REPORT OF EXAMINATION
OF THE
AURORA NATIONAL LIFE
ASSURANCE COMPANY
AS OF
DECEMBER 31, 2016

Filed June 19, 2018

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Los Angeles, California
May 15, 2018

Honorable Dave Jones
Insurance Commissioner
California Department of Insurance
Sacramento, California

Dear Commissioner:

Pursuant to your instructions, an examination was made of the

AURORA NATIONAL LIFE ASSURANCE COMPANY

(hereinafter also referred to as the Company) at its home office located at 16600 Swingley Ridge Road, Chesterfield, Missouri 63017. The Company's statutory home office is located at 818 West 7th Street, Los Angeles, California 90017.

SCOPE OF EXAMINATION

We have performed our multi-state examination of the Company. The previous examination of the Company was as of December 31, 2011. This examination covered the period of January 1, 2012 through December 31, 2016.

The examination was conducted in accordance with the National Association of Insurance Commissioners *Financial Condition Examiners Handbook* (Handbook). The Handbook requires the planning and performance of the examination to evaluate the Company's financial condition, assess corporate governance, identify current and prospective risks, 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 findings of fact and general information about the Company and its financial condition. There might be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), were not included within the examination report, but separately communicated to other regulators and/or the Company.

This was a coordinated examination with Missouri as the lead state of the Reinsurance Group of America, Incorporated. It was conducted concurrently with other insurance entities in the holding company group, including the Company's parent, RGA Reinsurance Company. The following states participated on the examination: Missouri and South Carolina.

COMPANY HISTORY

The Company is a California domiciled life and disability insurer, which was incorporated under the laws of the state of California on April 27, 1961, and commenced business on December 1, 1961. The Company's primary business consists of administering the restructured life and annuity insurance business that it assumed from Executive Life Insurance Company (ELIC) on September 3, 1993 as part of ELIC's court approved Rehabilitation Plan (Rehabilitation Plan).

On October 20, 2014, Swiss Re Life & Health America, Inc. (SRLHA), the Company's former parent company, and RGA Reinsurance Company (RGA Re) entered into a

Stock and Asset Purchase Agreement (Purchase Agreement). Pursuant to the Purchase Agreement, SRLHA agreed to sell all of the outstanding stock of the Company to RGA Re, and RGA Re agreed to acquire from SRLHA certain assets and liabilities associated with the Company under the Purchase Agreement.

In connection with the Purchase Agreement, SRLHA, RGA Re, and the Company entered into an ELIC Estate Release, Consent, and Novation Agreement, whereby RGA Re will replace SRLHA with respect to rights, liabilities, and obligations under the ELIC Rehabilitation Plan. The Company's obligations to its policyholders and administration of the ELIC Rehabilitation Plan remain unchanged.

Furthermore, SRLHA, RGA Re, and the Company entered into a Modco Release, Consent and Novation Agreement, whereby all of SRLHA's existing rights and obligations under and in connection with the 95% Modified Coinsurance Agreement between SRLHA and the Company initially effective January 1, 2000, were transferred to RGA Re.

On November 10, 2014, RGA Re filed with the California Department of Insurance (CDI) a Form A application relating to the acquisition of control of the Company by RGA Re, pursuant to the aforementioned Purchase Agreement. Approval of the Form A and all related novation agreements were granted by the CDI on March 25, 2015.

<u>Dividends and Distribution</u>

On September 6, 2013, the Company paid its former parent company, SRLHA, an ordinary cash dividend totaling $34,903,955.

