

BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF IOWA

In The Matter of the Application of)
)
)
Transamerica Life Insurance Company (TLIC) for) **Hearing Date:** June 18, 2026
Approval of its Plan of Division and Simultaneous)
Merger of the Newly Formed Company with SCOR) (Iowa Code Chapters 521 and 521I)
Global Life USA Reinsurance Company)
(SGLUSA))
)
)
)
)

**MOTION TO INTERVENE
OF INTERESTED PARTY JOHN HANCOCK LIFE INSURANCE COMPANY**

Date: May 29, 2026

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John Hancock Life Insurance Company and its affiliate The Manufacturers Life Insurance Company (Bermuda Branch) (together, “John Hancock”), respectfully move pursuant to Chapter 3, Section 3.19(17A), et. seq. of the Iowa Administrative Code for leave to intervene in the above captioned proceeding.

INTRODUCTION

WHEREAS, cedants of TLIC will be treated as occupying the position of policyholders, and retrocessionaires of TLIC will be treated as occupying the position of reinsurers, within the meaning of the Iowa Division Law.

-Proposed Plan at Recitals, PDF p. 12.¹

This paragraph in Transamerica Life Insurance Company’s (“TLIC”) proposed Plan of Division (the “Proposed Plan”) sets forth not only the grounds for John Hancock’s participation in these proceedings, but also the importance of its role as a party. In its submission to the Commissioner, TLIC has indicated that it is substituting its own desired language for the actual words in Iowa’s statute governing the Division of Domestic Stock Insurers (the “Division Law”)² by replacing “cedants” wherever the term “policyholders” is used in the statute. John Hancock’s Petition in Intervention³ demonstrates that this approach is improper. In fact, TLIC’s approach provides the factual and legal basis for John Hancock’s intervention: it is not a “policyholder” as set forth in TLIC’s formulation, but rather, is one whose interests will be directly impacted by the proposed division and merger.

¹ “Proposed Plan” refers to the proposed Plan of Division dividing Transamerica Life Insurance Company (an Iowa Insurance Company) into Transamerica Life Insurance Company (as the Surviving Iowa Insurance Company) and TLIC Division Insurance Company A (the Newly Created Iowa Insurance Company). The Plan of Division begins on PDF p. 10 of the Plan of Division Submission dated May 12, 2026. All references to page numbers are to the PDF pagination of the submission.

² See Iowa Code § 521I.1–521I.15.

³ Attached as Exhibit 1.

John Hancock is a cedent on nineteen (19) treaties where TLIC or an affiliate is a reinsurer. John Hancock's treaties are listed on the excerpt to Schedule S attached to the Proposed Plan. Through the Proposed Plan (which includes the proposed simultaneous merger of the divided business into SCOR Global Life USA Reinsurance Company ("SGLUSA")), TLIC seeks to force a change to John Hancock's contractual counterparty in direct conflict with the terms of the parties' agreements.

The reinsurance market is a sophisticated one. Cedents like John Hancock choose their reinsurers through competitive bidding processes and consider factors such as the credit worthiness of proposed reinsurers. The Proposed Plan upends John Hancock's deliberate contractual choices by seeking to release John Hancock's chosen reinsurer and transfer those obligations to a party that John Hancock did not bargain for. While TLIC announces that "the financial condition of SGLUSA will not jeopardize the interests of Treaty Holders whose contracts are being allocated as part of the Division," neither TLIC nor SGLUSA are in the position to decide or pronounce what is, and is not, in the interests of cedents like John Hancock (*i.e.*, "the Treaty Holders"). John Hancock's participation in these proceedings is therefore critical to a proper assessment of the Proposed Plan.

The Iowa Division Law states that the Commissioner may approve a plan of division, but only if it finds that all of the criteria set forth in Section 521I.8(3) of the Division Law are satisfied. The very first criterion requires a finding that:

The interest of the policyholders, creditors, or shareholders of the dividing insurer will be adequately protected and the plan of division is not unfair or unreasonable to the policyholders of the dividing insurer and is not contrary to the public interest.⁴

⁴ Iowa Code, § 521I.8(3) (2006) (emphases added).

Because the Proposed Plan, by TLIC's own admission, seeks to treat cedents like John Hancock as "policyholders" wherever that term is used in the Division Law, the Commissioner's assessment (if he concludes the Division Law is applicable here) must include a determination that (1) the interest of cedents will be adequately protected, and (2) the plan of division is not unfair or unreasonable to cedents. John Hancock respectfully submits that as the proponents of the Proposed Plan, neither TLIC nor SGLUSA should be permitted to represent the interests of cedents.

As set forth below, John Hancock satisfies all of the requirements for intervention contained in the Iowa Administrative Code. John Hancock therefore respectfully requests that this Motion to Intervene be granted and that it be afforded all the rights of a party to these proceedings.

STATEMENT OF FACTS

TLIC seeks regulatory approval for a combined plan of division and merger. Under the Proposed Plan, TLIC would divide into two entities, with TLIC as the surviving Iowa insurer, and a newly created entity, TLIC-A, as the new divided entity. Pursuant to the Proposed Plan, TLIC proposes to allocate to TLIC-A a defined block of reinsurance business (the "Specified Business"), including all associated assets and liabilities of the original cedents. Simultaneously with the Division, TLIC-A would merge with SGLUSA, with SGLUSA being the surviving entity.

According to the Proposed Plan, as a result of the division and merger, all liabilities and contractual obligations associated with the Specified Business would ultimately be assumed by SGLUSA. TLIC characterizes this transaction as a "formalization" of prior reinsurance arrangements, but ignores that the Proposed Plan would transfer all reinsurance contracts, certain assets, and liabilities from TLIC into a newly created entity in a manner that does not exist now. Moreover, this transfer of cedent contracts would result in a new reinsurer, SGLUSA, for the ceding insurers. Notably, SGLUSA is not the entity that currently serves as retrocessionaire for

TLIC. Rather, TLIC's retrocessional arrangement is with SCOR Global Life Americas Reinsurance Company ("SCOR DE"), an affiliate of SGLUSA. Thus, far from "formalizing" an already existing contractual arrangement, the Proposed Plan seeks to transform the parties' contractual relationships and eliminate TLIC's role as the credit backstop to John Hancock's reinsurance agreements.

TLIC's assertion that the Proposed Plan simply preserves the "status quo" is illusory.⁵ In reality, it fully releases TLIC from any and all obligations to John Hancock in spite of the fact that John Hancock originally deliberately selected TLIC as its reinsurer after careful assessment of many complex factors and reaffirmed that selection in 2012. The Proposed Plan effects a forced substitution which alters the economic and legal relationship between the parties without the ability of cedents to individually assess or consent to the transaction, which are specific rights John Hancock negotiated and received under the parties' contracts.

Given that both TLIC and SGLUSA are proponents of the Proposed Plan, neither entity can adequately represent the interest of John Hancock because its contractual rights are impaired by the Proposed Plan. John Hancock is one of the largest and most well-established life insurance companies in the United States. It is also a sophisticated participant in the reinsurance market and has extensive history with TLIC and the SCOR entities. John Hancock is therefore well-positioned to participate in these proceedings and to bring the cedent perspective to the Commissioner's consideration of the Proposed Plan.

Based on the arguments set forth below, John Hancock respectfully submits that leave to intervene should be granted.

⁵ Letter from B. Gerst to Hon. D. Ommen, Proposed Plan PDF p. 3 of 154.

LEGAL STANDARD FOR INTERVENTION

Leave to intervene in a contested case proceeding is governed by Chapter 3, Section 3.19(17A) of the Iowa Administrative Code (“IAC”). The requirements for intervention are set forth in two provisions of Section 3.19.

First, the IAC states that “[a] motion for leave to intervene in a contested case proceeding shall state the grounds for the proposed intervention, including any statutory grounds, and the position and interest of the proposed intervenor.”⁶ These requirements are addressed in Sections A and B of the Argument below.

Second, the IAC further identifies specific criteria a movant must demonstrate in support of its request for intervenor status:

The movant shall demonstrate that (a) intervention would not unduly prolong the proceedings or otherwise prejudice the rights of existing parties; (b) the movant is likely to be aggrieved or adversely affected by a final order in the proceeding; and (c) the interests of the movant are not adequately represented by existing parties; or (d) there exists a statutory right to intervene.⁷

Here, John Hancock can satisfy subsections (a), (b) and (c) of this provision, as set forth in Section C of the Argument below.

Finally, under Section 3.19(1), “a proposed answer or petition in intervention shall be attached to the motion.” John Hancock’s Petition in Intervention is attached as Exhibit 1 to this Motion.

⁶ Iowa Admin. Code., Ch. 3, § 3.19(1).

⁷ *Id.* at § 3.19(3).

ARGUMENT

I. Grounds for the Proposed Intervention

The Proposed Plan effectively replaces cedents’—including John Hancock’s—chosen reinsurer (TLIC) with a new obligor (SGLUSA). John Hancock respectfully submits that the Commission cannot engage in a full and fair evaluation of the Proposed Plan if the cedents whose contracts are directly impacted by the Proposed Plan cannot challenge or otherwise probe TLIC’s contention that “[n]o policyholders . . . will be impacted by the Plan of Division.”⁸

Under Iowa Code § 521I, the interest of policyholders is a central consideration of the Commissioner’s evaluation of the plan of division. The statute provides that the Commissioner may approve a plan of division if, among other considerations, “(a) [t]he interest of the policyholders . . . of the dividing insurer will be adequately protected”; “(b) [t]he financial condition of the resulting insurers will not . . . prejudice the interests of the policyholders”; and “(e) [t]he proposed division is not being made for the purpose of hindering, delaying, or defrauding any policyholders.”⁹

Given that TLIC considers cedents to be the “policyholders” under the Division Law, cedent participation is needed in these proceedings. Neither TLIC nor SGLUSA can represent John Hancock’s—or any cedents’—interests. Indeed, that TLIC has simply pronounced that cedents will be unaffected by the Proposed Plan is precisely why John Hancock’s intervention is warranted:

⁸ Proposed Plan at PDF p. 10 of 154. TLIC’s Plan of Division provides that “cedants of TLIC will be treated as occupying the position of policyholders.” TLIC Plan of Division, Recitals at 3. Thus, it is unclear if TLIC’s “no impact” statement is referring to actual policyholders or to cedents. While John Hancock disagrees with TLIC’s application of the statute, for purposes of this Motion, John Hancock assumes that references to a “policyholder” in the Proposed Plan means cedents.

⁹ §§ 521I.8(3)(a), (b), (e).

John Hancock disagrees vehemently with that claim and should be permitted to present evidence demonstrating the falsity of TLIC's bald assertions.

As discussed above, the Proposed Plan would terminate the reinsurance obligations of John Hancock's chosen reinsurer and then transfer those same obligations to a separate, unrelated entity not of John Hancock's choosing. That termination and transfer would alter John Hancock's existing contractual relationships, risk exposure, and economic expectations. The Commissioner's potential approval of the Proposed Plan would materially affect John Hancock's interests by (1) transferring TLIC's contractual obligations to SGLUSA without regard to John Hancock's contractual right to object, and (2) depriving John Hancock of the opportunity to assess and manage its reinsurance risk.

