



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF THE LIQUIDATION :
OF SCOTTISH RE (U.S.), INC. : C.A. 2019-0175-JTL
: _____ :
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**RECEIVER'S VERIFIED MOTION TO APPROVE
A RELEASE AND SETTLEMENT AGREEMENT AND RECAPTURE
AGREEMENT WITH SCOTTISH RE (DUBLIN) dac**

The Honorable Trinidad Navarro, Insurance Commissioner of the State of Delaware, (the "Commissioner") in his capacity as the Receiver (the "Receiver") of Scottish Re (U.S.), Inc., in Liquidation ("SRUS"), hereby moves (the "Motion") this Honorable Court pursuant to 18 *Del. C.* § 5902, for an Order Approving the settlement with Scottish Re (Dublin) dac ("SRD") (the "Settlement") that ends the business relationship and resolves all issues between them, as reflected in the terms and conditions of the attached Settlement and Release Agreement (the "Release Agreement") (attached hereto as Exhibit 1), and the Recapture and Termination Agreement (the "Recapture Agreement") (attached hereto as Exhibit 2) and together with the Settlement and Release Agreement, the "Settlement Agreements"). In support of this Motion, the Receiver states the following:

I. RELEVANT BACKGROUND

a. Corporate Structure

1. SRUS, prior to liquidation, was a Delaware domiciled insurance company licensed by the Delaware Department of Insurance as a stock life and health reinsurance company. SRUS was a wholly owned subsidiary of Scottish Holdings, Inc. ("SHI"), a Delaware corporation. SHI is a wholly owned subsidiary of Scottish Annuity & Life Insurance Company (Cayman) Ltd. ("SALIC"), a Cayman

Islands company and the Company's indirect parent. SALIC is a wholly owned subsidiary of Scottish Re Group Limited ("SRGL"), also a Cayman Islands company and SRUS's ultimate parent.

2. SRD is also a direct wholly owned subsidiary of SALIC, and thus, prior to SRUS's liquidation, was an affiliated reinsurer to SRUS.

b. The Delinquency Proceedings of SRUS

3. On March 6, 2019, this Honorable Court entered the Rehabilitation and Injunction Order in this matter (the "Rehabilitation Order"). The Rehabilitation Order, *inter alia* and consistent with 18 *Del. C.* ch. 59 of the Delaware Insurance Code (Delaware's version of the Uniform Insurer's Liquidation Act (the "DUILA"),¹ found that: SRUS was impaired and in an unsound condition; placed SRUS into rehabilitation; and appointed the Commissioner as the Receiver. Rehabilitation Order, ¶¶ 4 -17.

4. On July 18, 2023, SRUS was determined to be insolvent and placed into liquidation by a Liquidation and Injunction Order (the "Liquidation Order").

5. The Liquidation Order contains several injunctive provisions including the injunction and stay of recaptures without the prior written permission of the Receiver or until further order of this Court. Liquidation and Injunction Order, ¶ 14.

¹ Although all of Title 18, Chapter 59, of the Delaware code is devoted to insurance delinquency regulation, technically only Sections 5901(2)-(13), 5902, 5903, and 5913–5920 form the DUILA. See 18 *Del. C.* § 5920(a); *In re Liquidation of Freestone Ins. Co.*, 143 A.3d 1234, 1243 at n. 5 (Del. Ch. 2016).

c. The SRD Treaties

6. SRD's sole business and source of income (aside from investment income) arises from the two reinsurance treaties described below, collectively referred to as the "SRD Treaties": (Affidavit of Katrina Lynch, (hereinafter "Lynch Aff."), attached hereto as Exhibit 3, ¶ 3).

- i. The Penn Mutual Treaty is a modified coinsurance reinsurance agreement with SRUS for the reinsurance of business originally ceded to SRUS by Penn Mutual Life Insurance Company (Harbourton). Under this agreement, certain individual single premium deferred annuities, as well as individual flexible premium deferred annuities, are coinsured by SRUS. SRUS maintains the statutory reserves on this business and holds assets supporting those reserves, subject to quarterly adjustments, in a reference portfolio referred to as the Penn Mutual Funds Withheld account at SRUS related to the ModCo Treaty No. 8030 (the "Penn Mutual FW Account").
- ii. The Yearly Renewable Term Treaty ("YRT Treaty") is a yearly renewable term reinsurance agreement pursuant to which SRD assumed from SRUS the risk for death benefit amounts in excess of \$500,000 and up to \$3 million per underlying risk. The underlying policies primarily consist of guaranteed level premium term life insurance issued in 2004.² SRD has created a Reserve Credit Trust account at the Bank of New York Mellon (the "RCT Account") related to the YRT Treaty No. 8096 pursuant to that certain Reinsurance Trust Agreement among SRD, as grantor, the Bank of New York Mellon as trustee and SRUS as beneficiary in order to secure SRD's obligations to SRUS under the Yearly Renewable Term Treaty.

d. SRD Regulation

7. SRD is regulated by the Central Bank of Ireland (the "Central Bank") in accordance with the requirements of the European Union (Insurance and

² Guaranteed level premium term life insurance includes a guarantee that annual premiums will not increase and coverage will not be terminated for a stated number of years, provided that the policyholder continues to pay the required premium.

Reinsurance) Regulations 2015 (as amended) (the “2015 Regulations”), which, *inter alia*, define minimum requirements for certain liabilities, assets backing those liabilities, and surplus. The Central Bank is responsible for the prudential supervision and regulation of (re)insurance undertakings authorized in Ireland to ensure compliance with regulatory requirements. The Central Bank additionally has the authority to petition the Irish High Court to appoint an administrator (broadly equivalent to a receiver/liquidator in the United States) over a company’s operations. (Ex. 3, Lynch Aff., ¶ 4).

8. The 2015 Regulations require SRD to maintain a certain minimum level of capital (“Minimum Capital Requirement” or “MCR”). As a company’s financial condition deteriorates, the Central Bank will begin a tiered approach to intervention, with the level of regulatory action increasing the more likely it is that the company will be non-compliant with its MCR. Once a company is non-compliant with its MCR or does not otherwise maintain sufficient assets to cover its technical provisions (i.e., insurance reserves) and the company does not have an appropriate plan in place to restore its solvency capital to above its MCR, the Central Bank can employ more severe interventions, including withdrawing the company’s license to conduct business, restricting its disposition of assets, and suspending its making of payments. (Ex. 3, Lynch Aff., ¶ 5).

9. On November 28, 2019, and annually since that date, the Central Bank has issued “letters of direction” (the “Letters of Direction”) to SRD in response to its weakening financial condition, directing SRD not to make any payments or transfer

any of its assets to any Scottish Re group of companys entity or enter into transactions outside the normal course of business without first notifying the Central Bank of its intention to do so, and directing SRD to cease writing all new contracts of reinsurance. (Ex. 3, Lynch Aff., ¶ 6).

10. SRD has no ability to recapitalize, and no means to prevent the worsening of its MCR non-compliance. In the past, SRD could have called upon SALIC for capital support under the Net Worth Maintenance Agreement (“NWMA”) between SRD and SALIC for SRD to receive capital from SALIC and restore SRD’s MCR to 100%. However, due to the Chapter 7 proceedings in the United States Bankruptcy Court for the District of Delaware, the Chapter 7 trustee for SALIC is not in a position to provide additional capital to SRD whether under the NWMA or otherwise. (Ex. 3, Lynch Aff., ¶ 7).

11. SRD submitted its short-term realistic finance scheme to the Central Bank, which contemplated an orderly wind-up of SRD’s operations through the consensual recapture of the SRD Treaties by SRUS, revocation of SRD’s authorization as a reinsurance undertaking from the Central Bank, and then liquidation. (Ex. 3, Lynch Aff., ¶ 8).

12. The Central Bank has informed SRD that it has no objection to the proposed finance scheme and SRD’s objective for a solvent liquidation through a consensual recapture of the SRD Treaties pursuant to the Settlement Agreements (Ex. 3, Lynch Aff., ¶ 9).

e. The Dispute

13. After entry of the Rehabilitation Order, the Receiver began placing reinsurance premiums to SRD under the YRT Treaty into the RCT Account. This was done in recognition of SRD's potential inability to pay claims, and to safeguard the ability to recover amounts ultimately due to SRUS under the RCT Treaty.

14. To date, the Receiver has placed approximately \$3,908,729 into the RCT Account. In addition, SRUS has not paid SRD the third quarter 2023 net premium of \$646,852 for the YRT Treaty. (Affidavit of Randall Barber ("Barber Aff."), attached hereto as Exhibit 4, ¶ 5-7).

15. The terminal obligations of SRD under the YRT Treaty are approximately \$2.22 million (Affidavit of Ryan Fuhs ("Fuhs Aff."), attached hereto as Exhibit 5, ¶¶ 9-13).

16. SRD has asserted that the funds in the RCT Account in excess of the obligations of SRD under the YRT Treaty are not property of SRUS's estate; and/or, in the alternative, that SRD is entitled to such funds by virtue of its holding a secured claim against such funds. This amount is approximately \$3.5 million.³

17. SRUS contends that while SRD has a claim of approximately \$3,500,000 for amounts placed by SRUS into the RCT Account as a proof of claim,⁴ that amount in the RCT Account is not a secured claim under the Trust Agreement

³ The market value of the trust as of 12/31/23 is \$ 6,602,741 million (Barber Aff. ¶ 10). The amount due under the YRT Treaty is approximately \$2.22 million. The amount due under the Penn Mutual treaty (\$0.89 million) would also be offset from the trust funds.

⁴ Premiums paid into RCT Account (\$3.91 million) minus \$0.41 million RCT Account deficiency (*see* Note, 8, *infra*). SRD would have an additional Proof of Claim for approximately \$646,000 in unpaid net premiums for the third quarter of 2023. (Barber Aff., ¶ 7).

or 18 *Del. C.* § 5918(d), nor is it property of the estate, but instead is a general asset of the SRUS estate.

18. In order to settle their disputes, and as a matter of comity to the Central Bank, the Receiver and SRD have agreed to the Settlement Agreements, pursuant to which SRD is to receive \$1,000,000 from the RCT Account, with SRD waiving any other claim to the balance (\$5,600,000) and consenting to disbursement of the balance to SRUS. In addition, SRD releases all claims to the Penn Mutual FW Account and releases all other claims as to SRUS, including any proofs of claim, with the exception of SRD’s rights under the Settlement Agreements.

