REPORT ON EXAMINATION

OF THE

SCOR GLOBAL LIFE USA REINSURANCE COMPANY

AS OF

DECEMBER 31, 2013

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 REPORT OF EXAMINATION, made as of December 31, 2013 of the

SCOR GLOBAL LIFE USA REINSURANCE COMPANY

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

Attest By: ______________________

Date: June 24, 2015

Insurance Commissioner of the State of Delaware

In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Dover, this 24th day of June, 2015.

____
Karen Weldin Stewart, CIR-ML
Insurance Commissioner

Karen Weldin Stewart, CIR-ML
Commissioner

Delaware Department of Insurance

REPORT OF EXAMINATION

OF THE

SCOR GLOBAL LIFE USA REINSURANCE 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.

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

Dated this 24th day of June, 2015

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SALUTATION

May 12, 2015

Honorable Karen Weldin Stewart, CIR-ML
Commissioner
Delaware Department of Insurance
Rodney Building
841 Silver Lake Boulevard
Dover, Delaware 19904

Commissioner:

In compliance with instructions and pursuant to statutory provisions contained in Certificate of Authority No. 14.024, dated June 6, 2014, an Association examination has been made of the affairs, financial condition and management of the

SCOR GLOBAL LIFE USA REINSURANCE COMPANY

hereinafter referred to as "Company" or "SGLUSA" incorporated under the laws of the State of Delaware as a stock company with its statutory home office located at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808. The examination was conducted at the main administrative office of the Company, located at 11625 Rosewood Street, Suite 300, Leawood, Kansas 66211-2000. The report of this examination is submitted herewith.

SCOPE OF EXAMINATION

We have performed our multi-state examination of SCOR Global Life USA Reinsurance Company. The last examination of the Company was conducted as of December 31, 2008, by the State of Missouri, as the Company was a Missouri domestic at the time. This examination covers the period since that date through December 31, 2013, and including any material transactions and/or events noted occurring subsequent to December 31, 2013.

This examination was conducted in accordance with the *National Association of Insurance Commissioners Financial Condition Examiners Handbook* (NAIC Handbook) and generally accepted statutory insurance examination standards consistent with the Insurance Laws and Regulations of the State of Delaware. The NAIC Handbook requires the examiners to perform an examination to evaluate the financial condition and identify prospective risks of the Company. In doing so, the examiners reviewed corporate governance, identified inherent risks of the Company, and evaluated the controls and procedures used to mitigate the identified risks. The examination also included assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with Statutory Accounting Principles and applicable annual statement instructions.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

The Company's external auditor, Ernst & Young LLP (E&Y), made available for review all work papers pertinent to its audit of the Company's financial statements for the year ended December 31, 2013. Certain work papers prepared by the external accounting firm were incorporated into the examiners' work papers if deemed appropriate and in accordance with the NAIC Handbook.

In addition to items hereinafter incorporated as a part of this report, the following were reviewed without exception and made part of the work papers of this examination.

Fidelity Bonds and Other Insurance
Pensions, Stock Ownership and Insurance Plans
NAIC Ratios
Legal Actions
All Asset & Liability items not mentioned

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant findings or material adjustments to the Company's financial statements. Please refer to the summary of recommendations section of this report for examination findings.

COMPLIANCE WITH PRIOR REPORT RECOMMENDATIONS

There were no prior exam report recommendations.

SUBSEQUENT EVENTS

The following material subsequent events occurred, requiring disclosure in this examination report. Please refer to the summary of recommendations section of this report for examination findings.

Dividends

As of December 31, 2014, subsequent to the period under examination, the Company paid the following dividend:

Year	Contribution
4Q2014	$ 58,147,495 [1]

(1) On October 31, 2014, the Company paid an extraordinary dividend/distribution (in the form of a return of paid-in capital) in the amount of $58,147,495 to its immediate parent, SGL US Holdings, Inc. (formerly known as Generali US Holdings).

Intercompany Agreements

Subsequent to December 31, 2013, the Company entered into the following intercompany agreement:

Cost Allocation Agreement for the Parental Guarantee SGLUSA

Effective January 1, 2014, the Company entered into a Cost Allocation Agreement for the

Parental Guarantee with SCOR SE (SCOR). In consideration of the guarantee provided by SCOR to and for the benefit of the Company, the Company agrees to pay each calendar year to SCOR remuneration.

In November of each year, the Company will receive an invoice, established in Euros, corresponding to the remuneration to be paid for that year. This invoice shall be payable within one month and in no event no later than December 31 of that current year.

This Agreement takes effect from January 1, 2014, and shall remain in force for a period of 12 months. At the end of the 12 month period, the Agreement shall automatically renew for an additional term of 12 months, and shall renew annually for 12 month terms thereafter unless terminated. Either Party may terminate this Agreement upon giving one (1) month written notice to the other Party. On the effective date of the termination of this Agreement, SCOR shall provide the Company with a final Statement of the Remuneration due.

HISTORY

The Company was originally organized in the State of Delaware under a Certificate of Incorporation dated July 13, 1982, as The Mercantile and General Life Reassurance Company of America.

On December 29, 1993, the Company was re-domiciled to the State of Michigan.

On November 22, 1996, Swiss Reinsurance Company of Zurich Switzerland (Swiss Re) acquired all outstanding shares of the Company from Prudential Corporation plc. As part of the transaction, the Parties executed a “Transfer and Assumption Agreement” on December 31, 1997. Pursuant to this agreement, the Company’s entire reinsurance business was transferred and novated to Swiss Re Life and Health America, Inc. with the prior approval of the Michigan

Insurance Bureau. The Company conducted no insurance operations from this date until May 1, 2003.

On December 23, 1998 Sun Life Assurance Company of Canada (Sun Life) acquired all outstanding shares of M&G Holdings, which owned all outstanding shares of the Company.

On February 19, 1999, the Company's name was changed to Sun Life of Canada Reinsurance Company (U.S.).

On April 10, 2000, the Company was acquired by Clarica Reinsurance Holdings, Inc. from Sun Life. The Company's name was changed to Clarica Life Reinsurance Company.

On February 13, 2002, the Company was acquired by Assicurazioni Generali, S.p.A. (Generali) Italy's largest insurer.

On May 1, 2003, the Company entered into an Assumption Reinsurance and Coinsurance Agreement with Business Men's Assurance Company (BMA), thus assuming 100% of BMA's rights, duties, risks, liabilities and obligations under or related to BMA's reinsurance block of business. This block of business provided the foundation for the current operations for the Company. As part of this transaction, the Company paid just under $100 million in goodwill. The goodwill was amortized into operations on a straight-line basis over a ten year period and became fully amortized in 2013.

On August 28, 2003, the Company's name was changed to Generali USA Life Reassurance Company (Generali USA).

On December 30, 2003, the Company was re-domiciled to the State of Missouri.

On March 25, 2004, Generali contributed all the issued and outstanding stock of the Company to Generali US Holdings, Inc. (Generali Holdings), a Delaware corporation that was wholly owned by Generali, until its acquisition by SCOR as of October 1, 2013.

In 2012, the Company's former ultimate parent, Generali, expressed the desire to sell Generali Holdings and its subsidiaries, Generali USA and Generali Reassurance (Bermuda) Ltd. (Generali Bermuda). Pursuant to a Master Transaction and Stock Purchase Agreement (MTA), dated as of June 3, 2013, amended August 20, 2013, the Company, Generali Holdings and Generali Bermuda were acquired by SCOR Global Life Americas Holding, Inc. (SGLAH), a Delaware corporation, on October 1, 2013. Prior to the acquisition, the Company re-domiciled to the State of Delaware. Approval of the redomestication was received on August 20, 2013, from the State of Delaware, and on August 27, 2013, from the State of Missouri. SGLAH is wholly owned by SCOR Global Life SE (SGL SE), a French holding company, ultimately owned by SCOR SE, a French holding company organized as a Societas Europa.

On October 1, 2013, upon acquisition by SGLAH, the Company's name was changed to SCOR Global Life USA Reinsurance Company.

As part of the MTA, upon close of the transaction, all business that was retroceded to the former Generali parent or Generali Bermuda was to be recaptured by the Company and then immediately retroceded to two SCOR entities (SCOR Life Assurance Company (SLAC) and SCOR Global Life Reinsurance Ireland Ltd. (SGLRI)). The day after the close, all business retroceded was recaptured and retroceded to SLAC and SGLRI. In addition, a large portion of the existing business that had been retained by the Company prior to the acquisition was likewise retroceded to SLAC and SGLRI.

On April 14, 2014, Generali U.S. Holdings, Inc. was renamed SCOR Global Life USA Holdings, Inc. (SGLUSA-Holdings).

