EXAMINATION REPORT

OF

SCOR GLOBAL LIFE USA REINSURANCE COMPANY

AS OF

DECEMBER 31, 2020

TRINIDAD NAVARRO
COMMISSIONER

STATE OF DELAWARE
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION

OF

SCOR GLOBAL LIFE USA REINSURANCE COMPANY

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.

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. 21.024, dated February 19, 2021, an examination has been made of the affairs, financial condition and management of

SCOR GLOBAL LIFE USA REINSURANCE COMPANY

hereinafter sometimes referred to as the Company or SGLUSA. 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 SGLUSA. 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. 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 originally organized in the State of Delaware under a Certificate of Incorporation dated July 13, 1982, as The Mercantile and General Life Reassurance Company of America.

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

On November 22, 1996, Swiss Reinsurance Company of Zurich Switzerland (Swiss Re) acquired all outstanding shares of the Company from Prudential Corporation plc. As part of the transaction, the Parties executed a "Transfer and Assumption Agreement" on December 31, 1997. Pursuant to this agreement, the Company's entire reinsurance business was transferred and novated to Swiss Re Life and Health America, Inc. with the prior approval of the Michigan Insurance Bureau. The Company conducted no insurance operations from this date until May 1, 2003.

On December 23, 1998, Sun Life Assurance Company of Canada (Sun Life) acquired all outstanding shares of M&G Holdings, which owned all outstanding shares of the Company. On February 19, 1999, the Company's name was changed to Sun Life of Canada Reinsurance Company (U.S.).

On April 10, 2000, the Company was acquired by Clarica Reinsurance Holdings, Inc. from Sun Life. The Company's name was changed to Clarica Life Reinsurance Company. On February 13, 2002, the Company was acquired by Assicurazioni Generali, S.p.A. (Generali) Italy's largest insurer.

On May 1, 2003, the Company entered into an Assumption Reinsurance and Coinsurance Agreement with Business Men's Assurance Company (BMA), thus assuming 100% of BMA's rights, duties, risks, liabilities and obligations under or related to BMA's reinsurance block of business. This block of business provided the foundation for the current operations for the Company.

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

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

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

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

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

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

On March 31, 2019, SGL SE and SCOR Global P&C 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 10,000 shares of common stock, par value $1,000 per share. As of December 31, 2020, 10,000 shares of common stock issued and outstanding at $1,000 per share par value represented the Company's common capital stock, for a total outstanding of $10,000,000. All common stock shares of the Company are owned by SGLUSA Holdings.

As of December 31, 2020, the Company reported capital and surplus of $176,438,552, as well as contributed surplus of $99,777,861. During the period under examination, the Company did not receive any capital contributions from its Parent; however, changes in capital were recorded as dividends paid by the Company to its Parent, SGLUSA Holdings, presented as a return of capital.

Dividends

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

Year	Dividends	
2017	$ 32,302,873	(1)
2018	$ 26,713,752	(2)
2019	$ 25,438,950	(3)
2020	$ 22,780,390	(4)

(1) On May 11, 2017, the Company paid an extraordinary dividend as a return of capital to SGLUSA Holdings of $32,302,873. Approval was received from the Department on July 5, 2017.
(2) On July 10, 2018, the Company paid an extraordinary dividend as a return of capital to SGLUSA Holdings of $26,713,752. Approval was received from the Department on July 31, 2018.

(3) On July 16, 2019, the Company paid an extraordinary dividend as a return of capital to SGLUSA Holdings of $25,438,950. Approval was received from the Department on August 7, 2019.
(4) On July 17, 2020, the Company paid an extraordinary dividend as a return of capital to SGLUSA Holdings of $22,780,390. Approval was received from the Department on August 1, 2020.

Surplus Notes

SGLUSA entered into a Surplus Note Agreement with SFLIC effective September 1, 2016, wherein SGLUSA provided funds of $45 million to SFLIC in exchange for a 20-year Surplus Note with interest rate of 4.6% per annum.

SGLUSA entered into a Surplus Note Agreement with SFLIC effective October 1, 2017 wherein SGLUSA provided $45 million to SLFIC in exchange for a 20 year Surplus Note with interest rate of 4.417% per annum.

