardless of account performance.
NAIC	National Association of Insurance Commissioners
NAV	Net asset value
Net flows	Net flows represent the net change in customer account balances during a period, after reflecting gross premium inflows and surrender, withdrawal and benefit payment outflows. Net flows do not include investment performance, interest credited to customer accounts and policy charges.
RBC ("Risk-based capital")	Statutory minimum level of capital that is required by regulators for an insurer to support its operations
RBC ratio	The ratio of statutory total adjusted capital to company action level required capital. A formal calculation is made annually during the fourth quarter of each year. In other periods, the ratio is estimated.
RILA	A registered index-linked annuity, which offers market index-linked investment options, subject to a cap, and a variety of guarantees designed to modify or limit losses
RMBS	Residential mortgage-backed securities
Variable annuity	An annuity that offers tax-deferred investment into a range of asset classes and a variable return, which offers insurance features related to potential future income payments
VIE	Variable interest entity

Overview of Management's Discussion and Analysis of Financial Condition and Results of Operations

Jackson Financial Inc. ("Jackson Financial" or "JFI") along with its subsidiaries (collectively, the "Company," which also may be referred to as "we," "our" or "us"), is a financial services company. Jackson Financial, domiciled in the state of Delaware, United States ("U.S."). Jackson Financial's primary operating subsidiary, Jackson National Life Insurance Company ("Jackson"), is licensed to sell group and individual annuity products (including immediate, registered index-linked, deferred fixed, fixed index, fixed and variable annuities), and various protection products, primarily whole life, universal life, variable universal life and term life insurance products in all 50 states and the District of Columbia.

We help Americans secure their financial futures. 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.

Executive Summary

This 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 report, including the Condensed Consolidated Financial Statements and related notes contained in Part I, Item 1 of this report, and our Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the SEC on February 26, 2025, (the "2024 Annual Report"), in their entirety for a more detailed description of events, trends, uncertainties, risks and critical accounting estimates affecting us.

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, manage our portfolio of investments effectively, and control costs through expense discipline.

Due to funds withheld reinsurance arrangements, including the Athene Reinsurance Transaction, we hold significant assets whose investment performance accrues to the benefit of the related reinsurer.

We experience net income volatility because we do not directly use hedging to offset the movement in our U.S. generally accepted accounting principles ("U.S. GAAP") market risk benefit liabilities as market conditions change from period to period. Our core dynamic hedging program seeks to offset changes in the economic liability associated with variable annuity guaranteed benefits due to equity market and interest rate movements, while our macro hedging program seeks to provide additional liquidity and statutory capital protection as needed. As a result, the changes in the fair value of the derivatives used as part of our overall hedging program are not expected to match the movements in the market risk benefit liabilities resulting in volatility from changes in fair value recorded to net income. Accordingly, we evaluate and manage the performance of our business using Adjusted Operating Earnings, a non-GAAP financial measure that reduces the impact of market volatility by excluding changes in fair value of freestanding and embedded derivative instruments, market risk benefits and other items. *See "Non-GAAP Financial Measures" below for information regarding our non-GAAP financial measures and reconciliations to the most comparable U.S. GAAP measures.*

We manage our business through three reportable segments: Retail Annuities, Institutional Products, and Closed Life and Annuity Blocks. We report in Corporate and Other activities and items that are not included in those three segments, including the results of PPM Holdings, Inc., the parent holding company of PPM America Inc. ("PPM"), that manages the majority of our general account investment portfolio. *See Note 3 - Segment Information of the Notes to Condensed Consolidated Financial Statements for further information on our segments.*

An understanding of several key operating measures, including sales, account value, net flows, benefit base and assets under management ("AUM"), is helpful in evaluating our results. *See "Key Operating Measures" below.* Finally, we are affected by various economic, industry and regulatory trends, which are described below under "Macroeconomic, Industry and Regulatory Trends."

The table below presents selected financial and operating measures:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Net income (loss) attributable to Jackson Financial Inc. common shareholders	$ (35)	$ 784
Adjusted Operating Earnings [(1)]	376	334
Amount of shares repurchased under share repurchase program	172	116
Dividends on common shares	59	56
Return on Equity ("ROE") Attributable to Common Shareholders	(1.5)%	32.5 %
Adjusted Operating ROE Attributable to Common Shareholders on average equity [(1)]	13.6 %	12.0 %

[(1)] Non-GAAP financial measure. *See "Non-GAAP Financial Measures" below for information regarding our non-GAAP financial measures and reconciliations to the most comparable U.S. GAAP measures.*

Recent Events of Note

- *Capital Returned to Common Shareholders:* Since January 1, 2025 through March 31, 2025, we have returned $231 million to our common shareholders consisting of $59 million in dividends and $172 million in common share repurchases. Our capital return target for common shareholders for 2025 is $700-$800 million. Share repurchases, net of issuances for our share-based compensation, have reduced our outstanding shares of common stock from 73,380,643 at December 31, 2024 to 71,878,542 at March 31, 2025. *See Note 19 of the Notes to Condensed Consolidated Financial Statements for further information on our share repurchases.*

- *Free Capital Generation and Free Cash Flow:*
  - Our free capital generation during the three months ended March 31, 2025 exceeded $400 million. Free capital generation represents Jackson's aggregate statutory basis after-tax income from operations, realized gains (losses), unrealized gains (losses), and other surplus adjustments, adjusted for the change in estimated Company Action Level required capital ("CAL") for Jackson calibrated to a 425% RBC ratio. We expect free capital generation in 2025 to exceed $1 billion, under normal market conditions. As explained below under "Liquidity and Capital Resources – Holding Company Liquidity" and "- Distributions from Our Insurance Subsidiaries," the payment of dividends or distributions from our capital generation is limited by applicable laws and regulations.
  - The free cash flow at Jackson Financial (parent company only) during the three months ended March 31, 2025 was $213 million compared to $20 million during the three months ended March 31, 2024. Free cash flow is a non-GAAP financial measure calculated as the difference between cash received by Jackson Financial from its subsidiaries less holding company expenses and other, net. *See "Non-GAAP Financial Measures" below for information regarding our non-GAAP financial measures and reconciliation to the most comparable U.S. GAAP measure.*

- *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 primarily provides for the cession from Jackson to Brooke Re of liabilities associated with certain guaranteed benefit riders under variable annuity contracts and similar products of Jackson ("market risk benefits"), both in-force on the transaction effective date 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 recorded a ceding commission of approximately $1.2 billion to Jackson in connection with the execution of the reinsurance transaction. The reinsurance transaction eliminates upon consolidation at JFI. Holding company liquidity at JFI was not impacted by the transaction.

Brooke Re is a Michigan captive insurer regulated by the Michigan Department of Insurance and Financial Services and created in the first quarter of 2024 for the express purpose of serving as the counterparty to the reinsurance transaction with Jackson described above. 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 utilizes a modified U.S. GAAP approach for regulatory reporting purposes primarily related to market risk benefits, with the intent to increase alignment between assets and liabilities in response to changes in economic factors. The modifications include a fixed long-term volatility assumption and adjustments to discount rates, guarantee fees and administrative expenses.

The transaction and related modified U.S. GAAP approach enable us to largely moderate the impact of the cash surrender value floor on Jackson's total adjusted capital, statutory required capital, and risk-based capital ("RBC") ratio and enable more efficient economic hedging of the underlying risks of Jackson's business. This outcome serves 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.

Key Operating Measures

We use a number of operating measures, discussed below, which management believes provide useful information about our businesses and the operational factors underlying our financial performance.

Sales

Sales of annuities and institutional products include all money deposited by customers into new and existing contracts. We believe sales statistics are useful to gaining an understanding of, among other things, the attractiveness of our products, how we can best meet our customers' needs, evolving industry product trends and the performance of our business from period to period.

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Sales		
Variable annuities [1]	$ 2,662	$ 2,436
RILA	1,195	1,155
Fixed Index Annuities	35	40
Fixed Annuities [2]	139	60
Total Retail Annuity Sales	4,031	3,691
Total Institutional Product Sales	1,599	100
Total Sales	$ 5,630	$ 3,791

[1] Excludes certain internal exchanges.
[2] Includes payout annuities.

Higher retail annuity sales for the three months ended March 31, 2025 were primarily due to increased variable annuity sales. In addition, sales of our institutional products were higher for the three months ended March 31, 2025, reflecting our opportunistic approach to this business, which depends on both the risk-adjusted return on investment opportunities available and the prevailing cost of funding required by purchasers.

Account Value

Account value ("AV") generally refers to the account value of our variable annuities, RILA, fixed index annuities, fixed annuities, interest sensitive life, and institutional products. It reflects the total amount of customer invested assets that have accumulated within a respective product and equals cumulative customer contributions, which includes gross deposits or premiums, plus accrued credited interest plus or minus the impact of equity market movements, as applicable, less withdrawals and various fees. We believe account value is a useful metric in providing an understanding of, among other things, the sources of potential fee and spread income generation, potential benefit obligations and risk management priorities.

	March 31, 2025	December 31, 2024
	(in millions)	
Account Value		
GMWB For Life	$ 162,448	$ 171,745
GMWB	5,810	6,165
GMIB	1,141	1,218
GMAB	113	35
No Living Benefits	54,797	56,894
Total Variable Annuity Account Value	224,309	236,057
RILA	12,432	11,685
Fixed Index Annuity [1]	845	816
Fixed Annuity [1]	2,629	2,515
Total Fixed & Fixed Index Annuity Account Value [1]	3,474	3,331
Payout Annuity[1]	591	592
Total Retail Annuities Account Value [1]	$ 240,806	$ 251,665
Total Institutional Products Account Value	$ 9,262	$ 8,384
Total Closed Life and Annuity Blocks Account Value [1]	$ 7,611	$ 7,692

[1] Net of reinsurance.

Net Flows

Net flows represent the net change in customer account balances during a period, reflecting gross premiums received and surrenders, withdrawals and benefits payments. Net flows exclude investment performance, interest credited to customer accounts, transfers between fixed and variable benefits for variable annuities and policy charges. We believe net flows is a useful metric in providing an understanding of, among other things, sales, ongoing premiums and deposits, the changes in account value from period to period, sources of potential fee and spread income and policyholder behavior.

	Three Months Ended March 31,	
	2025	**2024**
	(in millions)	
Net Flows:		
Variable Annuity	$ (4,782)	$ (3,939)
RILA	1,130	1,119
Fixed Index Annuity [1]	25	31
Fixed Annuity [1]	108	9
Payout Annuity [1]	(5)	(19)
Total Retail Annuities Net Flows [1]	(3,524)	(2,799)
Net flows ceded	(808)	(866)
Total Retail Annuities net flows, gross of reinsurance	$ (4,332)	$ (3,665)
Total Institutional Products Net Flows	$ 736	$ (596)
Total Closed Life and Annuity Blocks Net Flows [1]	$ (69)	$ (90)

[1] Net of reinsurance.

Net flows, net of reinsurance, improved for the three months ended March 31, 2025, compared to the three months ended March 31, 2024, driven by increased institutional and variable annuity sales, partially offset by increased variable annuity surrenders and withdrawals. Increased variable annuity surrenders and withdrawals were driven by some mature policies from higher sales years coming out of their surrender charge period, along with higher surrenders as guaranteed benefits are less in the money during times of strong equity market performance. The more recent environment of higher interest rates and attractive annuity alternatives, such as RILA, combined with Jackson's seasoned "out-of-the-money" book heightens exchange activity for us and the industry.

Benefit Base

Benefit base refers to a notional amount that represents the value of a customer's guaranteed benefit and, therefore, may be a different value from the invested assets in a customer's account value. The benefit base may be used to calculate the fees for a customer's guaranteed benefits within an annuity contract. The guaranteed death benefit and guaranteed living benefit within the same contract may not have the same benefit base. We believe benefit base is a useful metric for our variable annuity policies in providing an understanding of, among other things, fee income generation, potential optional guarantee benefit obligations and risk management priorities. The following table shows variable annuity account value and benefit base as of March 31, 2025 and December 31, 2024:

	March 31, 2025		December 31, 2024	
	Account Value	Benefit Base	Account Value	Benefit Base
	(in millions)			
No Living Benefits	$ 54,797	N/A	$ 56,894	N/A
By Guaranteed Living Benefits:				
GMWB for Life	162,448	180,071	171,745	181,379
GMWB	5,810	4,995	6,165	5,076
GMIB [1]	1,141	1,520	1,218	1,561
GMAB	113	118	35	35
Total	$ 224,309	$ 186,704	$ 236,057	$ 188,051
By Guaranteed Death Benefit:				
Return of AV (No GMDB)	$ 28,725	N/A	$ 29,519	N/A
Return of Premium	171,648	131,241	181,132	132,612
Highest Anniversary Value ("HAV")	12,436	12,636	13,233	12,857
Rollup	3,044	4,024	3,234	4,108
Combination HAV/Rollup	8,456	9,544	8,939	9,682
Total	$ 224,309	$ 157,445	$ 236,057	$ 159,259

[1] Substantially all of our GMIB benefits are reinsured.

Assets Under Management

AUM, or assets under management, includes: (i) investment assets managed by one of our subsidiaries, PPM, including our investment portfolio (but excluding assets held in funds withheld accounts for reinsurance transactions) and third-party assets (including our former parent and its affiliates) and (ii) the separate account investment assets of our Retail Annuities segment managed and administered by another subsidiary, JNAM. Total AUM reflects exclusions between segments to avoid double counting. We believe AUM is a useful metric for understanding, among other things, the sources of our earnings, net investment income and performance of our invested assets, customer directed investments and risk management priorities.

	March 31, 2025	December 31, 2024
	(in millions)	
Jackson Invested Assets	$ 49,624	$ 46,143
Third Party Invested Assets (including CLOs)	30,593	28,278
Total PPM AUM	80,217	74,421
Total JNAM AUM	237,814	250,297
Total AUM	$ 318,031	$ 324,718

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, investments, cash flows, and 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 tariffs, sanctions or other barriers to international trade, restructuring of government services, responses to future pandemics, civil unrest, and geographic conflicts, 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, economic activity or on financial markets.

In the short- to medium-term, 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, or revenues decline due to reduced sales and increased outflows.

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 strongly correlates 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 an adverse effect on our U.S. GAAP results.

With the execution of the Brooke Re transaction in the first quarter of 2024, we are now able to largely moderate the impact of the cash surrender value floor going forward. In the past, our statutory total adjusted capital ("TAC") has been negatively impacted by rising equity markets due to minimum required reserving levels (*i.e.*, the cash surrender value floor) when reserve releases are limited and unable to offset equity hedging losses. The risk-based capital, or 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").

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 rising interest rates impact investment-related activity, including investment income returns, net investment spread results, new money rates, mortgage loan prepayments, and bond redemptions. Rising interest rates also impact the hedging results of our variable annuity business as the market values of interest rate hedges decline, thereby driving 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.

- 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.

- Additionally, rising interest rates decrease the value of bond funds held by variable annuity clients. This in turn decreases the volume of fees we collect based on the account value and increases the value of any guaranteed benefits.

- With the execution of the Brooke Re transaction in the first quarter of 2024, we are now able to largely moderate the impact of the cash surrender value floor going forward. In the past, our statutory TAC may have been negatively impacted by rising interest rates due to minimum required reserving levels (*i.e.*, the cash surrender value floor) when reserve releases are limited and unable to offset interest rate hedging losses. The RBC ratio increased or decreased depending on the interaction between movements in TAC and movements in CAL.

- Pricing actions we take in response to decreasing interest rates may reduce the attractiveness of crediting rates, guaranteed benefits, and other product features. This in turn may lead to reduced sales volumes.

- Low interest rate environments could also subject us to increased hedging costs or an increase in the amount of regulatory reserves that our insurance subsidiaries are required to hold for optional guaranteed benefits, decreasing regulatory 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 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.

- Our hedges could be less effective in periods of large directional interest rate movements, or we could experience more frequent or more costly rebalancing in periods of high interest rate volatility, which would lead to adverse performance versus our hedge targets and increased hedging costs.