CAPITALIZATION

Common Capital Stock and Paid-in Surplus

The Certificate of Incorporation provides that the Company has 10,000 shares of common stock authorized, of which 10,000 shares are issued and outstanding, at $1,000 par value per share. The capital represented by the 10,000 shares of common stock issued and outstanding is $10,000,000.

As of December 31, 2013, all outstanding shares of the Company's common stock were owned by the Parent, SCOR Global Life USA Holdings, Inc.

During the period under examination, the Company received the following contributions from the Parent:

Year		Contribution	
2009	$	15,000,000	1
2012	$	20,000,000	2

(1) On October 15, 2009, the Company received a $15 million cash contribution from its then parent, Generali US Holdings Inc. Per the Company, the 2009 contribution was made to strengthen the Company's surplus position and RBC ratios.
(2) On December 21, 2012, the Company received a $20 million cash contribution from its then parent, Generali US Holdings Inc. Per the Company, with the intent to sell the Company, the 2012 contribution was made to further improve the Company's surplus and RBC ratios.

Dividends

During the period under examination, the Company paid the following dividends to the Parent:

Year		Contribution
2011	$	20,000,000
2012	$	15,000,000

No dividends were paid in 2009, 2010 or 2013.

Surplus Notes

As of December 31, 2013, the Company had no surplus notes.

Borrowed Money

As of December 31, 2013, the Company had no borrowed money.

CORPORATE RECORDS

The recorded minutes of the sole shareholder and Board of Directors were reviewed for the period under examination. The recorded minutes of the Board adequately documented its meetings and approval of Company transactions and events, including the authorization of investments as required by 18 Del. C. §1304 "Authorization; record of investments".

A review of the Insurance Holding Company Annual Registration Statement filings (Form B and Form C) made by and on behalf of the Company for 2013 revealed that the Company had materially complied with 18 Del. C. §5004 and 18 Del. Admin. Code 1801.

MANAGEMENT AND CONTROL

Stockholder

Article II of the Company's amended bylaws states that annual meetings of the stockholders shall be held at the Registered Office of the corporation, or at such other place, within or without Delaware, on a day and at a place and time set by the Board of Directors between January 1 and May 1 of each year, as the Board of Directors may designate, as stated in notice of such meeting or a duly executed waiver of notice thereof. At each annual meeting, the stockholders entitled to vote shall elect a Board of Directors and they may transact such other company business as is stated in the notice of meeting or as otherwise appropriate. Special meetings of stockholders for any purpose may be called by the Chairman of the Board, the Vice Chairman of the Board of Directors, the President, the Board of Directors, or the holders of not less than one-tenth (1/10) of all shares entitled to vote at the meeting. The business transacted at any special meeting shall be limited to the purposes stated in the notice thereof. The holders of a majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of the shareholders, but in no event shall a quorum consist of the holders of less than one-third (1/3) of the shares entitled to vote. Each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of the shareholders. Cumulative voting in the election of directors or otherwise is expressly prohibited by the Articles of Incorporation. Any action required or permitted by law, and not inconsistent with the Articles of Incorporation or the bylaws may be taken at a shareholders meeting or may be taken without a meeting if consent in writing is signed by all of the shareholders entitled to vote.

Board of Directors

Pursuant to the General Corporation Laws of the State of Delaware, as implemented by the Company's Articles of Incorporation and bylaws, all corporate powers are exercised by or under the direction of the Board of Directors. The bylaws, as amended October 1, 2013, provide that the Company’s business and affairs shall be managed by the Board of Directors. Subject to restrictions imposed by law, the Articles of Incorporation, or the bylaws, the Board can exercise all of the powers of the Company. The Board shall consist of no less than five (5) or more than thirteen (13) members, and cumulative voting for Directors is prohibited pursuant to the Articles of Incorporation. The Board shall be elected at the annual meeting of shareholders and each director shall be elected to hold office until the next succeeding annual meeting and until his successor is elected and qualified or until his earlier death, resignation or removal.

At December 31, 2013, the members of the Board of Directors together with their principal business affiliations were as follows:

Name and Location	Principal Occupation
Denis Jean-Marie Kessler (CH) Paris, France	Chairman and Chief Executive Officer SCOR SE
Henry Klecan, Jr. New York, New York	President and Chief Executive Officer SCOR Reinsurance Company and SCOR Canada Reinsurance Company
Pierre Andre Chiappori New York, New York	Professor of Economics Columbia University
Jerry Michael de St. Paer New York, New York	Executive Chairman Group of North American Insurance Enterprises
Mark Kociancic New York, New York	SCOR Group Chief Financial Officer and Executive Vice President of SCOR Reinsurance Company
Linda Helen Lamel [(1)] New York, New York	Consultant/Attorney
Kathleen Theresa McGahran Palm Beach, Florida	Chief Executive Officer/Owner Pelham Associates, Inc.
Gilles Meyer [(2,3)] Zurich, Switzerland	Chief Executive Officer SCOR Global Life SE
Paul Edmund Rutledge III [(4)] Charlotte, North Carolina	President and Chief Executive Officer SCOR Global Life Americas Reinsurance Company

(1) On December 5, 2014, Ms. Lamel passed away. Effective February 13, 2015, Ms. Ingrid Carlou, Managing Director, Reaseguradora PATRIA, S.A., was appointed as a director of the Company.
(2) Effective February 14, 2014, Mr. Meyer resigned as a director of the Company. Effective February 14, 2014, Mr. Paolo De Martin was appointed as a director of the Company. Mr. De Martin was appointed CEO of SCOR Global Life SE on January 17, 2014.
(3) Effective February 14, 2014, Ms. Kory Sorenson, an Independent Consultant, was appointed as a Director to the Company. Ms. Sorenson’s appointment increased the number of Directors to ten (10) as of February 14, 2014.
(4) Mr. Rutledge resigned as President and CEO of SGLA on October 23, 2013, but continues to serve as a Director.
(5) The above individuals, except Mr. Meyer, were reappointed to the Board of Directors of the Company on April 30, 2014. Mr. De Martin and Ms. Sorenson were likewise reappointed on April 30, 2014.

The minutes of the meetings of the shareholders and Board of Directors, which were held during the period of examination, were read and noted. Attendance at meetings, election of directors and officers, and approval of investment transactions were also noted.

Receipt by the Board of Directors of the Report on Examination as of December 31, 2008, was noted in the minutes of the Board of Directors as of August 26, 2009.

Committees

Article V of the amended bylaws states that the Board of Directors, by resolution adopted by a majority of the full Board, may designate from among its members, an Executive and Finance Committee, to the extent provided in such resolution, that shall have all the powers of the Board in the business and affairs of the corporation except as denied in Section 5.01 of Article V in the bylaws. As of December 31, 2013, the Board had not designated an Executive and Finance Committee. In addition to the Executive and Finance Committee, the Board, by resolution adopted by a majority of the Board, may designate such other committees as it deems appropriate. Each committee shall have and exercise only that authority of the Board delegated to it by the resolution creating such committee, except that no such committee shall have the authority of the Board in reference to matters denied to the Executive and Finance Committee in Section 5.01 of Article V.

On October 23, 2013, the Board had designated the existing Audit Committee of SGLA, consisting of three (3) independent members of the Board, as the Audit Committee of the Company. The Audit Committee of SGLA was established on February 18, 2010, in accordance with 18 Del. Admin. Code 301. Pursuant to the bylaws, the meeting of the Audit Committee shall be called by the Secretary of the Corporation from time to time, at the direction and upon the request of the President, the Chairman of the Audit Committee or any two members of the Audit Committee. The Audit Committee shall have the powers designated in the bylaws, and other such powers as may lawfully be delegated to it by the Board, not in conflict with other powers conferred by the Board upon any other committee appointed by the Board. As of December 31, 2013, the following directors were members of the Audit Committee:

Name and Location	Principal Occupation
Jerry Michael de St. Paer New York, New York	Executive Chairman Group of North American Insurance Enterprises
Linda Helen Lamel (1) New York, New York	Consultant/Attorney
Kathleen Theresa McGahran Palm Beach, Florida	Chief Executive Officer/Owner Pelham Associates, Inc.

(1) On December 5, 2014, Ms. Lamel passed away. Effective February 13, 2015, Ms. Ingrid Carlou, Managing Director, Reaseguradora PATRIA, S.A., was appointed as a member of the Audit Committee.

All of the members of the Audit Committee were considered independent.