II. Position and Interest of the Proposed Intervenor

John Hancock is a cedent of TLIC. Under the terms of the Proposed Plan, the defined "Specified Business," which would be transferred to SGLUSA, includes nineteen (19) John Hancock treaties where TLIC or an affiliate is the current reinsurer.¹⁰ The Proposed Plan would result in a consolidation of risk for John Hancock without its consent and would have a material impact on the risk transferred. As discussed above, John Hancock has a profound interest in managing counterparty risk and determining which entities it does business with, and to what extent. That is exactly why John Hancock negotiated for and received anti-assignment rights in its reinsurance contracts with TLIC. TLIC should not be permitted to circumvent rights established via reinsurance contracts under the guise of the Division Law.

¹⁰ The list of John Hancock treaties affected by the Proposed Plan are set forth in Exhibit A to John Hancock's Petition in Intervention.

III. IAC Criteria for Intervention

As noted above, the IAC identifies specific criteria a movant must demonstrate in support of its request for intervenor status:

The movant shall demonstrate that (a) intervention would not unduly prolong the proceedings or otherwise prejudice the rights of existing parties; (b) the movant is likely to be aggrieved or adversely affected by a final order in the proceeding; and (c) the interests of the movant are not adequately represented by existing parties; or (d) there exists a statutory right to intervene.¹¹

Here, John Hancock satisfies subsections (a), (b) and (c) of this provision.

First, John Hancock's intervention would not unduly delay the proceedings or prejudice any party. TLIC provided notice to John Hancock of the Proposed Plan on May 13, 2026, and the Commissioner set a deadline for intervention of May 29, 2026. John Hancock is meeting that deadline by promptly filing this Motion and the attached Petition in Intervention. Should the Commissioner wish to move forward with the Public Hearing on June 18, 2026, as it is currently scheduled, John Hancock is prepared to appear in person and make arguments in support of its position.

Second, there will be no prejudice to either TLIC or SGLUSA as a result of John Hancock's participation. John Hancock's position can come of no surprise to TLIC and SGLUSA. Both TLIC and SGLUSA are fully aware of the nature and terms of TLIC's contractual relationship with John Hancock and the impact the Proposed Plan will have on it. TLIC and SGLUSA are also both aware that John Hancock previously declined novation to SGLUSA when TLIC requested it pursuant to the parties' contractual arrangements. Moreover, neither TLIC nor SGLUSA can claim any cognizable prejudice from John Hancock's intervention. TLIC is the party that initiated this proceeding and placed its contractual relationships squarely at issue. It cannot now complain when

¹¹ Iowa Admin. Code., Ch. 3, § 3.19(3).

a cedent whose rights are directly affected seeks to protect them. Permitting John Hancock to participate imposes no burden beyond what TLIC assumed when it voluntarily submitted the Proposed Plan for regulatory approval.

Third, John Hancock will be aggrieved and/or adversely affected by a final order in the proceeding should the Commissioner approve the Proposed Plan. As discussed above, if the Proposed Plan is approved, John Hancock will experience an involuntary substitution of its bargained-for reinsurer in contravention of its express contractual rights to prohibit such a transfer. In addition to having to be in a reinsurance agreement with a party with which John Hancock did not contract in contravention of its rights, John Hancock will also be adversely affected if the Proposed Plan is approved because SGLUSA plainly poses a more significant credit risk than TLIC to John Hancock.

In addition, a substitution could concentrate reinsurance risk into the SCOR family of companies in a manner that is contrary to John Hancock's interests. SCOR entities are already reinsurers of John Hancock on various reinsurance pools (which consist of several reinsurers being ceded a fixed percentage of the risk from the underlying block of policies), including some where TLIC is a reinsurer. In forming those reinsurance pools John Hancock carefully considered the composition of its reinsurance structure. That includes not only *who* would be a pool participant, but also *what percentage* of the pool a given participant would receive. Those decisions were made through competitive bidding processes, with credit risk and risk concentration key parts of the reinsurance pricing process. The Proposed Plan upends the risk transfer decisions John Hancock made at original pricing by concentrating in the SCOR enterprise (including SGLUSA) a greater pool participation share than John Hancock would view as prudent. This poses a significant concern for cedents like John Hancock.

John Hancock should be permitted to intervene so that it can scrutinize the report prepared by Milliman, Inc. on SGLUSA's solvency and financial condition and evaluate for itself the creditworthiness of the counterparty TLIC seeks to force upon it. No sophisticated cedent would ever enter into a reinsurance relationship without first conducting its own independent assessment of the reinsurer's financial standing. Yet, that is precisely the outcome the Proposed Plan demands: that John Hancock accept SGLUSA, an entirely new reinsurer, sight unseen, with no opportunity to examine whether SGLUSA is capable of honoring the obligations TLIC seeks to transfer.

Fourth, John Hancock's interests are not adequately represented by existing parties. To John Hancock's knowledge, as of the time of this filing, no cedent has moved to intervene in these proceedings. As it stands, no party before the Commissioner is positioned to challenge the Proposed Plan or advocate on behalf of the cedents whose contractual rights will be altered and adversely affected. Neither TLIC nor SGLUSA—the only current participants—has any incentive to do so. Without an adversarial voice representing affected cedents, the Commissioner risks approving the Proposed Plan on an incomplete record, lacking any meaningful examination of its practical impact on cedents.

In sum, John Hancock's intervention would facilitate the Commissioner's evaluation of the Plan by creating a complete and balanced evidentiary record that allows the Commissioner to evaluate the Proposed Plan's impact on policyholders.¹² Notably, the Division Law is permissive, not mandatory.¹³ This discretionary framework allows the Commissioner to engage in a complete evaluation of the Proposed Plan in light of all relevant interests. The interests and views of cedents such as John Hancock are essential to inform the Commissioner's determination. John Hancock

¹² See Iowa Code §§ 5211.8(3)(a), (b), (c).

¹³ *Id.* § 5211.8(3) (“The commissioner may approve a plan of division . . .”).

respectfully submits that it is well-positioned to provide important insight and evidence to the Commissioner and to advance the purpose and text of the Division Law.

RELIEF REQUESTED

Based on the foregoing, John Hancock respectfully requests that the Commissioner (1) grant this Motion to Intervene, (2) accept and file the attached Petition in Intervention on the docket of these proceedings, (3) afford John Hancock all rights afforded to a party in these proceedings, (4) order TLIC to provide John Hancock with any and all materials confidentially filed by TLIC or SGLUSA, and (5) permit John Hancock to seek discovery and present evidence as the Commissioner deems proper.

Date: May 29, 2026

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on May 29, 2026, I filed a copy of the foregoing MOTION TO INTERVENE OF INTERESTED PARTY JOHN HANCOCK LIFE INSURANCE COMPANY, along all exhibits thereto, with the Commissioner of Insurance, by e-mail:

enforcement.filings@iid.iowa.gov

Jordan Esbrook, General Counsel
jordan.esbrook@iid.iowa.gov

Included on that email were the following individuals, each of whom are listed on the notice John Hancock received as being counsel for the parties and as having requested service of any motion to intervene. Each of these individuals is also being served by U.S. Mail, postage pre-paid.

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Dated: May 29, 2026



Suman Chakraborty

EXHIBIT 1

Pursuant to Iowa Admin. Code r. 191–3.19 and 481–10.11, John Hancock Life Insurance Company (U.S.A.) and its affiliate The Manufacturers Life Insurance Company (Bermuda Branch) (together, “John Hancock”), submit the following Petition in Intervention in response to the Plan of Division and Merger filed by Transamerica Life Insurance Company (“TLIC”) on May 12, 2026.

INTRODUCTION

This Petition in Intervention (“Petition”) is necessary to enforce the words and intent of Iowa law as it applies to Chapter 521I of the Iowa Code, which governs the Division of Domestic Stock Insurers (the “Division Law”).¹ Enacted in 2019, the Division Law permits a domestic stock insurer to “divide,” by “split[ting] itself into two or more resulting domestic stock insurers.”² The key word used throughout the Division Law is “insurer.” The statute on its face applies to the business of insurance, not the business of reinsurance. Indeed, the Division Law is replete with references to the insurer-policyholder relationship and the requirements that must be met to ensure that the interests of “policyholders” are protected.³ The use of the term “policyholder” is a well-understood reference to the holder of a contract of insurance from an insurance company, and it is a term used frequently in that manner throughout the Iowa Code.⁴

¹ See Iowa Code § 521I.1–521I.15.

² Iowa Code § 521I.1.

³ See, e.g., Iowa Code § 521I.8(3).

⁴ See Iowa Code § 508B.1 (defining “policyholder” in the context of a plan of conversion to mean “a person, determined by the mutual company, who is the holder of a policy or annuity contract...”).

In these proceedings, TLIC seeks to use the Division Law in a manner directly contrary to the plain terms of the statute: to transfer reinsurance business to a newly formed entity (“TLIC-A”), which will not be in the business of insurance, but rather the business of reinsurance. TLIC then proposes to simultaneously merge TLIC-A into a third-party reinsurance company, SCOR Global Life USA Reinsurance Company (“SGLUSA”), in an apparent effort to remove TLIC as the party to the reinsurance contract and restructure the manner in which the risk is currently being retroceded within the SCOR family of companies.

The Plan of Division (“Proposed Plan”) submitted by TLIC interprets and applies the Division Law in a manner that is inconsistent with the plain language and purpose of the statute. By using the Division Law in a manner that is far beyond its intended purpose, TLIC and SGLUSA are attempting to circumvent John Hancock’s anti-assignment provisions to push through a transfer of reinsurance agreements that would otherwise be contractually barred. John Hancock therefore intervenes in these proceedings to safeguard its rights and prevent this improper use of Iowa law from moving forward.

BACKGROUND

I. Insurance and Reinsurance Distinctions Under Iowa Law

1. Reinsurance contracts are complex devices entered into by sophisticated parties to facilitate the transfer of risks arising from insurance contracts. Statutes, regulations, and case law all recognize the distinction between a contract of insurance and a contract of reinsurance. A reinsurer and a cedent do not hold the same relationship as an insurer and its policyholder, and the negotiation, pricing, and selection of contracts with counterparties at the reinsurance level does not mirror the process that occurs in the retail insurance market.

2. In recognition of the differences in these two forms of risk transfer, Iowa statutes routinely distinguish between insurers and reinsurers. The insurance provisions of the Iowa Code contain specific statutes that are applicable to reinsurance.⁵ The statutes also define and treat an “insurer” and a “reinsurer” differently.⁶ Taken as a whole, the Iowa Code reflects the Iowa legislature’s recognition of the differences between insurance and reinsurance, and its policy decisions as to what statutes and regulations apply to one type of risk transfer versus the other.

3. The faithful application of law according to its plain language is fundamental to the regulatory function. The Iowa Supreme Court has repeatedly noted the “polestar of statutory interpretation” that guides the application of the legislature’s policy choices: “[i]n construing statutes the court searches for the legislative intent as shown by what the legislature said rather than what it should or might have said.”⁷ Here, the Division Law plainly states that it applies to the division of an insurance business, as reflected by the repeated references to policyholders and insurers.