19. The below chart shows the results if: (a) SRUS’s position prevails; (b) SRD’s position prevails; and (c) Settlement is approved:

	<u>SRUS Position</u>	<u>SRD Position</u>	<u>Settlement</u>
Mkt. Value of RCT Account	\$6.60 million (Barber Aff. ¶ 10)	\$6.60 million	\$6.60 million
Amount due SRUS under RCT Treaty	\$2.22 million (Fuhs Aff., ¶¶ 9-13)	\$2.22 million	n/a
Amount due SRUS under Penn Mutual Treaty	\$0.89 million ⁵	\$0.89 million	n/a
“Overage” in RCT Account	\$0 ⁶	\$3.5 million ⁷	\$0
Payment from RCT Account to	\$0	\$3.5 million	\$1 million

⁵ Amount due for GPV of Penn Mutual Treaty (\$0.88 million) (Fuhs Aff., ¶¶ 14-17) plus unpaid amount due from SRD for Second and Third Quarter not settled on Penn Mutual Treaty (\$11,271) (Barber Aff., ¶ 9).

⁶ The value placed into the RCT Account by SRUS (\$3.91 million) exceeds the value remaining in the RCT Account after payment of the \$3.1 million due SRUS (\$3.5 million).

⁷ RCT Account value (\$6.60 million) minus SRD obligation (\$2.22 million). Also includes offset in favor of SRUS of \$880,000 due under Penn Mutual Treaty.

SRD			
Cash to SRUS	\$6.60 million	\$3.1 million ⁸	\$5.6 million
SRD Class VI Proof of Claim	\$4.15 million ⁹	\$ 0.65 million ¹⁰	\$0

20. The settlement amount provides SRD with sufficient funds to wind up its operations under Irish law, while still providing a substantial economic benefit to SRUS, by virtue of its payment and the elimination of the uncertainty of recovery by SRUS, the release of a significant proof of claim, and avoidance of litigation costs.

21. The Settlement is effectuated by two Agreements: (a) the Recapture Agreement (Ex. 2) by which SRUS agrees as Retrocedent to take back all of the reinsured business from SRD as Retrocessionaire, and the Release Agreement (Ex. 1), in which the payments and releases discussed above are set forth

II. Terms of the Agreements

22. The Receiver and SRD have agreed to a recapture of the SRD Treaties, subject to the approval of the Court of Chancery, in which SRD transfers the liabilities associated with the SRD Treaties, together with the related assets, to SRUS, in exchange for SRUS's authorization to transfer \$1,000,000 from the RCT Account to SRD, releasing all other claims between them (the "Settlement").

23. The key terms of the two Settlement Agreements are as follows:

⁸ Amount due to SRUS under RCT Treaty (\$2.22 mm) and Penn Mutual Treaty (\$0.89 million).

⁹ Unpaid premiums (\$4.56 million) minus \$.41 million RCT Account deficiency (\$6.6 million RCT value minus \$3.91 million paid into RCT by SRUS minus \$3.1 million due SRUS).

¹⁰ Unpaid Third Quarter 2023 premiums. (Barber Aff, ¶ 7).

- The Settlement Agreements are subject to the approval of the Court of Chancery in this Liquidation proceeding. (Ex. 1 (Release Agreement), ¶ 2.2; Ex. 2 (Recapture Agreement), ¶ 4.1).
- SRUS shall recapture¹¹ and assume one hundred percent (100%) of all liabilities ceded to SRD under the SRD Treaties, and shall terminate the SRD Treaties. (Ex 2 (Recapture Agreement), ¶¶ 2.1 – 2.3).
- As consideration to resolve all disputes arising from the SRD Treaties, including but not limited to the reinsured business, and to terminate their business relationship:
 - SRUS will authorize the transfer of \$1,000,000 to SRD (the “Settlement Payment”) from the RCT Account in two installments:
 - The first installment in the amount of \$650,000 has already been transferred from the RCT Account to a Bank of Ireland account identified by SRD (Ex. 1, Release Agreement, ¶ 2.3(i));
 - In the event Settlement is not approved, this amount is to be repaid into the RCT Account directly or offset against any amounts due from SRUS to SRD (Ex. 1, Release Agreement, ¶ 4.2(b)(ii));
 - The second installment in the amount of \$350,000 is to be transferred from the RCT Account to a Bank of Ireland account identified by SRD and shall be authorized, for immediate transfer, within five (5) business days of the entry of the Approval Order. (*Id.*, ¶ 2.3(ii)).
 - SRD will release any claims to the remaining funds in the RCT Account and the Penn Mutual FW Account to SRUS within one (1) business day of SRD’s receipt of the second installment, and acknowledges SRUS’s rights to such funds. (*Id.*, ¶ 2.4).
- Broad mutual releases by and to each of the parties to the Settlement Agreements. (Ex. 1 (Recapture Agreement), Section 3; Ex. 2 (Release Agreement), ¶ 5.1).

¹¹ “Recapture” as a provision in the Agreement allows SRUS as Retrocedent to take back all of the reinsured business from SRD as Retrocessionaire in accordance with the terms of the Settlement Agreements.

III. RELIEF REQUESTED

24. The Receiver seeks entry of an order approving the Settlement.

25. By statute, the Receiver has several core duties or activities that he and his deputies perform in administering the Estate with the goal being, in most instances, to collect and conserve Estate assets and to maximize the later payment of legitimate creditor claims under 18 *Del. C.* §5901, *et seq.* Approval of the Settlement serves that goal.

26. The Settlement Payment is fair and reasonable to the Estate of SRUS, with an outcome which is accretive to the SRUS estate. The Receiver's team has analyzed the Settlement and compared the Settlement outcome to potential outcomes pursuant to litigation and a claim process, and concluded that the benefit to the estate of the Settlement is a definite payment of approximately \$5,600,000, with the elimination of a Class VI claim (*i.e.* a claim that would receive some pro rata payment in liquidation).

27. The Settlement amount results in approximately \$2,500,000 more payment to SRUS (and the elimination of an additional Class VI claim of \$646,000) were SRD to prevail in its position. Conversely, were SRUS to prevail, the settlement results in a reduction in the amount received by \$1,000,000 but a release of \$4,150,000 in Class VI claims.

28. The entry into the Settlement also eliminates the possibility of an adverse determination, prevents litigation expenses and prevents delay in receiving the RCT Account assets into the general assets of the SRUS Estate.

29. Further, not entering into the Settlement Agreements would ultimately compel the Central Bank to petition the Irish High Court to appoint an administrator over SRD's operations. This would delay the timing and the amount of RCT account assets coming into the general SRUS Estate assets, and expenses incurred by the Receiver who would need to retain professionals to participate in the SRD proceeding.

30. Entry into the Settlement Agreements allows the orderly windup of SRD without intervention of the Central Bank, and is a reasonable exercise of comity between international insurance regulators.

31. The Settlement Payment is the product of protracted, good faith, and arm's-length negotiations between and among the parties. The Receiver's team has been receiving updates on the financial condition of SRD and the position of the Central Bank, and has been monitoring and negotiating the terms of the Settlement beginning during rehabilitation.¹²

32. For the reasons set forth above and in the Affidavit of Michael Johnson, Deputy Receiver, the release is fair and reasonable to the Estate of SRUS and is in the best interests of the SRUS estate, creditors and the public.

WHEREFORE, the undersigned attorney, on behalf of the Honorable Trinidad Navarro, Insurance Commissioner of the State of Delaware in his capacity as Receiver of SRUS, in Liquidation, respectfully requests that this Honorable Court:

¹² The Affidavit of Michael Johnson, Deputy Receiver of SRUS is attached hereto as Exhibit 6.

- (1) Find sufficient causes exists to support the conclusion that the Settlement Agreements are in the best interests of the SRUS estate, creditors and the public;
- (2) Grant the Receiver's Motion for Approval of the Settlement with SRD;
- (3) Authorize the Receiver and SRD to make take any and all steps necessary to effectuate the terms of the Settlement Agreements, and
- (4) grant such other relief as the Court deems just.

Dated: February 7, 2024

Respectfully submitted,

BAYARD, P.A.

/s/ GianClaudio Finizio

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IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF THE LIQUIDATION :
OF SCOTTISH RE (U.S.), INC. : C.A. 2019-0175-JTL
_____ :

**ORDER GRANTING THE RECEIVER'S VERIFIED MOTION TO APPROVE
RELEASE AND SETTLEMENT AGREEMENT AND RECAPTURE AGREEMENT
WITH SCOTTISH RE (DUBLIN) dac**

WHEREAS, the Honorable Trinidad Navarro, Insurance Commissioner of the State of Delaware (the "Commissioner") in his capacity as the Receiver ("Receiver") of Scottish Re (U.S.), Inc., in Liquidation ("SRUS"), has moved (the "Motion") this Honorable Court pursuant to 18 Del. C. § 5902, for an Order Approving the settlement with Scottish Re (Dublin) dac ("SRD") (the "Settlement") that ends the business relationship and resolves all issues between them, as reflected in the terms and conditions of the attached Settlement and Release Agreement (the "Release Agreement") (attached hereto as Exhibit 1), and the Recapture and Termination Agreement (the "Recapture Agreement") (attached hereto as Exhibit 2) and together with the Settlement and Release Agreement, the "Settlement Agreements");

WHEREAS, SRUS, prior to liquidation, was a Delaware domiciled insurance company licensed by the Delaware Department of Insurance as a stock life and health reinsurance company;

WHEREAS, on March 6, 2019, this Honorable Court entered the Rehabilitation and Injunction Order in this matter (the “Rehabilitation Order”), placing SRUS into receivership;

WHEREAS, on July 18, 2023, SRUS was determined to be insolvent and placed into liquidation by a Liquidation and Injunction Order (the “Liquidation Order”);

WHEREAS, SRD is also a direct wholly owned subsidiary of SALIC, and thus, prior to SRUS’s liquidation, was an affiliated reinsurer to SRUS;

WHEREAS, SRD’s sole business and source of income (aside from investment income) arises from the two reinsurance treaties with SRUS, in which SRD is the reinsurer;

WHEREAS, after entry of the Rehabilitation Order, the Receiver began placing reinsurance premiums to SRD an existing account securing SRD’s obligations to SRUS (the “RCT Account”). This was done in recognition of SRD’s potential inability to pay claims, and to safeguard the ability to recover amounts ultimately due to SRUS under the reinsurance treaty;

WHEREAS, a dispute has arisen between SRUS and SRD over the character of the funds placed by SRUS into the RCT Account, and whether those funds are general assets of the SRUS Estate, and/or whether SRD has a security interest in said amounts;

WHEREAS, SRUS and SRD have reached a settlement to resolve the claims between them, and reduced that settlement to two agreements: (1) a Settlement and

Release Agreement (the "Release Agreement") (attached to the Motion as Exhibit 1); and (2) the Recapture and Termination Agreement (the "Recapture Agreement") (attached to the Motion as Exhibit 2). Collectively the Release Agreement and the Recapture Agreement are referred to as the "Settlement Agreements";

WHEREAS, the Receiver's Motion seeks this Court's approval of the Settlement Agreements;

WHEREAS, this Court issued an Order to Show Cause to interested parties for such parties to file their objections, if any, to the Settlement Agreements and the Motion for Approval thereof;

WHEREAS, the interested parties did not object to the Settlement Agreements or the Motion, or their objections were overruled after a hearing on such objections;

WHEREAS, this Court finds that sufficient cause exists to support the conclusion that the Settlement Agreements are in the best interests of the SRUS estate, the creditors, and the public,

NOW, THEREFORE, IT IS HEREBY ORDERED as of the date this Order is entered on the docket of the above-captioned matter that:

1. The Receiver's Motion, including the exhibits thereto, contain sufficient evidence to support the conclusion that the Settlement Agreements are in the best interests of the SRUS Estate, the creditors, and the public.