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 in the case of realized gains or losses from the sale of securities, changes 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 reduce our insurance company subsidiaries' regulatory capital. Also, shifts in the credit quality or credit rating downgrades of our investments as a result of stressed credit conditions may impact the level of regulatory required capital for our insurance company subsidiaries. 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.

Additionally, widening credit spreads decrease the value of bond funds held by variable annuity clients. This in turn decreases the volume of fees we collect based on the account value and increases the value of any guaranteed benefits.

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. Our insurance company subsidiaries 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 regulatory reserve and capital requirements. Our ability to respond to changes in regulation and other legislative activity is critical to our long-term financial performance. The following regulations could materially impact our business:

Department of Labor Fiduciary Advice Rule

In April 2024, the Department of Labor (the "DOL") revised the definition of “fiduciary” and related Prohibited Transaction Exemptions ("PTE") (the “2024 Fiduciary Advice Rule”), redefining what constitutes fiduciary “investment advice” to Employee Retirement Income Security Act ("ERISA") plans and individual retirement accounts ("IRAs"). *See Part I, Business – Regulation – “Federal Initiatives Impacting Insurance Companies – Department of Labor’s Fiduciary Advice Rule” in our 2024 Annual Report for more information regarding the 2024 Fiduciary Advice Rule.”* The 2024 Fiduciary Advice Rule is currently being challenged in two separate litigation matters and the DOL has been stayed from enforcing the rule.

Depending on the outcome of the litigation, we may need to take certain additional actions to comply with, or assist our distributors in their compliance with, the 2024 Fiduciary Advice Rule. The 2024 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 2024 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.

We continue to analyze the impact of the adopted Fiduciary Advice Rule and, while we cannot predict the final rule’s impact, it could have an adverse effect on sales of annuities through our distribution partners and result in increased compliance costs to Jackson.

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.

Changes to individual income tax rates and other elements of tax policy can make the tax deferral aspects of our products more or less attractive to consumers, affecting demand for our products.

Non-GAAP Financial Measures

In addition to presenting our results of operations and financial condition in accordance with U.S. GAAP, we use and report selected non-GAAP financial measures. 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. These non-GAAP financial measures should be considered supplementary to our results of operations and financial condition that are presented in accordance with U.S. GAAP and should not be viewed as a substitute for the U.S. GAAP financial measures. Other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate such measures. Consequently, our non-GAAP financial measures may not be comparable to similar measures used by other companies. These non-GAAP financial measures should not be viewed as substitutes for the most directly comparable financial measures calculated in accordance with U.S. GAAP.

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) net gains (losses) on hedging instruments which includes: (a) changes in the fair value of freestanding derivatives, and related commissions and expenses, used to manage the risk associated with market risk benefits and other guaranteed benefit features, excluding earned income from periodic settlements and changes in settlement accruals on cross-currency swaps; and (b) investment income and change in fair value of certain non-derivative assets used to manage the risk associated with market risk benefits and other guaranteed benefit features; and (iii) the movements in reserves, market risk benefits, guaranteed benefit features accounted for as embedded derivative instruments, and related claims and benefit payments (excluding impacts of actuarial assumption updates and model enhancements). We believe excluding these items removes the impact to both revenue and related expenses associated with Net Hedging Results.

2. *Amortization of DAC associated with non-operating items at date of transition to LDTI:* Amortization of the balance of unamortized deferred acquisition costs, at January 1, 2021, the date of transition to current Long Duration Targeted Improvements ("LDTI") accounting guidance, associated with items excluded from pretax adjusted operating earnings prior to transition.

3. *Actuarial Assumption Updates and Model Enhancements:* The impact on the valuation of MRBs and embedded derivatives arising from our annual actuarial assumption updates and model enhancements review.

4. *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.

5. *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.

6. *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, (ii) impacts from derivatives not included in Net Hedging Results (see 1. above), excluding earned income from periodic settlements and changes in settlement accruals on cross-currency swaps, and (iii) one-time or other non-recurring items.

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 Adjusted Operating Earnings to net income (loss) attributable to Jackson Financial common shareholders, the most comparable U.S. GAAP measure.

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Net income (loss) attributable to Jackson Financial Inc common shareholders	$ (35)	$ 784
Add: dividends on preferred stock	11	11
Add: income tax expense (benefit)	1	101
Pretax income (loss) attributable to Jackson Financial Inc	(23)	896
Non-operating adjustments (income) loss:		
Guaranteed benefits and hedging results:		
Fees attributable to guarantee benefit reserves	(768)	(788)
Net gains (losses) on hedging instruments	(1,011)	2,576
Market risk benefits (gains) losses, net	2,246	(2,718)
Net reserve and embedded derivative movements	(333)	364
Total net hedging results	134	(566)
Amortization of DAC associated with non-operating items at date of transition to LDTI	128	139
Net realized investment (gains) losses	66	7
Net realized investment (gains) losses on funds withheld assets	388	201
Net investment income on funds withheld assets	(227)	(270)
Other items	(24)	(18)
Total non-operating adjustments	465	(507)
Pretax adjusted operating earnings	442	389
Less: operating income tax expense (benefit)	55	44
Adjusted operating earnings before dividends on preferred stock	387	345
Less: dividends on preferred stock	11	11
Adjusted operating earnings	$ 376	$ 334

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 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 Adjusted Book Value Attributable to Common Shareholders to total shareholders' equity and a comparison of Adjusted Operating ROE Attributable to Common Shareholders to ROE Attributable to Common Shareholders, the most comparable U.S. GAAP measure:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Net income (loss) attributable to Jackson Financial Inc. common shareholders	$ (35)	$ 784
Adjusted Operating Earnings	376	334
Total shareholders' equity	$ 10,301	$ 10,169
Less: Preferred stock	533	533
Total common shareholders' equity	9,768	9,636
Adjustments to total common shareholders' equity:		
Exclude AOCI attributable to Jackson Financial Inc. [1]	1,256	1,762
Adjusted Book Value Attributable to Common Shareholders	$ 11,024	$ 11,398
ROE Attributable to Common Shareholders	(1.5)%	32.5 %
Adjusted Operating ROE Attributable to Common Shareholders on average equity	13.6 %	12.0 %

[1] Excludes $(1,463) million and $(1,661) million related to the investments held within the funds withheld account related to the Athene Reinsurance Transaction as of March 31, 2025 and 2024, 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.

Free Cash Flow

Free cash flow is Jackson Financial Inc. (Parent Company only) net cash provided by (used in) operating activities less preferred stock dividends and capital contributions to PPM or other subsidiaries, plus the return of capital from subsidiaries. Free cash flow should not be used as a substitute for Jackson Financial's net cash provided by (used in) operating activities in accordance with U.S. GAAP. However, we believe these adjustments are useful to gaining an understanding of our overall available cash flow at Jackson Financial for return of capital to common shareholders and other corporate initiatives.

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Dividends and distributions to parent [1]	$ 240	$ 45
Jackson Financial expenses and other, net	(27)	(25)
Free Cash Flow	$ 213	$ 20

[1] Cash distributed to Jackson Financial includes cash dividends and distributions of $195 million and interest payments on surplus notes of $45 million to Jackson Financial from its subsidiaries for the three months ended March 31, 2025 and includes cash dividends and distributions of nil and interest payments on surplus notes of $45 million to JFI from its subsidiaries for the three months ended March 31, 2024.

The following is a reconciliation of Jackson Financial net cash provided by operating activities (Parent Company only), the most comparable U.S. GAAP measure, to Free Cash Flow:

	Three Months Ended March 31,	
	2025	**2024**
	(in millions)	
Jackson Financial, Inc. Net cash provided by operating activities (Parent Company Only)	$ 29	$ 31
Adjustments from net cash provided by operating activities to free cash flow:		
Capital distributions from subsidiaries	195	—
Dividends on preferred stock	(11)	(11)
Total adjustments	184	(11)
Free cash flow	$ 213	$ 20
Free Cash Flow Comprised of:		
Capital distributions from subsidiaries	$ 195	$ —
Interest on surplus note from subsidiary	45	45
Cash distributed to Jackson Financial	240	45
Parent company expenses	(28)	(26)
Net investment income and other income	8	4
Other, net	(7)	(3)
Jackson Financial expenses and other, net	(27)	(25)
Free cash flow	$ 213	$ 20

Consolidated Results of Operations

The following table sets forth, for the periods presented, certain data from our Condensed Consolidated Income Statements. The information contained in the table below should be read in conjunction with our Condensed Consolidated Financial Statements and the related notes elsewhere in this report:

	Three Months Ended March 31,	
	2025	**2024**
	(in millions)	
Revenues		
Fee income	$ 1,986	$ 1,998
Premiums	40	38
Net investment income:		
Net investment income excluding funds withheld assets	528	464
Net investment income on funds withheld assets	227	270
Total net investment income	755	734
Net gains (losses) on derivatives and investments:		
Net gains (losses) on derivatives and investments	1,343	(2,892)
Net gains (losses) on funds withheld reinsurance treaties	(388)	(201)
Total net gains (losses) on derivatives and investments	955	(3,093)
Other income	14	1
Total revenues	3,750	(322)
Benefits and Expenses		
Death, other policy benefits and change in policy reserves, net of deferrals	244	221
(Gain) loss from updating future policy benefits cash flow assumptions, net	12	11
Market risk benefits (gains) losses, net	2,246	(2,718)
Interest credited on other contract holder funds, net of deferrals and amortization	288	273
Interest expense	25	25
Operating costs and other expenses, net of deferrals	677	685
Amortization of deferred acquisition costs	275	278
Total benefits and expenses	3,767	(1,225)
Pretax income (loss)	(17)	903
Income tax expense (benefit)	1	101
Net income (loss)	(18)	802
Less: Net income (loss) attributable to noncontrolling interests	6	7
Net income (loss) attributable to Jackson Financial Inc.	(24)	795
Less: Dividends on preferred stock	11	11
Net income (loss) attributable to Jackson Financial Inc. common shareholders	$ (35)	$ 784

Three Months Ended March 31, 2025 compared to Three Months Ended March 31, 2024

Pretax Income (Loss)

Our pretax income (loss) decreased by $920 million to $(17) million for the three months ended March 31, 2025, from $903 million for the three months ended March 31, 2024, primarily due to:

- $4,964 million unfavorable movements in market risk benefits (gains) losses, largely due to unfavorable movements in interest rates and fund performance as well as unfavorable volatility movements during the three months ended March 31, 2025, compared to the prior year;
- $24 million increase in death, other policy benefits, and change in policy reserves, net of (gain) loss from updating future policy benefits cash flow assumptions, primarily due to changes in mortality; and
- $12 million decrease in fee income primarily due to decreases in benefit-based guarantee fee income, partially offset by increases in variable fee income due to higher average separate account values compared to the prior year.

These movements were partially offset by:

- $4,048 million increase in total net gains (losses) on derivatives and investments as shown in the table below and driven by:

	Three Months Ended March 31,		
	2025	2024	Variance
	(in millions)		
Net gains (losses) excluding derivatives and funds withheld assets	$ (66)	$ (7)	$ (59)
Net gains (losses) on freestanding derivatives	1,013	(2,584)	3,597
Net gains (losses) on embedded derivatives (excluding funds withheld reinsurance)	396	(301)	697
Net gains (losses) on derivative instruments	1,409	(2,885)	4,294
Net gains (losses) on funds withheld reinsurance	(388)	(201)	(187)
Total net gains (losses) on derivatives and investments	$ 955	$ (3,093)	$ 4,048

  - Volumes of freestanding derivatives can vary significantly period over period and movements in those derivatives are subject to interest rate or market movements. The movements in interest rate hedges during the three months ended March 31, 2025 were largely driven by an increase in interest rates whereas the movements in interest rate hedges during the three months ended March 31, 2024 were primarily driven by a decrease in interest rates. The movements in equity hedges during the three months ended March 31, 2025 were primarily driven by a decrease in equity markets whereas the movement in equity hedges during the three months ended March 31, 2024 were primarily driven by an increase in equity markets.
  - Embedded derivative movements were favorable largely due to market decrease impacts on our growing RILA block during the three months ended March 31, 2025, compared to the prior year; and

- $21 million increase in net investment income as a result of higher income on bonds and lower expenses related to consolidated entities, partially offset by lower income on funds withheld assets compared to prior year; and
- $8 million decrease in operating costs and other expenses, net of deferrals, primarily due to a decrease in deferred compensation expenses during the three months ended March 31, 2025.

Income Taxes

Income tax expense decreased $100 million to an expense of $1 million for the three months ended March 31, 2025, from an expense of $101 million for the three months ended March 31, 2024. The provision for income tax in the current period led to an effective income tax rate ("ETR") of (6)% for the three months ended March 31, 2025, compared to the ETR of 11% for the three months ended March 31, 2024. The change in the ETR during the three months ended March 31, 2025, compared to the three months ended March 31, 2024, was due to the relationship of the taxable income to the consolidated pre-tax income (loss) and the valuation allowance. The ETR differs from the statutory rate of 21% primarily due to the dividends received deduction, utilization of foreign tax credits, and the valuation allowance. *See Note 15 - Income Taxes of the Notes to Consolidated Financial Statements in our 2024 Annual Report and Note 15 - Income Taxes of the Notes to Condensed Consolidated Financial Statements in this report for more information.*

Segment Results of Operations

We manage our business through three reportable segments: Retail Annuities, Institutional Products, and Closed Life and Annuity Blocks. We report certain activities and items that are not included in these segments, including the results of PPM Holdings, Inc., the holding company of PPM, within Corporate and Other. The following tables and discussion represent an overall view of our results of operations for each segment.

Pretax Adjusted Operating Earnings by Segment

The following table summarizes pretax adjusted operating earnings (non-GAAP) from the Company's business segment operations and also provides a reconciliation of the segment measure to net income on a consolidated U.S. GAAP basis. As part of the Company’s asset liability management program, management monitors the allocation of invested assets supporting the Company’s contractual liabilities. During the first quarter of 2025, that monitoring resulted in the reallocation of certain invested assets across reportable segments and Corporate and Other. The results of this reallocation are reflected in the net investment income reported for the first quarter of 2025. The impact of the reallocation was not material to the prior period financial results and prior period financial figures were not recast to reflect the reallocated basis. Also, s*ee Note 3 - Segment Information of the Notes to Condensed Consolidated Financial Statements for further information regarding the calculation of pretax adjusted operating earnings:*

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Pretax Adjusted Operating Earnings by Segment:		
Retail Annuities	$ 420	$ 419
Institutional Products	18	31
Closed Life and Annuity Blocks	28	19
Corporate and Other	(24)	(80)
Pretax Adjusted Operating Earnings	**442**	**389**
Pre-tax reconciling items from adjusted operating income to net income (loss) attributable to Jackson Financial Inc.:		
Guaranteed benefits and hedging results:		
Fees attributable to guarantee benefit reserves	768	788
Net gains (losses) on hedging instruments	1,011	(2,576)
Market risk benefits gains (losses), net	(2,246)	2,718
Net reserve and embedded derivative movements	333	(364)
Total net hedging results	(134)	566
Amortization of DAC associated with non-operating items at date of transition to LDTI	(128)	(139)
Net realized investment gains (losses)	(66)	(7)
Net realized investment gains (losses) on funds withheld assets	(388)	(201)
Net investment income on funds withheld assets	227	270
Other items	24	18
Total pre-tax reconciling items	(465)	507
Pretax income (loss) attributable to Jackson Financial Inc.	(23)	896
Income tax expense (benefit)	1	101
Net income (loss) attributable to Jackson Financial Inc.	(24)	795
Less: Dividends on preferred stock	11	11
Net income (loss) attributable to Jackson Financial Inc. common shareholders	$ (35)	$ 784

Retail Annuities

The following table sets forth, for the periods presented, certain data underlying the pretax adjusted operating earnings results for our Retail Annuities segment. The information contained in the table below should be read in conjunction with our Condensed Consolidated Financial Statements and the related notes appearing elsewhere in this report:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Retail Annuities:		
Operating Revenues		
Fee income	$ 1,095	$ 1,083
Premiums	14	10
Net investment income	187	152
Other income	7	8
Total Operating Revenues	**1,303**	**1,253**
Operating Benefits and Expenses		
Death, other policy benefits and change in policy reserves	29	16
(Gain) loss from updating future policy benefits cash flow assumptions, net	(3)	1
Interest credited on other contract holder funds, net of deferrals and amortization	94	88
Interest expense	6	6
Asset-based commission expenses	284	279
Other commission expenses	206	194
Sub-advisor expenses	80	82
General and administrative expenses	200	180
Deferral of acquisition costs	(158)	(149)
Amortization of deferred acquisition costs	145	137
Total Operating Benefits and Expenses	**883**	**834**
Pretax Adjusted Operating Earnings	**$ 420**	**$ 419**

The following table summarizes a roll-forward of activity affecting account value for our Retail Annuities segment for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Retail Annuities Account Value:		
Balance as of beginning of period	$ 251,665	$ 235,465
Premiums and deposits [1]	4,088	3,724
Surrenders, withdrawals, and benefits [1]	(7,612)	(6,523)
Net flows	(3,524)	(2,799)
Investment performance	(6,315)	15,288
Change in value of equity option	(395)	300
Interest credited	94	88
Policy charges and other	(719)	(731)
Balance as of end of period, net of ceded reinsurance	240,806	247,611
Ceded reinsurance	14,315	17,627
Balance as of end of period, gross of reinsurance	$ 255,121	$ 265,238

(1) Excludes certain internal exchanges.

