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

FORM 10-Q

ý Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2016

or

o Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to

Commission File Number 001-11339

PROTECTIVE LIFE CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	95-2492236
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

2801 HIGHWAY 280 SOUTH
BIRMINGHAM, ALABAMA 35223
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code (205) 268-1000

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o Accelerated Filer o

Non-accelerated filer x   Smaller Reporting Company o

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

Number of shares of Common Stock, $0.01 Par Value, outstanding as of April 18, 2016: 1,000

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PROTECTIVE LIFE CORPORATION
QUARTERLY REPORT ON FORM 10-Q
FOR QUARTERLY PERIOD ENDED MARCH 31, 2016

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PART I

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PROTECTIVE LIFE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(Unaudited)

	Successor Company		Predecessor Company
	For The Three Months Ended March 31, 2016	February 1, 2015 to March 31, 2015	January 1, 2015 to January 31, 2015
	(Dollars In Thousands)		(Dollars In Thousands, Except Per Share Amounts)
Revenues			
Premiums and policy fees	$852,795	$509,008	$ 261,866
Reinsurance ceded	(310,327)	(141,401)	(89,956)
Net of reinsurance ceded	542,468	367,607	171,910
Net investment income	475,117	288,872	175,180
Realized investment gains (losses):			
Derivative financial instruments	(73,499)	33,641	(123,274)
All other investments	81,728	(35,056)	81,153
Other-than-temporary impairment losses	(2,769)	—	(636)
Portion recognized in other comprehensive income (before taxes)	152	—	155
Net impairment losses recognized in earnings	(2,617)	—	(481)
Other income	103,716	67,263	36,421
Total revenues	1,126,913	722,327	340,909
Benefits and expenses			
Benefits and settlement expenses, net of reinsurance ceded: (2016 and 2015 Successor - $299,873 and $117,208); (2015 Predecessor - $87,674)	714,545	486,299	267,287
Amortization of deferred policy acquisition costs and value of business acquired	30,746	27,897	4,072
Other operating expenses, net of reinsurance ceded: (2016 and 2015 Successor - $48,311 and $35,036); (2015 Predecessor - $17,056)	209,780	115,304	68,368
Total benefits and expenses	955,071	629,500	339,727
Income before income tax	171,842	92,827	1,182
Income tax expense (benefit)	56,494	29,966	(327)
Net income	$115,348	$62,861	$ 1,509
Net income - basic			$ 0.02
Net income - diluted			$ 0.02
Cash dividends paid per share			$ —
Average shares outstanding - basic			80,452,848
Average shares outstanding - diluted			81,759,287

See Notes to Consolidated Condensed Financial Statements

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PROTECTIVE LIFE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Successor Company		Predecessor Company
	For The Three Months Ended March 31, 2016	February 1, 2015 to March 31, 2015	January 1, 2015 to January 31, 2015
	(Dollars In Thousands)		(Dollars In Thousands)
Net income	$115,348	$62,861	$ 1,509
Other comprehensive income (loss):			
Change in net unrealized gains (losses) on investments, net of income tax: (Successor 2016 - $236,350; 2015 - $(157,355)); (Predecessor 2015 - $259,738)	438,936	(292,233)	482,370
Reclassification adjustment for investment amounts included in net income, net of income tax: (Successor 2016 - $(1,028); 2015 - $(131)); (Predecessor 2015 - $(2,244))	(1,910)	(242)	(4,166)
Change in net unrealized gains (losses) relating to other-than-temporary impaired investments for which a portion has been recognized in earnings, net of income tax: (Successor 2016 - $159; 2015 - $0); (Predecessor 2015 - $(131))	294	—	(243)
Change in accumulated (loss) gain - derivatives, net of income tax: (Successor 2016 - $0; 2015 - $(12)); (Predecessor 2015 - $5)	—	(23)	9
Reclassification adjustment for derivative amounts included in net income, net of income tax: (Successor 2016 - $0; 2015 - $31); (Predecessor 2015 - $13)	—	59	23
Change in postretirement benefits liability adjustment, net of income tax: (Successor 2016 - $0; 2015 - $0); (Predecessor 2015 - $(6,475))	—	—	(12,025)
Total other comprehensive income (loss)	437,320	(292,439)	465,968
Total comprehensive income (loss)	$552,668	$(229,578)	$ 467,477

See Notes to Consolidated Condensed Financial Statements

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PROTECTIVE LIFE CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)

	Successor Company	
	As of March 31, 2016	As of December 31, 2015
	(Dollars In Thousands)	
Assets		
Fixed maturities, at fair value (amortized cost: Successor 2016 - $39,049,618; 2015 - $38,457,049)	$37,139,180	$35,573,250
Fixed maturities, at amortized cost (fair value: Successor 2016 - $2,757,674; 2015 - $515,000)	2,783,302	593,314
Equity securities, at fair value (cost: Successor 2016 - $715,478; 2015 - $732,485)	722,149	739,263
Mortgage loans (related to securitizations: Successor 2016 - $331,612; 2015 - $359,181)	5,689,960	5,662,812
Investment real estate, net of accumulated depreciation (2016 - $170; 2015 - $133)	8,231	11,118
Policy loans	1,684,088	1,699,508
Other long-term investments	765,739	622,567
Short-term investments	449,278	268,718
Total investments	49,241,927	45,170,550
Cash	354,144	396,072
Accrued investment income	489,820	473,598
Accounts and premiums receivable	111,457	62,459
Reinsurance receivables	5,515,548	5,536,751
Deferred policy acquisition costs and value of business acquired	1,868,995	1,558,808
Goodwill	732,443	732,443
Other intangibles, net of accumulated amortization (Successor 2016 - $48,197; 2015 - $37,869)	634,803	645,131
Property and equipment, net of accumulated depreciation (Successor 2016 - $10,537; 2015 - $8,277)	102,875	102,865
Other assets	156,109	153,222
Income tax receivable	9,845	—
Assets related to separate accounts		
Variable annuity	12,789,776	12,829,188
Variable universal life	819,259	827,610
Total assets	$72,827,001	$68,488,697