Officers

Article VIII of the amended bylaws states that the company's executive officers shall consist of a President, one or more Vice Presidents, one or more Secretaries, and a Treasurer, all of whom shall be elected by the Board and who shall hold office until their successors are elected and qualified. The Board may elect or appoint such other officers, assistant officers and agents as may be necessary. The Board may designate one of its members as Chairman of the Board of Directors and another of its members as Vice Chairman of the Board of Directors, but neither of such persons shall be deemed an officer of the corporation unless the Board shall expressly specify by resolution that he is to be an officer of the corporation.

The Board of Directors, at its first meeting after each annual meeting of shareholders, shall choose one of its directors to serve as President. The Board may elect one or more Vice Presidents, a Secretary, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers, none of whom need be a member of the Board of Directors. The officers shall be elected at each annual meeting. Any two or more offices may be held by the same person. Each officer shall hold office for the term for which he is elected and until his successor shall have been duly elected and qualified, or until death, resignation, or removal.

At December 31, 2013, the Company's principal officers and their respective titles were:

Name	**Principle Occupation**
Joseph Archard Gilmour	President and Chief Executive Officer
Maxine Hilary Verne	Senior Vice President, Deputy General Counsel and Corporate Secretary
Michael Joseph Lynch	Senior Vice President, Treasurer & Controller
Randall Edwin Meyer (1)	Vice President, Appointed Reserving Actuary
Dennis Jean-Marie Kessler	Chairman of the Board
Henry nmn Klecan Jr.	Vice Chairman of the Board
Brona nmn Magee	Executive Vice President & Chief Financial Officer
John Charles Brueckner (2)	Executive Vice President, US Life Reinsurance
Glen Francis Cunningham	Executive Vice President, Chief Strategy Officer
Scott Allen Boug	Senior Vice President, Financial Solutions
Nathan Alan Johnson	Senior Vice President, Chief Underwriting Officer
Terry Dean Dickenson	Senior Vice President, Group Reinsurance & Sales
David Allen Gates	Senior Vice President, General Counsel & Assistant Secretary
Tamora Ann Kapeller	Senior Vice President & COO Technology & Administration
Jay Brian Kinnamon (3)	Senior Vice President & Chief Reserving Actuary
Lawrence Paul Moews	Senior Vice President and Chief Risk Officer
Richard Emerson Braun	Vice President, Medical Officer
James Randall Makin	Vice President, Pricing Deputy
Andreas John Stabno	Vice President, Modeling & Risk
Mark Andrew Swanson	Vice President, Actuary – Experience Analysis
Todd Lee Tretsven	Vice President, Group Actuary
Lesia Rhea Troesser	Vice President, HR & Corporate Services
Jason Christopher Kalinowski	Vice President
Lyle Brent Kessler	Assistant Corporate Secretary

(1) On August 13, 2014, Mr. Meyer retired from the Company. Ms. Donna Weninger was appointed Vice President and Appointed Actuary effective October 23, 2014.
(2) On November 25, 2014, Mr. Brueckner was named Deputy CEO of SGLA.
(3) On July 25, 2014, Mr. Kinnamon retired from the Company. Ms. Barbara Snyder was appointed Senior Vice President and Chief Reserving Actuary effective October 2014. Ms. Snyder's employment ceased on May 1, 2015.
(4) Mr. Makin retired as of January 1, 2015.
(5) The above individuals were reappointed as officers of the Company on April 30, 2014. In addition, the following individuals were appointed as officers of the Company: Mr. Gregory Clinton, Vice President, Information Technology; Mr. Stephen Dvorak, Vice President, Marketing & Underwriting Group Reinsurance; Ms. Gretchen Johnson, Vice President, Regional Sales; Mr. Peter Komsthoeft, Vice President, Underwriting Research; Mr. Mark Laulainen, Vice President, Marketing & Underwriting Group Reinsurance; Ms. Kristin Ringland, Vice President, Underwriting; Mr. William Rooney, Vice President, Medical Director; Mr. Michael Scearce, Vice President, Associate General Counsel; Mr. Beaman Senecal, Vice President, Actuary – Client Mortality; Mr. Eric Swanson, Vice President, Marketing & Underwriting Group

Reinsurance; Mr. Manuel Villa, Vice President, Regional Sales; Mr. William Wooden, Vice President, Regional Sales, and Mr. Eric Wilmer, Assistant Vice President, Associate Counsel, and Assistant Corporate Secretary.

In addition to the above officers, additional Vice Presidents, Assistant Vice Presidents and other assistant officers were also appointed.

Numerous changes in directors and officers occurred during the period under review. As required pursuant to 18 Del. C. §4919, proper notification was provided to the Insurance Department.

Conflicts of Interest

The Company maintains a formal written Code of Business Conduct, which sets out minimum standards of ethical conduct that applies to all employees, officers and directors. Incorporated into the Code of Business Conduct is a conflict of interest policy. Each year, all officers and directors are required to complete an Annual Code Acknowledgement, re-affirming the commitment to comply with the Code, and reporting any breaches of which they are aware and potential conflicts of interest. As required by the Company's Risk Management Policies, the Corporate Secretary reviews and provides an annual report to the Board concerning compliance with the Code and any potential conflict of interest.

In accordance with the Delaware Insurance Department Examination Handbook, Section 12, a review of the Company’s Annual Code Acknowledgement Statements for officers, directors and key employees was performed for the purpose of identifying anyone with a felony conviction involving dishonesty or a breach of trust. There was no indication of any criminal conviction in any of the responses reviewed.

The review of executed conflict of interest disclosure statements was conducted for all years under examination with no concerns or issues identified.

Articles of Incorporation and bylaws

The Company amended its Articles of Incorporation on October 1, 2013, to change the name of the Company from Generali USA Life Reassurance Company to SCOR Global Life USA Reinsurance Company. The Articles of Incorporation have not been amended since October 1, 2013.

As a result of the redomestication of the Company from the State of Missouri to the State of Delaware, the Company amended its bylaws on October 1, 2013, to comply with Delaware laws and regulations, and to reflect the Company’s name change. The bylaws have not been amended since October 1, 2013.

It was noted that prior to October 1, 2013, the bylaws and Articles of Incorporation were not amended while the Company was a Missouri domestic.

HOLDING COMPANY SYSTEM

The Company is a member of an insurance holding company system as defined in 18 Del. C. §5001(4) “Insurance Holding Company System”. The Company’s Holding Company Registration Statements were timely filed with the Delaware Insurance Department for the years under examination for which the Company was a Delaware domestic. The immediate parent of the Company at December 31, 2013, was Generali U.S. Holding Inc. The Company had no subsidiaries as of December 31, 2013.

Organization Chart

The following abbreviated presentation of the holding company system reflects the identities and interrelationships between the Company, its Parent, affiliated insurers and other members of the holding company system as of December 31, 2013:

Company	Domicile	% own
SCOR SE	France	
SCOR Global Life Chile Services Tecricosy y Representaciones Limitada	Chile	50%
SCOR Global Life SE	France	100%
ReMark Group BV	Netherlands	100%
ReMark Internatational BV	Netherlands	100%
Rehalto SA	France	100%
SCOR Service Belux	Belgium	100%
SCOR Global Life Australia Ply Ltd.	Australia	100%
SCOR Global Life Reinsurance Ireland Ltd.	Ireland	100%
SCOR Financial Services	Ireland	100%
SCOR Telemud Siu	Spain	100%
SCOR Global Life Chile Services Tecricosy y Representaciones Limitada	Chile	50%
Revios Canada Holding Corp.	Canada (Ontario)	100%
Revios Canada Ltd.	Ontario	100%
SCOR Global Life Americas Holding Inc.	Delaware	100%
Generali U.S. Holdings Inc. (1)	Delaware	100%
SCOR Global Life USA Reinsurance Company	Delaware	100%
Generali Reassurance (Bermuda) Ltd.	Bermuda	100%
SCOR Global Life Reinsurance International (Barbados) Ltd.	Barbados	100%
Quantitative Data Solutions	Delaware	100%
SCOR Life Assurance Company	Delaware	100%
SCOR Life Reassurance Company	Delaware	100%
SCOR Global Life Americas Reinsurance Company	Delaware	100%
SCOR Global Life Americas Reinsurance Company Escritório de Representação no Brasil Ltda (2)	Brazil	99.99%
SCOR Global Life Reinsurance Company of Delaware	Delaware	100%
SCOR Global Life Reinsurance (Barbados) Ltd.	Barbados	100%

(1) Effective April 11, 2014, Generali U.S. Holdings, Inc. was renamed SCOR Global Life USA Holdings, Inc.
(2) SCOR SE owns 2 shares (< 1%) of SCOR Global Life Americas Reinsurance Company Escritório de Representação no Brasil Ltda per local regulations.

INTERCOMPANY AGREEMENTS

The Company was party to several intercompany agreements, which were disclosed in the Form B filings with the Delaware Insurance Department.