Three Months Ended March 31, 2025 compared to Three Months Ended March 31, 2024

Pretax Adjusted Operating Earnings

Pretax adjusted operating earnings increased $1 million to $420 million for the three months ended March 31, 2025, from $419 million for the three months ended March 31, 2024, primarily due to:

- $12 million increase in fee income attributable to higher average separate account values compared to the prior year; and
- $29 million increase in spread income due to $35 million higher investment income, partially offset by $6 million higher interest credited on contract holder funds compared to the prior year. Investment income was driven by higher invested asset balances.

These increases were partially offset by:

- $26 million increase in commissions and general expenses, net of deferrals, reflecting higher general and administrative expenses of $20 million during the three months ended March 31, 2025; and
- $9 million increase in death, other policy benefits, and change in policy reserves, net of (gain) loss from updating future policy benefits cash flow assumptions, attributable to higher other policyholder benefits during the three months ended March 31, 2025.

Account Value

Retail annuities account value, net of reinsurance, decreased $6.8 billion between periods primarily due to negative variable annuity separate account returns driven by unfavorable market performance in 2025.

Institutional Products

The following table sets forth, for the periods presented, certain data underlying the pretax adjusted operating earnings results for our Institutional Products segment. The information contained in the table below should be read in conjunction with our Condensed Consolidated Financial Statements and the related notes appearing elsewhere in this report:

	Three Months Ended March 31,	
	2025	**2024**
	(in millions)	
Institutional Products:		
Operating Revenues		
Net investment income	$ 116	$ 113
Total Operating Revenues	**116**	**113**
Operating Benefits and Expenses		
Interest credited on other contract holder funds, net of deferrals and amortization	97	81
General and administrative expenses	1	1
Total Operating Benefits and Expenses	**98**	**82**
Pretax Adjusted Operating Earnings	**$ 18**	**$ 31**

The following table summarizes a roll-forward of activity affecting account value for our Institutional Products segment for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Institutional Products:		
Balance as of beginning of period	$ 8,384	$ 8,406
Premiums and deposits	1,599	100
Surrenders, withdrawals, and benefits	(863)	(696)
Net flows	736	(596)
Interest credited	97	81
Policy Charges and other	45	(66)
Balance as of end of period	$ 9,262	$ 7,825

Three Months Ended March 31, 2025 compared to Three Months Ended March 31, 2024

Pretax Adjusted Operating Earnings

Pretax adjusted operating earnings decreased $13 million to $18 million for the three months ended March 31, 2025, from $31 million for the three months ended March 31, 2024, reflecting a $13 million decrease in spread income primarily due to a $16 million increase in interest credited on contract holder funds, partially offset by a $3 million increase in investment income.

Account Value

Institutional product account value increased from $7,825 million at March 31, 2024 to $9,262 million at March 31, 2025, primarily driven by increased sales in 2025.

Closed Life and Annuity Blocks

The following table sets forth, for the periods presented, certain data underlying the pretax adjusted operating earnings results for our Closed Life and Annuity Blocks segment. The information contained in the table below should be read in conjunction with our Condensed Consolidated Financial Statements and the related notes appearing elsewhere in this report:

	Three Months Ended March 31,	
	2025	**2024**
	(in millions)	
Closed Life and Annuity Blocks:		
Operating Revenues		
Fee income	$ 108	$ 112
Premiums	29	30
Net investment income	187	163
Other income	6	7
Total Operating Revenues	**330**	**312**
Operating Benefits and Expenses		
Death, other policy benefits and change in policy reserves, net of deferrals	154	144
(Gain) loss from updating future policy benefits cash flow assumptions, net	14	8
Interest credited on other contract holder funds, net of deferrals and amortization	97	104
Other commission expenses	9	9
General and administrative expenses	27	25
Deferral of acquisition costs	(1)	1
Amortization of deferred acquisition costs	2	2
Total Operating Benefits and Expenses	**302**	**293**
Pretax Adjusted Operating Earnings	**$ 28**	**$ 19**

Three Months Ended March 31, 2025 compared to Three Months Ended March 31, 2024

Pretax Adjusted Operating Earnings

Pretax adjusted operating earnings increased $9 million to $28 million for the three months ended March 31, 2025, from $19 million for the three months ended March 31, 2024, attributable to a $24 million increase in net investment income, partially offset by a $16 million increase in death, other policy benefits, and change in policy reserves, net of (gain) loss from updating future policy benefits cash flow assumptions, primarily due changes in mortality, partially offset by lower other policyholder benefits.

Corporate and Other

Corporate and Other includes the operations of PPM Holdings, Inc., the parent holding company of PPM, and unallocated corporate revenue and expenses, as well as certain eliminations and consolidation adjustments. The following table sets forth, for the periods presented, certain data underlying the pretax adjusted operating earnings results for Corporate and Other. The information contained in the table below should be read in conjunction with our Condensed Consolidated Financial Statements and the related notes appearing elsewhere in this report:

	Three Months Ended March 31,	
	2025	**2024**
	(in millions)	
Corporate and Other:		
Operating Revenues		
Fee income	$ 12	$ 12
Net investment income	11	4
Other income	1	(14)
Total Operating Revenues	**24**	**2**
Operating Benefits and Expenses		
Interest expense	19	19
Sub-advisor expenses	(2)	(2)
General and administrative expenses	31	65
Total Operating Benefits and Expenses	**48**	**82**
Pretax Adjusted Operating Earnings	**$ (24)**	**$ (80)**

Three Months Ended March 31, 2025 compared to Three Months Ended March 31, 2024

Pretax Adjusted Operating Earnings

Pretax adjusted operating earnings increased $56 million to $(24) million for the three months ended March 31, 2025, from $(80) million for the three months ended March 31, 2024, primarily driven by a $34 million decrease in general and administrative expenses, due to decreased deferred compensation expenses during the three months ended March 31, 2025, a $15 million increase in other income reflecting a one-time reinsurance related adjustment in 2024, and a $7 million increase in net investment income.

Investments

Our investment portfolio primarily consists of fixed-income securities and loans, 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.
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.

The investments within our investment portfolio are primarily managed by PPM, our 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 Note 8 - Reinsurance of the Notes to Condensed Consolidated Financial Statements for further details*. We may also use other third-party investment managers for certain niche asset classes. As of March 31, 2025, Apollo managed $13.0 billion of cash and investments and other third-party investment managers managed approximately $281 million of investments.

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 seconding preceding 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.

Portfolio Composition

The following table summarizes the carrying values of our investments:

	March 31, 2025			December 31, 2024		
	Investments excluding Funds Withheld	**Funds Withheld**	**Total**	**Investments excluding Funds Withheld**	**Funds Withheld**	**Total**
	(in millions)					
Debt Securities, available-for-sale, net of allowance for credit losses	$ 33,656	$ 8,587	$ 42,243	$ 31,231	$ 9,058	$ 40,289
Debt Securities, at fair value under fair value option	3,318	112	3,430	2,930	116	3,046
Equity securities, at fair value	71	120	191	72	125	197
Mortgage loans, net of allowance for credit losses	7,003	2,572	9,575	6,851	2,611	9,462
Mortgage loans, at fair value under fair value option	—	451	451	—	449	449
Policy loans	902	3,505	4,407	902	3,501	4,403
Freestanding derivative instruments	563	24	587	252	45	297
Other invested assets	2,133	711	2,844	2,087	777	2,864
Total investments	$ 47,646	$ 16,082	$ 63,728	$ 44,325	$ 16,682	$ 61,007

Available-for-sale debt securities increased to $42,243 million at March 31, 2025, from $40,289 million at December 31, 2024. The amortized cost of available-for-sale debt securities increased to $49,742 million as of March 31, 2025, from $44,976 million as of December 31, 2024. Further, net unrealized losses, after adjusting for allowance for credit loss, were $4,029 million as of March 31, 2025, compared to $4,679 million as of December 31, 2024.

Other Invested Assets

Other invested assets decreased to $2,844 million at March 31, 2025 from $2,864 million at December 31, 2024.

Debt Securities

At March 31, 2025 and December 31, 2024, the amortized cost, allowance for credit loss, gross unrealized gains and losses, and fair value of debt securities, including trading securities and securities carried at fair value under the fair value option, were as follows (in millions):

March 31, 2025	Amortized Cost	Allowance for Credit Loss	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. government securities	$ 4,127	$ —	$ 2	$ 869	$ 3,260
Other government securities	1,287	—	1	221	1,067
Corporate securities					
Utilities	5,892	—	41	537	5,396
Energy	3,176	—	23	261	2,938
Banking	3,071	—	32	131	2,972
Healthcare	3,541	—	16	353	3,204
Finance/Insurance	4,970	8	41	356	4,647
Technology/Telecom	2,412	—	9	196	2,225
Consumer goods	2,570	—	19	295	2,294
Industrial	1,801	—	11	100	1,712
Capital goods	1,965	—	13	117	1,861
Real estate	1,601	—	9	114	1,496
Media	1,014	—	4	112	906
Transportation	1,451	—	8	148	1,311
Retail	1,397	—	7	133	1,271
Other [(1)]	2,600	—	17	97	2,520
Total Corporate Securities	37,461	8	250	2,950	34,753
Residential mortgage-backed	350	6	28	29	343
Commercial mortgage-backed	1,698	—	4	79	1,623
Other asset-backed securities	4,819	26	15	181	4,627
Total Debt Securities	$ 49,742	$ 40	$ 300	$ 4,329	$ 45,673

[(1)] No single remaining industry exceeds 3% of the portfolio.

December 31, 2024	Amortized Cost	Allowance for Credit Loss	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. government securities	$ 4,120	$ —	$ 1	$ 962	$ 3,159
Other government securities	1,345	—	1	252	1,094
Corporate securities					
Utilities	5,716	—	29	589	5,156
Energy	3,119	—	16	291	2,844
Banking	2,612	—	19	137	2,494
Healthcare	3,428	—	10	393	3,045
Finance/Insurance	5,069	8	29	418	4,672
Technology/Telecom	2,313	—	5	220	2,098
Consumer goods	2,414	—	13	327	2,100
Industrial	1,733	—	10	114	1,629
Capital goods	1,922	—	8	137	1,793
Real estate	1,634	—	6	132	1,508
Media	1,005	—	3	121	887
Transportation	1,522	—	4	178	1,348
Retail	1,357	—	4	147	1,214
Other [(1)]	2,453	—	10	117	2,346
Total Corporate Securities	36,297	8	166	3,321	33,134
Residential mortgage-backed	374	6	14	44	338
Commercial mortgage-backed	1,674	—	3	100	1,577
Other asset-backed securities	4,243	25	11	196	4,033
Total Debt Securities	$ 48,053	$ 39	$ 196	$ 4,875	$ 43,335

[(1)] No single remaining industry exceeds 3% of the portfolio.

Evaluation of Available-For-Sale Debt Securities

See Note 4 - Investments of the Notes to Condensed Consolidated Financial Statements for information about how we evaluate our available-for-sale debt securities for credit loss.

Equity Securities

Equity securities consist of investments in common and preferred stock holdings and mutual fund investments. Common and preferred stock investments generally arise out of previous private equity investments or other settlements rather than as direct investments. Mutual fund investments typically represent investments made in our own mutual funds to seed those structures for external issuance at a later date. The following table summarizes our holdings:

	March 31, 2025	December 31, 2024
	(in millions)	
Common Stock	$ 18	$ 18
Preferred Stock	146	151
Mutual Funds	27	28
Total	$ 191	$ 197

Mortgage Loans

At March 31, 2025, commercial mortgage loans were collateralized by properties located in 36 states, the District of Columbia, and Europe. Residential mortgage loans were collateralized by properties located in 49 states, the District of Columbia, Mexico, and Europe.

The table below presents the carrying value, net of allowance of credit loss, of our mortgage loans by property type:

	March 31, 2025	December 31, 2024
	(in millions)	
Commercial:		
Apartment	$ 2,510	$ 2,450
Hotel	828	835
Office	1,267	1,317
Retail	1,778	1,685
Warehouse	2,150	2,134
Other	554	521
Total Commercial	9,087	8,942
Residential	1,069	1,090
Total	10,156	10,032
ACL [(1)]	(130)	(121)
Total with ACL	$ 10,026	$ 9,911

(1) At March 31, 2025 and December 31, 2024 allowance for credit losses included $116 million and $116 million, respectively, for commercial loans and $14 million and $5 million, respectively, for residential loans.

The table below presents the carrying value, net of allowance for credit loss, of our mortgage loans by region:

	March 31, 2025	December 31, 2024
	(in millions)	
United States:		
East North Central	$ 1,025	$ 1,015
East South Central	327	347
Middle Atlantic	1,412	1,408
Mountain	578	474
New England	276	275
Pacific	2,222	2,260
South Atlantic	2,097	2,131
West North Central	648	617
West South Central	1,076	1,035
Total United States	9,661	9,562
Foreign	365	349
Total	$ 10,026	$ 9,911

The following table provides information about the credit quality of our mortgage loans:

	March 31, 2025	December 31, 2024
	(in millions)	
Commercial mortgage loans		
Loan to value ratios:		
Less than 70%	$ 7,365	$ 7,304
70% - 80%	1,106	1,074
80% - 100%	429	338
Greater than 100%	71	110
Total	8,971	8,826
Residential mortgage loans		
Performing	958	987
Nonperforming [1]	97	98
Total	1,055	1,085
Total mortgage loans	$ 10,026	$ 9,911

[1] At March 31, 2025 and December 31, 2024, includes $24 million and $24 million, respectively, of loans 30-89 days past due and $20 million and $24 million, respectively, of loans 90 days or greater past due and supported with insurance or other guarantees provided by various governmental programs.

The following table provides a summary of the allowance for credit losses related to our mortgage loans:

	March 31, 2025	March 31, 2024
	(in millions)	
Balance at beginning of year	$ 121	$ 165
Charge offs, net of recoveries	(6)	—
Provision (release) [1]	15	(3)
Balance at end of period	$ 130	$ 162

The Company's mortgage loans that are current and in good standing are accruing interest. Interest is not accrued on loans greater than 90 days delinquent or in process of foreclosure, when deemed uncollectible. Delinquency status is determined from the date of the first missed contractual payment. Accrued interest amounting to nil and nil were written off as of March 31, 2025 and 2024, respectively, relating to loans that were greater than 90 days delinquent or in the process of foreclosure.

The following table provides information about our impaired residential mortgage loans (in millions):

	March 31, 2025	December 31, 2024
Recorded investment [1]	$ 33	$ 29
Unpaid principal balance	37	33
Related loan allowance	1	1
Average recorded investment	32	30
Investment income recognized	—	1

[1] At March 31, 2025 and December 31, 2024, includes $3 million and $2 million, respectively, of loans in process of foreclosure, all of which are loans supported with insurance or other guarantees provided by various governmental programs.

