

**SECURIAN FINANCIAL GROUP, INC.
AND SUBSIDIARIES**

Consolidated Financial Statements

December 31, 2025



KPMG LLP
Suite 600
350 N. 5th Street
Minneapolis, MN 55401

Independent Auditors' Report

The Board of Directors and Stockholder
Securian Financial Group, Inc.:

Opinion

We have audited the consolidated financial statements of Securian Financial Group, Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations and comprehensive income (loss), changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 4 to the consolidated financial statements, in 2025, the Company adopted Accounting Standards Update (ASU) 2018-12, Financial Services—Insurance (Topic 944): Targeted Improvements to the Accounting for Long Duration Contracts, effective January 1, 2025, with a transition date of January 1, 2024, using a full retrospective transition method. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher



than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the incurred and paid claims development information for the year ended December 31, 2024, and prior, and the historical average annual percentage payoff of incurred claims information as of December 31, 2025, be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

Minneapolis, Minnesota
March 4, 2026

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2025 and 2024
(in thousands)

	2025	2024
Assets		
Fixed maturity securities:		
Available-for-sale, at fair value, (allowance for credit losses: 2025 - \$189; 2024 - \$1,720) (amortized cost 2025 - \$27,388,921; 2024 - \$26,031,549)	\$ 25,381,363	\$ 23,240,696
Equity securities, at fair value	577,646	507,270
Mortgage loans (allowance for credit losses 2025 - \$10,946; 2024 - \$9,370)	6,479,125	6,338,778
Alternative investments	1,195,239	1,153,050
Derivative instruments, at fair value	1,575,152	1,037,442
Other invested assets	1,679,422	1,428,785
Total investments	36,887,947	33,706,021
Cash and cash equivalents	1,103,814	941,224
Deferred policy acquisition costs	2,778,866	2,637,428
Reinsurance recoverables (allowance for credit losses 2025 - \$3,964; 2024 - \$3,953)	2,985,321	3,007,526
Market risk benefit assets, at fair value	184,547	217,336
Other assets	3,493,014	3,590,094
Separate account assets	29,351,239	29,229,944
Total assets	\$ 76,784,748	\$ 73,329,573
Liabilities and Equity		
Liabilities:		
Policy and contract account balances	\$ 23,199,657	\$ 22,190,883
Future policy and contract benefits	11,196,943	9,890,658
Market risk benefit liabilities, at fair value	42,472	36,936
Pending policy and contract claims	988,009	1,034,940
Other policyholder funds	1,460,334	1,608,392
Unearned premiums and fees	2,342,172	2,138,460
Other liabilities	2,720,094	2,421,102
Debt	493,486	611,324
Separate account liabilities	29,351,239	29,229,944
Total liabilities	71,794,406	69,162,639
Equity:		
Common stock, \$.01 par value, 850,000 shares authorized with 100,000 shares issued and outstanding	1	1
Additional paid in capital	67,560	75,005
Accumulated other comprehensive loss	(1,518,289)	(2,050,383)
Retained earnings	6,383,002	6,085,537
Total Securian Financial Group, Inc. and subsidiaries equity	4,932,274	4,110,160
Noncontrolling interests	58,068	56,774
Total equity	4,990,342	4,166,934
Total liabilities and equity	\$ 76,784,748	\$ 73,329,573

See accompanying notes to consolidated financial statements.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Operations and Comprehensive Income (Loss)
Years ended December 31, 2025 and 2024
(in thousands)

	2025	2024
Revenues:		
Premiums	\$ 5,612,983	\$ 5,419,846
Policy and contract fees	789,445	788,025
Net investment income	1,499,773	1,359,936
Net realized investment gains (losses)	8,564	(46,024)
Other income	752,630	679,563
Total revenues	8,663,395	8,201,346
Benefits and expenses:		
Policyholder benefits, net of remeasurement (gains)/losses of \$(8,025) and \$(21,818), respectively	4,895,124	4,733,134
Net change in fair value of market risk benefits	34,750	(35,015)
Interest credited to policies and contracts	859,833	874,766
General operating and other expenses	1,813,499	1,692,114
Commissions	818,929	814,480
Net change in deferred policy acquisition costs	(137,444)	(156,476)
Total benefits and expenses	8,284,691	7,923,003
Income from operations before taxes	378,704	278,343
Income tax expense	67,321	22,443
Net income	311,383	255,900
Less: Net income attributable to noncontrolling interests	1,430	450
Net income attributable to Securian Financial Group, Inc. and subsidiaries	\$ 309,953	\$ 255,450
Other comprehensive income (loss), before tax:		
Unrealized holding gains (losses) on securities arising during the period	\$ 776,904	\$ (413,123)
Net unrealized gains (losses) on derivative instruments designated as hedges	6,894	—
Foreign currency translation adjustment	21,194	(35,185)
Net adjustment for change in the discount rates used to measure liability for future policy and contract benefits	(129,971)	108,851
Net adjustment to market risk benefits attributable to changes in instrument specific credit risk	(3,575)	22,038
Adjustments to future policy and contract benefits due to unrealized gains and losses	(81,582)	34,625
Adjustment to pension and other retirement plans	9,323	(33,589)
Other comprehensive income (loss), before tax	599,187	(316,383)
Income tax expense related to items of other comprehensive income (loss)	(67,093)	(106,527)
Other comprehensive income (loss), net of tax	532,094	(422,910)
Comprehensive income (loss)	843,477	(167,010)
Less: Comprehensive income attributable to noncontrolling interests	1,430	450
Comprehensive income (loss) attributable to Securian Financial Group, Inc. and subsidiaries	\$ 842,047	\$ (167,460)

See accompanying notes to consolidated financial statements.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
Years ended December 31, 2025 and 2024
(in thousands)

	Common stock	Additional paid in capital	Accumulated other comprehensive loss	Retained earnings	Securian Financial Group, Inc. and subsidiaries equity	Noncontrolling interests	Total equity
2024							
Balance, beginning of year	\$ 1	\$ 82,260	\$ (1,829,440)	\$ 6,106,563	\$ 4,359,384	\$ 50,488	\$ 4,409,872
Change in accounting principle	—	—	201,967	(271,476)	(69,509)	—	(69,509)
Balance, beginning of year as adjusted	1	82,260	(1,627,473)	5,835,087	4,289,875	50,488	4,340,363
Comprehensive income:							
Net income	—	—	—	255,450	255,450	450	255,900
Other comprehensive loss	—	—	(422,910)	—	(422,910)	—	(422,910)
Total comprehensive income (loss)	—	—	—	—	(167,460)	450	(167,010)
Dividends and other	—	(7,255)	—	(5,000)	(12,255)	—	(12,255)
Change in equity of noncontrolling interests	—	—	—	—	—	5,836	5,836
Balance, end of year	<u>\$ 1</u>	<u>\$ 75,005</u>	<u>\$ (2,050,383)</u>	<u>\$ 6,085,537</u>	<u>\$ 4,110,160</u>	<u>\$ 56,774</u>	<u>\$ 4,166,934</u>
2025							
Balance, beginning of year	\$ 1	\$ 75,005	\$ (2,050,383)	\$ 6,085,537	\$ 4,110,160	\$ 56,774	\$ 4,166,934
Comprehensive income:							
Net income	—	—	—	309,953	309,953	1,430	311,383
Other comprehensive income	—	—	532,094	—	532,094	—	532,094
Total comprehensive income	—	—	—	—	842,047	1,430	843,477
Dividends and other	—	(7,445)	—	(12,488)	(19,933)	—	(19,933)
Change in equity of noncontrolling interests	—	—	—	—	—	(136)	(136)
Balance, end of year	<u>\$ 1</u>	<u>\$ 67,560</u>	<u>\$ (1,518,289)</u>	<u>\$ 6,383,002</u>	<u>\$ 4,932,274</u>	<u>\$ 58,068</u>	<u>\$ 4,990,342</u>

See accompanying notes to consolidated financial statements.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years ended December 31, 2025 and 2024
(in thousands)

<u>Cash Flows from Operating Activities</u>	<u>2025</u>	<u>2024</u>
Net income	\$ 311,383	\$ 255,900
Adjustments to reconcile net income to net cash provided by operating activities:		
Interest credited to annuity and insurance contracts	358,248	386,262
Fees deducted from policy and contract balances	(674,314)	(686,296)
Change in future policy benefits	1,145,288	859,433
Change in market risk benefits	34,750	(35,015)
Change in other policyholder liabilities, net	359,265	572,255
Change in deferred policy acquisition costs	(137,444)	(156,477)
Net realized investment gains (losses)	(8,564)	46,024
Change in reinsurance recoverables	(87,149)	223,015
Other, net	235,102	220,735
Net cash provided by operating activities	1,536,565	1,685,836
 <u>Cash Flows from Investing Activities</u>		
Proceeds from sales of:		
Fixed maturity securities	2,573,234	2,273,297
Equity securities	390,380	86,318
Alternative investments	106,194	96,349
Derivative instruments	563,347	482,988
Other invested assets	5,137	36,295
Proceeds from maturities and repayments of:		
Fixed maturity securities	1,811,489	1,679,171
Mortgage loans	614,898	348,671
Purchases and originations of:		
Fixed maturity securities	(5,825,153)	(5,235,006)
Equity securities	(376,374)	(110,949)
Mortgage loans	(756,820)	(729,840)
Alternative investments	(132,408)	(119,360)
Derivative instruments	(513,453)	(419,663)
Other invested assets	(55,960)	(68,255)
Other, net	(593,205)	(486,954)
Net cash used for investing activities	(2,188,694)	(2,166,938)
 <u>Cash Flows from Financing Activities</u>		
Deposits credited to annuity and insurance contracts	9,478,421	9,516,389
Withdrawals from annuity and insurance contracts	(8,519,002)	(9,233,612)
Proceeds from issuance of short-term debt	62,000	—
Payments on debt	(180,000)	—
Other, net	(26,700)	58,803
Net cash provided by (used for) financing activities	814,719	341,580
Net increase (decrease) in cash and cash equivalents	162,590	(139,522)
Cash and cash equivalents, beginning of year	941,224	1,080,746
Cash and cash equivalents, end of year	\$ 1,103,814	\$ 941,224

See accompanying notes to consolidated financial statements.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

(in thousands)

(1) Nature of Operations

Organization and Description of Business

The accompanying consolidated financial statements include the accounts of Securian Financial Group, Inc. (SFG) (a wholly-owned subsidiary of Securian Holding Company (SHC)) and its subsidiaries. SFG, through its subsidiaries (collectively, the Company), provides a diversified array of insurance, retirement and investment products and services designed principally to protect and enhance the long-term financial security of individuals and families.

The Company, which primarily operates in the United States, generally offers the following types of products through its various subsidiaries:

- Fixed, indexed and variable universal life, term life and whole life insurance products to individuals through independent channel partners;
- Immediate annuities and deferred annuities with fixed, indexed, and variable investment options offered through independent channel partners;
- Group term life insurance, and other group voluntary products to public and private employers;
- Retirement options and pension risk transfer (PRT) to employers, pension plan sponsors and investment firms through independent channel partners as well as direct relationships;
- Life, accident and health (A&H) and specialty property and casualty insurance protection through banks, credit unions, finance companies and associations along with distribution of financial institution products and services; and
- Investment and asset management services.

(2) Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). The consolidated financial statements include the accounts of SFG and its subsidiaries. All material intercompany transactions and balances have been eliminated. Certain prior year amounts have been reclassified to conform to current year presentation.

The preparation of consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect reported assets and liabilities, including reporting or disclosure of contingent assets and liabilities as of the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Future events, including but not limited to, changes in mortality, morbidity, withdrawal rates, lapse rates and utilization, interest rates and asset valuations, could cause actual results to differ from the estimates used in the consolidated financial statements. Such changes in estimates are generally recorded on the consolidated statements of operations and comprehensive income (loss) in the period in which they are made.

The most significant estimates include those used in determining reinsurance recoverables for traditional and nontraditional insurance products, policyholder liabilities including market risk benefits (MRBs), valuation of and impairment losses on fixed maturity securities and investments for mortgage loans on real estate, income taxes, goodwill, and pension and other postretirement employee benefits obligations. Although some variability is inherent in these estimates, the recorded amounts reflect management's best estimates based on facts and circumstances as of the balance sheet date. Management believes the amounts provided are appropriate.

Insurance Revenues and Expenses

Premiums on traditional life insurance and limited pay products, which include individual whole life and term insurance, PRT and immediate and supplemental annuities paid for life, are recognized as revenue when due. Premiums for A&H and group life insurance products are recognized as revenue over the contract period as earned. To the extent that this revenue is unearned, it is reported as part of unearned premiums and fees on the consolidated balance sheets. Benefits and claim related expenses are recognized in relation to premiums over the contract period through a liability for future policyholder benefits (LFPB).

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(2) Summary of Significant Accounting Policies (Continued)

Insurance Revenues and Expenses (Continued)

Nontraditional life insurance products include individual fixed, indexed and variable universal life insurance, adjustable life insurance, and group universal and variable universal life insurance. Revenue from nontraditional life insurance products consists of policy and contract fees charged for the cost of insurance, sales loads, policy administration, benefit riders, surrenders and mortality and expense risk charges. Policy and contract fees are assessed on a daily or monthly basis and recognized as revenue when assessed and earned. Expenses include benefits, policy acquisition costs, and interest credited to policy account balances. Deferred policy acquisition costs (DAC) are amortized on a constant level basis over the estimated term of the related contracts.

Revenue from deferred annuities consists of policy and contract fees charged for mortality and expense risk, guaranteed benefit riders, and policy administration which are assessed on a daily or monthly basis and recognized when assessed and earned. Expenses include benefits, policy acquisition costs, and interest credited to policy account balances. DAC is amortized on a constant level basis over the expected term of the related contracts.

Any premiums on traditional and nontraditional products due as of the date of the consolidated financial statements that have not yet been received and posted are included in other assets on the consolidated balance sheets.

Certain nontraditional life insurance products, specifically individual fixed, indexed and variable universal life insurance, require payment of fees in advance for services that will be rendered over the estimated lives of the policies. These payments are established as unearned revenue reserves (URR) when assessed and are included in unearned premiums and fees on the consolidated balance sheets. These URRs are generally grouped and amortized on a constant level basis over the estimated term of the related contracts using assumptions consistent with those used in estimating the related liability on the consolidated statements of operations and comprehensive income (loss).

Revenue from Contracts with Customers

The Company earns commission income on the distribution of insurance and investment related products. Commission income on insurance and investment related products is recognized as earned, when it is probable that a significant reversal will not occur. The performance obligation is either satisfied at time of sale for placing the product, or over the time the client owns the investment or holds the contract (trailing distribution income). Commission income is calculated as a fixed rate percentage of the net asset value of the fund or value of the insurance product distributed or otherwise reflects the consideration the Company expects to receive in exchange for distributing the product. Trailing distribution income is not recognized at the time of sale because it is constrained due to factors outside of the Company's control including market volatility and client behavior. Commission income recognized at a point in time for the years ended December 31, 2025 and 2024 was \$376,721 and \$333,518, respectively. Trailing distribution income recognized over time for the years ended December 31, 2025 and 2024 was \$27,966 and \$16,800, respectively. Commission income is received and recognized weekly, monthly, or quarterly, and is recognized in other income on the consolidated statements of operations and comprehensive income (loss).

Investment advisory fee income is earned for asset management services and for investment advisory services provided to brokerage customer accounts. Investment advisory income is recognized when the contractual terms of the fee arrangement have been satisfied and it is probable that a significant reversal will not occur. The investment advisory performance obligation is considered a series of distinct services that are substantially the same and are satisfied each day over the contract term. Investment advisory fee income is constrained due to factors outside the Company's control including market volatility and client behavior. Investment advisory fee income recognized for the years ended December 31, 2025 and 2024 was \$71,465 and \$71,704, respectively. Investment advisory fee income is primarily invoiced or charged on a monthly or quarterly basis and is recognized in other income on the consolidated statements of operations and comprehensive income (loss).

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(2) Summary of Significant Accounting Policies (Continued)

Revenue from Contracts with Customers (Continued)

The Company recognizes revenue for its employee benefit enrollment and human resources administration services. These services represent a stand-ready obligation to perform these activities on an as needed basis. The customer obtains value from each period of service, and each time increment (i.e., each month, or each benefits cycle) is distinct and substantially the same. Accordingly, the ongoing services represent a series of services deemed one performance obligation. Employee enrollment and human resources administration services may include fixed consideration, variable consideration, or a combination of the two. Variable consideration is a function of the number of participants per month. Revenue is recognized over time as services are performed because clients are simultaneously receiving and consuming the benefits of the service. Employee benefit enrollment and human resources administration revenue recognized for the year ended December 31, 2025 and 2024 was \$165,387 and \$147,629, respectively. Customers are billed monthly for the services provided during the month and revenue is recognized in other income on the consolidated statements of operations and comprehensive income (loss).

Valuation of Investments and Net Investment Income

Fixed maturity securities, which may be sold prior to maturity, are classified as available-for-sale and are carried at fair value. Premiums and discounts are amortized or accreted using the effective interest yield method. The Company recognizes the excess of all cash flows over the initial investment attributable to its beneficial interest in asset-backed securities estimated at the acquisition/transaction date as interest income over the life of the Company's beneficial interest using the effective interest yield method. The Company does not accrete the discount for fixed maturity securities that are in default.

For structured fixed maturity securities, excluding interest-only securities, the Company recognizes income using a constant effective yield method based on prepayment assumptions obtained from outside service providers or upon analyst review of the underlying collateral and the estimated economic life of the securities. When estimated prepayments differ from the anticipated prepayments, the effective yield is recalculated to reflect actual prepayments to date and anticipated future payments. Any resulting adjustment is included in net investment income on the consolidated statements of operations and comprehensive income (loss).

For non-structured fixed maturity securities, the Company recognizes interest income using the interest method without anticipating the impact of prepayments.

Equity securities include common stock of publicly traded companies, mutual funds and exchange-traded fund investments. Equity securities are stated at fair value, with changes in fair value recorded as net realized investment gains (losses) on the consolidated statements of operations and comprehensive income (loss). Mutual funds and exchange-traded fund are carried at fair value, which generally are quoted market prices of the funds' net asset value. The Company recognizes dividend income on equity securities upon the declaration of the dividend and is included in net investment income on the consolidated statements of operations and comprehensive income (loss).

Available-for-sale securities are stated at fair value, with the unrealized holding gains and losses, net of adjustments to reserves and deferred income tax, reported as a separate component of accumulated other comprehensive income (loss).

Mortgage loans are carried at amortized cost less any allowance for credit losses. Premiums and discounts are amortized or accreted over the terms of the mortgage loans based on the effective interest yield method. The Company continues to record interest on those delinquent mortgage loans that it believes to be collectible as due and accrued investment income. Past due interest on loans that are uncollectible are written off and no further interest is accrued. Any cash received for interest on loans deemed uncollectible is recorded as income when collected.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(2) Summary of Significant Accounting Policies (Continued)

Valuation of Investments and Net Investment Income (Continued)

Alternative investments include limited partnership investments in private equity, mezzanine debt and hedge funds. These investments are carried on the consolidated balance sheets using the equity method of accounting. The valuation of alternative investments is recorded based on the partnership financial statements from the previous quarter plus contributions and distributions during the fourth quarter. Changes in any undistributed amounts held by the investee are recorded, based on the Company's ownership share, as realized gains or losses on the consolidated statements of operations and comprehensive income (loss). The Company's income from these alternative investments is included in net investment income or net realized investment gains (losses) on the consolidated statements of operations and comprehensive income (loss) based on information provided by the investee. The Company evaluates partnership financial statements received subsequent to December 31 up to the financial statement issue date for material fluctuations in order to determine if an adjustment should be recorded as of December 31.

Investments in partnerships, which generally represent minority interest in certain general agencies, are carried in other invested assets on the consolidated balance sheets at the amount invested, adjusted to recognize the Company's ownership share of the earnings or losses of the investee after acquisition adjusted for any distributions received (equity method accounting). The valuation of these investments is based on each general agency financial statement from the previous quarter, and is included in net investment income on the consolidated statements of operations and comprehensive income (loss).

Real estate, included in other invested assets on the consolidated balance sheets, represents commercial real estate acquired in satisfaction of mortgage loan debt and other properties held for sale. Real estate is considered held for sale for accounting purposes and is carried at the lower of cost or fair value less estimated cost to sell.

Policy loans are carried at the unpaid principal balance and are reported in other invested assets on the consolidated balance sheets. The carrying value of the policy loans at December 31, 2025 and 2024 was \$1,441,804 and \$1,162,390, respectively.

Cash is carried at cost, which approximates fair value. Cash equivalents of sufficient credit quality are carried at fair value. The Company considers commercial paper with original maturity dates of less than three months and all money market funds to be cash equivalents. The Company places its cash and cash equivalents with high quality financial institutions and, at times, these balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. The amount of restricted cash reported in cash and cash equivalents on the consolidated balance sheets is \$172,635 and \$168,273 at December 31, 2025 and 2024, respectively.