The Company is party to agreements with affiliates, which were entered into during the period covered by this examination, and remain in effect as of December 31, 2013. These agreements are summarized as follows:

Amended and Restated Service Agreement

Effective October 1, 2013, the Company entered into an Amended and Restated Service Agreement with SGLA, SGLDE, SGLB, SLRC, and SLAC. Under terms of the agreement, SGLA provides certain financial/accounting services, regulatory services, and administrative services pursuant to the terms of the agreement established for the benefit of SCOR subsidiaries to conduct their business. In addition, SGLA provides captive management and actuarial services to SLAC and SLRC. Costs for the services are charged on an actual cost basis in conformity with customary insurance accounting practices consistently applied and Federal and State laws, including U.S. Treasury regulations.

Amended and Restated Tax Sharing Agreement

Effective December 31, 2013, the Company became party to an Amended and Restated Tax Allocation Agreement with SGLA, SGLDE, SGLUSA-Holdings, SCOR Life Reassurance Company (SLRC), SCOR Life Assurance Company (SLAC), SCOR Global Life Reinsurance International (Barbados) Ltd. (SGLB), and SGLAH. Under the terms of the agreement, SGLA computes the Federal Tax Liability and the liability for each member of the group. The Federal income tax provision is computed on a separate return basis and provides that the members of the consolidated group shall receive reimbursement to the extent that their losses and other credits result in a reduction of the consolidated tax liability. The tax charge to SGLA, SGLDE, SGLUSA, SGLUSA-Holdings, SLRC, SLAC, SLGB, or SGLAH under the agreement shall not be more than they would have paid if they had filed on a separate return basis calculated on the basis elected under Regulation 1.1552.

SCOR SE Capital Maintenance Agreement

Effective October 1, 2013, the Company entered into a Capital Maintenance Agreement with SCOR. In accordance with the terms of the Agreement, SCOR shall maintain sufficient capital in the Company to ensure that the Company's policyholder surplus at the end of any calendar year, is an amount no less than the 200% of the Company Action Level RBC as defined in 18 Del. C. §5801(10) (the "Capital Threshold"). In the event that, at the end of any calendar quarter, the Company's policyholder surplus is below the Capital Threshold, SCOR shall, or shall cause one or more of its subsidiaries to, contribute additional capital to the Company in such aggregate amount to restore the Company's policyholder surplus to the Capital Threshold within 60 calendar days of the end of such calendar quarter, provided, however, that no contribution from SCOR will be required if the Company's capital level is less than the Capital Threshold by no more than $2,000,000.

The Agreement does not constitute a direct or indirect guarantee of SCOR for the payment of any debt or other obligation, indebtedness or obligation or liability, of any kind or character whatsoever, of the Company, if any.

This Agreement shall terminate on the earlier to occur of the date as of which

(i) automatically on the date on which all contractual insurance obligations of the Company are fully and finally discharged;

(ii) upon the redomestication of the Company to a state other than Delaware, provided such redomestication has been approved by the Insurance Department

(iii) upon written notice to the Company and the Department in the event of the direct or indirect sale or transfer of a majority of the Company's stock to an entity not affiliated with SCOR; or

(iv) at such other time only with the approval of the Insurance Department.

SCOR Parental Guarantee Agreement

Effective October 1, 2013, SCOR provided an unconditional guarantee on behalf of and for the benefit of the Company, for the full and prompt performance of all of the Company's payment obligations under all insurance and reinsurance contracts issued by the Company, to the extent that the Company after written demand by contract owners, fails, refuses or is unable to satisfy such payment obligations. This guarantee however, shall not apply to any of the Company's payment obligations under contracts which have, or could have, been avoided or rescinded by the Company for any reason whatsoever other than by reason of the Company's financial impairment or insolvency. In no event shall SCOR's liability exceed the liability of the Company's under the contracts.

The Guarantee Agreement is not deemed to constitute a direct or other indirect guarantee by SCOR of the payment of any other debt or obligation, indebtedness or liability, of any kind or character whatsoever, of SCOR or the Company, except as provided in the agreement.

The Guarantee shall be automatically reinstated if and to the extent that for any reason payment by or on behalf of the Company is rescinded or must be otherwise restored whether as a result of any proceeding in bankruptcy, insolvency, reorganization, other similar laws or otherwise.

The Guarantee is a continuing guarantee. It (i) shall apply to all contracts issued by

SGLUSA, (ii) shall remain in full force and effect until payment in full of contractual liabilities under contracts, (iii) shall be binding upon the Guarantor, its successors and assigns, and (iv) shall inure to the benefit of, and be enforceable by, the Company, its successors and assigns.

The Guarantee Agreement will automatically terminate on the effective date on which one or more of the following situations occur: (a) the Company qualifies for a stand-alone rating the same as or higher than SCOR's; (b) the Company qualifies for a rating the same as or higher than SCOR's without support of this agreement; or (c) the Company is sold to, or integrated into, or becomes a part of an unrelated group or entity and as a consequence substantially qualifies for a rating at least equal to that of the Parent at time of sale, integration, etc. Additionally, SCOR may terminate this Guarantee at any time by at least twelve (12) months prior notice in writing to the Company. The termination of the Guarantee shall not affect SCOR's liability in respect of any Contracts issued or renewed prior to the date of such termination.

TERRITORY AND PLAN OF OPERATION

Territory

As of December 31, 2013, the Company was licensed in 26 states and was qualified as an accredited reinsurer in 24 states and the District of Columbia. The Company became accredited in a 25th state, North Dakota, as of October 14, 2014.

The Company is authorized as a stock insurer to transact the business of life, including annuities, credit life, and heath and credit health as defined in 18 Del. C. § 902 "Life insurance" defined, and 18 Del. C. § 903 "Health insurance" defined.

The principal office facilities of the Company are located in Leawood, Kansas.

Plan of Operation

The Company is a professional reinsurer, and as such, has no direct written business. The Company is engaged in the business of life, health, and credit life and credit health reinsurance. The Company's primary business activity is the reinsurance of individual life contacts from non-affiliated companies. In 2013, this line of business accounted for 92% of the Company's $1.15 billion of assumed premium income. The remaining assumed premium consists of group life and accident policies with an insignificant amount of individual disability income premium.

Reinsurance

The Company assumes risks written nearly exclusively by life insurance companies domiciled in the United States. The Company retrocedes business to affiliated companies within the SCOR Group and participates with affiliated companies in an excess retrocession pool to third party retrocessionaires, as well as facultative retrocession coverage for selected risks.

The Company's currently assumed business includes term, permanent and universal life reinsurance business, reinsured on a coinsurance or yearly renewable term basis. Within the risk appetite and underwriting guidelines of SCOR Group, the Company may reinsure mortality, morbidity, longevity and other biometric risks associated with the life insurance products sold by its primary client base, life insurance enterprises. The forms of reinsurance, as described above, can be either proportional or non-proportional depending on the needs of the client.

Sales Distribution

SCOR Global Life Americas utilizes its own sales resources to distribute its reinsurance solutions to client companies in the U.S. Five sales roles (Regional Vice Presidents) cover approximately 125 life and health insurance companies doing business in the U.S. Their duties include building relationships with key decision-makers, understanding the client company's life insurance product portfolio and likely reinsurance needs, and getting opportunities to provide proposals for the clients Request for Proposals (RFP). SCOR does not routinely utilize life reinsurance brokers (intermediaries), as this is not common practice in the U.S. life reinsurance markets. On occasion, a client will choose to utilize an intermediary and SCOR will work with the intermediary and also directly with the life insurance company to provide a reinsurance proposal. On the rare occasion when an intermediary is used to help place Individual Life business, the intermediary represents the interest of the cedent and not the interest of SCOR, has no privity of contract with SCOR, and is compensated by the ceding company it represents and not by SCOR. SCOR's Account Executives all have 20+ years of experience in the market and are well known in the industry.

A summary of premiums and annuity considerations for 2013 is described as follows:

	Ordinary Life Insurance	Ordinary Individual Annuities	Group Life Insurance	Accident and Health Group	Other	Total
Direct	$ -	$ -	$ -	$ -	$ -	$ -
Reinsurance Assumed	1,065,104,561	-	57,365,306	28,332,213	2,691,144	1,153,493,223
Reinsurance Ceded	177,895,100	-	48,063,789	19,294,727	-	245,253,616
Net Premiums Written	$ 887,209,461	$ -	$ 9,301,517	$9,037,486	$ 2,691,144	$ 908,239,607

<u>A.M. Best's Rating</u>

Based on A.M. Best's current opinion of the consolidated SCOR SE financial condition and operating performance of the Company, the Company was rated A (Excellent) for the year ending December 31, 2013.