2. The Receiver's Motion is hereby GRANTED.

3. The settlements set forth in the Settlement Agreements attached as Exhibit "1" and Exhibit "2" to the Receiver's Motion are hereby APPROVED and the Receiver is hereby AUTHORIZED and ORDERED to implement the terms thereof, subject to the provisions of such agreements and to execute any documents necessary for their implementation.

4. This Court shall retain jurisdiction over any matters relating to the implementation of this Order.

IT IS SO ORDERED.

J. Travis Laster
Vice Chancellor

Dated:



EXHIBIT 1

SETTLEMENT AND RELEASE AGREEMENT

THIS SETTLEMENT AND RELEASE AGREEMENT made as of the 18th day of January 2024 (this “Agreement”), by and between Scottish Re (Dublin) dac, a designated activity company with limited liability, under registered number 336357, and formerly known as Scottish Re (Dublin) Limited (“SRD”), and the Honorable Trinidad Navarro, Insurance Commissioner of the State of Delaware, in his capacity as the Receiver (the “Receiver”) of Scottish Re (U.S.), Inc., in Liquidation (“SRUS”), on behalf of SRUS itself, a reinsurance company domiciled in the State of Delaware, United States of America (“United States”), and SRUS as successor by merger to Scottish Re Life Corporation. SRD and the Receiver are sometimes collectively referred to herein as the “Parties” and individually as a “Party”.

RECITALS

WHEREAS, SRD is a life reinsurance company domiciled in the Republic of Ireland, regulated by the Central Bank of Ireland, and a wholly owned subsidiary of Scottish Annuity & Life Insurance Company (Cayman) Ltd., a Cayman Island domiciled life reinsurance company (“SALIC”). SALIC is in Chapter 7 proceedings in the United States Bankruptcy Court for the District of Delaware;

WHEREAS, SRUS is a life reinsurance company, domiciled in the State of Delaware, and regulated by the Delaware Department of Insurance. On March 6, 2019, SRUS was placed into rehabilitation by order of the Court of Chancery of the State of Delaware (the “Chancery Court”), pursuant to 18 *Del. Code*. ch. 59 and the Rehabilitation and Injunction Order entered by the Chancery Court. On July 18, 2023, the Chancery Court entered a Liquidation and Injunction Order (the “Liquidation Order”) pursuant to 18 *Del. C.* ch. 59 which, among other things, converted the rehabilitation of SRUS into a liquidation proceeding, and appointed the Honorable Trinidad Navarro, Insurance Commissioner of the State of Delaware, as the Receiver of SRUS;

WHEREAS, SRD and SRUS are parties to those certain reinsurance agreements, including any amendments thereto, that are identified below, pursuant to which SRUS cedes to SRD, and SRD assumes from SRUS, on both a yearly renewable term (YRT) basis and a modified coinsurance (MODCO) basis, liabilities under certain life insurance policies assumed by SRUS as identified in the reinsurance agreements (collectively the “Reinsured Business”);

WHEREAS, the Parties desire to settle any and all disputes arising from their business relationship, including but not limited to the Reinsured Business and to terminate their business relationship on the terms and conditions set forth herein (the “Settlement”); and

WHEREAS, the Parties intend to enter into this Agreement and the Ancillary Agreement (as defined below in Section 1 of this Agreement) in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

SECTION 1 DEFINITIONS

1.1. In this Agreement, the following terms shall have the following meanings:

- a. **“Agreement”** has the meaning set forth in the preamble hereto.
- b. **“Approval Order”** means a final order of the Chancery Court approving the Settlement.
- c. **“Ancillary Agreement”** means a certain Recapture and Termination Agreement between the Receiver on behalf of SRUS and SRD dated as of January 18, 2024, and any attachments thereto.
- d. **“Business Day”** means any day other than a Saturday, Sunday or other day on which banking institutions in the City of New York, New York are required or authorized by Law or executive order to be closed.
- e. **“Chancery Court”** has the meaning set forth in the recitals hereto. Chancery Court when used herein also refers to, or means, the liquidation proceedings of SRUS filed under the name and style *In the Matter of the Liquidation of Scottish Re (U.S.), Inc.*, C.A. No. 2019-0175-VCL in the Court of Chancery of the State of Delaware.
- f. **“Delaware Courts”** has the meaning set forth in Section 6.5.

- g. **“Designees”** when used in reference to the Receiver has the meaning set forth in paragraph 29 of the Liquidation Order.
- h. **“Effective Date”** with respect to the recaptures and terminations that are the subject of the Ancillary Agreement (Recapture and Termination Agreement) shall be as of September 30, 2023 at 11:59 pm ET provided that the Approval Order is entered by the Chancery Court.
- i. **“Governmental Authority”** means any United States federal, state or local or any supra-national or non-U.S. government, political subdivision, governmental, legislative, judicial, regulatory or administrative authority, instrumentality, agency, body or commission, board, self-regulatory organization or any court, tribunal or judicial body of competent jurisdiction or any arbitrator or arbitration panel.
- j. **“Liquidation Order”** has the meaning set forth in the recitals hereto.
- k. **“Motion for Approval of Settlement”** means the motion, including any exhibits thereto, to be filed by the Receiver in the Chancery Court for the approval of the Settlement.
- l. **“Parties”** has the meaning set forth in the preamble hereto.
- m. **“Person”** means any individual, corporation, partnership, association, limited liability company, trust, estate, unincorporated organization, government or agency or political subdivision thereof or other entity or any group comprised of two or more of the foregoing.
- n. **“PM FW Account”** means the Penn Mutual Funds Withheld account at SRUS related to the ModCo Treaty No. 8030.
- o. **“RCT Account”** means the Reserve Credit Trust account at the Bank of New York Mellon, account number 578865 related to the YRT Treaty No. 8096 and the YRT Treaty No. 8096 Trust.
- p. **“Receiver”** has the meaning set forth in the preamble hereto and includes any Deputy Receiver appointed by the Receiver.
- q. **“Reinsurance Agreements”** means the following reinsurance and trust agreements, including all associated amendments thereto:

- i. Automatic Yearly Renewable Term Retrocession Agreement between Scottish Re (Dublin) Limited as Retrocessionaire and Scottish Re (U.S.), Inc. as Reinsurer, effective January 1, 2014 (“YRT Treaty No. 8096”);
 - ii. Reinsurance Trust Agreement among Scottish Re (U.S.), Inc. as Beneficiary, Scottish Re (Dublin) Limited as Grantor, and The Bank of New York Mellon, as Trustee, dated as of December 4, 2014 (“YRT Treaty No. 8096 Trust”); and
 - iii. Modified Coinsurance Reinsurance Agreement between Scottish Re (Dublin) Limited as Retrocessionaire and Scottish Re (U.S.), Inc. as Reinsurer, effective October 1, 2009 (“ModCo Treaty No. 8030”).
- r. **“Reinsured Business”** has the meaning set forth in the Recitals hereto.
 - s. **“Representatives”** means, with respect to any Person, the directors, officers, employees, agents or representatives of such Person.
 - t. **“Settlement”** has the meaning set forth in the Recitals hereto.
 - u. **“Settlement Approval Date”** has the meaning set forth in Section 2.2.

SECTION 2 SETTLEMENT TRANSACTIONS

- 2.1. Execution of Recapture and Termination Agreement. Concurrently with the execution of this Agreement, the Parties shall execute and deliver the Recapture and Termination Agreement to the other.
- 2.2. Effectiveness of Recapture and Termination Agreement. Upon entry of a written order of the Chancery Court approving the Settlement (the “Settlement Approval Date”) the recaptures and terminations that are the subject of the Recapture and Termination Agreement shall be deemed effective as of the Effective Date.

- 2.3. Settlement Payment. SRUS shall pay \$1,000,000 to SRD in two installments such aggregate amount representing the settlement of all claims as of the Settlement Approval Date (the “Settlement Payment”), such Settlement Payment to be paid by wire transfer as follows:
- (i) The first installment in the amount of US\$650,000 is to be transferred from the RCT Account to Bank of Ireland account No. 4710-1020 and shall be authorized, for immediate transfer, within one (1) business day of the execution of this Agreement and the Ancillary Agreement by all Parties; and
 - (ii) The second installment in the amount of US\$350,000 is to be transferred from the RCT Account to Bank of Ireland account No. 4751-1020 and shall be authorized, for immediate transfer, within five (5) business days of the entry of the Approval Order.
- 2.4. Release of Any Rights or Claims to Funds in the RCT and Penn Mutual FW Accounts. Within one (1) business day of SRD’s receipt of the Settlement Payment, SRD withdraws, waives, or otherwise releases any claims to the funds in the RCT and Penn Mutual FW Accounts and further, acknowledges SRUS’s rights to such funds and, to the extent necessary, authorizes SRUS’s unfettered right to transfer, possess, control or dispose of the funds.

