REPORT OF EXAMINATION
OF THE

REVIOS REINSURANCE U.S. INC.

AS OF
DECEMBER 31, 2005

Participating State
and Zone:

California

Filed April 10, 2007

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Los Angeles, California
December 1, 2006

Honorable Alfred W. Gross
Chairman of the NAIC Financial
Condition (EX4) Subcommittee
Commissioner of Insurance
Virginia Bureau of Insurance
Richmond, Virginia

Honorable Gary L. Smith
Secretary, Zone IV-Western
Director of Insurance
Department of Insurance, State of Idaho
Boise, Idaho

Honorable John Garamendi
Insurance Commissioner
California Department of Insurance
Sacramento, California

Dear Chairman, Director and Commissioner:

Pursuant to your instructions, an examination was made of the

REVIOS REINSURANCE U.S. INC.

(hereinafter also referred to as the Company) at its main administrative office, 175 Bloor Street East, North Tower, Suite 1400, Toronto, Ontario, Canada M4W 3R8. The Company's statutory home office is located at 633 West Fifth Street, 47th Floor, Los Angeles, California 90071-2043.

SCOPE OF EXAMINATION

The previous examination of the Company was made as of December 31, 2002. This examination covers the period from January 1, 2003 through December 31, 2005. The examination was made pursuant to the National Association of Insurance Commissioners' plan of examination. The examination included a review of the Company's practices and procedures, an examination of management records, tests and analyses of detailed transactions within the examination period, and an evaluation of the assets and a determination of liabilities as of December 31, 2005, as deemed necessary under the circumstances. This examination was conducted concurrently with the examination of the Company's affiliate, Revios Reinsurance Canada Ltd.

In addition to those items specifically commented upon in this report, other phases of the Company's operations were reviewed including the following areas that require no further comment: corporate records; fidelity bonds and other insurance; officers', employees' and agents' welfare and pension plans; growth of company; business in force by states; and sales and advertising.

SUBSEQUENT EVENTS

On July 5, 2006 the Company's parent, Revios Rückversicherung-AG (RRAG), announced that an acquisition agreement had been entered into between SCOR S.A and its subsidiary SCOR Vie, S.A., and the Company's intermediate parent, Gerling-Konzern Globale Rückversicherungs-AG, regarding the sale of RRAG and its subsidiaries. With the November 9, 2006 non-disapproval by the California Department of Insurance, the approval process of the acquisition by all regulatory agencies had been completed.

As a result of the acquisition, SCOR S.A. and its wholly owned subsidiary SCOR Vie, S.A. now own Revios Rückversicherung-AG of Cologne, Germany which owns Revios U.S. Holding Inc., a Delaware Company, which owns the Company.

After the completion of the purchase of RRAG and its subsidiaries, SCOR S.A. informed the Company's employees that SCOR S.A. plans to move the Company to Dallas, Texas.