See Notes to Consolidated Condensed Financial Statements

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PROTECTIVE LIFE CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS
(continued)
(Unaudited)

	Successor Company	
	As of March 31, 2016	As of December 31, 2015
	(Dollars In Thousands)	
Liabilities		
Future policy benefits and claims	$30,391,287	$29,703,897
Unearned premiums	730,845	723,536
Total policy liabilities and accruals	31,122,132	30,427,433
Stable value product account balances	2,098,870	2,131,822
Annuity account balances	10,765,723	10,719,862
Other policyholders’ funds	1,212,476	1,069,572
Other liabilities	2,131,005	1,693,310
Income tax payable	—	49,957
Deferred income taxes	1,344,066	997,281
Non-recourse funding obligations	2,866,735	685,684
Repurchase program borrowings	660,000	438,185
Debt	1,525,507	1,588,806
Subordinated debt securities	446,903	448,763
Liabilities related to separate accounts		
Variable annuity	12,789,776	12,829,188
Variable universal life	819,259	827,610
Total liabilities	67,782,452	63,907,473
Commitments and contingencies - Note 10	0	0
Shareowner’s equity		
Common Stock, Successor: 2016 and 2015 - $.01 par value; shares authorized: 5,000; shares issued: 1,000	—	—
Additional paid-in-capital	5,554,059	5,554,059
Treasury stock, at cost	—	—
Retained earnings	294,304	268,299
Accumulated other comprehensive income (loss):		
Net unrealized gains (losses) on investments, net of income tax: (Successor 2016 - $(435,963); 2015 - $(671,285))	(809,646)	(1,246,672)
Net unrealized (losses) gains relating to other-than-temporary impaired investments for which a portion has been recognized in earnings, net of income tax: (Successor 2016 - $(53); 2015 - $(212))	(99)	(393)
Postretirement benefits liability adjustment, net of income tax: (Successor 2016 - $3,194; 2015 - $3,194)	5,931	5,931
Total shareowner’s equity	5,044,549	4,581,224
Total liabilities and shareowner’s equity	$72,827,001	$68,488,697

See Notes to Consolidated Condensed Financial Statements

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PROTECTIVE LIFE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF SHAREOWNER'S EQUITY
(Unaudited)

	Common Stock	Additional Paid-In-Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareowner's equity
	(Dollars In Thousands)					
Successor Company						
Balance, December 31, 2015	$ —	$ 5,554,059	$ —	$ 268,299	$ (1,241,134)	$ 4,581,224
Net income for the three months ended March 31, 2016				115,348		115,348
Other comprehensive income					437,320	437,320
Comprehensive income for the three months ended March 31, 2016						552,668
Dividends to parent				(89,343)		(89,343)
Balance, March 31, 2016	$ —	$ 5,554,059	$ —	$ 294,304	$ (803,814)	$ 5,044,549

See Notes to Consolidated Condensed Financial Statements

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PROTECTIVE LIFE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	Successor Company		Predecessor Company
	For The Three Months Ended March 31, 2016	February 1, 2015 to March 31, 2015	January 1, 2015 to January 31, 2015
	(Dollars In Thousands)		(Dollars In Thousands)
Cash flows from operating activities			
Net income	$ 115,348	$ 62,861	$ 1,509
Adjustments to reconcile net income to net cash provided by operating activities:			
Realized investment (gains) losses	(5,612)	1,415	42,602
Amortization of DAC and VOBA	30,746	27,897	4,072
Capitalization of DAC	(80,228)	(49,191)	(22,489)
Depreciation and amortization expense	13,829	8,335	820
Deferred income tax	111,312	28,509	30,791
Accrued income tax	(59,802)	80,549	(32,803)
Interest credited to universal life and investment products	156,748	130,209	79,088
Policy fees assessed on universal life and investment products	(314,612)	(188,403)	(90,288)
Change in reinsurance receivables	21,203	11,571	(85,081)
Change in accrued investment income and other receivables	(55,181)	(6,242)	(5,789)
Change in policy liabilities and other policyholders’ funds of traditional life and health products	(28,581)	(112,286)	176,980
Trading securities:			
Maturities and principal reductions of investments	23,280	27,556	17,946
Sale of investments	112,158	31,584	26,422
Cost of investments acquired	(131,030)	(75,342)	(27,289)
Other net change in trading securities	22,791	51,908	(26,901)
Amortization of premiums and accretion of discounts on investments and mortgage loans	97,131	67,285	12,930
Change in other liabilities	90,571	(222,769)	238,592
Other, net	(10,303)	77,909	(149,889)
Net cash provided by (used in) operating activities	$ 109,768	$ (46,645)	$ 191,223

See Notes to Consolidated Condensed Financial Statements

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PROTECTIVE LIFE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)
(continued)

	Successor Company		Predecessor Company
	For The Three Months Ended March 31, 2016	February 1, 2015 to March 31, 2015	January 1, 2015 to January 31, 2015
	(Dollars In Thousands)		(Dollars In Thousands)
Cash flows from investing activities			
Maturities and principal reductions of investments, available-for-sale	$290,533	$45,713	$59,028
Sale of investments, available-for-sale	468,021	712,281	191,062
Cost of investments acquired, available-for-sale	(1,348,046)	(1,188,255)	(149,887)
Change in investments, held-to-maturity	(2,208,000)	(20,000)	—
Mortgage loans:			
New lendings	(271,230)	(248,508)	(100,530)
Repayments	226,869	223,644	45,741
Change in investment real estate, net	2,644	21	7
Change in policy loans, net	15,420	16,502	6,365
Change in other long-term investments, net	7,648	(34,077)	(25,339)
Change in short-term investments, net	(199,246)	11,049	(40,314)
Net unsettled security transactions	123,117	5,100	37,510
Purchase of property and equipment	(3,649)	(709)	(649)
Amounts received from reinsurance transaction	325,800	—	—
Net cash (used in) provided by investing activities	$(2,570,119)	$(477,239)	$22,994
Cash flows from financing activities			
Borrowings under line of credit arrangements and debt	$90,000	$155,000	$—
Principal payments on line of credit arrangement and debt	(127,888)	(110,700)	(60,000)
Issuance (repayment) of non-recourse funding obligations	2,179,700	20,000	—
Repurchase program borrowings	221,815	460,123	—
Dividends to shareowners	(89,343)	—	—
Investment product deposits and change in universal life deposits	697,099	462,674	169,233
Investment product withdrawals	(552,960)	(471,218)	(240,147)
Other financing activities, net	—	68	(4)
Net cash provided by (used in) financing activities	$2,418,423	$515,947	$(130,918)
Change in cash	(41,928)	(7,937)	83,299
Cash at beginning of period	396,072	462,710	379,411
Cash at end of period	$354,144	$454,773	$462,710