4. TLIC and SGLUSA seek approval of a reinsurance transaction that directly contravenes the plain text of the Division Law. The inconsistency between TLIC’s desired reinsurance scheme and the terms of the Division Law is glaringly highlighted by the text of the Proposed Plan. For example, the Recitals of the Proposed Plan state:

WHEREAS, cedants of TLIC will be treated as occupying the position of policyholders, and retrocessionaires of TLIC will be treated as occupying the position of reinsurers, within the meaning of the Iowa Division Law.⁸

⁵ See, e.g., Iowa Code § 521J.14 (regulating reinsurance provided by captive companies).

⁶ See, e.g., Iowa Code § 521C.2 (providing separate definitions of an “insurer” and a “reinsurer”).

⁷ *Ruthven Consol. School Dist. v. Emmetsburg Community School Dist.*, 382 N.W.2d 136, 140 (Iowa 1986) (quoting Iowa R. App. P. 14(f)(13) (now codified as Iowa R. App. 6.904(2)(c))).

⁸ Proposed Plan at PDF p. 12 of 154.

5. As discussed further below, this recital summarizes the core defect of the Proposed Plan: a “cedant” in a reinsurance relationship is not the same as a “policyholder.” Additionally, a “reinsurer” is not the same as a “retrocessionaire.” TLIC cannot unilaterally decide to “treat” statutory language in a manner that departs from the actual words enacted by the legislature.

6. The contradictory manner in which TLIC seeks to implement the legislature’s chosen words is further evidenced by TLIC’s statement in the sentence that immediately precedes the Recitals. There, TLIC states that “[n]o policyholders or consumers will be impacted by the Plan of Division.”⁹ In that instance, TLIC is presumably talking about *actual* policyholders and not cedents. This highlights the problem: TLIC uses that term inconsistently sometimes to mean actual policyholders and other times to mean cedents, depending on which term fits best in its scheme. However, statutory terms cannot be assigned shifting definitions merely to satisfy the goals of a transaction.

7. By explicitly stating that it will swap out the terms used in the Division Law that define the scope of what is, and is not, permitted, TLIC is rewriting the statute. The Division Law does not authorize the “split” of reinsurance business in the manner TLIC is pursuing, nor can it be interpreted in a way that overrides the legislature’s decision to restrict division rights to the business of insurance.

8. TLIC’s and SGLUSA’s efforts to rely on the Division Law have an obvious animating motive: they want to circumvent broad anti-assignment provisions contained in John Hancock’s reinsurance agreements, and likely in other cedents’ treaties. Those provisions, however, were negotiated precisely because the identity of a reinsurance counterparty is material

⁹ Proposed Plan at PDF p. 11 of 154.

to both reinsurer selection and risk management. The Division Law cannot serve as a vehicle for circumventing those contractual rights and obligations because TLIC wishes to escape the consequences of the bargain it struck with its cedents.

II. Cedent Selection of Reinsurers

9. As noted above, reinsurance relationships are formed by sophisticated parties that engage in complex negotiations. As one reinsurance expert noted:

A major difference between reinsurance and primary insurance is that a reinsurance program is generally tailored more closely to the buyer; there is no such thing as the “average” reinsured or the “average” reinsurance price. Each contract must be individually priced to meet the particular needs and risk level of the reinsured.¹⁰

10. Unlike policyholder selection of an insurer, which relies on ratings and broker relationships, the selection of reinsurance counterparties is a complex consideration for cedents. Indeed, the standards of actuarial practice require ceding companies to assess counterparty risk in their treatment of reinsurance.¹¹ Ceding companies make deliberate choices in both the selection of a reinsurer, and in the percentage of risk ceded to those reinsurers when participating in reinsurance arrangements. These choices are driven by various factors, including the desire to prevent excessive concentration of risk in any single reinsurer and to minimize counterparty credit risk.

11. Given these critical business and risk considerations, John Hancock intentionally negotiated broad anti-assignment provisions in its reinsurance agreements. Those provisions require John Hancock to consent to any transfer of reinsurance obligations that it determines has a

¹⁰ David R. Clarke, “Basics of Reinsurance Pricing: Actuarial Study Note” (Revised 2014), available at: <https://www.soa.org/globalassets/assets/files/edu/edu-2014-exam-at-study-note-basics-rein.pdf>.

¹¹ See Actuarial Standard of Practice No. 11, “Treatment of Reinsurance or Similar Risk Transfer Programs Involving Life Insurance, Annuities, or Health Benefit Plans in Financial Reports” (April 2021), available at: https://www.actuarialstandardsboard.org/wp-content/uploads/2021/05/asop011__199.pdf.

material effect on the risks transferred. John Hancock's reinsurance agreements with TLIC are no exception.

12. TLIC's Proposed Plan is a thinly disguised attempt to circumvent the contractual terms TLIC agreed to with John Hancock and to substitute SGLUSA in TLIC's place as John Hancock's reinsurer, all without John Hancock's contractually required consent. Neither the Division Law nor the terms of the parties' agreements permit such a tactic.

III. Description of the Parties

13. John Hancock is a Michigan corporation with its principal place of business in Boston, Massachusetts. It is a life insurance financial services company that issues insurance, retirement planning, investment management, and wealth protection products to consumers across the country. Its parent company is Manulife Financial Corporation, a financial services and insurance company based in Toronto, Canada. John Hancock is a party to nineteen reinsurance agreements implicated by the Proposed Plan.¹²

14. TLIC is an Iowa corporation with its principal place of business in Cedar Rapids, Iowa. It is a financial services company that, in addition to issuing life insurance policies and other retail insurance products, acts as an assuming reinsurer as a result of a previously-established reinsurance division. It is a wholly owned subsidiary of Aegon Ltd., a financial services company based in the Netherlands.

¹² See Exhibit A.

15. SGLUSA is a Delaware corporation with its principal place of business in Charlotte, North Carolina. It provides life and health reinsurance and is a subsidiary of SCOR SE, a reinsurance company based in Paris, France. SGLUSA does not issue insurance policies to the consumer market.

IV. TLIC's Reinsurance History

16. TLIC and its affiliated companies historically wrote assumed reinsurance business through its Transamerica Reinsurance Division ("Transamerica Re"). At its peak, Transamerica Re was one of the largest life reinsurers in the U.S., with additional operations in Asia, Europe and Latin America. In 2010, shortly before it entered into an arrangement to retrocede the bulk of its assumed reinsurance business, Transamerica Re's gross written premiums were \$2.2 billion, of which 87% was generated in the U.S. market.¹³ That made it one of the three largest life reinsurers in the U.S. with an 18% market share.¹⁴

17. Transamerica Re was not a freestanding company, but rather a division within TLIC. TLIC was later acquired by Aegon N.V. in 1999 and continues to be a subsidiary of Aegon today. As a result of this structure, the contractual counterparty to the reinsurance agreements John Hancock entered into are TLIC for non-New York business, and Transamerica Financial Life Insurance Company ("TFLIC") for New York business.

¹³ See Maarten van Tartwijk, "Aegon Sells Transamerica Re," The Wall Street Journal (Apr. 26, 2011), available at: <https://www.wsj.com/articles/SB10001424052748703956904576286502581113500>.

¹⁴ See David M. Bruggeman, "Life Reinsurance Data from the Munich Re Survey," Reinsurance News (July 10 – Issue 69), available at: <https://www.soa.org/globalassets/assets/library/newsletters/reinsurance-section-news/2010/july/rsn-2010-iss68-bruggeman.pdf>.

V. Treaties at Issue

18. Under the Proposed Plan, TLIC is seeking to transfer its reinsurance obligations to SGLUSA for nineteen treaties where John Hancock is the cedent (collectively, “Treaties”). The reference number, cedent, reinsurer, and net amount at risk for each Treaty is listed in Exhibit A.

19. The Treaties cover both Yearly Renewable Term (“YRT”) and Coinsurance business with effective dates ranging from January 1, 1997, to April 1, 2010. The nature of the business reinsured under the treaties speaks to the importance of preserving the intended contractual counterparties.

20. By their nature, YRT reinsurance agreements are in force for decades because they provide coverage for mortality risk of underlying policies. As such, the reinsurance obligations remain effective until all policies terminate either by death, lapse, or maturity. As for Coinsurance treaties, in addition to covering mortality risk, John Hancock and TLIC share proportionally in other economic aspects of the underlying policies, including premium persistency, investments and expenses. Thus, John Hancock’s decision to enter into the Treaties takes into consideration who its business partner will be for these decades-long relationships. An anti-assignment clause serves to protect that business decision.

VI. The Treaties’ Anti-Assignment Clause

21. When negotiating the Treaties, John Hancock bargained for anti-assignment protections that bar TLIC from transferring its rights and obligations, including the risks being reinsured. Specifically, twelve of the nineteen Treaties state:

Assignment

Neither the Company nor the Reinsurer may assign any of the rights and obligations under this Agreement, nor may either party sell, assumption reinsure or transfer the policies without the prior written consent of the other party. Consent will not be withheld if the assignment, sale, assumption reinsurance or transfer does not have a material effect on the risks transferred or the expected economic results.¹⁵

22. This anti-assignment clause is not template treaty wording. Rather, John Hancock used bespoke contract language designed to protect it from precisely what TLIC is attempting to do here, which is transfer its reinsurance obligations to a less desirable and financially weaker counterparty over John Hancock's objection.¹⁶

VII. TLIC-SCOR Retrocessional Arrangement

23. In 2011, TLIC and certain of its affiliates entered into a series of retrocessional agreements with SCOR Global Life Americas Reinsurance Company ("SCOR DE"), a Delaware company that is an affiliate of SGLUSA. Based on public statements made by Aegon at the time of the transaction, the retrocessional arrangement was an effort to "divest its global life reinsurance activities with the exception of select blocks of business that are to be retained by Aegon."¹⁷

24. While framed as an "acquisition," SCOR DE's arrangement with TLIC was one of retrocession: TLIC remained the contractual counterparty for its cedents (including John Hancock), but it then retroceded the business to SCOR DE and other affiliates. As such, the retrocession of TLIC's reinsurance block was done on a "reinsurance indemnity basis."¹⁸ Because

¹⁵ See, e.g., Exhibit B, excerpts of Treaty No. OC19C11.

¹⁶ Though not styled as an "Assignment" clause, other Treaties also prohibit the assignment of rights to anyone other than the contracting parties.

¹⁷ See "Aegon to Divest Transamerica Reinsurance to SCOR," Aegon.com (Apr. 26, 2011), available at: <https://www.aegon.com/investors/press-releases/2011/Aegon-to-Divest-Transamerica-Reinsurance-to-SCOR>.

¹⁸ Proposed Plan at PDF p. 2 of 154.

TLIC and SCOR DE chose to structure their retrocession on a “reinsurance indemnity basis,” John Hancock’s consent was not required for the transaction, both as a matter of contract and as a general matter of reinsurance law. Consent was not required because TLIC remained directly liable to John Hancock under the Treaties regardless of TLIC’s separate contractual relationship with SCOR.

25. According to the Proposed Plan, the 2011 transaction resulted in SCOR DE assuming responsibility for the economics and administration of TLIC’s reinsurance business. Because TLIC remains John Hancock’s counterparty, any action taken by SCOR DE in managing TLIC’s reinsurance agreements is as a result of a delegation of agency authority by TLIC.