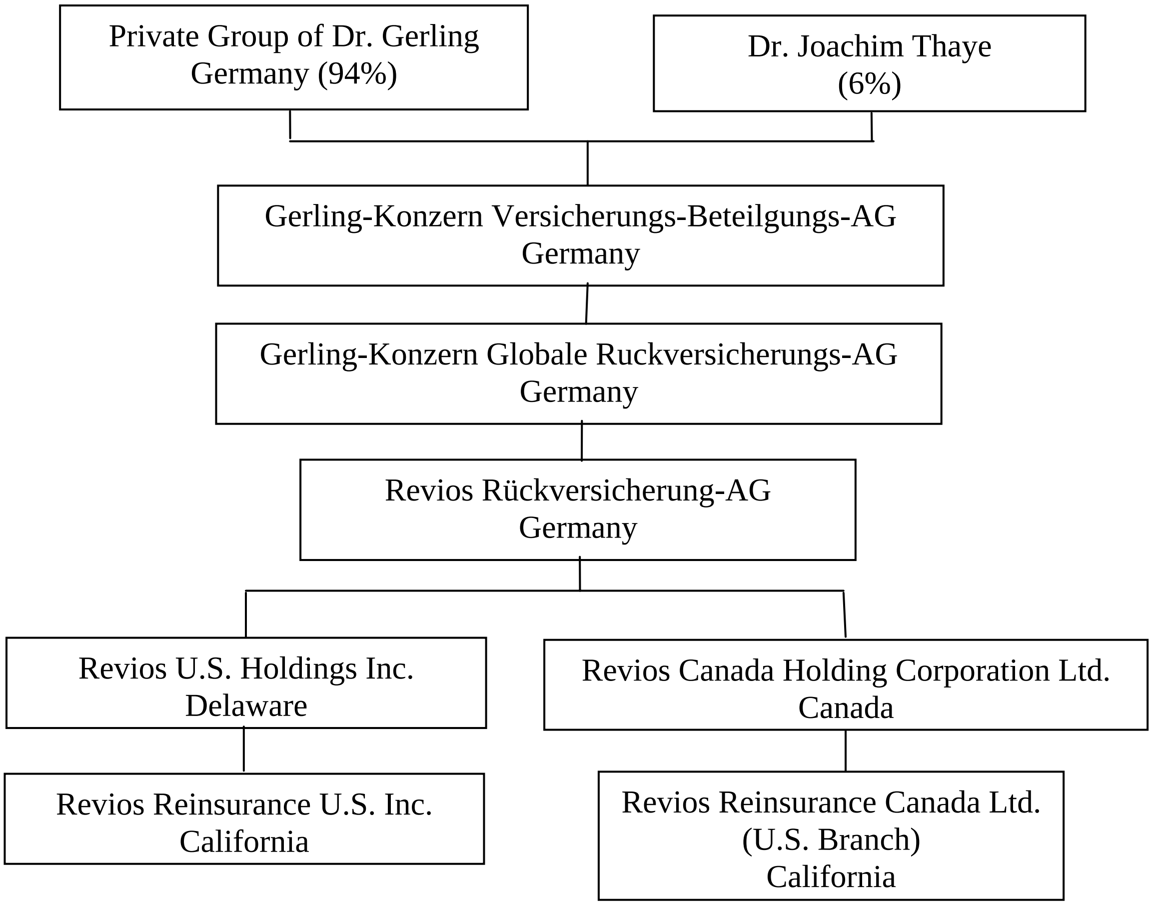
COMPANY HISTORY

Ultimate control of the Company was previously held by the Private Group of Dr. Gerling (65.5%) and Deutsch Bank – AG (34.5%). In May 2003, Deutsche Bank -AG gave up its 34.5% interest in Gerling-Konzern Versicherungs-Beteiligungs (GKB), the ultimate controlling company, so that GKB's ownership is now held 94% by the Gerling family and 6% by a Gerling nominated individual. In September, 2003 Gerling Life Reinsurance GmbH (GLR) changed its name to Revios Rückversicherung-AG. In December 2003, the Company changed its name from Gerling Global Life Reinsurance Company to Revios Reinsurance U.S. Inc. As previously noted, the Company is now owned by SCOR Vie, S.A.

The Company received $30 million in cash capital contributions from Revios U.S. Holdings Inc. in 2004. These contributions resulted in an increase of the Company's gross paid-in and contributed surplus from $49,497,500 to $79,497,500.

MANAGEMENT AND CONTROL

As of the examination date, the Company is a member of an insurance holding company system of which Gerling Konzern Versicherungs-Beteilgungs-AG (GKB) is the ultimate controlling company. The following abridged organizational chart depicts the Company's relationship within the holding company system:



(*) all ownership is 100% unless otherwise noted

Management of the Company is vested in a five-member board of directors elected annually. A listing of the members of the board and principal officers serving on December 31, 2005 follows:

<u>Directors</u>

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Klaus Miller Cologne, Germany	Member of the Executive Board Revios Rückversicherung-AG
Eugene M. Woodard Toronto, Canada	President and Chief Executive Officer Revios Reinsurance U.S. Inc.