Derivative Instruments

Note 5 – Derivative Instruments of the Notes to Condensed Consolidated Financial Statements presents the aggregate contractual or notional amounts and the fair values of our freestanding and embedded derivatives instruments as of March 31, 2025 and December 31, 2024.

Evaluation of Invested Assets

We perform regular evaluations of our invested assets. On a monthly basis, management identifies those investments that may require additional monitoring and carefully reviews the carrying value of such investments to determine whether specific investments should be placed on a non-accrual status and if an allowance for credit loss is required. In making these reviews, management principally considers the adequacy of any collateral, compliance with contractual covenants, the borrower's recent financial performance, news reports and other externally generated information concerning the borrower's affairs. In the case of publicly traded bonds, management also considers market value quotations, where available. For mortgage loans, management generally considers information concerning the mortgaged property, including factors impacting the current and expected payment status of the loan and, if available, the current fair value of the underlying collateral. For investments in partnerships, management reviews the financial statements and other information provided by the general partners.

To determine an allowance for credit loss, we consider a security's forecasted cash flows as well as the severity of depressed fair values. Investment income is not accrued on securities in default and otherwise where the collection is uncertain. Subsequent receipts of interest on such securities are generally used to reduce the cost basis of the securities. The provisions for impairment on mortgage loans are based on losses expected by management to be realized on transfers of mortgage loans to real estate, on the disposition and settlement of mortgage loans and on mortgage loans that management believes may not be collectible in full. Accrual of interest on mortgage loans is generally suspended when principal or interest payments on mortgage loans are past due more than 90 days. Interest is then accounted for on a cash basis.

Policy and Contract Liabilities

We establish, and carry as liabilities, actuarially determined amounts that are estimated as necessary to meet policy obligations or to provide for future annuity payments. Amounts for actuarial liabilities are computed and reported on the Condensed Consolidated Financial Statements in conformity with U.S. GAAP. For more details on Policyholder Liabilities, *see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Estimates" included in our 2024 Annual Report.*

Our policy and contract liabilities includes separate account liabilities, reserves for future policy benefits and claims payable and other contract holder funds. As of March 31, 2025, 90% of our policy and contract liabilities were in our Retail Annuities segment, 3% were in our Institutional Products segment and 7% were in our Closed Life and Annuity Blocks segment.

The table below represents a breakdown of our policy and contract liabilities:

March 31, 2025	**Separate Accounts**	**Reserves for future policy benefits**	**Other contract holder funds**	**Market Risk Benefits**	**Total**
			(in millions)		
Variable Annuities	$ 217,291	$ —	$ 7,018	$ (3,266)	$ 221,043
RILA [(1)]	—	—	12,432	12	12,444
Fixed Index Annuities [(2)]	—	—	8,097	45	8,142
Fixed Annuities	—	—	9,441	1	9,442
Payout Annuities	—	1,124	842	—	1,966
Other Annuities	200	—	—	—	200
Total Retail Annuities	217,491	1,124	37,830	(3,208)	253,237
Total Institutional Products	—	—	9,262	—	9,262
Total Closed Life and Annuity Blocks	81	8,546	11,775	7	20,409
Total Policy and Contract Liabilities	217,572	9,670	58,867	(3,201)	282,908
Claims payable and other	—	1,356	161	—	1,517
Total	**$ 217,572**	**$ 11,026**	**$ 59,028**	**$ (3,201)**	**$ 284,425**

December 31, 2024	**Separate Accounts**	**Reserves for future policy benefits**	**Other contract holder funds**	**Market Risk Benefits**	**Total**
			(in millions)		
Variable Annuities	$ 228,851	$ —	$ 7,206	$ (5,176)	$ 230,881
RILA [(1)]	—	—	11,685	6	11,691
Fixed Index Annuities [(2)]	—	—	8,515	37	8,552
Fixed Annuities	—	—	9,615	1	9,616
Payout Annuities	—	1,095	844	—	1,939
Other Annuities	208	—	—	—	208
Total Retail Annuities	229,059	1,095	37,865	(5,132)	262,887
Total Institutional Products	—	—	8,384	—	8,384
Total Closed Life and Annuity Blocks	84	8,599	11,899	7	20,589
Total Policy and Contract Liabilities	229,143	9,694	58,148	(5,125)	291,860
Claims payable and other	—	1,378	164	—	1,542
Total	**$ 229,143**	**$ 11,072**	**$ 58,312**	**$ (5,125)**	**$ 293,402**

[(1)] Includes the embedded derivative liabilities in other contract holder funds related to RILA of $2,833 million and $3,065 million at March 31, 2025 and December 31, 2024, respectively.

[(2)] Includes the embedded derivative liabilities related to fixed index annuity in other contract holder funds of $817 million and $877 million at March 31, 2025 and December 31, 2024, respectively.

As of March 31, 2025:

- $218 billion or 77% of our policy and contract liabilities were backed by separate account assets. These separate account assets backed reserves primarily related to our variable annuities. Separate account liabilities are fully funded by cash flows from the customer's corresponding separate account assets and are set equal to the fair value of such invested assets.
- $50.8 billion of our policy and contract liabilities were backed by our investment portfolio.
- $14.5 billion of our policy and contract liabilities were reinsured by Athene and backed by funds withheld assets.

As of March 31, 2025, 93% of fixed annuity, fixed-index annuity, and the fixed accounts of RILA and variable annuity correspond to crediting rates that are at the guaranteed minimum crediting rate. We have the discretion, subject to contractual limitations and minimums, to reset the crediting terms on the majority of our fixed index annuities and fixed annuities.

See Note 9 - Reserves for Future Policy Benefits and Claims Payable, Note 10 - Other Contract Holder Funds, Note 11 - Separate Account Assets and Liabilities, and Note 12 - Market Risk Benefits of the Notes to Condensed Consolidated Financial Statements for additional discussion on accounting policies around Reserves for future policy benefits and claims payable, Other contract holder funds, Separate account assets and liabilities and MRBs.

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 three months ended March 31, 2025.

Cash Flows

The following table presents a summary of our cash flow activity for the periods set forth below:

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Net cash provided by (used in) operating activities	$ 1,594	$ 1,426
Net cash provided by (used in) investing activities	(953)	(2,006)
Net cash provided by (used in) financing activities	(521)	433
Net increase (decrease) in cash, cash equivalents, and restricted cash	120	(147)
Cash, cash equivalents, and restricted cash at beginning of period	3,767	2,691
Total cash, cash equivalents, and restricted cash at end of period	$ 3,887	$ 2,544

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 provided by (used in) operating activities increased $168 million to $1,594 million for the three months ended March 31, 2025, from $1,426 million for the three months ended March 31, 2024. This was primarily due to the timing of settlements of receivables and payables.

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 for our insurance subsidiaries.

Cash flows provided by (used in) investing activities increased $1,053 million to $(953) million during the three months ended March 31, 2025, from $(2,006) million during the three months ended March 31, 2024. This increase was primarily driven by inflows related to our hedging program for derivative settlements and collateral as compared to outflows in the prior year, partially offset by increased purchases of debt securities, primarily driven by increased institutional sales in 2025.

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. The principal cash outflows come from withdrawals associated with policyholder account balances, repayment of debt, and the return of securities on loan. The primary liquidity concerns with respect to these cash flows are market disruption and the risk of early policyholder withdrawal.

Cash flows provided by (used in) financing activities decreased $954 million to $(521) million during the three months ended March 31, 2025, from $433 million during the three months ended March 31, 2024. This decrease was primarily due to payments on repurchase agreements and federal home loan bank notes in 2025, partially offset by higher deposits from increased institutional sales during the three months ended March 31, 2025.

Statutory Capital

Our insurance company subsidiaries have 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 March 31, 2025, our insurance companies were well in excess of the minimum required capital levels.

With the execution of the Brooke Re transaction in the first quarter of 2024, we are able to largely moderate the impact of the cash surrender value floor going forward. In the past, our statutory TAC (total adjusted capital) may have been negatively impacted by minimum required reserving levels (*i.e.*, cash surrender value floor) when reserve releases were limited and unable to offset losses from our hedging program.

Holding Company Liquidity

As a holding company with no business operations of its own, Jackson Financial primarily derives cash flows from dividends and interest payments from its insurance subsidiaries. These principal sources of liquidity are expected to be supplemented by cash and short-term investments held by Jackson Financial, and access to bank lines of credit and the capital markets. We intend to maintain a minimum amount of cash and highly liquid securities at Jackson Financial adequate to fund two years of holding company fixed net expenses, which is currently targeted at $250 million but may change over time as we refinance existing debt or make changes to our debt and capital structure. The main uses of liquidity for Jackson Financial are interest payments and debt repayment, holding company operating expenses, payment of dividends and other distributions to shareholders, which may include stock repurchases, and capital contributions, if needed, to our insurance company subsidiaries. Our principal sources of liquidity and our anticipated capital position are described in the following paragraphs.

Any declaration of cash dividends or stock repurchases are at the discretion of JFI's Board of Directors and will depend on our financial condition, earnings, liquidity and capital requirements, regulatory constraints, level of indebtedness, preferred stock and other contractual restrictions with respect to paying cash dividends or repurchasing stock, restrictions imposed by Delaware law, general business conditions and any other factors that JFI's Board of Directors deems relevant in making any such determination. Therefore, there can be no assurance that we will pay any cash dividends to holders of our stock or approve any further increase in the existing, or any new, common stock repurchase program, or any assurance as to the amount of any such cash dividends or stock repurchases.

Under Delaware law, dividends may be paid, or stock may be repurchased out of "surplus," or out of the current or the immediately preceding year's earnings. Surplus is defined as the fair market value of net assets minus stated capital. JFI is a holding company and has no direct operations. All of our business operations are conducted through our subsidiaries. Any dividends we pay, or stock repurchases we make, will depend upon the funds legally available for distribution, including dividends or distributions from our subsidiaries to us. The states in which our insurance subsidiaries are domiciled impose certain restrictions on our insurance subsidiaries' ability to pay dividends to their parent companies. *See "Distributions from our Insurance Company Subsidiaries" below for a discussion of those restrictions*. Such restrictions, or any future restrictions adopted by the states in which our insurance subsidiaries are domiciled, could have the effect, under certain circumstances, of significantly reducing dividends or other amounts payable by our subsidiaries without affirmative approval of state regulatory authorities. *See "Risk Factors—Risks relating to Financing and Liquidity - As a holding company, Jackson Financial depends on the ability of its subsidiaries to pay dividends and make other distributions to meet its obligations and liquidity needs, including servicing debt, dividend payments and stock repurchases" in our 2024 Annual Report.*

During the first quarter of 2025, we paid a cash dividend of $0.50 per depositary share and $0.80 per common share on JFI's preferred and common stock totaling $11 million and $59 million, respectively. On May 2, 2025, our Board of Directors approved a second quarter cash dividend on JFI's common stock of $0.80 per share, payable on June 26, 2025, to common shareholders of record on June 12, 2025. The Company also announced the declaration of a cash dividend of $0.50 per depositary share, each representing a 1/1,000th interest in a share of Fixed-Rate Reset Noncumulative Perpetual Preferred Stock, Series A. The dividend will be payable on June 30, 2025, to depositary shareholders of record at the close of business on June 12, 2025.

On August 1, 2024, our Board of Directors authorized an increase of $750 million in our existing authorization to repurchase shares of our outstanding common stock as part of the Company's share repurchase program.

We repurchased a total of 1,966,909 shares of common stock for an aggregate purchase price of $172 million in the three months ended March 31, 2025, which were funded with cash on hand. As of May 1, 2025, the Company had remaining authorization to purchase $431 million of its common shares.

See Note 19 - Equity of the Notes to Condensed Consolidated Financial Statements in this report for further information on dividends to shareholders and share repurchases.

Distributions from our Insurance Company Subsidiaries

The ability of our insurance company subsidiaries to pay dividends is limited by applicable laws and regulations of the jurisdictions where such subsidiaries are domiciled as well as agreements entered into with regulators. These laws and regulations require, among other things, our insurance company subsidiaries to maintain minimum solvency requirements and limit the amount of dividends these subsidiaries can pay.

Subject to these limitations, our insurance company subsidiaries are permitted to pay ordinary dividends based on calculations specified under insurance laws of the relevant state of domicile, subject to prior notification to the appropriate regulatory agency. Any distributions above the amount permitted by statute in any twelve-month period are considered extraordinary dividends, and the approval of the appropriate regulator is required prior to payment. In Michigan, the Director of the Michigan Department of Insurance and Financial Services (the Michigan Director of Insurance) may limit, or not permit, the payment of dividends from either Jackson or Brooke Life, Jackson's direct parent company, if it determines that the surplus of either of these subsidiaries is not reasonable in relation to their outstanding liabilities and is not adequate to meet their financial needs, as required by the Michigan Insurance Code of 1956. Unless otherwise approved by the Michigan Director of Insurance, dividends may only be paid from earned surplus. Also, surplus note arrangements and interest payments must be approved by the Michigan Director of Insurance and such interest payments to related parties reduce the otherwise calculated ordinary dividend capacity for that period. In New York, all dividends require approval from the New York State Department of Financial Services.

For 2025, ordinary dividend capacity for Jackson and Brooke Life is based on the greater of 10% of 2024 reported statutory capital and surplus or statutory net gain from operations. This capacity is then reduced by cumulative dividends and other capital distributions in the preceding 12 months, subject to the availability of earned surplus. As a result of cumulative dividends and other capital distributions occurring in the preceding 12 months as of March 31, 2025, future dividends from both Jackson and Brooke Life are expected to be classified as extraordinary. There is a process within the Michigan Insurance Code to request extraordinary dividends that the companies have utilized previously. Brooke Life, as the sole owner of Jackson and Brooke Re, is the direct recipient of any dividend payments from those subsidiaries and must make dividend payments to its ultimate parent company, Jackson Financial, in order for any funds from our insurance company subsidiaries to reach Jackson Financial.

The maximum distribution permitted by law or contract is not necessarily indicative of an insurer's actual ability to pay such distributions, which may be constrained by business and other considerations, such as imposition of withholding tax, the impact of such distributions on surplus, which could affect the insurer's credit and financial strength ratings or competitive position, the ability to generate new annuity sales and the ability to pay future dividends or make other distributions. Further, state insurance laws and regulations require that the statutory surplus of our insurance subsidiaries following any dividend or distribution must be reasonable in relation to their outstanding liabilities and adequate for the insurance subsidiaries' financial needs. Along with solvency regulations, another primary consideration in determining the amount of capital used for dividends is the level of capital needed to maintain desired financial strength ratings from rating agencies, including A.M. Best, S&P, Moody's and Fitch. Both regulators and rating agencies could become more conservative in their methodology and criteria, including increasing capital requirements for insurance company subsidiaries. We believe our insurance company subsidiaries have sufficient statutory capital and surplus to maintain their desired financial strength ratings.

Insurance Company Subsidiaries' Liquidity

The liquidity requirements for our insurance company subsidiaries primarily relate to the liabilities associated with their 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. As of March 31, 2025, Jackson's outstanding surplus notes and bank debt included $48 million of bank loans from the Federal Home Loan Bank of Indianapolis ("FHLBI"), collateralized by mortgage-related securities and mortgage loans, and $250 million of surplus notes maturing in 2027.

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 at our insurance company subsidiaries. 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 our insurance subsidiaries. As of March 31, 2025, we were in a net collateral payable position of $340 million, which is larger than the $150 million as of December 31, 2024.

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. As of March 31, 2025, 100% of our RILA policy and contract liabilities were subject to surrender charges of at least 5% or at market value in the event of discretionary withdrawal by customers. Further, approximately half of Jackson's general account reserves are not surrenderable, included surrender charges greater than 5%, or included market value adjustments to discourage early withdrawal of policy and contract funds as of March 31, 2025.

The liquidity sources for our insurance company subsidiaries include their cash, short-term investments, sales of publicly-traded bonds, insurance premiums, fees charged on their 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 March 31, 2025, the portfolio of cash, short-term investments and privately and publicly traded securities and equities that are unencumbered and unrestricted to sale, amounted to $29.3 billion.