VIII. Denial of Novation Request

26. Retrocessional deals such as the 2011 agreement between TLIC and SCOR DE are not uncommon in the reinsurance market. However, when those deals occur, the original contractual reinsurer cannot simply walk away from its agreements unless the contracts are novated.

27. The process of novation is not foreign to TLIC or SCOR. In 2012, shortly after the completion of the retrocessional deal, SCOR asked John Hancock to novate the Treaties. In its “Offer of Novation,” SCOR told John Hancock that:

We would like to work with you on the transition of your inforce business. We believe the most effective way to accomplish this is to novate your existing reinsurance agreements with Transamerica to an appropriate SGLA entity. . . . Your treaties do of course provide you options with respect to novation, so we are formally requesting your consent to novate your inforce treaties to an [SGLA] entity.¹⁹

¹⁹ Exhibit C at 1 (emphasis added).

28. In response to SCOR’s “offer,” John Hancock explained that it was “not prepared to sign the novations and prefers to keep the treaties with the current counterparties.”²⁰ This was John Hancock’s contractual right and neither TLIC nor SCOR challenged that right.

29. It is worth noting how little has changed since John Hancock rejected SGLUSA’s novation request in 2012. The anti-assignment clauses in the Treaties have not changed. The positions of TLIC (as reinsurer) and SCOR DE (as retrocessionaire) have not changed. John Hancock’s desire to preserve the Treaties’ current counterparties has not changed. Despite that, TLIC and SGLUSA are attempting to use the Division Law to secure an outcome through these proceedings that they could not get from John Hancock in 2012.

IX. The Proposed Plan

30. TLIC did not attempt to further negotiate a novation of the Treaties after 2012. Instead, on May 13, 2026, TLIC sent a two-page letter (the “Notice”) to John Hancock announcing that the Treaties would be “allocated” to a new entity, TLIC-A.²¹ The Notice contained no specific references to the Treaties or any detailed information about how they would be “allocated,” other than listing a website where John Hancock could access the Proposed Plan.

31. Once formed, TLIC-A will have only \$5 million in capital.²² By comparison, TLIC’s total adjusted capital at year-end 2025 was \$6.08 billion.

32. Simultaneously with the transfer, TLIC-A seeks to merge with SGLUSA. Notably, SGLUSA is not the entity that currently provides retrocessional coverage to TLIC. TLIC’s current retrocessional agreements for the Treaties are with SCOR DE. However, the Proposed Plan

²⁰ Exhibit D (emphasis added).

²¹ A sample of the notice that is substantively identical to the one issued to John Hancock is available in TLIC’s Proposed Plan. See Proposed Plan PDF p. 117 of 154.

²² Proposed Plan PDF p. 93 of 154.

discloses that “[s]imultaneously with the Division and Merger, [SCOR DE] shall recapture/terminate the Retrocession in return for a net payment (after offsetting accruals) to SGLUSA of [redacted].”²³

33. Thus, the Proposed Plan would (a) transfer the economic risk for all of TLIC’s assumed reinsurance business to an entity with \$5 million in capital (TLIC-A), (b) which will simultaneously merge with an entity that currently has no economic risk for the Treaties (SGLUSA), and (c) the entity that currently bears the economic risk for the Treaties (SCOR DE) will “recapture/terminate” its obligations.²⁴

34. The Proposed Plan does not explain why TLIC-A is merging with SGLUSA as opposed to SCOR DE, nor does it explain why SCOR DE’s retrocessional agreement that covers the Treaties will terminate if the merger becomes effective.

35. While TLIC claims that the Proposed Plan will “formalize the status quo,” the very fact that the reinsurance risk is being transferred to a different SCOR entity indicates something contrary to the “status quo” is occurring.²⁵ Moreover, the Proposed Plan does not maintain the “status quo” for John Hancock – it is being forced to accept a new reinsurer counterparty without its consent.

36. Despite the lack of details in the Proposed Plan, TLIC has represented that “SGLUSA will be solvent” and “the remaining assets of SGLUSA will not be unreasonably small in relation to the business and transactions it will engage in after completion of the Division and

²³ Proposed Plan at PDF p. 20 of 154.

²⁴ The termination of SCOR DE’s retrocessional agreement will purportedly involve a payment to SGLUSA of an undisclosed amount. *See* Proposed Plan at PDF p. 11 of 154.

²⁵ Proposed Plan at PDF p. 2 of 154.

simultaneous Merger.”²⁶ That statement strains credulity considering the ceded liabilities being transferred to SGLUSA, an entity that apparently does not currently assume any risk from the Transamerica Re block of business. Further, the veil of secrecy that TLIC and SGLUSA have placed over the report prepared by Milliman, Inc. (the “Milliman Report”) regarding SGLUSA’s supposed financial strength does nothing to assuage John Hancock’s concerns about the motivations behind the Proposed Plan.

37. TLIC’s stated reason for requesting that the Milliman Report be kept confidential is as follows:

In the course of preparing for the Proposed Transaction, TLIC, SCOR and their respective consultants and legal advisors have had extensive written and verbal communications with the Iowa Insurance Division, its outside legal counsel Faegre Drinker Biddle & Reath LLP, and its consultant Regulatory risk Consultants regarding business, financial, actuarial and other proprietary information that TLIC and SCOR consider highly confidential, sensitive, and proprietary (the “Confidential Information”), and have submitted materials containing Confidential Information, including the [Milliman Report].²⁷

38. While John Hancock has no doubt that TLIC and SGLUSA communicated extensively with their counsel and consultants in putting together the Proposed Plan, those communications surely are not in the Milliman Report. Rather, as the Proposed Plan explains, the Milliman Report “addresses the financial requirements for a division to satisfy the Iowa Division Law.”²⁸ Nothing in the Proposed Plan’s description of the Milliman Report suggests that it should be kept confidential, and the fact that TLIC and SGLUSA communicated with their counsel and consultants throughout this process is not relevant to whether the report should be disclosed,

²⁶ Proposed Plan at PDF p. 4 of 154.

²⁷ Proposed Plan at PDF p. 4 of 154.

²⁸ Proposed Plan at PDF p. 3 of 154.

particularly given the financial and solvency factors the Commissioner must consider under the Division Law.

39. The lack of transparency to affected stakeholders like John Hancock is one of the factors that necessitated this Petition.

JOHN HANCOCK'S INTEREST

40. Cedents rely on the financial health of their reinsurers in order to, among other things, manage counterparty risk. When a reinsurer's financial position deteriorates, cedents are negatively impacted by having to strengthen reserves in the event that the reinsurer is unable to satisfy its obligations. Additionally, regulators may apply risk charges to reinsurance recoverables tethered to counterparties with deteriorating credit quality.

41. While the financial health of a reinsurer is always of interest to cedents, it is particularly relevant here given SGLUSA's financial health compared to TLIC. Based on publicly available data from S&P Capital IQ, at year end 2025, TLIC's total adjusted capital was approximately \$6.083 billion. Conversely, at year end 2025, SGLUSA's capital and surplus was approximately \$194.893 million – roughly 97% less than TLIC.

42. SGLUSA's capital and surplus is of great concern to John Hancock because John Hancock's ceded net amount at risk for the Treaties is approximately \$30.5 billion. Thus, if the Proposed Plan were approved, John Hancock would face significant counterparty risk as a result of SGLUSA's financial strength versus that of TLIC.

43. Additionally, the Proposed Plan further consolidates risk into SGLUSA and the SCOR companies. It has been widely reported that in the early 2000s, the SCOR family of companies aggressively acquired U.S. life reinsurance portfolios. Through those acquisitions, SCOR is already the direct reinsurer in certain John Hancock reinsurance pools. If this Proposed

Plan were adopted, John Hancock’s risk would be further consolidated into the SCOR companies, increasing John Hancock’s counterparty exposure to these entities. That would be a choice forced onto John Hancock in violation of its anti-assignment rights.

44. Concerns over credit worthiness of acquiring reinsurers and the consequences of excessive risk concentration are not theoretical. Over the last seven (7) years, the unsuccessful attempt at rehabilitating Scottish Re (U.S.) Inc. has laid bare the risks cedents face. Scottish Re was placed into rehabilitation in March 2019 and then into liquidation in July 2023. The uncertainty raised by the long-winding insolvency proceedings has caused havoc with the financials of numerous cedents, forcing the NAIC to promulgate additional guidance addressing the accounting and reporting for reinsurance receivables from Scottish Re’s estate.²⁹ The Scottish Re insolvency has forced all participants in the reinsurance market – including cedents and regulators – to evaluate, monitor and reassess counterparty risk across the board.

RELEVANT LEGAL STANDARDS

45. Intervention in a contested administrative proceeding is governed by Chapter 3, Section 3.19(17A) of the Iowa Administrative Code (“IAC”). To successfully intervene, a movant must file both a motion to intervene and “a proposed answer or petition in intervention.”³⁰ The movant must “state the grounds for the proposed intervention,” as well as “the position and interest of the proposed intervenor.”³¹ John Hancock addresses both threshold items in its Motion to Intervene.

²⁹ See “INT 23-04: Scottish Re Life Reinsurance Liquidation Questions,” NAIC Accounting Practices and Procedurals Manual as of March 2026 at Appendix B, p. 23-04-1, available at https://iga.in.gov/publications/agency_report/2026---Update-to-NAIC-Accounting-Practices-and-Procedures-Manual-As-of-March-2026.pdf.

³⁰ Iowa Admin. Code., Ch. 3, § 3.19(1).

³¹ *Id.*

46. The IAC also identifies specific criteria a movant must demonstrate in support of its request for intervenor status:

The movant shall demonstrate that (a) intervention would not unduly prolong the proceedings or otherwise prejudice the rights of existing parties; (b) the movant is likely to be aggrieved or adversely affected by a final order in the proceeding; and (c) the interests of the movant are not adequately represented by existing parties; or (d) there exists a statutory right to intervene.³²

John Hancock addresses these arguments in its Motion to Intervene, to which this Petition is attached.

47. In addition to the above, the IAC contains specific criteria for the Petition for Intervention.³³ In the Petition for Intervention, the movant must state the following four elements:

- (1) The persons or entities on whose behalf the petition is filed;
- (2) The particular provisions of statutes and rules involved;
- (3) The relief demanded and the facts and law relied upon for such relief; and
- (4) The name, address, and telephone number of petitioner and petitioner's attorney, if any.³⁴

Those factors are also addressed in the accompanying Motion to Intervene.

48. The facts set forth above form the basis of the relief and rulings John Hancock seeks, and each of the above stated paragraphs are incorporated into the various counts below.

**COUNT I: RULING THAT THE PROPOSED PLAN OF DIVISION
IS CONTRARY TO THE IOWA DIVISION LAW**

49. The Proposed Plan should be rejected because the Division Law does not apply to the division of reinsurance business. The Division Law unambiguously applies to insurers dividing policyholder liabilities; it does not apply to a reinsurer seeking to get out of the contractual bargains

³² *Id.* § 3.19(3).

³³ *Id.* at § 3.11(1).

³⁴ *Id.* at § 3.11(1).

it struck with its cedents. Moreover, even if the statute is viewed as being ambiguous, the legislative history shows that the Iowa legislature never intended for the Division Law to be used by an insurer to divide its reinsurance business and transfer those obligations to a third-party.