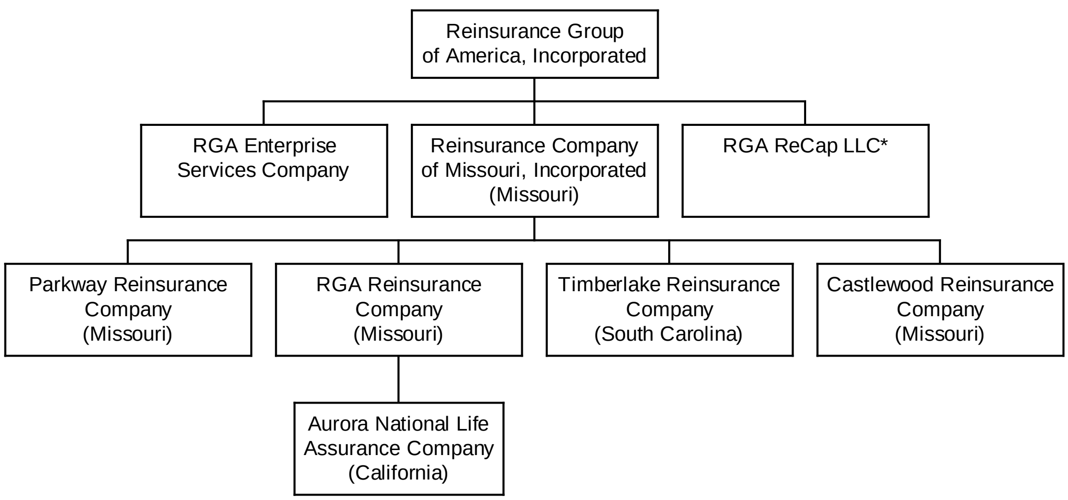
On September 26, 2014, the Company paid its former parent company, SRLHA, an ordinary cash dividend totaling $34,148,421.

On October 12, 2015, the Company paid RGA Re an ordinary cash dividend totaling $32,109,804.

On September 30, 2016, the Company paid RGA Re an extraordinary dividend and distribution totaling $190,000,000 in the form of both cash and securities. The dividend was in the amount of $76,716,009, and paid from unassigned funds. The return of capital distribution was in the amount of $113,283,991, and paid from the gross paid-in and contributed surplus of the company. The CDI approved the transaction on September 21, 2016.

MANAGEMENT AND CONTROL

Ultimate control of the Company is maintained by Reinsurance Group of America, Incorporated (RGA, Inc.). Following is an abridged organizational chart. All ownership is 100%.



* RGA ReCap LLC was incorporated May 18, 2017, changing its name to RGA ReCap Incorporated.

The six members of the board of directors, who are elected annually, manage the business and affairs of the Company. Following are members of the board and principal officers of the Company serving at December 31, 2016:

Directors

Name and Location	Principal Business Affiliation
Lawrence S. Carson Chesterfield, Missouri	Senior Vice President and Chief Actuary RGA Enterprise Services Company
Scott D. Cochran, Chair Chesterfield, Missouri	Senior Vice President, Corporate Development and Acquisitions RGA Enterprise Services Company
Laura K. Cockrill St. Louis, Missouri	Vice President, Finance – U.S. & Latin America Operations RGA Enterprise Services Company
Richard Leblanc Chesterfield, Missouri	Senior Vice President, Global Acquisitions RGA Enterprise Services Company
Timothy T. Matson St. Louis, Missouri	Executive Vice President and Chief Investment Officer RGA Enterprise Services Company
David P. Wheeler Dittmer, Missouri	Executive Vice President and Head of US Mortality Markets RGA Enterprise Services Company

Principal Officers

Name	Title
Scott D. Cochran	President
Brian W. Haynes	Senior Vice President and Treasurer
Laura K. Cockrill	Vice President and Chief Financial Officer
James P. Ash	Vice President and Appointed Actuary
Brian Butchko	Vice President, Investment
Mark Kirsch	Vice President, Operation
Clifford R. Jenks	Secretary

Management Agreements

Administrative Services Agreement: Effective April 1, 2015, the Company entered into an Administrative Services Agreement with the parent company, RGA Reinsurance Company (RGA Re). Under the terms of the Agreement, RGA Re will provide administrative services to the Company. Services will include, but are not limited to, all services necessary to handle the finance, legal, tax, investment, systems, and insurance administration functions in relation to the Company's business, excluding direct policy administration services provided by a third-party administrator. The Company agrees to pay RGA Re for the actual costs, with no mark-up, of such services. In no event will the fees charged to the Company exceed RGA Re's actual costs in providing the services. The Company paid approximately $1,700,000 to RGA Re in 2015 for services provided under the terms of the Agreement. This Agreement was approved by the California Department of Insurance (CDI) on March 25, 2015.

