

EXAMINATION REPORT
OF
SCOR GLOBAL LIFE REINSURANCE COMPANY OF DELAWARE
AS OF
DECEMBER 31, 2020

TRINIDAD NAVARRO
COMMISSIONER



STATE OF DELAWARE
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION
OF
SCOR GLOBAL LIFE REINSURANCE COMPANY OF DELAWARE
AS OF
DECEMBER 31, 2020

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 blue ink, which appears to read "Trinidad Navarro", is positioned above a horizontal line.

Trinidad Navarro
Insurance Commissioner

Dated this 25th day of May, 2022

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March 14, 2022

Honorable Trinidad Navarro
Commissioner
Delaware Department of Insurance
1351 W. North St., Suite 101
Dover, Delaware 19904

Commissioner:

In compliance with instructions and pursuant to statutory provisions contained in Examination Certification No. 21.025, dated February 22, 2021, an examination has been made of the affairs, financial condition and management of

SCOR GLOBAL LIFE REINSURANCE COMPANY OF DELAWARE

hereinafter sometimes referred to as the Company or SGLDE. The Company was incorporated under the laws of the State of Delaware as a stock company with its statutory home office located at 251 Little Falls Drive, Wilmington, Delaware 19808. The examination was conducted at the main administrative office of the Company, located at 101 South Tryon Street, Charlotte, North Carolina 28202. The report of this examination is submitted herewith.

SCOPE OF EXAMINATION

We have performed a single state examination of SGLDE. The last examination was conducted as of December 31, 2016, by the Delaware Department of Insurance (Department). This examination covers the four-year period from January 1, 2017 through December 31, 2020.

We conducted our examination in accordance with the *National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess

corporate governance, identify current and prospective risks of the company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles (SSAP). The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, as mentioned in 18 *Del. C.* § 321, and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the company.

During the course of this examination, consideration was given to work performed by the Company's external accounting firm, KPMG LLP (KPMG). Certain auditor work papers of the 2020 audit of the Company have been incorporated into the work papers of the examiners and have been utilized in determining the scope, areas of emphasis in conducting the examination and in the area of risk mitigation and substantive testing.

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant findings or material changes in financial statements as a result of this examination.

HISTORY

The Company was incorporated on April 7, 1977, under the laws of the State of Tennessee as Consumer Benefit Life Insurance Company.

On October 11, 1996, the Company's name was changed from Consumer Benefit Life Insurance Company to Gerling Global Life Reinsurance Company.

On April 8, 1997, the Company redomesticated from the State of Tennessee to the State of California.

On November 19, 2003, the Company's name was changed from Gerling Global Life Reinsurance Company to Revios Reinsurance U.S. Inc.

On November 21, 2006, SCOR SE, Paris, France acquired 100 percent of the outstanding shares of Revios Rückversicherung AG, Cologne, Germany, of which the Company was a subsidiary.

On January 1, 2007, contracts of Revios Reinsurance U.S. Inc. (branch of Revios Reinsurance Canada Ltd. domiciled in California) were novated to SCOR Global Life U.S. Reinsurance Company (now known as SCOR Global Life Americas Reinsurance Company).

On November 14, 2007, the Company was redomesticated from the State of California to State of Texas, and its name was changed from Revios Reinsurance U.S. Inc. to SCOR Global Life Reinsurance Company of Texas (SGLTX).

On October 1, 2008, Revios U.S. Holdings, Inc. contributed the shares of stock at book value of SGLTX via a non-monetary transfer of \$39 million to SCOR Global Life Americas Reinsurance Company (SGLA). As a result of the restructuring, SGLTX is now a wholly owned subsidiary of SGLA, which is a wholly owned subsidiary of SCOR Global Life Americas Holding

SCOR Global Life Reinsurance Company of Delaware

Inc. (SGLAH), which in turn is a wholly owned subsidiary of SCOR Global Life SE. (SGL SE), and ultimately owned by SCOR SE (SCOR).

On December 31, 2013, the Company was redomesticated from the State of Texas to the State of Delaware and its name was changed from SGLTX to SGLDE.