A portion of the funds collected by the Company from its financial institution customers is restricted in its use because the Company is acting as an agent on behalf of certain insurance underwriters. As an agent, the Company has a fiduciary responsibility to remit the appropriate percentage of monies collected to the corresponding insurance underwriters. This sum of money is defined as unremitted premiums payable and is recorded in other liabilities on the consolidated balance sheets as discussed in detail in note 14 Unremitted Premiums and Claims Payable. The use of restricted funds is limited to the satisfaction of the unremitted premiums and claims payable owed to the underwriter. The Company also holds funds on behalf of clients under benefit outsourcing agreements that are typically remitted on the client's behalf in a short period of time.

Derivative Financial Instruments

The Company uses a variety of derivatives, including swaps, futures, caps, floors, forwards and option contracts, to manage the risks associated with cash flows, interest crediting or changes in estimated fair values related to the Company's financial instruments. The Company currently enters into derivative transactions in which hedge accounting is applied and others that do not qualify for hedge accounting or in certain cases, elects not to apply hedge accounting.

All derivative instruments are carried at fair value and are recorded on the Company's consolidated balance sheets either as assets within derivative instruments or as liabilities within other liabilities. The Company does not offset the fair value amounts recognized for derivatives executed with the same counterparty under the same master netting agreement.

For derivative instruments for which hedge accounting is not applied, changes in fair value are recorded in net realized investment gains (losses) or interest credited to policies and contracts on the consolidated statements of operations and comprehensive income (loss) depending on the risks being hedged.

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SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(2) Summary of Significant Accounting Policies (Continued)

Derivative Financial Instruments (Continued)

Foreign currency swap derivative instruments which qualify and have been designated as fair value accounting hedges are expected to be highly effective. Changes in fair value due to changes in foreign currency rates on these derivatives and the foreign fixed maturity securities being hedged are recorded in net investment income on the consolidated statements of operations and comprehensive income (loss). Changes in fair value not attributable to changes in foreign currency rates are excluded from hedge effectiveness assessments and recognized in other comprehensive income (loss).

Embedded Derivatives

The Company has certain insurance, reinsurance and annuity contracts that contain embedded derivatives. When it is determined that the embedded derivative possess economic risk characteristics that are not clearly and closely related to those of the related contract (i.e., the host contract) and that a separate instrument with the same terms would qualify as a derivative instrument, it is separated from the host contract and accounted for as a stand-alone derivative, carried at estimated fair value.

Several nontraditional life insurance and annuity products contain investment guarantees which are deemed to be embedded derivatives. These guarantees take the form of indexed interest credits on both indexed annuity and indexed universal life products. These embedded derivatives are included within policy and contract account balances on the consolidated balance sheets. Certain of these investment guarantees are ceded under reinsurance agreements and create reinsurance embedded derivatives that are reported in other assets on the consolidated balance sheets. Changes in estimated fair value are reported in net realized investment gains (losses) or in interest credited to policies and contracts on the consolidated statements of operations and comprehensive income (loss).

Realized and Unrealized Gains and Losses

Realized and unrealized gains and losses are determined using the specific security identification method. The Company regularly reviews fixed maturity securities in an unrealized loss position to determine whether the amortized cost basis of the security is recoverable. During these reviews, the Company evaluates many factors, including, but not limited to, the extent to which the current fair value is below the cost of the security, specific credit issues such as collateral, financial prospects related to the issuer, current economic conditions and whether the Company has the intent to sell or is more likely than not be required to sell a particular security before the decline in estimated fair value below amortized cost recovers.

When it is anticipated that the amortized cost of fixed maturity securities will not be recovered, management uses discounted cash flows and recovery analyses to measure the portion of decline in estimated fair value that is related to credit. The Company utilizes the effective interest rate of the security at the time of purchase as the discount rate in the present value of estimated future cash flows.

For non-structured fixed maturity securities, the Company estimates the credit component of the loss based on multiple liquidation scenarios that it uses to assess the revised expected cash flows from the security. The Company may use the estimated fair value of collateral, if any, as a proxy for the expected cash flows if it believes that the security is dependent on the liquidation of collateral for recovery of its investment.

For structured fixed maturity securities, the discounted cash flow analyses incorporate inputs from outside sources, including but not limited to, default rates, delinquency rates, loan to collateral ratios, third-party guarantees, current levels of subordination, vintage, geographic concentration, credit ratings and other information that management deems relevant in forming its assessment.

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(2) Summary of Significant Accounting Policies (Continued)

Realized and Unrealized Gains and Losses (Continued)

If the Company determines the decline in estimated fair value is due to credit losses, an allowance for credit losses is recognized through net realized investment gains (losses) on the consolidated statements of operations and comprehensive income (loss). In periods after the recognition of an initial allowance for credit losses on a security, increases or decreases in the expected cash flow from the security result in corresponding decreases or increases in the allowance for credit losses which are recorded within net realized investment gains (losses) on the consolidated statements of operations and comprehensive income (loss); however, the previously recorded allowance for credit losses is not reduced to an amount below zero. Full or partial write-offs are deducted from the allowance for credit losses in the period the security is considered uncollectible. Recoveries of amounts previously written off are recorded to the allowance for credit losses in the period received. When the Company has the intent to sell the security or it is more likely than not that the Company will be required to sell the security before recovery of its amortized cost, any allowance for credit losses is written off and the amortized cost is written down to estimated fair value through a charge within net investment gains (losses) on the consolidated statements of operations and comprehensive income (loss), which becomes the new amortized cost of the security.

The Company utilizes an accretable yield which is the equivalent of book yield at purchase date as the discount rate in the present value of estimated future cash flows. The book yield is also analyzed to see if it warrants any changes due to prepayment assumptions.

Changes in fair value of equity securities are recorded as net realized investment gains (losses) on the consolidated statements of operations and comprehensive income (loss).

The allowance for credit losses for mortgage loans represents the Company's best estimate of expected credit losses over the remaining life of the loans and is determined using relevant available information from internal and external sources relating to past events, current conditions, and reasonable and supportable forecasts. Changes in the allowance for credit losses are recorded in net realized investment gains (losses) on the consolidated statement of operations and comprehensive income (loss).

Under equity method accounting, investments in partnerships, consisting both of the invested equity and related goodwill, are evaluated annually in the same periods to determine the necessity of recording impairment losses for a decline in the fair value of the asset.

Separate Accounts

Separate account assets and liabilities represent segregated funds administered by an unaffiliated asset management firm. These segregated funds are invested by both an unaffiliated asset management firm and the Company for the exclusive benefit of the Company's pension, variable annuity and variable life insurance policyholders and contractholders. Assets consist principally of marketable securities and are reported at the fair value with a corresponding equivalent amount reported as separate account liabilities. Investment income and gains and losses accrue directly to the pension, policyholders and contractholders. The activity of the separate accounts is not reflected on the consolidated statements of operations and comprehensive income (loss) except for the fees the Company receives from the separate accounts, which are assessed on a daily or monthly basis and recognized as revenue when assessed and earned, and the activity related to guaranteed minimum death and withdrawal benefits.

Deferred Policy Acquisition Costs

DAC represent the costs which relate directly to the successful acquisition of new or renewal contracts. Deferrable costs include incremental direct costs of acquisitions, as well as certain costs related directly to activities such as underwriting, policy issuance and processing, medical and inspection and sales force contract selling. The DAC balance reflects the effects of reinsurance.

DAC is amortized on a constant level basis over the estimated term of the related contracts using groupings and assumptions consistent with those used in computing policyholder liabilities. The constant level amortization basis for life policies is face amount. The constant level amortization basis for annuity contracts is total deposits. The effect of changes in future estimates on amortization is recognized over the remaining expected term of the contract as a revision to the future amortization amounts.

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(2) Summary of Significant Accounting Policies (Continued)

Deferred Policy Acquisition Costs (Continued)

The Company assesses internal replacements of insurance contracts to determine whether such modifications significantly change the contract terms. An internal replacement represents a modification in product benefits, features, rights or coverages that occurs by the exchange of an insurance contract for a new insurance contract, or by amendment, endorsement or rider to a contract, or by the election of a feature or coverage within a contract. If the modification substantially changes the contract, the remaining DAC on the original contract is immediately expensed and any new DAC on the replacement contract is deferred. If the contract modification does not substantially change the contract, DAC amortization on the original contract continues and any new acquisition costs associated with the modification are immediately expensed.

The estimated fair value of in-force contracts in a business combination is an intangible asset that represents the portion of the purchase price allocated to the value of the right to receive future cash flows from the business in force at the acquisition date. The Company amortizes the intangible asset over the anticipated life of the acquired contracts in proportion to earned premiums and the intangible asset is subject to recoverability testing. The intangible asset is included as part of DAC on the consolidated balance sheets with related amortization included in net change in deferred policy acquisition costs on the consolidated statements of operations and comprehensive income (loss).

Sales Inducements

The Company defers sales inducements and amortizes them on a constant level basis over the estimated term of the related policy utilizing the same methodology and assumptions used to amortize DAC. Deferred sales inducements are included in other assets on the consolidated balance sheets with related amortization included in interest credited to policies and contracts. The Company offers sales inducements for individual annuity products that credit the policyholder with a higher interest rate than the normal general account interest rate for the first year of the deposit, as well as upfront bonus on certain variable annuities.

Goodwill and Other Intangible Assets

In connection with the acquisition of a business, the Company recognizes the excess of the purchase price over the fair value of net assets acquired as goodwill. Goodwill is recorded in other assets on the consolidated balance sheets and is not amortized. The Company may choose to perform a qualitative assessment to determine if the fair value of the reporting unit is, more likely than not, greater than the carrying value of the reporting unit. If the fair value of the reporting unit is, more likely than not, greater than the carrying value of the reporting unit, then no further review or testing is required. If the fair value of the reporting entity is not, more likely than not, greater than the carrying value of the reporting unit, or if the Company chooses not to perform a qualitative assessment, the goodwill is tested for impairment at the reporting unit level.

The assessment or testing of goodwill is performed at least annually in the same period and between annual evaluations if events occur or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount. Such circumstances could include, but are not limited to: (1) a significant adverse change in legal factors or in business climate, (2) unanticipated competition, or (3) an adverse action or assessment by a regulator. When evaluating whether goodwill is impaired, the Company compares the fair value of the reporting unit to which the goodwill is assigned to the reporting unit's carrying amount, including goodwill. When the Company chooses to perform or determines that testing is required, the fair value of the reporting unit is estimated using a combination of the income or discounted cash flows approach and the market approach, which utilizes comparable companies' data, when available. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized equal to the excess of the carrying amount of goodwill over its fair value.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(2) Summary of Significant Accounting Policies (Continued)

Goodwill and Other Intangible Assets (Continued)

Other intangible assets acquired in connection with acquisitions of operating entities are recorded in other assets on the consolidated balance sheets. The Company evaluates the recoverability of other intangible assets with finite useful lives whenever events or changes in circumstances indicate that an intangible asset's carrying amount may not be recoverable. Such circumstances could include, but are not limited to: (1) a significant decrease in the fair value of an asset, (2) a significant adverse change in the extent or manner in which an asset is used, or (3) an accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset. The Company measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with it. Should the sum of the expected undiscounted future net cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The impairment loss would be determined as the amount by which the carrying value of the asset exceeds its fair value. The fair value is measured based on quoted market prices, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including the discounted value of estimated future cash flows. The evaluation of asset impairment requires the Company to make assumptions about future cash flows over the life of the asset being evaluated. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts.

Software

Computer software costs incurred for internal use, including cloud computing costs, are capitalized and amortized over a three to five-year period. Computer software costs include application software, purchased software packages and significant upgrades. Cloud computing implementation costs are included in other assets on the consolidated balance sheets. The Company had unamortized software and cloud computing costs of \$100,406 and \$109,722 as of December 31, 2025 and 2024, respectively, and amortized software and cloud computing expense of \$29,783 and \$30,750 for the years ended December 31, 2025 and 2024, respectively.

Property and Equipment

Property and equipment are carried at cost, net of accumulated depreciation of \$216,821 and \$226,105 at December 31, 2025 and 2024, respectively. Property and equipment are included in other assets on the consolidated balance sheets. Buildings are depreciated over 40 years and equipment is generally depreciated over 5 to 10 years. Depreciation expense for the years ended December 31, 2025 and 2024 was \$20,513 and \$23,223, respectively.

Reinsurance

Insurance liabilities are reported gross of the effects of ceded reinsurance. Reinsurance recoverables represent amounts due from reinsurers for paid and unpaid benefits, expense reimbursements, prepaid premiums and policyholder liabilities. Policyholder liabilities recoverable from reinsurers are estimated in a manner consistent with the direct policyholder liability associated with the reinsured business. Reinsurance premiums ceded and recoveries on benefits and claims incurred are deducted from the respective income and expense accounts. Reinsurance profit share income is classified in other income on the consolidated statements of operations and comprehensive income (loss).

The cost of reinsurance (COR) from reinsuring several closed blocks of individual life and individual annuity products generally represent the upfront ceding commission in excess of the amount of DAC recovered. The COR from reinsuring traditional and nontraditional life products under contemporaneous arrangements are determined such that any gains or losses from such arrangements are amortized over the life of the underlying reinsured policies using assumptions consistent with those used to account for the underlying policies. For traditional life products, COR measurements are updated retrospectively for actual historical amounts and changes in future estimated cashflows due to experience variance and annual assumption reviews, consistent with LFPB. For nontraditional life products, COR measurements are updated prospectively for changes in future estimated cashflows due to experience variance and annual assumption reviews. Amortization of COR is recorded within other income on the consolidated statements of operations and comprehensive income (loss). COR assets are reported in other assets and COR liabilities are reported in other liabilities on the consolidated balance sheets and are calculated and recorded at the cohort level consistent with LFPB. The net COR was \$205,963 and \$203,447 as of December 31, 2025 and 2024, respectively.

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(2) Summary of Significant Accounting Policies (Continued)

Reinsurance (Continued)

Deposit receivables reported within other assets on the consolidated balance sheets include amounts from reinsuring certain individual annuities and non-affiliated group annuities with insignificant life insurance risk are accounted for under the deposit method. Accretion on the deposit receivables is determined consistent with the effective interest method and reported in other income on the consolidated statements of operations and comprehensive income (loss). The deposit receivables were \$1,047,819 and \$1,190,213 as of December 31, 2025 and 2024, respectively.

The modified coinsurance payable and receivables on separate accounts of a certain closed block of individual life products are presented within separate account assets and liabilities on the consolidated balance sheets and changes in modified coinsurance receivables and payables are presented net within policyholder benefits on the consolidated statements of operations and comprehensive income (loss). The modified coinsurance payables and receivables on associated separate accounts were each \$3,281,505 and \$3,030,968 at December 31, 2025 and 2024, respectively.

The Company generally secures large reinsurance recoverables and deposit receivables with various forms of collateral, primarily including secured (comfort) trusts, funds withheld accounts and irrevocable letters of credit.

The Company records an allowance for credit losses on the consolidated balance sheets to reduce reinsurance recoverables and deposit receivables to the net amount expected to be collected. When assessing the creditworthiness of the Company's reinsurance recoverable balances, the Company considers the financial strength of its reinsurers using public ratings and rating reports, current existing credit enhancements to reinsurance agreements and the financial statements of the reinsurers. Impairments are then determined based on lifetime expected credit losses.

Market Risk Benefits

MRBs are contract features that provide both protection to the contract holder from other-than-nominal capital market risk and expose the Company to other-than-nominal capital market risk. MRBs include certain contract features on variable and indexed annuity products that provide minimum guarantees to policyholders, including guaranteed lifetime withdrawal benefits (GLWB), guaranteed minimum death benefits (GMDB), guaranteed minimum income benefits (GMIB), and guaranteed minimum accumulated benefits (GMAB).

MRBs are recorded at fair value. The fair value of MRBs is estimated using the present value of future guaranteed benefits less the present value of future attributable fees over the expected lives of the contracts and is calculated at the contract level. Changes in the fair value of MRBs are reported in net change in the fair value of market risk benefits, except for the portion of fair value change attributable to the Company's instrument specific credit risk, which is reflected in adjustment to market risk benefits attributable to changes in instrument specific credit risk on the consolidated statements of operations and comprehensive income (loss). MRBs are derecognized when the underlying contract is surrendered, a GMDB is incurred, a GMIB is annuitized, or when the account value is exhausted on a policy with a GLWB.

Assumptions used to determine the MRB asset or liability generally include mortality, lapse rates, and other policyholder behaviors based on Company experience and investment returns, using stochastically generated risk-neutral market scenarios. The Company evaluates, at least annually in the same period, the assumptions used to determine the MRB asset or liability and adjusts the balance, with the corresponding charge or credit to net change in fair value of market risk benefits, if actual experience or other evidence suggests that earlier assumptions should be revised. In addition, MRBs are valued to ensure the current provision for instrument specific credit risk is reflected in the discounting of cash flows of the MRB asset or liability valuation. The instrument specific credit risk spread at contract issue is locked-in. The difference between the MRB valued using the at issue instrument specific credit risk spread and the current instrument specific credit risk spread is reported through other comprehensive income on the consolidated statements of operations and comprehensive income (loss).

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(2) Summary of Significant Accounting Policies (Continued)

Policy and Contract Account Balances

Policy and contract account balances represent the net accumulation of funds associated with nontraditional life insurance products, deferred annuities, and funding agreements. Additions to account balances include premiums, deposits, sales inducements and interest credited by the Company. Deductions from account balances include surrenders, withdrawals, benefit payments and amounts assessed against the contract holder for mortality, administrative, and other services which are included as policy and contract fees on the consolidated statements of operations and comprehensive income (loss). Policy and contract account balances include host insurance contracts and embedded derivatives as described in Derivative Financial Instruments above.

Future Policy and Contract Benefits

Future policy and contract benefits are comprised of reserves for traditional and limited pay life insurance, accident and health products, PRT, and immediate annuities.

The reserve is estimated as the present value of future benefits and claim related expenses less the present value of net premiums referred to as the LFPB. The LFPB is determined using the net premium ratio (NPR) method based on assumptions for mortality, morbidity and lapses, commensurate with the Company's experience, and updated at least annually in the same period to reflect changes in assumptions and variances between actual and expected experience. The LFPB is accrued by multiplying the gross premium recognized in each period by the NPR. The NPR is equal to the portion of the gross premium required to provide for all benefits and claim expenses under the contract and may not exceed 100%. For the purposes of calculating the NPR and LFPB, traditional and limited pay life insurance, accident and health products, and immediate annuities are grouped by legal entity and product into annual calendar year cohorts. PRT contracts are grouped by plan. Updates in future policy and contract benefits as a result of variances in actual versus expected experience and assumption updates are presented within remeasurement (gains)/losses within policyholder benefits on the consolidated statements of operations and comprehensive income (loss). Net premiums in excess of gross premiums are expensed immediately through policyholder benefits on the consolidated statements of operations and comprehensive income (loss).

For limited pay contracts, a deferred profit liability (DPL) is also calculated. DPL represents the excess of gross premiums received over the related net premiums and is amortized over the present value of future expected benefits using assumptions consistent with the LFPB.

The change in LFPB reflected in the consolidated statements of operations is calculated using a locked-in discount rate, referred to as the interest accretion rate, that reflects the duration characteristics of the LFPB derived from observable market yields on upper-medium-grade fixed income instruments. The Company uses an external index as the source of the yields on these instruments. The method for constructing and applying the locked-in discount rate on newly issued business is determined based on factors such as product characteristics, and the expected timing of cash flows. The current discount rate assumption is updated quarterly and used to remeasure the liability at the reporting date through other comprehensive income (loss). The current discount rate assumption is derived from the same observable market yields on upper-medium-grade fixed income instruments as the locked-in discount rate assumption. Changes in LFPB are reported through policyholder benefits on the consolidated statements of operations and comprehensive income (loss), except for the portion related to changes in the current discount rate, which is updated quarterly, with impacts reflected in adjustment for change in the discount rates used to measure liability for future policy and contract benefits, net on the consolidated statements of operations and comprehensive income (loss).

Future policy and contract benefits also include reserves for guarantees on certain universal life contracts that provide for potential benefits in addition to the account balance referred to as additional insurance liabilities. The additional insurance liabilities are determined by estimating the expected value of benefits in excess of projected account balances, based on total expected assessments, and recognizing the excess ratably over the accumulation period. Assumptions used in the valuation of additional insurance liabilities include the discount rate, mortality, lapse, and other assumptions reflecting policyholder behavior based mainly on company experience and industry data. The discount rate is based on the crediting rate of the universal life contract and is updated each reporting period. The Company reviews these assumptions at least annually in the same period, and updates them as needed to reflect changes in experience. Updates in future policy and contract benefits as a result of variances in actual versus expected experience and assumption updates are presented within remeasurement (gains) losses within policyholder benefits on the consolidated statements of operations and comprehensive income (loss).

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SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(2) Summary of Significant Accounting Policies (Continued)

Future Policy and Contract Benefits (Continued)

Additional insurance liabilities are adjusted to reflect the impact of unrealized gains and losses on fixed maturity securities available for sale. The adjustment to future policy and contract benefits represents the increase or decrease in policy reserves that would have been recorded had such unrealized amounts been realized. This adjustment is reported in adjustment to future policy and contract benefits due to unrealized gains and losses on the consolidated statements of operations and comprehensive income (loss).