On December 14, 2015, the Company filed a Novation and Restatement of Administration Services Agreement with the CDI. Pursuant to the amended Agreement, RGA Enterprise Services Company (RGA ESC) will replace RGA Re as the service provider, effective January 1, 2016. RGA ESC will provide the Company with the same general administrative services that were provided under the previously approved Agreement with no changes to any other terms under the Agreement. The CDI approved the amended Agreement on August 5, 2016. The Company paid approximately $1,900,000 to RGA ESC in 2016 for services provided under the terms of the Agreement.

Investment Management Letter Agreement: Effective April 1, 2015, the Company entered into an Investment Management Letter Agreement with the parent company, RGA Re. Under the terms of the Agreement, RGA Re will provide investment management services to the Company with respect to all of the Company's invested assets, except such assets shown as excluded assets. For compensation, the Company will pay RGA Re: (1) the fees charged by outside investment advisors for management of the portion of the assets in the account under management by such advisors; (2) three and three-fourths of average monthly market value of the assets in the account that are not under management by the outside investment advisors; and (3) one and one-fourth of average monthly market value of the assets in the account that are under management by the outside investment advisors. The Agreement was approved by the CDI on March 25, 2015.

On December 14, 2015, the Company filed a Novation and Restatement of Investment Management Letter Agreement with the CDI. Pursuant to the amended Agreement, RGA ESC will replace RGA Re as the service provider, effective January 1, 2016. RGA ESC will provide the Company with the same investment management services that were provided under the previously approved Agreement, but exclude the mortgage loan origination and servicing functions. The Company paid approximately $3,900,000 to RGA Re in 2015 for the services provided under the terms of the Agreement.

In addition, the compensation fee for the services provided were reduced to: (1) the fees charged by outside investment advisors for management of the portion of the assets in the account under management by such advisors; (2) one-twelfth of thirteen basis points of the average monthly GAAP book value of the assets in the account that are not under management by the outside investment advisors; and, (3) one-twelfth of five basis points of average monthly GAAP book value of the assets in the account that are under management by the outside investment advisors. The CDI approved the amended Agreement on August 5, 2016. The Company paid approximately $3,700,000 to RGA ESC in 2016 for the services provided under the terms of the Agreement.

Mortgage Loan Origination and Servicing Agreement: Effective January 1, 2016, the Company entered into a Mortgage Loan Origination and Servicing Agreement with its affiliate, RGA ReCap LLC (RGA ReCap). Under the terms of the Agreement, RGA ReCap will provide mortgage loan origination and servicing functions to the Company, which was previously provided by RGA Re under the approved Investment Management Letter Agreement. For compensation, the Company will pay RGA ReCap:

(1) the loan documentation fee, an underwriting fee and a loan origination fee in connection with any loan originated by or with the assistance of RGA ReCap; (2) a service fee equal to the sum of the product obtained by multiplying the prior month ending outstanding principal balance of each loan by one-twelfth of the annual servicing fee rate; (3) a special service fee equal to the sum of the product obtained by multiplying the prior month ending outstanding principal balance of each specially serviced loan by one-twelfth of the annual special servicing fee rate of twenty-five basis points; (4) additional servicing compensation which shall include all default interest, processing fees, assumption fees, modification fees, extension fees, liquidation fees, workout fees, investment income, late fees and other similar fees paid by borrower in connection with each loan or specially serviced loan; and (5) any interest or investment income earned on funds deposited in any escrow account or reserve account, to the extent permitted by law, and subject to the related loan document. The CDI approved the Agreement on March 3, 2016. The Company paid approximately $1,000,000 to RGA ReCap in 2016 for the services provided under the terms of the Agreement.

