

NORTH CAROLINA
WAKE COUNTY

FILED IN THE GENERAL COURT OF JUSTICE
2019 MAY -2 PM 2:16 SUPERIOR COURT DIVISION
18 CVS 14480
WAKE COUNTY, N.C.

MIKE CAUSEY,
COMMISSIONER OF INSURANCE
OF NORTH CAROLINA,

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Petitioner,

REHABILITATOR'S
MONTHLY REPORT

v.

NORTH CAROLINA MUTUAL
LIFE INSURANCE COMPANY,
A North Carolina Domiciled
Insurance Company,

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Respondent.

NOW COMES the Commissioner of Insurance of North Carolina and Rehabilitator of North Carolina Mutual Life Insurance Company (Rehabilitator), and hereby makes this report pursuant to North Carolina General Statute § 58-30-80(b) and the Order of this Court dated December 3, 2018, which requires the Rehabilitator, until further order of this Court, to make a monthly report to the Court including a statement of receipts and disbursements to date and a statement of financial position (balance sheet). Attached hereto and incorporated herein by reference as Exhibit A, is the monthly report of activity of the Rehabilitator as of April 30, 2019, and a balance sheet, summary of operations and statement of cash flow as of February 28, 2019, of North Carolina Mutual Life Insurance Company, as prepared by the Special Deputy Rehabilitator on behalf of the Rehabilitator.

This the 2nd day of May, 2019.

JOSH STEIN
ATTORNEY GENERAL
Attorney for Petitioner,

Heather H. Freeman

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Assistant Attorney General
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CERTIFICATE OF SERVICE

I, the undersigned attorney, do certify that a copy of the foregoing pleading or paper was served as follows:

Honorable A. Graham Shirley, II
Wake County Superior Court
Post Office Box 351
Raleigh, NC 27602-0351

M. Keith Kapp
Williams Mullen
P.O. Box 1000
Raleigh, NC 27602


in the following manner:

(xx) by United States mail, first class postage prepaid, as provided by Rule 5(b) of the North Carolina Rules of Civil Procedure, or

() by facsimile transmission to the facsimile number set out above, as provided by Rule 5 of the North Carolina Rules of Civil Procedure.

This the 2nd day of May, 2019.

JOSH STEIN
ATTORNEY GENERAL
Attorney for Petitioner,



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NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY
NORTH CAROLINA COMMISSIONER OF INSURANCE AS REHABILITATOR
AS OF APRIL 30, 2019,
A BALANCE SHEET
AS OF FEBRUARY 28, 2019
AND
A SUMMARY OF OPERATIONS AND STATEMENT OF CASH FLOW
THROUGH FEBRUARY 28, 2019

INTRODUCTION

BACKGROUND

North Carolina Mutual Life Insurance Company (hereinafter, “NC Mutual” or “Company”) was originally chartered under the laws of the State of North Carolina as a mutual assessment company on February 28, 1899, with the name North Carolina Mutual and Provident Association. An amendment to the charter was filed at the office of the Secretary of State of North Carolina on August 6, 1913, establishing the Association as a legal reserve company. In 1919, the Company’s name was changed to North Carolina Mutual Life Insurance Company. On December 3, 2018, the Wake County Superior Court (hereinafter, the “Court”) issued an Order of Rehabilitation (hereinafter, “Order”) against NC Mutual and appointed the Commissioner of Insurance for the State of North Carolina as Rehabilitator (hereinafter, the “Rehabilitator”). On December 3, 2018, the Court also issued a Confidentiality Order to ensure the confidentiality of the Rehabilitation proceeding and to seal the court file pursuant to N.C. Gen. Stat. §§ 58-30-20 and 58-30-70. On February 1, 2019, the Court issued an Order to Rescind Confidentiality Order and Unseal the Court File. In addition, on February 1, 2019, the Court entered an Order Granting Motion for Moratorium on Policy Surrenders and Other Relief (hereinafter “Moratorium”).

PURPOSE OF THIS REPORT

The purpose of this report is to provide a monthly update to the Court, as required by the Order, on the work that the Rehabilitator and his staff have carried out since the issuance of the Order, to set out the present situation of NC Mutual, and to provide a balance sheet as of February 28, 2019, and a summary of operations and statement of cash flow through February 28, 2019.