On March 31, 2019, SGL SE and SCOR Global P&C SE (SGPC SE) were merged with and into SCOR. As a result of this merger, SGLAH became a wholly owned subsidiary of SCOR.

Capitalization

The Company's Amended Certificate of Incorporation provides that the Company has authority to issue 75,000 shares of common stock, par value \$72.50 per share. As of December 31, 2020, 69,000 shares of common stock issued and outstanding at \$72.50 per share par value represented the Company's common capital stock, for a total outstanding of \$5,002,500. All common stock shares of the Company are owned by SGLA.

As of December 31, 2020, the Company reported capital and surplus of \$104,203,641, as well as contributed surplus of \$137,183,532. During the period under examination, the Company did not receive any capital contributions from its Parent.

Dividends

As of December 31, 2020, the Company had paid no dividends during the examination period.

Surplus Notes

As of December 31, 2020, the Company did not have any outstanding Surplus Notes.

MANAGEMENT AND CONTROL

Directors

Pursuant to the General Corporation Laws of the State of Delaware and implemented by the Company's Restated Certificate of Incorporation and Amended and Restated bylaws, the business and affairs of the corporation shall be managed by its Board of Directors (Board), which may exercise all such powers of the corporation. The Company's Amended and Restated bylaws state that the number of Directors constituting the Board shall be not less than five (5) or more than thirteen (13). Further, the Directors shall be elected at the annual meeting of the stockholders and each Director elected shall hold office until the next succeeding annual meeting and until his/her successor is elected and qualified or until his/her earlier death, resignation or removal.

As of December 31, 2020, the members of the Board together with their respective titles and principal business affiliations were as follows:

<u>Name and Location</u>	<u>Principal Occupation</u>
Denis Jean Marie Kessler ^(2,3,5) Paris, France	Chairman and Chief Executive Officer SCOR SE
Paul Edmund Rutledge III Charlotte, North Carolina	Independent Director Retired
Paolo nmn De Martin ^(4,6) Zurich, Switzerland	Chief Executive Officer SCOR Global Life
Paul Matthew Christoff ⁽¹⁾ Summit, New Jersey	Executive Vice President, Managing Director of Americas Hub and Chief Financial Officer
Ian John Kelly ^(3,5) Hertfordshire, United Kingdom	Chief Financial Officer SCOR Group

(1) Effective June 11, 2021, Paul Christoff resigned from his position as a member of the Board of the Company. Subsequently, Clement Demetz (Senior Vice President, Chief Financial Officer of the Americas Hub) was appointed to serve as a member of the Board of the Company effective July 13, 2021.

- (2) Effective July 1, 2021, Denis Kessler resigned from his position as a member of the Board of the Company.
- (3) Effective July 13, 2021, Ian Kelly was appointed to serve as the Acting Chair of the Board, until he or another individual is designated and duly elected and qualified as Chair. Effective February 18, 2022, Mr. Kelly resigned as Acting Chair of the Board; however, remains a member of the Board.
- (4) Effective September 2, 2021, Paolo De Martin resigned from his position as a member of the Board of the Company.
- (5) Effective February 18, 2022, Frieder Knuepling (Chief Executive Officer, SCOR Global Life) was appointed to serve as Chairman of the Board, and to serve in such role until he or another individual is designated and duly elected and qualified as Chair.
- (6) Effective February 18, 2022, John Charles Brueckner (President SGLA), was appointed to serve as a member of the Board.

Committees

Article V of the Amended and Restated bylaws, states that the Board, by resolution adopted by 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 within Article V Section 5.01 of the bylaws. As of December 31, 2020, the Board had not established an Executive and Finance Committee.

Article V of the Amended and Restated bylaws, further states that the Board, by resolution adopted by a majority of the Board, may create one (1) or more other committees for such terms and with such powers and duties as the Board deems appropriate, except that no such committee shall have the authority of the Board in reference to the matters denied to the Executive and Finance Committee within Article V Section 5.01 of the bylaws.

