REPORT ON EXAMINATION

OF THE

SCOR GLOBAL LIFE RE INSURANCE COMPANY OF DELAWARE
(formerly known as SCOR Global Life Re Insurance Company of Texas)

AS OF

DECEMBER 31, 2012

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, 2012 of the

SCOR GLOBAL LIFE REINSURANCE COMPANY OF DELAWARE

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

Attest By: Brandi Biddle

Date: June 25, 2014

In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Dover, this 25th day of June, 2014.

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

841 Silver Lake Blvd., Dover, DE 19904-2465 • www.delawareinsurance.gov
(302) 674-7300 Dover • (302) 739-5280 fax • (302) 577-5280 Wilmington

Karen Weldin Stewart, CIR-ML
Commissioner

Delaware Department of Insurance

REPORT OF EXAMINATION

OF THE

SCOR GLOBAL LIFE REINSURANCE COMPANY OF DELAWARE

AS OF

DECEMBER 31, 2012

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 25th day of June, 2014

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SALUTATION

April 8, 2014

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. 13.041, dated January 14, 2014, an Association examination has been made of the affairs, financial condition and management of the

SCOR GLOBAL LIFE RE INSURANCE COMPANY OF TEXAS

hereinafter referred to as "Company" or "SGLTX" incorporated under the laws of the State of Texas as a stock company with its statutory home office located at 15950 Dallas Parkway, Suite 400, Dallas, Texas 75248. On December 31, 2013, the Company redomesticated from the State of Texas to the State of Delaware and changed its name to SCOR Global Life Reinsurance Company of Delaware (SGLDE). The company was subsequently 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 101 South Tryon Street, Charlotte, North Carolina 28202. The report of this examination is submitted herewith.

SCOPE OF EXAMINATION

We have performed our multi-state examination of SCOR Global Life Re Insurance Company of Texas. The last examination of the Company was conducted as of December 31, 2007, by the State of Texas. This examination covers the period since that date through December 31, 2012, and including any material transactions and/or events noted as occurring subsequent to December 31, 2012.

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, 2012. 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 Bond 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

A review was performed of appropriate balance sheet and forepart files to verify corrective action had been taken with regard to prior examination report comments and recommendations.

Investments

Prior Exam Recommendation: It is recommended that the Company report exchange trade funds, mutual funds, and cash in accordance with the NAIC Securities Valuation Office *Purpose and Procedures Manual*, SSAP No. 30, paragraph 3, and SSAP No. 2.

Current Exam Finding: The Company has complied with this recommendation.

Premiums

Prior Exam Recommendation: It is recommended that the Company perform timely reconciliation of the Remittances and items not allocated account to ensure that Funds held by or deposited with reinsured companies is not overstated in future Annual Statement filings.

Current Exam Finding: The Company has complied with this recommendation.

Reinsurance

Prior Exam Recommendation: It is recommended that retrocession agreements contain the provision required by Texas Administrative Code, Title 28, § 7.61 1(11).

Current Exam Finding: As a result of the Company's redomestication from the State of Texas to the State of Delaware, this finding was no longer deemed applicable.

Prior Exam Recommendation: It is recommended that the Company calculate its liability for Reinsurance in Unauthorized Companies in accordance with SSAP No. 61, paragraph 43 of the NAIC *Accounting Practices and Procedures Manual*

Current Exam Finding: The Company has complied with this recommendation.

Accounts and Records

Prior Exam Recommendation: It is recommended that in future examinations the Company respond to examination requests in a timely manner.

Current Exam Finding: The Company has complied with this recommendation.

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.

Redomestication

On December 31, 2013, the Company redomesticated from the State of Texas to the State of Delaware in accordance with 18 Del. C. §4946. Pursuant to section 242 and 245 of General Corporation Law of the State of Delaware, the Company filed a Restated Certificate of Incorporation to replace the filed Certificate of Incorporation to change the name of the Company from SCOR Global Life Re Insurance Company of Texas to SCOR Global Life Reinsurance Company of Delaware.

Amended and Restated bylaws

On December 31, 2013, the Company amended and restated its bylaws as a result of its redomestication from the State of Texas to the State of Delaware.

Common Capital Stock and Paid-in Surplus

As of December 31, 2013, subsequent to the period under examination, the Company received the following capital contributions:

Year		**Contribution**	
3Q2013	$	25,000,000	1

(1) Contribution received from SCOR Global Life Americas Reinsurance Company on July 1, 2013. The additional capital was contributed to maintain internal standards of capitalization to support the underwriting of new and existing business in the Company.

Intercompany Agreements

Subsequent to December 31, 2012, the Company amended the following intercompany agreements:

Service and Expense Allocation Agreement

Effective October 1, 2013, the Service and Expense Allocation Agreement was amended to add SCOR Global Life USA Reinsurance Company as party to the agreement. All other terms and conditions of the agreement remained the same.

Amended and Restated Service Agreement

Effective October 1, 2013, the Amended and Restated Service Agreement was amended to add SCOR Global Life USA Reinsurance Company as party to the agreement. All other terms and conditions of the agreement remained the same.

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 (SGLUS).

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 Re Insurance Company of Texas.

On October 1, 2008, Revios U.S. Holdings, Inc. contributed the shares of stock at book value of the Company via a non-monetary transfer of $39 million to SGLUS. As a result of the restructuring, the Company is now a wholly owned subsidiary of SGLUS (now known as SCOR Global Life Americas Reinsurance Company or SGLA), which is a wholly owned subsidiary of SCOR Global Life Americas Holding Inc. (SGL Holding), which in turn is a wholly owned subsidiary of SCOR Global Life SE., and ultimately owned by SCOR SE (SCOR).

On April 26, 2011, SCOR and AEGON N.V. entered into a definitive agreement whereby SCOR acquired the mortality risk reinsurance business of Transamerica Reinsurance (TARe), a division of AEGON, through a series of reinsurance agreements. The Company and its Parent, SGLA, reinsured portions of this business. The retrocession agreements were executed August 9, 2011.

As of December 31, 2012, the Company was authorized as a stock insurer and assumes ordinary life, annuity and health business from affiliated and nonaffiliated insurance entities. The Company was authorized to transact the business of life, accident and health as defined in Chapter 841 of the Texas Insurance Code.

On December 31, 2013, the Company was redomesticated from the State of Texas to the State of Delaware, and its name was changed from SCOR Global Life Re Insurance Company of Texas to SCOR Global Life Reinsurance Company of Delaware.