Our Indebtedness

Senior Notes

In November 2021 and June 2022, the Company issued an aggregate of $2,350 million principal amount of its senior notes, shown as Long-term debt on the Condensed Consolidated Balance Sheets. The proceeds of the note issuances were used, together with cash on hand, to retire the Company's previously outstanding term loans. $600 million of these notes matured on November 22, 2023, and were paid with cash on hand at maturity.

Revolving Credit and Short-Term Borrowing Facilities

On February 24, 2023, the Company entered into a revolving credit facility (the "2023 Revolving Credit Facility") with a syndicate of banks and Bank of America, N.A., as Administrative Agent. The 2023 Revolving Credit Facility replaced an existing revolving credit facility that was due to expire in February 2024. The 2023 Revolving Credit Facility provides for borrowings for working capital and other general corporate purposes under aggregate commitments of $1.0 billion, with a sub-limit of $500 million available for letters of credit. The 2023 Revolving Credit Facility further provides for the ability to request, subject to customary terms and conditions, an increase in commitments thereunder by up to an additional $500 million. Commitments under the 2023 Revolving Credit Facility terminate on February 24, 2028. Interest on borrowings may be based on a "Base Rate" (as defined in the 2023 Revolving Credit Facility) plus an adder ranging from 0.125% to 0.875%, or a "Term SOFR Rate" (as defined in the 2023 Revolving Credit Facility) plus an adder ranging from 1.125% to 1.875%. The applicable adder is based upon the ratings assigned to the Company's senior, unsecured, non-credit enhanced debt.

The credit agreement governing the 2023 Revolving Credit Facility contains a number of customary representations and warranties, affirmative and negative covenants and events of default (including a change of control provision). *See Note 13 – Long-Term Debt of Notes to Condensed Consolidated Financial Statements for information regarding financial maintenance covenants contained in the credit agreement.* We were in compliance with these covenants at March 31, 2025.

Jackson 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 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.

Surplus Notes

On March 15, 1997, our subsidiary, Jackson, 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 $5 million and $5 million for the three months ended March 31, 2025 and 2024, respectively.

Under Michigan insurance law, for statutory reporting purposes, the surplus notes are not part of the legal liabilities of Jackson 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 March 31, 2025 and December 31, 2024, Jackson held a bank loan with an outstanding balance of $48 million and $52 million, respectively.

Collateral Upgrade Transactions

During the first quarter of 2024, Jackson executed certain paired repurchase and reverse repurchase transactions totaling approximately $1.5 billion pursuant to master repurchase agreements with participating bank counterparties. Under these transactions, the Company lends securities (*e.g.*, corporate debt securities) to bank counterparties in exchange for U.S. Treasury securities. The paired repurchase and reverse repurchase transactions are settled on a net basis. As a result, there was no cash exchanged at initiation of these transactions. The paired transactions are reported net within the Consolidated Balance Sheets. These transactions are evergreened and require at least 150-days' notice prior to termination. *See “Collateral Upgrade Transactions” under Note 4 – Investments of the Notes to Condensed Consolidated Financial Statements for additional information.*

Financial Strength Ratings

Our access to funding and our related cost of borrowing, the attractiveness of certain of our subsidiaries’ 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.

Our principal insurance company subsidiaries 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 May 1, 2025, the financial strength ratings of our principal insurance subsidiaries 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
Brooke Life Insurance Company				
Rating	A			
Outlook	stable			

In evaluating our Company's financial strength, the rating agencies evaluate a variety of factors including our strategy, market positioning and 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.

Impact of Recent Accounting Pronouncements

For a complete discussion of new accounting pronouncements affecting us, *see Note 2 of the Notes to Condensed Consolidated Financial Statements.*

Summary of Critical Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to adopt accounting policies and make estimates and assumptions that affect amounts reported in our Condensed Consolidated Financial Statements included elsewhere in this report. The most critical estimates are presented below.

The below critical accounting estimates are described in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Estimates" and Notes 1 and 2 of the Notes to the Consolidated Financial Statements included in our 2024 Annual Report:

- reserves for future policy benefits and claims payable
- market risk benefits
- reinsurance
- income taxes and the ability to realize certain deferred tax benefits
- valuation and impairment of investments, including estimates related to expectations of credit losses on certain financial assets
- valuation of freestanding derivative instruments
- valuation of embedded derivatives
- net investment income
- contingent liabilities
- consolidation of variable interest entities

Off–Balance Sheet Arrangements

See Note 13 - Long-term Debt regarding lender commitment under the Company's revolving credit facility and Note 16 - Commitments and Contingencies of the Notes to Condensed Consolidated Financial Statements regarding unfunded investment commitments to limited partnerships and limited liability companies.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes to the quantitative and qualitative disclosures about market risk described in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures About Market Risk" previously disclosed in our 2024 Annual Report.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, which are designed to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to the Company's management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. During the period covered by this report, we, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act), as of March 31, 2025. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2025.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended March 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings.

For a discussion of legal proceedings, *see Note 16 - Commitments and Contingencies of the Notes to Condensed Consolidated Financial Statements included elsewhere in this report.*

Item 1A. Risk Factors.

We discuss in this report, in our 2024 Annual Report, and in our other filings with the SEC, various risks that may materially affect our business. In addition, *see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Forward-Looking Statements - Cautionary Language" included herein.* There have been no material changes to our risk factors discussed in our 2024 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Recent Sales of Unregistered Securities.

None.

Repurchase of Equity by the Company.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program [1]	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Program (in millions) [1]
January 1, 2025 - January 31, 2025				
Share repurchase program	479,387	$ 91.79	479,387	$ 592
Employee transactions [2]	—	N/A	N/A	N/A
February 1, 2025 - February 28, 2025				
Share repurchase program	565,063	89.82	565,063	541
Employee transactions [2]	—	N/A	N/A	N/A
March 1, 2025 - March 31, 2025				
Share repurchase program	922,459	84.25	922,459	463
Employee transactions [2]	334,641	81.19	N/A	N/A
Totals				
Share repurchase program	1,966,909		1,966,909	
Employee transactions [2]	334,641		N/A	
	2,301,550		**1,966,909**	

[1] As of May 1, 2025, the Company had remaining authorization to purchase $431 million of its common shares. For more information on common stock repurchases, *see Note 19 - Equity of the Notes to Condensed Consolidated Financial Statements included elsewhere in this report.*

[2] Includes shares withheld pursuant to the terms of awards under the Company's 2021 Omnibus Incentive Plan to cover tax withholding obligations that occur upon vesting and release of shares, which are treated as share repurchases. The value of the shares withheld is the closing price of common stock of Jackson Financial on the date the relevant vesting date occurs; or, if the shares vest on a non-trading day, then the value of the shares withheld is based on the closing stock price from the trading day immediately prior to the vesting date.

Item 5. Other Information.

During the three months ended March 31, 2025, none of our Section 16 officers or JFI directors adopted or terminated any contract, instruction or written plan for the purchase or sale of Jackson Financial's securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any "non-Rule 10b5-1 trading arrangement" (as defined in Section 408(c) of Regulations S-K).

However, on April 7, 2025, the trading arrangement described below terminated in accordance with its terms. The arrangement was a written plan governing the sale of Jackson Financial's securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) as defined under the securities laws.

NAME AND TITLE OF DIRECTOR OR OFFICER	DATE OF TERMINATION OF TRADING ARRANGEMENT	DURATION OF TRADING ARRANGEMENT [(1)]	# OF AGGREGATE SHARES TO BE SOLD PURSUANT TO THE TRADING ARRANGEMENT
Craig D. Smith, President and CEO of PPM America, Inc. and Executive Vice President of Jackson	April 7, 2025	November 8, 2024 – April 14, 2025	32,154 shares of common stock

[(1)] Mr. Smith's Rule 10b5-1 trading plan (the "Plan") was scheduled to expire upon the earlier of April 14, 2025, or the sale of all shares subject to the Plan.

Item 6. Exhibits.

The following documents are filed as exhibits hereto:

Number	Description
10.1*†	Form of Notice of Award of Restricted Share Units and 2025 Restricted Share Unit Award Agreement between Jackson Financial Inc. and each of Carrie L. Chelko, Don W. Cummings, Laura L. Prieskorn, Scott E. Romine and Craig D. Smith.
10.2*†	Form of Notice of Award of Performance Units and 2025 Performance Unit Award Agreement between Jackson Financial Inc. and each of Carrie L. Chelko, Don W. Cummings, Laura L. Prieskorn, Scott E. Romine and Craig D. Smith.
10.3*†	Offer Letter Agreement, dated and signed April 7, 2025, by and between Christopher Raub and Jackson National Life Insurance Company.
31.1*	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document – The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.
† Identifies each management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

JACKSON FINANCIAL INC.
(Registrant)

Date: May 7, 2025

By: *__/s/ Don W. Cummings__*
Don W. Cummings
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.1

Share Settled

NOTICE OF AWARD OF RESTRICTED SHARE UNITS

Jackson Financial Inc. (the "Company"), pursuant to its 2021 Omnibus Incentive Plan, as amended from time to time (the "Plan"), hereby grants to you a restricted share unit award (the "Award") with respect to the number of shares of the Company's common stock ("Shares") indicated below in this Notice of Award of Restricted Share Units (the "Notice"). The Award is effective on the grant date indicated below and is subject to the terms and conditions set forth in this Notice and in the Restricted Share Unit Award Agreement attached hereto (the "Award Agreement") and the Plan, each of which is incorporated by reference. Capitalized terms that are used in this Notice but not defined in this Notice have the meanings given to such terms in the Plan.

Participant:	#ParticipantName#
Grant Date:	#GrantDate#
Number of RSUs Granted:	#QuantityGranted#
Settlement Form:	Share Settled
Vesting Schedule:	The Award will vest in three (3) equal installments on the first, second, and third anniversaries of the Grant Date, subject in each case to the Participant's continued employment with the Company or one or more of its Subsidiaries through the applicable vesting date and subject further to accelerated vesting in certain cases, all as specified in the Award Agreement.

Please review the Plan and the Award Agreement for important information about the Restricted Share Units. For your award to be effective, the Award Agreement must be electronically reviewed and accepted on the Fidelity NetBenefits® website at www.NetBenefits.comwithin three (3) months of the grant date. If you have any questions regarding the Fidelity NetBenefits® website, you can call 1-800-544-9354. If you have general inquiries on your Award, please contact compensation@jackson.com.

Attachment: Restricted Share Unit Award Agreement

RESTRICTED SHARE UNIT AWARD AGREEMENT

This Restricted Share Unit Award Agreement (the "Award Agreement") contains the terms and conditions of the Restricted Share Units granted by the Company to the Participant indicated in the Notice of Award of Restricted Share Units to which this document is attached (the "Notice") and constitutes a binding agreement by and between Jackson Financial Inc. (the "Company"), and the employee whose name is set forth on the Notice (the "Participant"). Capitalized terms used but not defined herein shall have the respective meanings given to them in the Jackson Financial Inc. 2021 Omnibus Incentive Plan, as amended from time to time (the "Plan").

1. Grant of Restricted Share Units. The Company hereby grants to the Participant, effective as of the grant date set forth on the Notice (the "Grant Date"), the number of Restricted Share Units set forth in the Notice (the "RSUs"). Each RSU represents the unfunded, unsecured right of the Participant to receive one (1) Share, or a cash payment that is equal to the Fair Market Value of one (1) Share, as applicable and in accordance with the Settlement Form identified in the Notice. The RSUs are also subject to the terms and conditions of the Notice and the Plan, which are incorporated by reference herein.

2. Vesting of RSUs; Effect of Termination of Employment.

(a) Vesting. Except as otherwise provided in this Section 2 or in the Plan or as approved by the Administrator, all of the RSUs shall vest in accordance with the vesting schedule set forth in the Notice (each date on which RSUs are scheduled to vest, a "Vesting Date"), and the terms and conditions of this Award Agreement, the Notice, and the Plan, subject to the Participant's continued employment with the Company or its Subsidiary through each applicable Vesting Date.

(b) Effect of a Termination of Employment. In the event of a Participant's termination of employment at any time before all of the Participant's RSUs have vested, outstanding, unvested RSUs shall vest or become forfeited as follows (the occurrence of each such event described in Section 2(b)(i)-(iv), a "Vesting Event"):

(i) Death. All of the unvested RSUs shall become fully vested on the Participant's death, subject to the Participant's continued employment with the Company or its Subsidiary through such date;

(ii) Disability. All of the unvested RSUs shall become fully vested on the termination of the Participant's employment due to Disability, provided that (1) the Participant remains employed with the Company or its Subsidiary through such date, and (2) such vesting shall be conditioned on the Participant executing a general release of claims as described in Section 4(b) and any RSUs that do not vest pursuant to this 2(b)(ii) shall automatically be forfeited and cancelled;

(iii) Without Cause; for Good Reason. If the Participant's employment is terminated (y) by the Company or its Subsidiary without Cause; or (z) by the Participant for Good Reason (as defined below) then, (1) a pro rata portion of the number of RSUs scheduled to vest on the Vesting Date next following termination shall immediately become vested conditioned on the Participant executing a general release of claims as described in Section 4(b) below, with such pro rata portion determined based on the portion that has elapsed, as of the termination date, of the period between (a) the most recent Vesting Date that occurred prior to termination (or the Grant Date, if no Vesting Date had yet occurred) and (b) the scheduled

Vesting Date next following termination, and (2) RSUs that do not vest pursuant to this Section 2(b)(iii) shall automatically be forfeited and cancelled as of the Participant's termination date; and

(iv) Qualifying Retirement. If the Participant's employment terminates in a Qualifying Retirement (as defined below) at any time before all of the Participant's RSUs have fully vested, all of the unvested RSUs shall vest in accordance with the vesting schedule set forth in the Notice; provided, that such vesting shall be conditioned on the Participant executing a general release of claims as described in Section 4(c) below and the Administrator's determination that the Participant remains in material compliance with the restrictive covenants set forth in Section 12(b). Any RSUs that do not vest pursuant to this Section 2(b)(iv) shall automatically be forfeited and cancelled as of the Participant's termination date.

(v) Any Other Reason. Upon termination of the Participant's employment at any time before all of the Participant's RSUs have vested for any reason other than the Participant's death, Disability, Qualifying Retirement, termination by the Company without Cause or by the Participant for Good Reason, all unvested RSUs shall be forfeited and cancelled as of the effective date of such termination of employment.

(c) Employment. For purposes of this Award Agreement, employment with the Company will be deemed to include employment with the Company or the Company's Subsidiary, but in the case of employment with or service to a Subsidiary, only during such time as such Subsidiary is an affiliate of the Company.

(d) Effect of a Change in Control. Upon the occurrence of a Change in Control, all then outstanding unvested RSUs shall be treated as provided in the Plan.

3. Termination for Cause. If the Participant's employment is terminated for Cause, or if the Participant resigns at such time as the Company could have terminated the Participant's employment for Cause, then notwithstanding any other provision of this Award Agreement, the Participant will immediately forfeit any remaining unvested RSUs (or cash otherwise payable, as applicable), along with any Shares issuable, or cash payment payable, as applicable, with respect to such RSUs (even if otherwise vested) for which Shares (or cash) have not yet been delivered, and any cash amounts payable under Section 9(b).

4. Delivery.

(a) In the case of the vesting of the RSUs on a scheduled Vesting Date, as described in Section 2(a), or due to a Participant's death, one (1) Share, or a cash payment equal to the Fair Market Value of one (1) Share, as applicable, shall be delivered in respect of each RSU then vesting, within thirty (30) days following (i) the occurrence of the scheduled Vesting Date or (ii) the Participant's death, as applicable.