On February 18, 2010, as permitted under the *NAIC Model Audit Rule*, as well as 18 *Del. Admin. Code* § 301-14 “Requirements for Audit Committee,” the Board designated the Audit Committee of SGLA, consisting of three (3) independent members of the SGLA Board, as the Audit Committee of the Company. As of December 31, 2020, the following SGLA directors were members of the Audit Committee:

<u>Name and Location</u>	<u>Principal Occupation</u>
Jerry Michael de St. Paer (CH) Celebration, Florida	Chief Financial Officer Kairos Acquisition Corp.
Kathleen Theresa McGahran Palm Beach Shores, Florida	Independent Director Retired
Paul Edmund Rutledge III Charlotte, North Carolina	Independent Director Retired

On April 17, 2015, the Board designated the Risk Committee of SGLA, consisting of three (3) independent members of the SGLA Board, as the Risk Committee of the Company. As of December 31, 2020, the following SGLA directors were members of the Risk Committee:

<u>Name and Location</u>	<u>Principal Occupation</u>
Pierre André Chiappori New York, New York	Professor of Economics Columbia University
Jerry Michael de St. Paer Celebration, Florida	Chief Financial Officer Kairos Acquisition Corp.
Paul Edmund Rutledge III Charlotte, North Carolina	Independent Director Retired

Officers

Article VIII of the Amended and Restated bylaws, states that the Board, at its first meeting after each annual meeting of stockholders, shall choose one (1) of the Directors to serve as President. The Board may also elect one (1) or more Vice Presidents, a Secretary, one (1) or more Assistant Secretaries, a Treasurer and one (1) or more Assistant Treasurers. The Board may designate one (1) of its members as Chairman of the Board and another of its members as Vice Chairman of the Board, but neither of such persons shall be deemed an officer of the corporation

unless the Board shall expressly specify by resolution that he/she is to be an officer of the corporation.

The officers shall hold office until their successors are chosen and qualified or until their earlier resignation or removal. Any officer elected or appointed by the Board may be removed at any time, by the affirmative vote of a majority of the whole Board. Any vacancy occurring in any office of the Company shall be filled by the Board.

As of December 31, 2020, the Company's principal officers together with their respective titles were as follows:

<u>Name</u>	<u>Title</u>
John Charles Brueckner	President & Chief Executive Officer
Brock Edward Robbins	Deputy Chief Executive Officer, Head of Inforce & Executive Vice President
Michael James Colannino	Executive Vice President, Head of New Business
Tamora Ann Kapeller ⁽¹⁾	Executive Vice President, Head of North American Process Optimization
Stephanie Taylor Dunn	Executive Vice President, US Inforce
David Donald Fridell	Chief Financial Officer, Treasurer & Executive Vice President
Matthew Frederick Daitch	Chief Operations Officer & Senior Vice President
Julie Ann O'Driscoll	Chief Risk Officer & Vice President
Sean Michael Hayward	Chief Actuary & Senior Vice President
Carl Spencer Alridge III	Chief Legal Counsel & Senior Vice President
Maxine Hilary Verne	Senior Vice President, Deputy General Counsel & Corporate Secretary
Lawrence Paul Moews	Senior Vice President, Head of Inforce Optimization

(1) Effective December 31, 2020, Tamora A. Kapeller resigned from her position as EVP, Head of North American Process Optimization of the Company.

In addition to the above officers, additional vice presidents, assistant vice presidents and other officers were appointed.

The Company maintains a formal written Code of Conduct, which sets out the legal and ethical guidelines to which all directors, officers, employees, and temporary workers are expected

to adhere to on a consistent basis when conducting business at and on behalf of the Company. Incorporated into the Code of Conduct is a section specifically dedicated to Conflicts of Interest. On an annual basis, directors, officers, employees, and temporary workers are required to complete an Annual Code of Conduct training, whereby employees acknowledge that they have read and are complying with the Code of Conduct.

Additionally, the Company maintains a formal written Group Conflict of Interest Policy, which provides guidance on conflicts of interest, possible scenarios of conflicts of interest, as well as how such conflicts of interest need to be handled. The policy applies to all business activities of SCOR, and must be complied with by all directors, officers, and employees, including any temporary workers or trainees. On an annual basis, directors and officers are required to complete a Conflict-of-Interest Questionnaire.