A. The Division Law Applies Only to Insurance Policies

50. Under basic principles of Iowa statutory construction, the first step in interpreting a statute requires an analysis of the statute’s plain language to determine if its meaning is ambiguous on its face. Where a statute’s meaning is clear from its text, no additional meaning may be supplied and the statute must be enforced as written.³⁵ Here, the plain text of the Division Law demonstrates that it was intended only to apply to the division of insurance business, not to the division of reinsurance business.

a. Cedents are not policyholders.

51. Throughout the Division Law, the statute explicitly references the impact of the dividing insurer’s actions on “policyholders.” The statute allows the Commissioner to approve a plan of division if it adequately protects “the interest of policyholders,” and the financial condition of the resulting insurers will not “prejudice the interests of the policyholders of such insurers.”³⁶ In its Proposed Plan, TLIC feigns compliance with the Division Law’s requirements that policyholder interests will be protected by admitting that “[n]o policyholders will be impacted by the Plan of Division.”³⁷ This admission does not help TLIC. Instead, it shows that TLIC is attempting to apply the Division Law beyond its intended purpose. As noted above, this is an

³⁵ See e.g., *Est. of Butterfield v. Chautauqua Geust Home, Inc.*, 987 N.W.2d 834, 838 (Iowa 2023) (“When a statute’s text and meaning is clear, “[Iowa courts] will not search for a meaning beyond the express terms of the statute or resort to rules of construction.” (internal citation omitted)).

³⁶ §§ 5211.8(3)(a)(b).

³⁷ Proposed Plan at PDF p. 2 of 154.

example of TLIC using “policyholder” differently throughout the Proposed Plan: sometimes it means an actual policyholders (*i.e.*, the holder of the insurance contract) and sometimes it means cedents. The Division Law cannot be reasonably interpreted in such a fluid manner.

52. The Division Law was not intended to apply to transactions that are agnostic to policyholders. Rather, by its plain text, the Division Law was designed to ensure that adequate safeguards are in place to protect actual policyholders when insurers take actions that directly impact actual policyholders. TLIC cannot read the Division Law to selectively substitute “cedents” for “policyholders” and advance a plan that has nothing to do with actual policyholders, but rather has to do with reinsurance relationships.

53. The Division Law’s purpose is evident in fact that the legislature referred to the entity that will exist after a division occurs as a “resulting insurer.”³⁸ The use of the word “insurer” presumes that the entity created as a result of a division will be an insurer with insurance assets. Here, under the Proposed Plan, TLIC-A will be a reinsurer only and by definition, will not be an insurer. It will then merge into an entity (SGLUSA) which is not an insurer, but rather only a reinsurer. Thus, TLIC and SGLUSA are attempting to apply the Division Law well beyond its intended purpose.

b. The Iowa Legislature knows the difference between a cedent and a policyholder.

54. Likewise, the Division Law’s omission of “ceding insurer,” “cedent,” or “ceding company,” is dispositive as to the statute’s plain meaning and the intent of the Iowa legislature. If the Iowa legislature intended for this statute to apply to reinsurance business, it would include the term “ceding insurer” when referencing who is impacted by a proposed division. That is clear from

³⁸ See, e.g., § 5211.8(3)(c).

other sections of the Iowa Code that explicitly use the term “ceding insurer” when discussing how an insurer can receive accounting credit for reinsurance:

Credit for reinsurance shall be allowed a domestic ceding insurer as either an asset or a reduction from liability on account of reinsurance ceded only when the reinsurer meets the requirements of subsection 1, 2, 3, 4, 5, 6, or 7.³⁹

55. Clearly, the Iowa legislature understands the difference between a “policyholder” and a “ceding insurer” because there are no statutes that discuss how a “policyholder” can take credit for reinsurance. Thus, TLIC’s attempts to treat “policyholders” as synonymous with “cedents” finds no support in the Division Law or elsewhere in the Iowa Code.

56. When a statute includes specific terms and omits others there is a presumption that such omission was intentional.⁴⁰ The Division Law is completely void of any reference to reinsurance cedents or assets impacted by reinsurance agreements. Had the Iowa legislature intended the statute to extend to reinsurance cedents and assets it would have included such language in the Division Law. Instead, the omission indicates a clear intent by the Iowa legislature to limit the statutes applicability and reach to retail insurance policies.⁴¹

57. Taken as a whole, the Division Law is unambiguous in its intent to apply to the business of insurance, not reinsurance. TLIC’s Proposed Plan attempts to contort both the plain language of the Division Law and its legislative attempt to push through a reinsurance transaction that finds no support under Iowa law.

³⁹ Iowa Code § 521B.102

⁴⁰ See e.g., *State v. Walden*, 870 N.W.2d 842, 846 (Iowa 2015) (“Legislative ‘[i]ntent may be expressed by the omission, as well as the inclusion, of statutory terms. Put another way, the express mention of one thing implies the exclusion of other things not specifically mentioned.’”) (internal citations omitted)).

⁴¹ *Id.* at 846 (refusing to read in language that the statute omitted and the legislature did not enact).

B. The Division Law Should be Read Narrowly

58. Even if the language of the Division Law was ambiguous, application of various statutory interpretation tools support a textual reading of the statute.

59. A statute is considered ambiguous where “reasonable minds could differ or be uncertain as to the meaning of the statute based on the context of the statute.”⁴² When resolving the ambiguity of a statute various tools of statutory construction are utilized including an analysis of the statute’s legislative history and the circumstance under which the statute was enacted.⁴³ In choosing between different interpretations of an ambiguous statute, weight should be given to an approach that will have a reasonable, rather than impractical, outcome.⁴⁴

60. In particular, changes and amendments to a bills’ structure over the course of enactment can be useful in indicating legislative intent.⁴⁵ Early versions of “division statutes” introduced in prior legislative sessions were drafted to reach transactions involving small-employer group health insurers, universal life insurers, and domestic stock divisions.⁴⁶ Although from prior legislative sessions, this history reinforces that the Iowa legislature was focused on retail facing insurance policies, and policyholders, not complex reinsurance agreements.

61. The circumstances under which the Division Law was enacted also shed light onto the legislature’s intent behind the statute. At the time the Division Law was enacted a handful of other states had already enacted their own laws addressing the division of domestic stock insurers. In deciding to enact its own Division Law, Iowa decided to model its statute off Connecticut’s own

⁴² *Est. of Butterfield*, 987 N.W.2d at 838.

⁴³ *Id.*; *See also*, Iowa Code § 4.6 (providing seven considerations for determining the intent of a statute).

⁴⁴ *Est. of Butterfield*, 987N.W.2d at 840.

⁴⁵ *Id.* at 840. (“Legislative history that shows a bill’s changes over the course of its enactment can be especially revealing.”).

⁴⁶ *See* House File 2455 (2017-2018); Senate File 2316 (2017-2018).

division statute. The intent behind Connecticut’s division statute was to allow Connecticut-domiciled insurers to have flexibility in “business strategy” without impacting “policyholders.” Although not binding, the legislative intent underlying Connecticut’s division statute, which served as the template for Iowa’s own statute, reinforces the inference that the Division Law was aimed at addressing insurance policy and policyholders, not the business of reinsurance.

62. Notably, the Division Law has not been applied to the division of reinsurance assets since its enactment. The administrative construction and enforcement of a statute is persuasive in determining statutory intent.⁴⁷ To date, a plan for division and subsequent merger, utilizing the Division Law, has not been put forth, or approved, by the Insurance Division. The absence of any other attempt to divide under the Division Law, other than by TLIC, is indicative of the broader industry knowledge of the purpose and intent behind the statute.

63. Therefore, even if the Division Law were to be considered ambiguous, the combined weight of the textual, structural, and historical legislative evidence makes clear that it cannot reasonably be read to apply reinsurance assets.

64. Thus, as to Count I, John Hancock seeks a ruling from the Commissioner that the Division Law does not apply to the business of reinsurance. As a consequence, consent for the Proposed Plan should be denied.

**COUNT III: RULING THAT THE PROPOSED PLAN
DOES NOT SATISFY THE REQUIREMENTS OF THE DIVISION LAW**

65. Although the language of the Division Law does not support application to the restructuring of reinsurance obligations, the Proposed Plan would in any event not satisfy the statutory criteria.

⁴⁷ Iowa Code § 4.6.

66. Under Section 521I.8 of the Division Law, the Commissioner may approve a plan of division if the commissioner finds that all of the following apply:

- a. The interest of the policyholders, creditors, or shareholders of the dividing insurer will be adequately protected and the plan of division is not unfair or unreasonable to the policyholders of the dividing insurer and is not contrary to the public interest.
- b. The financial condition of the resulting insurers will not jeopardize the financial stability of a dividing insurer or the resulting insurers or prejudice the interests of the policyholders of such insurers.
- c. All resulting insurers created by the proposed division will be qualified and eligible to receive a certificate of authority to transact the business of insurance in this state.
- d. The proposed division does not violate a provision of chapter 684. In a division in which the dividing insurer will survive, the commissioner shall apply chapter 684 to the dividing insurer in its capacity as a resulting insurer. In applying the provisions of chapter 684 to a resulting insurer, the commissioner shall do all of the following:
 - (1) Treat the resulting insurer as a debtor.
 - (2) Treat a liability allocated to the resulting insurer as a liability incurred by a debtor.
 - (3) Treat the resulting insurer as receiving unequal value in exchange for incurring allocated obligations.
 - (4) Treat assets allocated to the resulting insurer as remaining assets.
- e. The proposed division is not being made for the purpose of hindering, delaying, or defrauding any policyholders or other creditors of the dividing insurer.
- f. All resulting insurers will be solvent when the division becomes effective.
- g. The remaining assets of a resulting insurer will not be unreasonably small in relation to the business and transactions such resulting insurer has been engaged in or will engage in after completion of the division.

67. Given that TLIC has stated that it is treating cedents as policyholders for purposes of applying the requirements of the Division Law, John Hancock also does so for the purposes of this Court. Based on the information available, the Proposed Plan does not satisfy the statutory requirements, all of them which must be satisfied in order to secure the Commissioner's approval.

68. The Proposed Plan is unreasonable, unfair, and does not protect the interest of cedents like John Hancock. TLIC is forcing a change in John Hancock's bargained for reinsurance counterparty and doing so in contravention of anti-assignment rights contained in the reinsurance agreements. The result of the Proposed Plan is that cedents will have a financially sound company like TLIC substituted for a significantly smaller company (first TLIC-A and then by merger SGLUSA). That exposes cedents to significant counterparty credit risk and puts cedents in a worse position that they currently are in.

69. The financial condition of the resulting insurer, TLIC-A will prejudice the interests of the cedents. Based on the submission, TLIC-A will be a thinly capitalized company whose primary assets are the retrocessional agreements between TLIC and SCOR DE. Those retrocessional agreements will be terminated as part of the overall transaction.

70. The financial condition of the merged entity, SGLUSA, will prejudice the interests of the cedents. SGLUSA has significantly lower capital and surplus than TLIC and the only assets being transferred to SGLUSA are the retrocessional agreements between TLIC and SCOR DE. Those retrocessional agreements will be terminated as part of the overall transaction.