As of December 31, 2013, the Company was authorized as a stock insurer and assumes ordinary life, annuity and health business from affiliated and nonaffiliated insurance entities. The Company is authorized to transact the business of life, including annuities, credit life, health and credit health as defined in 18 Del. C. § 902 "Life insurance" defined, and 18 Del. C. § 903 "Health insurance" defined.

CAPITALIZATION

Common Capital Stock and Paid-in Surplus

The Certificate of Incorporation provides that the Company has 75,000 shares of common stock authorized, of which 69,000 shares are issued and outstanding, at $72.50 par value per share. The capital represented by the 69,000 shares of common stock issued and outstanding is $5,002,500.

As of December 31, 2012, the Parent, SCOR Global Life Americas Reinsurance Company owned all outstanding shares of the Company's common stock.

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

Year	Contribution
2008	$ -
2009	$ -
2010	$ 15,000,000 [1]
2011	$ 25,000,000 [2]
2012	$ -

(1) On April 16, 2010, SGL Holding contributed $15 million to SGLA. The funds were subsequently contributed as additional paid-in capital by SGLA to the Company. The additional capital was contributed to maintain internal standards of capitalization to support the underwriting of new and existing business.
(2) On February 23, 2012, SGL Holding contributed $25 million to SGLA. The funds were subsequently contributed as additional paid-in capital by SGLA to the Company. The additional capital was contributed to maintain internal standards of capitalization to support the underwriting of new and existing business.

Dividends

No dividends were paid during the period under examination.

Surplus Notes

As of December 31, 2012, the Company had no outstanding surplus notes.

Borrowed Money

As of December 31, 2012, 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 2012 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 Texas, 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. If, however, a quorum is not present or represented at a special meeting, the shareholders present in person or represented by proxy shall have the power to adjourn the meeting until a quorum is present. 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, the Articles of Incorporation or the bylaws to be taken at a shareholders meeting 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 Texas, 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 March 15, 2012, provide that the Board of Directors shall manage the Company's business and affairs. 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 stockholders 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, 2012, 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
Mark Kociancic New York, New York	SCOR Group Deputy Chief Financial Officer and Executive Vice President of SCOR Reinsurance Company
Gilles Meyer (2) Zurich, Switzerland	Chief Executive Officer SCOR Global Life SE
Paul Edmund Rutledge III (3) Charlotte, North Carolina	President and Chief Executive Officer SCOR Global Life Americas Reinsurance Company

(1) The above individuals were reappointed to the Board of Directors of the Company effective October 23, 2013.

(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 October 15, 2013, Mr. Rutledge resigned as President and Chief Executive Officer of SCOR Global Life Americas Reinsurance Company. Mr. Rutledge remains a Director of both the Company and SCOR Global Life Americas Reinsurance Company

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, 2007 was noted in the minutes of the Board of Directors as of October 30, 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, 2012, 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.

As of February 18, 2010, the Board had designated the Audit Committee of SGLA as the Audit Committee of the Company, consisting of three (3) independent members of SGLA’s Board. Pursuant to the bylaws of SGLA, the Secretary of the Corporation shall call the meeting of the Audit Committee 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, 2012, the following SGLA directors were members of the SGLA 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 New York, New York	Consultant/Attorney
Kathleen Theresa McGahran Palm Beach, Florida	Chief Executive Officer/Owner Pelham Associates, Inc.

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 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 or she 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. The same person may hold any two or more offices. 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, 2012, the Company's principal officers and their respective titles were as follows:

Name	**Principal Occupation**
Joseph Archard Gilmour	President and Chief Executive Officer
Joseph Archard Gilmour (1)	Executive Vice President and Acting Chief Financial Officer
Maxine Hilary Verne	Senior Vice President, Deputy General Counsel and Corporate Secretary
Lawrence Paul Moews (2)	Senior Vice President, Chief Actuary and Chief Risk Officer
Denis Jean-Marie Kessler	Chairman of the Board
Henry Klecan, Jr.	Vice Chairman of the Board
Michael James Colannino	Executive Vice President International Markets
Glenn Francis Cunningham (3)	Executive Vice President U.S. Markets
David Lowry Baxter (4)	Senior Vice President
David Patrick Dorans	Senior Vice President
Otto Westcott Lowe	Senior Vice President
James Frederick McArdle	Senior Vice President
Raymond Leland Prosser (5)	Senior Vice President and General Counsel
Brock Edward Robbins (6)	Senior Vice President
William Anthony Sofsky	Senior Vice President and Chief Accounting Officer
Aparna nmn Varma	Senior Vice President

(1) Effective October 23, 2013, Ms. Brona Magee was appointed Executive Vice President, Chief Financial Officer.
(2) Effective October 23, 2013, Mr. Jay Kinnamon was appointed Senior Vice President and Chief Actuary. Mr. Moews will remain the Chief Risk Officer.
(3) Effective October 23, 2013, Mr. Cunningham's position changed and he was appointed Executive Vice President, Strategic Planning & Industry Affairs.
(4) Effective October 23, 2013, Mr. Baxter resigned his position.
(5) Effective October 23, 2013, Mr. Prosser resigned as General Counsel, and Mr. David Gates was appointed Senior Vice President and General Counsel. On December 31, 2013, Mr. Prosser retired from the Company.
(6) Effective October 23, 2013, Mr. Robbins was appointed Chief Pricing Officer.
(7) Effective October 23, 2013, the following additional individuals were appointed as officers of the Company: Mr. John Brueckner, Executive Vice President; Mr. Scott Boug, Senior Vice President; and Mr. Terry Dickinson, Senior Vice President, Group Reinsurance & Sales.

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 Code breaches of which they are aware. The Corporate Secretary reviews and provides an annual report to the Audit Committee concerning the compliance with the Code of Conduct, as required by the Company's Risk Management Policies.

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 the exception of 2009, as the Company could not locate the questionnaires for this year in accordance with 18 Del. C. §320(c), which states,

> "(c) Conduct of examination; access to records; correction – Every person being examined, the person's officers, attorneys, employees, agents and representatives, shall make freely available to the Commissioner, or the Commissioner's examiners, the accounts, records, documents, files, information, assets and matters of such person, in the person's possession or control, relating to the subject of the examination and shall facilitate the examination."

