



U.S. Securities and Exchange Commission
Division of Investment
Management

April 28, 2023

VIA ELECTRONIC MAIL

RESPONSE OF CHIEF ACCOUNTANT'S OFFICE
DIVISION OF INVESTMENT MANAGEMENT

Stephen E. Roth
Eversheds Sutherland (US) LLP
Email: steveroth@eversheds-sutherland.com

Re: Delaware Life Insurance Company and Gainbridge Life Insurance Company

By letter dated April 19, 2023, you request permission under Regulation S-X 3-13 (“Rule 3-13”) for Delaware Life Insurance Company (“DLIC”) and Gainbridge Life Insurance Company (“GLIC”) (each the “Company” and together the “Companies”) to file audited financial statements prepared in accordance with statutory accounting principles¹ (“SAP”), in place of financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), in registration statements on Form S-1 that the Companies have filed and/or intend to file with the Commission for certain annuity contracts described in your letter (the “Contracts”) in satisfaction of the financial information required by Form S-1, including the requirements of Items 11(e), 11(g), and 16(b) of Form S-1, as described in your letter.

Background

You state that each of DLIC and GLIC is a stock life insurance company domiciled in the State of Delaware and each is subject to supervision by the Delaware Department of Insurance.

You state that neither of the Companies, nor any of their parents/holding companies, is registered under the Securities Exchange Act of 1934 (“Exchange Act”), and therefore they do not file periodic reports under the Exchange Act. You also state that neither of the Companies, nor any of their parents/holding companies, prepares full GAAP financial statements for any purpose. You further state that the Companies’ parents/holding companies do not prepare GAAP

¹ You note that these principles are those that are prescribed or permitted by the Companies’ domiciliary state regulators.

reporting packages or partial GAAP financial statements, and neither of the Companies prepares GAAP reporting packages or partial GAAP financial statements.

You state that the Companies would not otherwise be required to prepare audited GAAP financial statements for any reason other than in connection with the filing of Form S-1 registration statements to register the interests under the Contracts. You also state that, as insurance companies subject to state regulation, the Companies prepare SAP financial statements that are audited by an independent auditor and will be filed with the Delaware Department of Insurance and with the National Association of Insurance Commissioners. You state that the Companies manage their respective businesses on the basis of the SAP financial statements.

You state that each of the Companies is eligible for the exemption from filing periodic reports required by the Exchange Act provided by rule 12h-7 thereunder and will rely on this exemption and comply with its conditions so long as it relies on the requested permission.² In this regard, you note that (1) each of the Companies is subject to supervision by the Delaware Department of Insurance; and (2) each of the Companies files annual statements of its financial condition with, and is supervised and its financial condition periodically examined by, the Delaware Department of Insurance.³

The Contracts

You state that the Contracts will be standalone index-linked annuity contracts or combination annuity contracts that offer variable investment options as well as registered index-linked investment options.

You also state that (1) the Contracts will not constitute an equity interest in either of the Companies and will be subject to regulation under Delaware Insurance Law;⁴ (2) the Contracts will not be listed, traded or quoted on an exchange, alternative trading system, inter-dealer quotation system, electronic communications network, or any other similar system, network or publication for trading or quoting and the Companies will take steps reasonably designed to

² Rule 12h-7 exempts insurance companies from filing Exchange Act reports with respect to certain specified types of securities that are subject to state insurance regulation and are registered under the Securities Act of 1933 if certain other conditions are satisfied. 17 CFR 240.12h-7.

³ Rule 12h-7(a) and (c) specify that an issuer qualifying under the rule is a corporation subject to the supervision of the insurance commissioner, bank commissioner, or any agency or officer performing like functions, of any State (as defined in the Exchange Act); and files an annual statement of its financial condition with, and is supervised and its financial condition examined periodically by, the insurance commissioner, bank commissioner, or any agency or officer performing like functions, of the issuer's domiciliary State.