Corporate Records

The minutes of the meetings of the Stockholder and Board, which were held during the period under examination, were obtained and reviewed. The recorded minutes of the Stockholder and Board adequately documented their meetings, the election of directors and officers as well as the approval of Company transactions and events, including the authorization of investments as required by 18 *Del. C.* § 1304 “Authorization; record of investments.” In addition, review of the Company’s files indicated that in general, written correspondence was submitted to the Department with regards to the changes in officers and directors during the period under examination in compliance with 18 *Del. C.* § 4919.

Receipt by the Board of the Report on Examination as of December 31, 2016, was noted in the minutes of the Board as of July 10, 2018.

Insurance 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 Department for the years under examination.

An abbreviated presentation of the holding company system as of December 31, 2020, is as follows:

<u>Company</u>	<u>Domicile</u>	<u>% own</u>
SCOR SE	France	
SCOR Investment Partners SE	France	100%
SCOR US Corporation United States	Delaware	100%
General Security National Insurance Company United States	New York	100%
SCOR Reinsurance Company	New York	100%
General Security Indemnity Company of America	Arizona	100%
ReMark Group BV	Netherlands	100%
Rehalto SA	France	100%
SCOR SE Representative Offices in Mexico, Taiwan & Israel		100%
SCOR Service Belux	Belgium	100%
SCOR Global Life Australia Ply Ltd.	Australia	100%
SCOR Global Life Reinsurance Ireland dac	Ireland	100%
SCOR Life Ireland dac ⁽¹⁾	Ireland	74%
SCOR Telemud Siu	Spain	100%
SCOR Global Life Chile Services Tecricosy y Representaciones Limitada ⁽²⁾	Chile	99.99%
Revios Canada Holding Corp.	Canada (Ontario)	100%
Revios Canada Ltd.	Canada (Ontario)	100%
SCOR Global Life Americas Holding Inc.	Delaware	100%
Qualitative Data Solutions	Delaware	100%
SCOR Global Life USA Holdings, Inc.	Delaware	100%
SCOR Global Life USA Reinsurance Company	Delaware	100%
SCOR Global Life Reinsurance International (Barbados) Ltd.	Barbados	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 ⁽³⁾	Brazil	99.00%
SCOR Global Life Re Insurance Company of Delaware	Delaware	100%
SCOR Financial Life Insurance Company	Delaware	100%

(1) SGLAH owns 26% of SCOR Life Ireland dac.

(2) SCOR owns 99.998% and SGLAH owns 0.002% of SCOR Global Life Chile Servicios Tecnicos y Representaciones Limitada Chile (SCOR Chili), per local regulations.

(3) SCOR owns 1.0% per local regulations.

Agreements with Affiliates

Service Agreement

Effective November 15, 2017, the Company entered into a Service Agreement among SGLA, SGLUSA, SCOR Global Life Reinsurance International (Barbados) Ltd. (SGL Barbados), SCOR Life Reassurance Company (SLRC), SCOR Life Assurance Company (SLAC) and SCOR Financial Life Insurance Company (SFLIC), SCOR Advantage, LLC and SCOR Global Life SE (Canada Branch). The agreement was amended June 1, 2018, adding SGLAH.

Under the 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. Costs for the services are charged on a cost allocation/reimbursement basis.

Short-Term Facility Agreement

Effective July 1, 2019, the Company entered into a Short-Term Facility Agreement with SCOR, SGLA, SGLUSA, SLRC, SLAC, SFLIC and other affiliates. By establishing this intragroup Short-Term Facility Agreement, the SCOR Group will reduce the number of external loan providers to the Group and will create a more efficient and cost-effective mechanism to provide funding if and as treasury needs arise.

For the affiliated and related party agreements noted above that were newly entered, and amendments to previously approved agreements, the Company submitted notification to, and received approval from the Department in accordance with 18 *Del. C.* § 5005 “Standards and management of an insurer within an insurance holding company system.”