See Notes to Consolidated Condensed Financial Statements

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PROTECTIVE LIFE CORPORATION
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION

Basis of Presentation

On February 1, 2015, Protective Life Corporation (the “Company”) became a wholly owned subsidiary of The Dai-ichi Life Insurance Company, Limited, a kabushiki kaisha organized under the laws of Japan (“Dai-ichi Life”), when DL Investment (Delaware), Inc. a wholly owned subsidiary of Dai-ichi Life, merged with and into the Company (the "Merger"). Prior to February 1, 2015, and for the periods reported as “predecessor”, the Company’s stock was publicly traded on the New York Stock Exchange. Subsequent to the Merger date, the Company remains as an SEC registrant within the United States. The Company is a holding company with subsidiaries that provide financial services through the production, distribution, and administration of insurance and investment products. The Company markets individual life insurance, credit life and disability insurance, guaranteed investment contracts, guaranteed funding agreements, fixed and variable annuities, and extended service contracts throughout the United States. The Company also maintains a separate segment devoted to the acquisition of insurance policies from other companies. Founded in 1907, Protective Life Insurance Company (“PLICO”) is the Company’s largest operating subsidiary.

In conjunction with the Merger, the Company elected to apply “pushdown” accounting by applying the guidance allowed by ASC Topic 805, Business Combinations, including the initial recognition of most of the Company’s assets and liabilities at fair value as of the acquisition date, and similarly recognizing goodwill calculated based on the terms of the transaction and the fair value of the new basis of net assets of the Company. The new basis of accounting will be the basis of the accounting records for assets and liabilities held at the acquisition date in the preparation of future financial statements and related disclosures after the Merger date.

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for the interim periods presented herein. Such accounting principles differ from statutory reporting practices used by insurance companies in reporting to state regulatory authorities. Accordingly, they do not include all of the disclosures required by GAAP for complete financial statements. In the opinion of management, the accompanying financial statements reflect all adjustments (consisting only of normal recurring items) necessary for a fair statement of the results for the interim periods presented. Operating results for the three months ended March 31, 2016 (Successor Company) are not necessarily indicative of the results of operations that may be expected for the year ending December 31, 2016 (Successor Company). The year-end consolidated condensed financial data included herein was derived from audited financial statements but does not include all disclosures required by GAAP within this report. For further information, refer to the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015 (Successor Company).

The operating results of companies in the insurance industry have historically been subject to significant fluctuations due to changing competition, economic conditions, interest rates, investment performance, insurance ratings, claims, persistency, and other factors.

Entities Included

The consolidated condensed financial statements for the predecessor and successor periods presented in this report include the accounts of Protective Life Corporation and subsidiaries and its affiliate companies in which the Company holds a majority voting or economic interest. Intercompany balances and transactions have been eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

For a full description of significant accounting policies, see Note 2 to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015 (Successor Company). There were no significant changes to the Company's accounting policies during the three months ended March 31, 2016 (Successor Company).

Accounting Pronouncements Recently Adopted

Accounting Standards Update ("ASU") No. 2015-02-Consolidation-Amendments to the Consolidation Analysis. This Update makes several targeted changes to generally accepted accounting principles, including a) eliminating the presumption that a general partner should consolidate a limited partnership and b) eliminating the consolidation model specific to limited partnerships. The amendments also clarify when fees and related party relationships should be considered in the consolidation of variable interest entities. The amendments in this Update are effective for annual and interim periods beginning after December 15, 2015. The Update did not impact the Company's financial position or results of operations, and the Company is prepared to comply with the revised guidance in future periods.

ASU No. 2015-03-Interest-Imputation of Interest. The objective of this Update is to eliminate diversity in practice related to the presentation of debt issuance costs. The amendments in this Update require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this Update. The Update is effective for fiscal years beginning after December 15, 2015, and

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requires revised presentation of debt issuance costs in all periods presented in the financial statements. The Update did not impact the Company's financial position or results of operations, and the Company is prepared to comply with the revised guidance in future periods.

ASU No. 2015-15 - Interest - Imputation of Interest - Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements. The objective of this Update is to clarify the SEC Staff’s position on presenting and measuring debt issuance costs incurred in connection with line-of-credit arrangements given the lack of guidance on the topic in ASU No. 2015-03. This Update reflects the SEC Staff’s decision to not object when an entity defers and presents debt issuance costs as an asset and subsequently amortize the deferred debt issuance costs ratably over the term of the line-of-credit arrangement. The Update did not impact the Company's financial position or results of operations, and the Company is prepared to comply with the revised guidance in future periods.

ASU No. 2015-05 - Intangibles - Goodwill and Other - Internal-Use Software. The amendments in this Update provide guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The guidance will not change GAAP for a customer’s accounting for service contracts. The Update is effective for annual and interim periods beginning after December 15, 2015. The Update did not impact the Company's financial position or results of operations, and the Company is prepared to comply with the revised guidance in future periods.