SECTION 3 REPRESENTATIONS AND WARRANTIES

- 3.1. Legal Capacity; Valid and Binding Obligation.
- (a) By virtue of the Liquidation Order, 18 *Del. C.* ch. 59, and subject to the entry of the Approval Order: (i) the Receiver has the full power and authority to enter into this Agreement and any other agreement, instrument and other document required to be executed by SRUS hereunder and to consummate the transactions contemplated hereby, and otherwise to comply with and perform its obligations under this Agreement; (ii) this Agreement and any other agreements contemplated hereby to which SRUS is a party, when executed and delivered by the Receiver, will constitute the legal, valid and binding obligation of the Receiver, enforceable against the Receiver in accordance with its terms;

and (iii) SRUS is duly organized, and validly existing under the Laws of its jurisdiction of organization.

- (b) Subject to the entry of the Approval Order, SRD hereby represents and warrants to the Receiver that: (i) it is duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization; (ii) it has the full power and authority under its governing instruments to execute this Agreement and the Ancillary Agreement; (iii) this Agreement is, and upon execution thereof the Ancillary Agreement will be, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer, preference and other similar laws affecting creditors' rights generally, and by general principles of equity (regardless of whether enforcement is sought in equity or at law); and (iv) this Agreement has been, and upon execution thereof, the Ancillary Agreement will have been, duly executed and delivered on behalf of it.

3.2. Additional Matters.

- (a) As of the date hereof, each Party represents and warrants to each other Party solely as to itself as follows:
- i. Such Party is not entering into this Agreement with the intent of hindering, delaying, or defrauding any of its respective current or future creditors;
 - ii. Such Party has made such investigation of the facts pertaining to this Agreement and of all the matters pertaining thereto as it deems necessary; and
 - iii. Such Party has read this Agreement and understands the contents hereof, and has executed this Agreement voluntarily and without duress or undue influence on the part of or on behalf of any other Party.
- (b) Each Party represents and warrants to each other Party solely as to itself that such Party has not heretofore assigned, transferred, or granted, or purported to assign, transfer, or grant, any of the claims, demands or causes of action released or waived by this Agreement. Furthermore, each Party shall not, and shall cause their respective affiliates not to,

facilitate or cooperate with any other Person bringing any claims or causes of action arising out of the Agreement or the Ancillary Agreement.

- 3.3. Consents and Approvals. Each of the Parties hereby represents and warrants to the other Party solely as to itself that, other than the Approval Order, it has received all consents, approvals, licenses, permits, orders, qualifications or authorizations of Governmental Authorities necessary or required to be obtained by it in connection with the execution, delivery and performance by it of this Agreement, and the consummation by it of the transactions contemplated hereby.

SECTION IV COVENANTS

- 4.1. Reasonable Best Efforts. Upon the terms and subject to the conditions set forth in this Agreement, the Parties shall use their respective reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other Party in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement and the Ancillary Agreement, including using their respective reasonable best efforts to obtain the entry of the Approval Order as promptly as possible.
- 4.2. Chancery Court Approval.
- (a) Within ten (10) business days from the execution of this Agreement and the Ancillary Agreement, the Receiver shall file a Motion for entry of the Approval Order (“Approval Motion”) and any related filings seeking approval of the Settlement in the Chancery Court. The terms and conditions of this Agreement and the Ancillary Agreement shall only be effective upon entry of the Approval Order, but upon such approval, the terms will be effective as of the Effective Date or dates set forth in this Agreement. Prior to filing the Approval Motion, the Liquidator shall reasonably seek SRD’s approval of the form of the Approval Motion and shall reasonably consult with SRD regarding the content of the Approval Motion.

- (b) In the event that the Chancery Court enters a final order denying the Approval Motion, then:
- i. this Agreement and the Ancillary Agreement will be void and of no legal force or effect;
 - ii. all amounts transferred or paid from or at the direction of SRUS to SRD pursuant to Section 2.3 above shall be repaid into the RCT directly or offset against any amounts due from SRUS to SRD; and
 - iii. the Parties shall be deemed to be restored to their legal positions as of the *status quo ante*.
- (c) Each of the Parties agrees that it will (i) consult with the other Party with respect to obtaining the entry of the Approval Order and (ii) keep the other Party apprised of the status of such matters relating to such approval. The Receiver shall promptly deliver to SRD evidence of the filing or making of all filings, applications and submissions relating thereto, and any supplement, amendment or item of additional information in connection therewith. Each of the Parties shall promptly advise the other Party upon receiving any communication from the Chancery Court related to the Settlement, including promptly furnishing the other Party copies of any written or electronic communication, and shall promptly advise the other Party when any such communication causes a Party to believe that there is a reasonable likelihood that the Approval Order will not be entered or that the receipt of such approval will be materially delayed or conditioned.
- (d) Each of the Parties agrees that, following the Settlement Approval Date and with respect to any matters that are related to or the subject matter of the Settlement, it will (i) share copies of any supplemental submissions and consult with the other Party prior to filing such submissions with the Chancery Court and (ii) provide the opportunity for the other Party to request confidential treatment from the Chancery Court with respect to any supplemental submissions or any portion thereof that such Party believes should receive confidential treatment.

4.3. Further Actions. Subject to the terms and conditions of this Agreement, the Parties shall execute and deliver such documents, certificates and other

papers and shall take such further actions as may be reasonably required to carry out the provisions of this Agreement and the Ancillary Agreement in order to give effect to the transactions contemplated hereby and thereby.

ARTICLE V
MUTUAL RELEASES; WAIVER OF ATTORNEYS' FEES

5.1. Mutual Releases.

- (a) As of the Settlement Approval Date and except for the undertakings in this Agreement and the Ancillary Agreement, the Receiver on behalf of the Deputy Receivers and their respective Designees and Representatives, and SRUS, and its officers, directors, employees, and agents (collectively the "SRUS Releasing Parties"), shall hereby forever and irrevocably release and discharge SRD, its officers, directors, employees and agents, from and against all actions, causes of action, suits, torts, damages, claims, demands, expenses, attorneys' fees, interest, costs of litigation, punitive damages, loss of profit, and liabilities whatsoever of every kind and nature (including those that are derivative in nature), whether at law or in equity, including without limitation any claims arising from or under the Reinsurance Agreements or any other agreements between the Parties, that the SRUS Releasing Parties had, now have or may in the future have, from any cause whatsoever, from the beginning of time to the present.

- (b) As of the Settlement Approval Date and except for the undertakings in this Agreement and the Ancillary Agreement, SRD and its officers, directors, employees, and agents (collectively the "SRD Releasing Parties"), shall hereby forever and irrevocably release and discharge the SRUS Releasing Parties from and against all actions, causes of action, suits, torts, damages, claims, demands, expenses, attorneys' fees, interest, costs of litigation, punitive damages, loss of profit, and liabilities whatsoever of every kind and nature (including those that are derivative in nature), whether at law or in equity, including without limitation any claims arising from or under the Reinsurance Agreements or any other agreements between the Parties, that the SRD Releasing Parties had, now have or may in the future have, from any cause whatsoever, from the beginning of time to the present.

**SECTION VI
GENERAL PROVISIONS**

- 6.1. No Proof of Claim. For the avoidance of doubt, SRD shall not be required to file a proof of claim in SRUS's liquidation proceedings in order to preserve its rights under this Agreement and the Ancillary Agreement.
- 6.2. Fees and Expenses. Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement and the Ancillary Agreement and the transactions contemplated hereby and thereby shall be paid by the Party incurring such costs and expenses.
- 6.3. All written notices, demands or deliveries of any kind that a Party may be required or may desire to serve on another Party in connection with this Agreement and/or the Ancillary Agreement shall be served by certified or registered mail (postage prepaid, return receipt requested), personal delivery (which shall include delivery by a nationally recognized overnight delivery service, receipt requested, delivery charges fully prepaid), or via electronic mail to the addresses set forth below:

If to the Receiver:

Scottish Re (U.S.), Inc. in Liquidation
Attn: Michael J. Johnson, Deputy Receiver
1 Righter Parkway
Suite 280
Wilmington, Delaware 19803-1555

Facsimile : 302-577-1212
Email : mjohnson@delrlb.com

with copies to (which shall not constitute notice):

Peter B. Ladig, Esquire
GianClaudio Finizio, Esquire
Bayard, P.A.
600 North King Street
Suite 400
Wilmington, DE 19899

Email: pladig@bayardlaw.com
gfinizio@bayardlaw.com

James J. Black, III, Esquire
Jeffrey B. Miceli, Esquire
Black & Gerngross, P.C.
1617 John F. Kennedy Boulevard
Suite 1575
Philadelphia, PA 19103

Email: jblack@blackgern.com
jmiceli@blackgern.com

If to Scottish Re (Dublin) dac:

Scottish Re (Dublin) dac
Attn: Karina Lynch, Chief Executive Officer
Fitzwilliam Hall, Fitzwilliam Place
Dublin 2, Ireland

Email: karina.lynch@scottishre.com

with a copy to (which shall not constitute notice):

Simon F. Fraser, Esquire
Barry M. Klayman, Esquire
Cozen O'Connor
1201 N. Market Street
Suite 1001
Wilmington, DE 19801

Email : sfraser@cozen.com
bklayman@cozen.com

Any Party may change the address to which notices and other communications are to be delivered or sent by giving the other Parties notice in the manner herein set forth.

6.4. Entire Agreement; Third-Party Beneficiaries.

- (a) The Parties acknowledge that this Agreement and the Ancillary Agreement supersede any prior understandings or purported understandings (whether written or oral), and all prior agreements between the Parties with respect to the subject matter hereof and thereof, and constitutes a complete and exclusive statement of the terms of the agreement between the Parties with respect to the subject matter hereof and thereof. This Agreement and the Ancillary Agreement, collectively, are the full and complete agreement between them with respect to the subject matter of this Agreement and that there are no oral, implied or prior written agreements or understandings except those specifically set forth herein.
- (b) This Agreement is for the sole benefit of the Parties to this Agreement and their successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

6.5. Governing Law. This Agreement, and all claims or causes of action (whether in contract, tort or otherwise) that may be based upon, arise out of or relating to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement) shall be governed by and construed in accordance with the Laws of the State of Delaware, without respect to its applicable principles of conflicts of laws that might require the application of the laws of another jurisdiction.