71. The Proposed Plan is being made for the purpose of hindering, delaying, or defrauding cedents. As set forth above, SCOR has previously attempted to secure a novation of the treaties from John Hancock, a request that was denied. The Proposed Plan is designed to circumvent John Hancock's right to decline consent to transfer and/or novation. If the Proposed

Plan is approved for the reasons stated, which are common to all reinsurance agreements, then no reinsurance agreement will be safe from involuntary party substitution.

72. TLIC has not sufficiently established that the resulting insurer, TLIC-A, will be solvent when the division becomes effective given the magnitude of liabilities being transferred and the limited assets accompanying that transfer.

73. The remaining assets of the resulting insurer (whether viewed as TLIC-A or SGLUSA) will be unreasonably small in relation to the business and transactions that the entities will engage in after completion of the division. As discussed above, SGLUSA is a much smaller company than TLIC-A and the only assets being transferred to it are the retrocessional agreements between TLIC and SCOR DE. Those retrocessional agreements will be terminated as part of the overall transaction and it is unclear what internal support any of the other SCOR entities will provide to SGLUSA in light of the liabilities SGLUSA would be assuming.

74. Thus, as to Count II, John Hancock seeks a ruling from the Commissioner that the Proposed Plan does not satisfy the requirements of the Division Law, even if the Commissioner first determines that the law applies in these circumstances. As a consequence, consent for the Proposed Plan should be denied.

**COUNT III: RULING THAT THE PROPOSED PLAN OF DIVISION
IS INCONSISTENT WITH CONTRACTUAL ANTI-ASSIGNMENT RIGHTS**

75. The reinsurance industry is unique in that “both of the parties to the reinsurance agreement are relatively sophisticated in insurance and business concerns.”⁴⁸ The status of the parties is starkly different than in the “general insurance” context.⁴⁹ This equal sophistication is

⁴⁸ Jordan R. Plitt, Steven Plitt, Daniel Maldonado & Joshua D. Rogers, *Couch on Insurance* § 9:2 (3d. ed., Dec. 2025)

⁴⁹ *Id.*

critical because it eliminates any basis to dilute or deviate from the plain contractual language under the guise of protecting a weaker party.

76. The reinsurance agreement represents the documented, legal contract between two insurance companies with respect to the cession and reinsurance of the subject business.⁵⁰ During the contract's negotiation phase, "the reinsured and reinsurer" often engage in "numerous and extensive" communications to ensure that the terms meet both parties' goals.⁵¹ It is known in the industry that contract documentation must be extensive enough to clearly define the business terms and understanding between the parties because "the mutual obligations will continue for decades."⁵² As a result, every provision reflects deliberate risk allocation decisions made with long-term consequences in mind.

77. Despite these industry-specific differences, the "fundamental rules or principles governing construction and interpretation of contracts apply equally to contracts of reinsurance."⁵³ Moreover, reinsurance contracts "should be interpreted in light of the entire transaction between the contracting parties . . . to ensure that the contract is equal to the intentions of the parties" and "[I]legally, the treaty must represent the *entire agreement* of the parties."⁵⁴ This holistic approach reinforces that isolated interpretations that undermine the overall allocation of risk and consent rights must be rejected.

⁵⁰ John E. Tiller, Jr., FSA, CERA & Denise Fagerberg Tiller, FSA, *Life, Heath & Annuity Reinsurance* 195 (ACTEX Publications, Inc. 4th ed. 2015)

⁵¹ See Plitt, Plitt, Maldonado & Rogers, *Couch on Insurance* § 12:1.

⁵² Tiller & Tiller, *Life, Heath & Annuity Reinsurance* 195.

⁵³ Plitt, Plitt, Maldonado & Rogers, *Couch on Insurance* § 12:1.

⁵⁴ *Id.*; see also Tiller & Tiller, *Life, Heath & Annuity Reinsurance* 195.

A. Anti-assignment clauses in reinsurance agreements are enforceable.

78. An assignment involves “the transfer of the entire rights under a contract from the assignor to the assignee so that the assignee assumes not only the benefits of the contract, but also the rights and remedies.”⁵⁵ The term “assignment” has acquired a “peculiar and appropriate meaning in law, is a technical word, and must be construed according to that peculiar and appropriate meaning.”⁵⁶

79. Anti-assignment clauses reflect a basic contractual principle: each contracting party is entitled to choose whom it does business with and to maintain the benefit of its bargain with its chosen counterparty. For it is a “cardinal principle of contract construction that parties’ intent controls; and except in cases of ambiguity, this is determined by what the contract itself says.”⁵⁷ A clear anti-assignment clause therefore leaves no room for doubt; it reflects the parties’ intent to bar any transfer of rights and will be upheld.⁵⁸ This principle has particular force in reinsurance, where counterparty identity directly affects risk, capital, and claims-paying expectations.

80. Because assumption is the permanent transfer of insurance liabilities from one company to another, the inclusion of an anti-assignment clause in a treaty is a clear, documented choice and the byproduct of extensive negotiations.⁵⁹ These guiding principles demand that TLIC’s Proposed Plan be rejected. Allowing the Plan to proceed would override the parties’ negotiated allocation of consent rights and effectively rewrite the contract *post hoc*.

⁵⁵ *Ross v. Thousand Adventures*, 675 N.W.2d 812, 817 (Iowa 2004) (citing *Red Giant Oil Co. v. Lawlor*, 528 N.W.2d 524, 533 (Iowa 1995)).

⁵⁶ *T.Zenon Pharms., LLC v. Wellmark, Inc.*, Case No. 14-0769, 2015 Iowa LEXIS 1202, at *34 (Iowa Ct. App. Dec. 23, 2015) (quoting *Cowles & Co. v. Ricketts*, 1 Iowa 582, 582 (1855)).

⁵⁷ See *Iowa Fuel & Minerals, Inc. v. Iowa State Bd. of Regents*, 471 N.W.2d 859, 862 (Iowa 1991).

⁵⁸ See *Burkhardt v. Bailey*, 260 Mich. App. 636, 656 (Mich. Ct. App. 2004).

⁵⁹ *Tiller & Tiller, Life, Heath & Annuity Reinsurance* 8. (emphasis added).

B. The parties' negotiated anti-assignment clause confirms that consent is required in the event of any transfer.

81. The majority of John Hancock's treaties contain the same, unambiguous anti-assignment clause:

Neither the Company nor the Reinsurer may assign any of the rights and obligations under this Agreement, nor may either party sell, assumption reinsure or transfer the policies without the prior written consent of the other party. Consent will not be withheld if the assignment, sale, assumption reinsurance or transfer does not have a material effect on the risks transferred or the expected economic results to the party requested to consent. This provision shall not prohibit the Reinsurer from reinsuring the policies on an indemnity basis.

82. Based on a review of publicly available documents, there are no reinsurance agreements that contain the same anti-assignment clause as the one negotiated between John Hancock and TLIC. This is not boilerplate. Instead, it is a bespoke, negotiated allocation of rights, drafted for these treaties. Its tailored nature underscores that it must be enforced as written, not generalized or diluted.

83. Every sentence of this clause makes clear that, without consent, neither party could assign *any* of the rights or obligations under the treaties, with only one exception: reinsurance of policies on an indemnity basis.

a. The assignment prohibition applies to all rights and obligations

84. The first sentence of the anti-assignment clause sets out the broad prohibition on assignment. It uses the term "any" before "rights and obligations" to specify that the clause applies to all rights and obligations under the agreement – not to a subset of rights and obligations. The same sentence makes explicit no assignment, sale, assumption or transfer can occur "without the prior written consent of the other party."

85. Courts routinely interpret the word “any” as expansive and all-inclusive, particularly in the context of negotiated commercial contracts.⁶⁰ This reinforces that the parties intended to foreclose *every* form of transfer – whether direct, indirect, voluntary, involuntary, or by operation of law – unless consent is obtained. This includes transactions structured to achieve indirectly what the contract prohibits directly.

86. Moreover, the clause’s pairing of “assign,” “sell,” “assumption reinsurance,” and “transfer” demonstrates that the parties deliberately used a series of overlapping verbs to capture all conceivable mechanisms by which contractual rights or obligations could shift. Under standard canons of construction, such as the rule against surplusage, each of these terms must be given independent meaning, confirming that the clause was drafted to be comprehensive rather than selective. Reading any category of transaction out of the clause would violate this canon and improperly render portions of the provision superfluous.

b. Consent is necessary for assignment and is tied directly to the parties’ economic interests.

87. The second sentence of the assignment clause is not filler—it is key to understanding the parties’ intent and the protective purpose of the entire provision. The parties made explicit that the assignment restriction exists to safeguard each party’s economic expectations and risk profile under the agreement.

88. This language shows that the consent requirement is not about formality or administrative control. Instead, it is designed to protect the party whose consent is required from changes that would materially alter the economics or risk allocation of the deal they negotiated.

⁶⁰ See e.g., *Gibson v. Agricultural Life Ins. Co.*, 282 Mich. 282, 289 (Mich. 1937) (“The word ‘any’ to the ordinary understanding implies ‘of every kind.’”); *Uptown Food Store, Inc. v. Ginsberg*, 255 Iowa 462, 468–69 (Iowa 1963) (“The word ‘any’ has the force and effect of ‘all’ or ‘every.’”) (internal citations omitted).

The clause therefore operates as a substantive gatekeeper: if the proposed transaction *does* materially affect risks or expected economic results, consent may be withheld; if it *does not*, consent cannot be unreasonably refused.

89. That structure makes sense only if the assignment clause is broad and applies to *all* transactions that could alter the counterparty's risk or economic position, including the form of the Proposed Plan. A contrary reading would create an irrational loophole allowing the most consequential transactions to evade the very scrutiny the clause requires. A merger is precisely the kind of event that can materially change the economic expectations of the non-merging party: it can alter the financial strength of the counterparty, its claims-paying ability, its risk appetite, its operational practices, and its long-term incentives. Those are the very concerns the clause is designed to address.

90. Notably, the standard in the clause is triggered by the *effect* of the transaction, not its legal form. The clause is therefore concerned with the economic and risk consequences of a change in counterparty not the label attached to the transaction. Reading the clause to exclude division and mergers would elevate form over substance and contradict the economic considerations the parties deliberately embedded into the treaties.

91. A merger that materially affects the risks or expected economic results is exactly the scenario the clause anticipates. To allow a party to avoid the consent requirement simply by choosing a merger structure would defeat the very purpose of the provision and render the second sentence meaningless.

c. The parties specified only one exception.

92. The third and last sentence of the anti-assignment clause provides the only exception to its otherwise broad application.

93. The express inclusion of a single, narrow exception—indemnity reinsurance—invokes the canon *expressio unius est exclusio alterius*: by identifying one permissible form of transfer, the parties necessarily excluded all others. This canon applies with special force where, as here, the parties demonstrated their ability to draft precise exceptions.

94. If the parties had intended to exempt restructurings or divisions such as the Proposed Plan, they would have done so here, in the same sentence that identifies the sole carve-out. The fact that they did not confirms that no other exceptions were intended or permitted.

95. This is especially compelling in the reinsurance context, where indemnity reinsurance is a well-understood, industry-specific mechanism that does not alter the identity of the contractual counterparty, unlike assumption reinsurance or mergers. The parties' decision to allow only this limited form of risk-spreading underscores their intent to prohibit any transaction that would substitute a new entity into the treaties without consent.