(b) In the case of the vesting of RSUs due to a Vesting Event described in Sections 2(b)(ii) and (iii) (termination due to Disability, termination without Cause or, if applicable, with Good Reason), one (1) Share, or a cash payment equal to the Fair Market Value of one (1) Share, as applicable, will become deliverable in respect of each RSU then vesting, subject to the Participant executing a general release of claims in favor of the Company and its affiliates, directors and officers in a form provided by the Company ("Release of Claims") and to such release becoming irrevocable within fifty-five (55) calendar days after such termination (such 55-day period, the "Release Period"). Subject to the Participant's compliance with the Release of Claims as described above, Shares or cash payments deliverable following a termination due to Disability or following a termination without Cause or with Good Reason will be delivered within 30 calendar days of the date on which the Release of Claims becomes irrevocable (but if the Release Period spans two (2) taxable years of the Participant, not before the first day of such second taxable year). If the Participant fails to timely satisfy this release requirement, all RSUs that would otherwise vest under Sections 2(b)(ii) and (iii), as applicable (along with any Shares issuable, or any cash payable, as applicable, with respect to such RSUs), shall be forfeited and the Participant will have no further rights with respect thereto.

(c) In the case of the vesting of RSUs due to a Participant's Qualifying Retirement described in Section 2(b)(iv), then, subject to the Participant's compliance with Section 12(b) and execution of a Release of Claims, one (1) Share, or a cash payment equal to the Fair Market Value of one (1) Share, as applicable, will become deliverable in respect of each RSU then vesting. Shares or cash payments deliverable under this Section 4(c) will be delivered (i) within thirty (30) days of each applicable Vesting Date that would have otherwise applied to the Participant's unvested RSUs if the Participant had remained employed or, if later, (ii) on the date on which the Release of Claims becomes irrevocable (but if the Release Period spans two (2) taxable years of the Participant, not before the first day of such second taxable year). If the Participant fails to timely execute a Release of Claims as outlined in Section 4(b), all RSUs that would otherwise vest under Section 2(b)(iv) (along with any Shares issuable, or any cash payable, as applicable, with respect to such RSUs) shall be forfeited and the Participant will have no further rights with respect thereto.

5. Certain Definitions. For purposes of this Award Agreement and notwithstanding any provision of the Plan to the contrary, the following definitions will apply:

(a) "Cause" means any of the following: (i) the Participant's commission of a crime involving fraud, theft, false statements or other similar acts or commission of any crime that is a felony (or comparable classification in a jurisdiction that does not use these terms); (ii) the Participant's engaging in any conduct that constitutes an employment disqualification under applicable law with respect to a material portion of the Participant's work duties; (iii) the Participant's willful or grossly negligent failure to perform his or her material employment-related duties for the Company or a Subsidiary, or willful misconduct in the performance of such duties; (iv) the Participant's material violation of any Company or Subsidiary policy as in effect from time to time; (v) the Participant's engaging in any act or making any public statement that materially impairs, impugns, denigrates, disparages or negatively reflects upon the name, reputation or business interests of the Company or its Subsidiaries; (vi) the Participant's failure to return to a partial or full-time in-office working environment, as required by the Company, following a remote work arrangement that was temporary in nature; or (vii) the Participant's breach of any award agreement, employment agreement, or noncompetition, nondisclosure or nonsolicitation agreement to which the Participant is a party or by which the Participant is bound; provided that in the case of any Participant who, as of the date of determination, is a party to an effective services, severance, consulting or employment agreement with the Company or any Subsidiary of the Company that employs such individual, "Cause" shall have the meaning, if any, specified in such agreement. A termination for Cause shall be deemed to include a determination by the Committee following a Participant's termination of employment that circumstances existing prior to such termination would have entitled the Company or one of its Subsidiaries to have terminated such Participant's employment for Cause. All rights a Participant has or may have under the Plan shall be suspended automatically during the pendency of any investigation by the Committee or its designee, or during any negotiations between the Committee or its designee and the Participant, regarding any actual or alleged act or omission by the Participant of the type described in the applicable definition of Cause.

(b) "Good Reason" means:

(i) in the case of any Participant who, as of the date of determination is party to an effective services, severance, consulting or employment agreement with the Company or any Subsidiary of the Company that employs such individual that defines "Good Reason," the meaning specified in such agreement; or

(ii) if no such agreement exists or if such agreement does not define "Good Reason," the occurrence of one or more of the following without the Participant's express written consent, which circumstances are not remedied by the Company within thirty (30) days of its receipt of a written notice from the Participant describing the applicable circumstances (which notice must be provided by the Participant within ninety (90) days of the Participant's knowledge of the appliable circumstances): (i) a material reduction in the Participant's base salary; (ii) a material reduction in the Participant's target annual total cash compensation, which is comprised of base salary, target annual bonus opportunity, and target annual production-related sales compensation (if applicable); or (iii) a geographical relocation of the Participant's principal office location by more than fifty (50) miles. For the avoidance of doubt, to the extent the Company requires a Participant to return to a partial or full-time in-office working environment following a remote work arrangement that was temporary in nature, such required return to office shall not constitute Good Reason. In order for a termination of employment for Good Reason to be effective, the Participant must terminate his or her employment within thirty (30) days following the expiration of the cure period set forth in this Section 5(b)(ii).

(c) "Qualifying Retirement" means the Participant's "separation from service" within the meaning of Section 409A of the Code after the Participant (i) has attained a minimum age of fifty (50), and (ii) the sum of the Participant's age and years of service, both calculated in completed years and months, equals sixty-five (65) or more.

6. Adjustments Upon Certain Events. The Administrator shall, in its sole discretion, make equitable substitutions or adjustments to the number of Shares and the RSUs pursuant to Section 4.3 of the Plan.

7. No Right to Continued Employment. Neither the Plan, the Notice nor this Award Agreement shall be construed as giving the Participant the right to be retained in the employ of, or in any consulting relationship with, the Company or any of its Subsidiaries. Further, the Company (or, as applicable, its Subsidiaries) may at any time dismiss the Participant, free from any liability or any claim under the Plan, the Notice or this Award Agreement, except as otherwise expressly provided herein.

8. No Acquired Rights. The Award has been granted entirely at the discretion of the Administrator. The grant of the Award does not obligate the Company to grant additional Awards to the Participant in the future (whether on the same or different terms).

9. No Rights of a Stockholder; Dividend Equivalent Payments.

(a) The Participant shall not have any rights or privileges as a stockholder of the Company in respect of RSUs, which for the avoidance of doubt includes no rights to dividends or to vote, until the underlying Shares have been registered in the Company's register of stockholders as being held by the Participant.

(b) Section 9(a) notwithstanding, in the event that the record date for an ordinary dividend cash payment on the Shares occurs following the Grant Date and prior to the date on which the RSUs are settled, a Dividend Equivalent shall be credited in respect of each RSU granted to the Participant hereunder that is then outstanding, in an amount equal to the amount of such cash dividend. The dollar value of each such Dividend Equivalent shall be deemed reinvested in additional RSUs (rounded to the third decimal), based on the closing market price of a Share reported for the date the corresponding dividend is payable to shareholders. The additional RSU(s) into which the Dividend Equivalent is deemed reinvested shall not be payable unless the related RSUs (or portion thereof) vest and shall be forfeited to the extent that the related RSUs (or portion thereof) are forfeited. Any such additional RSUs shall be paid when the related RSUs vest, in the same form as the related RSUs.

10. Transferability of RSUs. The RSUs (and, prior to their actual issuance, the Shares) may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, and any purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance not permitted by this Section 10 shall be void and unenforceable.

11. Withholding; Taxation; Specified Employees.

(a) The Company and the Participant shall cooperate to satisfy applicable federal, state and local income and employment tax withholding requirements applicable to the grant, vesting and settlement of the RSUs and any Dividend Equivalents payable under Section 9(b) (the "Required Withholding"). The Company shall withhold from the Shares that would otherwise have been transferred to the Participant in settlement of vested RSUs the number of Shares necessary to satisfy the Participant's Required Withholding unless, subject to the Company's consent, the Required Withholding shall previously have been satisfied by the Participant or from other amounts payable by the Company to the Participant and, if applicable, shall deliver the remaining Shares to the Participant. The amount of the Required Withholding and the number of Shares to be withheld by the Company, if applicable, to satisfy Participant's Required Withholding, as well as the amount reflected on tax reports filed by the Company, shall be based on the then Fair Market Value of the Shares. The obligations of the Company under this Award Agreement will be conditioned on such satisfaction of the Required Withholding.

(b) The Award and this Award Agreement are intended to comply with Section 409A of the Code and should be interpreted accordingly. To the extent necessary to give effect to this intent, in the case of any conflict or potential inconsistency between the provisions of the Plan and this Award Agreement, the provisions of this Award Agreement will govern, and in the case of any conflict or potential inconsistency between this Section 11 and the other provisions of this Award Agreement, this Section 11 will govern. Nonetheless, the Company does not guarantee the tax treatment of the Award.

(c) In no event will the Participant be permitted to designate, directly or indirectly, the taxable year of the delivery. To the extent the Award includes a "series of installment payments" as described in Treas. Reg. §1.409A-2(b)(2)(iii), the Participant's right to the series of installment payments will be treated as a right to a series of separate payments and not as a right to a single payment. The Award is subject to offset solely to the extent permitted by the Plan and Section 409A of the Code. To the extent any payment under the Award is conditioned on the effectiveness of a release of claims and the period the Participant is afforded to consider the release spans two (2) taxable years of the Participant, payment will be made in the second taxable year.

(d) Notwithstanding anything in this Award Agreement to the contrary, (i) to the extent permitted by Treas. Reg. §1.409A-3(j)(4)(vi) and subject to the approval of the Administrator, settlement of the Award may be accelerated to the extent necessary to satisfy employment tax withholding obligations that arise with respect to the Award, and (ii) the Company may terminate this arrangement and deliver Shares hereunder in a manner consistent with Treas. Reg. §1.409A-3(j)(4)(ix).

(e) Notwithstanding any other provisions of this Award Agreement to the contrary, to the extent necessary to comply with the requirements of Section 409A with respect to any individual who is a "specified employee" within the meaning of Section 409A, delivery of Shares on account of termination of the Participant's employment with the Company or any Subsidiary may not be made before the date that is six (6) months after the date of such termination of employment (or, if earlier, the date of the Participant's death).

12. Clawback/Forfeiture; Other Company Policies.

(a) Notwithstanding anything to the contrary contained herein or in the Plan, in consideration for the grant of this Award, the Participant agrees that the RSUs and any Shares or cash delivered in settlement of the RSUs, including in respect of Dividend Equivalents pursuant to Section 9(b), (i) will be subject to the terms of the Jackson Financial Inc. Compensation Clawback Policy, as may be amended from time to time and, in accordance with such policy, may be subject to the requirement that the Shares underlying the RSUs or any cash payments made in respect thereof be repaid or returned to the Company after they have been distributed to the Participant, and (ii) will, along with any other equity interests in the Company held by the Participant, be subject to any policy with respect to hedging or pledging of Shares that the Company may have in effect from time to time.

(b) Unless otherwise approved by the Administrator, as a condition to the Qualified Retirement Vesting Event described in Section 2(b)(iv), the Participant shall not, to the extent permitted by applicable law, during the period following a Qualifying Retirement and prior to the applicable Vesting Date(s), without the prior written consent of the Company, directly or indirectly, as an employee, agent, consultant, partner, joint venturer, owner, officer, director, member of any other firm, partnership, corporation or other entity, or in any other capacity, (i) own any interest in, manage, control, participate in, consult with, render services for, or otherwise be or be connected in any manner with any business competing directly or indirectly with the business of the Company or the business of its Subsidiaries or any other business that the Company and its Subsidiaries have conducted during the one-year period immediately preceding the date of such Qualifying Retirement or has plans to conduct as of the date of such Qualifying Retirement anywhere in the world, or (ii) induce or attempt to induce any customer, supplier, broker, agent, licensee or other business relation of the Company or any Subsidiary to cease doing business with the Company or such Subsidiary, or interfere in any way with the relationship between any such customer, supplier, broker, agent, licensee or business relation and the Company or any of its Subsidiaries. Accordingly, the Participant agrees that, unless otherwise approved by the Administrator, without limiting any of the Company's rights pursuant to any clawback or recapture policy that the Company may have in effect from time to time, in the event of the Participant's violation of any of the covenants contained in this Section 12(b), the Participant will immediately forfeit all unvested RSUs held by the Participant, and the Participant will have no further rights with respect thereto.

13. Choice of Law. THE AWARD, THIS AWARD AGREEMENT AND THE NOTICE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MICHIGAN APPLICABLE TO AGREEMENTS MADE AND TO BE WHOLLY PERFORMED WITHIN THAT STATE. ANY ACTION TO ENFORCE THE AWARD, THIS AWARD AGREEMENT OR THE NOTICE MUST BE BROUGHT IN A COURT SITUATED IN, AND THE PARTIES HEREBY CONSENT TO THE JURISDICTION OF, COURTS SITUATED IN MICHIGAN. EACH PARTY HEREBY WAIVES THE RIGHT TO CLAIM THAT ANY SUCH COURT IS AN INCONVENIENT FORUM FOR THE RESOLUTION OF ANY SUCH ACTION.

14. RSUs Subject to Plan. All the RSUs are subject to the Plan, a copy of which has been provided to the Participant and the terms of which are incorporated herein by reference. Except as set forth in Section 11(a) above, in the event of an inconsistency between any express provision of this Award Agreement and any express term of the Plan, the express term of the Plan shall govern.

15. Entire Agreement; Severability. The Plan, the Notice, and this Award Agreement contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto. No change, modification or waiver of any provision of the Notice or this Award Agreement shall be valid unless in writing and signed by the parties hereto. Whenever possible, each provision of this Award Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Award Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, and this Award Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

16. Acceptance of RSUs and Agreement. The Participant has indicated the Participant's consent and acknowledgement of the terms of this Award Agreement pursuant to the instructions provided to the Participant by or on behalf of the Company. The Participant acknowledges receipt of the Plan, represents to the Company that the Participant has read and understood the Notice, this Award Agreement and the Plan, and, as an express condition to the grant of the RSUs under the Notice and this Award Agreement, agrees to be bound by the terms of the Notice, this Award Agreement and the Plan. The Participant and the Company each agrees and acknowledges that the use of electronic media (including, without limitation, a click-through button or checkbox on a website of the Company or a third-party administrator) to indicate the Participant's confirmation, consent, signature, agreement and delivery of the Notice, this Award Agreement and the Plan is legally valid and has the same legal force and effect as if the Participant and the Company signed and executed this Award Agreement in paper form. The same use of electronic media may be used for any amendment or waiver of this Award Agreement.

17. Transferability of Shares. Any Shares issued or transferred to the Participant pursuant to the Award shall be subject to such stop transfer orders and other restrictions as the Administrator may deem advisable under the Plan, the Notice, this Award Agreement or the rules, regulations and other requirements of the U.S. Securities and Exchange Commission, any stock exchange upon which such Shares are listed, and any applicable federal or state laws or relevant securities laws of the jurisdiction of the domicile of the Participant, and the Administrator may cause a legend or legends to be put on any certificates representing such Shares or make an appropriate entry on the record books of the appropriate registered book-entry custodian, if the Shares are not certificated, to make appropriate reference to such restrictions.

Exhibit 10.2

Share Settled

NOTICE OF AWARD OF PERFORMANCE UNITS

Jackson Financial Inc. (the "Company"), pursuant to its 2021 Omnibus Incentive Plan, as amended from time to time (the "Plan"), hereby grants to you a performance unit award (the "Award") with respect to the number of shares of the Company's common stock ("Shares") indicated below in this Notice of Award of Performance Units (the "Notice"). The Award is effective on the grant date indicated below and is subject to the terms and conditions set forth in this Notice and in the Performance Unit Award Agreement attached hereto (the "Award Agreement") and the Plan, each of which is incorporated by reference. Capitalized terms that are used in this Notice but not defined in this Notice have the meanings given to such terms in the Plan.

Participant:	#ParticipantName#
Grant Date:	#GrantDate#
Performance Units:	You have been granted a target number of #QuantityGranted# Performance Units (the "Target PSUs") representing the right to receive a number of Shares equal to 0% to 200% of the Target PSUs, subject to adjustment as provided in Section 7 of the Agreement.
Settlement Form:	Share settled
Performance Cycle:	The three-year period commencing January 1, 2025 and ending December 31, 2027.
Vesting Schedule:	The Performance Units shall vest based on the satisfaction of two conditions: achievement of the Performance Goals specified in Section 4 of the Award Agreement and the Participant's continued employment with the Company or one or more of its Subsidiaries through the third anniversary of the Grant Date (the "Vesting Date") and subject further to modification based on the Company's three-year Relative Total Shareholder Return and, in certain cases, accelerated vesting, all as specified in the Award Agreement.