6.6. Jurisdiction. Each of the Parties hereby irrevocably and unconditionally (i) submits, for itself and its property, to the exclusive jurisdiction and venue of the Chancery Court in any action arising out of or relating to this Agreement, including the negotiation, execution or performance of this Agreement and agrees that all claims in respect of any such action shall be heard and determined in the Chancery Court, (ii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any action arising out of or relating to this Agreement or the negotiation, execution or performance of this Agreement in the Chancery Court, including any objection based on

its place of incorporation or domicile, (iii) waives, to the fullest extent permitted by Law, the defense of an inconvenient forum to the maintenance of such action in any such court and (iv) agrees that a final judgment in any such action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Each of the Parties consents and agrees that service of process, summons, notice or document for any action permitted hereunder may be delivered by registered mail addressed to it at the applicable address set forth in Section 6.2 or in any other manner permitted by applicable Law.

6.7. Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION OR LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

6.8. Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of Law or otherwise by any of the Parties without the prior written consent of the other Parties, and any such assignment that is not consented to shall be null and void. No assignment by any Party shall relieve such Party of any of its obligations hereunder. Subject to the foregoing, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

6.9. Severability; Amendment and Waiver.

- (a) Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable Law or rule in any

jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision in such jurisdiction so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such a determination, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

- (b) This Agreement may be amended only by a written instrument signed by each of the Parties. The terms of this Agreement may be waived only by the Party waiving compliance.
- (c) No delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any Party of any right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege.

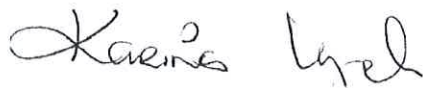
6.10. Survival of Certain Covenants, Agreements, Representations and Warranties. The covenants and agreements contained in this Agreement, including the releases set forth herein, shall survive indefinitely. The representations and warranties contained in Section 3.1, Section 3.2(b) and Section 3.3 shall survive indefinitely.

6.11. Counterparts. This Agreement may be executed in one or more counterparts and when executed will be deemed to be an original but all of which taken together will constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other means of electronic transmission shall be as effective as delivery of a manually executed counterpart of any such agreement.

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed in duplicate on the dates below.

Signed for and on behalf of:

**SCOTTISH RE (DUBLIN) dac, formerly SCOTTISH RE (DUBLIN)
LIMITED**



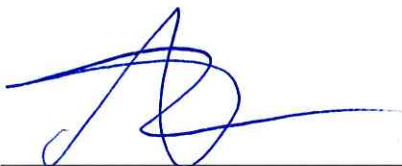
By: _____

Title: Chief Executive Officer

Date: 17th January 2024

Signed for and on behalf of:

SCOTTISH RE (U.S.), INC., IN LIQUIDATION



By: _____

Michael J. Johnson, Deputy Receiver
Scottish Re (U.S.), Inc., in Liquidation

Date: 1/19/24 _____



EXHIBIT 2

RECAPTURE AND TERMINATION AGREEMENT

THIS RECAPTURE AND TERMINATION AGREEMENT made as of the 18th day of January 2024, by and between Scottish Re (Dublin) dac, a designated activity company with limited liability, under registered number 336357, and formerly known as Scottish Re (Dublin) Limited (“SRD”), and the Honorable Trinidad Navarro, Insurance Commissioner of the State of Delaware, in his capacity as the Receiver (the “Receiver”) of Scottish Re (U.S.), Inc., in Liquidation (“SRUS”), on behalf of SRUS itself, a reinsurance company domiciled in the State of Delaware, United States of America (“United States”), and SRUS as successor by merger to Scottish Re Life Corporation. SRD and the Receiver are sometimes collectively referred to herein as the “Parties” and individually as a “Party.”

RECITALS

WHEREAS, SRD is a life reinsurance company domiciled in the Republic of Ireland, regulated by the Central Bank of Ireland, and a wholly owned subsidiary of Scottish Annuity & Life Insurance Company (Cayman) Ltd., a Cayman Island domiciled life reinsurance company (“SALIC”). SALIC is in Chapter 7 proceedings in the United States Bankruptcy Court for the District of Delaware;

WHEREAS, SRUS is a life reinsurance company, domiciled in the State of Delaware, and regulated by the Delaware Department of Insurance. On March 6, 2019, SRUS was placed into rehabilitation by order of the Court of Chancery of the State of Delaware (the “Chancery Court”), pursuant to 18 *Del. Code*. ch. 59 and the Rehabilitation and Injunction Order entered by the Chancery Court. On July 18, 2023, the Chancery Court entered a Liquidation and Injunction Order (the “Liquidation Order”) pursuant to 18 *Del. C.* ch. 59 which, among other things, converted the rehabilitation of SRUS into a liquidation proceeding, and appointed the Honorable Trinidad Navarro, Insurance Commissioner of the State of Delaware, as the Receiver of SRUS;

WHEREAS, SRD and SRUS are parties to those certain reinsurance agreements, including any amendments thereto, that are identified in 1.1 below, pursuant to which SRUS cedes to SRD, and SRD assumes from SRUS, on both a yearly renewable term (YRT) basis and a modified coinsurance (MODCO) basis, liabilities under certain life insurance policies assumed by SRUS as identified in the reinsurance agreements (collectively the “Reinsured Business”);

WHEREAS, the Receiver, on behalf of SRUS, and SRD have entered into that certain Settlement and Release Agreement, dated as of January 18, 2024 (the

“Settlement and Release Agreement”) under which the parties thereto have agreed to a settlement and termination of their business relationship upon the terms and conditions set forth therein; and

WHEREAS, as contemplated by the Settlement and Release Agreement, the Parties intend to effectuate a recapture of 100 percent of the Reinsured Business by SRUS in accordance with the terms and conditions set out below.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth herein, and such other good and valuable consideration the adequacy and receipt of which are hereby acknowledged, the Parties, intending to be legally bound, and subject to Chancery Court approval, hereby agree as follows:

SECTION 1 DEFINITIONS

1.1. In this Agreement, the following terms shall have the following meanings:

- a. **“Agreement”** means this Recapture and Termination Agreement relating to those certain reinsurance agreements (including all amendments thereto) identified in 1.1(e) effective as of the Recapture Time.
- b. **“Parties”** means SRD and the Receiver on behalf of SRUS.
- c. **“Recapture Date”** means September 30, 2023.
- d. **“Recapture Time”** means 11:59 pm Eastern Standard Time on the Recapture Date.
- e. **“Reinsurance Agreements”** means the following reinsurance and trust agreements, including all associated amendments thereto:
 - i. Automatic Yearly Renewable Term Retrocession Agreement between Scottish Re (Dublin) Limited as Retrocessionaire and Scottish Re (U.S.), Inc. as Reinsurer, effective January 1, 2014 (“YRT Treaty No. 8096”);
 - ii. Reinsurance Trust Agreement among Scottish Re (U.S.), Inc. as Beneficiary, Scottish Re (Dublin) Limited as Grantor, and The

Bank of New York Mellon, as Trustee, dated as of December 4, 2014 (“YRT Treaty No. 8096 Trust”); and

iii. Modified Coinsurance Reinsurance Agreement between Scottish Re (Dublin) Limited as Retrocessionaire and Scottish Re (U.S.), Inc. as Reinsurer, effective October 1, 2009 (“ModCo Treaty No. 8030”).

- f. **“Reinsured Business”** has the meaning set forth in the recitals.
- g. **“Settlement and Release Agreement”** has the meaning set forth in the recitals.

1.2. Unless otherwise defined, capitalized terms have the meanings ascribed to such terms in the Reinsurance Agreements.

SECTION 2 RECAPTURE AND TERMINATION

- 2.1. Notwithstanding anything to the contrary contained in the Reinsurance Agreements, including but not limited to, Articles 4, 5, 9, and 13 of YRT Treaty No. 8096, Paragraphs 7, 11 and 16 of YRT Treaty No. 8096 Trust, and Articles II, VII, and IX of ModCo Treaty No. 8030, the Parties agree that as of the Recapture Time on the Recapture Date, SRUS shall recapture 100 percent of the Reinsured Business and the Parties shall Terminate the Reinsurance Agreements.
- 2.2. The consideration for the commutation of the Reinsured Business is represented by and a part of the Settlement Payment under the Settlement and Release Agreement (as defined therein). No further payments or settlements other than the Settlement Payment shall be made between the Parties in connection with the commutation of the Reinsured Business.
- 2.3. The Parties accept the Settlement Payment as full and final settlement of any and all liabilities and obligations of the Parties arising out of, under, or in connection with, the Reinsured Business.

SECTION 3 RELEASES

As of the Recapture Time, and in consideration of the Settlement Payments, the Parties hereby irrevocably and unconditionally release and forever discharge one another and their directors, employees and officers, from their respective duties and obligations under the Reinsurance Agreements in respect of the Reinsured Business, including, but not limited to, the payment of any premiums, claims, debts, demands, causes of action, damages and all other claims whatsoever, which either Party or their respective successors and assigns ever had, now have, or may in the future have against each other, under, or arising from, the Reinsurance Agreements.

SECTION 4 GENERAL

- 4.1. The effectiveness of this Agreement is subject to Chancery Court Approval. The Parties shall comply with the terms of the Settlement and Release Agreement regarding the obtaining of the Approval Order (as defined in the Settlement and Release Agreement).
- 4.2. Neither Party may assign, sub-contract or otherwise transfer any rights or obligations under this Agreement to any person without the prior written consent of the other Party.
- 4.3. This Agreement may be amended only by written agreement of the Parties. Any change or modification to this Agreement shall be null and void unless made in writing and signed by both Parties.
- 4.4. If any provision of this Agreement should be rendered invalid, illegal, or unenforceable by the laws, regulations or public policy of any jurisdiction, such provision will be considered void in such jurisdiction, but this will not affect the validity or enforceability of such provision in any other jurisdiction, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. The Parties will renegotiate the Agreement in good faith to cure such invalid, illegal or unenforceable provision so as to carry out its original intent.
- 4.5. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the state of Delaware.

4.6. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all such counterparts when taken together shall constitute one and the same instrument.

(Signature Page Follows)

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed in duplicate on the dates below.