96. Taken together, the clear and unambiguous language in the Treaties confirm that the parties intended a comprehensive, consent-based framework for all transfers, and that no party may circumvent Article XII by characterizing a transfer as a merger by operation of law. Enforcing this framework is necessary to preserve the parties' negotiated allocation of risk, counterparty choice, and economic expectations.

C. The Proposed Plan disregards the parties' negotiated anti-assignment clause and well-established Iowa law.⁶¹

97. Courts have unequivocally held that a transfer by operation of law – including through a merger – is no less a transfer for purposes of an anti-assignment clause than one

⁶¹ Because the Proposed Plan stems from an Iowa statute, John Hancock provides analysis under Iowa law. However, a majority of the Treaties contain a choice of law provision that selects Michigan as governing law, which also strongly supports John Hancock's position.

accomplished by an act of the parties.⁶² The court has repeatedly rejected the argument that a statutory merger falls outside the reach of a contractual anti-assignment provision even when the word “transfer” is not explicitly included in the state merger law.⁶³ In reaching this conclusion, the United States Court of Appeals for the Sixth Circuit articulated a very clear principle that has governed Sixth Circuit jurisprudence ever since: “A transfer is no less a transfer because it takes place by operation of law rather than by a particular act of the parties.”⁶⁴

98. The Sixth Circuit has repeatedly reaffirmed this rule. Thirty years after the Sixth Circuit’s seminal decision in *PPG Industries v. Guardian Industries Corp.*, the court reiterated and extended its prior holding in *Cincom Systems v. Novelis Corp.*⁶⁵ In *Cincom*, defendant argued that because Ohio had amended its merger statute to remove the word “transferred,” the court could no longer find that a merger effectuates a transfer of contractual rights.⁶⁶ The court rejected this argument and reasoned that where the merger statute provided that “the separate existence of each constituent entity other than the surviving entity...shall cease,” the entity that originally held the rights no longer exists and those rights are automatically vested by operation of law.⁶⁷ The court further emphasized that under the express terms of the contract, the new entity was required to obtain written approval for the transfer.⁶⁸

⁶² See *PPG Indus. v. Guardian Indus. Corp.*, 597 F.2d 1090, 1096 (6th Cir. 1979); *Cincom Sys. v. Novelis Corp.*, 581 F.3d 431, 438 (6th Cir. 2009).

⁶³ See *Cincom*, 581 F.3d at 438.

⁶⁴ *PPG Indus.*, 597 F.2d at 1096; *Cincom*, 581 F.3d at 438.

⁶⁵ 597 F.2d 1090, 1096 (6th Cir. 1979); 581 F.3d 431, 438 (6th Cir. 2009).

⁶⁶ See *Cincom*, 581 F.3d at 438.

⁶⁷ *Id.*

⁶⁸ See *id.* at 440.

99. The Treaty between TLIC and John Hancock contains the same explicit restriction: “Neither the Company nor the Reinsurer may assign any of the rights and obligations under this Agreement, nor may either party sell, assumption reinsure or transfer the policies without the prior written consent of the other party.”⁶⁹

100. By including an anti-assignment clause, TLIC and John Hancock unmistakably intended to bar any transfers of rights or obligations without consent. The proposal to follow the division with a simultaneous merger cannot create an end-run around that prohibition. Under Sixth Circuit precedent, the Proposed Plan cannot proceed, nor can it override the anti-assignment clause in the treaty.

101. Iowa law is consistent with the Sixth Circuit’s approach and reaffirms both the enforceability of John Hancock and TLIC’s anti-assignment provision and the unauthorized nature of the Proposed Plan.

102. In interpreting contractual provisions, Iowa courts repeatedly find that “the parties’ intent controls; and except in cases of ambiguity, this is determined by what the contract itself says.”⁷⁰ Thus, “[w]hen a contract is not ambiguous, it will be enforced as written.”⁷¹ Ambiguity only “exists when, after application of the pertinent rules of the instrument, a genuine uncertainty exists concerning which of two reasonable constructions is proper.”⁷² Such principles demand that John Hancock and TLIC’s anti-assignment provision be interpreted to include mergers and thus prohibit TLIC and SGLUSA’s Proposed Plan.

⁶⁹ Treaty No. OC19C11

⁷⁰ See *Iowa Fuel & Minerals, Inc. v. Iowa State Bd. Of Regents*, 471 N.W.2d 859, 862 (Iowa 1991).

⁷¹ *Id.* at 862–63.

⁷² *Id.* at 863.

103. Rules of contractual interpretation also require that “a contract [] be interpreted as a whole” in a manner that does not render any “part of it superfluous.”⁷³ Critically, Iowa courts will not construe contractual provisions as “giving discretion to one party in a manner which would put one party at the mercy of the other” unless the contract “clearly requires such an interpretation.”⁷⁴ Interpreting John Hancock and TLIC’s anti-assignment provisions to exclude mergers would both disregard the plain text and allow TLIC to avoid the assignment prohibition by engaging in roundabout transactions that manipulate the corporate form. Such a reading contradicts the parties’ intent as demonstrated by the plain text of the anti-assignment provision, which clearly contemplated a reinsurance relationship *only* between the two original, contracting parties.

104. Iowa’s highest court has not “affirmatively decided” “whether a merger or other change of corporate form constitutes an ‘assignment’.”⁷⁵ However, the United States District Court for the Northern District of Iowa confronted this precise question in *Pro-Edge L.P. v. Gue*, and expressly aligned itself with the Sixth Circuit, holding that a merger constitutes an assignment by operation of law.⁷⁶

105. The *Pro-Edge* Court relied on traditional principles of contract interpretation to conclude that the word “assignment” should be given its “plain and ordinary meaning.”⁷⁷ The word “assignment” is both colloquially and statutorily recognized as including “any transfer of all or

⁷³ *See id.*

⁷⁴ *Id.*

⁷⁵ *Pro-Edge L.P. v. Gue*, 419 F. Supp. 2d 1064, 1083 (N.D. Iowa 2006).

⁷⁶ 419 F. Supp. 2d 1064, 1083 (N.D. Iowa 2006) (“A transfer is no less a transfer because it takes place by operation of law rather than by a particular act of the parties.”) (quoting *PPG Industries, Inc. v. Guardian Industries Corp.*, 597 F.2d 1090, 1096 (6th Cir. 1979)).

⁷⁷ *Id.* at 1085.

part of one’s property, interest, or rights to another.”⁷⁸ A merger that extinguishes one entity and vests all of its rights and obligations in the surviving entity fits squarely within this definition. And given that the parties here—two sophisticated insurance and reinsurance companies—chose to include an anti-assignment clause, they plainly intended that mergers fall within its scope.

106. Beyond the plain language itself, the structure of the provision demonstrates that the parties intended for mergers to fall within the scope of the anti-assignment provision. As in *Pro-Edge*, the parties here are sophisticated commercial entities who could have easily decided to carve out mergers from their anti-assignment clause, but chose not to. Instead, they carved out only one specific and narrow exclusion: indemnity reinsurance.⁷⁹ Where the anti-assignment clause contains explicit exclusions, the provision must be read to prohibit all other forms of assignment not expressly excluded.⁸⁰

107. In sum, TLIC’s Proposed Plan violates the unambiguous terms of the parties’ negotiated and extensive agreements.

108. Thus, as to Count II, John Hancock seeks a ruling from the Commissioner that the Proposed Plan violates the Treaties’ anti-assignment clause and thus the allocation of John Hancock’s treaties cannot proceed.

⁷⁸ *Id.*; see also Iowa Code § 521I.1 (“‘Transfer’ includes an assignment, assumption, conveyance, sale, lease, encumbrance, security interest, gift, or transfer by operation of law.”).

⁷⁹ See, e.g., Treaty No. AS94C05 at Art. XII (“This provision shall not prohibit the Reinsurer from reinsuring the policies on an indemnity basis.”).

⁸⁰ See *Iowa Fuel & Minerals, Inc.*, 471 N.W.2d at 863 (recognizing that a contract is “to be interpreted as a whole” and that words should be “given their ordinary meaning” and “not [] be interpreted in isolation.”); see also *PPG Indus.*, 597 F.2d at 1095 (“We conclude that if the parties had intended an exception in case of a merger to the provisions against assignment and transfer they would have included it in the agreement.”).

**COUNT IV: THE PROPOSED PLAN VIOLATES
THE CONTRACTS CLAUSE IN THE UNITED STATES CONSTITUTION⁸¹**

109. Article I, § 10 of the United States Constitution (“Contracts Clause”) states that “No state shall...pass any...Law impairing the Obligation of Contracts.”⁸² The Supreme Court has interpreted this to limit a state’s power to enact legislation that “regulates contracts between private parties.”⁸³ The analysis proceeds in three steps: 1) whether the state law “impair[s] substantially” existing contractual rights; 2) if so, whether the law serves a “significant and legitimate public purpose”; and 3) if so, whether the “adjustment of the rights and responsibilities of contracting parties is based upon reasonable conditions” and are of “appropriate” character.⁸⁴

110. As currently written, the Division Law does not violate the Contracts Clause when applied to the corporate division of an insurer’s policyholder liabilities. Under those circumstances, the Division Law does not substantially impair policyholder rights because, among other reasons, retail insurance policies generally do not contain broad anti-assignment clauses that preclude assignment by the insurer. Thus, if an insurer were to divide a segment of its operations and assign policyholder liabilities to the resulting entity, it is unlikely that any policyholder’s contract rights would be impaired.

⁸¹ Under Iowa law, John Hancock is “required to raise constitutional issues, even though the agency lacks the authority to decide the issues, in order to preserve the constitutional issues for judicial review.” *Endress v. Iowa Dep’t of Hum. Servs.*, 944 N.W.2d 71, 83 (Iowa 2020).

⁸² U.S. CONST. art. I, § 10, cl. 1.

⁸³ *Id.*

⁸⁴ See *Energy Reserves Group, Inc. v. Kansas Power & Light Co.*, 459 U.S. 400, 411–12 (1983); see also *Allied Structural Steel Co. v. Spannaus*, 438 U.S. 234, 244 (1978); see generally *U.S. Trust Co. v. New Jersey*, 431 U.S. 1 (1977).

111. TLIC's hoped-for application of the Division Law significantly impairs John Hancock's contractual rights because it forces a novation on John Hancock that it has already explicitly rejected. Additionally, there is neither a significant nor legitimate public purpose behind the Proposed Plan. As TLIC admitted, no policyholders are impacted by the Proposed Plan, so it lacks any public purpose. In terms of legitimacy, there is no reason why this division needs to take place. TLIC retroceded these assets in 2011 and there is no legitimate reason why it now should be allowed to walk away from its contractual obligations. Finally, there is nothing reasonable about the impact of the Proposed Plan on John Hancock. As explained, SGLUSA has approximately 3% as much total adjusted capital as TLIC, and swapping those entities dramatically alters the nature of John Hancock's reinsurer counterparty credit worthiness and ability to respond to fluctuations in business experience.

112. Thus, as to Count IV, John Hancock seeks relief in the form of a ruling from the Commissioner that the Proposed Plan's application of the Division Law violates the Contracts Clause. Alternatively, if the Commissioner is without authority to make such ruling, John Hancock seeks to notify the Commissioner that it intends to preserve this constitutional challenge before the proper judicial forum, if and when applicable.