GROWTH OF THE COMPANY

The following information was extracted from copies of the Company's filed Annual Statements, for each year indicated, and covers the period from the Company's last examination.

Year		Net Admitted Assets		Total Liabilities		Total Capital and Surplus		Premiums and Annuity Considerations		Deposit-Type Funds		Net Income/ (Loss)
2013	$	949,320,187	$	526,745,782	$	422,574,405	$	908,239,607	$	-	$	61,636,525
2012		1,109,138,622		745,124,379		364,014,244		370,041,571		-		18,743,735
2011		1,033,088,867		686,330,884		346,757,983		355,386,750		-		32,239,140
2010		987,154,169		645,092,723		342,061,446		315,741,718		-		23,403,008
2009		913,098,488		601,675,599		311,422,889		293,009,991		-		12,370,921

Since year-end 2009, net admitted assets have increased by $36 million or 3.9% while total liabilities decreased by $74.9 million or 12.5%. In 2013, admitted assets of the Company, comprised primarily of high quality invested assets and receivables, fell to $949 million, a decrease of $160 million from the prior year. This decrease is the result of the consideration paid in 2013 for business previously retained and now being retroceded to SCOR affiliates upon its acquisition by SGLAH.

At December 31, 2013, the Company had a total of $527 million in liabilities, a decrease of $218 million from the prior year. The decrease in liabilities is primarily related to acquisition of the Company and the decision to retrocede to affiliates existing business that had been retained by the Company prior to the acquisition. This accounts for the decrease in reserves and claim liabilities.

During the examination period, total capital and surplus increased $111.2 million or 35.7%. For the year ended December 31, 2013, capital and surplus increased by $58.6 million to $422.6 million from the December 31, 2012, capital and surplus of $364.0 million. The improved capital position is a result of positive operating earnings of $61.6 million; $14.2 million of the earnings was related to continued operations while the balance, $47.2 million is a result of the acquisition transaction and related 4th quarter 2013 events. There were capital contributions of $15 million and $20 million received in 2009 and 2012, respectively, from the sole shareholder, offset by the payment of a $20 million and $15 million dividend in 2011 and 2012, respectively, to the sole shareholder.

Premiums and annuity considerations have increased by $615.2 million from $293.0 million at December 31, 2009, to $908.2 million as of December 31, 2013. The significant increase between 2012 and 2013 is due to the acquisition transaction. In order to meet the reporting requirements of the SCOR Group, the Company cut off transaction processing for year-end earlier than in the past. In doing so, the premium accruals increased to cover the period from the earlier cut off date through December 31, 2013. Additionally, the Company's systems were off line for a period while the Company programmed and tested changes related to the new SCOR processing. As a result, cash collected for premium was unprocessed (was not allocated), this resulted in a higher uncollected balance. Likewise, since the premium was not allocated, the balance in the remittances and items not allocated liability account increased as well.

The Company's net income increased by approximately $49.3 million from December 31, 2009, to December 31, 2013, or approximately 398.2%. The Company has historically generated positive cash flows. The significant increase between 2012 and 2013 is a result of the acquisition transaction, including the impact of the recapture of business from Generali affiliates, and subsequent retrocession to SCOR affiliates, including the retrocession of existing business previously retained. The Company does not have any outstanding commitments that would require the need to generate cash through means other than the normal day-to-day operating activity.

LOSS EXPERIENCE

Reserves and contract claims as of December 31, 2013, and December 31, 2012, were as follows:

	Aggr. Reserves for Life Contracts	Aggr. Reserves for Accident and Health Contracts	Liability for Deposit Type Contracts	Contract Claims: Life	Contact Clams: Accident and Health
December 31, 2013	$ 52,408,425	$ 20,002,447	$ -	$ 50,407,242	$ 7,047,366
December 31, 2012	505,644,827	21,536,316	-	104,044,423	10,992,483
Increase (Decrease)	$ (453,236,402)	$ (1,533,869)	$ -	$ (53,637,181)	$ (3,945,117)

The reserves for life and accident & health contract claims decreased $454.8 million or 86.3% to $72.4 million in 2013.

The decrease in aggregate reserves for life reserves is primarily related to the acquisition of the Company on October 1, 2013, and the transition from Generali to SCOR. During the transition, the Company recaptured all of its business that it had ceded to Generali affiliates and immediately retroceded it to SCOR affiliates. At that time, the Company also retroceded business to SCOR affiliates that it had previously retained. As a result, the Company has far less net retained in-force, net reserves and net claim exposure than it had in the prior year.

The change in Aggregate Reserves for A&H Contracts is almost entirely related to the individual disability insurance block of business, which is a closed block.

The liabilities for life and accident & health contract claims decreased $57.6 million or 50.1% to $57.5 million in 2013. The decrease for life contract claims was primarily due to an improved calculation method for IBNR based on treaty volume and seriatim data. The decrease for accident & health contract claims was primarily the result of validating the IBNR balance against client statements and adjusting the balances accordingly.

REINSURANCE

For 2013, the Company reported the following distribution of net premiums written:

Direct business	$ -
Reinsurance assumed (from affiliates)	38,329
Reinsurance assumed (from non-affiliates)	$ 1,153,454,894
Total direct and assumed	1,153,493,223
Reinsurance ceded(to affiliates)	490,142,644
Reinsurance ceded (non-affiliates)	(244,889,028)
Net premium written	$ 908,239,607

The Company uses reinsurance as part of its enterprise risk management, optimization of business flows, and capital management program. The Company's premiums are derived from reinsuring individual life policies written by insurers across the United States.

The Company had the following reinsurance programs and agreements in effect as of December 31, 2013:

Assumed

The Company assumes risk from affiliates and third party ceding companies in the United States. The Company's assumed business consists of traditional life mortality business with new business derived from an expanding client base comprised principally of medium to large U.S. direct writers, reinsured on a Yearly Renewable Term (YRT) basis. The remaining assumed premium consists of group life and accident policies and an insignificant amount of individual disability income premium. These policies are written nearly exclusively by life insurance companies domiciled in the United States.

Individual life reinsurance on a fully underwritten basis, along with a modest volume of select simplified issue life reinsurance, generates most assumed premium income. The Company began accepting group business in 2004 and expanded that line of business through the years. In addition, the company still owns a small book of run-off individual disability (guaranteed renewable) and group accidental death reinsurance.

Within the risk appetite and underwriting guidelines of SCOR Group, the Company may reinsure mortality, morbidity, longevity and other biometric risk associated with the life insurance products sold by its primary client base, life insurance enterprises. Other risks, such as lapse and asset risk, may be transferred as part of the contracts related to such biometric risk.

Ceded

The Company's ceded reinsurance (i.e., retroceded business) is associated with two major lines of business: 1) the domestic business that the Company had reinsured prior to its acquisition on October 1, 2013, and 2) the domestic business acquired since the Company's acquisition. The Company's retrocession program consisted of the following major categories:

- Affiliate Reinsurance
- Non-affiliate Reinsurance Pools with Third Party Participants and Shares
- Special Retrocession and Facultative

Affiliate Reinsurance

These programs are primarily used to optimize business flows and capital management. The following affiliate legal entities are involved with these reinsurance programs and a majority, if not all, are quota share arrangements:

Authorized U.S. Affiliates

- SCOR Global Life Reinsurance Company of Delaware
- SCOR Global Life Americas Reinsurance Company
- SCOR Life Assurance Company

Unauthorized Non-U.S Affiliates

- Generali Reassurance (Bermuda) Ltd.
- SCOR Global Life Reinsurance Ireland Ltd.

Non-Affiliate Reinsurance Pools with Third Party Participants

These programs are primarily intended for the Company's enterprise risk management program to provide for risk transfer in excess of corporate retention.

Special Retrocession and Facultative

These programs were instituted to address reinsurance needs not encompassed by Affiliate or Non-Affiliate Reinsurance Pools. These programs were established for a specific purpose; generally capital management or to manage retention on a risk from a specific block of business aside from the general retention program.

The Company retrocedes its business through a diversified group of retrocessionaires and monitors collectability of retrocessionaire balances. No single unaffiliated retrocessionaire has a material obligation to the Company nor is the Company's business substantially dependent upon any reinsurance agreement. The Company is contingently liable with respect to retroceded reinsurance should any retrocessionaire be unable to meet its obligations under these agreements. The Company analyzes recent trends in arbitration and litigation outcomes in disputes, if any, with its retrocessionaires. The Company monitors ratings and evaluates the financial strength of the Company's retrocessionaires by analyzing their financial statements. Retention programs are reviewed and approved by the parent company and the Board of Directors no less often than annually.