Other Intercompany Agreements

The following agreements were entered into prior to the period covered by this examination, were reviewed in connection with earlier examinations, and remained in effect as of December 31, 2020:

<u>Description</u>	<u>Effective Date</u>
Parental Guarantee Cost Allocation Agreement ⁽¹⁾	January 1, 2014
Service and Expense Allocation Agreement ⁽²⁾	October 1, 2000
Master Service Agreement ⁽³⁾	January 1, 2015

- (1) Parties to this agreement included SCOR, SGLA and SGLDE, pursuant to which charges are allocated to SGLA and SGLDE in consideration of certain services provided to it.
- (2) Parties to this agreement included SCOR Reinsurance Company (SCOR Re), SCOR Global Life U.S. Re Insurance Company (now known as SGLA effective September 20, 2000), Investors Insurance Corporation (IIC), Investors Marketing Group, Inc., (IMG), SCOR Global Life Re Insurance Company of Texas (now known as SGLDE effective December 31, 2013), SCOR Global Life U.S. Re Insurance Company Escritorio de Representacao no Brasil Ltda., SCOR U.S. Corporation, SCOR Chili, and SCOR Global Life Reinsurance Company of America (SGLRA). Effective June 30, 2008, August 30, 2008 and December 4, 2009, this agreement was amended by Amendment No. 1, Amendment No. 2 and Amendment No. 3, respectively. Upon the sale of IIC to Athene Holdings, Inc. on July 18, 2011, IIC was removed from the agreement per a Termination Amendment. Upon the merger of SGLRA with and into SGLA effective December 30, 2011, SGLRA as no longer a party to this agreement. Upon dissolution of IMG effective September 24, 2012, IMG was removed as party to the agreement. This agreement was again amended and restated effective October 1, 2013, adding SGLUSA as party to the agreement.
- (3) Parties to this agreement include SCOR, SGL SE, SGPC SE SGLA, SGLDE, SGLUSA, and other affiliated companies. In accordance with the terms of the agreement, SCOR, SGL SE, and SGPC SE perform Shared Services and pay expenses on behalf of the Companies. As noted previously, on March 31, 2019, SGL SE and SGPC SE were merged with and into SCOR. As a result, parties to the agreement on December 31, 2020, were SCOR, SGLA, SGLDE, SGLUSA and other affiliated companies.

TERRITORY AND PLAN OF OPERATION

Territory

As of December 31, 2020, the Company was licensed in the District of Columbia, as well as 49 states. The Company is an accredited reinsurer in 9 of these states.

The Company is authorized as a stock insurer to transact the business of life and health insurance as defined in 18 *Del. C.* § 902 and 18 *Del. C.* § 903.

The principal office facilities of the Company are located in Charlotte, North Carolina.

Plan of Operation

As of December 31, 2020, the Company had no direct written premiums, rather, the majority of the Company's premiums were derived from reinsuring individual and group life policies written by unaffiliated insurers in the United States.

The Company is engaged in the business of life, health, credit life and credit health reinsurance, and is authorized to assume ordinary and group life and accident and health business.

The Company assumes risk from unaffiliated ceding companies 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 primarily reinsures individual life contacts from nonaffiliated companies. As of December 31, 2020, this line of business accounted for approximately 97% of the Company's \$673 million of assumed premium. The remaining assumed premium consists of group life and an immaterial amount of accident policies.

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. The forms of reinsurance may include term, permanent, and universal life reinsurance business, reinsured on a coinsurance, modified coinsurance or yearly renewable term basis. This reinsurance can be either proportional or non-proportional depending on the needs of the client.

SCOR utilizes its own sales resources to distribute its reinsurance solutions to client companies in the U.S. Four sales roles (with the titles of Account Executives) cover approximately 75 life 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, as this is not common practice in the life reinsurance market. On occasion a client will choose to utilize an intermediary and SCOR will work with the intermediary and directly with the life insurance company to provide a reinsurance proposal. SCOR’s Account Executives all have 20+ years of experience in the market and are well known in the industry.