Accounting Pronouncements Not Yet Adopted

ASU No. 2014-09-Revenue from Contracts with Customers (Topic 606). This Update provides for significant revisions to the recognition of revenue from contracts with customers across various industries. Under the new guidance, entities are required to apply a prescribed 5-step process to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The accounting for revenues associated with insurance products is not within the scope of this Update. The Update was originally effective for annual and interim periods beginning after December 15, 2016. However, in August 2015, the FASB issued ASU No. 2015-14 - Revenues from Contracts with Customers: Deferral of the Effective Date, to defer the effective date of ASU No. 2014-09 by one year to annual and interim periods beginning after December 15, 2017. Early adoption will be allowed, but not before the original effective date. The Company is reviewing its policies and processes to ensure compliance with the requirements in this Update, upon adoption, and assessing the impact this standard will have on its non-insurance operations.

ASU No. 2014-15-Presentation of Financial Statements-Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern. This Update will require management to assess an entity’s ability to continue as a going concern, and will require footnote disclosures in certain circumstances. Under the updated guidance, management should consider relevant conditions and evaluate whether it is probable that the entity will be unable to meet its obligations within one year after the issuance date of the financial statements. The Update is effective for annual periods ending December 31, 2016 and for annual and interim periods thereafter, with early adoption permitted. The amendments in this Update will not impact the Company’s financial position or results of operations. However, the new guidance will require a formal assessment of going concern by management based on criteria prescribed in the new guidance. The Company is reviewing its policies and processes to ensure compliance with the new guidance.

ASU No. 2015-09 - Financial Services-Insurance (Topic 944): Disclosures about Short-Duration Contracts. The amendments in this Update require additional disclosures for short-duration contracts issued by insurance entities. The additional disclosures focus on the liability for unpaid claims and claim adjustment expenses and include incurred and paid claims development information by accident year in tabular form, along with a reconciliation of this information to the statement of financial position. For accident years included in the development tables, the amendments also require disclosure of the total incurred-but-not-reported liabilities and expected development on reported claims, along with claims frequency information unless impracticable. Finally, the amendments require disclosure of the historical average annual percentage payout of incurred claims. With the exception of the current reporting period, claims development information may be presented as supplementary information. The Update is effective for annual periods beginning after December 15, 2015 and interim periods beginning after December 15, 2016. The Company does not anticipate that the additional disclosures introduced in this Update will be material to its financial statements.

ASU No. 2016-01 - Financial Instruments - Recognition and Measurement of Financial Assets and Financial Liabilities. The amendments in this Update address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. Most notably, the Update requires that equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) be measured at fair value with changes in fair value recognized in net income. The amendments in this Update are effective for annual and interim periods beginning after December 15, 2017. The Company is reviewing its policies and processes to ensure compliance with the revised guidance.

ASU No. 2016-02 - Leases. The amendments in this Update address certain aspects of recognition, measurement, presentation, and disclosure of leases. The most significant change will relate to the accounting model used by lessees. The Update will require all leases with terms greater than 12 months to be recorded on the balance sheet in the form of a lease asset and liability. The amendments in the Update are effective for annual and interim periods beginning after December 15, 2018. The Company is reviewing its policies and processes to ensure compliance with the revised guidance.

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3. REINSURANCE AND FINANCING TRANSACTIONS

On January 15, 2016, PLICO completed the transaction contemplated by the Master Agreement, dated September 30, 2015 (the “Master Agreement”), with Genworth Life and Annuity Insurance Company (“GLAIC”). Pursuant to the Master Agreement, effective January 1, 2016, PLICO entered into a reinsurance agreement (the “Reinsurance Agreement”) under the terms of which PLICO coinsures certain term life insurance business of GLAIC (the “GLAIC Block”). In connection with the reinsurance transaction, on January 15, 2016, Golden Gate Captive Insurance Company (“Golden Gate”), a wholly owned subsidiary of PLICO, and Steel City, LLC (“Steel City”), a newly formed wholly owned subsidiary of the Company, entered into an 18-year transaction to finance $2.188 billion of “XXX” reserves related to the acquired GLAIC Block and the other term life insurance business reinsured to Golden Gate by PLICO and West Coast Life Insurance Company (“WCL”), a direct wholly owned subsidiary of PLICO. Steel City issued notes with an aggregate initial principal amount of $2.188 billion to Golden Gate in exchange for a surplus note issued by Golden Gate with an initial principal amount of $2.188 billion. Through the structure, Hannover Life Reassurance Company of America (Bermuda) Ltd., The Canada Life Assurance Company (Barbados Branch) and Nomura Americas Re Ltd. (collectively, the “Risk-Takers”) provide credit enhancement to the Steel City notes for the 18-year term in exchange for credit enhancement fees. The transaction is “non-recourse” to PLICO, WCL and the Company, meaning that none of these companies are liable to reimburse the Risk-Takers for any credit enhancement payments required to be made. In connection with the transaction, the Company has entered into certain support agreements under which it guarantees or otherwise supports certain obligations of Golden Gate or Steel City, including a guarantee of the fees to the Risk-Takers. As a result of the financing transaction described above, the $800 million of Golden Gate Series A Surplus Notes held by the Company were contributed to PLICO and then subsequently contributed to Golden Gate, which resulted in the extinguishment of these notes. Also on January 15, 2016, Golden Gate paid an extraordinary dividend of $300 million to PLICO as approved by the Vermont Department of Financial Regulation.

The transactions described above resulted in an increase to total assets and total liabilities of $2.8 billion. Of the $2.8 billion increase in total assets, $0.6 billion was the result of the reinsurance transaction with GLAIC which included a $280 million increase in VOBA. The remaining $2.2 billion increase to total assets and liabilities is associated with the financing transaction between Golden Gate and Steel City.

