EXHIBIT F-1

SUPPLEMENT TO PLAN OF OPERATIONS FOR THE DOMESTIC INSURERS[1]

As a supplement to the Plan of Operations, the Applicants note the following:

- Target Risk-Based Capital. The Applicants intend that all life insurance subsidiaries of Talcott Resolution Life will be operated with capital consistent with companies with "A-" ratings for Claims Paying Ability from relevant rating agencies. The Applicants anticipate operating the companies with target Risk Based Capital level as measured on a Company Action Level basis ("CAL RBC") of 350% - 400%. The Domestic Insurers will continue to manage risk to maintain a minimum CAL RBC level above 200% in a severe market stress scenario. The Applicants plan on deploying capital above these levels to pursue reinsurance block transactions and insurance company acquisitions.

  The Plan of Operations reflects dividends that would be available as "ordinary" under Connecticut statute absent the change of control. The Applicants acknowledge, however, that any dividends requested within two years post-Closing will require approval from the Department. Subject to receipt of such regulatory approvals, the Applicants may redeploy some of the projected dividends into an affiliate reinsurer domiciled in Bermuda that the Applicants may form. The Applicants believe that adding a Bermuda reinsurer would enhance the overall group's competitive positioning in pursuit of growth opportunities. The Applicants expect that a Bermuda reinsurer would also be operated with capital consistent with an "A-" rating.

  As noted in Annex A to the Plan of Operations, post-Closing the Applicants may file a Form D with the Department to obtain prior approval (or non-disapproval) allowing TL and TLA to each cede a portion of their liabilities to a newly formed Bermuda reinsurer.

- Changes in Hedging Strategies. The Applicants do not expect to make any substantive changes to the Domestic Insurers' hedging strategy at this time. Hedge targets will be reevaluated if and as new blocks of business are reinsured into the Domestic Insurers.

- Plans to Incentivize Key Employees. In evaluating Talcott Resolution Life, the Applicants have developed a sincere appreciation for the Talcott leadership team and for the management team throughout the organization. The Applicants are developing strategies to encourage and motivate key personnel to stay.

  In addition, the Applicants believe that the Proposed Merger will appeal to key employees. The Applicants have communicated to Talcott Resolution Life that they are focused on growth managed in a prudent manner, and on making the group (including Talcott) into a pre-eminent consolidator within the U.S. life insurance industry. This growth should provide additional career opportunities for current employees, stabilize and improve

[1] All defined terms in this exhibit have the same meanings as the corresponding defined terms in the Amended and Restated Form A.

earnings, and give them pride as part of a company helping to change the face of the industry.

In furtherance of the foregoing, the Applicants are developing a long-term compensation plan(s) designed to motivate and retain employees. The Applicants are still working through the details of the plan(s) with the goals of incenting and retaining employees going forward, and expect that the current Talcott Resolution Life management team will play a key role in deciding the best approach to this plan.

- <u>Employment Agreements and Long-Term Incentive Plans</u>. The Applicants' plans concerning any employment agreements and long-term incentive plans are still being formulated. As described above, the Applicants intend to introduce long-term compensation plan(s) designed to motivate and retain employees, and are still working through the details of these plan(s) with Talcott Resolution Life's management team.

- <u>Source of Funds for Any Solvency Capital Infusion Required Immediately After the Proposed Acquisition</u>. As described above, the entity that will become the general partner of Hopmeadow Holdings (which is the indirect parent of the Domestic Insurers) is Sutton LLC. In turn, (i) Sutton Holdings is the sole member of Sutton LLC; (ii) Sutton Investments is the sole stockholder of Sutton Holdings; (iii) TAO Sutton Holdings is the owner of 100% of the voting membership interests of Sutton Investments; and (iv) TAO Insurance Holdings is the managing member with 100% voting control of TAO Sutton Holdings and TAO Sutton Parent. The managing member with control over the voting of TAO Insurance Holdings is A. Michael Muscolino. Pursuant to the limited liability company agreement of TAO Insurance Holdings, Mr. Waxman, as a member of TAO Insurance Holdings, has the authority to appoint the managing member of TAO Insurance Holdings. Mr. Waxman, Mr. Muscolino, TAO Insurance Holdings, TAO Sutton Parent, TAO Sutton Holdings, Sutton Investments, Sutton Holdings, Sutton LLC, and the TAO Funds are the Applicants to this Form A.

  The source of funds for the equity financing for the Proposed Merger is the TAO Funds. The TAO Funds, as indirect members of TAO Sutton Holdings, have committed to provide, or cause to be provided, this equity financing to Sutton Holdings pursuant to and subject to the terms of the Equity Commitment Letter, attached to the Amended and Restated Form A as <u>Exhibit E</u>. As a result of the Proposed Merger, the TAO Funds will hold, indirectly, an economic, non-voting interest in the Domestic Insurers. Specifically, the TAO Funds will hold non-voting membership interests in TAO Sutton Parent, which will, in turn, hold non-voting membership interests in TAO Sutton Holdings. The Applicants note that TAO Insurance Holdings, in its capacity as the managing member with 100% voting control over each of TAO Sutton Parent and TAO Sutton Holdings, will have the right to call capital from TAO Sutton Parent, as a member of TAO Sutton Holdings and the TAO Funds as members of TAO Sutton Parent. The Applicants note that capital may be called from the TAO Funds without distinguishing based on the reason for such capital call (*e.g.*, to support growth or to support the solvency of one of the TAO investment platform's investments). An organizational chart showing the Applicants (which include TAO Sutton Parent and the TAO Funds), Hopmeadow Holdings, and its subsidiaries is attached to the Amended and

Restated Form A as Exhibit C-2. Copies of the TAO Funds' unaudited combined and condensed financial statements as of December 31, 2020, December 31, 2019 and December 31, 2018 are attached to the Amended and Restated Form A as Exhibit H-8.

