

DISSOLUTION REPORT
OF
CLARIA LIFE AND HEALTH INSURANCE COMPANY

AS OF

DECEMBER 31, 2013

NAIC CODE 13192

Karen Weldin Stewart, CIR-ML
Commissioner



Delaware Department of Insurance

I, Karen Weldin Stewart, Insurance Commissioner of the State of Delaware, do hereby certify that the attached DISSOLUTION EXAMINATION, made as of December 31, 2013 of the

CLARIA LIFE AND HEALTH INSURANCE COMPANY

is a true and correct copy of the document filed with this Department.

Attest By: _____

Date: October 2, 2014



In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Dover, this 2nd day of October, 2014.

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

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Commissioner



Delaware Department of Insurance

DISSOLUTION EXAMINATION
OF THE
CLARIA LIFE AND HEALTH INSURANCE COMPANY
AS OF
DECEMBER 31, 2013

The above-captioned report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the company as reflected in the report.

This report is hereby accepted, adopted and filed as an official record of this Department.

A handwritten signature in black ink, appearing to read "Karen Weldin Stewart".

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

Dated this 2nd day of October, 2014

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SALUTATION

April 17, 2014

The Honorable Karen Weldin Stewart, CIR-ML
Insurance Commissioner
State of Delaware
Rodney Building
841 Silver Lake Boulevard
Dover, Delaware 19901

Dear Commissioner:

In compliance with your instructions in Certificate of Authority 14.903, a Dissolution Examination has been made of the affairs, financial condition and management of the

CLARIA LIFE AND HEALTH INSURANCE COMPANY

hereinafter referred to as “Claria-DE” or “Company”, incorporated under the laws of the State of Delaware with its home office located at 7491 West Oakland Park Boulevard, Tamarac, Florida 33319.

The report of such review is respectfully submitted herewith.

SCOPE OF EXAMINATION

This Dissolution Report is a limited-scope examination, and is not intended to communicate all matters of importance for an understanding of the Company's financial condition.

The last examination was an Organizational Examination as of June 27, 2008. This dissolution examination is as of December 31, 2013.

As a result of a management decision, the Company is to be dissolved. Therefore, this examination was to ascertain the following:

- Verify the remaining investment/cash assets of the Company and determine any operating receivables that may exist.
- Ascertain and verify that there are not material liabilities other than residual general operating expenses.
- Review any other documents as needed.

HISTORY

The Company was incorporated on February 28, 2008, under the laws of the State of Delaware, and commenced business in January 2009. The Company's Articles of Incorporation authorize the Company to issue up to ten thousand shares of common capital stock with a par value of \$350 per share. On June 23, 2008, the Company issued one thousand shares of common capital stock to Claria Holding, Inc., the Company's parent. Claria Holding, Inc. contributed an additional \$650,000 of paid in contributed surplus.

The Company is a wholly owned subsidiary of Claria Holding, Inc., a Delaware Corporation. Claria Holdings, Inc. was incorporated in the State of Delaware on

February 14, 2008, and is wholly owned by Zohar Etz Chaim Druin, an individual. Claria Holdings, Inc. is affiliated through common ownership with Global Assurance Group, Inc. (Global), a reinsurance manager. Global was established in 1997, and works through a network of more than 1000 agents in every major city in Latin America and the Caribbean.

The Company wrote policies primarily to upper class local nationals residing in Latin America and the Caribbean and international citizens, expatriates and third country nationals residing worldwide, who wished to purchase dollar denominated medical insurance policies as a means to guarantee accessibility to quality medical care in the United States or other centers of medical excellence around the world.

In accordance with its dissolution plan approved by the Board on August 12, 2013, the Company ceased writing policies as of April 1, 2013, writing its last policy on March 15, 2013. On April 22, 2013 the Company executed a Policy Transfer agreement, described later in this report, which transferred all policies of the Company to Claria Life and Health Insurance Company (Barbados) (Claria-BBS) as a clean cut transfer. On December 9, 2013, the Company paid its last claims on policies in effect prior to July 1, 2013, and having a date of occurrence prior to July 1, 2013. The policies written by the Company require all claims to be submitted within ninety days from the date of occurrence.

PROCEDURES PERFORMED

Procedures performed for the period January 1, 2013 through December 31, 2013, and subsequently include:

- Review of the 2012 Annual Statement and September 30, 2013 Quarterly Statement.