LIMITATIONS

This report is based only on the knowledge that the Rehabilitator and his staff have gained from the work performed since the issuance of the Order. Facts may exist that the Rehabilitator is unaware of that may have a material effect on the information provided in this report. The Rehabilitator will update the information in future monthly reports as additional facts are discovered.

SUMMARY

NC MUTUAL PROPERTY

- In accordance with the Order, the Rehabilitator has taken possession of all known assets and property of NC Mutual.
- The Rehabilitator received three Letters of Intent for a proposed purchase of NC Mutual’s wholly owned subsidiary, North Carolina Mutual Financial, LLC. One Letter of Intent was subsequently withdrawn. The Rehabilitator has selected and executed the LOI that provides the best value to NC Mutual and is currently in the process of finalizing the definitive purchase agreement. In the interim, the Rehabilitator will continue to adequately fund the operations of such subsidiary to preserve the value of the asset.
- The Rehabilitator is currently evaluating the operations of NC Mutual’s other wholly owned subsidiary, North Carolina Mutual Insurance Agency, LLC, to determine the appropriate disposition of this asset. During the month of January, the lead for the pre-need sales resigned.

- The Rehabilitator has received one unsolicited offer to purchase a portion of NC Mutual's mortgage loan portfolio. The Rehabilitator has evaluated the offer and determined that additional offers will be solicited. The Rehabilitator's staff is currently working to identify other parties that may have an interest in acquiring all or a portion of the mortgage loan portfolio.
- The Rehabilitator is currently evaluating real property held for sale by NC Mutual to determine the appropriate disposition of these assets.
- The Rehabilitator is currently evaluating NC Mutual's in-force business and reinsurance programs in furtherance of determining the feasibility of a successful rehabilitation.
- The Rehabilitator has entered into two non-disclosure agreements with parties that have expressed a potential interest in making an investment in NC Mutual and has provided requested due diligence materials related thereto. The Rehabilitator continues to have ongoing discussions with both parties.

EXPENSE REDUCTIONS

- The Rehabilitator is evaluating all of NC Mutual's contracts to identify those that are essential for ongoing operations. As part of this effort, the Rehabilitator is also attempting to negotiate more favorable terms of essential contracts.
- The Rehabilitator has canceled unnecessary services such as cell phones issued to staff of NC Mutual.
- NC Mutual's staff has been reduced by seven positions resulting in an annualized savings of approximately \$1,100,000 in salaries and benefits. The Rehabilitator has also terminated non-essential independent contractors.
- The Rehabilitator has terminated NC Mutual's annual statutory financial audit as financial statements prepared during the Rehabilitation proceeding will be prepared under the supervision of the Rehabilitator's staff. Termination of the audit resulted in an approximate expense reduction of \$173,000.
- The Rehabilitator has replaced certain IT equipment of NC Mutual that will result in an annualized expense reduction of approximately \$18,000.
- The Rehabilitator met with the landlord regarding the spaces currently rented for the Company's home office to discuss the possibility of downsizing the amount of space it is currently under contract for and as a means to reduce NC Mutual's monthly rent. The landlord is amenable to working with the Rehabilitator to reduce the expense and to keep the Company's presence at the property.
- The Rehabilitator has adjusted current services provided by NC Mutual's appointed actuary resulting in annualized expense reduction of approximately \$42,000.

LITIGATION

To the Rehabilitator's knowledge, at the time of the Order, NC Mutual is a party to the following lawsuits:

North Carolina Mutual Life Insurance Company v. Stamford Brook Capital, LLC, et al., Civil Action No. 1:16-cv-1174; United States District Court for the Middle District of North Carolina, Durham Division

This complaint was filed on September 23, 2016, to recover \$34 million of assets improperly transferred to and through the named defendants. An amended complaint was filed on August 8, 2018, adding additional causes of action including breach of fiduciary duty, breach of contract, fraud, RICO Act violations, unfair and deceptive trade practices, civil conspiracy, conversion, unjust enrichment and other similar causes of action.

NC Mutual has obtained entries of default against five corporate defendants and one individual defendant.