Signed for and on behalf of:

SCOTTISH RE (DUBLIN) dac, formerly SCOTTISH RE (DUBLIN) LIMITED



By: _____

Title: Chief Executive Officer

Date: 17th January 2024

Signed for and on behalf of:

SCOTTISH RE (U.S.), INC., IN LIQUIDATION



By: _____

Michael J. Johnson, Deputy Receiver
Scottish Re (U.S.), Inc., in Liquidation

Date: 1/19/24

EFiled: Feb 07 2024 06:03PM EST
Transaction ID 71983711
Case No. 2019-0175-JTL



EXHIBIT 3

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF THE LIQUIDATION :
OF SCOTTISH RE (U.S.), INC. : C.A. 2019-0175-JTL
:

**AFFIDAVIT OF KARINA LYNCH IN SUPPORT OF THE RECEIVER’S
VERIFIED MOTION TO APPROVE A RELEASE AND SETTLEMENT
AGREEMENT AND RECAPTURE AGREEMENT WITH SCOTTISH RE
(DUBLIN) dac**

KARINA LYNCH, hereby deposes and states as follows:

1. I am the Chief Executive Officer of Scottish Re (Dublin) dac (“SRD”) and I am authorized to make this statement on its behalf. I have personal knowledge of the facts set forth herein and if called as a witness, would testify to those facts.

2. SRD is a life reinsurance company domiciled in the Republic of Ireland (“Ireland”). SRD is a wholly owned subsidiary of Scottish Annuity & Life Insurance Company (Cayman) Ltd., a Cayman Islands domiciled life insurance company (“SALIC”). SALIC is in Chapter 7 proceedings in the United States Bankruptcy Court for the District of Delaware.

3. SRD’s sole business and source of income (aside from investment income) arises from the two reinsurance treaties described below, collectively referred to as the “SRD Treaties”:

- i. The Penn Mutual Treaty is a modified coinsurance reinsurance agreement with SRUS for the reinsurance of business originally ceded to SRUS by Penn Mutual Life Insurance Company (Harbourton). Under this agreement, certain individual single premium deferred annuities, as well as individual flexible premium deferred

annuities, are coinsured by SRUS. SRUS maintains the statutory reserves on this business and holds the assets supporting those reserves, subject to quarterly adjustments, in a funds withheld account referred to as the Penn Mutual Funds Withheld account at SRUS related to the ModCo Treaty No. 8030 (the “Penn Mutual FW Account”).

- ii. The Yearly Renewable Term Treaty (“YRT Treaty”) is a yearly renewable term reinsurance agreement pursuant to which SRD assumed from SRUS the risk for death benefit amounts in excess of \$500,000 and up to \$3 million per underlying risk. The underlying policies primarily consist of guaranteed level premium term life insurance issued in 2004.^[1] SRD has created a Reserve Credit Trust account at the Bank of New York Mellon (the “RCT Account”) related to the YRT Treaty No. 8096 and the YRT Treaty No. 8096 Trust with the Bank of New York Mellon as trustee and SRUS as beneficiary in order to secure SRD’s obligations under the Yearly Renewable Term Treaty.

4. SRD is regulated by the Central Bank of Ireland (the “Central Bank”)

in accordance with the requirements of the European Union (Insurance and Reinsurance) Regulations 2015 (as amended) (the “2015 Regulations”), which, inter alia, define minimum requirements for certain liabilities, assets backing those liabilities, and surplus. The Central Bank is responsible for the prudential supervision and regulation of (re)insurance undertakings authorized in Ireland to ensure compliance with regulatory requirements. The Central Bank additionally has the authority to petition the Irish High Court to appoint an administrator (broadly equivalent to a receiver/liquidator in the United States of America) over a company’s operations.

^[1] Guaranteed level premium term life insurance includes a guarantee that annual premiums will not increase and coverage will not be terminated for a stated number of years, provided that the policyholder continues to pay the required premium.

5. The 2015 Regulations require SRD to maintain a certain minimum level of capital (“Minimum Capital Requirement” or “MCR”). As a company’s financial condition deteriorates, the Central Bank will begin a tiered approach to intervention, with the level of regulatory action increasing the more likely it is that the company will be non-compliant with its MCR. Once a company is non-compliant with its MCR or does not otherwise maintain sufficient assets to cover its technical provisions (i.e., insurance reserves) and the company does not have an appropriate plan in place to restore its solvency capital to above its MCR, the Central Bank can employ more severe interventions, including withdrawing the company’s license to conduct business, restricting its disposition of assets, and suspending its making of payments.

6. On November 28, 2019, and annually since that date, the Central Bank has issued “letters of direction” (the “Letters of Direction”) to SRD in response to its weakening financial condition, directing SRD not to make any payments or transfer any of its assets to any Scottish Re group of companies entity or enter into transactions outside the normal course of business without first notifying the Central Bank of its intention to do so, and directing SRD to cease writing all new contracts of reinsurance.

7. SRD has no ability to recapitalize, and no means to prevent the worsening of its MCR non-compliance. In the past, SRD could have called upon

SALIC for capital support under the Net Worth Maintenance Agreement (“NWMA”) between SRD and SALIC for SRD to receive capital from SALIC and restore SRD’s MCR to 100%. However, due to the Chapter 7 proceedings in the United States Bankruptcy Court for the District of Delaware, the Chapter 7 trustee for SALIC is not in a position to provide additional capital to SRD whether under the NWMA or otherwise.

8. SRD submitted its short-term realistic finance scheme to the Central Bank, which contemplated an orderly wind-up of the SRD’s operations through the consensual recapture of the SRD Treaties by SRUS, revocation of SRD’s authorization as a reinsurance undertaking from the Central Bank, and then liquidation.

9. The Central Bank has informed SRD that it has no objection to the proposed finance scheme and SRD’s objective for a solvent liquidation through a consensual recapture of the SRD Treaties pursuant to the Settlement Agreements.

I declare under penalty of perjury under the laws of Delaware that the foregoing is true and correct.



KARINA LYNCH
Chief Executive Officer
Scottish Re (Dublin) dac

Executed this 2nd day of February, 2024.

EFiled: Feb 07 2024 06:03PM EST
Transaction ID 71983711
Case No. 2019-0175-JTL



EXHIBIT 4

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF THE :
LIQUIDATION OF : C.A. No. 2019-0175-JTL
SCOTTISH RE (U.S.), INC. :

AFFIDAVIT OF RANDALL BARBER

I, RANDALL BARBER, being duly sworn, according to law, depose and state that:

1. I am the Senior Finance Executive for the Liquidation Estate of Scottish Re (U.S.), Inc., in Liquidation. Prior to that, I served as Sr. Vice President - Head of Finance ("SVPHoF") at Scottish Re (U.S.), Inc. ("SRUS" or the "Company") since May 2021. I am authorized to make this Affidavit on behalf of SRUS. I make this Affidavit in support of the Receiver's Motion to Approve Settlement.

2. Prior to serving in my role as SVPHoF, I held several positions at SRUS since joining the company in 2007, including the positions of Vice President, Financial Planning and Analysis ("FP&A"); Assistant Vice President, FP&A; Manager, FP&A; Manager, Financial Solutions and FP&A; and Finance Systems Analyst.

3. As Senior Finance Executive for the Liquidation Estate of Scottish Re (U.S.), Inc., in Liquidation and SVPHoF, my duties at SRUS include the review and analysis of financial data arising from the business operations of SRUS. I am familiar with the financial data of the company, its relationship to, and use in the Company's financial statements, and the inter-relationship between and among the Company's financial data.

4. I am familiar with Accounts Receivable and Accounts Payable financial information relating to SRUS's Reinsurers, including Scottish Re (Dublin) dac ("SRD").

5. During the course of the SRUS rehabilitation, the Receiver began depositing into the Reserve Credit Trust account with the Bank of New York Mellon (the "RCT Account") net settlements (i.e., premium owed by SRUS to SRD for the relevant period, less any claims payments and reimbursement of Federal Excise Tax due from SRD to SRUS for the relevant period) due from SRUS under treaty 8096 (the "Yearly Renewable Term Treaty" or "YRT Treaty").

6. During the course of the SRUS rehabilitation, the Receiver deposited \$3,908,729 into the RCT Account.

7. SRUS has not deposited to the RCT Account, or otherwise paid SRD, the third quarter 2023 net settlement due under the YRT Treaty in the amount of \$646,852 ("3Q23 net settlement").

8. In addition, there exists on the SRUS balance sheet at September 30, 2023 amounts owed from SRD to SRUS relating to the YRT Treaty for pending claims and incurred but not reported claims ("IBNR") of \$212,500 and \$697,548, respectively. These amounts, totaling \$910,048, would be part of the terminal accounting between SRUS and SRD in the absence of a negotiated recapture settlement.

9. SRD has not paid SRUS amounts due in respect of the second and third quarter 2023 net settlements relating to treaty 8030 (the "Penn Mutual

Treaty"). The net amounts due are \$7,252 and \$4,018, respectively, or \$11,271 in aggregate.

10. As of December 31, 2023, the market value, including accrued interest, of the RCT Account is \$6,602,741 per custodian records.

SWORN TO AND SUBSCRIBED before me this 5th day of February, 2024.

Randall Barber

Randall Barber, SVP - Senior Finance Executive
for the Liquidation Estate of
Scottish Re (U.S.), Inc., in Liquidation

Cynthia A. Hoover

Cynthia A. Hoover

Notary Public

My Commission Expires:

August 24, 2025
8.24.2025

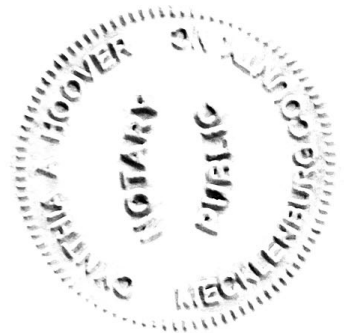




EXHIBIT 5

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF THE	:
LIQUIDATION OF	: C.A. No. 2019-0175-JTL
SCOTTISH RE (U.S.), INC.	:

AFFIDAVIT OF RYAN FUHS

I, RYAN FUHS, being duly sworn, according to law, depose and state that:

1. I am the Senior Actuarial Executive for the Liquidation Estate of Scottish Re (U.S.), Inc., in Liquidation. Prior to that, I served as Sr. Vice President, Chief Actuary of Scottish Re (U.S.), Inc. ("SRUS" or the "Company") since May 2021. I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I am authorized to make this Affidavit on behalf of SRUS. I make this Affidavit in support of the Receiver's Motion to Approve Settlement.

2. Prior to serving as Chief Actuary of SRUS, I held the positions of Appointed Actuary – Leader of Actuarial Projections, and Director & Actuary – Life & Annuity Financial Projections at Brighthouse Financial, Inc. from 2017-2021.

3. Prior to my roles at Brighthouse Financial, Inc., I held the positions of Vice President – Modeling Actuary and Assistant Vice President – Valuation & Modeling Actuary at SRUS from 2014-2017.