Therefore,

> **It is recommended that the Company comply with 18 Del. C. §320(c) by maintaining copies of the accounts, records, documents, files, and information relating to the subject of the examination to facilitate the examination.**

Articles of Incorporation and bylaws

On March 15, 2012, the Board of Directors through a Unanimous Written Consent approved an amendment to the Articles of Incorporation to move the home office from Plano, Texas to Dallas, Texas. The Texas Department of Insurance approved of the change to the Articles of Incorporation on August 22, 2012 through Texas Order No. 12-0706. As part of the same Unanimous Written Consent, the bylaws of the Company were amended and restated to change the registered agent's office to Dallas, Texas.

Refer to the "Subsequent Events" section of this Report, under the captions "Redomestication" and "Amended and Restated bylaws" for details of amendments to the Articles of Incorporation and bylaws as a result of the Company's redomestication from the State of Texas to the State of Delaware effective December 31, 2013.

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 Texas Insurance Department. The immediate parent of the Company at December 31, 2012 was SCOR Global Life Americas Reinsurance Company. The Company had no subsidiaries as of December 31, 2012.

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, 2012:

Company	Domicile	% own
SCOR SE	France	
SCOR Global Life SE	France	100%
ReMark Group BV	Netherlands	100%
Sweden Reinsurance Co. Ltd.	Sweden	100%
Rehalto SA	France	100%
SCOR Service Belux	Belgium	100%
SCOR Global Life Australia Ply Ltd.	Australia	100%
SCOR Global Life Reinsurance Ireland Ltd. (1)	Ireland	100%
SCOR International Reinsurance Ireland Ltd. (1)	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.	Canada (Ontario)	100%
SCOR Global Life Americas Holding Inc.	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 (2)	Brazil	99.99%
SCOR Global Life Re Insurance Company of Texas (3)	Texas	100%
SCOR Global Life Reinsurance (Barbados) Ltd.	Barbados	100%

(1) Effective January 1, 2013, SCOR Global Life Reinsurance Ireland Ltd and SCOR International Reinsurance Ireland Ltd. were merged through statutory merger, with SCOR Global Life Reinsurance Ireland Ltd. the surviving and successor entity.

(2) SCOR SE owns 2 shares (< 1%) of SCOR Global Life Americas Reinsurance Company Escritório de Representação no Brasil Ltda per local regulations.

(3) On December 31, 2013, SCOR Global Life Re Insurance Company of Texas redomesticated from the State of Texas to the State of Delaware. Its name was changed to SCOR Global Life Reinsurance Company of Delaware.

INTERCOMPANY AGREEMENTS

The Company was party to several inter-company 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, 2012. These agreements are summarized as follows:

Service and Expense Allocation Agreement

Effective October 1, 2000, and as amended June 30, 2008, August 30, 2008, and December 4, 2009, the Company entered into a Service and Expense Allocation Agreement with SCOR Reinsurance Company (SCOR Re), Investors Insurance Company (IIC), Investors Marketing Group, Inc. (IMG), SGLA, SCOR Global Life U.S. Reinsurance Company Escritório de Representação no Brasil Ltda., a Brazilian representative company (SGLA REP), SCOR U.S. Corporation (SCOR U.S.), SCOR Global Life Chile Servicios Tecnicos y Representaciones Limitada (SCOR Chile), and SCOR Global Life Reinsurance Company of America (SGLRA). The Agreement provides for a broad range of services and facilities to be rendered by the Company and SCOR Re (the "Companies") for each other and the other parties to the agreement. Under terms of the agreement, the Companies provide data/information services, financial/accounting services, regulatory and legal services, and administrative services pursuant to the terms of the agreement established for the benefit of SCOR subsidiaries to conduct their business. The agreement provides that the Companies mutually agree to reimburse each other for the costs and expenses incurred in providing all services rendered pursuant to the agreement. Costs for the services are charged on a cost allocation/reimbursement basis.

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 was 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 amended and restated effective October 1, 2013. Refer to the "Subsequent Events" section of this Report, under the caption "Intercompany Agreement" for details.

Amended and Restated Tax Sharing Agreement

Effective December 4, 2009, the Company became party to an Amended and Restated Tax Allocation Agreement with SGLA, IIC, and SGLRA. Under 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 SGLTX, IIC or SGLRA 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.

Upon the sale of IIC to Athene Holdings, Inc. on July 18, 2011, IIC ceased being a party to this agreement.

Upon the merger of SGLRA with and into SGLA effective December 30, 2011, SGLRA was no longer a party to this agreement.

Amended and Restated Service Agreement

Effective August 9, 2011, and as amended, the Company entered into an Amended and Restated Service Agreement with SGLA, SCOR Global Life Reinsurance International (Barbados) Ltd., SCOR Life Assurance Company (SLAC), and SCOR Life Reassurance Company (SLRC). 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 a cost allocation/reimbursement basis.

This agreement was amended and restated effective October 1, 2013. Refer to the "Subsequent Events" section of this Report, under the caption "Intercompany Agreement" for details.

SCOR Parental Guarantee Agreement

Effective March 22, 2012, 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 is a continuing guarantee. It (i) shall apply to all contracts issued by SGLA, (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.

TERRITORY AND PLAN OF OPERATION

Territory

As of December 31, 2012, the Company was licensed in the District of Columbia, as well as 49 states. In nine of these states, the Company was an accredited reinsurer.

The Company is authorized as a stock insurer to transact the business of life and health insurance 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 Charlotte, North Carolina.

Plan of Operation

The Company has no direct written premiums as of December 31, 2012. Rather, the majority of the Company's premiums are derived from reinsuring individual life policies written by insurers across the United States.

The Company is engaged in the business of life, health, credit life and credit health reinsurance. The Company assumes ordinary and group life, and accident and health business from affiliated and non-affiliated insurance entities.

Reinsurance

The Company assumes risk from third party 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's currently 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. 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 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 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. 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 2012 is described as follows:

	Ordinary Life Insurance	Group Life Insurance	Accident and Health Group	Other	Total
Direct	$ -	$ -	$ -	$ -	$ -
Reinsurance Assumed	640,697,593	20,605,825	52	746,848	662,050,318
Reinsurance Ceded	616,008,102	13,080,805	-	-	629,088,907
Net Premiums Written	$ 24,689,491	$ 7,525,020	$ 52	$ 746,848	$ 32,961,411

A.M. Best's Rating

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, 2012.