REINSURANCE

For 2020, the Company reported the following distribution of net premiums written:

Direct	\$	-
Reinsurance assumed (from affiliates)		-
Reinsurance assumed (from non-affiliates)		<u>672,978,032</u>
Total direct and assumed	\$	672,978,032
Reinsurance ceded (to affiliates)		(455,412,396)
Reinsurance ceded (to non-affiliates)		<u>(129,243,565)</u>
Net premium written	\$	<u>88,322,071</u>

The Company had the following reinsurance program in effect as of December 31, 2020:

Assumed

The Company primarily assumes risk from third party ceding companies in the United States. The Company’s current assumed business includes term, permanent and universal life reinsurance business, reinsured on a coinsurance, modified 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 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. The forms of

reinsurance as described above can be either proportional or non-proportional depending on the needs of the client.

Ceded

The Company's retrocession program on December 31, 2020, 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:

Retrocession Agreement between SGLDE and SGLIB

Effective September 30, 2006, SGLDE retroceded certain business to an offshore affiliate SCOR Global Life Reinsurance International (Barbados) Ltd (SGLIB).

Retrocession Agreement between SGLDE and SLI

Effective January 1, 2018, SGLDE recaptured certain blocks of business previously retroceded to SGLRI, and immediately retroceded the business to SLI, a new SCOR affiliate, on the same terms and conditions as previously approved retrocession treaties being recaptured.

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 the new reinsurance contracts put into place during the examination period for compliance with 18 *Del. Admin Code* §1000 and applicable SSAPs. No exceptions were noted.

FINANCIAL STATEMENTS

The following financial statements, as reported and filed by the Company with the Department, are reflected in the following:

General Account:

- Statement of Assets and Liabilities as of December 31, 2020
- Statement of Income for the Year ended December 31, 2020
- Reconciliation of Capital and Surplus for the Period from the Prior Examination as of December 31, 2017 to December 31, 2020

Statement of Assets and Liabilities
As of December 31, 2020

	Assets	Nonadmitted Assets	Net Admitted Assets	Note
Bonds	\$ 179,116,028	\$ -	\$ 179,116,028	
Stocks				
Common stocks	422,200		422,200	
Cash and cash equivalents	5,610,367		5,610,367	
Short-term investments	40,457,263		40,457,263	
Contract loans	11,566,775		11,566,775	
Subtotals, Cash and Invested Assets	<u>\$ 237,172,633</u>	<u>\$ -</u>	<u>\$ 237,172,633</u>	
Investment income due and accrued	1,058,660		1,058,660	
Premiums and considerations				
Uncollected premiums and agents' balances in course of collection	34,096,856	344,456	33,752,400	
Amounts recoverable from reinsurers	30,512,160		30,512,160	
Funds held by or deposited with reinsured companies	18,941,142		18,941,142	
Other amounts receivable under reinsurance contracts	19,898,784		19,898,784	
Amounts receivable related uninsured plans			-	
Current federal and foreign income tax recoverable and interest thereon	1,271,025		1,271,025	
Net deferred tax asset	11,115,754	6,462,775	4,652,979	
Receivable from parent, subsidiaries and affiliates	225,410		225,410	
Aggregate write-ins for other than invested assets	345,232		345,232	
Total assets excluding Separate Accounts	<u>\$ 354,637,656</u>	<u>\$ 6,807,231</u>	<u>\$ 347,830,425</u>	
From Separate Accounts	-	-	-	
Total Assets	<u><u>\$ 354,637,656</u></u>	<u><u>\$ 6,807,231</u></u>	<u><u>\$ 347,830,425</u></u>	

SCOR Global Life Reinsurance Company of Delaware

		<u>Note</u>
Aggregate reserves for life contracts	\$ 139,560,367	1
Aggregate reserves for accident and health contracts	4,691,661	1
Contract claims		
Life	47,675,900	1
Accident and Health	1,641,322	1
Contract liabilities no included elsewhere		
Interest Maintenance Reserve	2,075,034	
Commissions and expense allowances payable on reinsurance assumed	15,133,191	
General expenses	1,093,766	
Remittances and items not allocated	25,743,126	
Asset valuation reserve	567,854	
Reinsurance in unauthorized and certified companies	434,190	
Funds held under coinsurance	4,455,715	
Aggregate write ins for liabilities	554,657	
Total liabilities excluding Separate Accounts	<u>\$ 243,626,784</u>	
From Separate Accounts Statement	<u>-</u>	
Total Liabilities	<u>\$ 243,626,784</u>	
Common capital stock	5,002,500	
Gross paid in and contributed surplus	137,183,532	
Unassigned funds (surplus)	<u>(37,982,391)</u>	
Total Capital and Surplus	<u>\$ 104,203,641</u>	
Totals	<u>\$ 347,830,425</u>	