Defendant Reifler, who is appearing *pro se*, answered NC Mutual's complaint and brought counterclaims and a third-party complaint against NC Mutual, Michael Lawrence and James Speed. NC Mutual and Lawrence have filed Motions to Dismiss the counterclaims and third-party claims for failure to state a claim pursuant to Rule 12(b)(6). NC Mutual's and Lawrence's Motions to Dismiss are ripe for resolution. Reifler responded to Lawrence's Motion to Dismiss on December 27, 2018, and Lawrence's reply was filed January 7, 2019. On or about January 4, 2019, Defendant Wasitowski filed a Notice of Motion to Dismiss or to Transfer Venue. On January 28, 2019, Defendant Reifler filed a Motion for Entry of Default against Third-Party Defendant James Speed. On January 28, 2019, the Clerk of Court entered an Entry of Default against Speed. On January 31, 2019, Speed filed a Motion to Vacate the Entry of Default and Motion to Dismiss. On January 31, 2019, NC Mutual filed a Response in Opposition to Defendant Wasitowski's Motion to Dismiss or to Transfer Venue. On February 14, 2019, Defendant Wasitowski filed a Reply Memorandum of Law in Further Support of His Motion to Dismiss or, in the Alternative, to Transfer Venue. The various parties' motions to dismiss have been referred to the judge's chambers. On March 15, 2019, Plaintiffs filed a Voluntary Dismissal without Prejudice as to Defendant Summit Trust Co.

On October 17, 2018, NC Mutual entered into a settlement agreement with Joel Schreiber regarding the repayment of loans made to Schreiber and/or various entities owned by Schreiber from NC Mutual assets improperly transferred through the named defendants in this action. The amount of repayment required by the settlement agreement totaled \$3,215,018.00, to be paid in full by February 12, 2019, with a late payment penalty of \$5,000.00 for failure to pay in full for each day that elapses beyond the initial payment due date. On February 28, 2019, the parties executed an amendment to the October 17, 2018 settlement agreement to extend the initial payment date to April 13, 2019, with consideration of a payment of \$1,000,000.00 in partial satisfaction of the full settlement amount and an increase in the late payment penalty to \$10,000.00. A \$1,000,000.00 payment was made by Schreiber on February 12, 2019. On March 16, 2019, NC Mutual and Schreiber entered into a second amendment to the October 17, 2018 settlement agreement to extend the initial payment date to May 25, 2019, with consideration of a payment of \$250,000.00 in partial satisfaction of the full settlement amount and an increase in the late payment penalty to \$15,000.00. A \$250,000.00 payment was made by Schreiber on March 18, 2019.

Marietta McClendon v. North Carolina Mutual Life Insurance Company, Case No. 3:17-cv-00404; United States District Court Middle District of Tennessee at Nashville

Plaintiff filed her initial complaint on March 1, 2017. Her claims were for breach of contract, unjust enrichment and violation of the North Carolina Unfair or Deceptive Trade Practices Act

related to a life insurance policy. Plaintiff also pled grounds seeking class certification. On June 29, 2018, NC Mutual filed a Motion for Summary Judgment on all three claims. The motion is still before the Court.

On September 19, 2018, the Plaintiff moved to file a Second Amended Complaint. The Court denied the motion in part. Currently, four claims are before the Court: (1) breach of contract; (2) unjust enrichment; (3) violation of North Carolina Unfair or Deceptive Trade Practices Act; and (4) violation of the Alabama Deceptive Trade Practices Act. The Court ruled that NC Mutual's Motion for Summary Judgment applies to all four claims.

On December 10, 2018, NC Mutual filed a Motion to Dismiss the North Carolina Unfair or Deceptive Trade Practices Act and the Alabama Deceptive Trade Practices Act claims.

Discovery is ongoing and deposition of the Plaintiff took place on January 10, 2019. On January 14, 2019, counsel filed a Motion to Dismiss the two-consumer protection claims that the Plaintiff asserted in the most recent complaint (under both North Carolina and Alabama Law).

On February 15, 2019, NC Mutual filed a Supplemental Motion for Summary Judgment seeking judgment on the unjust enrichment, AL deceptive trade practices and NC unfair trade practices claims. On February 15, 2019, the Plaintiff filed a Motion for Partial Summary Judgment for relief on the breach of contract and AL deceptive trade practices claims, as well as for injunctive relief. The Plaintiff additionally filed a motion requesting the Court certify a class for this action and made its expert disclosures.