The Company had other management and service agreements with its former parent and affiliates prior to the acquisition by RGA Re. These agreements were reviewed during the previous examination of the Company and found to be materially compliant with the California Insurance Code, and were filed with the CDI as required. However, all agreements with its former parent and affiliates were terminated effective at the time of the approved acquisition.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2016, the Company was licensed to transact health and life insurance business in all states except Connecticut, Maine, New Hampshire, and New York. However, the licenses from Minnesota, New Jersey, and North Carolina limit the Company to servicing existing business only. In 2016, approximately 43.5% of all renewal life premiums were generated in California (18.0%), Texas (11.4%), Florida (8.5%), and Illinois (5.7%).

Current activities of the Company are predominantly concentrated on the servicing of restructured individual life, and individual and group annuity blocks of business, which were transferred to the Company as part of the Executive Life Insurance Company Rehabilitation Plan (Rehabilitation Plan), which is discussed below.

During 2016, the Company became a member of the Federal Home Loan Bank of Des Moines, Iowa. As a result of the membership, the Company participates in programs designed to offer both liquidity and yield enhancement primarily through the issuance of guaranteed interest contracts. The Company began issuing guaranteed interest contracts in August 2016.

ELIC Rehabilitation Plan

On September 3, 1993, the Company assumed all of the restructured insurance and annuity contracts of Executive Life Insurance Company (ELIC), in accordance with the court approved Rehabilitation Plan. In consideration of its assumption of the ELIC Restructured Contracts, the Company received over $6,000,000,000 of ELIC's assets.

As part of the Rehabilitation Plan, base assets trust and other trusts (ELIC Trusts) were established in order to obtain recoveries from lawsuits, and to liquidate other ELIC assets not transferred to the Company. Distributions totaling $1,300,000,000 were received from ELIC Trusts between 1995 and 2016. As of December 31, 2016, all funds received by the Company from the ELIC Trusts have been distributed to contract holders and/or their subrogees, except for $15,100,000.

The Enhancement Agreement

Most states have life and health insurance guaranty associations that provide specified benefits to policyholders of insolvent life insurance companies. These payments are intended to minimize the effects of the insolvency on contract holders. In the ELIC insolvency, these associations have been represented by the National Organization of Life and Health Guarantee Association (NOLHGA).

The ELIC Rehabilitation Plan includes an Enhancement Agreement (EA) among the Company, NOLHGA, certain Participating Life and Health State Guarantee Associations (PGAs), the Company's parent, and the rehabilitator. Pursuant to the EA, the account values of certain ELIC Restructured Contracts receive an enhancement amount from the PGAs. The Company collects its respective portion of the enhancement amounts from the PGAs and passes it on to the contract holders. For a fee, the Company provides accounting and other record keeping services for the PGAs, relative to its obligations under the EA.

Amounts Received from PGAs

Under the terms of the EA, the PGAs are required to pay annual installments to the Company on April 30th of each year, based on the contracts in-force. The Company received approximately $448,880,000, or 99.96% of the total pass-through funds from the PGAs between the years 2012 to 2014, as advance payments for the estimated portion of non-surrenderable contract benefit payments. As of December 31, 2016, only one PGA has not defeased its defeasible obligations. The defeasance amount owned by this PGA is approximately 0.04% of the total pass-through funds, and immaterial to the Company's financial position.

REINSURANCE

Assumed

The Company has no assumed reinsurance.

Ceded

As previously discussed in the "Company History" section, all existing rights and obligations under and in connection with the 95% Modco Coinsurance Agreement, between the Company's former parent company and the Company, were transferred to RGA Reinsurance Company under the Modco Release, Consent and Novation Agreement, effective March 25, 2015. Under the terms of the Agreement, the Company cedes 95% of underwriting activity for the Company's policies inforce, 95% of the changes in reserves, and provides a modified coinsurance adjustment including, among other items, realized capital gains and losses and 100% of policyholder administration related expenses, after providing primary risk reinsurance.

At December 31, 2016, the Company reported $2,701,607,707 of policyholder liabilities and contract claims, which included a modified coinsurance reserve of $2,551,953,497. In addition, the Company reduced the reported policyholder liability and contract claims by $6,341,145 relating to its yearly renewable term and monthly renewable term reinsurance agreements.