Statement of Income
For the Year Ended December 31, 2020

Premiums and annuity considerations for life and accident and health contracts	\$ 88,322,071
Net investment income	5,001,832
Amortization of Interest Maintenance Reserve	839,726
Commissions and expense allowances on reinsurance ceded	18,126,713
Aggregate write ins for miscellaneous income	1,173,306
Total	<u>\$ 113,463,649</u>
Death benefits	\$ 108,055,159
Disability benefits and benefits under accident and health contracts	196,380
Surrender benefits and withdrawals for life contracts	1,331,008
Increase in aggregate reserves for life and accident and health contracts	(20,392,065)
Total	<u>\$ 89,190,482</u>
Commissions and expense allowances on reinsurance assumed	22,445,302
General insurance expenses	3,418,164
Insurance taxes, licenses and fees	290,657
Aggregate write ins for deductions	(4,167,113)
Total	<u>\$ 111,177,492</u>
Net gain from operations before dividends to policyholders and federal income taxes	\$ 2,286,156
Dividends to policyholders	-
Net gain from operations after dividends to policyholders and before federal income taxes	<u>\$ 2,286,156</u>
Federal and foreign income taxes incurred	(8,428,295)
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains/(losses)	\$ 10,714,451
Net realized capital gains/(losses)	-
Net Income	<u><u>\$ 10,714,451</u></u>

**Reconciliation of Capital and Surplus
For the Period from the Prior Examination
As of December 31, 2016 to December 31, 2020**

	Common Capital Stock	Paid In & Contributed Surplus	Unassigned Funds (Surplus)	Surplus Notes	Capital and Surplus
December 31, 2016	\$ 5,002,500	\$ 137,183,532	\$ (41,143,105)	\$ -	\$ 101,042,927
Operations 2017 ^(1,2)	-		(3,690,163)		(3,690,163)
Operations 2018 ^(1,2)	-		29,704,324		29,704,324
Operations 2019 ^(1,2)	-		(27,882,870)		(27,882,870)
Operations 2020 ^(1,2,3)	-		5,029,423		5,029,423
December 31, 2020	<u>\$ 5,002,500</u>	<u>\$ 137,183,532</u>	<u>\$ (37,982,391)</u>	<u>\$ -</u>	<u>\$ 104,203,641</u>

- (1) Operations is defined as: Net income, change in unrealized capital gain/(losses), change in net unrealized foreign exchange, change in net deferred income tax, change in non-admitted assets, change in liability for reinsurance, change in asset valuation reserve, dividends to stockholders and aggregate write-ins.
- (2) The increases and decreases in Unassigned Funds (Surplus) are primarily driven by both favorable and unfavorable results, respectively, from normal operations that included better than and worse than expected reported loss/paid claims. In 2020, the favorable results were offset by unfavorable change in net deferred income tax asset.
- (3) Effective March 31, 2021, the Company recaptured certain blocks of business previously retroceded to an offshore affiliate, SGLIB, and immediately retroceded this business to a Delaware domiciled affiliated captive insurance company, SFLIC. Both the recapture and subsequent retrocession transactions are considered to have occurred contemporaneously with no impact to earnings or capital and surplus and accordingly the net result will be recognized within the summary of operations in accordance with SSAP 61R.