RELIEF REQUESTED

Based on the foregoing, John Hancock respectfully requests that the Commissioner issue a ruling that:

- (1) The Division Law does not apply to reinsurance business;
- (2) The Proposed Plan is not entitled to regulatory consent;
- (3) The Proposed Plan violates John Hancock's anti-assignment rights; and
- (4) The Proposed Plan does not satisfy the requirements of the Division Law even if the Commissioner assumed the law applied to reinsurance.

Date: May 29, 2026

Respectfully submitted,

FROHMAN LAW OFFICE LLC

By: /s/ Ann Frohman
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EXHIBIT A

JH Contract ID	Cedent	Reinsurer	Reins Type	Treaty effective date	Ceded Net Amount at Risk Dec 2025
JHOCE03	JOHN HANCOCK LIFE INS CO USA	TRANSAMERICA LIFE INSURANCE CO	YRT	6/21/2003	57,134,765
JHOCQ03	JOHN HANCOCK LIFE INS CO USA	TRANSAMERICA LIFE INSURANCE CO	YRT	4/28/2004	183,894,083
JHOCT01	JOHN HANCOCK LIFE INS CO USA	TRANSAMERICA LIFE INSURANCE CO	Coinsurance	1/1/2001	160,047,361
JHOCT02	JOHN HANCOCK LIFE INS CO USA	TRANSAMERICA LIFE INSURANCE CO	Coinsurance	10/11/2002	1,440,504,269
JHOCT03	JOHN HANCOCK LIFE INS CO USA	TRANSAMERICA LIFE INSURANCE CO	Coinsurance	1/1/2010	123,713,402
JHOCT95	JOHN HANCOCK LIFE INS CO USA	TRANSAMERICA LIFE INSURANCE CO	Coinsurance	1/1/2010	83,610,865
OC00C01	JOHN HANCOCK LIFE INS CO USA	TRANSAMERICA LIFE INSURANCE CO	Coinsurance	1/1/2000	596,798,387
OC00C03	JOHN HANCOCK LIFE INS CO USA	TRANSAMERICA LIFE INSURANCE CO	Coinsurance	1/1/1997	142,376,153
OC00C05	JOHN HANCOCK LIFE INS CO USA	TRANSAMERICA LIFE INSURANCE CO	Coinsurance	4/19/1999	174,665,876
OC00C06	JOHN HANCOCK LIFE INS CO USA	TRANSAMERICA LIFE INSURANCE CO	Coinsurance	1/1/2000	51,243,659
OC08C01	JOHN HANCOCK LIFE INS CO USA	TRANSAMERICA LIFE INSURANCE CO	YRT	1/1/2005	596,798,387
OC19C08	JOHN HANCOCK LIFE INS CO USA	TRANSAMERICA LIFE INSURANCE CO	YRT	9/1/2002	978,927,577
OC19C09	JOHN HANCOCK LIFE INS CO USA	TRANSAMERICA LIFE INSURANCE CO	Coinsurance	4/14/2003	333,444,867
OC19C10	JOHN HANCOCK LIFE INS CO USA	TRANSAMERICA LIFE INSURANCE CO	Coinsurance	1/22/2002	88,818,664
OC19C11	JOHN HANCOCK LIFE INS CO USA	TRANSAMERICA LIFE INSURANCE CO	YRT	1/1/2005	11,869,961,649
OC19C12	JOHN HANCOCK LIFE INS CO USA	TRANSAMERICA LIFE INSURANCE CO	Coinsurance	3/1/2005	3,747,698,323
OC19C13	JOHN HANCOCK LIFE INS CO USA	TRANSAMERICA LIFE INSURANCE CO	YRT	7/1/2007	9,069,173,997
OT00C01	MANUFACTURERS LIFE INSURANCE COMPANY BERMUDA BRANCH	TRANSAMERICA LIFE INSURANCE CO	YRT	4/1/2010	83,083,519
TO00C01	MANUFACTURERS LIFE INSURANCE COMPANY BERMUDA BRANCH	TRANSAMERICA LIFE INSURANCE CO	YRT	12/1/2004	755,096,216

EXHIBIT B

THIS REINSURANCE AGREEMENT

is made between

JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.)
of Bloomfield Hills, Michigan
(hereinafter referred to as "the Company")

and

TRANSAMERICA OCCIDENTAL LIFE INSURANCE COMPANY
of Cedar Rapids, Iowa
(hereinafter referred to as "the Reinsurer")

Effective Date of Agreement: January 1, 2005

John Hancock's Reinsurance Agreement No: **OC19C11**
Transamerica's Reinsurance Agreement No: **4167-93**

ARTICLE XII (cont'd)

Assignment

Neither the Company nor the Reinsurer may assign any of the rights and obligations under this Agreement, nor may either party sell, assumption reinsure or transfer the policies without the prior written consent of the other party. Consent will not be withheld if the assignment, sale, assumption reinsurance or transfer does not have a material effect on the risks transferred or the expected economic results to the party requested to consent. This provision shall not prohibit the Reinsurer from reinsuring the policies on an indemnity basis.

Entire Agreement

This Agreement represents the entire agreement between the Company and the Reinsurer and supercedes with respect to its subject matter, any prior oral or written agreements between the parties. There are no understandings between the parties to this Agreement other than those expressed in the Agreement.

Counterparts

This Agreement may be signed in counterparts and each such counterpart shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

EXHIBIT C



May 4, 2012

Lauren Cross, Actuary, Reinsurance & Mortality
John Hancock Life Insurance Company (U.S.A.)
197 Clarendon Street, 7th Floor: C-07-10
Boston, MA 02116

Subject: Notice of Termination
Offer of Novation

Dear Lauren:

In August 2011, SCOR SE and its affiliates purchased the business of Transamerica Reinsurance. In order to facilitate an efficient transition of the business to SCOR Global Life Americas (SGLA), the Transamerica companies remained your counterparties and the business was assumed by SGLA by retrocession from Transamerica. Under the terms of the sale transaction, SGLA is required to ensure that all treaties with Transamerica companies terminate *for new business* within 15 months of the close of the sale.

The attached treaties with your company either have been terminated via notice already or, based on business activity, have been closed to new business for some time. This letter will serve as formal notice that all treaties with Transamerica companies that are on the attached Schedule will terminate for new business effective on November 1, 2012. This notice is provided for the avoidance of doubt but it does not extend the placement of new lives on treaties that have previously been closed.

We would like to work with you on the transition of your inforce business. We believe the most effective way to accomplish this is to novate your existing reinsurance agreements with Transamerica to an appropriate SGLA entity. This would substitute the SGLA entity for the previous Transamerica entity while leaving the original terms consistent and in place. Such an agreement would also provide you a single SGLA company for reporting your inforce business under the treaties with us.

Your treaties do of course provide you options with respect to novation, so we are formally requesting your consent to novate your inforce treaties to an SGLA entity. You can indicate your willingness to consider a novation by completing and returning the form included in the print version of this letter. Your immediate attention and response is greatly appreciated. Please contact us if you need additional information or a discussion with your account executive, Mark Tulbert. He can be reached at mtulbert@scor.com or (704) 344-2767. If we have not heard from you within 30 days we will send you the novation agreement for your review and consideration.

Your company is a valued client and we sincerely hope that our reinsurance relationship continues for many years to come. We appreciate your support during this transition and assure you that your company will benefit from the enhanced value proposition of SCOR Global Life Americas.

Very truly yours,

Glenn Cunningham
Executive Vice President, US Life Reinsurance

CC: General Counsel
Reinsurance Administrator ✓
Mark Tulbert
Robin S. Blackwell

SCHEDULE

John Hancock Life Insurance Company (U.S.A.)

the TARE Entities Reference Nos.	TARE Entity
4167-09	Transamerica Life Insurance Company
4167-10	Transamerica Life Insurance Company
4167-103	Transamerica Life Insurance Company
4167-104	Transamerica Life Insurance Company
4167-105	Transamerica Life Insurance Company
4167-106	Transamerica Life Insurance Company
4167-109	Transamerica Life Insurance Company
4167-11	Transamerica Life Insurance Company
4167-12	Transamerica Life Insurance Company
4167-13	Transamerica Life Insurance Company
4167-14	Transamerica Life Insurance Company
4167-17	Transamerica Life Insurance Company
4167-53	Transamerica Life Insurance Company
4167-66	Transamerica Life Insurance Company
4167-84	Transamerica Life Insurance Company
4167-88	Transamerica Life Insurance Company
4167-93	Transamerica Life Insurance Company
4167-95	Transamerica Life Insurance Company
4167-99	Transamerica Life Insurance Company

SCHEDULE

John Hancock Life Insurance Company of New York

the TARE Entities Reference Nos.	TARE Entity
4171-01	Transamerica Financial Life Insurance Company
4171-02	Transamerica Financial Life Insurance Company
4171-03	Transamerica Financial Life Insurance Company
4171-04	Transamerica Financial Life Insurance Company
4171-07	Transamerica Financial Life Insurance Company
4171-08	Transamerica Financial Life Insurance Company
4171-09	Transamerica Financial Life Insurance Company
4171-10	Transamerica Financial Life Insurance Company
4171-11	Transamerica Financial Life Insurance Company
4171-12	Transamerica Financial Life Insurance Company
4171-13	Transamerica Financial Life Insurance Company
4171-14	Transamerica Financial Life Insurance Company
4171-15	Transamerica Financial Life Insurance Company
4171-16	Transamerica Financial Life Insurance Company
4171-17	Transamerica Financial Life Insurance Company

SCHEDULE

Manufacturers Life Insurance Company

the TARE Entities Reference Nos.	TARE Entity
4165-62	Transamerica Life Insurance Company
4165-67	Transamerica Life Insurance Company

EXHIBIT D

From: Jewell Lord-Deleon[jewell_lord-deleon@jhancock.com]
Sent: Wed 9/26/2012 7:46:59 PM (UTC)
To: Karen Oswald[Karen_Oswald@jhancock.com]
Subject: Fw: Novations to SCOR

FYI.

Jewell Lord-Deleon
Senior Treaty Specialist, Reinsurance Ceded Administration
Life Operation, John Hancock Life Insurance
Tel.:(416) 926-5595 (or 865595)
Fax:(416) 926-6670 Del Strn.:ST3-D33
Jewell_Lord-DeLeon@JHancock.com

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----- Forwarded by Jewell Lord-Deleon/Reinsurance/Manulife on 09/26/2012 03:46 PM -----

From: Shaun Downey/Reinsurance/Manulife
To: "Stone, Clifton" <CStone@scor.com>,
Cc: Jewell Lord-Deleon/Reinsurance/Manulife@Manulife, Lauren M Cross/JHancock/Manulife@MANULIFE, Vivian Tseng/US Division/Manulife@Manulife
Date: 09/26/2012 03:32 PM
Subject: Novations to SCOR

Clif,

We have reviewed the documentation sent to novate certain of the Transamerica treaties to SCOR. At this time, John Hancock is not prepared to sign the novations and prefers to keep the treaties with the current counterparties. If you have any questions or concerns with our position, please let me know.

Thanks.

Shaun Downey
AVP, Reinsurance
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