Pending Policy and Contract Claims

Pending policy and contract claims primarily represent amounts estimated for claims incurred but not reported and claims that have been reported but not settled. Such liabilities are estimated based upon the Company's historical experience and other actuarial assumptions that consider current developments and anticipated trends.

Other Policyholder Funds

Other policyholder funds are comprised of dividend accumulations, premium deposit funds and reserves for immediate annuity contracts without life contingencies.

Foreign Currency

Assets, liabilities and operations of foreign subsidiaries located in Canada are recorded based on the functional currency of the subsidiary. The determination of the functional currency is made based on the relevant economic facts and management's judgement, which generally results in the local currency of the subsidiary. Assets and liabilities of foreign subsidiaries are translated from the functional currency to U.S. dollars at the exchange rates in effect at each year-end and revenues and expenses are translated at the average exchange rates during the year. The resulting translation adjustments are charged or credited directly to other comprehensive income (loss), net of applicable taxes. Gains and losses from foreign currency transactions are included in net income.

Participating Business

Dividends on participating policies and other discretionary payments are declared by the Board of Directors based upon actuarial determinations, which take into consideration current mortality, interest earnings, expense factors and federal income taxes. Dividends, which are recognized as expenses consistent with the recognition of premiums, were \$2,737 and \$2,795 for the years ended December 31, 2025 and 2024, respectively, and are included in general operating and other expenses on the consolidated statements of operations and comprehensive income (loss). Policyholder dividends payable were \$12,672 and \$12,965 at December 31, 2025 and 2024, respectively, and are included in other liabilities on the consolidated balance sheets. At December 31, 2025 and 2024, the total participating business in force was \$2,659,660 and \$2,425,064, respectively. As a percentage of total life insurance in force, participating business in force represents 0.16% and 0.14% at December 31, 2025 and 2024 respectively.

Income Taxes

The Company files a life/non-life consolidated federal income tax return with Minnesota Mutual Companies, Inc. (MMC), the Company's ultimate parent. The Company utilizes a consolidated approach to allocating current taxes. Under this approach, the tax benefits resulting from any losses by the Company, when realized by MMC on a consolidated return, are allocated to the Company. Intercompany tax balances are settled annually when the tax return is filed with the Internal Revenue Service (IRS).

Inherent in the provision for federal income taxes are estimates regarding the deductibility of certain items and the realization of certain tax credits. In the event the ultimate deductibility of certain items or the realization of certain tax credits differs from estimates, the Company may be required to significantly change the provision for federal income taxes recorded on the consolidated financial statements. Any such change could significantly affect the amounts reported on the consolidated statements of operations and comprehensive income (loss). Management uses best estimates to establish reserves based on current facts and circumstances regarding tax exposure items where the ultimate deductibility is open to interpretation. Management evaluates the appropriateness of such reserves based on any new developments specific to their fact patterns. Information considered includes results of completed tax examinations, Technical Advice Memorandums and other rulings issued by the IRS or the tax courts.

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(2) Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

The Company utilizes the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under this method, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are established when it is determined that it is more likely than not that the deferred tax asset will not be fully realized. Current income taxes are charged to operations based upon amounts estimated to be payable as a result of taxable operations for the current year.

(3) Risks

The Company's consolidated financial statements are based on estimates and assumptions that are subject to significant business, economic and competitive risks and uncertainties, many of which are beyond the Company's control or are subject to change. As such, actual results could differ from the estimates used in the consolidated financial statements and the value of the Company's investments, and its financial condition and its liquidity could be adversely affected. The following risks and uncertainties, among others, may have such an effect:

- Economic environment and capital markets-related risks such as those related to interest rates, equity markets, credit spreads, real estate, derivatives and foreign currency.
- Investment-related risks such as those related to valuation, impairment, and concentration.
- Business and operational-related risks such as those related to mortality/longevity, morbidity and claims experience, reinsurers and counterparties, liquidity, ratings, competition, use of artificial intelligence, cyber or other information security, fraud, and overall risk management.
- Catastrophic and pandemic event related risks that may impact policyholder behavior and claims experience, volatility in financial markets and economic activity, and operations.
- Acquisition, disposition, or other structural change related risks.
- Regulatory and legal risks such as those related to changes in fiscal, tax and other legislation, insurance and other regulation, and accounting standards.

The Company actively monitors and manages risks and uncertainties through a variety of policies and procedures in an effort to mitigate or minimize the adverse impact of any exposures impacting the consolidated financial statements.

(4) New Accounting Pronouncements

Adoption of New Accounting Pronouncements

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-12, Financial Services—Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts, or long duration targeted improvements (LDTI) which impacts the accounting and disclosure for long-duration insurance contracts. The objective of this standard is to improve the existing recognition, measurement, presentation, and disclosure requirements for long duration insurance contracts issued by an insurance entity. The Company adopted ASU 2018-12 effective January 1, 2025 with a transition date of January 1, 2024 (the transition date).

The new guidance requires assumptions for traditional and limited payment long-duration contracts to be reviewed at least annually in the same period and modifies the rate used to discount future cash flows for these contracts to an upper-medium grade fixed income investment yield. Changes in the liability measurement due to updating policyholder assumptions are recognized in net income and changes in the liability measurement due to updating the discount rate are recognized in other comprehensive income. The guidance also creates a new category of MRBs (features that both protects the contract holder from other-than-nominal capital market risk and exposes the insurance entity to other-than-nominal capital market risk) for certain contract guarantees to be accounted for at fair value with changes in fair value recognized in net income with the expectation of changes in fair value due to changes in instrument specific credit risk, which is reflected in other comprehensive income (loss). The guidance simplifies the amortization of DAC, unearned revenue reserves and sales inducement assets requiring deferred costs to be amortized on a constant level basis that approximates a straight-line method.

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(4) New Accounting Pronouncements (Continued)

Adoption of New Accounting Pronouncements (Continued)

The new guidance adds new presentation requirements and expanded quantitative and qualitative disclosures.

The Company adopted the standard using the full retrospective transition method. LFPB, DPL, DAC and balances amortized on a basis consistent with DAC were adjusted to conform to ASU 2018-12 for contracts with issue years beginning on January 1, 2010. The Company adopted the standard using the modified retrospective transition method for contract years prior to January 1, 2010. MRBs were adjusted to conform to ASU 2018-12 using the full retrospective method back to contract issue date. As of the transition date, the impact of the adoption of the standard was a net increase to beginning accumulated other comprehensive income (loss) of \$201,967 and a decrease to beginning retained earnings of \$(271,476). These impacts were primarily driven by (1) adjusting to the simplified amortization method for DAC and URR on nontraditional life insurance products, (2) adjusting to fair value measurement for contract features that meet the definition of an MRB that were previously measured as additional insurance liabilities under Accounting Standards Codification (ASC) 944 - Financial Services—Insurance or embedded derivatives under ASC 815 - Derivatives and Hedging, (3) changes to the discount rate used to measure the LFPBs, and (4) the removal of balances recorded in accumulated other comprehensive income related to changes in unrealized gains (losses) on investments.

The following table summarizes the effect of LDTI transition adjustments on equity due to the adoption of ASU 2018-12 as of January 1, 2024:

	Accumulated other comprehensive loss	Retained earnings	Total
DAC	\$ (820,762)	\$ (145,842)	\$ (966,604)
Reinsurance recoverables	(42,576)	(1,639)	(44,215)
MRBs	479	122,868	123,347
Deferred sales inducements ⁽¹⁾	(5,802)	2,581	(3,221)
Policy and contract account balances	—	11,314	11,314
LFPBs ⁽²⁾	469,248	228,701	697,949
DPL ⁽²⁾	—	(229,373)	(229,373)
URR ⁽³⁾	701,249	(280,674)	420,575
Additional insurance liabilities ⁽²⁾	(46,116)	48,680	2,564
COR ⁽⁴⁾	—	(99,655)	(99,655)
Deferred tax liability ⁽⁵⁾	(53,753)	71,563	17,810
Total	\$ 201,967	\$ (271,476)	\$ (69,509)

(1) Included in other assets on the consolidated balance sheets.

(2) Included in future policy and contract benefits on the consolidated balance sheets.

(3) Included in unearned premiums and fees on the consolidated balance sheets.

(4) Included in other assets or other liabilities on the consolidated balance sheets.

(5) The transition adjustments include the related deferred income tax effects. The affected line items are presented on a gross basis, with the net-of-tax impact recorded within accumulated other comprehensive loss and retained earnings as of the transition date.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(4) New Accounting Pronouncements (Continued)

Adoption of New Accounting Pronouncements (Continued)

The following table summarizes the DAC balance and related LDTI transition adjustments as of January 1, 2024, reflecting only the portion of the December 31, 2023 balance affected by the adoption of ASU 2018-12:

	Traditional life and A&H	Universal life	Immediate annuity and PRT	Deferred annuity	Total
Balance as of December 31, 2023	\$ 157,703	\$ 2,758,361	\$ —	\$ 334,495	\$ 3,250,559
Adjustments for the cumulative effect of adoption of the simplified amortization methodology under the retrospective method	41,405	(188,549)	22,432	(21,130)	(145,842)
Adjustment for the removal of related balances in accumulated other comprehensive income originating from unrealized gains (losses)	(4,202)	(769,494)	—	(47,066)	(820,762)
Adjusted balance as of January 1, 2024	<u>\$ 194,906</u>	<u>\$ 1,800,318</u>	<u>\$ 22,432</u>	<u>\$ 266,299</u>	<u>\$ 2,283,955</u>

The following table summarizes the MRB balance and related LDTI transition adjustments as of January 1, 2024:

	Deferred annuity
Balance as of December 31, 2023	\$ —
Adjustments for the reclassification of the embedded derivative liability from policy and contract account balances	8,697
Adjustment for the reclassification of additional insurance liabilities from future policy and contract benefits	47,432
Adjustments for the cumulative effect of adoption of the new measurement guidance (excluding the change due to instrument specific credit risk)	86,590
Adjustments for the cumulative effect of the changes in instrument specific credit risk between the original contract issuance date and the transition date	479
Adjustment for the removal of related balances in accumulated other comprehensive income originating from unrealized gains (losses)	(19,851)
Post adoption January 1, 2024 carrying amount for features now classified as MRBs	<u>\$ 123,347</u>

The following table summarizes the deferred sales inducement balance and related LDTI transition adjustments as of January 1, 2024:

	Deferred annuity
Balance as of December 31, 2023	\$ 34,518
Adjustments for the cumulative effect of adoption of new measurement guidance under the retrospective method	2,581
Adjustment for removal of related balances in accumulated other comprehensive income originating from unrealized gains (losses)	(5,802)
Adjusted balance as of January 1, 2024	<u>\$ 31,297</u>

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(4) New Accounting Pronouncements (Continued)

Adoption of New Accounting Pronouncements (Continued)

The following table summarizes the policy and contract account balance and related LDTI transition adjustments as of January 1, 2024:

	<u>Deferred annuity</u>
Balance as of December 31, 2023	\$ 6,904,330
Adjustments for the reclassification of embedded derivative liability to MRBs	(11,314)
Adjusted balance as of January 1, 2024	<u>\$ 6,893,016</u>

The following table summarizes the LFPB balance and related LDTI transition adjustments as of January 1, 2024:

	<u>Traditional life and A&H</u>	<u>Immediate annuity and PRT</u>	<u>Other</u>	<u>Total</u>
Balance as of December 31, 2023	\$ 978,146	\$ 5,877,360	\$ 609,624	\$ 7,465,130
Adjustments for the cumulative effect of adoption of new measurement guidance under the retrospective method	(51,335)	(221,473)	44,107	(228,701)
Effect of the remeasurement of the liability at the current single A rate	(9,101)	(426,832)	(33,315)	(469,248)
Adjusted balance as of January 1, 2024	<u>\$ 917,710</u>	<u>\$ 5,229,055</u>	<u>\$ 620,416</u>	<u>\$ 6,767,181</u>

At transition, the Company did not identify any instances, at the cohort level, where net premiums exceeded gross premiums.

The following table summarizes the DPL balance and related LDTI transition adjustments as of January 1, 2024:

	<u>Traditional life and A&H</u>	<u>Immediate annuity and PRT</u>	<u>Total</u>
Balance as of December 31, 2023	\$ 35,135	\$ —	\$ 35,135
Adjustments for the cumulative effect of adoption of the new measurement under the retrospective method	28,167	201,206	229,373
Adjusted balance as of January 1, 2024	<u>\$ 63,302</u>	<u>\$ 201,206</u>	<u>\$ 264,508</u>

The following table summarizes the URR balance and related LDTI transition adjustments as of January 1, 2024:

	<u>Universal life</u>
Balance as of December 31, 2023	\$ 1,852,467
Adjustments for the cumulative effect of adoption of simplified amortization methodology under the retrospective method	280,674
Adjustment for removal of related balances in accumulated other comprehensive income originating from unrealized gains (losses)	(701,249)
Adjusted balance as of January 1, 2024	<u>\$ 1,431,892</u>

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(4) New Accounting Pronouncements (Continued)

Adoption of New Accounting Pronouncements (Continued)

The following table summarizes the additional insurance liabilities balance and related LDTI transition adjustments as of January 1, 2024:

	Universal life	Deferred annuity	Total
Balance as of December 31, 2023	\$ 201,575	\$ 27,580	\$ 229,154
Adjustments for the reclassification of additional insurance liabilities from future policy benefits to MRBs	—	(47,432)	(47,432)
Adjustments for the cumulative effect of adoption of the new measurement under the retrospective method	(1,248)	—	(1,248)
Adjustments for removal of related balances in accumulated other comprehensive income (loss) originating from unrealized gains (losses)	26,264	19,852	46,116
Adjusted balance as of January 1, 2024	<u>\$ 226,591</u>	<u>\$ —</u>	<u>\$ 226,591</u>

(5) Fair Value of Financial Instruments

Financial Assets and Financial Liabilities Reported at Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. In determining fair value, the Company primarily uses the market approach which utilizes prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. To a lesser extent, the Company also uses the income approach which uses discounted cash flows to determine fair value. When applying either approach, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs reflect the assumptions market participants would use in valuing a financial instrument based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's estimates about the assumptions market participants would use in valuing financial assets and financial liabilities based on the best information available in the circumstances. Considerable judgment is required to interpret market data to develop the estimates of fair value. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

The Company is required to categorize its financial assets and financial liabilities recorded on the consolidated balance sheets according to a three-level hierarchy under ASC 820 - Fair Value Measurement (ASC 820). Inputs used to measure fair value of an asset or liability may fall into different levels of the fair value hierarchy. A level is assigned to each financial asset and financial liability based on the lowest level input that is significant to the fair value measurement in its entirety. The levels of fair value hierarchy are as follows:

Level 1 – Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market.

Level 2 – Fair value is based on significant inputs, other than quoted prices included in Level 1, that are observable in active markets for identical or similar assets and liabilities.

Level 3 – Fair value is based on at least one or more significant unobservable inputs. These inputs reflect the Company's assumptions about the inputs market participants would use in pricing the assets or liabilities.

The Company uses prices and inputs that are current as of the measurement date. In periods of market disruption, the ability to observe prices and inputs may be reduced, which could cause an asset or liability to be reclassified to a lower level.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(5) Fair Value of Financial Instruments (Continued)

Financial Assets and Financial Liabilities Reported at Fair Value (Continued)

The following tables summarize the Company's financial assets and financial liabilities measured at fair value on a recurring basis:

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Fixed maturity securities, available-for-sale:				
U.S. government securities	\$ 321,150	\$ —	\$ —	\$ 321,150
Agencies not backed by the full faith and credit of the U.S. government	—	215,803	—	215,803
Foreign government securities	—	109,462	—	109,462
Corporate securities	—	13,959,267	5,290,916	19,250,183
Asset-backed securities	—	1,387,349	448,476	1,835,825
Commercial mortgage-backed securities (CMBS)	—	2,456,202	—	2,456,202
Residential mortgage-backed securities (RMBS)	—	1,192,738	—	1,192,738
Total fixed maturity securities, available-for-sale	321,150	19,320,821	5,739,392	25,381,363
Equity securities, at fair value	465,078	81,591	30,977	577,646
Derivative instruments	335,735	1,239,417	—	1,575,152
Total investments	1,121,963	20,641,829	5,770,369	27,534,161
Cash equivalents	641,823	—	—	641,823
MRB assets	—	—	184,547	184,547
Other assets ⁽¹⁾	—	—	14,205	14,205
Separate account assets	29,351,239	—	—	29,351,239
Total financial assets	<u>\$ 31,115,025</u>	<u>\$ 20,641,829</u>	<u>\$ 5,969,121</u>	<u>\$ 57,725,975</u>
Policy and contract account balances ⁽²⁾	\$ —	\$ —	\$ 951,285	\$ 951,285
MRB liabilities	—	—	42,472	42,472
Derivative instruments ⁽³⁾	175,997	729,328	—	905,325
Total financial liabilities	<u>\$ 175,997</u>	<u>\$ 729,328</u>	<u>\$ 993,757</u>	<u>\$ 1,899,082</u>

(1) Other assets relate to embedded derivatives associated with reinsurance on certain fixed indexed annuity contracts.

(2) Policy and contract account balances relate to embedded derivatives associated with indexed features on certain annuity and universal life insurance products.

(3) Included in other liabilities on the consolidated balance sheets.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(5) Fair Value of Financial Instruments (Continued)

Financial Assets and Financial Liabilities Reported at Fair Value (Continued)

The following tables summarize the Company's financial assets and financial liabilities measured at fair value on a recurring basis (Continued):

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Fixed maturity securities, available-for-sale:				
U.S. government securities	\$ 265,925	\$ —	\$ —	\$ 265,925
Agencies not backed by the full faith and credit of the U.S. government	—	329,738	—	329,738
Foreign government securities	—	132,825	—	132,825
Corporate securities	—	13,042,468	4,468,895	17,511,363
Asset-backed securities	—	1,468,713	106,319	1,575,032
CMBS	—	2,183,133	—	2,183,133
RMBS	—	1,231,739	10,941	1,242,680
Total fixed maturity securities, available-for-sale	265,925	18,388,616	4,586,155	23,240,696
Equity securities, at fair value	418,387	54,062	34,821	507,270
Derivative instruments	17,690	1,019,752	—	1,037,442
Total investments	702,002	19,462,430	4,620,976	24,785,408
Cash equivalents	568,824	—	—	568,824
MRB assets	—	—	217,336	217,336
Separate account assets	29,209,790	18,348	1,806	29,229,944
Total financial assets	<u>\$ 30,480,616</u>	<u>\$ 19,480,778</u>	<u>\$ 4,840,118</u>	<u>\$ 54,801,512</u>
Policy and contract account balances ⁽¹⁾	\$ —	\$ —	\$ 819,249	\$ 819,249
MRB liabilities	—	—	36,936	36,936
Derivative instruments ⁽²⁾	10,594	553,665	—	564,259
Total financial liabilities	<u>\$ 10,594</u>	<u>\$ 553,665</u>	<u>\$ 856,185</u>	<u>\$ 1,420,444</u>

(1) Policy and contract account balances relate to embedded derivatives associated with indexed features on certain annuity and universal life insurance products.

(2) Included in other liabilities on the consolidated balance sheets.

The methods and assumptions used to estimate the fair value of financial assets and liabilities are summarized as follows:

Fixed maturity securities, available-for-sale

When available, fair values of fixed maturity securities are based on quoted market prices of identical assets in active markets and are reflected in Level 1.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(5) Fair Value of Financial Instruments (Continued)

Financial Assets and Financial Liabilities Reported at Fair Value (Continued)

Fixed maturity securities, available-for-sale (Continued)

The market inputs utilized for Level 2 assets in the pricing evaluation depend on asset class and market conditions but typically include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers, reference data, and industry and economic events.

Fixed maturity securities valued using pricing models with unobservable inputs or broker quotes are reflected in Level 3. The pricing models are developed by obtaining spreads versus the U.S. Treasury yield for similar corporate securities with varying weighted average lives and bond ratings. The estimated market yield, liquidity premium, and any adjustments for known credit risk, and other relevant factors are then used to estimate the fair value of the particular fixed maturity security. Certain other valuations are based on independent non-binding broker quotes.

Equity securities

The Company's equity securities consist primarily of investments in common stock of publicly traded companies. The fair values of equity securities are based on quoted market prices in active markets for identical assets and are classified within Level 1. The Company carries certain equity securities that are not priced on an exchange classified within Level 2. The Company receives these prices from third party pricing services using observable inputs for identical or similar assets in active markets. The Company carries a small amount of non-exchange traded equity securities classified within Level 3. The fair value of these securities is based on at least one or more significant unobservable inputs.

Derivative instruments

Derivative instrument fair values are based on quoted market prices when available. If a quoted market price is not available, fair value is estimated using current market assumptions and modeling techniques.

The majority of the Company's derivative positions are traded in the over-the-counter (OTC) derivative market and are classified as Level 2. The fair values of most OTC derivatives are determined using discounted cash flow or third party pricing models. The significant inputs to the pricing models are observable in the market or can be derived principally from or corroborated by observable market data. Significant observable inputs generally include: interest rates, foreign currency exchange rates, interest rate curves, credit curves and volatility. However, certain OTC derivatives may rely on inputs that are significant to the estimated fair value that are not observable in the market or cannot be derived principally from or corroborated by observable market data. Significant unobservable inputs generally include: independent broker quotes and inputs that are outside the observable portion of the interest rate curve, credit curve, volatility or other relevant market measure. OTC derivatives valued using significant unobservable inputs would be classified as Level 3.