The Applicants note in particular that Mr. Waxman and Mr. Muscolino are the ultimate controlling persons of the other Applicants, but are not providing funding in their individual capacity for the purpose of consummating the Proposed Merger. For these reasons, the Applicants will not look to Messrs. Waxman and Muscolino in their individual capacity in the future to provide additional capital to the Domestic Insurers in the unlikely event a solvency capital infusion to the Domestic Insurers were required.

Managing the solvency of the Domestic Insurers for the benefit of their policyholders is paramount. The Applicants, as stewards of the business with a long-term strategic view, are aware of the need to ensure policyholders are protected. Every action that is taken, whether it be an investment strategy, hedge strategy, acquisition, reinsurance transaction or otherwise, will be reviewed (as it is today) in light of the business plan for the Domestic Insurers, protecting the solvency of the Domestic Insurers and ensuring that policyholder obligations are met. To that end, the Applicants expect to have more than $1 billion of capital above 350% CAL RBC immediately following closing, after taking into account the requested $500 million closing dividend.

The Domestic Insurers have robust enterprise risk management tools (*e.g.*, daily and monthly risk dashboards and analytics) that the Domestic Insurers utilize to evaluate their risk profile including general account performance, risk positions, counterparty exposure, and policyholder behavior. These risk management tools provide leading indicators of potential solvency and/or liquidity events and allow the Domestic Insurers to take advance corrective action. These tools would remain in place following the Closing. In the unlikely event that a solvency issue were ever to arise, the Applicants would evaluate the reason for the issue, and the solution would likely be driven by the factors causing or contributing to the solvency issue. These solutions could include equity, surplus notes or other holding company financing from the TAO Funds or third-party Co-Investors, reinsurance, strategic block sales, repositioning of hedges and investments and other measures that may be appropriate.

If the Applicants determine to address a solvency issue with a capital infusion from the TAO Funds, they would contribute the capital to the Domestic Insurers by drawing on capital commitments. As stated in the letter from State Street, Fund Administrator of the TAO Funds, which is attached as Exhibit B to the Amended & Restated Form A (dated September 30, 2020), the TAO Funds had approximately $24.7 billion in committed capital and had undrawn capital commitments of approximately $17 billion as of February 2021. The TAO Fund investors are legally committed to provide capital when called within ten (10) business days. This capital commitment is available to support both investment growth and also any other needs of an investment, including needs due to solvency and liquidity concerns. The TAO Fund investors are legally obligated to provide capital up to the amount they committed when such capital is called by Sixth Street, and do not have the right to refuse based on the reasons for which the capital was called upon. In the event that a solvency or liquidity concern arises and needs to be funded earlier than the ten (10) business days, the TAO Funds have access to a customary capital call facility with a highly rated financial institution as the lender. Currently, the maximum availability under the capital call facility is $400 million.

- Changes to the Investment Portfolio. The Applicants acknowledge that the Department will request updates concerning changes to the investment portfolio.

- Changes in Risk Appetite. The Applicants do not anticipate material changes in risk appetite as a result of the anticipated changes in Annex A to the Plan of Operations. The Applicants expect the management team to continue all hedging and risk management policies on a basis consistent with historical practice, which includes making tactical adjustments as prudently dictated by existing market conditions.

  The Applicants approach the Proposed Merger as long-term investors, with risk and return appetites consistent with established strategic insurers. The only significant change the Applicants expect to make to the Domestic Insurers is to move them from a runoff platform to becoming a consolidator within the U.S. life insurance space. To that end, the Applicants are and will be evaluating and bidding on blocks of liabilities across a broad spectrum of risk, with an aim of building a strong company with diversified sources of earnings: mortality risk, spread income, fee income and longevity risk. While the growth strategy may be different than that of the current ownership, the Applicants believe it is not inconsistent with the current risk profile of the company.

  The Applicants' focus is on protecting policyholders, ensuring they receive the protection they purchased, and building long-term value for shareholders. The Applicants' background as a fixed income manager should help improve the performance of the investment portfolio by increasing the breadth of available investments, but the Applicants do not expect to substantially alter the aggregate ratings or composition of the investment portfolio.

  The Applicants understand that Connecticut regulations mandate that the Department's approval is obtained for certain acquisitions and/or reinsurance contracts through the first three years post-Closing, and look forward to engaging with the Department on the various opportunities. The Applicants believe that engaging in this manner will help the Department better understand the diligence the Applicants perform and the perspective the Applicants have on prudently growing the Domestic Insurers.

- Plans to Bid on Certain Blocks of Business. The Applicants intend on creating a preeminent solution provider for the US life insurance industry, and are willing to consider acquiring blocks of liabilities through reinsurance (in-force and flow) and entity acquisitions across a wide spectrum, including life insurance, fixed and variable deferred annuities, and payout annuities (including structured settlements). The Applicants believe all of these businesses are or have been "core" to the Domestic Insurers, and that a company with a diversified risk profile of prudently priced, well-managed liabilities is better prepared to safely navigate through economic uncertainties.

- Continued Compliance with Investment Portfolio Limitations and Derivative Bulletin Requirements. The Applicants understand the statutory investment limitations, Board requirements and Department bulletins and are committed to managing the Domestic Insurers appropriately in accordance therewith. The management team will continue to provide the Department with regular updates on the investment and derivative (hedging) exposures illustrating compliance with the above.

- Capital Maintenance Plan. The Applicants acknowledge that a new Capital Maintenance Plan will be part of this Form A process and look forward to developing an appropriate plan with the Department.