⁴ Rule 12h-7(b) specifies that the securities that would otherwise trigger Exchange Act reporting obligations must not constitute an equity interest in the issuer, and must either be securities subject to regulation under the insurance laws of the domiciliary State of the issuer or guarantees of securities that are subject to regulation under the insurance laws of that jurisdiction.

ensure that a trading market for its Contracts does not develop;⁵ and (3) prospectuses for the Contracts will disclose that the issuing Company relies on the relief provided by rule 12h-7.⁶

Discussion

You note that Rule 3-13 provides that the Commission may, upon the informal written request of the registrant, and where consistent with the protection of investors, permit the omission of one or more of the financial statements required by Regulation S-X or the filing in substitution thereof of appropriate statements of comparable character. You assert that, for the Form S-1 registration statements for the Contracts, SAP financial statements audited by an independent auditor⁷ are appropriate statements of a comparable character to GAAP financial statements and would be consistent with investor protection.

In support of this claim, you assert that investors in the Contracts will be most interested in information relevant to assessing the issuing Company's ability to fulfill its contractual obligations.⁸ You assert that SAP financial statements would provide investors in the Contracts with sufficient information to assess the issuing Company's solvency and its ability to satisfy its contractual obligations.⁹

In this regard, you claim that SAP financial statements contain detailed information about the respective Companies' assets and liabilities, as well as their regulatory capital and surplus, which serve as financial cushions for paying Contract owner claims. In addition, you claim that SAP financial statements enable state regulators to determine each Company's ability to meet Contract owner obligations based on the availability of readily-marketable assets when obligations are due.

⁵ Rule 12h-7(d) requires that those securities must not be listed, traded, or quoted on an exchange, alternative trading system, inter-dealer quotation system, electronic communications network, or any other similar system, network, or publication for trading or quoting. Rule 12h-7(e) requires that an issuer take steps reasonably designed to ensure that a trading market for the securities does not develop.

⁶ Rule 12h-7(f) provides that the prospectus for the securities must contain a statement indicating that the issuer is relying on the exemption provided by the rule.

⁷ You state that the independent auditor engaged to audit the SAP financial statements will be registered with and subject to inspection by the Public Company Accounting Oversight Board, and will satisfy the independence standards of Article 2 of Regulation S-X.

⁸ You note the Commission recognized, in proposing variable annuity registration forms, that contract owners, participants, and annuitants may not want or need disclosure about the financial performance of the insurance company, but instead may be interested only in the insurer's solvency. *Registration Form for Insurance Company Separate Accounts that Offer Variable Annuity Contracts*, Securities Act Release No. 6502 and Investment Company Act Release No. 13689 (Dec. 22, 1983).

⁹ You also note that, while GAAP financial statements assist investors in understanding the Companies' going concern value, investors in the Contracts do not need information regarding Companies' going concern value since there is no secondary market in the Contracts.

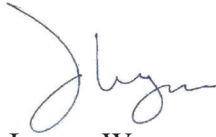
Based on the facts and representations set forth in your letter as summarized above, as well as the conditions outlined above, and without necessarily agreeing with all of your analysis, your request for permission under Rule 3-13 for DLIC and GLIC to file SAP financial statements, audited by an independent auditor, in lieu of GAAP financial statements in registration statements filed for the Contracts on Form S-1, as it relates to the accounting basis of those financial statements only and as described above, is granted.¹⁰

¹⁰ Our analysis underlying this assurance has been developed in consultation with the staff of the Commission's Office of the Chief Accountant.

This permission is provided for the Contracts described in your letter based on the facts disclosed therein, including that the Contracts seeking to rely on the permission are non-variable annuity contracts classified as market-value adjusted annuities, contingent deferred annuities, and/or indexed annuities. As to any Contract registered or materially amended in the future, this permission is subject to the Commission staff's assessment of the Contract's registration statement for consistency with the facts described in your letter and the intended product types. In this regard, you have stated that the Companies will notify the staff, in a letter accompanying the filing of any new registration statement for a Contract or any post-effective amendment to an existing registration statement that reflects a material change to a Contract, of its intent to rely on the permission granted in this letter.

If you have any questions regarding this letter, please call the Chief Accountant's Office of the Division of Investment Management at (202) 551-6918.

Sincerely,

A handwritten signature in black ink, appearing to read "Jenson Wayne". The signature is fluid and cursive, with the first letter of each name being capitalized and prominent.