The credit risk of both the counterparty and the Company are considered in determining the estimated fair value for all OTC derivatives after taking into account the effects of netting agreements and collateral arrangements.

Cash equivalents

Cash equivalents include money market funds and highly rated commercial paper. Money market funds are generally valued using unadjusted quoted prices in active markets and are reflected in Level 1.

Separate account assets

Separate account assets are reported as a summarized total and are carried at estimated fair value based on the underlying assets in which the separate accounts are invested. Valuations for fixed maturity securities, equity securities and cash equivalents are determined consistent with similar instruments as previously described. In accordance with ASC 820, valuations for certain mutual funds were reclassified from Level 2 to Level 1 during 2025 as the values are based on reported net asset values provided by the fund managers.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(5) Fair Value of Financial Instruments (Continued)

Financial Assets and Financial Liabilities Reported at Fair Value (Continued)

Market risk benefits

Market risk benefits asset and liabilities represent guarantees for withdrawal, income, accumulation and death benefits on annuity products.

The fair value of MRBs is estimated using the present value of future guaranteed benefits less the present value of future attributable fees over the expected lives of the contracts using various capital market and contractholder behavior assumptions. The cash flows are projected under multiple capital market scenarios using observable risk free rates. The valuation includes an adjustment for the Company's instrument specific credit risk and other non-capital market inputs. The Company's instrument specific credit adjustment is determined taking into consideration publicly available information relating to peer companies' debt ratings and the Company's own claims paying ability. Assumptions are updated based upon historical experience. Since many of the assumptions utilized in the valuation of MRB's are unobservable and are considered to be significant inputs to the valuations, the MRB's have been reflected within Level 3.

Embedded derivatives

The fair value for embedded derivatives associated with other assets and policy and contract account balances is based on the present value of future index returns in excess of guaranteed minimum returns to the policyholder using actuarial and present value assumptions including expectations concerning policyholder behavior. The calculation is based on in-force business and uses standard capital market techniques, such as the Black-Scholes model, with certain unobservable inputs such as the Company's instrument specific credit risk, mortality and lapse. Since many of these assumptions utilized in the valuation of embedded derivatives are unobservable and are considered to be significant inputs to the valuations, the embedded derivatives have been reflected within Level 3.

The following table provides a summary of purchases, sales, settlements and transfers in to and out of Level 3 financial assets held at fair value on a recurring basis during the year ended December 31, 2025, excluding MRBs which are disclosed in note 17 Market Risk Benefits:

	Purchases	Sales	Settlements	Transfers in to Level 3 (1)	Transfers out of Level 3 (1)
Fixed maturity securities, available-for-sale					
Corporate securities	\$ 1,254,769	\$ —	\$ (319,797)	\$ —	\$ —
Asset-backed securities	69,772	—	(13,171)	—	—
RMBS	—	—	—	—	(11,015)
Total fixed maturity securities, available-for-sale	1,324,541	—	(332,968)	—	(11,015)
Equity securities, at fair value	2,062	(6,073)	—	—	—
Other assets	14,205	—	—	—	—
Separate account assets	123	(864)	—	—	—
Total financial assets	<u>\$ 1,340,931</u>	<u>\$ (6,937)</u>	<u>\$ (332,968)</u>	<u>\$ —</u>	<u>\$ (11,015)</u>

(1) Transfers in to/out of Level 3 are primarily due to the availability of observable market prices.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(5) Fair Value of Financial Instruments (Continued)

Financial Assets and Financial Liabilities Reported at Fair Value (Continued)

The following table provides a summary of purchases, sales, settlements and transfers in to and out of Level 3 financial assets held at fair value on a recurring basis during the year ended December 31, 2024, excluding MRBs which are disclosed in note 17 Market Risk Benefits:

	Purchases	Sales	Settlements	Transfers in to Level 3 (1)	Transfers out of Level 3 (1)
Fixed maturity securities, available-for-sale					
Corporate securities	\$ 882,673	\$ —	\$ (226,459)	\$ —	\$ —
Asset-backed securities	71,000	—	(13,664)	—	—
RMBS	11,034	—	(19)	—	—
Total fixed maturity securities, available-for-sale	964,707	—	(240,142)	—	—
Equity securities, at fair value	2,243	(9,388)	—	—	—
Separate account assets	178	(369)	—	1	—
Total financial assets	<u>\$ 967,128</u>	<u>\$ (9,757)</u>	<u>\$ (240,142)</u>	<u>\$ 1</u>	<u>\$ —</u>

(1) Transfers in to/out of Level 3 are primarily due to the availability of observable market prices.

The following table provides a summary of issuances and settlements of Level 3 financial liabilities held at fair value on a recurring basis during the year ended December 31, 2025, excluding MRBs which are disclosed in note 17 Market Risk Benefits:

	Issuances	Settlements
Policy and contract account balances	\$ 571,745	\$ (728,721)
Total financial liabilities	<u>\$ 571,745</u>	<u>\$ (728,721)</u>

The following table provides a summary of issuances and settlements of Level 3 financial liabilities held at fair value on a recurring basis during the year ended December 31, 2024, excluding MRBs which are disclosed in note 17 Market Risk Benefits:

	Issuances	Settlements
Policy and contract account balances	\$ 507,614	\$ (786,344)
Total financial liabilities	<u>\$ 507,614</u>	<u>\$ (786,344)</u>

There were no transfers in to or out of Level 3 financial liabilities for the years ended December 31, 2025 and 2024.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(5) Fair Value of Financial Instruments (Continued)

Quantitative Information Regarding Level 3 Assets and Liabilities

The following table provides a summary of the significant unobservable inputs used in the fair value measurements developed by the Company or reasonably available to the Company of significant Level 3 assets and liabilities at December 31:

Level 3 instrument	2025	2024	Valuation technique	Unobservable input
	Fair value	Fair value		
Fixed maturity securities, available-for-sale:				
Corporate securities	\$ 5,290,916	\$ 4,468,895	Discounted cash flow	Yield/spread to U.S. Treasuries ⁽¹⁾
Asset-backed securities	448,476	106,319	Discounted cash flow	Yield/spread to U.S. Treasuries ⁽¹⁾
RMBS	—	10,941	Discounted cash flow	Yield/spread to U.S. Treasuries ⁽¹⁾
MRB assets	184,547	217,336	Discounted cash flow	Mortality rates ⁽²⁾ Lapse rates ⁽³⁾ Utilization rates ⁽⁴⁾ Withdrawal rates ⁽⁵⁾ Market volatility ⁽⁶⁾ Instrument specific credit risk spread ⁽⁷⁾
Other assets	14,205	—	Discounted cash flow/ Option pricing techniques	Mortality rates ⁽²⁾ Lapse rates ⁽³⁾ Market volatility ⁽⁶⁾

(1) The yield/spread to U.S. Treasuries input represents an estimated market participant composite adjustment attributable to liquidity premiums, expected durations, structures and credit quality that would be applied to the market observable information of an investment.

(2) The mortality rate input represents the estimate probability of when an individual belonging to a particular group categorized according to age or some other factor such as occupation, will die.

(3) The lapse rate input represents the estimated probability of a contract surrendering during a year, and thereby forgoing any future benefits.

(4) The utilization rate input represents the estimated percentage of contract holders that utilize the guaranteed withdrawal feature.

(5) The withdrawal rate input represents the estimated magnitude of annual contract holder withdrawals relative to the contracts' benefit base.

(6) The market volatility input represents overall volatilities assumed for underlying equity indexed and variable annuity funds, which include a mixture of equity and fixed income assets.

(7) The instrument specific credit risk spread input represents the estimated additional instrument specific credit spread that market participants would apply to the market observable discount rate when pricing a contract.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(5) Fair Value of Financial Instruments (Continued)

Quantitative Information Regarding Level 3 Assets and Liabilities (Continued)

The following table provides a summary of the significant unobservable inputs used in the fair value measurements developed by the Company or reasonably available to the Company of Level 3 assets and liabilities at December 31 (Continued):

Level 3 instrument	2025		2024		Valuation technique	Unobservable input
	Fair value	Fair value	Fair value	Fair value		
Liabilities:						
Policy and contract account balances	\$ 951,285	\$ 819,249			Discounted cash flow/ Option pricing techniques	Mortality rates ⁽²⁾ Lapse rates ⁽³⁾ Market volatility ⁽⁶⁾
MRB liabilities	42,472	36,936			Discounted cash flow	Mortality rates ⁽²⁾ Lapse rates ⁽³⁾ Utilization rates ⁽⁴⁾ Withdrawal rates ⁽⁵⁾ Market volatility ⁽⁶⁾ Nonperformance risk spread ⁽⁷⁾

(2) The mortality rate input represents the estimate probability of when an individual belonging to a particular group categorized according to age or some other factor such as occupation, will die.

(3) The lapse rate input represents the estimated probability of a contract surrendering during a year, and thereby forgoing any future benefits.

(4) The utilization rate input represents the estimated percentage of contract holders that utilize the guaranteed withdrawal feature.

(5) The withdrawal rate input represents the estimated magnitude of annual contract holder withdrawals relative to the contracts' benefit base.

(6) The market volatility input represents overall volatilities assumed for underlying equity indexed and variable annuity funds, which include a mixture of equity and fixed income assets.

(7) The instrument specific credit risk spread input represents the estimated additional instrument specific credit spread that market participants would apply to the market observable discount rate when pricing a contract.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(5) Fair Value of Financial Instruments (Continued)

Quantitative Information Regarding Level 3 Assets and Liabilities (Continued)

Level 3 measurements not included in the tables above are obtained from non-binding broker quotes where observable inputs are not reasonably available to the Company.

Non-recurring Fair Value Measurements

The Company did not have any financial instruments measured at fair value on a non-recurring basis at December 31, 2025 and 2024.

(6) Investments

Fixed Maturity and Equity Securities

The Company invests in private placement fixed maturity securities to enhance the overall value of its portfolio, increase diversification and obtain higher yields than are possible with comparable publicly traded securities. Generally, private placement fixed maturity securities provide broader access to management information, strengthened negotiated protective covenants, call protection features and, frequently, improved seniority of collateral protection. Private placement securities generally are only tradable subject to restrictions by federal and state securities laws and are, therefore, less liquid than publicly traded fixed maturity securities.

The Company holds CMBS that may be originated by single or multiple issuers, which are collateralized by mortgage loans secured by income producing commercial properties such as office buildings, multi-family dwellings, industrial, retail, hotels and other property types.

The Company's RMBS portfolio consists of pass-through securities, which are pools of mortgage loans collateralized by single-family residences and primarily issued by government sponsored entities (e.g., GNMA, FNMA and FHLMC), and structured pass-through securities, such as collateralized mortgage obligations, that may have specific prepayment and maturity profiles and are primarily issued by government sponsored entities. The Company's RMBS portfolio primarily contains loans made to borrowers with strong credit histories.

The Company's asset-backed securities investment portfolio consists of securities collateralized by the cash flows of receivables relating to credit cards, automobiles, manufactured housing and other asset class loans.

The equity securities portfolio is managed with the objective of capturing long-term capital gains with a moderate level of current income. The carrying value of the Company's equity security portfolio totaled \$577,646 and \$507,270 as of December 31, 2025 and 2024, respectively.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(6) Investments (Continued)

Fixed Maturity and Equity Securities (Continued)

Fixed maturity securities by type of investment were as follows:

December 31, 2025	Amortized cost	Allowance for credit loss	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. government securities	\$ 351,593	\$ —	\$ 772	\$ 31,215	\$ 321,150
Agencies not backed by the full faith and credit of the U.S. government	228,595	—	543	13,335	215,803
Foreign government securities	110,909	—	313	1,760	109,462
Corporate securities	20,994,981	—	222,877	1,967,675	19,250,183
Asset-backed securities	1,846,854	—	26,150	37,179	1,835,825
CMBS	2,523,766	189	16,772	84,147	2,456,202
RMBS	1,332,223	—	3,404	142,889	1,192,738
Total fixed maturity securities, available-for-sale	<u>\$ 27,388,921</u>	<u>\$ 189</u>	<u>\$ 270,831</u>	<u>\$ 2,278,200</u>	<u>\$ 25,381,363</u>

December 31, 2024	Amortized cost	Allowance for credit loss	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. government securities	\$ 306,583	\$ —	\$ 14	\$ 40,672	\$ 265,925
Agencies not backed by the full faith and credit of the U.S. government	354,750	—	191	25,203	329,738
Foreign government securities	134,950	—	1,015	3,140	132,825
Corporate securities	19,829,534	—	88,768	2,406,939	17,511,363
Asset-backed securities	1,607,261	—	9,630	41,859	1,575,032
CMBS	2,333,701	1,720	4,302	153,150	2,183,133
RMBS	1,464,770	—	552	222,642	1,242,680
Total fixed maturity securities, available-for-sale	<u>\$ 26,031,549</u>	<u>\$ 1,720</u>	<u>\$ 104,472</u>	<u>\$ 2,893,605</u>	<u>\$ 23,240,696</u>

Accrued interest of \$318,494 and \$282,345 as of December 31, 2025 and 2024, respectively, is excluded from the amortized cost basis of available-for-sale securities in the tables above and is recorded in other assets on the consolidated balance sheets.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(6) Investments (Continued)

Fixed Maturity and Equity Securities (Continued)

The amortized cost and fair value of fixed maturity securities at December 31, 2025, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Available-for-sale	
	Amortized cost	Fair value
Due in one year or less	\$ 670,418	\$ 667,876
Due after one year through five years	4,169,473	4,100,406
Due after five years through ten years	4,463,927	4,375,985
Due after ten years	12,382,260	10,752,331
	21,686,078	19,896,598
Asset-backed and mortgage-backed securities	5,702,843	5,484,765
Total	\$ 27,388,921	\$ 25,381,363

Fixed maturity securities in an unrealized loss position without an allowance for credit loss, by type and length of time that the securities have been in a continuous unrealized loss position, were as follows:

	December 31, 2025			
	Less than 12 months			
	Fair value	Amortized cost	Unrealized losses	Security count
U.S. government securities	\$ 5,089	\$ 5,097	\$ (8)	2
Agencies not backed by the full faith and credit of the U.S. government	29,107	29,618	(511)	10
Foreign government securities	36,123	36,936	(813)	13
Corporate securities	2,324,362	2,374,312	(49,950)	352
Asset-backed securities	293,762	301,228	(7,466)	36
CMBS	228,451	229,416	(965)	20
RMBS	94,755	95,218	(463)	39

	December 31, 2025			
	12 months or greater			
	Fair value	Amortized cost	Unrealized losses	Security count
U.S. government securities	\$ 165,611	\$ 196,818	\$ (31,207)	37
Agencies not backed by the full faith and credit of the U.S. government	141,055	153,879	(12,824)	73
Foreign government securities	4,419	5,366	(947)	5
Corporate securities	10,510,429	12,428,154	(1,917,725)	1,649
Asset-backed securities	388,273	417,986	(29,713)	83
CMBS	1,265,040	1,348,222	(83,182)	101
RMBS	854,050	996,476	(142,426)	374

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(6) Investments (Continued)

Fixed Maturity and Equity Securities (Continued)

Fixed maturity securities in an unrealized loss position, by type and by length of time that the securities have been in a continuous unrealized loss position, were as follows (Continued):

	December 31, 2024			
	Less than 12 months			
	Fair value	Amortized cost	Unrealized losses	Security count
U.S. government securities	\$ 29,715	\$ 30,096	\$ (381)	9
Agencies not backed by the full faith and credit of the U.S. government	148,933	153,582	(4,649)	49
Foreign government securities	26,832	27,061	(229)	6
Corporate securities	3,813,461	3,955,949	(142,488)	555
Asset-backed securities	522,992	533,615	(10,623)	80
CMBS	293,557	297,090	(3,533)	34
RMBS	241,382	246,379	(4,997)	122
	December 31, 2024			
	12 months or greater			
	Fair value	Amortized cost	Unrealized losses	Security count
U.S. government securities	\$ 211,391	\$ 251,682	\$ (40,291)	43
Agencies not backed by the full faith and credit of the U.S. government	165,604	186,158	(20,554)	114
Foreign government securities	12,398	15,309	(2,911)	14
Corporate securities	10,818,094	13,082,545	(2,264,451)	1,801
Asset-backed securities	448,213	479,449	(31,236)	153
CMBS	1,550,008	1,699,625	(149,617)	135
RMBS	941,544	1,159,189	(217,645)	374

For fixed maturity securities in an unrealized loss position where the Company has not recorded an impairment, the Company expects to collect all principal and interest payments. In determining whether an impairment is necessary, the Company evaluates its intent and need to sell a security prior to its anticipated recovery in fair value. The Company performs ongoing analysis of liquidity needs, which includes cash flow testing. Cash flow testing includes duration matching of the investment portfolio and policyholder liabilities. As of December 31, 2025, the Company does not intend to sell and does not believe that it will be required to sell investments with an unrealized loss prior to recovery and had no material sales of these investments subsequent to December 31, 2025 or 2024.

The following paragraphs summarize the Company's evaluation of investment categories with unrealized losses as of December 31, 2025.

U.S. government securities are temporarily impaired due to current interest rates and not credit-related reasons. The Company expects to collect all principal and interest on these securities.

Agencies not backed by the full faith and credit of the U.S. government securities are temporarily impaired due to interest rates and not credit-related reasons. Although not backed by the full faith and credit of the U.S. government, these securities generally trade as if they are.

Foreign government securities are temporarily impaired due to current interest rates and not credit-related reasons. The Company expects to collect all principal and interest on these securities.

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(6) Investments (Continued)

Fixed Maturity and Equity Securities (Continued)

Unrealized losses related to corporate securities are due to interest rates that are higher, and current market spreads that are wider than at the securities' respective purchase dates. The Company performed an analysis of the financial performance of the underlying issuers and determined that the entire amortized cost for each temporarily-impaired security is expected to be recovered.

Asset-backed securities, CMBS and RMBS are impacted by both interest rates and the value of the underlying collateral. The Company utilizes discounted cash flow models using best estimate assumptions to determine if a credit loss allowance is warranted.

The Company's CMBS portfolio had initial ratings of AA or higher and are diversified by property type and geographic location. The Company's CMBS portfolio is primarily super senior and senior securities as opposed to mezzanine or below. Commercial real estate fundamentals have impacted most of the asset class and the Company has recognized an impairment when warranted. At December 31, 2025, the Company had CMBS securities that had been in an unrealized loss position for twelve months or longer and 100.0% were investment grade securities (BBB or better).

The Company's RMBS portfolio primarily consists of residential mortgages to prime borrowers. As of December 31, 2025, 77.0% of the RMBS portfolio was invested in agency pass-through securities. Of the RMBS securities that were in an unrealized loss position for twelve months or longer, 100.0% were investment grade securities. Credit support for the RMBS holdings remains high.

At December 31, 2025 and 2024, fixed maturity securities and cash equivalents with a carrying value of \$21,254 and \$20,941, respectively, were on deposit with various regulatory authorities as required by law.

Mortgage Loans

The Company underwrites commercial mortgages on general purpose income producing properties and the Company has defined its portfolio segment as the commercial mortgage loan portfolio in total with the class segments defined as office buildings, retail facilities, apartment, industrial and other properties. Geographic and property type diversification is also considered in analyzing investment opportunities, as well as property valuation and cash flow. The mortgage loan portfolio, net of allowance for credit loss, totaled \$6,479,125 and \$6,338,778 at December 31, 2025 and 2024, respectively.

The Company's commercial mortgage loan investments are managed and serviced directly by Securian Asset Management, Inc. (Securian AM), a wholly owned registered investment advisor.

The Company participates in programs to sell a percentage of ownership of certain newly originated mortgage loans to third parties in order to diversify and mitigate risk. These transactions are accounted for as sales and the portion of each asset sold is legally isolated from the Company with no exposure of loss. Securian AM services the assets for the third party. There were no portions of mortgage loans sold during 2025 and 2024, respectively.

The following table shows the composition of the Company's commercial mortgage loan portfolio by class as of December 31:

	2025	2024
Industrial	\$ 1,844,866	\$ 1,867,730
Office buildings	999,474	913,908
Retail facilities	1,596,655	1,559,482
Apartment	1,728,107	1,713,462
Other	320,969	293,566
Total	<u>\$ 6,490,071</u>	<u>\$ 6,348,148</u>

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(6) Investments (Continued)

Mortgage Loans (Continued)

The allowance for credit losses is estimated using relevant available information, from internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. Historical credit loss experience provides the basis for estimating expected credit losses. Adjustments to historical loss information are made for differences in current loan specific characteristics and economic conditions. A reasonable and supportable forecast period of three years is used with reversion to the macroeconomic information used to develop the forecasts beyond three years.