MANAGEMENT AND CONTROL

Directors

Pursuant to the General Corporation Laws of the State of Delaware and implemented by the Company's Amended and Restated Certificate of Incorporation and Amended 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 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:

Name and Location	Principal Occupation
Denis Jean Marie Kessler [1,2,4] Paris, France	Chairman and Chief Executive Officer SCOR SE
Jerry Michael de St. Paer Celebration, Florida	Chief Financial Officer Kairos Acquisition Corp.
Paul Edmund Rutledge III Charlotte, North Carolina	Independent Director Retired
Ingrid Elisabeth Clarisse Carlou Mexico City, Mexico	Independent Director Retired
Pierre André Chiappori New York, New York	Professor of Economics Columbia University
Kathleen Theresa McGahran Palm Beach Shores, Florida	Independent Director Retired
Paolo nmn De Martin [3,5] Zurich, Switzerland	Chief Executive Officer SCOR Global Life
Ian John Kelly [2,4] Hertfordshire, United Kingdom	Chief Financial Officer SCOR Group

(1) Effective July 1, 2021, Denis Kessler resigned from his position as a member of the Board of the Company.
(2) 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.
(3) Effective September 2, 2021, Paolo De Martin resigned from his position as a member of the Board of the Company.
(4) Effective February 18, 2022, Frieder Knuepling 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.
(5) Effective February 18, 2022, John Charles Brueckner was appointed to serve as a member of the Board.

Committees

Article V of the Amended bylaws, states that the Board, 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 of 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 bylaws, further states that the Board, by resolution adopted by a majority of the Board, shall appoint an Audit Committee, which shall consist of not less than two (2) Directors and not more than five (5) members, being all members of the Board. Further, the Audit Committee shall have such other powers as may lawfully be delegated to it by the Board, not in conflict with specific powers conferred by the Board upon any other committee appointed by it.

On October 23, 2013, 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 existing Audit Committee of SGLA, consisting of three (3) independent members of the SGLA Board, as the Audit Committee of the Company. The Audit Committee of SGLA was established on February 18, 2010, in accordance with 18 *Del. Admin. C.* §301 "Audited Financial Reports." As of December 31, 2020, the following SGLA directors were members of the Audit Committee:

Name and Location	Principal Occupation
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

In addition to the Executive and Finance Committee and the Audit Committee, the Board by resolution adopted by majority of the Board, may designate such other committees, as it deems appropriate. Each committee shall have and exercise only that authority of the Board delegated to it by the resolution creating such committee, except that no such committee shall have the authority of the Board in reference to matters denied to the Executive and Finance Committee in Section 5.01 of Article V.

On 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:

Name and Location	Principal Occupation
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 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:

Name	Title
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.

<u>Corporate Records</u>

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:

Company	Domicile	% own
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, per local regulations.
(3) SCOR owns 1.0% per local regulations.

Agreements with Affiliates

Service Agreement

Effective December 1, 2016, the Company entered into a Service Agreement among SGLA, SGLDE, 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 (SCOR Advantage) and SCOR Global Life SE (Canada Branch) (SCOR Canada). The agreement was amended November 17, 2017 and 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

Effective July 1, 2019, the Company entered into a Short-Term Facility Agreement between SCOR, SGLA, SGLDE, 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:

Description	Effective Date
Capital Maintenance Agreement (1)	September 24, 2013
Parental Guarantee Agreement (1)	October 1, 2013
Share Recharge Agreement (2)	December 31, 2013
Parental Guarantee Cost Allocation Agreement (1)	January 1, 2014
Compensation Agreement (3)	July 15, 2014
Amended and Restated Tax Allocation Agreement (4)	December 15, 2014
Master Service Agreement (5)	January 1, 2015
Reinsurance Cooperation Agreement (6)	August 1, 2016
Surplus Note Agreement (7)	September 1, 2016
Amended and Restated Service Agreement (8)	December 1, 2016
Amended and Restated Service Agreement (9)	June 1, 2018