4. Prior to that, I held the positions of Director & Actuary – Life Asset-Liability Management ("ALM") Modeling Research & Development, Senior Associate Actuary – Life ALM, and Actuarial Analyst – Life Valuation & Financial Reporting at Lincoln Financial Group from 2008-2014.

5. As Senior Actuarial Executive for the Liquidation Estate and Chief Actuary, my duties include the review and analysis of the Company's actuarial reserves. I am familiar with the data produced by the Company's actuarial processes and models, and how the actuarial data is used in the Company's financial statements.

6. I am familiar with the two retrocession agreements SRUS entered into with Scottish Re (Dublin) dac ("SRD"), referred to in the Motion to Approve Settlement as treaty 8096 (the "Yearly Renewable Term Treaty" or "YRT Treaty") and treaty 8030 (the "Penn Mutual Treaty") (collectively, the "SRD Treaties").

7. SRUS and SRD have agreed to a settlement in which SRUS recaptures the liabilities associated with the SRD Treaties, together with the related assets of SRD, in exchange for SRUS's authorization to transfer \$1,000,000 from the RCT Account to SRD and releasing all other claims between them (the "Settlement").

Treaty 8096/YRT Treaty

8. The YRT Treaty is a yearly renewable term reinsurance agreement pursuant to which SRD assumed from SRUS the risk for death benefit amounts in excess of \$500,000 and up to \$3 million per underlying risk. SRD established a Reserve Credit Trust account with the Bank of New York Mellon as trustee and SRUS as beneficiary in order to secure SRD's obligations under the Yearly Renewable Term Treaty.

9. Based on my calculations, from an actuarial perspective, SRD has an obligation to SRUS in the amount of \$2.22 million under the YRT Treaty in connection with the termination of the business thereunder, pursuant to the Liquidation Order for SRUS, as of September 30, 2023.

10. This figure is based in part on the Gross Premium Valuation Reserve (GPV) methodology, which comprises \$1.31 million of SRD's obligation.

11. The GPV is calculated assuming counterparties exercised their options in the treaty to their benefit. The other assumptions used are the same assumptions that were used to support SRUS's year-end 2022 Actuarial Opinion.

12. SRD is assumed to raise the reinsurance premium rates and SRUS is assumed to respond to the rate increase by recapturing the business. The resulting GPV is for the remaining death benefits for which premiums have already been paid, or approximately a half-year of death benefits.

13. The YRT Pending Claims/IBNR figure comprises the remaining \$0.91 million of SRD's obligation. See Affidavit of Randall Barber at ¶ 8.

Treaty 8030/Penn Mutual Treaty

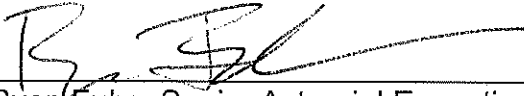
14. The Penn Mutual Treaty cedes business to SRD on a modified coinsurance ("modco") basis. SRUS maintains the statutory reserves on this business and holds assets supporting those reserves, subject to quarterly adjustments, in a reference portfolio referred to as the Penn Mutual Funds Withheld account at SRUS (the "Penn Mutual FW Account").

15. Based on my calculations, from an actuarial perspective, SRUS is entitled to \$0.88 million from SRD under the Penn Mutual Treaty in connection with the termination of the business thereunder, pursuant to the Liquidation Order for SRUS, as of September 30, 2023.

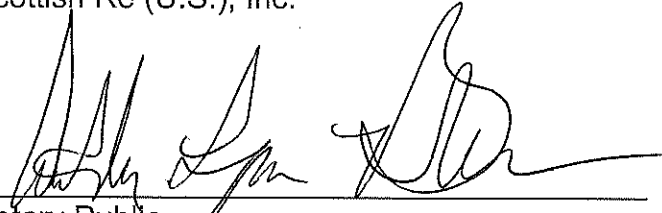
16. This figure is based on the GPV in excess of the market value of the trust assets supporting the related business assumed by SRUS from Penn Mutual, ratioed to reflect the percentage of such assumed business retroceded to SRD.

17. The GPV is calculated based on the present value of calendar year liability cash flows less the present value of the gross premiums over the life of the treaty. The assumptions used are the same assumptions that were used to support SRUS's year-end 2022 Actuarial Opinion.

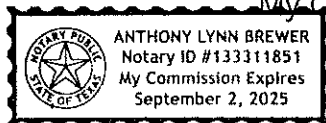
SWORN TO AND SUBSCRIBED before me this 5 day of February, 2024.



Ryan Fuhs, Senior Actuarial Executive for the
Liquidation Estate
Scottish Re (U.S.), Inc.



Notary Public
My Commission Expires: Sept. 2, 2025



EFiled: Feb 07 2024 06:03PM EST
Transaction ID 71983711
Case No. 2019-0175-JTL



EXHIBIT 6

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF THE :
LIQUIDATION OF : C.A. No. 2019-0175-JTL
OF SCOTTISH RE (U.S.), INC. :

AFFIDAVIT OF MICHAEL J. JOHNSON

I, MICHAEL J. JOHNSON, being duly sworn, according to law, depose and state that:

1. I am the Deputy Receiver of Scottish Re (U.S.), Inc., in Liquidation (“SRUS”). I was appointed Deputy Receiver on March 6, 2019 by the Honorable Trinidad Navarro, Insurance Commissioner of the State of Delaware after the Court entered an order placing SRUS into rehabilitation and appointed Commissioner Navarro as the Receiver (“Rehabilitation Order”). I make this Affidavit in Support of the Motion to Approve a Release and Settlement Agreement and Recapture Agreement with Scottish Re (Dublin) dac (the “Motion”).

2. I have 49 years of experience in the insurance industry during which time I have held varied senior management positions for several insurance companies with direct reporting obligations to the Chief Executive Officer, including Chief Financial Officer.

3. I also have 20 years of experience in the seizure, rehabilitation and

liquidation of financially troubled insurance companies or companies that are being operated in a condition hazardous to policyholders or the public. I have served the Insurance Commissioners of North Carolina, Vermont, Pennsylvania, and Delaware.

4. My duties as Deputy Receiver include, but are not limited to, marshalling and preserving estate assets, making day-to-day operating decisions for the Estate, and interacting with individual state guaranty funds, policyholders, and other creditors of the estate.

5. To assist me in discharging these duties, I assembled a team consisting of SRUS executive management, including, but not limited to its Senior Finance Executive and Senior Actuarial Executive, and retained outside financial and actuarial consultants and legal counsel (collectively the "Liquidation Team").

6. As part of my duties in marshalling and preserving estate assets, I and the Liquidation Team have been involved with discussions about the potential liquidation of SRD, which is a reinsurer to SRUS under two reinsurance treaties: a yearly renewable term reinsurance treaty ("the YRT Treaty"); and a modified coinsurance reinsurance treaty ("the Coinsurance Treaty").

7. The YRT Treaty is supported by a Reserve Credit Trust account ("RCT Account") at the Bank of New York Mellon and the Coinsurance Treaty is supported by a funds withheld account at SRUS.

8. Prior to SRUS's liquidation, SRD was an affiliate of SRUS.

9. SRD, as an Irish company, is regulated by the Central Bank of Ireland (the "Central Bank"). Based upon my discussions with the Liquidation Team, the Central Bank and counsel for SRD, I understand that: the two reinsurance treaties with SRUS were SRD's sole remaining business; due to the insolvency of SRD's parent, Scottish Annuity Life Insurance Company,¹ SRD was in a precarious financial condition; and that the Central Bank preferred an orderly wind-up of SRD, as opposed to a liquidation.

10. After entry of the Rehabilitation Order, the Receiver began placing reinsurance premiums to SRD under the YRT Treaty into the RCT Account. This was done in recognition of SRD's potential inability to pay claims, and to safeguard the ability to recover amounts ultimately due to SRUS under the YRT Treaty.

11. To date, the Receiver has placed approximately \$3,900,000 into the RCT Account.

12. SRD has asserted it is entitled to the amount of the RCT Account in excess of the obligations of SRD under the YRT Treaty, as a secured claim, and asserts it is not property of the estate. This amount is approximately \$3.5 million.

¹ In the past, SRD could have called upon SALIC for capital support under the Net Worth Maintenance Agreement ("NWMA") between SRD and SALIC. However, the chapter 7 trustee for SALIC is not in a position to provide additional capital to SRD whether under the NWMA or otherwise.

13. SRUS contends that while SRD has a claim of approximately \$3,900,000 for amounts placed by SRUS into the RCT Account as a proof of claim, that amount in the RCT Account is not a secured claim under the Trust Agreement or 18 *Del. C.* § 5918(d), nor is it property of the estate, but instead is a general asset of the SRUS estate.

14. In an effort to resolve the dispute on terms and conditions that provide an accretive benefit to the estate of SRUS and accommodate the orderly wind-up of SRD, I entered into a Settlement and Release Agreement (the "Release Agreement") (attached to the Motion as Exhibit 1), and the Recapture and Termination Agreement (the "Recapture Agreement") (attached to the Motion as Exhibit 2) and together with the Settlement and Release Agreement, the "Settlement Agreements"). The terms of the Settlement Agreements are summarized at paragraphs 18-19, and 22-23 of the Motion.

15. Briefly summarized, the Receiver and SRD have agreed to a recapture of the SRD Treaties, subject to the approval of the Court of Chancery, in which SRD transfers the liabilities associated with the SRD Treaties, together with the related assets, to SRUS, in exchange for SRUS's authorization to transfer \$1,000,000 those assets to SRD, releasing all other claims between them.

16. I have also been provided and have reviewed the Affidavits of Randall Barber, Ryan Fuchs, FSA, MAAA and Karina Lynch, the CEO of SRD. The

information contained in these Affidavits is consistent with information previously supplied to me regarding the subject matter of the Affidavits and information that I considered in making the determinations referenced in this Affidavit.

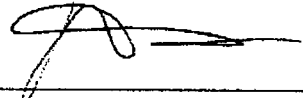
17. Based upon my experience in the insurance industry, insurance insolvencies, my independent knowledge of the facts and issues in the case from my participation noted above, and in consultation with my advisors, including experienced legal counsel, I have made the following determinations:

- a. That the amount paid to the Receiver, and the releases of all other claims, is fair and reasonable to the Estate of SRUS and within the likely range of litigation outcomes, considering the issues raised by SRD, and gives certainty to the result and protects the value of estate assets that will ultimately be available for distribution to the creditors of SRUS through the estate administration and Proof of Claim Process;
- b. That the terms of the Settlement Agreements are commercially reasonable provisions commonly found in litigation settlements, and provide certainty and finality to the claims between SRUS and SRUS; and
- c. Entry into the Settlement Agreements allows the orderly windup of SRD without intervention of the Central Bank, and thus eliminates the risk and expense to the Estate of having to contend with dueling insurance insolvency proceedings in Delaware and Ireland relating to entitlement to the same funds.