The Company considered whether the Reinsurance Agreement constituted the purchase of a business for accounting and reporting purposes pursuant to ASC 805, Business Combinations. While the transaction included a continuation of the revenue-producing activities associated with the reinsured policies, it did not result in the acquisition of a market distribution system, sales force or production techniques. Based on Management’s decision not to pursue distribution opportunities or future sales related to the reinsured policies, the Company accounted for the transaction as a reinsurance agreement under ASC 944, Insurance Contracts and asset acquisition under ASC 805. Accordingly, the Company recorded the assets and liabilities acquired under the reinsurance agreement at fair value and recognized an intangible asset (value of business acquired or “VOBA”) equal to the excess of the fair value of assets acquired over liabilities assumed, measured in accordance with the Company's accounting policies for insurance and reinsurance contracts that it issues or holds pursuant to ASC 944.

4. DAI-ICHI MERGER

On February 1, 2015 the Company, subsequent to required approvals from the Company’s shareholders and relevant regulatory authorities, became a wholly owned subsidiary of Dai-ichi Life as contemplated by the Agreement and Plan of Merger (the “Merger Agreement”) with Dai-ichi Life and DL Investment (Delaware), Inc., a Delaware corporation and wholly owned subsidiary of Dai-ichi Life, which provided for the Merger of DL Investment (Delaware), Inc. with and into the Company, with the Company surviving the Merger as a wholly owned subsidiary of Dai-ichi Life. On February 1, 2015 each share of the Company’s common stock outstanding was converted into the right to receive $70 per share, without interest (the “Per Share Merger Consideration”). The aggregate cash consideration paid in connection with the Merger for the outstanding shares of common stock was approximately $5.6 billion and paid directly to the shareowners of record by Dai-ichi Life. The Merger provided Dai-ichi Life with a platform for growth in the United States, where it did not previously have a significant presence. In connection with the completion of the Merger, the Company's previously publicly traded equity was delisted from the NYSE, although the Company remains an SEC registrant for financial reporting purposes in the United States.

The Merger was accounted for under the acquisition method of accounting under ASC Topic 805. In accordance with ASC Topic 805-20-30, all identifiable assets acquired and liabilities assumed were measured at fair value as of the acquisition date. On the date of the Merger, goodwill of $735.7 million represented the cost in excess of the fair value of net assets acquired (including identifiable intangibles) in the Merger, and reflected the Company's assembled workforce, future growth potential and other sources of value not associated with identifiable assets. During the measurement period subsequent to February 1, 2015, the Company made adjustments to provisional amounts related to certain tax balances that resulted in a decrease to goodwill of $3.3 million from the amount recorded at the Merger date. The balance of goodwill associated with the Merger as of December 31, 2015 (Successor Company) and March 31, 2016 (Successor Company) was $732.4 million. None of the goodwill is tax deductible.

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The following table summarizes the consideration paid for the acquisition and the preliminary determination of the fair value of assets acquired and liabilities assumed at the acquisition date:

	Fair Value As of February 1, 2015 (Dollars In Thousands)
Assets	
Fixed maturities	$ 38,363,025
Equity securities	745,512
Mortgage loans	5,580,229
Investment real estate	7,456
Policy loans	1,751,872
Other long-term investments	686,507
Short-term investments	316,167
Total investments	47,450,768
Cash	462,710
Accrued investment income	484,021
Accounts and premiums receivable	112,182
Reinsurance receivables	5,724,020
Value of business acquired	1,276,886
Goodwill	735,712
Other intangibles	683,000
Property and equipment	104,364
Other assets	120,762
Income tax receivable	15,458
Assets related to separate accounts	
Variable annuity	12,970,587
Variable universal life	819,188
Total assets	$ 70,959,658
Liabilities	
Future policy and benefit claims	$ 30,195,841
Unearned premiums	682,183
Total policy liabilities and accruals	30,878,024
Stable value product account balances	1,932,277
Annuity account balances	10,941,661
Other policyholders’ funds	1,388,083
Other liabilities	2,188,863
Deferred income taxes	1,535,556
Non-recourse funding obligations	621,798
Repurchase program borrowings	50,000
Debt	1,519,211
Subordinated debt securities	560,351
Liabilities related to separate accounts	
Variable annuity	12,970,587
Variable universal life	819,188
Total liabilities	65,405,599
Net assets acquired	$ 5,554,059

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Treatment of certain acquisition related costs

The Company recorded costs related to the Merger in either the predecessor or successor periods based on the specific facts and circumstances underlying each individual transaction. Certain of these costs were fully contingent on the consummation of the Merger on February 1, 2015 (Successor Company). These costs are not expensed in either the Predecessor or Successor Company Statement of Comprehensive Income (Loss). Liabilities for payment of these contingent costs are included in the opening balance sheet as of February 1, 2015 (Successor Company), and the nature and amount of the costs are discussed below.

Fees in the amount of $28.8 million which were paid to the Company's financial advisor related to the Merger were recorded as liabilities as of the acquisition date. In accordance with the terms of the contract, payment of these fees was contingent on the successful closing of the Merger, and became payable on the date thereof.

Certain of the Company's stock-based compensation arrangements provided for acceleration of benefits on the completion of a change-in-control event. Upon the completion of the Merger, benefits in the amount of $138.2 million became payable to eligible employees under these arrangements. Such accounts were recorded as liabilities as of the acquisition closing date. The portion of this payable that represented expense accelerated on the merger date was $25.4 million.

Treatment of Benefit Plans

At or immediately prior to the Merger, each stock appreciation right with respect to shares of Common Stock granted under any Stock Plan (each, a "SAR") that were outstanding and unexercised immediately prior to the Merger and that had a base price per share of Common Stock underlying such SAR (the "Base Price") that was less than the Per Share Merger Consideration (each such SAR, an "In-the-Money SAR"), whether or not exercisable or vested, was cancelled and converted into the right to receive an amount in cash less any applicable withholding taxes, determined by multiplying (i) the excess of the Per Share Merger Consideration over the Base Price of such In-the-Money SAR by (ii) the number of shares of Common Stock subject to such In-the-Money SAR (such amount, the "SAR Consideration").