The Company measures and assesses the credit quality of our mortgage loans by using loan-to-value and debt-service coverage ratios. The loan-to-value ratio compares the amount of the loan to the estimated fair value of the underlying property collateralizing the loan and is commonly expressed as a percentage. A loan-to-value ratio of less than 100% indicates an excess of collateral value over the loan amount. A loan-to-value ratio greater than 100% indicates that the loan amount exceeds the collateral value. The debt-service coverage ratio compares a property's net operating income to its debt-service payments. Debt-service coverage ratios less than 1.00 times indicates that property operations do not generate enough income to cover the loan's current debt payments. A debt-service coverage ratio greater than 1.00 time indicates an excess of net operating income over the debt-service payments. The Company also considers the performance of its portfolio which includes evaluating its performing and nonperforming mortgage loans. Nonperforming mortgage loans include loans that are not performing to the contractual terms of the loan agreement. Nonperforming mortgage loans do not include restructured loans that are current with payments and thus are considered performing.

The following tables provide the amortized cost basis of commercial mortgage loans by loan-to-value ratio and debt-service coverage ratio:

Loan-to-value ratio	December 31, 2025		
	Debt-service coverage ratio		
	Greater than 1.20x	1.00x - 1.20x	Less than 1.00x
Less than 65%	\$ 6,059,425	\$ 128,051	\$ 120,547
65% - 100%	167,465	—	—
Greater than 100%	—	—	14,583
Total mortgage loans	<u>\$ 6,226,890</u>	<u>\$ 128,051</u>	<u>\$ 135,130</u>

Loan-to-value ratio	December 31, 2024		
	Debt-service coverage ratio		
	Greater than 1.20x	1.00x - 1.20x	Less than 1.00x
Less than 65%	\$ 5,937,199	\$ 71,650	\$ 94,652
65% - 100%	218,330	11,734	—
Greater than 100%	—	—	14,583
Total mortgage loans	<u>\$ 6,155,529</u>	<u>\$ 83,384</u>	<u>\$ 109,235</u>

The values utilized in calculating the debt-service coverage ratio are updated annually based on income and expense data provided by borrowers. In addition, the loan-to-value ratio is routinely updated to incorporate the latest appraisal adjusted according to the most recent market data and loan values.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(6) Investments (Continued)

Mortgage Loans (Continued)

The following table provides a rollforward of the allowance for credit loss for the mortgage loan portfolio for the years ended December 31:

	2025	2024
Balance at beginning of year	\$ 9,370	\$ 10,944
Net addition to (release of) allowance	1,576	(1,574)
Balance at end of year	<u>\$ 10,946</u>	<u>\$ 9,370</u>

As of December 31, 2025, there was one loan that was past due and in non-accrual status which had an amortized cost basis of \$14,583. Interest recognized on the delinquent mortgage loan during 2025 was \$316. As of December 31, 2024, the Company had no delinquent mortgage loans.

Periodically, the Company may acquire real estate in satisfaction of debt. The acquired real estate is recognized at the lower of the loan's amortized cost balance or the acquired property's fair value less expected selling costs.

There was no real estate acquired in satisfaction of mortgage loan debt for the years ended December 31, 2025 and 2024.

Alternative Investments

Alternative investments primarily consist of private equity funds, mezzanine debt funds and hedge funds. Alternative investments are diversified by type, general partner, vintage year, and geographic location – both domestic and international.

The Company's composition of alternative investments by type were as follows:

	December 31, 2025		December 31, 2024	
	Carrying value	Percent of total	Carrying value	Percent of total
Alternative investments				
Private equity funds	\$ 842,429	70.5%	\$ 793,558	68.8%
Mezzanine debt funds	352,716	29.5%	359,381	31.2%
Hedge funds	94	—%	111	—%
Total alternative investments	<u>\$ 1,195,239</u>	<u>100.0%</u>	<u>\$ 1,153,050</u>	<u>100.0%</u>

Net Investment Income

Net investment income for the years ended December 31 was as follows:

	2025	2024
Fixed maturity securities, available-for-sale	\$ 1,107,412	\$ 1,005,538
Equity securities	19,746	21,247
Mortgage loans	284,135	250,674
Policy loans	52,212	42,498
Cash equivalents	15,755	20,518
Alternative investments	3,640	14,306
Derivative instruments	8,573	2,595
Other invested assets	13,107	7,550
Gross investment income	1,504,580	1,364,926
Investment expenses	(4,807)	(4,990)
Total	<u>\$ 1,499,773</u>	<u>\$ 1,359,936</u>

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(6) Investments (Continued)

Net Realized Investment Gains (Losses)

Net realized investment gains (losses) for the years ended December 31 were as follows:

	<u>2025</u>	<u>2024</u>
Fixed maturity securities, available-for-sale	\$ (64,788)	\$ (26,032)
Equity securities	41,390	29,521
Mortgage loans	(1,575)	1,574
Alternative investments	64,399	51,923
Derivative instruments	(30,558)	(102,818)
Other invested assets	(304)	(192)
Total	<u>\$ 8,564</u>	<u>\$ (46,024)</u>

Gross realized gains (losses) on the sales of fixed maturity securities and equity securities and distributions related to alternative investments for the years ended December 31 were as follows:

	<u>2025</u>	<u>2024</u>
Fixed maturity securities, available-for-sale:		
Gross realized gains	\$ 11,800	\$ 10,858
Gross realized losses	(76,105)	(36,948)
Equity securities:		
Gross realized gains	79,535	18,591
Gross realized losses	(16,900)	(10,357)
Alternative investments:		
Gross realized gains	49,770	60,629
Gross realized losses	(7,327)	(86)

The net unrealized investment gains (losses) recognized for equity securities held as of December 31 for the year ended December 31 was as follows:

	<u>2025</u>	<u>2024</u>
Net realized investment gains (losses)	\$ 41,390	\$ 29,521
Less: Net realized gains on sales	62,635	8,234
Net unrealized investment gains (losses) recognized on held equity securities	<u>\$ (21,245)</u>	<u>\$ 21,287</u>

Net investment gains and losses on fixed maturity securities, available-for-sale, recognized in net realized losses for the years ended December 31 were as follows:

	<u>2025</u>	<u>2024</u>
Realized losses on sales and disposals	\$ (64,305)	\$ (26,090)
Net credit loss (change in allowance for credit loss recognized in earnings)	(483)	58
Total net realized investment losses recognized on fixed maturity securities, available-for-sale	<u>\$ (64,788)</u>	<u>\$ (26,032)</u>

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(6) Investments (Continued)

Net Realized Investment Gains (Losses) (Continued)

The following tables provide the activity of the allowance for credit losses on fixed maturity securities, available-for-sale, by type as of December 31:

2025	CMBS	Total
Balance at beginning of year	\$ (1,720)	\$ (1,720)
Additions:		
Initial allowance for credit loss	(189)	(189)
Changes for securities with previously recorded allowance for credit loss	(294)	(294)
Reductions:		
Due to sales, maturities, pay downs or prepayments	2,014	2,014
Balance at end of year	\$ (189)	\$ (189)
2024	CMBS	Total
Balance at beginning of year	\$ (1,778)	\$ (1,778)
Additions:		
Changes for securities with previously recorded allowance for credit loss	58	58
Balance at end of year	\$ (1,720)	\$ (1,720)

(7) Derivative Instruments

Derivatives are financial instruments whose values are derived from interest rates, foreign currency exchange rates, or other financial indices. Derivatives may be exchange-traded or contracted in the OTC market. Derivatives provide the Company with an assumed economic hedge for certain identifiable and anticipated transactions. The Company does not enter into speculative positions. The Company uses a variety of derivatives including swaps, futures, forwards and option contracts to manage the risk associated with changes in estimated fair values related to the Company's financial assets and liabilities, to generate income and manage other risks due to the variable nature of the Company's cash flows. The Company has certain insurance, reinsurance and annuity contracts that contain embedded derivatives.

Hedge accounting is applied to certain foreign currency swaps where the swaps have been designated as an effective fair value hedge of foreign currency denominated fixed maturity securities. The Company formally assesses and measures effectiveness of its hedging relationships both at the hedge inception date and on an ongoing basis in accordance with its risk management policy.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(7) Derivative Instruments (Continued)

The Company is exposed to various risks relating to its ongoing business operations, including interest rate risk, foreign currency risk and equity market risk. The Company uses a variety of strategies to attempt to manage these risks. The following table presents the notional amount, estimated fair value, and primary underlying risk exposure of the Company's derivative financial instruments, excluding embedded derivatives held:

Primary underlying risk exposure	Instrument type	December 31, 2025			December 31, 2024		
		Notional amount	Fair value		Notional amount	Fair value	
			Assets	Liabilities (1)		Assets	Liabilities (1)
Derivatives designated as hedging instruments							
Foreign currency	Foreign currency swaps	\$ 506,272	\$ 26,587	\$ 14,175	\$ —	\$ —	\$ —
Total derivatives designated as hedging instruments		506,272	26,587	14,175	—	—	—
Derivatives not designated as hedging instruments							
Interest rate	Interest rate futures	130,013	—	—	180,618	—	—
	Interest rate forwards	375,000	6,063	1,674	415,000	—	32,300
Foreign currency	Foreign currency swaps	—	—	—	220,117	6,831	—
Equity market	Equity market futures	644,314	—	—	833,054	—	—
	Equity market options	27,021,524	1,542,502	889,476	20,580,925	1,030,611	531,959
Total derivatives not designated as hedging instruments		28,170,851	1,548,565	891,150	22,229,714	1,037,442	564,259
Total derivatives		<u>\$ 28,677,123</u>	<u>\$ 1,575,152</u>	<u>\$ 905,325</u>	<u>\$ 22,229,714</u>	<u>\$ 1,037,442</u>	<u>\$ 564,259</u>

(1) The estimated fair value of all derivatives in a liability position is reported within other liabilities on the consolidated balance sheets.

The majority of the freestanding derivatives utilized by the Company are for specific economic hedging programs related to various annuity and life insurance product liabilities that have market risk. Management considers the sales growth of products and the volatility in the interest and equity markets in assessing the trading activity for these programs.

Interest rate forwards are used by the Company to economically hedge interest rate risks primarily associated with secondary guarantees on variable annuities. An interest rate forward is an agreement between two parties to exchange a future settlement based upon a predetermined notional amount and forward interest rate.

Interest rate futures are used by the Company to manage duration in certain portfolios within the general account of the Company. In exchange traded interest rate futures transactions, the Company agrees to purchase or sell a specified number of contracts, the value of which is determined by the different classes of interest rate securities, and to post variation margin on a daily basis in an amount equal to the difference in the daily fair market values of those contracts. The Company enters into exchange-traded futures with regulated futures commission merchants that are members of the exchange. Exchange-traded interest rate futures are used primarily to economically hedge mismatches between the duration of the assets in a portfolio and the duration of liabilities supported by those assets, to economically hedge against changes in value of securities the Company owns or anticipates acquiring, and to economically hedge against changes in interest rates on anticipated liability issuances. The value of interest rate futures is substantially impacted by changes in interest rates and they can be used to modify or economically hedge existing interest rate risk.

Foreign currency forwards are used by the Company to reduce the risk from fluctuations in foreign currency exchange rates associated with its assets and liabilities denominated in foreign currencies. In a foreign currency forward transaction, the Company agrees with another party to deliver a specified amount of an identified currency at a specified future date. The price is agreed upon at the time of the contract and payment for such a contract is made in a different currency in the specified future date.

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(7) Derivative Instruments (Continued)

Foreign currency swaps are used by the Company to offset foreign currency exposure on interest and principal payments of bonds denominated in a foreign currency. In a foreign currency swap transaction, the Company agrees with another party to exchange, at specific intervals, the difference between on currency and another at a fixed exchange rate, generally set at inception, calculated by reference to an agreed upon notional amount. The notional amount of each currency is exchanged at the inception and termination of the currency swap by each party.

Equity futures include exchange-traded equity futures as well as VIX futures. VIX futures are used by the Company to reduce the variance of its portfolio of equity assets. The VIX is the index of the implied volatility of the index options and represents the expected stock market volatility over the next 30 day period. In exchange-traded equity futures transactions, the Company agrees to purchase or sell a specified number of contracts, the value of which is determined by the different classes of equity securities, and to post variation margin on a daily basis in an amount equal to the difference in the daily fair market values of those contracts. The Company enters into exchange-traded futures with regulated futures commission merchants that are members of the exchange. Exchange-traded equity futures are used primarily to hedge liabilities embedded in certain variable annuity, indexed annuity, and indexed universal life products offered by the Company.

Equity options are used by the Company to economically hedge certain risks associated with fixed indexed annuity and indexed universal life products, that allow the holder to elect an interest rate return or a market component, where interest credited to the contracts is linked to the performance of an index. Certain contract holders may elect to rebalance index options at renewal dates. As of each renewal date, the Company has the opportunity to re-price the indexed component by establishing participation rates, caps, spreads and specified rates, subject to contractual guarantees. The Company purchases equity options that are intended to be highly correlated to the portfolio allocation decisions of the contract holders with respect to returns for the current reset period.

Equity options are also used by the Company to economically hedge minimum guarantees embedded in certain variable annuity products offered by the Company. To economically hedge against adverse changes in equity indices, the Company enters into contracts to sell the equity index within a limited time at a contracted price. The contracts will be net settled in cash based on differentials in the indices at the time of exercise and the strike price. In certain instances, the Company may enter into a combination of transactions to economically hedge adverse changes in equity indices within a pre-determined range through the purchase and sale of options.

The following table presents the amount and location of gains (losses) recognized in income from derivative financial instruments designated as accounting hedges:

	December 31, 2025	
	Net investment income	Other comprehensive income (loss)
Foreign currency swaps designated as fair value hedges		
Interest settlements on derivatives	\$ 8,775	\$ —
Gain/(loss) on derivatives included in effectiveness assessment	(4,774)	—
Gain/(loss) recognized on hedged item	4,774	—
Gain/(loss) on derivatives excluded in effectiveness assessment	—	6,894
Income (expense) recognized on fair value hedges	<u>\$ 8,775</u>	<u>\$ 6,894</u>

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(7) Derivative Instruments (Continued)

The following tables present the amount and location of gains (losses) recognized in income from derivative financial instruments not designated as accounting hedges, excluding embedded derivatives:

	December 31, 2025		
	Net realized investment losses	Net investment income	Interest credited to policies and contracts
Interest rate futures	\$ (3,204)	\$ —	\$ 128
Interest rate forwards	3,296	—	—
Foreign currency forwards	12	(202)	—
Foreign currency swaps	3,209	—	—
Equity futures	(30,815)	—	13,204
Equity options	(3,056)	—	275,770
Total gains (losses) recognized in income from derivative financial instruments	<u>\$ (30,558)</u>	<u>\$ (202)</u>	<u>\$ 289,102</u>

	December 31, 2024		
	Net realized investment losses	Net investment income	Interest credited to policies and contracts
Interest rate futures	\$ (10,076)	\$ —	\$ 259
Interest rate forwards	(60,391)	—	—
Foreign currency forwards	(81)	(382)	—
Foreign currency swaps	7,333	2,977	—
Equity futures	(39,465)	—	82,473
Equity options	(137)	—	230,376
Total gains (losses) recognized in income from derivative financial instruments	<u>\$ (102,817)</u>	<u>\$ 2,595</u>	<u>\$ 313,108</u>

The Company may be exposed to credit-related losses in the event of nonperformance by counterparties to derivative financial instruments. Generally, the current credit exposure of the Company's derivative contracts is limited to the positive estimated fair value of derivative contracts at the reporting date after taking into consideration the existence of netting agreements and any collateral received pursuant to credit support annexes.

The Company manages its credit risk related to OTC derivatives by entering into transactions with highly rated counterparties, maintaining collateral arrangements and through the use of master agreements that provide for a single net payment to be made by one counterparty to another at each due date and upon termination. Because exchange traded futures are purchased through regulated exchanges, and positions are settled on a daily basis, the Company has minimal exposure to credit-related losses in the event of nonperformance by counterparties to such derivative instruments.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(7) Derivative Instruments (Continued)

The Company enters into various collateral arrangements, which require both the pledging and accepting of collateral in connection with its derivative instruments. The Company's collateral arrangements for its OTC derivatives generally require the counterparty in a net liability position, after considering the effect of netting arrangements, to pledge collateral when the fair value of that counterparty's derivatives reaches a pre-determined threshold. The Company received collateral from OTC counterparties in the form of securities amounting to \$531,960 and \$492,689 at December 31, 2025 and 2024, respectively. Securities collateral received by the Company is held in separate custodial accounts and is not recorded on the balance sheet. Credit agreements with counterparties permit the Company to sell or re-pledge this collateral; at December 31, 2025, none of the collateral had been sold or re-pledged. The Company delivered collateral to OTC counterparties in the form of fixed maturity securities with a carrying value of \$0 and \$4,182 and cash collateral of \$0 and \$7,869 at December 31, 2025 and 2024, respectively. The Company delivered collateral for futures contracts and exchange traded options in the form of fixed maturity and equity securities with a carrying value of \$100,189 and \$56,027 at December 31, 2025 and 2024, respectively. Securities collateral pledged by the Company is reported in fixed maturity securities on the consolidated balance sheets. Cash collateral pledged is reported as a receivable in other invested assets on the consolidated balance sheets.

Embedded Derivatives

The Company has certain embedded derivatives that are required to be separated from their host contracts and accounted for as derivatives.

The following table presents the fair value of the Company's embedded derivative asset (liabilities) at December 31:

	2025	2024
Other assets	\$ 14,205	\$ —
Policy and contract account balances on indexed annuities	(244,077)	(180,053)
Policy and contract account balances on indexed universal life policies	(707,208)	(639,196)

The following table presents the changes in fair value recorded as increases (decreases) in the consolidated statements of operations and comprehensive income (loss) related to embedded derivatives for the years ended December 31:

	2025	2024
Interest credited to policies and contracts on indexed annuities	\$ (64,024)	\$ (50,507)
Interest credited to policies and contracts on indexed universal life products	(68,012)	(8,889)
Interest credited to policies and contracts on ceded indexed annuities	14,205	—

(8) Variable Interest Entities

The Company is involved with various special purpose entities and other entities that are deemed to be variable interest entities (VIE). A VIE is an entity that either has investors that lack certain characteristics of a controlling financial interest or lacks sufficient equity to finance its own activities without financial support provided by other entities.

The Company performs ongoing qualitative assessments of its VIEs to determine whether the Company has a controlling financial interest in the VIE and is therefore the primary beneficiary. The Company is deemed to have controlling financial interest when it has both the ability to direct the activities that most significantly impact the economic performance of the VIE and the obligation to absorb losses or right to receive benefits from the VIE that could potentially be significant to the VIE.

The Company, through normal investment activities, makes passive investments in structured securities issued by VIEs. These structured securities typically invest in fixed income investments and include asset-backed securities, CMBS and RMBS. The Company has not provided financial or other support with respect to these investments other than its original investment. The Company has determined it is not the primary beneficiary of these investments due to the relative size of the Company's investment in comparison to the principal amount of the structured securities issued by the VIEs, the level of credit subordination, which reduces the Company's obligation to absorb losses or right to receive benefits, and the Company's inability to direct the activities that most significantly impact the economic performance of the VIEs and as a result has not consolidated these VIEs. The Company's maximum exposure to loss on these structured investments is limited to the amount of the investment. See note 6 Investments for details regarding the carrying amount and classification of these assets.

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(8) Variable Interest Entities (Continued)

In addition, the Company invests in alternative investments that may or may not be VIEs. The Company has determined that it is not required to consolidate these entities because it does not have the ability to direct the activities of the entities and it does not have the obligation to absorb losses or the right to receive benefits from the entities that could be potentially significant. The maximum exposure to loss associated with the entities is equal to the carrying amounts of the investment in the VIE plus any unfunded commitments. The carrying amount was \$1,195,239 and \$1,153,050 and the maximum exposure was \$1,784,748 and \$1,641,614 at December 31, 2025 and 2024, respectively.

(9) Income Taxes

Income tax expense varies from the amount computed by applying the federal income tax rate of 21% to income from operations before taxes. The significant components of this difference were as follows:

	2025	2024
Computed income tax expense	\$ 78,733	\$ 58,965
Difference between computed and actual tax expense:		
Dividends received deduction	(15,621)	(19,106)
Tax credits	(15,214)	(15,768)
Other, net	19,423	(1,648)
Total income tax expense	\$ 67,321	\$ 22,443

The current and deferred portions of income tax expense for the years ending December 31 were as follows:

	2025	2024
Income tax expense:		
Current	\$ 59,232	\$ 36,558
Deferred	8,089	(14,115)
Total income tax expense	\$ 67,321	\$ 22,443

As of December 31, 2025 and 2024, the gross deferred income tax assets were \$1,118,248 and \$1,221,367 respectively, and the gross deferred income tax liabilities were \$662,930 and \$631,876, respectively. The primary temporary differences that give rise to the Company's net deferred income tax asset of \$194,070 and \$268,260 as of December 31, 2025 and 2024, respectively, relates to DAC, policyholder liabilities, realized investment losses, and unrealized holding gains (losses) on securities. As of December 31, 2024 and 2023, net current income tax recoverables are reported in other assets and net deferred income tax liabilities are reported in other liabilities on the consolidated balance sheets.