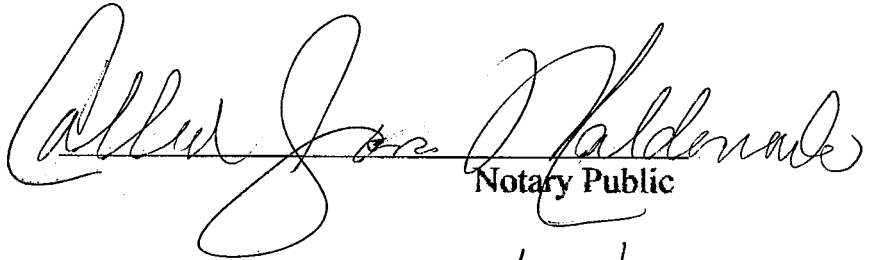
18. Accordingly, it is my determination that the Settlement is fair and

reasonable and in the best interests of the SRUS Estate and the creditors of SRUS,
and I recommend that the Court grant the Motion and approve the Settlement.

SWORN TO AND SUBSCRIBED before me this 6th day of February, 2024.

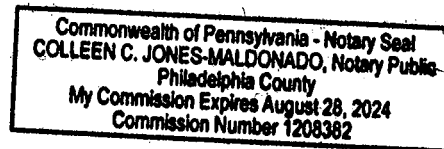


MICHAEL J. JOHNSON, Deputy Receiver
Scottish Re (U.S.), Inc., in Rehabilitation



Notary Public

My Commission Expires: 8/28/2024





CERTIFICATE OF SERVICE

I hereby certify that on February 7, 2024, a true and correct copy of the foregoing has been served upon the following counsel *via File and ServeXpress*:

<p>Michael Busenkell, Esquire Gellert Scali Busenkell & Brown, LLC 1201 North Orange Street, Suite 300 Wilmington, DE 19801</p> <p><i>Attorneys for Scottish RE (U.S.), Inc.</i></p>	<p>Joelle E. Polesky, Esquire Stradley Ronon Stevens & Young, LLP 1000 North West Street, Suite 1200 Wilmington, DE 19801</p> <p><i>Attorneys for Interested Party American Council of Life Insurers</i></p>
<p>Diane J. Bartels, Esquire Brandywine Village 1807 North Market Street Wilmington, DE 19802</p> <p><i>Attorneys for Insurance Commissioner as Receiver</i></p>	<p>Sommer L. Ross, Esquire Duane Morris LLP 1201 N. Market St., Suite 501 Wilmington, DE 19801</p> <p><i>Attorneys for Non-Party NW Hall Building LP</i></p>
<p>Travis S. Hunter, Esquire Nathalie Freeman, Esquire Richards, Layton & Finger, P.A. One Rodney Square 920 North King Street Wilmington, Delaware 19801</p> <p><i>Attorneys for Non-Party Transamerica Life Insurance Company, Allstate Life Insurance Company, State Mutual Insurance Company, American Home Life Insurance Company</i></p>	<p>Marisa Rachel De Feo, Esquire Saul Ewing Arnstein & Lehr LLP 1201 North Market Street, Suite 2300 Wilmington, DE 19801</p> <p><i>Attorneys for Objectors Lincoln National Life Insurance Company, Lincoln Life and Annuity Company of New York and First Penn Pacific Life Insurance Company</i></p>

<p>Joseph O. Larkin, Esquire Justin D. Larsen, Esquire Skadden, Arps, Slate, Meagher & Flom LLP 920 North King Street P.O. Box 636 Wilmington, DE 19899</p> <p><i>Attorneys for Non-Party John Hancock Life Insurance Company (U.S.A.)</i></p>	<p>R. Stephen McNeill, Esquire Potter Anderson & Corroon LLP 1313 North Market Street Wilmington, DE 19801</p> <p><i>Attorneys for Americo Financial Life and Annuity Insurance Company, Great Southern Life Insurance Company, National Farmers Union Life Insurance Company, and United Fidelity Life Insurance Company</i></p>
<p>Joseph B. Cicero, Esquire Gregory Stuhlman, Esquire Chipman Brown Cicero & Cole, LLP Hercules Plaza 1313 North Market Street, Suite 5400 Wilmington, DE 19801</p> <p><i>Attorneys for Berkshire Hathaway Life Insurance Company of Nebraska, Nationwide Life Insurance Company, Nationwide Life and Annuity Insurance Company, Allianz Life Insurance Company of North America, Ameritas Life Insurance Corp., Ameritas Life Insurance Corp. of New York, The Ohio National Life Insurance Company, Ohio National Life Assurance Corporation, Pacific Life Insurance Company, Pacific Life and Annuity Company, Columbus Life Insurance Company and Security Benefit Life Insurance Company</i></p>	<p>Ricardo Palacio, Esquire Catherine A. Gaul, Esquire Ashby & Geddes 500 Delaware Avenue, 8th Floor P.O. Box 1150 Wilmington, DE 19801</p> <p><i>Attorneys for PHL Variable Insurance Company, Nassau Life Insurance Company f/k/a Phoenix Life Insurance Company and Nassau Life and Annuity Company f/k/a Phoenix Life and Annuity Company, Protective Life Insurance Company, The U.S. Branch of Sun Life Assurance Company of Canada, Fidelity & Guaranty Life Insurance Company, Fidelity & Guaranty Life Insurance of New York</i></p>

<p>John C. Phillips, Jr., Esquire Paul S. Seward, Esquire Phillips, McLaughlin & Hall, P.A. 1200 North Broom Street Wilmington, DE 19801</p> <p><i>Attorneys for Hannover Life Reassurance Company of America and Security Life of Denver Insurance Company</i></p>	<p>Kelly A. Green, Esquire Smith, Katzenstein & Jenkins, LLP 1000 West Street, Suite 1501 Wilmington, DE 19801</p> <p><i>Attorneys for The Prudential Insurance Company of America, Metropolitan Life Insurance Company, Employers Reassurance Corporation and Jackson National Life Insurance Company</i></p>
<p>Joseph C. Schoell, Esquire Faegre Drinker Biddle & Reath LLP 222 Delaware Avenue, Suite 1410 Wilmington, DE 19801</p> <p><i>Attorneys for Homesteaders Life Company; Banner Life Insurance Company; National Benefit Life Insurance Company; Police and Firemen's Insurance Association</i></p>	<p>David A. Felice, Esquire Bailey & Glasser, LLP Red Clay Center at Little Falls 2961 Centerville Road, Suite 302 Wilmington, DE 19808</p> <p><i>Attorneys for MassMutual Ascend Life Insurance Company</i></p>
<p>John L. Reed, Esquire Peter H. Kyle, Esquire DLA Piper LLP (US) 1201 North Market Street, Suite 2100 Wilmington, DE 19801</p> <p><i>Attorneys for Non-Party SCOR Global Life Americas Reinsurance Company, SCOR Reinsurance Germany, Branch of SCOR SE, TOA Reinsurance Company, Limited of Tokyo, Japan, SCOR SE, SCOR Global Life Reinsurance Company of Delaware, SCOR Global Life USA Reinsurance Company, Columbian Life Insurance Company, Columbian Mutual Life Insurance Company</i></p>	

<p>John G. Harris, Esquire Peter C. McGivney, Esquire Berger Harris LLP 1105 North Market Street, 11th Floor Wilmington, DE 19801</p> <p><i>Attorneys for the Reinsurance Association of America</i></p>	<p>Barry M. Klayman, Esquire Simon Fraser, Esquire Cozen O'Connor 1201 North Market Street, Suite 1001 Wilmington, DE 19801</p> <p><i>Attorneys for Non-party Scottish Re (Dublin) dac</i></p>
<p>Elizabeth M. Taylor, Esquire Garrett B. Moritz, Esquire Ross Aronstam & Moritz LLP Hercules Building 1313 North Market Street, Suite 1001 Wilmington, DE 19801</p> <p><i>Attorneys for Interested Party Merced Private Claims, LLC</i></p>	<p>Kevin J. Mangan, Esquire Nicholas T. Verna, Esquire Womble Bond Dickerson (US) LLP 1313 North Market Street, Suite 1200 Wilmington, DE 19801</p> <p><i>Attorneys for Non-Party Brighthouse Life Insurance Company and Non-Party Brighthouse Life Insurance Company of NY, New York Life Insurance Company, New Your Life and Annuity Insurance Company, United Heritage Life Insurance Company, Shenandoah Life Insurance Company, USAA Life Insurance Company, United of Omaha Life Insurance Company, Companion Life Insurance Company, SBLI USA Life Insurance Company, Inc., S. USA Life Insurance Company, Inc., Genworth Life Insurance Company, Genworth Life and Annuity Insurance Company , Genworth Life Insurance Company of New York, USAA Life Insurance Company of New York, The Guardian Life Insurance Company of America</i></p>

<p>Jody C. Barillare, Esquire Morgan Lewis & Bockius LLP 1201 N. Market Street, Suite 2201 Wilmington, DE 19801</p> <p><i>Attorneys for (Non-Party) Assured Guaranty (Europe) plc</i></p>	<p>Daniel Hargraves, Esquire Freeborn & Peters LLP 230 Park Avenue, Suite 630 New York, NY 10169</p> <p><i>Attorneys for AXA Equitable Life Insurance Company</i></p>
<p>Randall S. MacTough, Esquire Zarwin Baum Devito Kaplan Schaer Toddy, PC 1007 N. Orange Street, 4th Floor Wilmington, DE 19801</p> <p><i>Attorneys for Objector First Penn Pacific Life Insurance Company</i></p>	<p>Jennifer R. Hoover, Esquire Noelle B. Torrice, Esquire Benesch Friedlander Coplan & Aronoff LLP 1313 North Market Street, Suite 1201 Wilmington, DE 19801</p> <p><i>Attorneys for Objector Jackson National Life Insurance Company</i></p>

/s/ GianClaudio Finizio
GianClaudio Finizio (#4253)