Name and Residence	Principal Business Affiliation
Frieder Knüpling Cologne, Germany	General Manager Revios Rückversicherung-AG
B. Franklin Shostack Willowdale, Ontario	Attorney Black Sutherland LLP
F. Barrie Usher Etobicoke, Ontario	Retired Insurance Executive

Principal Officers

Name	Title
Eugene M. Woodard	President and Chief Executive Officer
Kathryn A. Hyland	Senior Vice President, Corporate Markets
Gordon R. Creber *	Senior Vice President and Chief Financial Officer
Todd P. Spooner	Senior Vice President, New Markets
Leonard A. Arokium **	Vice President, Client Services and Technology
Christian W. Jacobsen ***	Vice President, New Markets
Robert B. Lau	Vice President, Conventional Markets
Susan C. McCloy	Vice President, Financial Planning and Reporting
André Piché	Vice President, Actuarial Services

(*) Resigned February 17, 2006, replaced by H. Michael Shumrak.
(**) Resigned March 31, 2006, and not replaced.
(***) Resigned July 24, 2006, not replaced.

As previously noted, the Company has experienced a significant turnover in senior management since 2004. In 2004 a new president was hired to improve the Company's performance, and it was expected that to accomplish that goal a new senior team would be needed. The result was the turnover in senior management in the examination period and subsequently.

Management Agreements

Service Agreement: Effective October 4, 1996, the Company entered into a Service Agreement with its affiliate, Revios Reinsurance Canada Ltd. (RRCAN), in which RRCAN provides management and operational services to the Company. Reimbursement is based on actual costs. The following are the amounts paid by the Company for these services during the examination period:

Year	Amounts
2003	$ 8,217,658
2004	$10,290,609
2005	$ 8,830,230

Tax Sharing Agreement: The Company files a consolidated federal income tax return with Revios Reinsurance International (Barbados) Ltd. However, the Company does not have a tax sharing agreement in place. It is recommended that the Company enter into an agreement, and submit the agreement to the California Department of Insurance pursuant to the requirements of California Insurance Code Section 1215.4.

CORPORATE RECORDS

In December 2003 the Company changed its name from Gerling Global Life Reinsurance Company to Revios Reinsurance U.S. Inc. However, the Annual Supplement to Registration Statement for 2003 (Form B) filed by the Company did not reflect the change in the Company name as required under California Insurance Code (CIC) Section 1215.4. It is recommended that the Company amend the Form B to reflect the name change.

The Company received $30 million in cash capital contributions from Revios U.S. Holdings Inc. in 2004. The Form B filed for 2004 did not reflect the capital contributions received by the Company as required by CIC Section 1215.4. It is recommended that the Company amend the Form B to reflect the $30 million in capital contributions in 2004.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2005 the Company was licensed to transact business in the District of Columbia, and the following 36 states:

Alaska	Indiana	Montana	South Carolina
Arizona	Iowa	Nebraska	South Dakota
Arkansas	Kansas	Nevada	Tennessee
California	Louisiana	New Mexico	Texas
Colorado	Maryland	North Carolina	Utah
Delaware	Michigan	North Dakota	Washington
Georgia	Minnesota	Ohio	West Virginia
Idaho	Mississippi	Oklahoma	Wisconsin
Illinois	Missouri	Oregon	Wyoming

In addition, the Company is licensed or authorized to transact reinsurance business in Puerto Rico and the following 14 other states:

Alabama	Kentucky	New Jersey	Vermont
Connecticut	Maine	New York	Virginia
Florida	Massachusetts	Pennsylvania	
Hawaii	New Hampshire	Rhode Island	

Currently, the Company's operations are limited to the assumption of life and accident and health reinsurance from U.S. companies. The majority of business, in turn, is either retroceded to other carriers or to its parent, Revios Rückversicherung-AG (RRAG). After 2002, new business was no longer ceded to RRAG. In tandem with its affiliate, Revios Reinsurance Canada Ltd. (U.S. Branch), the Company serves as the marketing vehicle for the parent company's U.S. life reinsurance operations.