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)
2012	$ 450,625,056	$ 425,078,350	$ 25,546,706	$ 32,961,411	$ -	$ (17,390,039)
2011	409,013,476	376,869,307	32,144,169	109,761,299	7,311,183	(39,449,229)
2010	328,236,834	281,195,489	47,041,345	17,720,116	6,233,299	15,789,557
2009	320,954,731	301,063,883	19,890,848	27,211,326	-	(9,290,977)
2008	314,839,019	273,307,638	41,531,381	31,160,900	-	(5,412,981)

(1) Schedule does not include adjustments as a result of the prior or current examinations
(2) The balances for 2011 were pulled from the 2011 Amended Annual Statement.
(3) The balances for 2012 were pulled from the 2012 Amended Annual Statement.

Since year-end 2008, net admitted assets have increased by $135.8 million or 43.1% while total liabilities increased by $151.8 million or 55.5%. The overall significant increase in both Net Admitted Assets and Total Liabilities is primarily attributable to the TARe transaction. Specifically, the increase in total liabilities is mainly due to an increase in the aggregate reserves and claims reserves as a result of the acquisition of the mortality risk reinsurance business of Transamerica Reinsurance. Additionally, fluctuations in other assets and other liabilities from 2011 to 2012 occurred primarily due to the catch up in the processing of retrocession settlement statements, specifically with affiliate retrocessionaires. Retrocession processing will continue to lag assumed business processing by approximately one quarter. However, from 2009 to 2010 total liabilities decreased by $19.9 million, which related to the settlement and clearing of retroceded premiums.

During the examination period, total capital and surplus decreased $16 million or 38.5%. This decrease was primarily attributable to net losses throughout the examination period, partially offset by capital contributions and a decrease in the liability for unauthorized reinsurance. The decrease in capital and surplus of $21.6 million or 52% from 2008 to 2009 was primarily due to reclassifications and write-offs of select balances, as well as an operational loss of $9.3 million. Specifically, a prior period adjustment to increase the Company's unassigned deficit for $9.9 million occurred for an agreement with London Life International Reinsurance Corp. Originally, this agreement was deemed a reinsurance contract until California ruled there was no transfer of risk; as a result, the Company converted to deposit accounting and recorded the initial relief through funds withheld. When the agreement terminated July 1, 2008, the relief was not released ($7.5 million); additional entries relative to this agreement were recorded without proper support upon conversion to deposit accounting to result in a $2.4 million write-off from remittances not allocated. The increase in capital and surplus of $27.1 million or 236% from 2009 to 2010 was due primarily to net income of $15.9 million, additional capital contribution in the amount of $15 million ultimately received from SGL SE, as well as prior period adjustments related to the conversion of the former Revios business. The decrease in capital and surplus of $14.9 million or 31.7% from 2010 to 2011 was primarily attributable to the TARe transaction, as well as a net loss of $39 million, which was partially offset by a capital contribution in the amount of $25 million. The decrease in capital and surplus of $6.6 million or 20.4% from 2011 to 2012 was mainly the consequence of a balance sheet clean up effort, resulting in numerous "prior period" adjustments to surplus that were primarily from affiliate retrocession true-up settlements. The materiality of these adjustments resulted in the refiling of the Company's 2012 Annual Statement.

Premiums and annuity considerations have increased by $1.8 million from $31.2 million at December 31, 2008 to $33 million as of December 31, 2012. Overall, premiums and annuity considerations increased 5.8% throughout the examination period. The overall increase in premiums and annuity considerations of $92 million from 2010 to 2011 was a result of the consideration received by the Company for the acquisition of the Transamerica Re business, which was recorded as premium income. There was a significant decrease in 2012, which is due primarily to the consideration received by the Company for the acquisition of the TARe business in the prior year of $85.3 million. Additionally, premiums from operating activity from the TARe block increased year over year as the 2011 amount reflected only five months activity compared to full year activity in 2012.

During the period under examination, the Company's overall net income decreased by approximately $12 million. There was a significant increase in net income during 2010 as a result of additional efforts in collecting claim recoverable, as actual claim experience remained favorable for 2010. Subsequent to 2010, net income continued to decline. The Company incurred a substantial loss in 2011 primarily the result of increased operating expenses related to consulting fees in association with the appointment of an external firm to opine on 2010 results, as well as those associated with the acquisition and integration of the TARe business. The Company remained in a loss position at the end of 2012; however, the 2012 net loss was not as considerable as that incurred during 2011 due partially to the impact of the catch up in retrocession settlement processing.

LOSS EXPERIENCE

Reserves and contract claims as of December 31, 2012 and December 31, 2011 were as follows:

	Life Contracts	Health Contracts	Contracts	Life	Accident and Health
December 31, 2012	$ 157,939,802	$ 7,241,203	$ -	$ 44,904,810	$ 6,723,698
December 31, 2011	165,065,527	11,281,771	7,311,182	19,988,611	8,538,899
Increase (Decrease)	$ (7,125,725)	$ (4,040,568)	$ (7,311,182)	$ 24,916,199	$ (1,815,201)

The decrease in aggregate reserves for life and accident & health contracts of $11.2 million was mainly due to improvements in data quality and actuarial models during 2012 for the SCOR legacy business, and is currently valued using seriatim data for reserve calculation. Previously, statutory reserves were calculated by trending prior period balances based on client reported reserves and inforce.

The decrease of liabilities for deposit type contracts from 2011 to 2012 is due to a reclassification of the amounts reported as funds withheld to reserves which are contingent on the mortality experience of the underlying business, and are not funds held on deposit.

The liabilities for life and accident & health contract claims increased $23.1 million or 44.7% to $51.6 million in 2012. The increase for life contract claims was primarily due to an improved calculation method for Incurred But Not Reported (IBNR) based on treaty volume and seriatim data. Previously, IBNR was calculated based on prior period claim trends. The decrease for accident & health contract claims was result of the validating the IBNR balance against client statements and adjusting the balances accordingly. It was also due to payment of claims and commutations of certain accident and health treaties.

REINSURANCE

For 2012, the Company reported the following distribution of net premiums written:

Direct business	$ -
Reinsurance assumed (from affiliates)	-
Reinsurance assumed (from non-affiliates)	662,050,318
Total direct and assumed	662,050,318
Reinsurance ceded (to affiliates)	378,745,477
Reinsurance ceded to (non-affiliates)	250,343,430
Net premiums written	$ 32,961,411

The Company uses reinsurance as part of its enterprise risk management, optimization of business flows, and capital management program. As noted under the section "Territory and Plan of Operation," the Company has no direct premiums; 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, 2012:

Assumed

The Company assumes risk from third-party ceding companies in the United States. The Company's currently 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 can be either proportional or non-proportional depending on the needs of the client.