On February 19, 2019, NC Mutual filed additional exhibits in support of its Supplemental Motion for Summary Judgment. On February 19, 2019, an Order was issued to transmit the file to the District Judge for consideration of the pending dispositive motions.

North Carolina Mutual Life Insurance Company v. Bradley Reifler, Case No. 17-35075;
United States Bankruptcy Court, Southern District of New York

On January 20, 2017, Bradley Reifler filed a bankruptcy petition in the United States Bankruptcy Court, Southern District of New York. On May 1, 2017, NC Mutual filed a Verified Complaint for Non-Dischargeability of Debts and Denial of Discharge. On September 12, 2017, multiple deposition notices with subpoenas seeking documents were issued by NC Mutual. On November 16, 2017, the Court issued a Scheduling Order mandating that discovery end on March 15, 2018. An extension to discovery was granted up to March 19, 2018. On December 28, 2017, the Court ordered Defendant Reifler to turn over computers and electronic devices to forensic expert for analysis. On January 16, 2018, NC Mutual filed a Motion for Contempt alleging Defendant Reifler's violations of the Court Order regarding electronic devices and seeking judgment by default against Defendant Reifler as a penalty. On February 6, 2018, the Court issued an Order finding Defendant Reifler in contempt and ordering him to fully comply with the Order regarding electronic devices and to pay NC Mutual's attorney fees and expert fees. The Court noted that further violations by Defendant Reifler could result in entry of judgment in favor of NC Mutual. In March 2018, multiple depositions were taken by NC Mutual. On May 4, 2018, following an evidentiary hearing, the Court issued an Order Finding Defendant in Continuing Contempt of Court Imposing Additional Sanctions and Entering Default Judgment. Defendant Reifler appealed

the Order entering default judgment against him to the United States District Court, Southern District of New York. On January 31, 2019, the United States District Court, Southern District of New York issued an Order affirming the May 4, 2018 Order of the Bankruptcy Court and ordering the clerk of court to enter the judgment for NC Mutual and close the case. To date, Reifler has not appealed the District Court's order and his time to do so under applicable rules has expired.

Metropolitan Life Insurance Company v Willis, Brown, NC Mutual Financial LLC, Knight and Lindsey Funeral Home, LLC, Case No. 2:19-CV-6-KS-MTP; United States District Court, Southern District of Mississippi

NC Mutual is named in an interpleader action filed in the United States District Court, Southern District of Mississippi. Upon information and belief, service of process on NC Mutual, or its wholly owned subsidiary NC Mutual Financial LLC, is incomplete and NC Mutual has taken no action at this time.

In re Estate of Eugene Moore; Henry County Probate Court, Georgia

On February 28, 2019, NC Mutual received service of process regarding an Order of Notice of a Petition for Discharge of Personal Representative in an estate action filed in Henry County Probate Court, Georgia. NC Mutual has taken no action at this time.

OTHER MATTERS

- The Rehabilitator is currently evaluating an alternative business continuity/disaster recovery solution to reduce current expenses and to address NC Mutual's aging computer hardware.
- The Rehabilitator has purchased a one-year extended reporting period on NC Mutual's expired Directors & Officers insurance policy.
- Pursuant to the Moratorium Order, the Rehabilitator has imposed a moratorium on cash surrenders, annuitizations, and policy loans against NC Mutual policies until such time as the Court approves lifting of the moratorium.
- In accordance with the Moratorium Order, the Rehabilitator has adopted and implemented a policy to provide substitute benefits in lieu of the contractual obligations of NC Mutual for annuity benefits and cash withdrawals for NC Mutual policyholders who petition for payment under claims of legitimate hardship. NC Mutual continues to receive and evaluate claims of hardship on a case-by-case basis.
- The Rehabilitator is currently evaluating options related to funding of NC Mutual's defined pension plan. The Rehabilitator has determined that it is in the best interest of NC Mutual to make annual contributions in the minimum required amount.
- On March 27, 2019, in accordance with NC Mutual's bylaws, the Rehabilitator held the annual meeting of policyholders.

CONTINUATION OF BUSINESS

A final decision as to the course of action to take with NC Mutual has not yet been determined.