(1) Parties to this agreement include SGLUSA and SCOR.
(2) Parties to this agreement include SGLUSA, SGLA, SCOR and other affiliated companies. The original agreement was effective January 1, 2011. It was amended effective December 31, 2013 to add SGLUSA a subscribing member, and January 1, 2014, to add SGLA as a subscribing member.
(3) Parties to this agreement include SGLUSA, SGLA and Quantitative Data Solutions, LLC.
(4) Parties to this agreement include SGLA, SGLUSA, SGLDE, SLAC, SLRC, SFLIC, SGLUSA Holdings, SGL Barbados and SGLAH.
(5) Parties to this agreement include SCOR, SGLA, SGLDE, SGLUSA and other affiliated companies.
(6) Parties to this agreement include SGLUSA and ReMark International B.V.
(7) Parties to this agreement include SGLUSA and SFLIC
(8) Parties to this agreement include SLGUSA, SGLA, SGLDE, SGLRI, SLRC, ASLAC, SFLIC, SCOR Advantage, and SCOR Canada.
(9) Parties to this agreement include SGLUSA, SGLA, SGLDE, SGLRI, SCOR Canada, SLRC, SLAC, SFLIC. SGLAH, and SCOR Advantage.

TERRITORY AND PLAN OF OPERATION

Territory

As of December 31, 2020, the Company was licensed in 50 states and the District of Columbia. Of those 50 states, the Company was qualified as an accredited reinsurer in 25 states and the District of Columbia.

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

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

Plan of Operation

The Company is a professional reinsurer and as such, has no direct written business. The Company is engaged in the business of life, health, and credit life and credit health reinsurance. The Company assumes primarily life business from affiliated and non-affiliated companies, along with group life and accident and health business and an insignificant amount of individual disability income premium.

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 utilizes its own sales resources to distribute its reinsurance solutions to client companies in the U.S. Four sales roles (Regional Vice Presidents) 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. The Company does not routinely utilize life reinsurance brokers (intermediaries), as this is not common practice in the life reinsurance markets. On occasion a client will choose to utilize an intermediary and the Company will work with the intermediary and directly with the life insurance company to provide a reinsurance proposal. On the rare occasion when an intermediary is used to help place Individual Life business, the intermediary represents the interest of the cedent and not the interest of the Company, has no privity of contract with the Company and is compensated by the ceding company it represents and not by the Company. The Company'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)	(237,067)
Reinsurance assumed (from non-affiliates)	1,979,170,476
Total direct and assumed	$ 1,978,933,409
Reinsurance ceded (to affiliates)	(1,531,375,718)
Reinsurance ceded (to non-affiliates)	(136,305,547)
Net premium written	$ 311,252,144

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

Assumed

The Company assumes risk from third party ceding companies primarily in the United States. The Company's current assumed business primarily 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 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:

As part of the MTA, upon close of the transaction, all business that was retroceded to the former Generali parent or Generali Bermuda was to be recaptured by the Company and then immediately retroceded to SLAC and SGLRI, two SCOR captives. On October 2, 2013, all business retroceded was recaptured by SGLUSA, and retroceded to SLAC and SGLRI. In addition, a large portion of the existing business that had been retained by the Company prior to the acquisition was likewise retroceded to SLAC and SGLRI.

Retrocession Agreement between SGLUSA and SLAC

Effective upon approval of the Form A between Generali and SCOR, October 2, 2013, SGLUSA and Generali Reassurance (Bermuda) entered into a Recapture Agreements for treaties being ceded to Bermuda. On that same day SGLUSA entered into a Retrocession Agreement with SLAC for that same business to be ceded to SLAC, net of collectible third party reinsurance. Effective July 1, 2019, and June 30, 2020, SGLUSA entered into a series of amendments to restructure certain blocks of business flowing to both SLAC and SLI in an effort to create operational efficiencies in the administration of this business. The agreement with SLAC is a grandfathered reinsurance agreement that is not subject to AG38.

Retrocession Agreement between SGLUSA and SGLRI

SGLUSA and SGLRI entered into a Retrocession Agreement effective October 2, 2013, whereby SGLUSA retroceded on a coinsurance basis, specified blocks of business. Effective January 1, 2018, SGLUSA recaptured certain blocks of business previously retroceded to SGLRI and immediately retroceded this business to SLI. Effective January 1, 2020, SGLUSA recaptured certain blocks of business previously retroceded to SGLRI and immediately retroceded the business to SLI.

In addition to the aforementioned retrocessions, which were part of the original MTA, the Company has entered into other affiliated retrocession agreements.