Performance Goals:	<u>Adjusted Operating Return on Equity</u> Threshold: 12.6% Target: 15.7% Maximum: 18.8% <u>Net Cash Flow to the Company</u> Threshold: $1,553,000,000 Target: $3,106,000,000 Maximum: $4,659,000,000 *The vesting level otherwise achieved under these Performance Goals will be adjusted based on the Company's three-year Relative Total Shareholder Return placement as compared to the peer group identified by the Jackson Financial Inc. Compensation Committee for this purpose, as specified in Section 4(f) of the attached Award Agreement; however, in no event shall the vesting level of the Target PSUs exceed 200%.*

Please review the Plan and the Award Agreement for important information about the Performance Units. For your Award to be effective, the Award Agreement must be electronically reviewed and accepted on the Fidelity NetBenefits® website at www.NetBenefits.com within three (3) months of the grant date. If you have any questions regarding the Fidelity NetBenefits® website, you can call 1-800-544-9354. If you have general inquiries on your Award, please contact compensation@jackson.com.

Attachment: Performance Unit Award Agreement

PERFORMANCE UNIT AWARD AGREEMENT

This Performance Unit Award Agreement (the "Award Agreement") contains the terms and conditions of the Performance Units granted by the Company to the Participant indicated in the Notice of Award of Performance Units to which this document is attached (the "Notice") and constitutes a binding agreement by and between Jackson Financial Inc. (the "Company"), and the employee whose name is set forth on the Notice (the "Participant"). Capitalized terms used but not defined herein shall have the respective meanings given to them in the Jackson Financial Inc. 2021 Omnibus Incentive Plan, as amended from time to time (the "Plan").

1. Grant of Performance Units. The Company grants to the Participant, effective as of the grant date set forth on the Notice (the "Grant Date"), the number of target Performance Units set forth in the Notice (the "Target PSUs"). The Target PSUs represent the unfunded, unsecured right of the Participant to receive either Shares or a cash payment, as applicable, that is equal to the Fair Market Value of such Shares, in accordance with the Settlement Form identified in the Notice, in such number and at such times as determined pursuant to the Notice and this Award Agreement. The Target PSUs are also subject to the terms and conditions of the Notice and the Plan, which are incorporated by reference herein.

2. Vesting of Target PSUs; Effect of Termination of Employment.

(a) Vesting. Target PSUs shall generally vest only upon the satisfaction of two conditions: achievement of the performance conditions specified in Section 4 below and satisfaction of the service condition set forth in this Section 2. Except as otherwise provided in this Section 2 or in the Plan or as approved by the Administrator, the Target PSUs that are earned in accordance with the performance vesting schedules set forth in Section 4 and not forfeited pursuant to this Award Agreement, shall vest in accordance with the terms and conditions of this Award Agreement, the Notice, and the Plan, subject to the Participant's continued employment through the Vesting Date (as defined in the Notice). The Target PSUs that are earned and vested shall be settled as provided in Section 5.

(b) Effect of Termination of Employment. In the event of a Participant's termination of employment prior to the Vesting Date, outstanding, unvested Target PSUs shall vest or become forfeited as follows (the occurrence of each such event described in Section 2(b)(i)-(iv), a "Vesting Event"):

(i) Death. All of the Target PSUs shall become fully vested on the Participant's death, subject in each case to the Participant's continued employment with the Company or its Subsidiary through such date;

(ii) Disability. If the Participant's employment terminates due to the Participant's Disability, the number of Target PSUs that become earned and vested shall be based on the actual achievement of the Performance Goals during the entire Performance Cycle (as if the Participant's employment had continued during the entire Performance Cycle), provided that (1) the Participant remains employed with the Company or its Subsidiary through such employment termination date, and (2) such vesting shall be conditioned on the Participant executing a general release of claims as described in Section 5(b) and any Target PSUs that do not vest pursuant to this 2(b)(ii) shall automatically be forfeited and cancelled; and

(iii) Without Cause; for Good Reason. If the Participant's employment is terminated (y) by the Company or its Subsidiary without Cause; or (z) by the Participant for Good Reason (as defined below) then (1) the Target PSUs shall be prorated based on the portion of period between the Grant Date and the Vesting Date that has elapsed through the date of the Participant's employment termination and the number of prorated Target PSUs that become earned and vested are based on the actual achievement of the Performance Goals during the entire Performance Cycle (as if the Participant's employment had continued through the entire Performance Cycle), and (2) such pro rata vesting shall be conditioned upon the Participant executing a general release of claims as described in Section 5(b). Any Target PSUs that do not vest pursuant to this 2(b)(iii) shall automatically be forfeited and cancelled; and

(iv) Qualifying Retirement. If the Participant's employment terminates due to the Participant's Qualifying Retirement (as defined below), then (1) the number of Target PSUs that become earned and vested shall be based on the actual achievement of the Performance Goals during the entire Performance Cycle (as if the Participant's employment had continued during the entire Performance Cycle), and (2) such vesting shall be conditioned on the Participant executing a general release of claims as described in Section 5(b) and on the Administrator's determination that the Participant remains in material compliance with the restrictive covenants set forth in Section 13(b). Any Target PSUs that do not vest pursuant to this 2(b)(iv) shall automatically be forfeited and cancelled.

(v) Any Other Reason. Upon termination of the Participant's employment before the Vesting Date for any reason other than the Employee's death, Disability, Qualifying Retirement, termination by the Company without Cause or by the Participant for Good Reason, all Target PSUs shall be forfeited and cancelled as of the effective date of such termination of employment.

(c) Employment. For purposes of this Award Agreement, employment with the Company will be deemed to include employment with, or, if approved by the Administrator, other service to, the Company or the Company's Subsidiary, but in the case of employment with or service to a Subsidiary, only during such time as such Subsidiary is an affiliate of the Company.

(d) Effect of a Change in Control. Upon the occurrence of a Change in Control, all then outstanding unvested Target PSUs shall be treated as provided in the Plan.

3. Termination for Cause. If the Participant's employment is terminated for Cause, or if the Participant resigns at such time as the Company could have terminated the Participant's employment for Cause, then notwithstanding any other provision of this Award Agreement, the Participant will immediately forfeit any remaining Target PSUs, along with any Shares issuable (or cash otherwise payable, as applicable) with respect to such Target PSUs (even if otherwise vested) for which Shares (or cash) have not yet been delivered, and any amounts payable under Section 10(b).

4. Performance Conditions. The Target PSUs shall vest based on the achievement of the following Performance Goals, as set forth in the schedules below:

(a) Adjusted Operating Return on Equity: The extent to which fifty percent (50%) of the Target PSUs are earned shall be determined by reference to the achievement of Adjusted Operating Return on Equity, as follows:

Adjusted Operating Return on Equity Achievement:	Number of Performance Units Earned (as a percentage of the Target PSUs assigned to this performance goal):
Below threshold	0%
Threshold	50%
Target	100%
Maximum	200%

For this purpose, "Adjusted Operating Return on Equity" means the average of the Adjusted Operating Return on Equity for each fiscal year ending during the Performance Cycle. The Adjusted Operating Return on Equity for a fiscal year is determined by dividing (i) After-tax Adjusted Operating Earnings by (ii) the average of the Adjusted Book Value for the fiscal year. For this purpose, "Adjusted Operating Earnings" and "Adjusted Book Value" have the meanings as defined in Jackson Financial Inc.'s U.S. Securities and Exchange Commission filings.

Adjusted Operating Return on Equity for each of the three (3) years shall 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 the Company's 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%, (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; and (iv) the impact on earnings related to annual actuarial assumption unlocking.

The Jackson Financial Inc. Compensation Committee ("Committee") shall adjust the Adjusted Operating Return on Equity to exclude the impact over the Performance Cycle of unusual and nonrecurring significant events, including new business investment; business continuity disruptions including pandemics; restructuring initiatives; mergers, acquisitions and divestitures, including impacts of goodwill and other intangibles; guarantee fund assessments in the event of insurance company liquidations; material litigation and regulatory matters; gains or losses on the extinguishment of debt; and legislative, tax, regulatory, or accounting changes; in such manner as reasonably determined by the Committee to preserve the original economic intent of the award.

The Committee may, in addition to the mandatory adjustments enumerated above, make adjustments for those factors enumerated in Section 9.5 of the Plan that are not already contemplated by this Award Agreement.

(b) Net Cash Flow to the Company: The extent to which fifty percent (50%) of the Target PSUs are earned shall be determined by reference to the achievement of Net Cash Flow to the Company, as follows:

Net Cash Flow to the Company:	Number of Performance Units Earned (as a percentage of the Target PSUs assigned to this performance goal):
Below threshold	0%
Threshold	50%
Target	100%
Maximum	200%

For this purpose, "Net Cash Flow to the Company" means (1) the sum of cash flows to the Company 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, and (v) other similar payments, less (2) capital contributions made by the Company to its operating Subsidiaries. Net Cash Flow to the Company is distinct from any Company capital actions, such as common stock dividends and repurchases, debt reduction payments and mergers and acquisitions.

The Committee shall adjust for the impact of unusual and nonrecurring significant events, including major market dislocations impacting statutory capital levels (*i.e.*, global financial crisis, pandemic, etc.); new business investment; business continuity disruptions; restructuring initiatives; mergers, acquisitions and divestitures, including impacts of goodwill and other intangibles; guarantee fund assessments in the event of insurance company liquidations; material litigation and regulatory matters; operating company dividends and distributions well above or below expected levels due to regulatory or other extenuating factors; and legislative, tax, regulatory, or accounting changes, in such manner as reasonably determined by the Committee to preserve the original economic intent of the award. The Committee may, in addition to the mandatory adjustments enumerated above, make adjustments for those factors enumerated in Section 9.5 of the Plan that are not already contemplated by this Award Agreement.

(c) Straight-line Interpolation. With respect to both Performance Goals, achievement of a Performance Goal in excess of threshold performance and below target performance, or in excess of the target performance and below maximum performance will be calculated by the Administrator by straight-line interpolation between threshold and target performance and between target and maximum performance.

(d) Determination of Performance Achievement Relative to Performance Goals: As soon as practicable after the end of the Performance Cycle but in any event within sixty (60) days after end of the Performance Cycle, the Administrator shall determine in writing the extent to which the Performance Goals have been achieved (the date on which such determination is made, the "Determination Date") and the number of Target PSUs that have been earned based on such achievement. In making such determination, the Administrator shall be permitted to exercise any discretion permitted under the Plan.

(e) The "Adjusted Operating Return on Equity" and the "Net Cash Flow to the Company" shall be set forth in the Notice.

(f) Relative Total Shareholder Return Adjustment: The vesting level of the Target PSUs otherwise achieved under the Adjusted Operating Return on Equity and the Net Cash Flow to the Company Performance Goals shall be adjusted based on the placement of the Company's three-year Relative Total Shareholder Return ("Relative TSR") as compared to the peer group identified by the Committee for this purpose. The vesting level otherwise achieved shall be adjusted as set forth in the table below.

Relative TSR Performance Quartile Placement	Multiplier (to be applied to final vesting level)
High	120%
2nd – 3rd	100%
Low	80%

For purposes of this Section 4(f), Relative TSR represents the total shareholder return as determined by dividing (1) the sum of (i) the Ending Period Average Price minus the Beginning Period Average Price and (ii) all dividends and other distributions paid on the Company's common shares during the Performance Cycle, assuming such dividends and other distributions are invested in shares on the ex-dividend date for such dividend or other distribution, by (2) the Beginning Period Average Price. For this purpose:

"Beginning Period Average Price" shall mean the average official closing price per common share of the issuer over the twenty (20) consecutive trading days ending with and including December 31, 2024 (if the applicable day is not a trading day, the immediately preceding trading day); and

"Ending Period Average Price" shall mean the average official closing price per common share of the issuer over the twenty (20) consecutive trading days ending with and including December 31, 2027 (if the applicable day is not a trading day, the immediately preceding trading day).

The Company's Relative TSR, along with that of each company in the peer group defined for this purpose, will be ranked in descending order. In the event any member of the peer group liquidates or reorganizes under the United States Bankruptcy Code (U.S.C. Title 11) before the end of the Performance Cycle, such member shall remain in the peer group for purposes of calculating the payout modifier, with its Relative TSR measured over the period up to the point of liquidation or reorganization. If any member of the peer group is acquired by another entity before the end of the Performance Cycle, such member shall be removed from the peer group for purposes of calculating the payout modifier.

The Committee shall make appropriate adjustments to account for extraordinary items affecting the Relative TSR in such manner as reasonably determined by the Committee to preserve the original economic intent of the award. These adjustments include retaining, removing or replacing members of the peer group in the event of merger, reorganization or material change in ownership, legal structure, or business operations of any member of the peer group before the end of the Performance Cycle. Notwithstanding any of the foregoing, in no event shall an adjustment made pursuant to this Section 4(f) cause the vesting level of the Target PSUs to exceed 200%.

5. Delivery.

(a) In the case of the vesting of Target PSUs as described in Section 2(a), or due to a Participant's death, either one (1) Share, or a cash payment, as specified in the Notice, equal to the Fair Market Value of one (1) Share as of the payment date, as applicable, shall be delivered in respect of each earned and vested Target PSU within thirty (30) days following (i) the occurrence of the Vesting Date, or (ii) the Participant's death, as applicable.

(b) In the case of the vesting of Target PSUs due to a Vesting Event described in Sections 2(b)(ii) and (iii) (termination due to Disability, termination without Cause or, if applicable, with Good Reason) or, subject to the Participant's compliance with Section 13(b), due to a Qualifying Retirement, as described in Section 2(b)(iv), either one (1) Share, or a cash payment equal, as specified in the Notice, to the Fair Market Value of one (1) Share as of the payment date, as applicable, will become deliverable in respect of each earned and vested Target PSU, subject to the Participant executing a general release of claims in favor of the Company and its affiliates, directors and officers in a form provided by the Company ("Release of Claims") and to such release becoming irrevocable within fifty-five (55) calendar days after such termination (such 55-day period, the "Release Period"). Subject to the Participant's compliance with the Release of Claims as described above, Shares or cash payments deliverable following a termination due to Disability or following a termination without Cause or with Good Reason or due to a Qualifying Retirement will be delivered (i) within thirty (30) calendar days of each applicable Vesting Date that would have otherwise applied to the Participant's unvested Target PSUs if the Participant had remained employed or, if later, (ii) on the date on which the Release of Claims becomes irrevocable (but if the Release Period spans two (2) taxable years of the Participant, not before the first day of such second taxable year). If the Participant fails to timely satisfy this release requirement, all Target PSUs otherwise vesting under Section 2(b)(ii) and (iii) or pursuant to a Qualified Retirement under Section 2(b)(iv), as applicable (along with any Shares issuable or cash payment payable with respect to such Target PSUs), shall be forfeited and the Participant will have no further rights with respect thereto.

6. Certain Definitions. For purposes of this Award Agreement and notwithstanding any provision of the Plan to the contrary, the following definitions will apply:

(a) "Cause" means any of the following: (i) the Participant's commission of a crime involving fraud, theft, false statements or other similar acts or commission of any crime that is a felony (or comparable classification in a jurisdiction that does not use these terms); (ii) the Participant's engaging in any conduct that constitutes an employment disqualification under applicable law with respect to a material portion of the Participant's work duties; (iii) the

Participant's willful or grossly negligent failure to perform his or her material employment-related duties for the Company or a Subsidiary, or willful misconduct in the performance of such duties; (iv) the Participant's material violation of any Company or Subsidiary policy as in effect from time to time; (v) the Participant's engaging in any act or making any public statement that materially impairs, impugns, denigrates, disparages or negatively reflects upon the name, reputation or business interests of the Company or its Subsidiaries; (vi) the Participant's failure to return to a partial or full-time in-office working environment, as required by the Company, following a remote work arrangement that was temporary in nature; or (vii) the Participant's breach of any award agreement, employment agreement, or noncompetition, nondisclosure or nonsolicitation agreement to which the Participant is a party or by which the Participant is bound; provided that in the case of any Participant who, as of the date of determination, is a party to an effective services, severance, consulting or employment agreement with the Company or any Subsidiary of the Company that employs such individual, "Cause" shall have the meaning, if any, specified in such agreement. A termination for Cause shall be deemed to include a determination by the Committee following a Participant's termination of employment that circumstances existing prior to such termination would have entitled the Company or one of its Subsidiaries to have terminated such Participant's employment for Cause. All rights a Participant has or may have under the Plan shall be suspended automatically during the pendency of any investigation by the Committee or its designee, or during any negotiations between the Committee or its designee and the Participant, regarding any actual or alleged act or omission by the Participant of the type described in the applicable definition of Cause.