- A review of the general ledger for the period January 1, 2013 through December 31, 2013, and subsequently through February 21, 2014.
- A review of all bank and custodian account statements as of December 31, 2013. Additionally, bank statements for the claims accounts for November 2013, January 2014, and February 2014 were also reviewed.
- A review of all minutes of the Company from January 1, 2012 through April 4, 2014.
- A review of the Administrative Services Agreement.
- A review of the Policy Transfer Agreement.
- A review of reinsurance agreements in effect for the years 2012 and 2013.
- A review of claims paid for November and December of 2013.
- A review of the audited financial statements for the years ended December 31, 2012 and 2011.
- A review of the Actuarial Opinion for the year ended December 31, 2012.
- Obtain a Management Representation Letter from the President and 100% stockholder of the Company.

SUMMARY CONCLUSIONS

Corporate Records

The examiner reviewed the minutes of the Company. The Company minutes contained approval of the dissolution upon the approval by the Delaware Department of Insurance.

Related Parties

The Company has the following agreements still in effect as of the dissolution examination:

Administrative Services Agreement

The Company has an Administrative Services Agreement with its affiliate, Global Assurance Group, Inc., effective as of June 1, 2008. The agreement states that Global will provide the following services to the Company: premium billing and collection, commission payments, calculation and remittance of premium or override due to the Company, calculation and remittance of premiums or fees due reinsurers, underwriting of new certificates and change requests, calculation of reserves, policy administration and recordkeeping, claims adjudication and payment, and financial and accounting services. In turn, the Company agrees to pay Global a monthly administrative fee. The Administrative Services Agreement automatically renews for successive one-year terms on each anniversary date, unless terminated. The agreement was signed by Chaim Druin on behalf of both parties. Chaim Druin owns 100% of Global Assurance Group, Inc.

Policy Transfer Agreement

On April 22, 2013, the Company executed a Policy Transfer Agreement with its affiliate, Claria Life and Health Insurance Company (Barbados). The agreement states that both parties have agreed:

1. Claria BBS has agreed to receive and the Company has agreed to transfer all renewed insurance policies and all liabilities associated as of the renewal date,

affective April 1, 2013 and onwards when their policy reaches their annual renewal effective date.

2. Claria BBS has agreed to receive and the Company has agreed to transfer all insurance policies and liabilities associated with all policies insured by the Company that are active in their policy on the date of July 1, 2013. The Company will transfer all active policies from the date of July 1, 2013 to Claria BBS as a clean cut transfer.

Reinsurance Agreements:

Claria reinsures all business written through 90% quota share reinsurance treaties.

Effective April 1, 2010, the Company entered into a 90% quota share reinsurance treaty with CIBC Reinsurance Company Ltd (CIBC), a Barbados, West Indies insurance company. This treaty was terminated effective March 31, 2012.

Effective April 1, 2012, the Company entered into a 90% quota share reinsurance agreement with Multinational Life Insurance Company, a Puerto Rico insurance company. This treaty was terminated effective December 31, 2012.

Effective January 1, 2013, the Company entered into a 90% quota share reinsurance agreement with Claria Life and Health Insurance Company (Barbados), a related party which is controlled by Chaim Druin. This treaty expired on March 31, 2013. No policies were written or renewed by the Company after the expiration of this reinsurance agreement.

Financial – Assets and Liabilities:

The examiner reviewed the 2012 Annual Statements and reviewed the September 30, 2013 Quarterly Statements. The 2013 Annual Statement had not been filed as of the

date of this dissolution examination. A review was performed of the general ledger for the period January 1, 2013 through December 31, 2013 and for the period from January 1, 2014 through February 21, 2014. Additionally, a review of the bank and custodian statements was made as of December 31, 2013.

The financial statement below, which were compiled from the Company's December 31, 2013 general ledger, reflects that the major asset is cash and cash equivalents, and amounts recoverable from an affiliated reinsurer. The Company has no reserves or material liabilities other than amounts due to an affiliate or amounts due to reinsurers.

**ASSETS, LIABILITIES, SURPLUS AND OTHER FUNDS
As of December 31, 2013**

<u>Assets</u>		
Cash		\$ 109,638
Cash equivalents		1,243,186
Amounts recoverable from reinsurers		550,798
Federal income tax recoverable		16,869
Total admitted assets		<u>\$ 1,920,491</u>
<u>Liabilities</u>		
Due to reinsurers		\$ 118,552
Payable to affiliate		619,914
Total liabilities		<u>\$ 738,466</u>
<u>Capital and surplus</u>		
Common capital stock		\$ 350,000
Paid in capital		650,000
Unassigned surplus		182,025
Total capital and surplus		<u>\$ 1,182,025</u>
Total liabilities, capital and surplus		<u>\$ 1,920,491</u>

Respectfully submitted,



Kelly Willison, CPA, CFE, CFE (Fraud)
Examiner-in-Charge
Representing the Delaware Department of Insurance