INTRODUCTION TO NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY

FINANCIAL STATEMENTS
AS OF FEBRUARY 28, 2019

Introduction and Basis of Presentation: NC Mutual is a North Carolina domiciled life, accident and health insurance company that was placed in rehabilitation by the Wake County Superior Court on December 3, 2018. NC Mutual is under the control of the Commissioner of Insurance of the State of North Carolina, who is the Rehabilitator of NC Mutual. It is the Rehabilitator's responsibility to take possession of the assets of NC Mutual and to administer them under the general supervision of the Court.

The accompanying unaudited financial statements were prepared by NC Mutual staff under the supervision of the Rehabilitator, as of February 28, 2019. The financial statements have been prepared in accordance with Statutory Accounting Principles promulgated by the National Association of Insurance Commissioners.

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	5,815,209	0	5,815,209	5,812,628
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	426,546	0	426,546	395,593
3. Mortgage loans on real estate:				
3.1 First liens	5,187,255	254,088	4,933,169	4,972,599
3.2 Other than first liens	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances)	61,847	7	61,840	61,840
5. Cash (\$.....1,304,447), cash equivalents (\$.....0) and short-term investments (\$.....398,733)	1,703,180	0	1,703,180	1,848,761
6. Contract loans (including \$.....0 premium notes)	2,093,118	1,794	2,091,324	2,101,452
7. Derivatives	0	0	0	0
8. Other invested assets	5,416,869	1,305,182	4,111,689	4,128,917
9. Receivables for securities	0	0	0	0
10. Securities lending reinvested collateral assets	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	20,704,024	1,561,069	19,142,955	19,319,790
13. Title plants less \$.....0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	34,588	0	34,588	10,763
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	693,916	0	693,916	800,067
15.2 Deferred premiums, agents' balances and instalments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)	163,092	0	163,092	143,550
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	834,487	0	834,487	661,484
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	2,995,439	0	2,995,439	3,153,294
17. Amounts receivable relating to uninsured plans	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	294,158	0	294,158	294,157
18.2 Net deferred tax asset	0	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	3,312	1,667	1,645	1,851
21. Furniture and equipment, including health care delivery assets (\$.....0)	65,683	65,683	0	0
22. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	337,796	271,515	66,281	129,184
24. Health care (\$.....0) and other amounts receivable	0	0	0	0
25. Aggregate write-ins for other-than-invested assets	1,847,090	451,496	1,395,593	1,415,923
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Call Accounts (Lines 12 to 25)	27,973,582	2,351,429	25,622,153	25,930,042
27. From Separate Accounts, Segregated Accounts and Protected Call Accounts	0	0	0	0
28. TOTAL (Lines 26 and 27)	27,973,582	2,351,429	25,622,153	25,930,042
DETAILS OF WRITE-INS				
1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. CSV OFFICERS INSURANCE	1,373,963	0	1,373,963	1,383,825
2502. ADVANCES TO AGENTS	15	15	0	0
2503. PREPAID RENT / EXPENSES	87,036	87,036	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	386,073	384,443	21,630	32,098
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,847,090	451,496	1,395,593	1,415,923