Ceded

The Company's ceded reinsurance (i.e., retroceded business) is associated with two major blocks of business: 1) the business that SCOR had reinsured prior to the acquisition of the TARe business, which had been administered by the Company's New York office prior to the acquisition ("SCOR NY Block"), and 2) the business SCOR acquired and reinsured as part of the TARe acquisition ("SCOR CLT Block"). 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:

- SCOR Global Life Reinsurance Ireland Ltd [(1)]
- SCOR International Reinsurance Ireland Ltd [(1)]
- SCOR Global Life International (Barbados) Ltd
- SCOR Ruckversicherung Deutschland AG

(1) Effective January 1, 2013, SCOR Global Life Reinsurance Ireland Ltd and SCOR International Reinsurance Ireland Ltd. were merged through statutory merger, with SCOR Global Life Reinsurance Ireland Ltd. the surviving and successor entity.

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 SSAPs. This review noted an affiliate and a non-affiliate contract, which were not executed timely in accordance with 18 Del. Admin. Code §1001 (5), which states,

"5.0 Written Agreements

5.1 No reinsurance agreement or amendment to any agreement may be used to reduce any liability or to establish any asset in any financial statement filed with the Department, unless the agreement, amendment or a letter of intent has been duly executed by both parties no later than the "as of date" of the financial statement.

5.2 In the case of a letter of intent, a reinsurance agreement or an amendment to a reinsurance agreement must be executed within a reasonable period of time, not exceeding ninety (90) days from the execution date of the letter of intent, in order for credit to be granted for the reinsurance ceded."

Therefore,

It is recommended that the Company ensure execution of its reinsurance contracts in accordance with 18 Del. Admin Code §1001 (5) on a going forward basis.

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 Charlotte, North Carolina and SCOR's global headquarters in France. The Company's non-computerized records are maintained in Charlotte, North Carolina and New York City, New York. The Company utilizes UNIX based operating systems (Red Hat and Solaris) to process data. The Company utilizes outsourced data centers from Peak 10 (located in Charlotte, North Carolina), and Hewlett Packard (HP) in Grenoble, France for processing, updating, and storing the primary records and the Peak 10 data center (located in Raleigh, North Carolina) for backup and disaster recovery purposes.

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, E&Y, reviewed the internal control structure in order to establish the necessary audit procedures required to express an opinion on the December 31, 2012 financial statements. For year-end 2012, E&Y identified a material weakness in internal controls over financial reporting. This material weakness was similarly identified in 2011 and 2010. Management believes, however, that the Company can demonstrate that as of October 21, 2013, it has substantially mitigated the control weaknesses that gave rise to the identified material weakness and adjustments resulting from the audit of the 2012 statutory-based financial statements. This has been done by establishing, documenting, performing and testing the performance of its controls over financial reporting during 2013. The Company expects this to be tested by E&Y as part of the audit of the 2013 statutory-basis financial statements. As of the date of this examination report, E&Y had not issued its 2013 Audited Financial Statements or Opinion on Internal Controls.

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

Accounts and Records Findings

The following findings, recommendations and comments were noted during the examination and pertain to the Company's overall level of records maintenance and filed Annual Statement:

Reinsurance

With regards to the filed 2012 Annual Statement, several presentation discrepancies were noted within Reinsurance. These discrepancies included the following financial and non-financial items:

- The Company reported material reinsurance in Schedule S – Part 3, as well as material ceded reinsurance recoverables in the 2012 Annual Statement Schedule S – Part 2; however, the Company could not provide certain reinsurance contracts supporting the reported amounts.
- Review of the Company's Schedule S identified numerous reporting issues with regards to misstated effective dates and incorrect reinsurance types. NAIC *Annual Statement Instructions* require that the effective date used in Schedule S be the date the contract originally went into effect.

Annual Statement

With regards to the filed 2012 Annual Statement, several presentation discrepancies were noted. These discrepancies included the following financial and non-financial items:

- Discrepancies were identified in the licensing status reported on the Company's 2012 Schedule T – Premiums & Annuity Considerations, for two (2) states and Puerto Rico. The Company corrected this reporting discrepancy for one state as of December 31, 2013.
- The Company reported its custodial agreement within the General Interrogatories – Investments item 28.01 of the 2012 Annual Statement as being NAIC *Financial Condition Examiners Handbook* compliant; however, a review of this agreement noted that multiple provisions were missing.

The findings identified above under "Reinsurance" and "Annual Statement" represent noncompliance 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.**

Records Retention

The following findings were noted with regards to the Company's corporate records:

- The Company was unable to locate and provide the 2008 and 2009 RBC Reports for SGLTX.
- The Company was unable to provide a Certificate of Authority covering the year 2012 for the State of South Dakota. Verification of the Company's authority was performed through alternative procedures.
- The Company's reinsurance program listing provided in support of a review of Schedule S contained termination dates for both assumed and ceded contracts; however, review of contracts and amendments found no evidence of these terminations for certain assumed and ceded contracts.

The findings identified above represent noncompliance with 18 Del. C. §320(c), which states in part,

> "(c) Every person being examined, the person's officers, attorneys, employees, agents and representatives, shall make freely available to the Commissioner, or the Commissioner's examiners, the accounts, records, documents, files, information, assets and matters of such person, in the person's possession or control, relating to the subject of the examination and shall facilitate the examination."

Therefore,

> **It is recommended that the Company comply with 18 Del. C. §320(c) by maintaining copies of the accounts, records, documents, files, and information relating to the subject of the examination to facilitate the examination.**

Independent Accountants

The Company's financial statements are audited each year by the firm E&Y of Charlotte, North Carolina. The examiners reviewed the audited statutory financial statements for all years under examination. For all years under review, E&Y issued an unqualified opinion with one caveat. As a result of the restatement of the Company's annual statement for 2012 (the Company refiled an amended 2012 Annual Statement on November 1, 2013), E&Y withdrew its audit opinion for 2011.

The examiners reviewed E&Y's 2012 workpapers, 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 Huiying Cui, FSA, MAAA, 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 Texas.