The Company has a capital deferred income tax asset attributable to the net unrealized capital losses on available for sale securities within the Company's capital asset portfolio due to changes in market conditions and rising interest rates. As of December 31, 2025 and 2024, the Company recorded a valuation allowance of \$260,000 and \$320,000, respectively, related to the realizability of a portion of the deferred income tax asset from unrealized tax capital losses. The change in valuation allowance was recorded through other comprehensive income (loss) on the consolidated statements of operations and comprehensive income (loss). The valuation allowance reflects management's assessment, based on available information, that it is more likely than not that a certain portion of the deferred income tax asset for capital assets will not be realized. Management's assessment considers future reversals of existing temporary differences, taxable loss carrybacks where permitted, and applicable tax planning strategies, including the intent and ability of the Company to hold underlying securities to recovery.

The Company also recorded a valuation allowance of \$1,248 and \$1,230 as of December 31, 2025 and 2024, respectively, related to tax benefits of certain state operating loss carryforwards. The valuation allowance reflects management's assessment, based on available information, that it is more likely than not that the deferred income tax asset for certain state operating loss carryforwards will not be realized. Management's assessment considers future reversals of existing temporary differences and future state taxable income.

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(9) Income Taxes (Continued)

As of December 31, 2025 and 2024, the Company's total recorded deferred income tax asset valuation allowance was \$261,248 and \$321,230, respectively. The total change in the deferred income tax asset valuation allowance from the year ended December 31, 2024 to the year ended December 31, 2025 was \$(59,982).

At December 31, 2025, net state operating loss carryforwards were \$20,890 with the majority expiring beginning in 2030.

At December 31, 2025, the Company had no net federal operating loss carryforwards.

Income taxes paid for the years ended December 31, 2025 and 2024, were \$42,081 and \$85,063, respectively.

A reconciliation of the beginning and ending balance of unrecognized tax benefits is as follows:

	2025	2024
Balance at beginning of year	\$ 4,227	\$ 4,530
Additions based on tax positions related to current year	780	540
Reductions for tax positions of prior years	(199)	(843)
Balance at end of year	<u>\$ 4,808</u>	<u>\$ 4,227</u>

Included in the balance of unrecognized tax benefits at December 31, 2025 are potential benefits of \$4,808 that, if recognized, would affect the effective tax rate on income from operations.

As of December 31, 2025, accrued interest and penalties of \$242 are recorded in other assets on the consolidated balance sheets and \$53 are recorded in income tax expense on the consolidated statements of operations and comprehensive income (loss).

At December 31, 2025, the Company does not expect a significant increase in tax contingencies within the 12 month period following the balance sheet date.

All tax years through 2021 are closed. The IRS has not stated its intention to audit the MMC 2022, 2023, or 2024 consolidated tax return.

(10) Employee Benefit Plans

Pension and Other Postretirement Plans

The Company has non-contributory defined benefit retirement plans covering substantially all employees and certain former agents. Benefits are based upon years of participation and the employee's average monthly compensation or the agent's adjusted annual compensation. In 2026, the Company expects to contribute the amounts necessary to meet the minimum funding requirements to its non-contributory defined benefit plans. In addition, it may contribute additional tax deductible amounts.

The Company also has an unfunded non-contributory defined benefit retirement plan, which provides certain employees with benefits in excess of limits for qualified retirement plans.

The Company also has postretirement plans that provide certain health care and life insurance benefits to certain eligible retired employees who meet eligibility requirements. Eligibility is determined by age at retirement and years of service. The plan was amended in 2025 to limit eligibility to those who meet the age and service requirements on or before January 1, 2027. The plan was also amended during 2025 to amend the form of benefits provided to post-age 65 retirees, effective January 1, 2026. Health care premiums are shared with retirees, and other cost-sharing features include deductibles and co-payments. Due to a curtailment even and plan amendment during 2025, the benefit obligation for the retiree medical plan in other benefits was reduced by \$20,654.

The Company has a 401(h) account through its non-contributory defined benefit plan to partially fund retiree medical costs for non-key employees. The Company does not expect to contribute to the 401(h) account in 2026, but may contribute additional tax deductible amounts.

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(10) Employee Benefit Plans (Continued)

Pension and Other Postretirement Plans (Continued)

The funded status of the Company's plans as of December 31 was as follows:

	Pension benefits		Other benefits	
	2025	2024	2025	2024
Benefit obligation	\$ 1,122,018	\$ 1,078,031	\$ 27,740	\$ 47,580
Fair value of plan assets	1,260,353	1,181,037	15,577	15,649
Funded status	<u>\$ 138,335</u>	<u>\$ 103,006</u>	<u>\$ (12,163)</u>	<u>\$ (31,931)</u>

The amounts recognized in the consolidated balance sheets for the Company's plans as of December 31 were as follows:

	Pension benefits		Other benefits	
	2025	2024	2025	2024
Prepaid benefit cost	\$ 254,176	\$ 214,002	\$ —	\$ —
Accrued benefit cost	(115,841)	(110,996)	(12,163)	(31,931)
Net amount recognized	<u>\$ 138,335</u>	<u>\$ 103,006</u>	<u>\$ (12,163)</u>	<u>\$ (31,931)</u>

Prepaid benefit costs are included in other assets and accrued benefit costs are included in other liabilities on the consolidated balance sheets.

The amounts recognized in accumulated other comprehensive loss for the Company's plans as of December 31 were as follows:

	Pension benefits		Other benefits	
	2025	2024	2025	2024
Net actuarial loss	\$ (44,376)	\$ (68,324)	\$ (324)	\$ (2,970)
Prior service benefit	—	—	14,807	32,062
Accumulated other comprehensive gain (loss)	<u>\$ (44,376)</u>	<u>\$ (68,324)</u>	<u>\$ 14,483</u>	<u>\$ 29,092</u>

For the year ended December 31, 2025, there were no significant items impacting the net (gain) loss included in benefit obligation.

Net periodic benefit costs for pension and other benefits for the years ended December 31, 2025 and 2024 were \$(1,759) and \$(5,109), respectively, and are included in general operating and other expenses on the consolidated statements of operations and comprehensive income (loss).

For the years ended December 31, 2025 and 2024, net periodic costs for pension and other benefit costs consist of service costs of \$26,393 and \$26,235, respectively, and other components of \$(28,152) and \$(31,344), respectively.

The accumulated benefit obligation as of December 31 was as follows:

	Pension benefits		Other benefits	
	2025	2024	2025	2024
Accumulated benefit obligation	\$ 984,418	\$ 945,391	\$ 27,740	\$ 47,580

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(10) Employee Benefit Plans (Continued)

Pension and Other Postretirement Plans (Continued)

Plans with accumulated benefit obligation in excess of plan assets as of December 31 were as follows:

	Pension benefits	
	2025	2024
Plans with accumulated benefit obligation in excess of plan assets:		
Projected benefit obligation	\$ 90,598	\$ 84,656
Accumulated benefit obligation	71,429	67,479
Fair value of plan assets	—	—

Employer contributions shown are net of reimbursements from the 401(h) account to the Company for the retiree medical costs for non-key employees. The amounts of employer contributions and benefits paid for the years ending December 31 were as follows:

	Pension benefits		Other benefits	
	2025	2024	2025	2024
Employer contributions	\$ 9,941	\$ 8,975	\$ 24	\$ (749)
Benefits paid	(53,410)	(47,677)	(1,765)	(1,868)

The Company updated its assumptions as of December 31, 2025 and 2024 with respect to its pension and postretirement benefit obligations after a review of plan experience and economic conditions. The assumption changes are a component of the net actuarial gain (loss).

The weighted average assumptions used to determine benefit obligations at December 31 were as follows:

	Pension benefits		Other benefits	
	2025	2024	2025	2024
Discount rate (1)	5.75%	5.76%	5.29 %	5.72%
Rate of compensation increase	4.86%	4.86%	—	—
Health care cost trend rate (2)	—	—	8.50 %	7.84%

(1) The present value of expected future benefit payments used to determine the benefit obligation for each plan is calculated based on a theoretical yield curve consisting of AA rated corporate fixed maturity securities and Treasury spot curve data. The discount rate for each plan is the single rate which results in the same present value of obligations as that obtained using the yield curve.

(2) For 2025 year-end obligation measurement purposes, the 8.50% rate was assumed to decrease gradually to 3.90% for 2075 and remain at that level thereafter. For 2024 year-end obligation measurement purposes, the 7.84% rate was assumed to decrease gradually to 3.90% for 2075 and remain at that level thereafter. For 2025, the health care cost trend rate reflected in the table represents rates for prior to age 65 only, as post-65 rates are no longer applicable under the revised plan design. For 2024, the health care cost trend rate reflected in the table above represent blended rates for prior to age 65 and after age 65.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(10) Employee Benefit Plans (Continued)

Pension and Other Postretirement Plans (Continued)

The weighted average assumptions used to determine net periodic benefit costs for the years ending December 31 were as follows:

	Pension benefits		Other benefits	
	2025	2024	2025	2024
Expected long-term return on plan assets (1)	6.75%	5.98%	6.75%	6.25%
Discount rate (2)	5.76%	5.15%	5.72%	5.15%
Rate of compensation increase	4.86%	3.81%	—	—

(1) Historical rates of return for individual asset classes and future estimated returns are used to develop expected rates of return. These rates of return are applied to the plan's investment policy to determine a range of expected returns. The expected long-term rate of return on plan assets is selected from this range.

(2) The present value of expected future benefit payments used to determine the benefit obligation for each plan is calculated based on a theoretical yield curve consisting of AA rated corporate fixed maturity securities and Treasury spot curve data. The discount rate for each plan is the single rate which results in the same present value of obligations as that obtained using the yield curve.

The assumptions presented herein are based on pertinent information available to management as of December 31, 2025 and 2024. Actual results could differ from those estimates and assumptions.

Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss) as of December 31 were as follows:

	Pension benefits		Other benefits	
	2025	2024	2025	2024
Prior service cost	\$ —	\$ —	\$ (13,835)	\$ —
Net gain (loss)	\$ 22,766	\$ (34,675)	\$ 1,526	\$ 6,659
Amortization of net gain (loss)	1,182	628	—	210
Amortization of prior service benefit	—	(1,770)	(3,421)	(4,642)
Curtailment	—	—	1,121	—
Total recognized in other comprehensive income (loss)	<u>\$ 23,948</u>	<u>\$ (35,817)</u>	<u>\$ (14,609)</u>	<u>\$ 2,227</u>

Estimated future benefit payments for pension and other postretirement plans:

	Pension benefits	Other benefits
2026	\$ 57,132	\$ 2,945
2027	59,157	2,937
2028	61,187	2,684
2029	64,436	2,515
2030	68,777	2,401
2031-2035	367,609	11,312

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(10) Employee Benefit Plans (Continued)

Pension and Other Postretirement Plans (Continued)

Investment policies and asset allocation

Generally, the investment objective of the non-contributory defined benefit plans is to balance the elements of risk, return and volatility. This objective recognizes that assets should be sufficiently liquid to enable the plans to pay all benefits and expenses when due, that higher investment returns increase the plans' assets and therefore maintain or improve the plan's funded status, and that the plan's assets should be managed with regard to relative changes in the plan's liability. This objective is achieved by strategically allocating assets among equity securities, fixed maturity securities and alternative investments. The target allocation of the Company's non-contributory defined benefit plans is generally based on the proportion of the obligation that is interest rate sensitive versus equity sensitive. The higher levels of risk entailed in equity securities are balanced by investing a significant portion of the plans' assets in high quality fixed maturity securities matching the characteristics of the plans' obligations and by considering the effect of equity movements on the plan liability.

The target asset allocation as of December 31, 2025, for each of the broad investment categories, weighted for all plans combined is as follows:

Equity securities	35% to 47%
Fixed maturity securities and cash	45% to 57%
Alternative investments	2% to 14%

The target asset allocation varies based on the distribution of the underlying obligation.

The Company's non-contributory defined benefit plans weighted average asset allocations by asset category at December 31 are as follows:

	2025	2024
Equity securities	40%	46%
Fixed maturity securities and cash	51%	45%
Alternative investments	9%	9%

Equity securities, as classified in the above table, include investments in common stocks, mutual funds, private equity limited partnerships, collective investment trusts (CIT) and other investment entities held directly or in pooled separate accounts. Fixed maturity securities and cash include investments in money market funds and investments in pooled separate accounts. Pooled separate accounts are under a group annuity contract with Minnesota Life Insurance Company and represent segregated funds consisting principally of marketable fixed maturity and equity securities.

Alternative investments includes real estate and credit focused CITs and hedge fund limited partnerships.

The Company's investment policy includes various guidelines and procedures designed to ensure that the plans' assets can reasonably be expected to achieve the objective of the policy. The investment policy is periodically reviewed by the plans' respective trustees.

In accordance with authoritative accounting guidance, the Company groups plan assets into a three-level hierarchy for valuation techniques used to measure their fair value based on whether the valuation inputs are observable or unobservable. Refer to note 5 Fair Value of Financial Instruments for further discussion on these levels.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(10) Employee Benefit Plans (Continued)

Pension and Other Postretirement Plans (Continued)

The following tables summarize the Company's pension benefit plans' financial assets measured at fair value on a recurring basis:

December 31, 2025	Level 1	Level 2	Level 3	Total
Collective investment trusts	\$ —	\$ 223,262	\$ —	\$ 223,262
Investments in pooled separate accounts	—	886,078	—	886,078
Limited partnerships	—	—	79,796	79,796
Other investment entities	—	54,721	—	54,721
Cash and cash equivalents	16,467	—	—	16,467
Total financial assets	\$ 16,467	\$ 1,164,061	\$ 79,796	\$ 1,260,325

December 31, 2024	Level 1	Level 2	Level 3	Total
Collective investment trusts	—	319,031	—	319,031
Investments in pooled separate accounts	—	721,455	—	721,455
Limited partnerships	—	—	129,944	129,944
Cash and cash equivalents	10,585	—	—	10,585
Total financial assets	\$ 10,585	\$ 1,040,486	\$ 129,944	\$ 1,181,015

Refer to note 5 Fair Value of Financial Instruments for valuation methods and assumptions related to cash and cash equivalents.

Collective investment trusts and other investment entities

Collective Investment Trusts and other investment entities are pooled investment accounts with diversified portfolios. CITs are classified as Level 2 as the values are based upon reported net asset values provided by the fund managers with little readily determinable public pricing information.

Investments in pooled separate accounts

Investments in pooled separate accounts are stated at the corresponding unit value of the pooled separate account, which represents fair value. Investments in pooled separate accounts are classified as Level 2 as the values are based upon quoted prices or reported net asset values provided by asset management firms with little readily determinable public pricing information.

Limited partnerships

Limited partnership investments primarily include investments in private equity funds and hedge funds. The fair value of these investments is determined using assumptions that are generally unobservable and the investments typically have significant liquidity restrictions and are therefore classified as Level 3.

The following table provides a summary of purchases, sales and settlements of Level 3 financial assets held at fair value on a recurring basis during the year ended December 31, 2025:

	Purchases	Sales	Settlements
Limited partnerships	\$ 2,027	\$ (4,705)	\$ —
Total financial assets	\$ 2,027	\$ (4,705)	\$ —

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(10) Employee Benefit Plans (Continued)

Pension and Other Postretirement Plans (Continued)

The following table provides a summary of purchases, sales and settlements of Level 3 financial assets held at fair value on a recurring basis during the year ended December 31, 2024:

	<u>Purchases</u>	<u>Sales</u>	<u>Settlements</u>
Limited partnerships	\$ 44,333	\$ (7,654)	\$ —
Total financial assets	<u>\$ 44,333</u>	<u>\$ (7,654)</u>	<u>\$ —</u>

Transfers of securities among the levels occur at the beginning of the reporting period. There were no transfers in to level 3 for the years ending December 31, 2025 and 2024. There were transfers out of Level 3 of \$42,000 and \$0 for the years ended December 31, 2025 and 2024, respectively.

The following table summarizes the Company's other postretirement benefit plan's financial assets measured at fair value on a recurring basis:

<u>December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Collective investment trusts	\$ —	\$ 15,575	\$ —	\$ 15,575
Cash and cash equivalents	2	—	—	2
Total financial assets	<u>\$ 2</u>	<u>\$ 15,575</u>	<u>\$ —</u>	<u>\$ 15,577</u>
<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Collective investment trusts	\$ —	\$ 15,648	\$ —	\$ 15,648
Cash and cash equivalents	1	—	—	1
Total financial assets	<u>\$ 1</u>	<u>\$ 15,648</u>	<u>\$ —</u>	<u>\$ 15,649</u>

The Plans did not have any assets or liabilities reported at fair value on a non-recurring basis.

Profit Sharing Plans

The Company also has profit sharing plans covering substantially all employees. The Company's contribution rate to the employee plan is determined annually by the directors of the Company and is applied to each participant's prior year earnings. The Company recognized contributions to the plans during 2025 and 2024 of \$17,490 and \$16,980, respectively. Participants may elect to receive a portion of their contributions in cash.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(11) Liability for Pending Policy and Contract Claims

Liability for Unpaid Claims and Claim Loss Adjustment Expenses

The following table provides activity in the liability for unpaid claims and loss adjustment expenses related to short and long duration insurance contracts:

	2025	2024
Balance at January 1	\$ 1,567,609	\$ 1,515,894
Less: reinsurance recoverable	652,144	681,260
Net balance at January 1	915,465	834,634
Incurred related to:		
Current year	3,127,550	3,102,636
Prior years	30,113	18,469
Total incurred	3,157,663	3,121,105
Paid related to:		
Current year	2,471,617	2,341,153
Prior years	706,858	699,121
Total paid	3,178,475	3,040,274
Net balance at December 31	894,653	915,465
Plus: reinsurance recoverable	596,786	652,144
Balance at December 31	<u>\$ 1,491,439</u>	<u>\$ 1,567,609</u>

As a result of changes in estimates of claims incurred in prior years, the unpaid claims and claim and loss adjustment expenses incurred increased by \$30,113 and \$18,469 in 2025 and 2024, respectively. The amounts are the result of normal reserve development inherent in the uncertainty of establishing the liability for unpaid claims and claim and loss adjustment expenses, a portion of which are recaptured by the Company through profit sharing arrangements with certain business partners which is included in other income on the consolidated statements of operations and comprehensive income (loss).

Short-Duration Contracts

Certain short-duration contracts are offered within the Company's financial institution and group insurance products.

Claim and claim adjustment expense liabilities are set using a combination of actuarial methods. The liabilities are computed using assumptions for mortality, morbidity, and other performance. These assumptions are based on the Company's experience, industry results, emerging trends and future expectations. Claim frequency is primarily based on reported claims assigned to individual claimants. Claim counts may initially include claims that do not ultimately result in a liability. These claims are omitted from claim counts once it is determined that there is no liability. The information about incurred and paid loss development for all periods preceding year ended December 31, 2025 and the related historical claims payout percentage disclosure is unaudited and is presented as supplementary information.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(11) Liability for Pending Policy and Contract Claims (Continued)

Short-Duration Contracts (Continued)

Incurred and paid claims, net of reinsurance, including allocated claim adjustment expenses, by product and by incurral year are summarized below along with the liability for incurred but not reported (IBNR) claims plus expected development on reported claims and the cumulative number of individual claims reported (reported claims) by incurral year as of December 31, 2025:

Life and specialty property and casualty insurance sold through financial institutions

Incurral year	Net cumulative incurred claims ⁽¹⁾			IBNR	Reported claims
	2023	2024	2025		
2023	\$ 265,123	\$ 259,185	\$ 261,751	\$ 1,083	4,998
2024	—	276,391	262,384	2,973	5,422
2025	—	—	260,480	44,125	3,885
Total			<u>\$ 784,615</u>		

(1) 2023 and 2024 unaudited.

Incurral year	Net cumulative paid claims ⁽¹⁾		
	2023	2024	2025
2023	\$ 208,046	\$ 249,640	\$ 257,889
2024	—	217,084	254,757
2025	—	—	209,090
Total			<u>\$ 721,736</u>
Outstanding liabilities prior to 2023			\$ 3,648
Liabilities for unpaid losses and loss adjustment expenses, net of reinsurance			\$ 66,527

(1) 2023 and 2024 unaudited.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(11) Liability for Pending Policy and Contract Claims (Continued)

Short-Duration Contracts (Continued)

Incurred and paid claims, net of reinsurance, including allocated claim adjustment expenses, by product and by incurral year are summarized below along with the liability for IBNR claims plus expected development on reported claims and the cumulative number of reported claims by incurral year as of December 31, 2025 (Continued):

Group term life insurance and other Group voluntary products

<u>Incurral year</u>	<u>Net cumulative incurred claims ⁽¹⁾</u>			<u>IBNR</u>	<u>Reported claims</u>
	<u>2023</u>	<u>2024</u>	<u>2025</u>		
2023	\$ 1,948,416	\$ 1,950,848	\$ 1,933,782	\$ —	63
2024	—	2,163,323	2,137,758	5,863	72
2025	—	—	2,228,588	174,744	77
Total			<u>\$ 6,300,128</u>		

(1) 2023 and 2024 unaudited.