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Data	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$.....14,525,899 less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve)	14,525,899	14,699,981
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve)	62,929	62,497
3. Liability for deposit-type contracts (including \$.....0 Modco Reserve)	1,978,502	1,977,456
4. Contract claims:		
4.1 Life	1,463,919	1,428,206
4.2 Accident and health	35,335	35,335
5. Policyholders' dividends/refunds to members \$.....0 and coupons \$.....0 due and unpaid	0	0
6. Provision for policyholders' dividends, refunds to members and coupons payable in following calendar year - estimated amounts:		
6.1 Policyholders' dividends and refunds to members apportioned for payment (including \$.....0 Modco)	0	0
6.2 Policyholders' dividends and refunds to members not yet apportioned (including \$.....0 Modco)	0	0
6.3 Coupons and similar benefits (including \$.....0 Modco)	0	0
7. Amount provisionally held for deferred dividend policies not included in Line 6	0	0
8. Premiums and annuity considerations for life and accident & health contracts received in advance less \$.....0 discount including \$.....4,131 accident and health premiums	7,118	6,582
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts	0	0
9.2 Provision for experience rating refunds, including the liability of \$.....0 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act	0	0
9.3 Other amounts payable on reinsurance; including \$.....0 assumed and \$.....0 ceded	0	0
9.4 Interest Maintenance Reserve	113,547	114,165
10. Commissions to agents due or accrued-life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0	0	0
11. Commissions and expense allowances payable on reinsurance assumed	665,305	787,099
12. General expenses due or accrued	322,348	267,817
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances)	0	0
14. Taxes, licenses and fees due or accrued, excluding federal income taxes	7,480	42,534
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses)	0	0
15.2 Net deferred tax liability	0	0
15. Unearned investment income	101,013	84,574
17. Amounts withheld or retained by reporting entity as agent or trustee	50,082	43,651
18. Amounts held for agents' account, including \$.....0 agents' credit balances	2,313	3,143
19. Remittances and items not allocated	106,278	106,940
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0
21. Liability for benefits for employees and agents if not included above	4,125,484	4,077,151
22. Borrowed money \$.....0 and interest thereon \$.....0	0	0
23. Dividends to stockholders declared and unpaid	0	0
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve	618,028	618,027
24.02 Reinsurance in unauthorized and certified (\$.....0) companies	28,869,422	27,871,732
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$.....0) reinsurers	0	0
24.04 Payable to parent, subsidiaries and affiliates	0	0
24.05 Drafts outstanding	40,857	35,492
24.06 Liability for amounts held under uninsured plans	0	0
24.07 Funds held under coinsurance	828,491	842,609
24.08 Derivatives	0	0
24.09 Payable for securities	0	0
24.10 Payable for securities lending	0	0
24.11 Capital notes \$.....0 and interest thereon \$.....0	0	0
25. Aggregate write-ins for liabilities	1,804,303	1,804,303
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25)	53,751,743	54,919,274
27. From Separate Accounts Statement	0	0
28. Total Liabilities (Lines 26 and 27)	53,751,743	54,919,274
29. Common capital stock	0	0
30. Preferred capital stock	0	0
31. Aggregate write-ins for other than special surplus funds	0	0
32. Surplus notes	0	0
33. Gross paid in and contributed surplus	0	0
34. Aggregate write-ins for special surplus funds	14,185,534	14,327,105
35. Unassigned funds (surplus)	(42,325,124)	(43,307,338)
36. Less treasury stock, at cost:		
36.10 shares common (value included in Line 29 \$.....0)	0	0
36.20 shares preferred (value included in Line 30 \$.....0)	0	0
37. Surplus (Total Lines 31 to 35, Less 36) (including \$.....0 in Separate Accounts Statement)	(28,129,590)	(28,980,233)
38. Totals of Lines 29, 30 and 37	(28,129,590)	(28,980,233)
39. Totals of Lines 26 and 36 (Page 2, Line 28, Col. 3)	25,622,153	25,939,042
DETAILS OF WRITE-INS		
2501. GROUP LIFE FUNDS HELD ON DEPOSIT	1,804,303	1,804,303
2502.	0	0
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,804,303	1,804,303
3101.	0	0
3102.	0	0
3103.	0	0
3198. Summary of remaining write-ins for Line 31 from overflow page	0	0
3199. TOTALS (Lines 3101 through 3103 plus 3198) (Line 31 above)	0	0
3401. SURPLUS FROM REINSURANCE	14,185,534	14,327,105
3402.	0	0
3403.	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)	14,185,534	14,327,105