The Company's automatic cession agreements as of December 31, 2016 are summarized in the following table:

Treaty Description	Type of Contract	Reinsurer(s)	Company's Retention	Reinsurer (s) Maximum Coverage
	Interest Sensitive Whole Life	Various North American and European companies (both	Varies by year of issue, underwriting category (age and face amount), ranging from $25,000 to $1 million (1), (2)	Pre-1/1/84: $2 million Post-1/1/84: $5 million

Treaty Description	Type of Contract	Reinsurer(s)	Company's Retention	Reinsurer (s) Maximum Coverage
		Authorized and Unauthorized)		
	Interest Sensitive Group Life (Issued up to 12/31/89)	Various North American and European companies (both Authorized and Unauthorized)	Varies by year of issue, underwriting category (age and face amount), ranging from 50% of face amount up to a maximum of $1 million (1), (2)	$5 million
Automatic Pool Treaties	Interest Sensitive Group Life (Issued 1/1/90 onwards)	Various North American companies (Authorized)	Varies by year of issue, underwriting category (age and face amount), ranging from 25% of face amount up to a maximum of $1 million (2)	$5 million
	Term Life	Various North American and European companies (both Authorized and Unauthorized)	None, starting 8/1/91 Prior to 8/1/91, retention varies by year of issue, underwriting category (age and face amount), ranging from $25,000 to $1 million. 1)	Pre-10/1/83: $2 million Post- 10/1/83: $5 million
	Single Premium Whole Life	Various North American and European companies (both Authorized and Unauthorized)	Varies by year of issue, underwriting category (age and face amount), ranging from $25,000 to $1 million (1)	Pre-10/1/83: $2 million Post-10/1/83: $5 million
	Interest Sensitive Whole Life	Various North American companies (Authorized)	Depending on Underwriter's decision (2)	No limits-based on amount accepted by the reinsurers
Facultative Treaties	Term Life	Various North American companies (Authorized)	None, starting 8/1/91 Prior to 8/1/91, retention was dependent on Underwriter's decision.	No limits-based on amount accepted by the reinsurers
	Single Premium Whole Life	Various North American companies (Authorized)	Depending on Underwriter's decision.	No limits-based on amount accepted by the reinsurer
Second Excess Pool (Effective 1/1/80)	Interest Sensitive Whole Life	Swiss Re Life (Authorized)	Varies by underwriting category (age and table ratings), ranging from $25,000 to $200,000 (2)	$2 million
	Term Life	Swiss Re Life (Authorized)	None, starting 8/1/91 Prior to 8/1/91, retention varies by year of issue, underwriting category (age and face amount), ranging from $25,000 to $200,000.	$2 million

Treaty Description	Type of Contract	Reinsurer(s)	Company's Retention	Reinsurer (s) Maximum Coverage
	Single Premium Whole Life	Various North American companies (Authorized)	Varies by year of issue and age, ranging from $250,000 to $1 million	$4 million
Monthly Renewable Term	Interest Sensitive Group and Whole life	Various North American and One European company (both Authorized and Unauthorized)	Pre-3/1/96: 20% of the maximum retained Net Amount at Risk, up to $1 million Between 3/1/96 and 7/1/97: 43% of the maximum retained net amount at risk, up to $1 million Between 7/1/97 and 1/1/99: 45% of the maximum retained net amount at risk, up to $1 million Between 1/1/99 and 7/15/15: 68% of the maximum retained Net Amount at Risk, up to $1 million Between 7/15/15 and 6/14/16: 91% of maximum retained Net Amount at Risk, up to $1 million Post 6/14/16: 93% of maximum retained Net Amount at Risk, up to $1 million	Pre-3/1/96: 80% of maximum retained Net Amount at Risk Between 3/1/96 and 7/1/97: 57% of the maximum retained net amount at risk. Between 7/1/97 and 1/1/99: 55% of the maximum retained net amount at risk. Post 1/1/99: 32% of the maximum retained net amount at risk. Between 07/15/2015 and 06/14/2016. 9% of the maximum retained net amount at risk. Between 06/15/2016 to current. 7% of the maximum retained net amount at risk.
Coinsurance Term Treaty	Term Life effective 8/1/91	Swiss Re Life (Authorized)	None, starting 8/1/91	$1 million

(1) An approximate additional 3% of the reinsured net amount at risk is retained by the Company.
(2) Effective 10/1/94, the company’s net retention changed due to the reinsurance of a portion of the retained amount under the Monthly Renewable Term Treaty.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the California Department of Insurance, and present the financial condition of the Company for the period ending December 31, 2016. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statements, and should be considered an integral part of the financial statements.