(b) "Good Reason" means:

(i) in the case of any Participant who, as of the date of determination is party to an effective services, severance, consulting or employment agreement with the Company or any Subsidiary of the Company that employs such individual that defines "Good Reason," the meaning specified in such agreement; or

(ii) if no such agreement exists or if such agreement does not define "Good Reason," the occurrence of one or more of the following without the Participant's express written consent, which circumstances are not remedied by the Company within thirty (30) days of its receipt of a written notice from the Participant describing the applicable circumstances (which notice must be provided by the Participant within ninety (90) days of the Participant's knowledge of the appliable circumstances): (i) a material reduction in the Participant's base salary; (ii) a material reduction in the Participant's target annual total cash compensation, which is comprised of base salary, target annual bonus opportunity, and target annual production-related sales compensation (if applicable); or (iii) a geographical relocation of the Participant's principal office location by more than fifty (50) miles. For the avoidance of doubt, to the extent the Company requires a Participant to return to a partial or full-time in-office working environment following a remote work arrangement that was temporary in nature, such required return to office shall not constitute Good Reason. In order for a termination of employment for Good Reason to be effective, the Participant must terminate his or her employment within thirty (30) days following the expiration of the cure period set forth in this Section 6(b)(ii).

(c) "Qualifying Retirement" means the Participant's "separation from service" within the meaning of Section 409A of the Code after the Participant (i) has attained a minimum age of fifty (50), and (ii) the sum of the Participant's age and years of service, both calculated in completed years and months, equals sixty-five (65) or more.

7. Adjustments Upon Certain Events. The Administrator shall, in its sole discretion, make equitable substitutions or adjustments to the number of Shares and the Target PSUs pursuant to Section 4.3 of the Plan.

8. No Right to Continued Employment. Neither the Plan, the Notice nor this Award Agreement shall be construed as giving the Participant the right to be retained in the employ of, or in any consulting relationship with, the Company or any of its Subsidiaries. Further, the Company (or, as applicable, its Subsidiaries) may at any time dismiss the Participant, free from any liability or any claim under the Plan, the Notice or this Award Agreement, except as otherwise expressly provided herein.

9. No Acquired Rights. The Award has been granted entirely at the discretion of the Administrator. The grant of the Award does not obligate the Company to grant additional Awards to the Participant in the future (whether on the same or different terms).

10. No Rights of a Shareholder; Dividend Equivalent Payments.

(a) The Participant shall not have any rights or privileges as a shareholder of the Company in respect of Target PSUs, which for the avoidance of doubt includes no rights to dividends or to vote, until the underlying Shares have been registered in the Company's register of shareholders as being held by the Participant.

(b) Section 10(a) notwithstanding, in the event that the record date for an ordinary dividend cash payment on the Shares occurs following the Grant Date and prior to the date on which the Target PSUs are settled, a Dividend Equivalent shall be credited in respect of each Target PSU granted to the Participant hereunder that is then outstanding, in an amount equal to the amount of such cash dividend. The dollar value of each such Dividend Equivalent shall be deemed reinvested in additional Target PSUs (rounded to the third decimal), based on the closing market price of a Share reported for the date the corresponding dividend is payable to shareholders. The additional Target PSU(s) into which the Dividend Equivalent is deemed reinvested shall not be payable unless the related Target PSUs (or portion thereof) become earned and vested, and shall be forfeited to the extent that the related Target PSUs (or portion thereof) are forfeited. For the avoidance of doubt, any such additional Target PSUs shall become earned to the same extent that the related Target PSUs become earned, if at all. Any such additional Target PSUs shall be paid when the related Target PSUs vest, in the same form as the related Target PSUs.

11. Transferability of Target PSUs. The Target PSUs (and, prior to their actual issuance, the Shares) may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, and any purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance not permitted by this Section 11 shall be void and unenforceable.

12. Withholding; Taxation; Specified Employees.

(a) The Company and the Participant shall cooperate to satisfy applicable federal, state and local income and employment tax withholding requirements applicable to the grant, vesting and settlement of the Target PSUs and any Dividend Equivalents payable under Section 10(b) (the "Required Withholding"). For Share-settled awards, the Company shall withhold from the Shares that would otherwise have been transferred to the Participant in settlement of vested Target PSUs the number of Shares necessary to satisfy the Participant's Required Withholding unless, subject to the Company's consent, the Required Withholding shall previously have been satisfied by the Participant or from other amounts payable by the Company to the Participant and, if applicable, shall deliver the remaining Shares to the Participant. The amount of the Required Withholding and the number of Shares to be withheld by the Company, if applicable, to satisfy Participant's Required Withholding, as well as the amount reflected on tax reports filed by the Company, shall be based on the then Fair Market Value of the Shares. The obligations of the Company under this Award Agreement will be conditioned on such satisfaction of the Required Withholding.

(b) The Award and this Award Agreement are intended to comply with Section 409A of the Code and should be interpreted accordingly. To the extent necessary to give effect to this intent, in the case of any conflict or potential inconsistency between the provisions of the Plan and this Award Agreement, the provisions of this Award Agreement will govern, and in the case of any conflict or potential inconsistency between this Section 12 and the other provisions of this Award Agreement, this Section 12 will govern. Nonetheless, the Company does not guarantee the tax treatment of the Award.

(c) In no event will the Participant be permitted to designate, directly or indirectly, the taxable year of the delivery. To the extent the Award includes a "series of installment payments" as described in Treas. Reg. §1.409A-2(b)(2)(iii), the Participant's right to the series of installment payments will be treated as a right to a series of separate payments and not as a right to a single payment. The Award is subject to offset solely to the extent permitted by the Plan and Section 409A of the Code. To the extent any payment under the Award is conditioned on the effectiveness of a release of claims and the period the Participant is afforded to consider the release spans two (2) taxable years of the Participant, payment will be made in the second taxable year.

(d) Notwithstanding anything in this Award Agreement to the contrary, (i) to the extent permitted by Treas. Reg. §1.409A-3(j)(4)(vi) and subject to approval by the Administrator, settlement of the Award may be accelerated to the extent necessary to satisfy employment tax withholding obligations that arise with respect to the Award, and (ii) the Company may terminate this arrangement and deliver Shares hereunder in a manner consistent with Treas. Reg. §1.409A-3(j)(4)(ix).

(e) Notwithstanding any other provisions of this Award Agreement to the contrary, to the extent necessary to comply with the requirements of Section 409A with respect to any individual who is a "specified employee" within the meaning of Section 409A, delivery of Shares on account of termination of the Participant's employment with the Company or any Subsidiary may not be made before the date that is six (6) months after the date of such termination of employment (or, if earlier, the date of the Participant's death).

13. Clawback/Forfeiture; Other Company Policies.

(a) Notwithstanding anything to the contrary contained herein or in the Plan, in consideration for the grant of this Award, the Participant agrees that the Target PSUs and any Shares or cash delivered in settlement of the Target PSUs, including in respect of Dividend Equivalents pursuant to Section 10(b), (i) will be subject to the terms of the Jackson Financial Inc. Compensation Clawback Policy, as may be amended from time to time and, in accordance with such policy, may be subject to the requirement that the Shares underlying the Target PSUs or any cash payments made in respect thereof be repaid or returned to the Company after they have been distributed to the Participant, and (ii) will, along with any other equity interests in the Company held by the Participant, be subject to any policy with respect to hedging or pledging of Shares that the Company may have in effect from time to time.

(b) Unless otherwise approved by the Administrator, as a condition to the Qualified Retirement Vesting Event described in Section 2(b)(iii), the Participant shall not, to the extent permitted by applicable law, during the period following a Qualifying Retirement and prior to the Vesting Date, without the prior written consent of the Company, directly or indirectly, as an employee, agent, consultant, partner, joint venturer, owner, officer, director, member of any other firm, partnership, corporation or other entity, or in any other capacity, (i) own any interest in, manage, control, participate in, consult with, render services for, or otherwise be or be connected in any manner with any business competing directly or indirectly with the business of the Company or the business of its Subsidiaries or any other business that the Company and its Subsidiaries have conducted during the one-year period immediately preceding the date of such Qualifying Retirement or has plans to conduct as of the date of such Qualifying Retirement anywhere in the world, or (ii) induce or attempt to induce any customer, supplier, broker, agent, licensee or other business relation of the Company or any Subsidiary to cease doing business with the Company or such Subsidiary, or interfere in any way with the relationship between any such customer, supplier, broker, agent, licensee or business relation and the Company or any of its Subsidiaries. Accordingly, the Participant agrees that, unless otherwise approved by the Administrator, without limiting any of the Company's rights pursuant to any clawback or recapture policy that the Company may have in effect from time to time, in the event of the Participant's violation of any of the covenants contained in this Section 13(b), the Participant will immediately forfeit all unvested Target PSUs held by the Participant, and the Participant will have no further rights with respect thereto.

14. Choice of Law. THE AWARD, THIS AWARD AGREEMENT AND THE NOTICE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MICHIGAN APPLICABLE TO AGREEMENTS MADE AND TO BE WHOLLY PERFORMED WITHIN THAT STATE. ANY ACTION TO ENFORCE THE AWARD, THIS AWARD AGREEMENT OR THE NOTICE MUST BE BROUGHT IN A COURT SITUATED IN, AND THE PARTIES HEREBY CONSENT TO THE JURISDICTION OF, COURTS SITUATED IN MICHIGAN. EACH PARTY HEREBY WAIVES THE RIGHT TO CLAIM THAT ANY SUCH COURT IS AN INCONVENIENT FORUM FOR THE RESOLUTION OF ANY SUCH ACTION.

15. Target PSUs Subject to Plan. All of the Target PSUs are subject to the Plan, a copy of which has been provided to the Participant and the terms of which are incorporated herein by reference. Except as set forth in Section 12(b) above, in the event of an inconsistency between

any express provision of this Award Agreement and any express term of the Plan, the express term of the Plan shall govern.

16. Entire Agreement; Severability. The Plan, the Notice, and this Award Agreement contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto. No change, modification or waiver of any provision of the Notice or this Award Agreement shall be valid unless in writing and signed by the parties hereto. Whenever possible, each provision of this Award Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Award Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, and this Award Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

17. Acceptance of Target PSUs and Agreement. The Participant has indicated the Participant's consent and acknowledgement of the terms of this Award Agreement pursuant to the instructions provided to the Participant by or on behalf of the Company. The Participant acknowledges receipt of the Plan, represents to the Company that the Participant has read and understood the Notice, this Award Agreement and the Plan, and, as an express condition to the grant of the Target PSUs under the Notice and this Award Agreement, agrees to be bound by the terms of the Notice, this Award Agreement and the Plan. The Participant and the Company each agrees and acknowledges that the use of electronic media (including, without limitation, a click-through button or checkbox on a website of the Company or a third-party administrator) to indicate the Participant's confirmation, consent, signature, agreement and delivery of the Notice, this Award Agreement and the Plan is legally valid and has the same legal force and effect as if the Participant and the Company signed and executed this Award Agreement in paper form. The same use of electronic media may be used for any amendment or waiver of this Award Agreement.

18. Transferability of Shares. Any Shares issued or transferred to the Participant pursuant to the Award shall be subject to such stop transfer orders and other restrictions as the Administrator may deem advisable under the Plan, the Notice, this Award Agreement or the rules, regulations and other requirements of the U.S. Securities and Exchange Commission, any stock exchange upon which such Shares are listed, and any applicable federal or state laws or relevant securities laws of the jurisdiction of the domicile of the Participant, and the Administrator may cause a legend or legends to be put on any certificates representing such Shares or make an appropriate entry on the record books of the appropriate registered book-entry custodian, if the Shares are not certificated, to make appropriate reference to such restrictions.

JACKSON®

April 7, 2025

Chris Raub

Dear Chris:

This letter confirms the terms of your continued employment with Jackson National Life Insurance Company ("Company" or "JNL") and association with Jackson Financial Inc. ("JFI") and its subsidiaries following your promotion to Executive Vice President, JFI and President, JNL effective April 14, 2025, reporting to Laura Prieskorn, Chief Executive Officer and President of JFI. You may also be appointed to serve as an officer or director of entities affiliated with JFI.

- Your annual rate of base salary will increase to $600,000 effective with your promotion on April 14, 2025. Your base salary is payable in bi-weekly installments and is subject to normal deductions for tax withholding, benefits, and similar items.

- Your target annual bonus will increase to 175% of base salary, for a $1,050,000 target value. Your full-year 2025 target annual bonus will be determined based on (i) your pre-promotion target bonus in effect from January 1, 2025, through April 13, 2025, plus (ii) your post-promotion target bonus in effect from April 14, 2025, through December 31, 2025. Payment of the 2025 annual bonus will occur by March 15, 2026, when 2025 performance year bonuses are paid to associates broadly.

- Your target annual long term equity incentive award will increase to $2,000,000. Your pre-promotion target long term equity incentive award of $1,175,000 was granted on March 10, 2025, as previously planned and approved, and the remaining $825,000 annual long term incentive award for 2025 will be granted on May 9, 2025, delivered 60% as performance share units (PSUs) and 40% as restricted share units (RSUs). The total number of share units granted under this award will be determined by dividing $825,000 by the average closing price of JXN on the ten trading days preceding May 9, 2025.

- In addition to the base salary and incentives above, you will continue to be eligible for the Company's competitive benefit package that includes group health insurance, group life insurance in the amount of two times your annual salary, disability income insurance, paid time off, dependent tuition reimbursement, 401(k) plan with match and profit sharing, nonqualified Management Deferred Income Plan, executive physicals, financial planning and tax preparation fee reimbursement up to $15,000 annually, and a number of other programs. The Company reserves the right to change any of its benefits and incentive plans and programs at any time.

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- Your designation as a Section 16 officer of JFI will continue, and your required holdings of JFI common stock (and/or certain derivatives thereof) under JFI's stock ownership guidelines will remain at four times annual base salary. Your holding requirement has already been satisfied as of December 31, 2024, pursuant to the "once met, always met" provision of the guidelines.

- You will remain an at-will associate of the Company and may terminate your employment at any time, with or without notice. Similarly, the Company may terminate your employment at any time, with or without cause or notice.

We are very excited about this new opportunity for you. Please contact me if you have questions.

Sincerely,

Dana Rapier
SVP, Chief Human Resources Officer

I agree to the above terms and conditions:

Chris Raub — April 7, 2025
Date

Exhibit 31.1

CERTIFICATIONS

I, Laura L. Prieskorn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Jackson Financial Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 7, 2025

/s/ Laura L. Prieskorn
Laura L. Prieskorn
President and
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Don W. Cummings, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Jackson Financial Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

/s/ Don W. Cummings
Don W. Cummings
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

**Certification pursuant to 18 U.S.C. Section 1350 by the
Chief Executive Officer, as Adopted Pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Jackson Financial Inc. (the "Company"), does hereby certify, to such officer's knowledge, that the Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2025

/s/ Laura L. Prieskorn
Laura L. Prieskorn
President and
Chief Executive Officer

Exhibit 32.2

Certification pursuant to 18 U.S.C. Section 1350 by the Chief Financial Officer, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Jackson Financial Inc. (the "Company"), does hereby certify, to such officer's knowledge, that the Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2025

/s/ Don W. Cummings
Don W. Cummings
Executive Vice President and
*Chief Financial Office*r