Retrocession Agreement between SGLUSA and SLI

Effective January 1, 2018, SGLUSA recaptured certain blocks of business previously retroceded to SGLRI and immediately retroceded the business to SLI. As noted above, effective July 1, 2019, January 1, 2020, and June 30, 2020, SGLUSA entered into a series of amendments to restructure certain blocks of business flowing to both SLAC and SLI in an effort to create operational efficiencies in the administration of this business.

Retrocession Agreement between SGLUSA and SFLIC

Effective January 1, 2015, SGLUSA entered into a Retrocession Agreement with SFLIC for certain open blocks of business, net of collectible third party reinsurance. Amendment 1 provides for an administrative fee to be added to the agreement. Effective December 31, 2015, SGLUSA entered into a Recapture Agreement with SFLIC to recapture 80% of one treaty being ceded to SFLIC. 20% of that Treaty will remain ceded to SFLIC and the 80% recaptured with in turn be retroceded from SGLUSA to SGLRI. Effective July 1, 2016, SGLUSA entered into Amendment 2 to the Retrocession Agreement to include a certain block of business the Company currently cedes 40% of the block to third party reinsurers. That 40% block will now be ceded to SLFIC. Amendment 3, effective January 1, 2018, changes the definition of "Covered Life Business". Effective May 2018, 25% of the 40% block of business was recaptured by SGLUSA and retroceded to third party reinsurers. Leaving 15% of that block of business being reinsured by SFLIC.

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, NAIC Handbook and applicable Statement of Statutory Accounting Principles. 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	$ 376,814,471	$ -	$ 376,814,471	
Stocks				
Common stocks	684,500		684,500	
Cash and cash equivalents	54,496,912		54,496,912	
Other invested assets	103,023,652		103,023,652	
Subtotals, Cash and Invested Assets	$ 535,019,535	$ -	$ 535,019,535	
Investment income due and accrued	2,570,898		2,570,898	
Premiums and considerations				
Uncollected premiums and agents' balances in course of collection	97,315,183		97,315,183	
Reinsurance				
Amounts recoverable from reinsurers	35,797,444		35,797,444	
Funds held by or deposited with reinsured companies	105,237,583		105,237,583	
Other amounts receivable under reinsurance contracts	32,019,435		32,019,435	
Amounts receivable related uninsured plans			-	
Current federal and foreign income tax recoverable and interest thereon	13,290,071		13,290,071	
Net deferred tax asset	8,944,329	6,632,635	2,311,694	
Guaranty funds receivable or on deposit	-		-	
Electronic data processing equipment and software	4,162,595		4,162,595	
Furniture and equipment, including health care delivery assets	562,901	562,901	-	
Receivable from parent, subsidiaries and affiliates	-		-	
Health care and other amounts receivable	-		-	
Aggregate write-ins for other than invested assets	1,144,727		1,144,727	
Total assets excluding Separate Accounts	$ 836,064,701	$ 7,195,536	$ 828,869,165	
From Separate Accounts				
Total Assets	$ 836,064,701	$ 7,195,536	$ 828,869,165	

			Note
Aggregate reserves for life contracts	$	232,888,900	1
Aggregate reserves for accident and health contracts		14,833,426	1
Contract claims			
Life		60,432,208	1
Accident and Health		22,609,929	1
Contract liabilities no included elsewhere			
Surrender values on canceled contracts		-	
Provision for experience rating refunds		-	
Other amounts payable on reinsurance		-	
Interest Maintenance Reserve		29,302,293	
Commissions and expense allowances payable on reinsurance assumed		25,698,197	
General expenses		34,612,671	
Remittances and items not allocated		180,162,695	
Asset valuation reserve		3,393,765	
Reinsurance in unauthorized and certified companies		14,584,689	
Funds held under reinsurance treaties with unauthorized and certified reinsurers		-	
Payable to parent, subsidiaries, and affiliates		33,862,832	
Drafts outstanding		-	
Liability for amounts held under uninsured plans		-	
Funds held under coinsurance		-	
Derivatives		49,008	
Payable for securities		-	
Payable for securities lending		-	
Capital notes		-	
Aggregate write ins for liabilities		-	
Total liabilities excluding Separate Accounts	$	652,430,613	
From Separate Accounts Statement		-	
Total Liabilities	$	652,430,613	
Common capital stock		10,000,000	
Gross paid in and contributed surplus		99,777,861	
Unassigned funds (surplus)		66,660,692	
Total Capital and Surplus	$	176,438,552	
Totals	$	828,869,165	