Jenson Wayne
Chief Accountant
Division of Investment Management

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

April 19, 2023

Mr. Jenson Wayne
Chief Accountant
Division of Investment Management
U.S. Securities and Exchange
Commission 100 F Street, NE
Washington, DC 20549

RE: Delaware Life Insurance Company and Gainbridge Life Insurance Company

Dear Mr. Wayne:

On behalf of Delaware Life Insurance Company ("DLIC") and Gainbridge Life Insurance Company ("GLIC") (individually, a "Company"; together, the "Companies"), we respectfully request that, pursuant to Rule 3-13 of Regulation S-X, the staff of the Division of Investment Management (the "Staff") permit the Companies to file audited financial statements prepared in accordance with statutory accounting principles ("SAP") prescribed or permitted by their domiciliary state regulator, in place of financial statements prepared in accordance with United States generally accepted accounting principles ("GAAP") in registration statements on Form S-1 that the Companies have filed and/or intend to file for certain annuity contracts described in this letter that they intend to issue (the "Contracts"), in satisfaction of the financial information required by Form S-1, including the requirements of Items 11(e), 11(g) and 16(b) of Form S-1.

Because the Contracts are insurance products subject to state regulation, the Companies believe that SAP financial statements are of a comparable character to GAAP financial statements and would provide investors in the Contracts ("Contract owners") with sufficient information to assess each Company's ability to meet its obligations under the Contracts, and that filing SAP financial statements in place of GAAP financial statements in registration statements on Form S-1 for the Contracts would be consistent with investor protection. Forms N-3, N-4 and N-6 already permit insurers that meet certain criteria to use SAP financial statements on those forms, which relief is intended to reduce the burden on insurance companies that would otherwise prepare GAAP financial statements solely to register variable insurance products. Because of the significant costs and administrative burdens associated with preparing GAAP financial statements, relief permitting use of SAP financial statements in Forms N-3, N-4 and N-6 serves as precedent for allowing use of SAP financial statements in registration statements on Form S-1 for the Contracts.

The Companies

The Companies are indirect wholly owned subsidiaries of Group 1001 Insurance Holdings, LLC ("Group 1001"), a holding company incorporated in the state of Delaware, which ultimately is controlled by Mr. Mark R. Walter through a series of holding companies.

The Companies' issuance of annuities and life insurance contracts is regulated under the insurance laws of their domiciliary state, Delaware, as well as under the insurance laws of all other jurisdictions where they are licensed to issue such contracts.

DLIC, a stock life insurance company, was incorporated on January 12, 1970 under the laws of Delaware.¹ DLIC is principally engaged in the offering of annuities.

DLIC is authorized to transact business in 49 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. The business of DLIC includes the issuance, administration and servicing of a variety of wealth accumulation products, protection products, and institutional investment contracts. These products include individual and group fixed and variable annuities, individual and group variable life insurance, individual universal life insurance, funding agreements, and group life and disability insurance.

GLIC, a stock life insurance company, was incorporated on January 30, 2015 under the laws of Texas as Clear Spring Life Insurance Company.² On June 29, 2022, it redomiciled to the State of Delaware and was renamed Gainbridge Life Insurance Company. GLIC is principally engaged in the reinsurance of annuities liabilities and plans to begin offering annuities in the retail market.

GLIC is authorized to issue, and is licensed to sell, insurance contracts in the District of Columbia and every state except Florida and New York.

Neither of the Companies, nor any of their parents/holding companies, is registered under the Securities Exchange Act of 1934 ("1934 Act"), and therefore they do not file periodic reports under the 1934 Act. Moreover, neither of the Companies, nor any of their parents/holding companies, prepare full GAAP financial statements for any purpose. The parents/holding companies do not prepare GAAP reporting packages or partial GAAP financial statements, and neither of the Companies prepares GAAP reporting packages or partial GAAP financial statements.

As insurance companies subject to state regulation, the Companies prepare SAP financial statements that are audited by an independent auditor and that will be filed with the Delaware Department of Insurance and with the National Association of Insurance Commissioners ("NAIC"). The Companies manage their respective businesses on the basis of these SAP financial statements.