Reinsurance Contract Review

A review was performed of significant reinsurance contracts put into place during the examination period for compliance with 18 Del. Admin. Code §1000, NAIC Guidelines and Statutory Accounting Principles (SSAP). No exceptions were noted.

ACCOUNTS AND RECORDS

Accounting System and Information

The accounts and records reviewed during the examination included an evaluation of the Company's operational and organizational controls. The areas evaluated included computer and accounting systems, organizational structure, and the information processing structure. The Company's computerized accounts and records are maintained in Kansas City, Missouri. The Company's non-computerized records are maintained in Leawood, Kansas; Charlotte, North Carolina; and New York, New York. The Company utilizes Microsoft Windows Server 2003 & 2008, Windows 7 (client application) operating system, and internally developed systems (Everest and Genesys) to process data. Everest replaced Genesys on January 1, 2012. The Company utilizes outsourced data centers from CoSentry (located in Kansas City, Missouri), for processing, updating, and storing the primary records and the CoSentry data center for backup and disaster recovery purposes. The Company's Kansas City test and development data center and the CoSentry production data center serve as disaster recovery sites for each other, although the last Everest disaster recovery test was performed at the HP Alpharetta, GA data center. On January 1, 2015, the Company converted to the SAP G/L from Computron.

A high-level assessment of the internal control structure and process for the Company's accounting and computer systems was discussed with management and reviewed after completion of questionnaires developed by the NAIC and the Delaware Department of Insurance.

An external accounting firm audits the statutory-basis financial statements of the Company annually. The Company's external accounting firm, Ernst & Young (E&Y), reviewed the internal control structure in order to establish the necessary audit procedures required to express an opinion on the December 31, 2013, financial statements. No significant or qualifying material deficiencies were found to exist in the design or operation of the internal control structure.

The Company's records are also subject to review by the SCOR Group Internal Audit Department.

Accounts and Records Finding

The following comment, finding, and recommendation was noted during the examination and pertain to the Company's filed Annual Statement:

Reinsurance

With regards to the filed 2013 Annual Statement, several presentation discrepancies were noted within Reinsurance. These discrepancies included the following non-financial items:

- Review of the Company's Schedule S identified numerous reporting issues with regards to misstated effective dates. NAIC *Annual Statement Instructions* require that the effective date used in Schedule S be the date the contract originally went into effect.

The above finding represents non-compliance with 18 Del. C. §526(a), which states in part,

> "(a) Each authorized insurer shall annually on or before March 1, . . , file with the Commissioner a full and true statement of its financial condition, transactions and affairs as of December 31 preceding. The statement filing shall be the annual statement form approved by the National Association of Insurance Commissioners ("NAIC") prepared in accordance with NAIC annual statement requirements and the NAIC accounting practices and procedures manual, except as otherwise prescribed or permitted by this title or by the Commissioner."

Therefore,

It is recommended that the Company complete its annual statement blank in accordance with NAIC *Accounting Practices and Procedures*, NAIC *Annual Statement Instructions* and 18 Del. C. §526(a), verifying that all financial and non-financial data is reported accurately, completely, and appropriately.

Independent Accountants

The Company's financial statements are audited each year by the firm E&Y of Kansas City, Missouri. The examiners reviewed the audited statutory financial statements for all years under examination. For all years under review, E&Y issued an unqualified opinion.

The examiners reviewed E&Y's 2013 work papers, and incorporated their work and findings as deemed pertinent to the current examination.

Actuarial Opinion

The Company's loss reserves and related actuarial items were reviewed by Randall Meyer, FSA, who issued a statement of actuarial opinion based on the financial information presented by the Company. The opinion stated that the reserves and related actuarial values carried on the balance sheet were fairly stated and met the requirements of the insurance laws of the State of Delaware.

STATUTORY DEPOSITS

The following statutory deposits were on file with the following states:

	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
State	Book/Adjusted Carrying Value	Fair Value	Book/Adjusted Carrying Value	Fair Value
Arkansas			$122,642	$143,165
Delaware	$100,004	$100,004		
Georgia			100,053	100,053
Massachusetts			196,228	229,064
Missouri	1,962,277	2,290,640		
Aggregate Alien and Other			169,709,795	180,616,950
TOTAL DEPOSITS	$2,062,281	$2,390,644	$170,128,718	$181,089,232

FINANCIAL STATEMENTS

The following pages contain a statement of assets, liabilities, surplus and other funds as of December 31, 2013, as determined by this examination, along with supporting exhibits as detailed below:

General Account:

- Assets
- Liabilities, Surplus and Other Funds
- Summary of Operations
- Capital and Surplus Account
- Reconciliation of Capital and Surplus for the Examination Period

Schedule of Examination Adjustments

The narratives on the individual accounts, with the exception of the reserve related balances, are presented on an "exception basis" in the Notes to the Financial Statements section of this report.

Assets
As of December 31, 2013

	Assets	Nonadmitted Assets	Net Admitted Assets	Notes
Bonds	$ 521,327,441	$	$ 521,327,441	
Cash, cash equivalents and short-term investments	122,652,717		122,652,717	
Other invested assets	8,245,946		8,245,946	
Investment income due and accrued	5,445,889		5,445,889	
Premiums and considerations:				
Uncollected premiums and agents' balances in course of collection	156,822,776	966,255	155,856,521	
Deferred premiums, agents' balances and installments booked but deferred	971,792		971,792	
Reinsurance:				
Amounts recoverable from reinsurers	11,295,374	4,583,335	6,712,039	
Other amounts receivable under reinsurance contracts	121,069,443		121,069,443	
Net deferred tax asset	12,800,046	6,560,067	6,239,979	
Electronic data processing equipment and software	798,422		798,422	
Furniture and equipment, including health care delivery assets	1,054,458	1,054,458	-	
Aggregate write-ins for other than invested assets	360,580	360,580	-	
Total assets excluding Separate Accounts	$ 962,844,882	$ 13,524,695	$ 949,320,187	
From Separate Accounts		-	-	
Total	$ 962,844,882	$ 13,524,695	$ 949,320,187	

Liabilities, Surplus and Other Funds
As of December 31, 2013

Aggregate reserves for life contracts	$	52,408,425	1
Aggregate reserves for accident and health contracts		20,002,447	2
Contract claims:			
Life		50,407,242	3
Accident and health		7,047,366	4
Provision for policyholders' dividends and coupons payable in following calendaer year:			
Dividends apportioned for payment		75,000	
Premiums and annuity considerations for life and accident and health contracts received in advance		553,419	
Contract liabilities not included elsewhere:			
Provision for experience rating refunds		2,114,761	5
Other amounts payable on reinsurance		241,177,704	
Interest maintenance reserve		21,101,084	
Commissions and expense allowances payable on reinsurance assumed		217,348	
General expenses due or accrued		11,527,255	
Taxes, licenses and fees		1,619,745	
Current federal and foreign income taxes		2,201,319	
Amounts withheld or retained by company as agent or trustee		8,992	
Remittances and items not allocated		96,555,374	
Liability for benefits for employees and agents if not included above		16,897,386	
Miscellaneous liabilities:			
Asset valuation reserve		2,830,914	
Total liabilities excluding Separate Accounts	$	526,745,782	
From Separate Accounts Statement		-	
Total Liabilities	$	526,745,782	
Common capital stock		10,000,000	
Gross paid-in and contributed surplus		336,947,725	
Unassigned funds		75,626,680	
Surplus	$	422,574,405	
Total Liabilities, Capital and Surplus	$	949,320,187	

Summary of Operations
As of December 31, 2013

Premiums and annuity considerations for life and accident and health contracts	$	908,239,607
Net investment income		29,661,785
Amortization of Interest Maintenance Reserve		2,609,542
Commissions and expense allowances on reinsurance ceded		(914,164,018)
Miscellaneous income:		
Aggregate write-ins for miscellaneous income		605,092
Totals	$	26,952,007
Death benefits	$	262,547,486
Disability benefits and benefits under accident and health contracts		6,642,632
Interest and adjustments on contract or deposit-type contract funds		1,258,516
Increase in aggregate reserves for life and accident and health contracts		(454,447,295)
Totals	$	(183,998,661)
Commissions and expense allowances on reinsurance assumed		115,020,757
General insurance expenses		31,553,026
Insurance taxes, licenses and fees, excluding federal income taxes		2,727,063
Increase in loading on deferred and uncollected premiums		7,034,620
Aggregate write-ins for deductions		261,070
Totals	$	(27,402,126)
Net gain from operations before dividends to policyholders and federal income taxes	$	54,354,134
Dividend to policyholders		-
Net gain from operations after dividends to policyholders and before federal income taxes		54,354,134
Federal and foreign income taxes incurred		(3,793,361)
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains (losses)		58,147,495
Net realized capital gains (losses)		3,489,030
Net Income	$	61,636,525