MORTALITY AND LOSS EXPERIENCE

Until reporting a net income of $3.7 million in 2005 (excluding examination adjustments), the Company had not reported a net income since 1997. From 1998 through 2004 the Company reported a total of $ 65.3 million in net losses. The Company's losses and the resulting surplus strain were mainly due to (1) the recapturing of certain reinsurance business, (2) new business growth in the life reinsurance business, and (3) losses from its accident and health reinsurance business.

The Company maintained its Risk-Based Capital (RBC) above company action levels and its surplus position primarily through capital contributions from its parent in 2001 and 2004 totaling $50 million. In addition, at year-end 2005, in order to avoid further financial deterioration from the statutory surplus strain associated with the growth of its new life reinsurance business, the Company entered into a retrocession reinsurance agreement with Canada Life Assurance Company-US Branch (Canada Life). In conjunction with this agreement, the Company reported the entire reinsurance ceding commission of $22 million at year-end 2005 as a direct credit to surplus. As profits emerge from this business reinsured and in accordance with Statements of Statutory Principles (SSAP) No. 61, the Company must include those earnings (net of tax) in its income statements and reduce the $22 million credit to surplus in a like amount.

As of year-end 2005, the Company reported a net income of $3.7 million compared to a net loss of $28.3 million as of year-end 2004. The $32 million improvement in operating results from 2004 to 2005 was primarily due to (1) the Company entering into two reinsurance agreements with London Life Reinsurance Company to retrocede a portion of its existing and new business assumed on or after January 1, 2005 and (2) the Company entering into the above mentioned reinsurance agreement at year-end 2005 with Canada Life in which it retrocedes a certain specified portion of its retained individual life business. These three reinsurance transactions significantly reduced the Company's reserve liabilities and claims payables as well as its retained business and contributed significantly to the improvement in the Company's 2005 operating results and surplus.

The Company has continued to report improved operating results in 2006. Through September 30, 2006, the Company reported a net income of $3.4 million.

REINSURANCE

As previously noted, the Company's operations are limited to the assumption of life and accident and health reinsurance from U.S. companies. The majority of business, in turn, is either retroceded to other carriers or to the Company's parent.

Assumed

As of year-end 2005, the Company had approximately 188 assumed reinsurance treaties pertaining solely to its life business in which it reported assumed reserves of $604 million. The six largest treaties, based on assumed reserves, were Primerica Life Insurance Company ($84.9 million), Baltimore Life Insurance Company ($71.1 million), Metropolitan Life Insurance e Company ($48.2 million), Transamerica Occidental Life Insurance Company ($36.5 million), Empire General Life Assurance Company ($35.8 million), and Minnesota Life Insurance Company ($22.9 million). These six treaties, in total, represented $299.4 million or 49.6% of the Company's assumed reserves. The principal form of the assumed reinsurance is on a yearly renewal term basis.

The Company had a minimal number of assumed accident and health reinsurance treaties as of year-end 2005, all of which were in run off.

Ceded

As of December 31, 2005 the Company's primary ceded reinsurance agreements, in terms of ceded reserves, were with London Life Reinsurance Company ($313.7 million), Revios Rückversicherung-AG ($67.2 million) and Canada Life Assurance Company (US Branch) ($29.4 million). In total, the

Company ceded $410.3 million of reserves to these three reinsurers, or 85.4% of the total $480.2 million ceded reserves.

Prior to 2003 and in the absence of other retrocession arrangements with non-related parties, the first $2 million of each risk was allocated on a quota-share basis between the Company (25%) and its parent, Revios Rückversicherung-AG (RRAG) (75%). The business ceded to RRAG was on an original term basis. After 2002, new business was no longer ceded to RRAG.

In addition to the RRAG reinsurance agreement, the Company retrocedes certain life business under the terms of two reinsurance agreements with London Life Reinsurance Company. Under the terms of one agreement, the Company retrocedes 90% of life business originally written by Metropolitan Life Insurance Company up to a maximum of $1.8 million on any one life. Under a second agreement, the Company retrocedes 100% of certain life business assumed from various direct writing companies up to a maximum of $2 million on any one life.