GLIC has not previously issued any annuity or life insurance products registered as securities with the Securities and Exchange Commission ("SEC"). DLIC has a number of variable annuity and variable life insurance products registered with the SEC on Forms N-4 and N-6, respectively, none of which requires the preparation of audited GAAP financial statements.³ Absent the permission being sought herein, the Companies would not otherwise be required to prepare audited GAAP

¹ DLIC, formerly known as Sun Life Assurance Company of Canada (U.S.), was acquired from Sun Life Financial by a subsidiary of Group 1001 in August of 2013, and changed its name to Delaware Life Insurance Company in 2014.

² GLIC is a direct wholly owned subsidiary of Clear Spring Life and Annuity Company ("CSLAC"), a life insurance company incorporated in the state of Delaware that issues fixed and fixed indexed annuity contracts, funding agreements, and also reinsures life insurance and annuity contracts issued by other companies. Prior to November 12, 2021, GLIC and CSLAC (formerly Guggenheim Life and Annuity Company) were indirectly owned by Guggenheim Capital, LLC. On that date, Group 1001 acquired CSLAC and its subsidiaries. Therefore, GLIC became an indirect wholly owned subsidiary of Group 1001.

³ Prior to 2012, DLIC prepared GAAP financial statements in connection with its offering of certain annuities with market value adjustment ("MVA") features registered with the SEC on Form S-3. In March of 2012, DLIC removed from registration any remaining interests under the Form S-3 filings and amended the terms of the MVA interests to render them exempt from registration under the Securities Act of 1933 (the "1933 Act"). DLIC has not been required to prepare, and has not prepared, audited GAAP financial statements since that time.

financial statements for any reason other than in connection with the filing of Form S-1 registration statements to register the interests under the Contracts.

State regulators periodically examine the respective financial statements filed by the Companies as part of a comprehensive regulatory program that focuses on their solvency, with the goal of ensuring that each of the Companies can fulfill its contractual obligations to its contract owners. The ultimate objective of state solvency regulation is to ensure that an insurance company can pay contract owner liabilities when they become due and that the insurance company maintains capital and surplus at all times in such forms as required by state law to provide a margin of safety. With the objective of solvency regulation and contract owner protection, statutory accounting principles focus on an insurance company's balance sheet and solvency and emphasize the insurance company's liquidity.

Each of the Companies is eligible for the exemption from filing periodic reports required by the 1934 Act provided by Rule 12h-7 thereunder and will rely on this exemption and comply with the conditions of the rule as long as it relies on the permission provided in response to this letter. Each of the Companies is subject to supervision by the Delaware Department of Insurance. The Contracts will not constitute an equity interest in either of the Companies and will be subject to regulation under Delaware insurance law. Each of the Companies files annual statements of its financial condition with, and is supervised and its financial condition examined periodically by, the Delaware Department of Insurance. The Contracts will not be listed, traded or quoted on an exchange, alternative trading system, inter-dealer quotation system, electronic communications network, or any other similar system, network or publication for trading or quoting. Each of the Companies will take steps reasonably designed to ensure that a trading market for its Contracts does not develop. Prospectuses for the Contracts will disclose that the issuing Company relies on the relief provided by Rule 12h-7.

The Contracts

The Contracts that either of the Companies will register with the SEC on Form S-1 will either be standalone index-linked annuity contracts or combination annuity contracts that offer variable investment options as well as registered index-linked investment options. Like variable investment options, index-linked investment options provide contract owners the potential for higher returns than traditional fixed annuity contracts by shifting some or all of the market risk to contract owners in the form of interest based on the performance of one or more market indexes or benchmarks. Index-linked investment options may also provide contract owners some protection against negative market performance by subjecting negative performance of such index or benchmark to a floor, buffer or other mechanism that operates to limit market risk.