Statement of Financial Condition as of December 31, 2016

Summary of Operations and Capital and Surplus Account
for the Year Ended December 31, 2016

Reconciliation of Capital and Surplus from December 31, 2011
through December 31, 2016

Statement of Financial Condition
as of December 31, 2016

Assets	Ledger and Nonledger Assets	Assets Not Admitted	Net Admitted Assets	Notes
Bonds	$ 2,343,786,673	$	$ 2,343,786,673	(1)
Common stocks	13,533,800		13,533,800	
Mortgage loans on real estate: First liens	342,216,961		342,216,961	
Cash and short-term investments	37,256,403		37,256,403	
Contract loans	139,757,451		139,757,451	
Other invested assets	21,935,440		21,935,440	
Receivable for securities	56,739		56,739	
Investment income due and accrued	33,833,250		33,833,250	
Premiums and agents' balances in course of collection	(2,068,951)		(2,068,951)	
Premiums, agents' balances and installments booked but deferred and not yet due	153,418		153,418	
Reinsurance: Recoverable from reinsurers	2,139,749	22,676	2,117,073	
Reinsurance: Other amounts receivable under reinsurance contract	1,621		1,621	
Current federal and foreign income tax recoverable and interest thereon	3,274,664		3,274,664	
Guaranty funds receivable or on deposit	(447,364)		(447,364)	
Total assets	$ 2,935,399,854	$ 22,676	$ 2,935,377,178	

Liabilities, Capital and Surplus			Notes
Aggregate reserve for life contracts		$ 2,301,088,909	(2)
Liability for deposit-type contracts		385,177,931	(2)
Contract claims: Life		15,340,867	(2)
Premium and annuity considerations for life and accident and health contracts received in advance		85,769	
Contract liabilities not included elsewhere: interest maintenance reserves		15,526,495	
Commissions to agents due or accrued – life and annuity contracts		9,024	
Taxes, licenses and fees due or accrued		45,048	
Net deferred tax liability		43,799,100	
Amount withheld or retained by company as agent or trustee		6,239	
Remittances and items not allocated		3,352,657	
Miscellaneous liabilities:			
Asset valuation reserve		18,086,969	
Reinsurance in unauthorized and certified		16,528	
Payable to parent, subsidiaries and affiliates		1,636,212	
Aggregate write-ins for liabilities		24,674,202	
Total liabilities		2,808,845,950	
Common capital stock	$ 3,000,000		
Gross paid-in and contributed surplus	110,176,228		
Unassigned funds (surplus)	13,355,000		
Capital and surplus		123,531,228	
Total liabilities, capital and surplus		$ 2,935,377,178	

Summary of Operations and Capital and Surplus Account for the Year Ended December 31, 2016

Summary of Operations

Premiums and annuity considerations	$ 635,944	
Considerations for supplementary contracts with life contingencies	46,361	
Net investment income	150,237,682	
Amortization of interest maintenance reserves (IMR)	13,038,118	
Commissions and expense allowances on reinsurance ceded	176,857	
Reserve adjustments on reinsurance ceded	(219,253,747)	
Miscellaneous income	151,029	
Total		$ (54,967,756)
Death benefits	$ 3,168,436	
Matured endowments	34,830	
Annuity benefits	5,665,517	
Disability benefits and benefits under accident and health contracts	20,446	
Surrender benefits and withdrawals for life contracts	1,479,797	
Interest and adjustments on contract or deposit-type contract funds	531,613	
Payments on supplementary contracts with life contingencies	352,402	
Increase in aggregate reserves for life and accident and health contracts	(87,236,568)	
Commissions on premiums, annuity considerations and deposit-type contracts	185,632	
General insurance expenses	1,920,787	
Insurance taxes, licenses and fees, excluding federal income taxes	191,196	
Increase in loading on deferred and uncollected premiums	(32)	
Aggregate write-ins for deduction	(10,990)	
Total		(73,696,934)
Net gain from operations after dividends to policyholders and before federal income tax		18,729,178
Federal and foreign income taxes incurred		2,078,768
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains		16,650,410
Net realized capital losses		(77,164)
Net income		$ 16,573,246