SUMMARY OF OPERATIONS

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts	3,573,628	2,889,988	21,371,417
2. Considerations for supplementary contracts with life contingencies	0	0	0
3. Net investment income	104,214	113,647	818,860
4. Amortization of Interest Maintenance Reserve (IMR)	113	(3,088)	(19,808)
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0	0	0
6. Commissions and expense allowances on reinsurance ceded	953,371	970,123	5,688,717
7. Reserve adjustments on reinsurance ceded	0	0	0
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	0	0	0
8.2 Charges and fees for deposit-type contracts	0	0	0
8.3 Aggregate write-ins for miscellaneous income	(6,980)	58,495	160,594
9. Totals (Lines 1 to 8.3)	4,624,548	4,030,173	27,818,578
10. Death benefits	3,079,703	2,332,851	18,408,859
11. Matured endowments (excluding guaranteed annual pure endowments)	(2,397)	(630)	(17,138)
12. Annuity benefits	0	0	0
13. Disability benefits and benefits under accident and health contracts	6,160	2,410	27,652
14. Coupons, guaranteed annual pure endowments and similar benefits	0	0	0
15. Surrender benefits and withdrawals for life contracts	344,931	70,858	555,917
16. Group conversions	549	885	3,283
17. Interest and adjustments on contract or deposit-type contract funds	11,187	11,457	58,181
18. Payments on supplementary contracts with life contingencies	91	61	333
19. Increase in aggregate reserves for life and accident and health contracts	(173,650)	76,466	148,438
20. TOTALS (Lines 10 to 19)	3,266,574	2,494,356	18,181,468
21. Commissions on premiums, annuity considerations, and deposit type contract funds (direct business only)	27,948	23,371	123,181
22. Commissions and expense allowances on reinsurance assumed	426,666	406,157	2,395,776
23. General insurance expenses and fraternal expenses	918,004	1,166,894	6,132,800
24. Insurance taxes, licenses and fees, excluding federal income taxes	34,075	64,997	327,648
25. Increase in loading on deferred and uncollected premiums	2,590	(5,053)	(9,933)
26. Net transfers to or (from) Separate Accounts, net of reinsurance	0	0	0
27. Aggregate write-ins for deductions	51,333	42,649	297,487
28. Totals (Lines 20 to 27)	4,726,290	4,195,974	30,448,384
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(101,744)	(165,801)	(2,628,766)
30. Dividends to policyholders and refunds to members	0	5,837	0
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 minus Line 30)	(101,744)	(171,638)	(2,628,766)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	0	0	(294,157)
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(101,744)	(171,638)	(2,335,629)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....0 (excluding taxes of \$.....0 transferred to the IMR)	(104)	(2,148)	(7,972)
35. Net income (Line 33 plus Line 34)	(101,848)	(173,785)	(2,343,601)
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year	(28,980,233)	(25,246,385)	(25,246,385)
37. Net income (Line 35)	(101,848)	(173,785)	(2,343,601)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	30,971	19,781	(99,836)
39. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
40. Change in net deferred income tax	0	0	(294,157)
41. Change in nonadmitted assets	70,779	(76,117)	68,891
42. Change in liability for reinsurance in unauthorized and certified companies	852,310	(6,348)	651,334
43. Change in reserve on account of change in valuation basis, (increase) or decrease	0	0	0
44. Change in asset valuation reserve	0	(13,637)	(247,847)
45. Change in treasury stock	0	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period	0	0	0
47. Other changes in surplus in Separate Accounts Statement	0	0	0
48. Change in surplus notes	0	0	0
49. Cumulative effect of changes in accounting principles	0	0	0
50. Capital changes:			
50.1 Paid in	0	0	0
50.2 Transferred from surplus (Stock Dividend)	0	0	0
50.3 Transferred to surplus	0	0	0
51. Surplus adjustment:			
51.1 Paid in	0	0	0
51.2 Transferred to capital (Stock Dividend)	0	0	0
51.3 Transferred from capital	0	0	0
51.4 Change in surplus as a result of reinsurance	(131,570)	(168,544)	(1,001,104)
52. Dividends to stockholders	0	0	0
53. Aggregate write-ins for gains and losses in surplus	0	0	(487,428)
54. Net change in capital and surplus (Lines 37 through 53)	850,643	(418,689)	(3,733,848)
55. Capital and surplus as of statement date (Lines 36 + 54)	(28,129,590)	(25,665,055)	(28,980,233)
DETAILS OF WRITE-INS			
08.301. DEPOSIT ACCOUNTING INCOME	25,228	25,136	199,722
08.302. MISCELLANEOUS INCOME	102,658	134,103	821,314
08.303. CHANGE IN CSV	(71,866)	(99,744)	(277,960)
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	63,000	0	(582,482)
08.399. TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	(6,980)	58,495	160,594
2701. DEFERRED COMP	51,333	42,649	224,113
2702. INC (DEC) IN GRP FUNDS ON DEPOSIT	0	0	(26,626)
2703.	0	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	51,333	42,649	297,487
5301. SURPLUS INC / DEC - OTHER PRIOR PERIOD ADJUSTMENTS	0	0	302,070
5302. SURPLUS INC / DEC - OTHER SURPLUS ADJUSTMENTS	0	0	203,654
5303. SURPLUS INC / DEC - PRIOR PERIOD AUDIT ADJUSTMENTS	0	0	(973,052)
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0	0
5399. TOTALS (Lines 5301 through 5303 plus 5398) (Line 53 above)	0	0	(467,428)