At or immediately prior to the effective time of the Merger, each restricted stock unit with respect to a share of Common Stock granted under any Stock Plan (each, a "RSU") that was outstanding immediately prior to the Merger, whether or not vested, was cancelled and converted into the right to receive an amount in cash, without interest, less any applicable withholding taxes, determined by multiplying (i) the Per Share Merger Consideration by (ii) the number of RSUs.

The number of performance shares earned for each award of performance shares granted under any Stock Plan was calculated by determining the number of performance shares that would have been paid if the subject award period had ended on the December 31 immediately preceding the Merger (based on the conditions set for payment of performance share awards for the subject award period), provided that the number of performance shares earned for each award were not less than the aggregate number of performance shares at the target performance level. Each performance share earned that was outstanding immediately prior to the Merger, whether or not vested, was cancelled and converted into the right to receive an amount in cash, without interest, less any applicable withholding taxes, determined by multiplying (i) the Per Share Merger Consideration by (ii) the number of Performance Shares.

5. MONY CLOSED BLOCK OF BUSINESS

In 1998, MONY Life Insurance Company ("MONY") converted from a mutual insurance company to a stock corporation ("demutualization"). In connection with its demutualization, an accounting mechanism known as a closed block (the "Closed Block") was established for certain individuals' participating policies in force as of the date of demutualization. Assets, liabilities, and earnings of the Closed Block are specifically identified to support its participating policyholders. The Company acquired the Closed Block in conjunction with the acquisition of MONY in 2013.

Assets allocated to the Closed Block inure solely to the benefit of each Closed Block's policyholders and will not revert to the benefit of MONY or the Company. No reallocation, transfer, borrowing or lending of assets can be made between the Closed Block and other portions of MONY's general account, any of MONY's separate accounts or any affiliate of MONY without the approval of the Superintendent of The New York State Department of Financial Services (the "Superintendent"). Closed Block assets and liabilities are carried on the same basis as similar assets and liabilities held in the general account.

The excess of Closed Block liabilities over Closed Block assets (adjusted to exclude the impact of related amounts in accumulated other comprehensive income (loss) ("AOCI")) at the acquisition date of October 1, 2013, represented the estimated maximum future post-tax earnings from the Closed Block that would be recognized in income from continuing operations over the period the policies and contracts in the Closed Block remain in force. In connection with the acquisition of MONY, the Company developed an actuarial calculation of the expected timing of MONY's Closed Block's earnings as of October 1, 2013. Pursuant to the acquisition of the Company by Dai-ichi Life, this actuarial calculation of the expected timing of MONY's Closed Block earnings was recalculated and reset as of February 1, 2015, along with the establishment of a policyholder dividend obligation as of such date.

If the actual cumulative earnings from the Closed Block are greater than the expected cumulative earnings, only the expected earnings will be recognized in the Company's net income. Actual cumulative earnings in excess of expected cumulative earnings at any point in time are recorded as a policyholder dividend obligation because they will ultimately be paid to Closed Block policyholders as an additional policyholder dividend unless offset by future performance that is less favorable than originally expected. If a policyholder dividend obligation has been previously established and the actual Closed Block earnings in a subsequent period are less than the expected earnings for that period, the policyholder dividend obligation would be reduced (but not below

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zero). If, over the period the policies and contracts in the Closed Block remain in force, the actual cumulative earnings of the Closed Block are less than the expected cumulative earnings, only actual earnings would be recognized in income from continuing operations. If the Closed Block has insufficient funds to make guaranteed policy benefit payments, such payments will be made from assets outside the Closed Block.

Many expenses related to Closed Block operations, including amortization of VOBA, are charged to operations outside of the Closed Block; accordingly, net revenues of the Closed Block do not represent the actual profitability of the Closed Block operations. Operating costs and expenses outside of the Closed Block are, therefore, disproportionate to the business outside of the Closed Block.

Summarized financial information for the Closed Block as of March 31, 2016 (Successor Company) and December 31, 2015 (Successor Company) is as follows:

	Successor Company	
	As of March 31, 2016	As of December 31, 2015
	(Dollars In Thousands)	
Closed block liabilities		
Future policy benefits, policyholders' account balances and other policyholder liabilities	$5,973,811	$6,010,520
Policyholder dividend obligation	96,508	—
Other liabilities	98,312	22,917
Total closed block liabilities	6,168,631	6,033,437
Closed block assets		
Fixed maturities, available-for-sale, at fair value	$4,518,308	$4,426,090
Equity securities, available-for-sale, at fair value	—	—
Mortgage loans on real estate	246,596	247,162
Policy loans	739,428	746,102
Cash and other invested assets	117,966	34,420
Other assets	155,317	166,445
Total closed block assets	5,777,615	5,620,219
Excess of reported closed block liabilities over closed block assets	391,016	413,218
Portion of above representing accumulated other comprehensive income:		
Net unrealized investment gains (losses) net of policyholder dividend obligation of $(103,908) (Successor) and $(179,360) (Successor)	—	(18,597)
Future earnings to be recognized from closed block assets and closed block liabilities	$391,016	$394,621

Reconciliation of the policyholder dividend obligation is as follows:

	Successor Company		Predecessor Company
	For The Three Months Ended March 31, 2016	February 1, 2015 to March 31, 2015	January 1, 2015 to January 31, 2015
	(Dollars In Thousands)		(Dollars In Thousands)
Policyholder dividend obligation, beginning of period	$—	$323,432	$ 366,745
Applicable to net revenue (losses)	(19,572)	(12,855)	(1,369)

Change in net unrealized investment gains (losses) allocated to the policyholder dividend obligation; includes deferred tax benefits of $55,951 (Successor); $20,692 (2015 - Successor); $47,277 (2015 - Predecessor)	116,080	(59,119)	135,077
Policyholder dividend obligation, end of period	$ 96,508	$ 251,458	$ 500,453

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Closed Block revenues and expenses were as follows:

	Successor Company		Predecessor Company
	For The Three Months Ended March 31, 2016	February 1, 2015 to March 31, 2015	January 1, 2015 to January 31, 2015
	(Dollars In Thousands)		(Dollars In Thousands)
Revenues			
Premiums and other income	$ 43,919	$ 31,460	$ 15,065
Net investment income	50,867	32,848	19,107
Net investment gains	187	634	568
Total revenues	94,973	64,942	34,740
Benefits and other deductions			
Benefits and settlement expenses	80,055	55,771	31,152
Other operating expenses	1,025	—	—
Total benefits and other deductions	81,080	55,771	31,152
Net revenues before income taxes	13,893	9,171	3,588
Income tax expense	4,863	3,210	1,256
Net revenues	$ 9,030	$ 5,961	$ 2,332

6. INVESTMENT OPERATIONS

Net realized gains (losses) for all other investments are summarized as follows:

	Successor Company		Predecessor Company
	For The Three Months Ended March 31, 2016	February 1, 2015 to March 31, 2015	January 1, 2015 to January 31, 2015
	(Dollars In Thousands)		(Dollars In Thousands)
Fixed maturities	$ 5,721	$ 373	$ 6,891
Equity securities	(166)	—	—
Impairments on corporate securities	(2,617)	—	(481)
Modco trading portfolio	78,154	(33,160)	73,062
Other investments	(1,981)	(2,269)	1,200
Total realized gains (losses) - investments	$ 79,111	$ (35,056)	$ 80,672

For the three months ended March 31, 2016 (Successor Company) and for the period of February 1, 2015 to March 31, 2015 (Successor Company), gross realized gains on investments available-for-sale (fixed maturities, equity securities, and short-term investments) were $9.0 million and $1.5 million and gross realized losses were $3.5 million and $1.1 million, respectively, including $2.6 million of impairment losses for the three months ended March 31, 2016 (Successor Company).

For the period of January 1, 2015 to January 31, 2015 (Predecessor Company), gross realized gains on investments available-for-sale (fixed maturities, equity securities, and short-term investments) were $6.9 million and gross realized losses were $0.5 million, including $0.4 million of impairment losses.

For the three months ended March 31, 2016 (Successor Company) and for the period of February 1, 2015 to March 31, 2015 (Successor Company), the Company sold securities in an unrealized gain position with a fair value (proceeds) of $309.2 million and $282.9 million, respectively. The gains realized on the sale of these securities were $9.0 million and $1.5 million, respectively.

For the period of January 1, 2015 to January 31, 2015 (Predecessor Company), the Company sold securities in an unrealized gain position with a fair value (proceeds) of $172.6 million. The gain realized on the sale of these securities was $6.9 million.

For the three months ended March 31, 2016 (Successor Company) and for the period of February 1, 2015 to March 31, 2015 (Successor Company), the Company sold securities in an unrealized loss position with a fair value (proceeds) of $53.7 million and $20.7 million, respectively. The loss realized on the sale of these securities was $3.5 million and $1.1 million, respectively. The Company made the decision to exit these holdings in conjunction with our overall asset liability management process.

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For the period of January 1, 2015 to January 31, 2015 (Predecessor Company), the Company sold securities in an unrealized loss position with a fair value (proceeds) of $0.4 million. The loss realized on the sale of these securities were immaterial to the Company. The Company made the decision to exit these holdings in conjunction with our overall asset liability management process.

The amortized cost and fair value of the Company's investments classified as available-for-sale as of March 31, 2016 (Successor Company) and December 31, 2015 (Successor Company), are as follows:

Successor Company As of March 31, 2016	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Total OTTI Recognized in OCI(1)
	(Dollars In Thousands)				
Fixed maturities:					
Residential mortgage-backed securities	$1,849,678	$31,231	$(10,032)	$1,870,877	$ —
Commercial mortgage-backed securities	1,465,623	9,163	(12,089)	1,462,697	—
Other asset-backed securities	992,128	813	(29,403)	963,538	—
U.S. government-related securities	1,433,945	7,171	(2,236)	1,438,880	—
Other government-related securities	18,667	40	(71)	18,636	—
States, municipals, and political subdivisions	1,729,964	2,865	(71,269)	1,661,560	—
Corporate securities	28,760,422	141,011	(1,976,233)	26,925,200	152
Preferred stock	64,362	396	(1,795)	62,963	—
	36,314,789	192,690	(2,103,128)	34,404,351	152
Equity securities	708,667	14,414	(7,743)	715,338	—
Short-term investments	406,230	—	—	406,230	—
	$37,429,686	$207,104	$(2,110,871)	$35,525,919	$ 152
As of December 31, 2015					
Fixed maturities:					
Residential mortgage-backed securities	$1,773,099	$9,286	$(17,112)	$1,765,273	$—
Commercial mortgage-backed securities	1,328,317	428	(41,858)	1,286,887	—
Other asset-backed securities	813,056	2,758	(18,763)	797,051	—
U.S. government-related securities	1,566,260	449	(34,532)	1,532,177	—
Other government-related securities	18,483	—	(743)	17,740	—
States, municipals, and political subdivisions	1,729,732	682	(126,814)	1,603,600	—
Corporate securities	28,499,691	26,369	(2,682,274)	25,843,786	(605)
Preferred stock	64,362	192	(1,867)	62,687	—
	35,793,000	40,164	(2,923,963)	32,909,201	(605)
Equity securities	724,226	13,255	(6,477)	731,004	—
Short-term investments	206,991	—	—	206,991	—
	$36,724,217	$53,419	$(2,930,440)	$33,847,196	$(605)

(1)These amounts are included in the gross unrealized gains and gross unrealized losses columns above.

As of March 31, 2016 (Successor Company) and December 31, 2015 (Successor Company), the Company had an additional $2.7 billion and $2.7 billion of fixed maturities, $6.8 million and $8.3 million of equity securities, and $43.0 million and $61.7 million of short-term investments classified as trading securities, respectively.

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The amortized cost and fair value of available-for-sale and held-to-maturity fixed maturities as of March 31, 2016 (Successor Company), by expected maturity, are shown below. Expected maturities of securities without a single maturity date are allocated based on estimated rates of prepayment that may differ from actual rates of prepayment.