<u>Incurral year</u>	<u>Net cumulative paid claims ⁽¹⁾</u>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
2023	\$ 1,515,689	\$ 1,868,578	\$ 1,902,286
2024	—	1,678,228	2,077,529
2025	—	—	1,734,134
Total			<u>\$ 5,713,949</u>

Outstanding liabilities prior to 2023 \$ 25,883

Liabilities for unpaid losses and loss adjustment expenses, net of reinsurance \$ 612,062

(1) 2023 and 2024 unaudited.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(11) Liability for Pending Policy and Contract Claims (Continued)

Short-Duration Contracts (Continued)

The reconciliation by product of the liability for pending policy and contract claims relating to short-duration contracts to the total liability for pending policy and contract claims on the consolidated balance sheets as of December 31, 2025 is as follows:

	<u>Financial institution products</u>	<u>Group insurance products</u>	<u>Total</u>
Liability for short duration pending policy and contract claims, net of reinsurance	\$ 66,528	\$ 612,062	\$ 678,590
Reinsurance recoverable on pending policy and contract claims	28,722	96,177	124,899
Less: other liabilities ⁽¹⁾	<u>32,102</u>	<u>(11)</u>	<u>32,091</u>
Short-duration claims recorded within pending policy and contract claims on the consolidated balance sheet	<u>\$ 63,148</u>	<u>\$ 708,250</u>	771,398
Long-duration pending policy and contract claims			<u>216,611</u>
Pending policy and contract claims			<u>\$ 988,009</u>

(1) Includes contracts that are recorded in line items other than pending policy and contract claims on the consolidated balance sheet.

Supplementary information on the historical average annual percentage payoff of incurred claims, net of reinsurance, by product and accident year as of December 31, 2025 is as follows⁽¹⁾:

<u>Incurral year</u>	<u>Financial institution products</u>	<u>Group insurance products</u>
1	80.8%	76.8%
2	15.1%	19.8%
3	3.2%	1.6%

(1) Unaudited.

(12) Reinsurance

In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding reinsurance to other insurance companies. To the extent that a reinsurer is unable to meet its obligation under the reinsurance agreement, the Company remains liable. The Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk to minimize its exposure to significant losses from reinsurer insolvencies. At December 31, 2025 and 2024, the Company had an allowance for credit loss of \$3,964 and \$3,953, respectively on its reinsurance recoverable and deposit receivable balances.

Reinsurance is accounted for over the lives of the underlying reinsured policies using assumptions and methods consistent with those used to account for the underlying direct policies.

The effect of reinsurance on premiums for the years ended December 31 was as follows:

	<u>2025</u>	<u>2024</u>
Direct premiums	\$ 6,573,427	\$ 6,499,646
Reinsurance assumed	6,634	7,665
Reinsurance ceded	<u>(967,078)</u>	<u>(1,087,465)</u>
Net premiums	<u>\$ 5,612,983</u>	<u>\$ 5,419,846</u>

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(12) Reinsurance (Continued)

Reinsurance recoveries on ceded reinsurance contracts included in policyholder benefits on the consolidated statements of operations and comprehensive income (loss) were \$867,849 and \$977,093 during 2025 and 2024, respectively.

Reinsurance recoverables at December 31, 2025 and 2024 included \$1,707,352 and \$1,789,419 respectively ceded to one reinsurer related to certain closed blocks of individual life and individual annuity products for which a trust is in place as discussed in note 21 Commitments and Contingences.

(13) Deferred Acquisition Costs, Deferred Sales Inducements, and Unearned Revenue Reserves

The following tables roll forward DAC held on long duration products for the for the years ended December 31 as follows:

	2025				
	Traditional life and A&H	Universal life	Immediate annuity and PRT	Deferred annuity	Total
Balance at January 1	\$ 222,210	\$ 1,904,217	\$ 24,425	\$ 265,261	\$ 2,416,113
Capitalizations	40,202	175,544	2,938	23,163	241,847
Amortization expense	(16,189)	(91,487)	(1,771)	(33,451)	(142,898)
Foreign currency translation	179	—	—	—	179
Balance at December 31	246,402	1,988,274	25,592	254,973	2,515,241
Value of business acquired					16,699
Other reconciling items ⁽¹⁾					246,926
DAC					<u>\$ 2,778,866</u>

(1) Other reconciling items primarily consist of DAC associated with short duration products.

	2024				
	Traditional life and A&H	Universal life	Immediate annuity and PRT	Deferred annuity	Total
Balance at January 1	\$ 194,906	\$ 1,800,318	\$ 22,432	\$ 266,299	\$ 2,283,955
Capitalizations	43,260	188,139	3,661	30,845	265,905
Amortization expense	(15,732)	(84,240)	(1,668)	(31,883)	(133,523)
Foreign currency translation	(224)	—	—	—	(224)
Balance at December 31	222,210	1,904,217	24,425	265,261	2,416,113
Value of business acquired					18,794
Other reconciling items ⁽¹⁾					202,521
DAC					<u>\$ 2,637,428</u>

(1) Other reconciling items primarily consist of DAC associated with short duration products.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(13) Deferred Acquisition Costs, Deferred Sales Inducements, and Unearned Revenue Reserves (Continued)

The following table rolls forward the deferred sales inducements for the years ended December 31:

	2025	2024
	Deferred annuity	Deferred annuity
Balance as of January 1	\$ 26,287	\$ 31,297
Capitalization	(1,673)	(982)
Amortization	(3,216)	(4,028)
Balance as of December 31	<u>\$ 21,398</u>	<u>\$ 26,287</u>

The following table rolls forward the URR for the years ended December 31:

	2025	2024
	Universal life	Universal life
Balance as of January 1	\$ 1,552,809	\$ 1,431,892
Revenue deferred	191,066	193,443
Amortization	(80,311)	(72,526)
Balance as of December 31	<u>\$ 1,663,564</u>	<u>\$ 1,552,809</u>

In 2025, the Company undertook a review of all significant assumptions and did not make any changes to future assumptions as actual experience for mortality, longevity, and lapses was materially consistent with underlying assumptions. In 2024, the Company undertook a review of all significant assumptions and revised its future mortality expectations for whole life, single-pay life, and universal life, and future lapse expectations for term life and immediate annuity. While revisions varied by factors including plan code, policy duration, and issue age, in general, future mortality expectations for whole life, single-pay life, and universal life were increased and future lapse expectations for term life and immediate annuity were also increased.

(14) Separate Accounts

The following tables summarize the balance of, and changes in, separate account liabilities for the years ended December 31:

	2025		
	Universal life	Deferred annuity	Total
Balance as of January 1	\$ 4,942,728	\$ 24,287,216	\$ 29,229,944
Premiums and deposits	338,076	2,135,547	2,473,623
Policy charges	(139,281)	(116,245)	(255,526)
Surrenders and withdrawals	(79,965)	(3,903,292)	(3,983,257)
Benefit payments	(21,075)	(2,116,251)	(2,137,326)
Investment performance	715,308	3,368,192	4,083,500
Net transfers from (to) general account	(123,542)	63,823	(59,719)
Balance as of December 31	<u>\$ 5,632,249</u>	<u>\$ 23,718,990</u>	<u>\$ 29,351,239</u>
Cash Surrender Value	\$ 5,428,110	\$ 4,831,573	\$ 10,259,683

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(14) Separate Accounts (Continued)

The following tables summarize the balance of, and changes in, separate account liabilities for the years ended December 31 (Continued):

	2024		
	Universal life	Deferred annuity	Total
Balance as of January 1	\$ 4,289,543	\$ 25,489,942	\$ 29,779,485
Premiums and deposits	361,855	2,227,897	2,589,752
Policy charges	(130,878)	(131,923)	(262,801)
Surrenders and withdrawals	(114,178)	(4,177,572)	(4,291,750)
Benefit payments	(32,206)	(2,336,774)	(2,368,980)
Investment performance	644,682	3,170,707	3,815,389
Net transfers from (to) general account	(76,090)	44,939	(31,151)
Balance as of December 31	<u>\$ 4,942,728</u>	<u>\$ 24,287,216</u>	<u>\$ 29,229,944</u>
Cash Surrender Value	\$ 4,749,966	\$ 5,001,719	\$ 9,751,685

For the years ended December 31, 2025 and 2024, there were no transfers of assets, other than cash, from the general account to a separate account. As a result, no gains or losses were recorded.

Account balances for universal life and deferred annuity contracts invested in variable separate accounts by mutual fund grouping for the years ended December 31 are as follows:

	2025		2024	
	Universal life	Deferred annuity	Universal life	Deferred annuity
Equity	\$ 4,283,175	\$ 14,293,918	\$ 3,795,844	\$ 14,423,485
Bond	404,502	3,445,823	375,445	3,526,887
Balanced	694,886	5,553,308	589,436	5,855,564
Money Market	175,020	311,768	165,997	348,950
Real estate	74,666	114,173	16,006	132,330
Total	<u>\$ 5,632,249</u>	<u>\$ 23,718,990</u>	<u>\$ 4,942,728</u>	<u>\$ 24,287,216</u>

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(15) Liabilities for Future Policyholder Benefits

The following tables summarize the balance of, and changes in, the LFPB for nonparticipating traditional and limited pay contracts for the years ended December 31:

	2025		
	Traditional life and A&H	Immediate Annuity and PRT	Total
Present value of expected net premiums:			
Balance as of January 1	\$ 871,975	\$ —	\$ 871,975
Beginning balance at original discount rate	918,260	—	918,260
Effect of changes in cash flow assumptions	39,224	—	39,224
Effect of actual variances from expected experience	21,254	243	21,497
Adjusted beginning of year balance	978,738	243	978,981
Issuances	163,634	1,214,253	1,377,887
Interest accrual	44,387	6,222	50,609
Net premiums collected	(185,754)	(1,220,718)	(1,406,472)
Ending balance at original discount rate	1,001,005	—	1,001,005
Effect of changes in discount rate assumptions	(24,366)	—	(24,366)
Balance as of December 31	<u>\$ 976,639</u>	<u>\$ —</u>	<u>\$ 976,639</u>
Present value of expected future policy benefits:			
Balance as of January 1	\$ 1,762,176	\$ 5,980,284	\$ 7,742,460
Beginning balance at original discount rate	1,842,737	6,496,198	8,338,935
Effect of changes in cash flow assumptions	64,938	—	64,938
Effect of actual variances from expected experience	38,774	1,558	40,332
Adjusted beginning of year balance	1,946,449	6,497,756	8,444,205
Issuances	164,678	1,230,003	1,394,681
Interest accrual	91,563	277,625	369,188
Benefit payments	(172,251)	(676,348)	(848,599)
Foreign currency translation	10,591	—	10,591
Ending balance at original discount rate	2,041,030	7,329,036	9,370,066
Effect of changes in discount rate assumptions	(63,401)	(343,948)	(407,349)
Balance as of December 31	<u>\$ 1,977,629</u>	<u>\$ 6,985,088</u>	<u>\$ 8,962,717</u>
Net LFPB	\$ 1,000,990	\$ 6,985,088	\$ 7,986,078
Less: reinsurance recoverable	(281,643)	(44,280)	(325,923)
Net LFPB, after reinsurance recoverable	<u>\$ 719,347</u>	<u>\$ 6,940,808</u>	<u>\$ 7,660,155</u>

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(15) Liabilities for Future Policyholder Benefits (Continued)

The following tables summarize the balance of, and changes in, the LFPB for nonparticipating traditional and limited pay contracts for the years ended December 31 (Continued):

	2024		
	Traditional life and A&H	Immediate Annuity and PRT	Total
Present value of expected net premiums:			
Balance as of January 1	\$ 880,179	\$ —	\$ 880,179
Beginning balance at original discount rate	916,654	—	916,654
Effect of changes in cash flow assumptions	(87,448)	—	(87,448)
Effect of actual variances from expected experience	36,198	(3,217)	32,981
Adjusted beginning of year balance	865,404	(3,217)	862,187
Issuances	235,352	1,167,881	1,403,233
Interest accrual	42,276	4,409	46,685
Net premiums collected	(224,772)	(1,169,073)	(1,393,845)
Ending balance at original discount rate	918,260	—	918,260
Effect of changes in discount rate assumptions	(46,285)	—	(46,285)
Balance as of December 31	<u>\$ 871,975</u>	<u>\$ —</u>	<u>\$ 871,975</u>
Present value of expected future policy benefits:			
Balance as of January 1	\$ 1,797,891	\$ 5,229,055	\$ 7,026,946
Beginning balance at original discount rate	1,843,464	5,655,887	7,499,351
Effect of changes in cash flow assumptions	(163,728)	(12,166)	(175,894)
Effect of actual variances from expected experience	16,946	23,136	40,082
Adjusted beginning of year balance	1,696,682	5,666,857	7,363,539
Issuances	237,812	1,180,794	1,418,606
Interest accrual	84,513	237,409	321,922
Benefit payments	(157,300)	(588,862)	(746,162)
Foreign currency translation	(18,971)	—	(18,971)
Ending balance at original discount rate	1,842,736	6,496,198	8,338,934
Effect of changes in discount rate assumptions	(80,561)	(515,914)	(596,475)
Balance as of December 31	<u>\$ 1,762,175</u>	<u>\$ 5,980,284</u>	<u>\$ 7,742,459</u>
Net LFPB	\$ 890,200	\$ 5,980,284	\$ 6,870,484
Less: reinsurance recoverable	(276,259)	(45,585)	(321,844)
Net LFPB, after reinsurance recoverable	<u>\$ 613,941</u>	<u>\$ 5,934,699</u>	<u>\$ 6,548,640</u>

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(15) Liabilities for Future Policyholder Benefits (Continued)

The following table reconciles the net LFPB to Future policy and contract benefits on the consolidated balance sheets as of December 31:

	2025	2024
LFPB	\$ 7,986,078	\$ 6,870,484
DPL	344,227	303,861
Additional insurance liabilities related to universal life	301,967	225,190
Other ⁽¹⁾	2,564,671	2,491,122
Future policy and contract benefits	<u>\$ 11,196,943</u>	<u>\$ 9,890,657</u>

(1) Other primarily consists of reserves related to short-duration contracts, non-life contingent immediate annuities, and participating business.

The following table summarizes the amount of revenue and interest related to nonparticipating traditional and limited pay contracts recognized on the consolidated statements of operations and comprehensive income (loss) for the years ended December 31:

	2025		2024	
	Gross premiums or assessments	Interest expense	Gross premiums or assessments	Interest expense
Traditional life and A&H	\$ 329,270	\$ 47,176	\$ 356,870	\$ 42,238
Immediate annuity and PRT	1,229,130	271,402	1,181,090	233,000
Total	<u>\$ 1,558,400</u>	<u>\$ 318,578</u>	<u>\$ 1,537,960</u>	<u>\$ 275,238</u>

The following table summarizes the amount of undiscounted and discounted expected gross premiums and expected future benefits and expenses for nonparticipating traditional and limited pay contracts as of December 31:

	2025		2024	
	Undiscounted	Discounted	Undiscounted	Discounted
Traditional life and A&H:				
Expected future gross premiums	\$ 2,578,191	\$ 1,703,274	\$ 2,419,141	\$ 1,561,004
Expected future benefits and expenses	4,833,093	1,977,628	4,033,689	1,762,175
Immediate annuity and PRT:				
Expected future gross premiums	\$ —	\$ —	\$ —	\$ —
Expected future benefits and expenses	10,573,083	6,985,088	9,267,900	5,980,284

The following table provides the weighted-average durations in years of the LFPB as of December 31:

	2025	2024
Traditional life and A&H	18.12	17.02
Immediate annuity and PRT	7.12	7.17

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(15) Liabilities for Future Policyholder Benefits (Continued)

The following table provides the weighted-average interest rates for the LFPB as of December 31:

	2025	2024
Traditional life and A&H:		
Interest accretion rate	5.07 %	4.97 %
Current discount rate	5.08 %	5.10 %
Immediate annuity and PRT:		
Interest accretion rate	4.31 %	4.14 %
Current discount rate	5.02 %	5.33 %

The following table provides the balances, and changes in, the additional insurance liabilities related to universal life products as of December 31:

	2025	2024
Balance as of January 1	\$ 225,190	\$ 226,591
Beginning balance before shadow reserve adjustments	336,839	303,614
Effect of changes in cash flow assumptions	(36,919)	(4,300)
Effect of actual variances from expected experience	(2,711)	5,949
Adjusted beginning of year balance	297,209	305,263
Issuances	98	39
Interest accrual	12,753	11,269
Assessments collected	40,829	48,121
Benefit payments	(18,855)	(27,853)
Ending balance before shadow reserve adjustments	332,034	336,839
Effect of shadow reserve adjustments	(30,067)	(111,649)
Balance as of December 31	301,967	225,190
Less: Reinsurance recoverable	\$ (54,720)	\$ (55,078)
Net additional liability, after reinsurance recoverable	\$ 247,247	\$ 170,112

The following table provides the amount of gross assessments and interest expense related to annuitization and death or other insurance benefits and interest expense related to the additional insurance liabilities on universal life products recognized on the consolidated statements of operations and comprehensive income (loss) for the years ended December 31:

	2025		2024	
	Gross assessments	Interest expense	Gross assessments	Interest expense
Universal life	\$ 568,011	\$ 12,753	\$ 637,402	\$ 11,269

The following table presents the weighted-average durations in years of the additional insurance liabilities as of December 31:

	2025	2024
Universal life	34.21	38.53

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(15) Liabilities for Future Policyholder Benefits (Continued)

The following table provides the weighted-average interest rates for the additional insurance liabilities as of December 31:

	2025	2024
Universal life		
Interest accretion rate	4.68 %	4.60 %
Current discount rate	4.68 %	4.60 %

(16) Policy and Contract Account Balances

The following tables provide the balances, and changes in, policy and contract account balances as of December 31:

	2025		
	Universal life	Deferred annuity	Total
Balance as of January 1	\$ 15,679,114	\$ 6,511,769	\$ 22,190,883
Premiums and deposits	1,879,755	1,452,554	3,332,309
Policy charges	(654,616)	(18,328)	(672,944)
Surrenders and withdrawals	(2,162,418)	(1,804,683)	(3,967,101)
Benefit payments	(132,297)	(276,446)	(408,743)
Net transfers from (to) separate accounts	1,680,943	671,505	2,352,448
Interest credited	149,209	192,784	341,993
Other	30,323	489	30,812
Balance as of December 31	16,470,013	6,729,644	23,199,657
Other reconciling items			—
Policy and contract account balances			<u>\$ 23,199,657</u>
Weighted-average crediting rate	0.77 %	2.87 %	
Net amount at risk	\$ 96,247,666	\$ 123,005	\$ 96,370,671
Cash surrender value	13,737,204	5,665,039	19,402,243

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(16) Policy and Contract Account Balances (Continued)

The following tables provide the balances, and changes in, policy and contract account balances as of December 31 (Continued):

	2024		
	Universal life	Deferred annuity	Total
Balance as of January 1	\$ 14,766,418	\$ 6,893,016	\$ 21,659,434
Premiums and deposits	1,755,934	1,191,894	2,947,828
Policy charges	(660,205)	(16,459)	(676,664)
Surrenders and withdrawals	(1,845,431)	(3,480,873)	(5,326,304)
Benefit payments	(107,897)	(332,805)	(440,702)
Net transfers from (to) separate accounts	1,636,542	2,037,884	3,674,426
Interest credited	152,122	224,792	376,914
Other	(18,369)	(5,680)	(24,049)
Balance as of December 31	15,679,114	6,511,769	22,190,883
Other reconciling items			—
Policy and contract account balances			\$ 22,190,883
Weighted-average crediting rate	0.84 %	3.10 %	
Net amount at risk	\$ 99,091,114	\$ 87,629	\$ 99,178,743
Cash surrender value	13,282,586	5,280,655	18,563,241

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(16) Policy and Contract Account Balances (Continued)

The following tables present policy and contract account balances by range of guaranteed minimum crediting rates and the related range of difference, in basis points, between rates being credited to policyholders and the respective guaranteed minimums as of December 31:

Range of guaranteed minimum credited rate	2025				Total
	At guaranteed minimum	1 basis point - 50 basis points above	51 basis point - 150 basis points above	Greater than 150 basis points above	
Universal life:					
Less than 1.00%	\$ 477,165	\$ —	\$ —	\$ 786,342	\$ 1,263,507
1.00% - 1.99%	—	—	2,716	—	2,716
2.00% - 2.99%	—	342,248	56,394	1,743,788	2,142,430
3.00% - 3.99%	30,821	—	—	—	30,821
Greater than 4.00%	53,699	—	—	—	53,699
Subtotal	561,685	342,248	59,110	2,530,130	3,493,173
Policies with no guaranteed minimum crediting rate					12,976,840
Total					16,470,013
Deferred annuity:					
Less than 1.00%	\$ 71	\$ 1,565	\$ 42,857	\$ 672,112	\$ 716,605
1.00% - 1.99%	282,299	59,975	431,745	330,451	1,104,470
2.00% - 2.99%	223,107	37,695	22,396	279,605	562,803
3.00% - 3.99%	743,356	928,581	25,818	63,988	1,761,743
Greater than 4.00%	960,952	—	—	—	960,952
Subtotal	2,209,785	1,027,816	522,816	1,346,156	5,106,573
Policies with no guaranteed minimum crediting rate					1,623,071
Total					6,729,644
Grand total					\$ 23,199,657