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	3,673,008	3,192,844	21,581,335
2. Net investment income	147,356	164,453	911,779
3. Miscellaneous income	908,945	1,033,274	5,782,033
4. TOTAL (Lines 1 to 3)	4,727,310	4,390,571	28,255,147
5. Benefit and loss related payments	3,675,534	2,538,061	18,746,900
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	1,593,008	2,089,734	12,477,982
8. Dividends paid to policyholders	0	2,517	0
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	1	0	0
10. TOTAL (Lines 5 through 9)	5,168,543	4,640,312	31,224,883
11. Net cash from operations (Line 4 minus Line 10)	(441,233)	(248,741)	(2,969,736)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	0	0	474,551
12.2 Stocks	0	17	0
12.3 Mortgage loans	45,038	89,766	405,934
12.4 Real estate	0	0	0
12.5 Other invested assets	14,619	303,350	553,350
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	0	0	129,563
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7)	59,655	393,165	1,563,398
13. Cost of investments acquired (long-term only):			
13.1 Bonds	0	0	0
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	0	0
13.7 TOTAL investments acquired (Lines 13.1 to 13.6)	0	0	0
14. Net increase (or decrease) in contract loans and premium notes	(57,338)	(62,835)	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	116,993	426,001	1,563,398
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	1,046	(23,486)	(58,610)
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied)	177,613	246,799	652,725
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	178,659	223,263	604,115
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(145,580)	399,523	(802,222)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	1,848,761	2,650,983	2,650,983
19.2 End of period (Line 18 plus Line 19.1)	1,703,180	3,050,506	1,848,761
Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:			
20.0001	0	0	0

OVERFLOW PAGE FOR WRITE-INS

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1187. Summary of remaining write-ins for Line 11 (Lines 1104 through 1195)	0	0	0	0
2504. OTHER AMOUNTS RECEIVABLE	21,630	0	21,630	32,098
2505. LEASEHOLD IMPROVEMENTS	236,536	236,536	0	0
2506. OTHER ASSETS	127,907	127,907	0	0
2597. Summary of remaining write-ins for Line 25 (Lines 2504 through 2596)	386,073	364,443	21,630	32,098

SUMMARY OF OPERATIONS

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
08.304. CI CHANGE IN CONVERSION POOL ASSETS-ASSUMED	(63,000)	0	(582,462)
08.397. Summary of remaining write-ins for Line 8.3 (Lines 08.304 through 08.396)	(63,000)	0	(582,462)
2797. Summary of remaining write-ins for Line 27 (Lines 2704 through 2796)	0	0	0
5397. Summary of remaining write-ins for Line 63 (Lines 5304 through 5396)	0	0	0

NORTH CAROLINA

WAKE COUNTY

VERIFICATION

JEFFREY A. TRENDEL, being first duly sworn, deposes and says that he is a Deputy Commissioner of Insurance for the North Carolina Department of Insurance and appointed as Special Deputy Rehabilitator for North Carolina Mutual Life Insurance Company by the Commissioner of Insurance and Rehabilitator, that he has read the foregoing monthly report of activity of the Rehabilitator as of April 30, 2019, and a balance sheet, summary of operations and statement of cash flow as of February 28, 2019, of North Carolina Mutual Life Insurance Company, and that the contents of same are true and correct to the best of his knowledge and belief.

This the 2nd day of May, 2019.



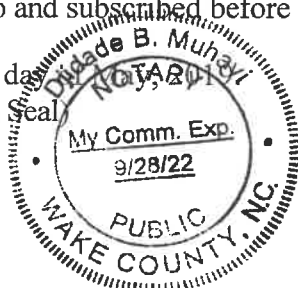
Deputy Commissioner of Insurance and
Special Deputy Rehabilitator for
North Carolina Mutual Life Insurance Company

NORTH CAROLINA

WAKE COUNTY

Sworn to and subscribed before me this

The 2nd day of May, 2019
(Official Seal)



Dydade B. Muhayi
Notary Public

My Commission Expires:

9/28/22