The Company also entered into a 100% retrocession agreement with Canada Life Assurance Company (US Branch) at year-end 2005. This agreement cedes the Company's net liability on a 100% basis on business issued by certain specified direct writing companies up to a maximum of $500,000 on any one life. As previously noted in this report, this agreement was entered into by the Company in order to relieve the surplus strain associated with the growth of its new life reinsurance business. Based on the requirements of Statements of Statutory Accounting Principles (SSAP) No. 61, the Company reported the entire gain from this reinsurance transaction at year-end 2005 as a direct credit to surplus in the amount of $22 million, which represented the reinsurance ceding commission. The California Department of Insurance (CDI) approved the recording of the entire gain as a surplus item in correspondence to the Company dated February 23, 2006.

Effective January 1, 2005, under the terms of a Novation Agreement (Novation) among RRAG, London Life and the Company, RRAG transferred all of its obligations assumed from the Company to London Life. The Novation had no financial impact on the Company, as the treaty terms were not changed. Since the Novation (combined with existing reinsurance arrangements with London Life) would result in the Company ceding more that 50% of its business (in terms of reserves and premium volume) to London Life, the Company was required to obtain prior consent from the California Department of Insurance (CDI), pursuant to the requirements of California Insurance Code Section 1011(c). The Company obtained the required prior consent from the CDI on November 29, 2006.

FINANCIAL STATEMENTS

The financial statements prepared for this examination report include:

Statement of Financial Condition as of December 31, 2005

Summary of Operations and Capital and Surplus Account
for the Year Ended December 31, 2005

Reconciliation of Capital and Surplus
from December 31, 2002 through December 31, 2005

Reconciliation of Examination Changes as of December 31, 2005

Statement of Financial Condition
as of December 31, 2005

Assets	Ledger and Nonledger Assets	Assets Not Admitted	Net Admitted Assets	Notes
Bonds	$ 190,763,292	$	$ 190,763,292	(1)
Cash and short-term investments	18,373,672		18,373,672	
Other invested assets	73,607,025		73,607,025	(2)
Receivable for securities	37,370		37,370	
Investment income due and accrued	1,946,212		1,946,212	
Uncollected premiums and agents balances in course of collection	26,727,616		26,727,616	
Amounts recoverable from reinsurers	9,182,645		9,182,645	
Funds held or deposited with reinsured companies	17,776,494		17,776,494	(2)
Other amounts receivable under reinsurance contracts	2,413,276		2,413,276	
Net deferred tax asset	21,397,152	21,397,152	0	
Total assets	$ 362,224,754	$ 21,397,152	$ 340,827,602	

Liabilities, Surplus and Other Funds			Notes
Aggregate reserve for life contracts		$ 134,560,625	(3)
Aggregate reserve for accident and health contracts		11,003,946	(3)
Contract claims: Life		16,348,160	(4)
Contract claims: Accident and health		10,563,675	(4)
Contract liabilities not included elsewhere:			
Surrender values on cancelled contracts		405,632	
Provision for experience rating refunds		2,422,465	
Other amounts payable on reinsurance		287,966	
Interest maintenance reserve		3,209,012	
Commissions to agents due or accrued-life and annuity contracts		6,034,698	
General expenses due or accrued		566,947	
Taxes, licenses and fees due or accrued		295,949	
Remittances and items not allocated		409,746	
Miscellaneous liabilities:			
Asset valuation reserve		1,149,727	
Reinsurance in unauthorized companies		1,706,087	
Funds held under reinsurance		90,317,896	(5)
Payable to parent, subsidiaries and affiliates		610,477	
Funds held under coinsurance		2,706,853	
Total liabilities		282,599,861	
Common capital stock	$ 5,002,500		
Gross paid-in and contributed surplus	79,497,500		
Unassigned funds (surplus)	(26,272,259)		
Capital and surplus		58,227,741	
Total liabilities, capital and surplus		$ 340,827,602	

Summary of Operations and Capital and Surplus Account for the Year Ended December 31, 2005