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
Georgia			25,530	25,736
Massachusetts			99,470	102,194
New Mexico			124,338	127,743
North Carolina			397,882	408,776
Texas	1,830,197	1,850,757		
Puerto Rico			813,395	886,023
Aggregate Alien and Other*				
TOTAL DEPOSITS	$1,830,197	$1,850,757	$1,460,615	$1,550,472

FINANCIAL STATEMENTS

The following pages contain a statement of assets, liabilities, surplus and other funds as of December 31, 2012, 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, 2012

	Assets	Nonadmitted Assets	Net Admitted Assets	Notes
Bonds	$ 216,274,867	$	$ 216,274,867	
Stocks:				
Common stocks	3,086,634		3,086,634	
Cash, cash equivalents and short-term investments	46,024,751		46,024,751	
Contract loans	13,875,850		13,875,850	
Receivables for securities	109,102		109,102	
Investment income due and accrued	1,433,120		1,433,120	
Premiums and considerations:				
Uncollected premiums and agents' balances in course of collection	(40,555,461)	849,095	(41,404,556)	
Reinsurance:				
Amounts recoverable from reinsurers	4,990,935		4,990,935	
Funds held by or deposited with reinsured companies	14,219,775		14,219,775	
Other amounts receivable under reinsurance contracts	168,274,698	(315)	168,275,013	
Current federal and foreign income tax recoverable and interest thereon	19,955,341		19,955,341	
Net deferred tax asset	39,053,443	36,731,015	2,322,428	
Receivable from parent, subsidiairies and affiliates	1,408,625		1,408,625	
Aggregate write-ins for other than invested assets	53,170		53,170	
Total assets excluding Separate Accounts	$ 488,204,851	$ 37,579,795	$ 450,625,056	
From Separate Accounts		-	-	
Total	$ 488,204,851	$ 37,579,795	$ 450,625,056	

Liabilities, Surplus and Other Funds
As of December 31, 2012

Aggregate reserves for life contracts	$	157,939,802	1
Aggregate reserves for accident and health contracts		7,241,203	2
Contract claims:			
Life		44,904,810	3
Accident and health		6,723,698	4
Contract liabilities not included elsewhere:			
Provision for experience rating refunds		417,237	
Interest maintenance reserve		5,769,896	
Commissions and expense allowances payable on reinsurance assumed		12,122,662	
General expenses due or accrued		506,157	
Taxes, licenses and fees		(355)	
Current federal and foreign income taxes			
Remittances and items not allocated		36,136,931	
Miscellaneous liabilities:			
Asset valuation reserve		954,396	
Reinsurance in unauthorized companies		293,209	
Funds held under reinsurance treaties and unauthorized reinsurers		125,853,914	
Payable to parent, subsidiaires and affiliates		21,294,450	
Funds held under coinsurance		3,504,125	
Aggregate write-ins for liabilities		1,416,216	
Total liabilities excluding Separate Accounts	$	425,078,350	
From Separate Accounts Statement		-	
Total Liabilities	$	425,078,350	
Common capital stock		5,002,500	
Gross paid-in and contributed surplus		119,497,500	
Unassigned funds		(98,953,294)	
Surplus	$	25,546,706	
Total Liabilities, Capital and Surplus	$	450,625,056	

Summary of Operations
As of December 31, 2012

Premiums and annuity considerations for life and accident and health contracts	$	32,961,411
Consideration for supplementary contracts with life contingencies		-
Net investment income		5,544,714
Amortization of Interest Maintenance Reserve		1,965,314
Commissions and expense allowances on reinsurance ceded		47,534,141
Miscellaneous income:		
Aggregate write-ins for miscellaneous income		12,674,369
Totals	$	100,679,949
Death benefits	$	89,328,199
Annuity benefits		-
Disability benefits and benefits under accident and health contracts		4,168,943
Surrender benefits and withdrawals for life contracts		4,692,751
Interest and adjustments on contract or deposit-type contract funds		167,130
Payments on supplementary contracts with life contingencies		-
Increase in aggregate reserves for life and accident and health contracts		(18,477,482)
Totals	$	79,879,541
Commissions on premiums, annuity considerations and deposit-type contracts funds		-
Commissions and expense allowances on reinsurance assumed		32,357,248
General insurance expenses		5,464,143
Insurance taxes, licenses and fees, excluding federal income taxes		442,105
Aggregate write-ins for deductions		1,141,867
Totals	$	119,284,904
Net gain from operations before dividends to policyholders and federal income taxes	$	(18,604,955)
Dividend to policyholders		5,049
Net gain from operations after dividends to policyholders and before federal income taxes		(18,610,004)
Federal and foreign income taxes incurred		(1,008,854)
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains (losses)		(17,601,150)
Net realized capital gains (losses)		211,111
Net Income	$	(17,390,039)

Capital and Surplus Account
As of December 31, 2012

Capital and surplus, December 31, prior year	$	32,144,169
Net income (Loss)		(17,390,039)
Change in net unrealized capital gains or (losses)		
less capital gains tax of $ (52,215)		584,201
Change in net unrealized foreign exchange capital gain (loss)		-
Change in net deferred income tax		4,945,279
Change in nonadmitted assets		(92,376)
Change in liability for reinsurance in unauthorized companies		9,647,011
Change in asset valuation reserve		(452,741)
Change in surplus notes		-
Cummulative effect of changes in accounting principles		2,352,521
Suplus (contributed to) withdrawn from Separate Accounts during period		-
Surplus adjustment		
Paid in		-
Change in surplus as a result of reinsurance		-
Dividends to stockholders		-
Aggregate write-ins for gains and losses in surplus		(6,191,317)
Net change in capital and surplus for the year		(6,597,462)
Change as a result of December 31, 2012 examination		-
Capital and surplus, December 31, current year	$	25,546,707

Reconciliation of Capital and Surplus
From December 31, 2007 to December 31, 2012

Capital and Surplus, December 31, 2007		$ 42,618,181
Net income		(55,753,671)
Additions:		
Change in net deferred income tax	19,936,700	
Change in liability for reinsurance in unauthorized companies	15,151,979	
Change in reserve on account of change in valuation basis	-	
Cummulative effect of changes in accounting principles	2,352,521	
Surplus adjustment: Paid-in	40,000,000	
Surplus adjustment: Change in surplus as a result of reinsurance	-	
Aggregate write-ins for gains and losses in surplus	(18,736,276)	
Total Additions		58,704,924
Deductions		
tax of $ (4,151,208)	1,044,600	
Change in net unrealized foreign exchange capital gain (loss)	-	
Change in non-admitted assets	(20,849,989)	
Change in asset valuation reserve	(217,338)	
Change in surplus notes	-	
Capital changes: Paid in	-	
Total Deductions		(20,022,727)
Capital and Surplus, December 31, 2012		$ 25,546,707

SCHEDULE OF EXAMINATION ADJUSTMENTS

There were no examination adjustments.