Statement of Income
For the Year Ended December 31, 2020

Premiums and annuity considerations for life and accident and health contracts	$	318,719,814
Net investment income		17,723,509
Amortization of Interest Maintenance Reserve		2,424,919
Commissions and expense allowances on reinsurance ceded		203,300,358
Miscellaneous Income		
Aggregate write ins for miscellaneous income		1,424,308
Total	$	543,592,908
Death benefits	$	148,346,101
Disability benefits and benefits under accident and health contracts		29,580,224
Surrender benefits and withdrawals for life contracts		374,886
Increase in aggregate reserves for life and accident and health contracts		62,424,468
Total	$	240,725,679
Commissions on premiums, annuity considerations and deposit type contract funds		213,815,952
Commissions and expense allowances on reinsurance assumed		79,762,251
General insurance expenses		(1,336,543)
Aggregate write ins for deductions		(2,948,902)
Total	$	530,018,438
Net gain from operations before dividends to policyholders and federal income taxes	$	13,574,470
Dividends to policyholders		4,117
Net gain from operations after dividends to policyholders and before federal income taxes	$	13,570,353
Federal and foreign income taxes incurred		5,579,191
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains/(losses)	$	7,991,162
Net realized capital gains/(losses)		124,854
Net Income	$	8,116,016

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	$ 10,000,000	$ 207,013,826	$ 116,014,906	$ -	$ 333,028,732
Operations 2017 [1,2]	-	(32,302,873)	(23,588,341)	-	(55,891,214)
Operations 2018 [1,3]	-	(26,713,752)	13,965,736	-	(12,748,016)
Operations 2019 [1,4]	-	(25,438,950)	(1,146,651)	-	(26,585,601)
Operations 2020 [1,5]	-	(22,780,390)	(38,584,958)	-	(61,365,348)
December 31, 2020	$ 10,000,000	$ 99,777,861	$ 66,660,692	$ -	$ 176,438,553

(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) On August 21, 2017, the Company paid an extraordinary dividend in the amount of $32,302,873 to its sole shareholder SGLUSA Holdings. On July 5, 2017, the Department provided approval for payment of the extraordinary dividend, in the form of a return of paid in capital.

(3) On August 31, 2018, the Company paid an extraordinary dividend in the amount of $26,713,752 to its sole shareholder SGLUSA Holdings. On July 31, 2018, the Department provided approval for payment of the extraordinary dividend, in the form of a return of paid in capital.

(4) On August 26, 2019, the Company paid an extraordinary dividend in the amount of $25,438,950 to its sole shareholder SGLUSA Holdings. On August 7, 2019. the Department provided approval for payment of the extraordinary dividend, in the form of a return of paid in capital.

(5) On August 17, 2020, the Company paid an extraordinary dividend in the amount of $22,780,390 to its sole shareholder SGLUSA Holdings. On August 1, 2019. the Department provided approval for payment of the extraordinary dividend, in the form of a return of paid in capital.

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	$232,888,900
Aggregate reserves for accident and health contracts	$14,833,426
Contract claims:	
Life	$60,432,208
Accident and health	$22,609,929

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.

Extraordinary Dividend Payment

On December 22, 2022, the Company requested approval from the Department for the payment of an extraordinary dividend in the amount of $16,643,855 in the form of a return of capital to SGLUSAH. Approval was received from the Department on December 27, 2021, and dividend payment was settled on January 27, 2022.

SCOR SE Asset Management Agreement

Effective January 1, 2021, the Company, SGLDE, SGLA, 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.

Affiliate Retrocession Reinsurance Recaptures

Recapture of Affiliated Retrocession between SGLUSA, SLAC and SLI

Effective March 31, 2021, the Company recaptured certain blocks of business previously retroceded to an affiliate, SLAC, and immediately retroceded this business to another affiliate, SLI. The recapture and subsequent retrocession transactions are considered to have occurred contemporaneously with no impact to earnings or capital and surplus.

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 the recapture by TFLIC, the subject business will be novated to SGLUSA via a novation agreement between SGLUSA, TFLIC, and the underlying client. Following the novations 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. 21.024.

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