Statement of Income

Premiums and annuity considerations	$ 25,271,615	
Net investment income	11,422,872	
Amortization of interest maintenance reserve	534,375	
Commissions and expense allowances on reinsurance ceded	29,249,021	
Aggregate write-ins for miscellaneous income	10,739,199	
Total		$ 77,217,082
Death benefits	27,952,779	
Disability benefits and benefits under accident and health policies	208,571	
Surrender benefits and withdrawals for life contracts	172,388	
Increase in aggregate reserves for life and accident and health contracts	(3,185,286)	
Commissions and expense allowances on reinsurance assumed	32,103,621	
General insurance expenses	9,898,909	
Insurance taxes, licenses and fees, excluding federal income taxes	334,357	
Aggregate write-ins for deductions	10,600,966	
Total		78,086,305
Net loss from operations before federal income taxes		(869,223)
Federal income taxes incurred		(467,301)
Net loss from operations before realized capital gains		(401,922)
Net realized capital gains		983,696
Net income		$ 581,774

Capital and Surplus Account

Capital and surplus, December 31, 2004		$ 37,439,355
Net income	$ 581,774	
Change in unrealized capital gains or losses	(1,302,137)	
Change in net deferred income tax	(713,463)	
Change in non-admitted assets and related items	713,463	
Change in liability for reinsurance in unauthorized companies	(312,720)	
Change in assets valuation reserve	(198,978)	
Aggregate write-ins for gains and losses in surplus	22,020,447	
Net change in capital and surplus for the year		20,788,386
Capital and surplus, December 31, 2005		$ 58,227,741

Reconciliation of Capital and Surplus
from December 31, 2002 through December 31, 2005

	Gain in Surplus	Loss in Surplus	
Capital and surplus, December 31, 2002, per Examination			$ 46,720,839
Net loss	$	$ 40,773,546	
Change in net unrealized capital gains or losses	730,102		
Change in net deferred income tax	13,378,413		
Change in nonadmitted assets and related items		13,378,413	
Change in liability for reinsurance in unauthorized companies	254,248		
Change in asset valuation reserve		724,349	
Capital changes: Paid in	30,000,000		
Aggregate write-ins for gains and losses in surplus	22,020,447		
Total gains and losses in surplus	$ 66,383,210	$ 54,876,308	
Increase in capital and surplus			11,506,902
Capital and surplus, December 31, 2005, Per Examination			$ 58,227,741

Reconciliation of Examination Changes
as of December 31, 2005

	Per Company	Per Examination	Surplus Increase (Decrease)	Notes
Liabilities				
Contract claims – life	$ 15,723,160	$16,348,160	$ (625,000)	(4)
Contract claims – accident and health	8,063,675	10,563,675	(2,500,000)	(4)
Net decrease to capital and surplus			$ (3,125,000)	
Capital and Surplus, December 31, 2005 per Company			61,352,741	
Capital and Surplus, December 31, 2005 per Examination			$ 58,227,741	

COMMENTS ON FINANCIAL STATEMENT ITEMS

(1) Bonds

A review of the custodial agreement with the Bank of New York Western Trust disclosed that it still reflects the previous name of the Company. It is recommended that the Company amend the agreement to reflect the current name of the Company.

(2) Other Invested Assets
(2) Funds Held or Deposited with Reinsured Companies

The funds held or deposited with reinsured companies decreased by $61.7 million from $79.5 million in 2004 to $17.8 million in 2005. While other invested assets increased by $72.0 million from $1.6 million in 2004 to $73.6 million in 2005. These changes are a result of the assets in two reinsurance trust accounts being reclassified by the Company from funds held or deposited with reinsured companies to other invested assets.

(3) Aggregate Reserve for Life Contracts
(3) Aggregate Reserve for Accident and Health Contracts

The California Department of Insurance (CDI), pursuant to California Insurance Code (CIC) Section 733(g), retained an independent actuary for the purpose of providing an actuarial evaluation of the Company's aggregate reserves for life and accident and health contracts. Predicated upon the results of the actuarial review, which is detailed below, the Company's reported aggregate reserves for life and accident and health contracts have been accepted.