NOTES TO FINANCIAL STATEMENTS

Assets

No financial adjustments noted.

Liabilities

General

As of December 31, 2012, the Company's business consisted of two distinct blocks of reinsurance business:

- the acquired Transamerica Reinsurance (TARe) life business; and
- "Legacy SCOR Business" business formerly in SGLTX ("Legacy SGLTX Business") prior to the TARe acquisition consisting of both life and health business.

Actuarial Opinion Memorandum Analysis

The examination included a review of the Actuarial Opinion Memorandum (AOM). Based on the asset adequacy testing (AAT) performed as part of the 2012 AOM, the Company's appointed actuary concluded that no additional actuarial reserves were required as of December 31, 2012. Based on the Consulting Actuary's review of this analysis, the Consulting Actuary has accepted the Company's conclusion. However, in order to improve valuation procedures the Consulting Actuary recommends that future AOMs should:

It is recommended that future Actuarial Opinion Memorandums (AOM) should:

i. Include a Statement of Actuarial Opinion (SAO) that specifies the AAT methods used for reserves and liabilities by statement item and that there is consistency between the SAO and the AOM.
ii. Discuss the treatment of Federal Income Taxes in the Gross Premium Valuation and how this is reflected in the choice of the discount rate.

Data Validity / Inclusion Testing / Sampling

The examination of the Company was conducted as a Risk-Focused Examination following the procedures as outlined in the Financial Condition Examiners Handbook (Handbook). The two data risks, which are significant for total reserve verification, are the validity of underlying valuation data and the inclusion of all business in the valuation.

The Consulting Actuary met with Company personnel to determine the process used to receive reserve in force information. Most of the ceding companies supply the Company with an electronic submission of data that is converted into the same format for use in a central administration system called Policy Operational Data Store (PODS). The information submitted supplies the information for all sectors (claims, premiums, in force). The reserve information is sent to the reserving system named Prophet. Since the reserve information is obtained from the same source as premiums and claims there should be no discrepancies in the underlying data or inclusion for the assumed business processed electronically.

However, there are some blocks of business that do not provide information electronically and caused a problem for year-end 2012. There was one assumed treaty for the Legacy block of business that was thought to be inactive but was active. This section only deals with the actual data provided to the Company for reserve determination. The reinsurance section below will discuss the inclusion of all reinsurance treaties.

Since all business is assumed the underlying data and inclusion of all contracts is verified as part of the examinations of the ceding companies. Also, there are agreements with the ceding companies to make adjustments if the underlying data is found to be incorrect and as such the underlying data risk is not considered significant for the Company and no review was performed.

Reserve Analysis/Asset 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. The Consulting Actuary identified the risks related to reserve determination procedures and methodologies associated with each product segment and certain product types within the product segments.

The Company is a reinsurer actively assuming life mortality risk on either a yearly renewable term (YRT) basis or a coinsurance basis. The YRT business could originate from any type of life product (whole life, term, universal life, etc.) with the coinsurance business consisting of term life products. It is noted that there is some existing coinsurance business that is not term life but that is older business in run off. The entire risk is related to the reserve determination and methodologies associated with these assumed life YRT and coinsurance reinsurance business. 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.

The Consulting Actuary concluded that sample reserve testing was warranted for certain product groups and liability items with a residual risk assessment of High or Moderate and no testing was necessary for all product groups and liability items with a residual risk assessment of Low. For these items, the Consulting Actuary relied on general analyses and/or a review of the AOM analysis.

The Consulting Actuary reviewed the life and accident and health claim liability methodologies and the provision for experience rating refunds for compliance with actuarial standards and the methodologies appeared reasonable.

The Consulting Actuary reviewed the uncollected and deferred premium assets for compliance with actuarial standards and the methodology appeared reasonable. No exceptions were noted.

Reinsurance

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 Consulting Actuary relied on the examiners' review of reinsurance agreements for compliance with 18 Del. Admin. Code 1002, which indicated that the agreements in place transferred risk.

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 significant number of discrepancies with the sampled contracts. The Company determined that the process in place for creating Schedule S for year-end 2012 was incorrect for some effective dates, type of reinsurance and contracts in force. The Company stated that the problem did not affect the reserve amount and the problem was corrected for year-end 2013. Refer to the "Accounts and Records" section of this Report, under the caption "Accounts and Records Findings – Reinsurance" for details for issues identified by the financial examiners. The Company provided sufficient documentation to verify the reserve amounts were correct. No exceptions were noted.

Summary

The balance sheet items enumerated in the examination scope appear fairly stated. Based on the above discussion and analysis, the Consulting Actuary concluded that the amended December 31, 2012 balance sheet items covered in the actuarial examination scope appear fairly stated. They have been accepted for the purposes of this Report.

(1) Aggregate reserves for life contracts ($157,939,802)

The above-captioned amount, which is the same as that reported by the Company in its 2012 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	$1,037,452,288	$883,067,882	$154,384,406
Annuities	0	0	0
Supplementary Contracts	0	0	0
Accidental Death Benefits	276	245	31
Disability - Active Lives	2,433,788	654,543	1,779,245
Disability - Disabled Lives	1,553,816	1,436,162	117,654
Miscellaneous Reserves	25,020,666	23,362,200	1,658,466
Totals	$1,066,460,834	$908,521,032	$157,939,802

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, 2012.

The Company is a reinsurer actively assuming life mortality risk on either a yearly renewable term (YRT) basis or a coinsurance basis. The YRT business could originate from any type of life product (whole life, term, universal life, etc.) with the coinsurance business consisting of term life products. It is noted that there is some existing coinsurance business which is not term life and is older business in run off.

Valuation files and summary work papers provided by the Company were reviewed and found to be in order. Reserves were reconciled from the summary work papers to Exhibit 5.