Capital and Surplus Account
As of December 31, 2013

Capital and surplus, December 31, prior year	$	364,014,244
Net income (Loss)		61,636,525
Change in net unrealized capital gains or (losses)		
less capital gains tax of $ (811,772)		(1,810,135)
Change in net deferred income tax		(22,263,099)
Change in nonadmitted assets		19,600,402
Change in asset valuation reserve		6,177,190
Surplus adjustment		
Change in surplus as a result of reinsurance		(993,356)
Aggregate write-ins for gains and losses in surplus		(3,787,366)
Net change in capital and surplus for the year	$	58,560,162
Change as a result of December 31, 2013 examination		0
Capital and surplus, December 31, current year	$	422,574,405

Reconciliation of Capital and Surplus
From December 31, 2008 to December 31, 2013

Capital and Surplus, December 31, 2008		$ 259,547,278
Net income		148,393,331
Additions:		
Change in net unrealized capital gains (losses) less capital gains tax of $ (811,772)	7,507,891	
Change in non-admitted assets	36,529,967	
Capital changes: Paid in	15,000,000	
Surplus adjustment: Paid-in	20,000,000	
Total Additions		79,037,858
Deductions		
Change in net deferred income tax	(17,708,130)	
Change in asset valuation reserve	(1,842,147)	
Surplus adjustment: Change in surplus as a result of reinsurance	(6,066,419)	
Dividends to stiockholders	(35,000,000)	
Aggregate write-ins for gains and losses in surplus	(3,787,366)	
Total Deductions		(64,404,062)
Capital and Surplus, December 31, 2013		$ 422,574,405

SCHEDULE OF EXAMINATION ADJUSTMENTS

There were no examination adjustments.

NOTES TO FINANCIAL STATEMENTS

Assets – General Account

No financial adjustments noted.

Liabilities – General Account

General

As of December 31, 2013, the Company's premium revenue was derived primarily from reinsurance treaties on individual life insurance products and associated accident and health riders. The Company also has a small amount of group accident and health insurance reported. The reinsurance treaties are primarily coinsurance, but there is also a significant block of yearly renewable term (YRT). Much of the coinsurance is term insurance or insurance for the net amount at risk under universal life insurance policies.

Certificate of Reserve Valuation

As part of the annual certificate of reserve valuation procedure, the Consulting Actuary reviewed the December 31, 2013 Exhibit 5 reserves from the Annual Statement. During that process, the Company's work papers supporting these reserves and liabilities were reviewed and found to be in order. The Consulting Actuary's reconciliation work from that procedure has been relied upon for the current examination.

Asset Adequacy Analysis

The Consulting Actuary reviewed the asset adequacy testing (AAT) conducted as required by the Actuarial Opinion Memorandum Regulation (AOMR) for 2013. As a result of the AAT analysis performed, the Company's appointed actuary concluded that no additional

AAT reserves were required as of December 31, 2013. Based on the Consulting Actuary's review, this conclusion has been accepted for examination purposes.

Data Validity / Inclusion Testing

The examination of the Company was conducted as a Risk-Focused Examination following the procedures as outlined in the NAIC Handbook.

The Company has a proprietary administrative data system, called Everest, which converts various data submitted by counterparties or input by the Company into a common format and stores it for centralized access. Controls for modifications to data in Everest were reviewed by the external CPA and no material control weaknesses were noted. Since the reserves and liabilities are based on information sent to the Company from the counter-parties that are reconciled in the cash flows, and the same database in Everest is used to produce reserves, a full data validation was not deemed necessary. Samples of several contracts from the Company's reinsurance treaties were used by the Consulting Actuary to compare reserving information with what was on the reserve audit file. The treaty sample tests indicated a general absence of errors in the underlying assumptions used for valuation.

Based on this review, it appears that the valuation extract files are generally accurate and the database complete. The Consulting Actuary concluded that the underlying data provided by the Company was accurate and complete for the purposes of its actuarial review.

Reserve Analysis

Reserves were reviewed by the Consulting Actuary for compliance with standard valuation laws, applicable National Association of Insurance Commissioners (NAIC) Actuarial Guidelines and Model Regulations.

Using the procedures as outlined in the NAIC Handbook as a guide, the Consulting Actuary identified the risks associated with each product segment. A reserve impact risk assessment was made for each product segment and/or reserve item. This risk assessment process included consideration of the likelihood that the reserve for a particular product group would fall below statutory requirements, the likelihood that the reserve would fail to provide for future cash flow demands, and the potential impact on Company's surplus if the reserve established failed to meet its goals. In determining the reserve impact risk, the Consulting Actuary also took into account its knowledge of SCOR in particular and the insurance industry in general and applied professional judgment in assessing the risks.

For each product segment, examination procedures were performed by the Consulting Actuary depending on the reserve impact risk assessments as determined by the Consulting Actuary. The Consulting Actuary determined the underlying risks for each segment and concluded that the primary examination work should focus on the products with features that create the greatest prospective risks for the Company. The Consulting Actuary's examination procedures called for sample reserve calculations, where appropriate and reserves for sample contracts were calculated by the Consulting Actuary in accordance with standard actuarial practice.

No material deficiencies in reserves or actuarial liabilities were found, and the Consulting Actuary does not recommend any adjustments to the actuarial amounts reviewed.

<u>Reinsurance</u>

The Consulting Actuary reconciled assumed reserves from Exhibits 5, 6 and 7 to the Annual Statement Schedule S – Part 1 – Sections 1 & 2. No exceptions were noted. The

Consulting Actuary reconciled reinsurance ceded reserves from Exhibits 5, 6 and 7 to the Annual Statement Schedule S – Part 3 – Sections 1& 2. No exceptions were noted.

The financial examiners performed testing of reinsurance treaties for assumed and ceded business by selecting sample contracts as shown in Schedule S. The financial examiners discovered a few discrepancies with the sampled contracts; however, these discrepancies did not affect the reserve amount for year-end 2013. Refer to the "Accounts and Records" section of this Report, under the caption "Accounts and Records Finding – Reinsurance" for details of the issue identified by the financial examiners. The Company provided sufficient documentation to verify the reserve amounts were correct. No other exceptions were noted.

Summary

The balance sheet items enumerated in the examination scope appear fairly stated and were calculated using valuation parameters which appear to be substantially free of any material error that would adversely affect reserve calculations. Valuation extract files appear to be complete. Based on the above discussion and analysis performed, the Consulting Actuary concluded that the December 31, 2013 balance sheet items covered in this actuarial examination are accepted as stated.

(1) Aggregate reserves for life contracts **($52,408,425)**

The above-captioned amount, which is the same as that reported by the Company in its 2013 Annual Statement, is reported on Page 3, Line 1 and in Exhibit 5.

The reserve breakdown of Exhibit 5, by type of benefit, is as follows (differences due to rounding):

Reserve Segment	Total Gross	Reinsurance Ceded	Total Net
Life Insurance	$2,980,777,391	$2,940,923,439	$39,853,952
Accidental Death Benefits	9,098	1,936	7,162
Disability - Active Lives	5,035,312	10,810	5,024,502

Disability - Disabled Lives	8,007,161	999,999	7,007,162
Miscellaneous Reserves	39,896,333	39,380,686	515,647
Totals	$3,033,725,295	$2,981,316,870	$52,408,425

An analysis of the individual components comprising this liability was performed by the Consulting Actuary. The analysis included a review of various supporting documentation prepared by the Company, actuarial analysis, and a review of the Company's reserving methodologies as of December 31, 2013. Where appropriate, samples of contracts were selected from the valuation systems for reserve verification.

The primary risks associated with Exhibit 5 business are adverse mortality and adverse lapse experience. These risks were further reviewed by evaluating the 2013 AOM. Based on that review, the Consulting Actuary accepted the Company's conclusion that additional reserves are not required.

A review of reserves was performed through a combination of trend analysis, review of various supporting documentation prepared by the Company, actuarial analysis, and verification of reserves by recalculating the reserves for sampled contracts. No material exceptions were noted.

The Consulting Actuary performed a review of reinsurance ceded reserve credits taken within Exhibit 5 as of December 31, 2013. The Company had reinsurance ceded treaties with several reinsurance companies as of December 31, 2013 with effective dates of 1952 through 2013. In 2013, the Company ceded $2.1 billion to SCOR Life Assurance Company, which is a Delaware captive reinsurer. The captives are permitted to maintain reserves which are based on generally accepted accounting standards rather than statutory reserves. This is subject to an annual review of each captive's asset adequacy testing. The Consulting Actuary reviews these asset adequacy testing results each year.