During the accumulation phase, Contract owners will be able to select among one or more index-linked investment options that are linked to the performance of specified market indexes or benchmarks. These crediting options may include one or more mechanisms for providing protection to Contract owners from negative performance of the specified market indexes or benchmarks, such as, but not limited to, a floor, establishing the maximum negative market performance to which Contract owners will be exposed, or a buffer, establishing an amount of negative market performance that the issuing Company will absorb. These interest crediting features may also include a coupon feature that will increase performance by some specified percentage amount. Proceeds payable to a Contract owner who withdraws Contract value or surrenders the Contract before the end of an investment option period will be based on the actual index performance at the time of withdrawal or surrender.

The Companies' Request

Rule 3-13 of Regulation S-X provides that the SEC "may upon the informal written request of the registrant, and where consistent with the protection of investors, permit the omission of one or more of the financial statements herein required or the filing in substitution therefor of appropriate statements of comparable character." For the reasons stated herein, the Companies believe that SAP financial statements audited by an independent auditor⁴ included in the Form S-1 registration statements for the Contracts are appropriate statements of a comparable character to GAAP financial statements and would be consistent with investor protection.

SAP financial statements will provide investors in the Contracts with sufficient information to assess the issuing Company's ability to meet its contractual obligations.

Forms N-3, N-4 and N-6, used to register variable insurance products under the 1933 Act, already permit use of SAP financial statements in place of GAAP financial statements if the insurance company issuing the contract meets certain criteria, including that it would not have to prepare GAAP financial statements except for use in registration statements on such forms. When proposing Forms N-3 and N-4 for variable annuity contracts with instructions permitting the use of SAP financial statements, the SEC recognized that guarantees associated with annuity payments and other benefits provided by the contracts, which are backed by the insurance company's general account, depend on the solvency of the insurance company, and that contract owners, participants and annuitants who invest in the contracts may not want or need disclosure about the financial performance of the insurance company, but instead may be interested only in the insurance company's solvency.⁵

Similar to investors in variable annuity contracts, investors in the Contracts will be most interested in information relevant to assessing the issuing Company's ability to fulfill its contractual obligations. Statutory accounting principles are designed specifically to provide this type of information to state regulators. SAP financial statements contain detailed information about the Companies' respective assets and liabilities as well as their regulatory capital and surplus, which serve as financial cushions for paying Contract owner claims. Furthermore, SAP financial statements enable state regulators to determine each Company's ability to meet Contract owner obligations, based on the availability of readily marketable assets when obligations are due. In contrast, GAAP financial statements assist investors in understanding a company's going concern value. Due to the absence of any secondary market in the Contracts, investors in the Contracts do not need information regarding the issuing Company's going concern value.

Consequently, SAP financial statements would provide investors in the Contracts with sufficient information to assess the solvency of the issuing Company and its ability to satisfy its contractual obligations. GAAP financial statements, on the other hand, would not provide additional informative value to investors that would justify the significant costs and administrative burdens of preparing and auditing an additional set of financial statements solely to include in the Form S-1 registration statements for the Contracts.

⁴ The auditor will satisfy the independence standards of Article 2 of Regulation S-X and be registered with and subject to inspection by the Public Company Accounting Oversight Board.

⁵ See Registration Forms for Insurance Company Separate Accounts that Offer Variable Annuity Contracts (Proposing Release) Rel. Nos. 33-6502 and IC-13689 (December 22, 1983).

Conclusion

For the reasons stated above, SAP financial statements are appropriate financial statements of a comparable character to GAAP financial statements and will provide investors in the Contracts with sufficient information to assess each issuing Company's ability to meet its obligations under the Contracts, and filing SAP financial statements in place of GAAP financial statements would be consistent with investor protection.

We respectfully request, on behalf of DLIC and GLIC, that the Staff grant permission pursuant to Rule 3-13 of Regulation S-X to permit the Companies to file SAP financial statements audited by an independent auditor in registration statements on Form S-1 for the Contracts. Should you provide this permission, each Company agrees to notify the Staff in a letter, accompanying the filing of any new registration statement for a Contract or any post-effective amendment to an existing registration statement that reflects a material change to a Contract, of its intent to rely on the permission granted in response to this letter.

Thank you for your attention to this matter. Please contact me at 202-383-0158 if you need additional information or have any questions concerning this request.

Sincerely,



Stephen E. Roth
Eversheds Sutherland (US) LLP