The primary risks associated with Exhibit 5 business are adverse mortality, asset default, interest rate volatility and mismatching of asset and liability cash flows. These risks were further reviewed by evaluating the 2012 AOM. Based on that review, the Consulting Actuary accepted the Company's conclusion that additional reserves as the result of AAT are not required.

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 reserve for sampled contracts. No material exceptions were noted.

The Consulting Actuary reconciled the Exhibit 5 total ceded reserve to the amounts reported in Schedule S-Part 3-Section 1 (reinsurance ceded for life, annuity and deposit-type reserves and liabilities) in the December 31, 2012 Annual Statement. The Company provided work papers supporting the ceded reserves. The Consulting Actuary reviewed these work papers and reconciled them to the ceded reserve total. No discrepancies were noted. The reconciliation between the exhibits and schedule is as follows (difference is not considered material):

Annual Statement Exhibit	Ceded Reserve
Exhibit 5	$908,521,032
Schedule S-Part 3-Section 1	$908,521,029

The Consulting Actuary reviewed the trend for the reinsurance ceded amounts from 2011 to 2013 and the trend indicates an increasing pattern, which appears reasonable as compared to the increasing amount in force. Based on the above analysis, the Consulting Actuary concluded that the above Exhibit 5 reinsurance reserve credits were fairly stated.

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, 2012 Annual Statement appears fairly stated, and has been accepted for examination purposes.

(2) Aggregate reserve for accident and health contracts ($7,241,203)

The above-captioned amount, which is the same as that reported by the Company in its 2012 Annual Statement, is reported on Page 3, Line 2 and in Exhibit 6. The reserve consists of unearned premium reserves of $67,617 and claim reserves of $7,173,586 both of which are assumed from ceding companies. All of this business is assumed by the Company, and reserves are calculated by the ceding companies.

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, 2012 Annual Statement. No discrepancies were noted. In addition, the trend of the reserve for years 2011 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, 2012 Annual Statement appears fairly stated, and has been accepted for examination purposes.

(3) Contract claims - Life ($44,904,810)

The above-captioned amount, which is the same as that reported by the Company in its 2012 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
Due and Unpaid	$78,229,408	$71,448,282	$6,781,126
In course of settlement	10,149,010	8,407,933	1,741,077
Incurred but unreported	119,733,414	83,350,807	36,382,607
Total	$208,111,832	$163,207,022	$44,904,810

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, 2012 Annual Statement. No discrepancies were noted. The Company refers to the total liability as Incurred But Not Paid (IBNP). The IBNP is determined in total for all business and then allocated to each legal entity based on the total insurance in force.

The IBNP is calculated for the most recent 24 incurred months. For the most recent 6 incurred months, the IBNP is calculated as the difference between an initial expected claim amount and what has been paid for that incurred month. For the last 12 incurred months, the IBNP is the difference between an incurred claim amount developed by completing paid claims and what has been paid. For the 7th to 12th incurred months, the incurred claim estimate is blended between the initial expected claims and the completed incurred claims. The IBNP for the 7th to 12th months is the difference between the incurred claims and the paid claims. The sum of the IBNP for the 24 incurred months is summed together to get the total IBNP. In addition, the Company provided their IBNP adequacy test (retrospective review of claims) which demonstrated the Company was slightly sufficient at year 2011 and slightly deficient at year 2012.

The Consulting Actuary reviewed the calculation of the IBNP for all business and it appeared reasonable. The allocation by legal entity also appeared reasonable. In addition, the trend of the liability appears reasonable.

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, Part 1 of the December 31, 2012 Annual Statement appears fairly stated, and has been accepted for examination purposes.

(4) Contract claims – Accident and health ($6,723,698)

The above-captioned amount, which is the same as that reported by the Company in its 2012 Annual Statement, is reported on Page 3, Line 4.2 and in Exhibit 8, Part 1, columns 9 through 12. The liability breakdown by type is as follows:

Liability Type	Total Gross	Reinsurance Ceded	Total Net
In course of settlement	$6,039,619	$0	$6,039,619
Incurred but unreported	684,079	0	684,079
Total	$6,723,698	$0	$6,723,698

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, 2012 Annual Statement. No discrepancies were noted. In addition, the trend of the liability appears reasonable and the Accident & Health claim adequacy test was sufficient for 2012 with a small deficiency for 2013.

Based on the above discussion and analysis, the Consulting Actuary concluded that total claim reserves as reported on Page 3, Line 4.2 and in Exhibit 8 of the 2012 Annual Statement appears fairly stated, and has been accepted for examination purposes.

SUMMARY OF RECOMMENDATIONS

1. It is recommended that the Company ensure execution of its reinsurance contracts in accordance with 18 Del. Admin Code §1001 (5) on a going forward basis. (Reinsurance, page 29)

2. 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 Findings – Records Retention, page 32)

3. It is recommended that the Company comply with 18 Del. C. §320(c) by maintaining copies of the accounts, records, documents, files, and information relating to the subject of the examination to facilitate the examination. (Management and Control – Conflicts of Interest, page 15; Accounts and Records – Accounts and Records Findings – Records Retention, page 33)

4. It is recommended that future Actuarial Opinion Memorandums (AOM) should:

    i. Include a Statement of Actuarial Opinion (SAO) that specifies the AAT methods used for reserves and liabilities by statement item and that there is consistency between the SAO and the AOM.
    ii. Discuss the treatment of Federal Income Taxes in the Gross Premium Valuation and how this is reflected in the choice of the discount rate. (Notes to Financial Statements – Liabilities, page 40)

CONCLUSION

The following schedule shows a comparison of the results from the December 31, 2012 examination to the December 31, 2007 Annual Statement, with changes between:

Description	**December 31, 2007**	**December 31, 2012**	**Increase (Decrease)**
Assets	$ 314,839,019	$ 450,625,056	$ 135,786,037
Liabilities	$ 273,307,638	$ 425,078,350	$ 151,770,712
Common capital stock	5,002,500	5,002,500	0
Gross paid in and contributed surplus	79,497,500	119,497,500	40,000,000
Unassigned funds (surplus)	(42,968,619)	(98,953,294)	(55,984,675)
Total Capital and Surplus	41,531,381	25,546,706	(15,984,675)
Total Liabilities, Capital and Surplus	$ 314,839,019	$ 450,625,056	$ 135,786,037

Note: The balances reported for December 31, 2007 do not reflect the results of the financial examination performed as of December 31, 2007.

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
Examiner-In-Charge
State of Delaware
Northeastern Zone, NAIC