The Company provided work papers supporting the ceded reserves and liabilities. The Consulting Actuary reviewed these work papers and reconciled them to the ceded reserve total. The Consulting Actuary reviewed the trend for the reinsurance credit from 2009 through 2013 and concluded that the trend appears reasonable, after taking into account the acquisition of the Company by SCOR and ceding of $2.1 billion in reserves to other SCOR companies in 2013. The financial examiners reviewed reinsurance in detail, this included a review of the treaty provisions and reconciliation of the reinsurance ceded and assumed to Schedule S. No material exceptions were noted.

The Consulting Actuary reconciled the Exhibit 5 total ceded reserve to the amount reported in Schedule S - Part 3 - Section 1 (reinsurance ceded for life, annuity and deposit-type reserves and liabilities).

Based on procedures performed, the Consulting Actuary concluded that the aggregate reserve for life contracts as reported on Page 3, Line 1 and in Exhibit 5 of the December 31, 2013 Annual Statement appears fairly stated, and has been accepted for examination purposes.

(2) Aggregate reserve for accident and health contracts **($20,002,447)**

The above-captioned amount, which is the same as that reported by the Company in its 2013 Annual Statement, is reported on Page 3, Line 2 and in Exhibit 6. The reserve breakdown in Exhibit 6 is as follows:

A&H Reserves	Amount
Active Life Reserve - Unearned Premium	$ 868,290
Active Life Reserve - Additional Contract	8,312,959
Active Life Reserve - Reserve for Rate Credits	1,152,509
Claim Reserve	11,224,859
Total Gross	$21,558,617
Reinsurance Ceded	403,660
Total Net	$21,154,957

A change in statutory reporting moved the experience rating refunds from Page 3, Line 2 to Page 3, Line 9.2 in 2013. The amount reported on Page 3, Line 2 (Aggregate reserve for accident and health contracts) is $20,002,447 and is determined as:

Annual Statement Item	Amount
Exhibit 6	$21,154,956
Portion of Page 3, Line 9.2 [1.]	(1,152,509)
Page 3, Line 2	$20,002,447

(1) Liability for accident and health experience rating refunds.

The Company holds reserves for a number of individual and group A&H products. The largest block of in force business is disability income. The Company also carries small, closed block of long term care insurance. The amount of the A&H reserves is relatively low.

An analysis of the individual components comprising this liability was performed. The Consulting Actuary reviewed the supporting work papers and found them to be in order. The Consulting Actuary reconciled the supporting work papers to Exhibit 6 of the December 31, 2013 Annual Statement. No discrepancies were noted. In addition, the trend of the reserves for years 2009 to 2013 appears reasonable.

Based on procedures performed, the Consulting Actuary concluded that the aggregate reserve for accident and health contracts as reported by the Company on Page 3, Line 2 and in Exhibit 6 of the December 31, 2013 Annual Statement appears fairly stated, and has been accepted for examination purposes.

(3) <u>Contract claims - Life</u> **<u>($50,407,242)</u>**

The above-captioned amount, which is the same as that reported by the Company in its 2013 Annual Statement, is reported on Page 3, Line 4.1 and in Exhibit 8, Part 1, columns 2 through 8. The liability breakdown by type is as follows:

Liability Type	Total Gross	Reinsurance Ceded	Total Net
In course of settlement	$156,322,657	$132,987,660	$23,334,997
Incurred but unreported	192,991,946	165,919,701	27,072,245
Total	$349,314,603	$298,907,361	$50,407,242

The Consulting Actuary reviewed the supporting work papers and found them to be in order. The Consulting Actuary reconciled the supporting work papers to Exhibit 8 of the December 31, 2013 Annual Statement. A trend analysis of the Exhibit 8 Contract claims: Life liability generally produced reasonable results No discrepancies were noted.

The ICOS liability items are inventory items which do not involve actuarial judgment. No further examination work was deemed necessary and the liability has been accepted as stated.

The IBNR for individual life insurance represented approximately one month of benefits. For group insurance, the IBNR represented approximately 6 months of benefits. The Consulting Actuary reviewed the development method, which is based on six years of history and twelve months of development for individual life insurance and historical portions of premiums for group life insurance. Both methods were deemed reasonable and the individual life claim reserves are believed to be conservative. The AAT also addressed the majority of this liability as being tested through development methods with follow-up studies. Based on this analysis, the Consulting Actuary concluded that the methods used by the Company to determine the life insurance IBNR produce reasonable results and that the IBNR liability for life insurance on December 31, 2013 was sufficient. No further examination work was deemed necessary and the liability was accepted as stated.

Based on the above discussion and analysis, the Consulting Actuary concluded that the Contract claims: Life, as reported by the Company on Page 3, Line 4.1 and in Exhibit 8, Part 1 of the December 31, 2013 Annual Statement appears fairly stated, and has been accepted for examination purposes.

(4) Contract claims: Accident and health **($7,047,366)**

The above-captioned amount, which is the same as that reported by the Company in its 2013 Annual Statement, is reported on Page 3, Line 4.2 and in Exhibit 8, Part 1, columns 9 through 11. The liability breakdown by type is as follows:

Liability Type	Total Gross	Reinsurance Ceded	Total Net
In course of settlement (ICOS)	$ 839,526	$ 61,540	$ 777,986
Incurred but unreported (IBNR)	6,933,908	664,528	6,269,380
Total	$7,773,434	$726,068	$7,047,366

The Consulting Actuary reviewed the Company's work papers supporting the above amounts. The liabilities were reconciled from the summary work papers to Exhibit 8. A trend analysis of the Exhibit 8 Contract claims: Accident and health liability was performed and generally produced reasonable results. In addition, the accident and health claim adequacy test was found to be sufficient in aggregate.

Claim reserves for Accident and Health (A&H) products include reserves reported in Exhibit 6 and liabilities reported in Exhibit 8. Claim reserves for most products are reported in Exhibit 8. A liability for disability products is established in Exhibit 6.

Based on the above discussion and analysis, the Consulting Actuary concluded that the Contract claims: Accident and health, as reported by the Company on Page 3, Line 4.2 and in Exhibit 8, Part 1 of the December 31, 2013 Annual Statement appears fairly stated, and has been accepted for examination purposes.

(5) Provision for experience rated refunds **($2,114,761)**

The above-captioned amount, which is the same as that reported by the Company in its 2013 Annual Statement, is reported on Page 3, Line 9.2.

This liability is for reinsurance treaties with an experience refund provision which have not been paid as December 31, 2013. This includes $1,152,509 for experience rating refunds on

A&H contracts. Historically the experience rating refunds for A&H business have been included on Page 3, Line 2, but a change in reporting requirements moved this item to Page 3, Line 9.2 in 2013. The liability is an inventory item which does not involve actuarial judgment. The trend of the liability appears reasonable. Due to low reserve impact risk, no additional analysis or testing was deemed necessary and the Consulting Actuary concluded that the liability appears reasonable.

Based on the above discussion and analysis, the Consulting Actuary concluded that total claim reserves as reported on Page 3, Line 9.2 of the 2013 Annual Statement appears fairly stated, and has been accepted for examination purposes.

SUMMARY OF RECOMMENDATIONS

It is recommended that the Company complete its annual statement blank in accordance with NAIC *Accounting Practices and Procedures*, NAIC *Annual Statement Instructions* and 18 Del. C. §526(a), verifying that all financial and non-financial data is reported accurately, completely, and appropriately. (Accounts and Records – Accounts and Records Finding - Reinsurance)

CONCLUSION

The following schedule shows a comparison of the results from the December 31, 2013 examination to the December 31, 2008 Annual Statement, with changes between:

Description	December 31, 2008	December 31, 2013	Increase (Decrease)
Assets	$ 831,112,276	$ 949,320,187	$ 118,207,911
Liabilities	$ 571,564,998	$ 526,745,782	$ (44,819,216)
Common capital stock	10,000,000	10,000,000	-
Gross paid in and contributed surplus	301,947,725	336,947,725	35,000,000
Unassigned funds (surplus)	(52,400,447)	75,626,680	128,027,127
Total Capital and Surplus	259,547,278	422,574,405	163,027,127
Total Liabilities, Capital and Surplus	$ 831,112,276	$ 949,320,187	$ 118,207,911

The assistance of Delaware's consulting actuarial firm, INS Consultants, Inc. is acknowledged. In addition, the assistance and cooperation of the Company's outside audit firm, Ernst & Young LLP, and the Company's management and staff were appreciated and are acknowledged.

Respectfully submitted,

Keith E. Misenheimer, CFE, ALMI, CFE, ARM
Examiner-In-Charge
Delaware Insurance Department