During the period under examination, the Company's business consisted exclusively of reinsurance assumed, which, in turn, is either retroceded to other carriers or to its parent. The assumed business is administered by the various direct writing companies which provide face amount and reserve information to the Company. The Company also receives reserve opinions from the actuaries of the direct writing companies. Since the direct writing company information frequently arrives too late for reporting deadlines, the Company estimates the values using trends of face amounts and average reserves. When the actual values are received from the direct writing company, these values are used.

The trend worksheets used for the estimates and the actual to estimated comparisons were obtained and reviewed. The estimation methodology appears reasonable and the statement values were consistent with the actual values subsequently obtained.

The Company manages its business in terms of profit centers, which consist of the business covered by one or more treaties with a given ceding company. Several profit centers were selected and the underlying treaties reviewed. The statement assumed reserves were compared to the actuarial opinions subsequently received from the ceding companies. The reserves held by the Company were consistent with the opinions. The major retrocession treaties were reviewed and retroceded amounts appear consistent with the treaties.

It was noted that the Company does not book a separate Immediate Payment of Claims (IPC) reserve. The Company indicated that it had contacted several of its major writing companies and were informed that the IPC reserve was included in reserves reported to the Company. It is recommended that the Company request that this fact be stated in the actuarial opinions obtained in the future.

The Company stopped writing new accident and health business in 1998. The remaining reserve consists almost entirely of individual long term care and long term disability business. The Company received unreliable reports from the ceding company during 2005 and has booked the reserves based on the most recent report received. As a result, the Company’s reserves are unchanged from 2004.

(4) Contract Claims: Life
(4) Contract Claims: Accident and Health

Based on the subsequent developments of life claims reserves through September 30, 2006, the Company's reserves at year-end 2005 were deficient by approximately $625,000. The development of the accident and health claims through the same period indicated that the Company's reserves were deficient by approximately $2.5 million.

(5) Funds Held Under Reinsurance

The above captioned account increased from $77.6 million in 2004 to $90.3 million in 2005. The increase in funds held was due to additional business being retroceded to unauthorized reinsurers, including the Company's parent.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

Current Report of Examination

Tax Sharing Agreement (Page 6) - It is recommended that the Company enter into a tax sharing agreement, and submit the agreement to the California Department of Insurance pursuant to the requirements of California Insurance Code Section 1215.4.

Corporate Records (Page 6): The Annual Supplement to Registration Statement for 2003 (Form B) did not reflect the change in the Company name as required under California Insurance Code (CIC) Section 1215.4. It is recommended that the Company amend the Form B to reflect the name change.

Corporate Records (Page 6): The Form B filed for 2004 did not reflect the capital contributions received by the Company as required by CIC Section 1215.4. It is recommended that the Company amend the Form B to reflect the $30 million in capital contributions in 2004.

Bonds (Page 16): A review of the custodial agreement with the Bank of New York Western Trust disclosed that it still reflects the previous name of the Company. It is recommended that the Company amend the agreement to reflect the current name of the Company.

Aggregate Reserve for Accident and Health Contracts (Page16): It was noted that the Company does not book a separate Immediate Payment of Claims (IPC) reserve. The Company indicated that it had contacted several of its major writing companies and were informed that the IPC reserve was included in reserves reported to the Company. It is recommended that the Company request that this fact be stated in the actuarial opinions obtained in the future.

Previous Report of Examination

Corporate Records (Page 5): It was recommended that the Company implement procedures in its board meetings to ensure compliance with California Insurance Code (CIC) Sections 735. The Company has complied with this recommendation.

Accounts and Records (Page 7): It was recommended that management allocate the necessary resources to fully test the disaster recovery process. The Company fully tested the disaster recovery process in November 2005. The Company encountered a problem during the test. The Company has identified and corrected the cause of the problem and has scheduled a second test for December 2006.

<u>ACKNOWLEDGEMENT</u>

The courtesy and cooperation extended by the Company's officers and affiliate's employees during the course of this examination are hereby acknowledged.

Respectfully submitted,

/S/

Samuel J. Salzman, CFE
Examiner-In-Charge
Senior Insurance Examiner
Department of Insurance
State of California