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE EXAMINATION

There were no changes made to the financial statements as a result of this examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

Note 1:

Aggregate reserves for life contracts	\$139,560,367
Aggregate reserves for accident and health contracts	\$4,691,661
Contract claims:	
Life	\$47,675,900
Accident and health	\$1,641,322

In order for the examination team to gain an adequate comfort level with the Company's reserve estimates for Aggregate reserves for life contracts, Aggregate reserves for accident and health (A&H) contracts, Liability for deposit-type contacts and Contract claims: life and A&H, the

Department retained the actuarial services of INS Consultants, Inc. (INS) to perform a risk-focused review of the Company's reserving and pricing activities. Certain risks within the reserving processes required Phase 5 substantive test work.

Based on the procedures performed and results obtained by INS, the examination team obtained sufficient evidence to support the conclusion that the Company's net reserves for the aforementioned balance sheet items are reasonably stated as of December 31, 2020.

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.

Intercompany Management and Service Agreements

Effective January 1, 2021, the Company, SGLA, SGLUSA, SLAC, SLRC and SFLIC entered into an Asset Management Services Agreement with SCOR, whereby SCOR will provide asset management support services to the Delaware life entities. This arrangement is being entered into as part of a group-wide initiative to allow for more transparent and efficient budgeting, cost allocation, etc. with respect to common shared management expenses. The agreement was approved by the Department on March 8, 2021.

Recapture of Reinsurance Agreement between SGLDE and SGLIB

Effective January 1, 2021, the Company recaptured certain blocks of business previously retroceded to an offshore affiliate, SGLIB, and immediately retroceded this business to SFLIC. Both the recapture and subsequent retrocession transactions are considered to have occurred contemporaneously with no impact to earnings or capital and surplus and accordingly the net results will be recognized within the summary of operations in accordance with SSAP 61R.

Recapture of Nonaffiliate Business by SGLDE from SLI with Subsequent Novation to SGLUSA

Effective October 1, 2021, SGLDE entered into a Recapture and Termination Agreement with SLI to recapture a specific block of Transamerica Financial Life Insurance Company (TFLIC) business. Following recapture of the subject business by SGLDE, it will then be recaptured by TFLIC, a non-affiliate. Upon recapture by TFLIC, the subject business will be novated to SGLUSA via a novation agreement between SGLUSA, TFLIC, and the underlying client. Following novation to SGLUSA, the subject business will likely flow to SLI via amendments to already existing retrocession agreements between SGLUSA and SLI.

Other - COVID-19

The spread of COVID-19 is worldwide, dislocating capital markets and affecting every industry. As of February 15, 2022, the Company has effectively responded to the pandemic by both protecting its employees and maintaining business continuity. The Company further believes that its strong capital and liquidity positions make it well-positioned to weather current market volatilities and business disruptions related to the pandemic. However, there is considerable uncertainty around both the severity and the duration of the COVID-19 outbreak, and for that reason the future financial and other impacts of the pandemic on the Company cannot reasonably be estimated at this time.

SUMMARY OF RECOMMENDATIONS

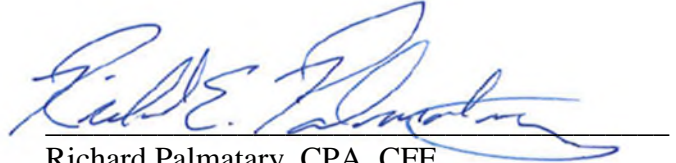
There were no examination report findings or recommendations as a result of the December 31, 2020, examination.

The assistance and cooperation of examiners representing the states on the coordinated examination is acknowledged. In addition, the assistance of the consulting actuarial firm, INS Consultants, Inc., the Company's outside audit firm, KPMG and the Company's management and staff was appreciated and is acknowledged.

Respectfully submitted,



Keith E. Misenheimer, CFE, ALMI, CFE, ARM
Examiner-In-Charge
State of Delaware



Richard Palmatary, CPA, CFE
Supervising Examiner
State of Delaware

I, Keith E. Misenheimer, hereby verify and attest, under penalty of perjury, that the above is a true and correct copy of the examination report and findings submitted to the Delaware Department of Insurance pursuant to Examination Certification No. 21.025.

A handwritten signature in black ink, appearing to read 'Keith E. Misenheimer', written over a horizontal line.

Keith E. Misenheimer, CFE, ALMI, CFE, ARM