	Successor Company			
	Available-for-sale		Held-to-maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(Dollars In Thousands)		(Dollars In Thousands)	
Due in one year or less	$885,886	$884,908	$—	$—
Due after one year through five years	6,375,825	6,292,647	—	—
Due after five years through ten years	7,616,323	7,541,535	—	—
Due after ten years	21,436,755	19,685,261	2,783,302	2,757,674
	$36,314,789	$34,404,351	$2,783,302	$2,757,674

During the three months ended March 31, 2016 (Successor Company) the Company recorded pre-tax other-than-temporary impairments of investments of $2.8 million, all of which related to fixed maturities. Credit impairments recorded in earnings during the three months ended March 31, 2016 (Successor Company), were $2.6 million. During the three months ended March 31, 2016 (Successor Company), $0.2 million of non-credit impairment losses were recorded in other comprehensive income.

For the period of February 1, 2015 to March 31, 2015 (Successor Company), the Company did not record any pre-tax other-than-temporary impairments of investments.

There were no other-than-temporary impairments related to fixed maturities or equity securities that the Company intended to sell or expected to be required to sell for the three months ended March 31, 2016 (Successor Company) and for the period of February 1, 2015 to March 31, 2015 (Successor Company).

During the period of January 1, 2015 to January 31, 2015 (Predecessor Company), the Company recorded pre-tax other-than-temporary impairments of investments of $0.6 million, all of which related to fixed maturities. Credit impairments recorded in earnings during the period were $0.5 million. During the period of January 1, 2015 to January 31, 2015 (Predecessor Company), $0.1 million of non-credit losses were recorded in other comprehensive income. There were no other-than-temporary impairments related to fixed maturities or equity securities that the Company intended to sell or expected to be required to sell for the period of January 1, 2015 to January 31, 2015 (Predecessor Company).

The following chart is a rollforward of available-for-sale credit losses on fixed maturities held by the Company for which a portion of an other-than-temporary impairment was recognized in other comprehensive income (loss):

	Successor Company		Predecessor Company
	For The Three Months Ended March 31, 2016	February 1, 2015 to March 31, 2015	January 1, 2015 to January 31, 2015
	(Dollars In Thousands)		(Dollars In Thousands)

Beginning balance	$ 22,761	$ —	$ 15,478
Additions for newly impaired securities	2,092	—	—
Additions for previously impaired securities	525	—	221
Reductions for previously impaired securities due to a change in expected cash flows	(22,759)	—	—
Reductions for previously impaired securities that were sold in the current period	—	—	—
Ending balance	$ 2,619	$ —	$ 15,699

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The following table includes the gross unrealized losses and fair value of the Company's investments that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position as of March 31, 2016 (Successor Company):

	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
	(Dollars In Thousands)					
Residential mortgage-backed securities	$352,723	$(6,366)	$148,132	$(3,666)	$500,855	$(10,032)
Commercial mortgage-backed securities	380,635	(6,994)	455,075	(5,095)	835,710	(12,089)
Other asset-backed securities	664,648	(22,415)	104,692	(6,988)	769,340	(29,403)
U.S. government-related securities	42,995	(106)	150,137	(2,130)	193,132	(2,236)
Other government-related securities	8,000	(29)	6,231	(42)	14,231	(71)
States, municipalities, and political subdivisions	549,109	(27,255)	945,325	(44,014)	1,494,434	(71,269)
Corporate securities	9,499,291	(946,756)	11,643,681	(1,029,477)	21,142,972	(1,976,233)
Preferred stock	22,800	(368)	19,512	(1,427)	42,312	(1,795)
Equities	212,942	(7,055)	21,150	(688)	234,092	(7,743)
	$11,733,143	$(1,017,344)	$13,493,935	$(1,093,527)	$25,227,078	$(2,110,871)

RMBS had a gross unrealized loss greater than twelve months of $3.7 million as of March 31, 2016 (Successor Company). Factors such as the credit enhancement within the deal structure, the average life of the securities, and the performance of the underlying collateral support the recoverability of these investments.

CMBS had a gross unrealized loss greater than twelve months of $5.1 million as of March 31, 2016 (Successor Company). Factors such as the credit enhancement within the deal structure, the average life of the securities, and the performance of the underlying collateral support the recoverability of these investments.

The other asset-backed securities had a gross unrealized loss greater than twelve months of $7.0 million as of March 31, 2016 (Successor Company). This category predominately includes student-loan backed auction rate securities, the underlying collateral, of which is at least 97% guaranteed by the Federal Family Education Loan Program ("FFELP"). These unrealized losses have occurred within the Company's auction rate securities ("ARS") portfolio since the market collapse during 2008. At this time, the Company has no reason to believe that the U.S. Department of Education would not honor the FFELP guarantee, if it were necessary.

The states, municipalities, and political subdivisions category had gross unrealized losses greater than twelve months of $44.0 million as of March 31, 2016 (Successor Company). These declines were entirely related to changes in interest rates.

The corporate securities category had gross unrealized losses greater than twelve months of $1.0 billion as of March 31, 2016 (Successor Company). The aggregate decline in market value of these securities was deemed temporary due to positive factors supporting the recoverability of the respective investments. Positive factors considered include credit ratings, the financial health of the issuer, the continued access of the issuer to capital markets, and other pertinent information.

As of March 31, 2016 (Successor Company), the Company had a total of 2,108 positions that were in an unrealized loss position, but the Company does not consider these unrealized loss positions to be other-than-temporary. This is based on the aggregate factors discussed previously and because the Company has the ability and intent to hold these investments until the fair values recover, and the Company does not intend to sell or expect to be required to sell the securities before recovering the Company’s amortized cost of the securities.

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The following table includes the gross unrealized losses and fair value of the Company's investments that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position as of December 31, 2015 (Successor Company):

	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
	(Dollars In Thousands)					
Residential mortgage-backed securities	$977,433	$(17,112)	$ —			