Range of guaranteed minimum credited rate	2024				Total
	At guaranteed minimum	1 basis point - 50 basis points above	51 basis point - 150 basis points above	Greater than 150 basis points above	
Universal life:					
Less than 1.00%	\$ 509,018	\$ —	\$ —	\$ 778,770	\$ 1,287,788
1.00% - 1.99%	—	—	—	5,073	5,073
2.00% - 2.99%	18	—	55,340	1,814,130	1,869,488
3.00% - 3.99%	1,464	27,905	—	—	29,369
Greater than 4.00%	55,257	—	—	—	55,257
Subtotal	565,757	27,905	55,340	2,597,973	3,246,975
Policies with no guaranteed minimum crediting rate					12,432,138
Total					15,679,113
Deferred annuity:					
Less than 1.00%	\$ 3,342	\$ 4,257	\$ 35,710	\$ 503,119	\$ 546,428
1.00% - 1.99%	352,200	128,550	566,998	429,224	1,476,972
2.00% - 2.99%	245,615	4,910	140,790	290,489	681,804
3.00% - 3.99%	601,707	1,042,403	7,848	64,858	1,716,816
Greater than 4.00%	576,171	—	—	—	576,171
Subtotal	1,779,035	1,180,120	751,346	1,287,690	4,998,191
Policies with no guaranteed minimum crediting rate					1,513,579
Total					6,511,770
Grand total					\$ 22,190,883

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(17) Market Risk Benefits

The following table presents the balances, and changes in, MRBs associated with fixed and variable annuities as of December 31:

	2025	2024
Balance as of January 1	\$ (180,400)	\$ (123,347)
Beginning balance before effect of changes in the instrument specific credit risk	(157,883)	(122,868)
Issuances	220	(2,349)
Interest accrual	(4,304)	(7,041)
Attributed fees collected	67,935	74,664
Benefit payments	(2,080)	(1,760)
Effect of changes in interest rates	6,523	(87,043)
Effect of changes in equity markets	(51,815)	(45,709)
Effect of changes in equity index volatility	(1,830)	(17,954)
Actual policyholder behavior difference from expected behavior	22,850	34,660
Effect of changes in future expected policyholder behavior	(1,591)	17,006
Effect of changes in other future expected assumptions	(1,158)	511
Ending balance before effect of changes in the instrument specific credit risk	(123,133)	(157,883)
Effect of changes in instrument specific credit risk	(18,942)	(22,517)
Balance as of December 31	(142,075)	(180,400)
Less: Reinsurance recoverable	—	—
Ending balance, net of reinsurance	\$ (142,075)	\$ (180,400)
Net amount at risk	122,967	87,629
Weighted-average attained age of contract holders	71.1	71.6

The following table reconciles the net MRB liability to the consolidated balance sheets as of December 31:

	2025			2024		
	Asset	Liability	Net Liability	Asset	Liability	Net Liability
Deferred Annuity	\$ 184,547	\$ 42,472	\$ (142,075)	\$ 217,336	\$ 36,936	\$ (180,400)

(18) Unremitted Premiums and Claims Payable

The Company acts as an agent for certain insurance underwriters and has a fiduciary responsibility to remit the appropriate percentage of monies collected from each financial institution customer to the corresponding insurance underwriters. The remittance is equal to the premiums collected from the financial institution customer, less any commissions earned by the Company. The Company recognizes a liability equal to the amount of the premiums collected that have not yet been remitted to the insurance underwriters. At December 31, 2025 and 2024, the liability associated with unremitted premiums, claims payable was \$129,497 and \$115,256, respectively and is reported as part of other liabilities on the consolidated balance sheets. As described in note 2 Summary of Significant Accounting Policies, as of December 31, 2025 and 2024, the Company had restricted the use of \$129,497 and \$115,256, respectively, of its cash and cash equivalents to satisfy these payables.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(19) Debt

Liabilities for short-term and long-term debt are carried at an amount equal to unpaid principal balance. Short-term debt includes current maturities of long-term debt and is any debt coming due in the next 12 months.

The following table provides a summary of debt, net of unamortized issuance costs and discounts, and related collateral for that debt as of December 31, 2025:

	Liability			Collateral
	Short-term	Long-term	Total	
Federal Home Loan Bank (FHLB) borrowings	\$ —	\$ —	\$ —	\$ 3,634,537
Senior notes	—	493,486	493,486	—
Total	\$ —	\$ 493,486	\$ 493,486	\$ 3,634,537

The following table provides a summary of debt and related collateral for that debt as of December 31, 2024:

	Liability			Collateral
	Short-term	Long-term	Total	
Surplus notes	\$ 118,000	\$ —	\$ 118,000	\$ —
FHLB borrowings	—	—	—	2,657,651
Senior notes	—	493,324	493,324	—
Total	\$ 118,000	\$ 493,324	\$ 611,324	\$ 2,657,651

In September 1995, the Company issued surplus notes with a face value of \$125,000, at 8.25%, which were due and repaid in 2025. The surplus notes were subordinate to all current and future policyholders interests, including claims, and indebtedness of the Company. All payments of interest and principal on the notes were subject to the approval of the Minnesota Department of Commerce (Department of Commerce). As of December 31, 2024, the accrued interest was \$2,832. Interest paid on the surplus notes for the years ended December 31, 2025 and 2024 was \$7,301 and \$9,735, respectively.

The Company has entered into a membership agreement with the FHLB, providing an efficient way to establish a borrowing facility with access to low cost funding. The total borrowing capacity is dependent on the amount and type of Company assets. At December 31, 2025, there were no outstanding borrowings classified as debt and \$700,000 of funding agreements reported within policy and contract account balances on the consolidated balance sheets. The Company pledged \$3,634,537 of fixed maturity securities and commercial mortgage loans as collateral as of December 31, 2025. At that time, the Company had the capacity for either long-term or short-term borrowings of approximately \$2,359,969 without pledging additional collateral. If the fair value of the pledged collateral falls below the required collateral for the outstanding borrowed amount, the Company is required to pledge additional collateral. The Company also currently holds FHLB common stock of \$43,606, as required. The FHLB common stock is carried at cost, which approximates fair value, and is recorded in other invested assets in the consolidated balance sheets.

In April 2018, the Company issued senior notes with a face value of \$500,000, at 4.80%, due in 2048. The Company may redeem some or all of the senior notes at any time at the redemption price defined under the terms of the senior notes. As of December 31, 2025, the accrued interest was \$5,000. Interest paid on the senior notes for the years ended December 31, 2025 and 2024 was \$24,034 and \$24,032 respectively.

On November 1, 2024, the Company entered into a \$200,000 senior unsecured syndicated credit facility. The credit facility was established for the purpose issuing unsecured letters of credit and loans for general corporate purposes and will mature on November 1, 2029. During 2025 and 2024, the Company did not borrow under the credit facility.

At December 31, 2025, the aggregate minimum annual long-term debt maturities for the next five years and thereafter are as follows: 2026, \$0; 2027, \$0; 2028, \$0; 2029, \$0; 2030, \$0; thereafter, \$500,000.

Total interest paid by the Company for the years ended December 31, 2025 and 2024 was \$31,989 and \$34,245, respectively. Interest expense is recognized in general operating and other expenses on the consolidated statements of operations and comprehensive income (loss).

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(20) Business Combinations

There were no business combinations in 2025. The amount of acquisition-related additional consideration from business combinations in prior years the Company may have to pay in 2026 and future years if certain thresholds are attained is \$675 of which \$561 was accrued at December 31, 2025.

(21) Goodwill and Intangible Assets

The amount of goodwill included on the consolidated balance sheets in other assets as of December 31, was as follows:

	2025	2024
Balance at beginning of year	\$ 466,632	\$ 479,993
Additions	(3)	(1,360)
Divestiture	(11,307)	—
Impairment	(69,471)	—
Foreign currency translation	8,270	(12,001)
Balance at end of year	<u>\$ 394,121</u>	<u>\$ 466,632</u>

The amount of acquired finite-lived intangible assets, excluding the value of acquired inforce contracts within DAC, included on the consolidated balance sheets in other assets was as follows:

	Customer relationships	Other	Total finite-lived intangible assets
December 31, 2025			
Gross carrying amount	\$ 153,487	\$ 73,430	\$ 226,917
Accumulated amortization	(110,941)	(66,420)	(177,361)
Divestiture	(1,757)	—	(1,757)
Foreign currency translation	(471)	(100)	(571)
Net carrying amount	<u>\$ 40,318</u>	<u>\$ 6,910</u>	<u>\$ 47,228</u>
December 31, 2024			
Gross carrying amount	\$ 159,388	\$ 73,706	\$ 233,094
Accumulated amortization	(104,708)	(56,571)	(161,279)
Foreign currency translation	(2,238)	(100)	(2,338)
Net carrying amount	<u>\$ 52,442</u>	<u>\$ 17,035</u>	<u>\$ 69,477</u>

There were no finite-lived intangible assets acquired during the year ended December 31, 2025. Finite-lived intangible assets acquired during the year ended December 31, 2024 was \$200 with a weighted average amortization period of 5 years.

The Company reviews the estimated useful lives of its finite-lived intangible asset classes annually. Changes in estimated useful lives may indicate that the carrying amounts of these assets are not recoverable and could require impairment evaluation. The Company also performs annual impairment assessment or testing of goodwill and finite-lived intangible assets, or more frequently if events or changes in circumstances indicate that impairment may exist.

As a result of the annual impairment assessment, the Company recognized a goodwill impairment charge of \$69,471, which was recorded in general operating and other expenses in the consolidated statements of operations and comprehensive income (loss) for the year ended December 31, 2025. There were no changes to estimated useful lives of intangible assets and no impairments of intangible assets recognized for the year ended December 31, 2025 and 2024, respectively

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(21) Goodwill and Intangible Assets (Continued)

Intangible asset amortization expense for 2025 and 2024 in the amount of \$25,496 and \$26,003, respectively, is included in general operating and other expenses on the consolidated statements of operations and comprehensive income (loss). Projected amortization expense for the next five years is as follows: 2026, \$11,894; 2027, \$8,308; 2028, \$7,616; 2029, \$6,591; 2030, \$4,126.

(22) Related Party Transactions

The Company has agreements with its affiliates for expenses including allocations for occupancy costs, data processing, compensation, advertising and promotion, and other administrative expenses, which the Company incurs on behalf of its affiliates and is reimbursed. At December 31, 2025 and 2024, the amount payable to the Company was \$1,336 and \$2,243, respectively. The amount of expenses incurred by and reimbursed to the Company for the years ended December 31, 2025 and 2024 were \$3,462 and \$3,025, respectively.

(23) Other Comprehensive Income (Loss)

Comprehensive income (loss) is defined as any change in equity originating from non-owner transactions. The Company has identified those changes as being comprised of net income, adjustments to pension and other postretirement plans, foreign currency translation, unrealized gains (losses) on securities and life and annuity liabilities and related adjustments.

The components of other comprehensive income (loss) and related tax effects, other than net income are illustrated below:

	December 31, 2025		
	Before tax	Tax benefit (expense)	Net of tax
Other comprehensive income (loss):			
Unrealized holding gains (losses) on securities arising during the period	\$ 775,222	\$ (107,012)	\$ 668,210
Less: Reclassification adjustment for gains (losses) included in net income	1,682	(353)	1,329
Net unrealized gains (losses) on derivative instruments designated as hedges	6,894	(1,448)	5,446
Foreign currency translation adjustment	21,194	—	21,194
Adjustment for change in the discount rates used to measure the LFPB	(129,971)	25,795	(104,176)
Net adjustment to MRBs attributable to changes in the instrument specific credit risk	(3,575)	751	(2,824)
Adjustment to future policy and contract benefits due to unrealized gains and losses	(81,582)	17,132	(64,450)
Adjustment to pension and other postretirement plans	10,441	(2,193)	8,248
Less: Reclassification adjustment for pension and other postretirement plans expenses included in net income	(1,118)	235	(883)
Other comprehensive income (loss)	<u>\$ 599,187</u>	<u>\$ (67,093)</u>	<u>\$ 532,094</u>

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(23) Other Comprehensive Income (Loss) (Continued)

The components of other comprehensive income (loss) and related tax effects, other than net income are illustrated below (continued):

	December 31, 2024		
	Before tax	Tax benefit (expense)	Net of tax
Other comprehensive income (loss):			
Unrealized holding gains (losses) on securities arising during the period	\$ (431,247)	\$ (75,343)	\$ (506,590)
Less: Reclassification adjustment for gains (losses) included in net income	18,124	(3,806)	14,318
Foreign currency translation adjustment	(35,185)	—	(35,185)
Change in the discount rates used to measure the LFPB	108,851	(22,532)	86,319
Change in fair value of MRBs attributable to changes in the instrument specific credit risk	22,038	(4,628)	17,410
Adjustment to future policy and contract benefits due to unrealized gains and losses	34,625	(7,271)	27,354
Adjustment to pension and other postretirement plans	(28,015)	5,883	(22,132)
Less: Reclassification adjustment for pension and other postretirement plans expenses included in net income	(5,574)	1,170	(4,404)
Other comprehensive income (loss)	<u>\$ (316,383)</u>	<u>\$ (106,527)</u>	<u>\$ (422,910)</u>

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(23) Other Comprehensive Income (Loss) (Continued)

Information regarding amounts reclassified out of each component of accumulated other comprehensive loss and related tax effects at December 31, 2025 were as follows:

	Amount reclassified from accumulated other comprehensive loss	Consolidated statement of operations and comprehensive income (loss) location
	<hr/>	<hr/>
Net unrealized investment gains (losses):		
Unrealized gains (losses)	\$ (1,682)	Net realized investment losses
Impairments on fixed maturity securities	—	Net realized investment losses
	<hr/>	
Unrealized investment gains (losses), before income tax	(1,682)	
Deferred income tax benefit (expense)	353	
	<hr/>	
Unrealized investment gains (losses), net of income tax	<u>\$ (1,329)</u>	
Pension and other postretirement plans ⁽¹⁾ :		
Amortization of prior service benefit	\$ (2,300)	General operating expenses
Amortization of net actuarial losses	1,182	General operating expenses
	<hr/>	
Amortization of pension and other postretirement plan items, before income tax	(1,118)	
Deferred income tax benefit (expense)	235	
	<hr/>	
Amortization of pension and other postretirement plan items, net of income tax	<u>\$ (883)</u>	

(1) These accumulated other comprehensive income (loss) items are included in the computation of net periodic benefit costs. See note 10 Employee Benefit Plans for further details.

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(23) Other Comprehensive Income (Loss) (Continued)

Information regarding amounts reclassified out of each component of accumulated other comprehensive loss and related tax effects at December 31, 2024 were as follows:

	Amount reclassified from accumulated other comprehensive loss	Consolidated statement of operations and comprehensive income (loss) location
Net unrealized investment gains (losses):		
Unrealized gains (losses)	\$ (18,124)	Net realized investment losses
Impairments on fixed maturity securities	0	Net realized investment losses
Unrealized investment gains (losses), before income tax	(18,124)	
Deferred income tax benefit (expense)	3,806	
Unrealized investment gains (losses), net of income tax	<u>\$ (14,318)</u>	
Pension and other postretirement plans ⁽¹⁾ :		
Amortization of prior service benefit	\$ (6,412)	General operating expenses
Amortization of net actuarial losses	838	General operating expenses
Amortization of pension and other postretirement plan items, before income tax	(5,574)	
Deferred income tax benefit (expense)	1,170	
Amortization of pension and other postretirement plan items, net of income tax	<u>\$ (4,404)</u>	

(1) These accumulated other comprehensive income (loss) items are included in the computation of net periodic benefit costs. See note 10 Employee Benefit Plans for further details.

The components of accumulated other comprehensive loss and related tax effects at December 31 were as follows:

	2025	2024
Gross unrealized gains	\$ 265,973	\$ 104,472
Gross unrealized losses	(2,278,202)	(2,893,605)
Changes in hedged derivatives	6,894	—
Foreign currency translation	(19,305)	(40,499)
Changes in the discount rates used to measure the LFPB	405,541	535,512
Changes in fair value of MRBs attributable to changes in the instrument specific credit risk	18,942	22,517
Changes to future policy and contract benefits due to unrealized gains and losses	30,067	111,649
Adjustment to pension and other postretirement plans	(29,909)	(39,232)
	(1,599,999)	(2,199,186)
Deferred federal income tax expenses	81,710	148,803
Net accumulated other comprehensive loss	<u>\$ (1,518,289)</u>	<u>\$ (2,050,383)</u>

(Continued)

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(24) Stock Dividends and Capital Contributions

The Company declared and paid dividends to SHC consisting of equity securities in the amount \$2,488 and \$5,000, and cash of \$10,000 and \$0 during the years ended December 31, 2025 and 2024, respectively.

Dividend payments received by SFG from its subsidiary, Minnesota Life Insurance Company, cannot exceed the greater of 10% of Minnesota Life Insurance Company's statutory capital and surplus or the statutory net gain from operations as of the preceding year-end, as well as the timing and amount of dividends paid in the preceding 12 months, without prior approval from the Department of Commerce. Based on these limitations and 2025 statutory results, the maximum amount available for the payment of dividends during 2026 by Minnesota Life Insurance Company without prior regulatory approval is \$356,552.

(25) Commitments and Contingencies

The Company is involved in various pending or threatened legal proceedings arising out of the normal course of business. In the opinion of management, the ultimate resolution of such litigation will likely not have a material adverse effect on consolidated operations or the financial position of the Company.

The Company has long-term commitments to fund alternative investments and real estate investments totaling \$589,509 as of December 31, 2025. The Company estimates that \$236,000 of these commitments will be invested in 2026, with the remaining \$353,509 invested over the next four years.

As of December 31, 2025, the Company had committed to originate mortgage loans totaling \$129,695 but had not completed the originations.

As of December 31, 2025, the Company had committed to purchase fixed maturity securities totaling \$124,091 but had not completed the purchase transactions.

The Company leases space in downtown St. Paul to unaffiliated companies. Commitments to the Company from these agreements are as follows: 2026, \$1,290; 2027, \$1,195; 2028, \$1,092; 2029, \$1,020; 2030, \$916. Income from these leases was \$3,074 and \$2,065 for the years ended December 31, 2025 and 2024, respectively and is reported in net investment income on the consolidated statements of operations and comprehensive income (loss).

The Company also has long-term lease agreements with unaffiliated companies for office facilities and equipment. As of December 31, 2025, the maturity of lease liabilities are as follows:

	Maturity of lease liabilities
2026	\$ 8,188
2027	7,148
2028	6,426
2029	6,271
2030	6,023
Thereafter	13,549

As of December 31, 2025, the weighted-average remaining lease term was 7 years and the weighted-average discount rate was 4.44%.

Level expense (lease expense) for 2025 and 2024 in the amount of \$7,344 and \$7,982, respectively, is recorded in general operating and other expenses in the consolidated statements of operations and comprehensive income (loss).

SECURIAN FINANCIAL GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(in thousands)

(25) Commitments and Contingencies (Continued)

For the year ended December 31, 2025, operating cash flows included \$7,193 of cash paid for amounts included in the measurement of operating lease liabilities.

The Company has a 100% coinsurance agreement for its individual disability line, certain closed blocks of individual life and individual annuity products and certain non-affiliated group annuity contracts. Under the terms of these agreements, assets supporting the reserves transferred to the reinsurers are held under trust agreements for the benefit of the Company in the event that the reinsurers are unable to perform their obligations. At December 31, 2025 and 2024, the assets held in trust were \$3,121,509 and \$3,300,642, respectively. These assets are not reflected on the accompanying consolidated balance sheets.

In connection with the dissolution of MIMLIC Life Insurance Company, the Company has agreed to guarantee all obligations and liabilities of MIMLIC Life Insurance Company that arise in the normal course of business. Management does not consider an accrual necessary relating to this guarantee.

The Company has minimum compensation agreements with certain sales and employee groups, the terms of which expired at various times through 2025. Such agreements, which have been revised from time to time, provide for minimum compensation for these groups. The aggregate future minimum commitment under these agreements at December 31, 2025 and 2024 was approximately \$327 and \$4,460, respectively.

The Company has guaranteed the payment of benefits under certain of its affiliates' non-qualified pension plans in the event that the affiliate is unable to make such payment. This guarantee is unfunded, unsecured and may be amended, modified or waived with written consent by the parties to the agreement. Management does not consider an accrual necessary relating to these guarantees.

The Company is contingently liable under state regulatory requirements for possible assessments pertaining to future insolvencies and impairments of unaffiliated insurance companies. The Company records a liability for future guaranty fund assessments based upon known insolvencies, according to data received from the National Organization of Life and Health Insurance Guaranty Association. At December 31, 2025 and 2024, this liability was \$1,096 and \$900, respectively. An asset is recorded for the amount of guaranty fund assessments paid, which can be recovered through future premium tax credits. This asset was \$11,885 and \$10,444 as of December 31, 2025 and 2024, respectively. These assets are being amortized over a five-year period.

(26) Subsequent Events

The Company evaluated subsequent events through March 4, 2026, the date these financial statements were issued. There were no other material subsequent events that required recognition or further disclosure in the Company's financial statements.