Capital and Surplus Account

Capital and surplus, December 31, 2015		$ 303,176,230
Net income	$ 16,573,246	
Change in net unrealized capital losses	(349,409)	
Change in net deferred income tax	88,219	
Change in nonadmitted assets	9,528	
Change in liability for reinsurance in unauthorized companies	11,217	
Change in asset valuation reserve	(2,977,803)	
Surplus adjustments:		
Paid-in	(113,283,991)	
Dividends to stockholders	(76,716,009)	
Change in capital and surplus		(176,645,002)
Capital and surplus, December 31, 2016		$ 126,531,228

Reconciliation of Capital and Surplus
from December 31, 2011 through December 31, 2016

	Gain in Surplus	Loss in Surplus	
Capital and surplus, December 31, 2011			$ 355,880,352
Net income	$ 108,673,658	$	
Net unrealized capital losses		349,409	
Change in net deferred income tax	1,707,786		
Change in nonadmitted assets	385,236		
Change in liability for reinsurance in unauthorized companies	30,123		
Change in reserve on account of change in valuation basis		24,515,754	
Change in asset valuation reserve		12,273,963	
Surplus adjustments: Paid-in		113,283,991	
Surplus adjustments: change in surplus as a result of reinsurance		5,724,682	
Dividends to stockholders		177,878,189	
Aggregate write-ins for gains and losses in surplus		6,119,939	
Total gains and losses	$ 110,796,803	$ 340,145,927	
Net decrease in capital and surplus			(229,349,124)
Capital and surplus, December 31, 2016			$ 126,531,228

COMMENTS ON FINANCIAL STATEMENT ITEMS

(1) Bonds

As previously discussed in the "Territory and Plan of Operation" section, as of December 31, 2016, the Company pledged assets totaling $524,000,000 to the Federal Home Loan Bank of Des Moines (FHLB), to support the issuance of guaranteed interest contracts. With a written request to the FLHB, the Company can withdraw any pledged assets that are over and above the amount needed to support any outstanding guaranteed interest contracts. The excess assets are not restricted, and are under the control of the Company.

(2) Aggregate Reserve for Life Contracts
Liability for Deposit-type Contracts
Contract Claims: Life

Risk and Regulatory Consulting, LLC (RRC) was engaged by the Missouri Department of Insurance to perform an actuarial review in conjunction with the risk-focused financial examination of RGA Group, which included all insurance entities under the group as of December 31, 2016. Based on the analysis performed by RRC, and an additional review performed by a Senior Life Actuary from the California Department of Insurance, the Company's December 31, 2016 reserves were determined to be reasonably stated, and have been accepted for purposes of this examination.

SUBSEQUENT EVENTS

Subsequent to the examination period, the Company paid RGA Re an extraordinary cash dividend totaling $16,650,410 on September 26, 2017. The CDI approved the transaction on September 8, 2017.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

Current Report of Examination

None.

Previous Report of Examination

Aggregate Reserve for Life Contracts (Page 19): It was recommended that the Company continue to evaluate the various mortality tables to ensure the mortality tables used for the calculation on the above policies are appropriate, and to periodically perform a mortality experience study, as part of the asset adequacy analysis, to ensure an adequate reserve is maintained. The Company has now complied with the recommendation.

ACKNOWLEDGMENT

Acknowledgment is made of the cooperation and assistance extended by the Company's officers and employees during the course of this examination.

Respectfully submitted,

_____/s/______________________

Sharon Grayson
Examiner-In-Charge
Associate Insurance Examiner
Department of Insurance
State of California

_____/s/______________________

Vivien Fan, CFE
Senior Insurance Examiner, Supervisor
Department of Insurance
State of California