Protective

From: Protective Life Insurance Company
To: Iowa Insurance Division
Date: August 11, 2026
Re: In The Matter of the Application of Transamerica Life Insurance Company (TLIC) for Approval of its Plan of Division and Simultaneous Merger of the Newly Formed Company with SCOR Global Life USA Reinsurance Company (SGLUSA)

Comments of Interested Party Protective Life Insurance Company

Protective Life Insurance Company ("Protective"), in its own capacity and as successor in interest to or retrocedent from other ceding entities, respectfully submits these comments regarding the Plan of Division and simultaneous Merger (“Plan”) filed by Transamerica Life Insurance Company ("TLIC") with the Iowa Insurance Division (the "Insurance Division") and set for public hearing on August 20, 2026. Protective submits these comments to assist the Commissioner in evaluating the scope and implications of the proposed transaction under Iowa Code Chapter 521I. Protective's comments are not based on concerns regarding SCOR Global Life USA Reinsurance Company ("SGLUSA") as a reinsurance counterparty. Rather, Protective seeks to ensure that the Commissioner’s review of the proposed Plan is grounded in a careful determination of whether Chapter 521I can be used in the reinsurance context and, if so, whether all of the statutory requirements have been satisfied.

Protective is a ceding company under numerous inforce reinsurance agreements with TLIC that are included within the business allocated under the proposed Plan (the "Specified Business"). These agreements govern over one hundred million dollars of statutory reserves. As a counterparty cedent whose negotiated reinsurance relationship would be transferred to a different reinsurer under TLIC's proposed Plan by operation of law, Protective has a direct and substantial interest in the outcome of this proceeding and in the Commissioner's determination of whether the proposed transaction is fair and reasonable and consistent with the public interest.

Protective does not view the proposed transaction as a mere formality. Although Protective has no objection to SGLUSA as a reinsurance counterparty and recognizes SCOR's financial strength and longstanding role in connection with the business, the transaction nevertheless raises important questions regarding the extent to which Chapter 521I permits the non-consensual transfer of reinsurance relationships through a division and merger. The Commissioner's determination may establish principles that extend beyond the specific facts presented here and therefore warrants careful consideration of the statutory framework and its implications for future transactions.

Protective respectfully offers the following observations and considerations for the Commissioner's review.

1. Chapter 521I Is Not an Appropriate Substitute for Consensual Novation of Reinsurance Relationships

The fundamental question before the Commissioner is whether Chapter 521I can be used to compel the transfer of assumed reinsurance obligations from one reinsurer to another without the cedent's consent. Protective respectfully submits that Chapter 521I should not be read to permit that result. A reinsurance treaty is not an ordinary policyholder relationship. It is a negotiated agreement between sophisticated parties in which the identity, creditworthiness, concentration profile, collateral arrangements, administration rights, dispute mechanisms, and assignment or novation provisions are material terms. Treating a cedent as though it is merely a policyholder or creditor of the dividing insurer overlooks the commercial reality and negotiated contractual protections that define the reinsurance relationship.

The structure proposed here would accomplish by operation of law what ordinarily would require a consensual novation: the release of TLIC as Protective's reinsurer and the substitution of SGLUSA in its place. Protective respectfully submits that the division statute should not be used to override negotiated treaty protections and cedent consent rights in circumstances where the industry already has an established mechanism for transferring reinsurance relationships.

2. The Text of Chapter 521I Treats Reinsurers as Distinct Participants, Not as Dividing Insurers Whose Obligations May Be Transferred Without Cedent Consent

The text of Chapter 521I reinforces the concern that the statute was not designed to authorize the compulsory substitution of one reinsurance counterparty for another. The statute repeatedly refers to "reinsurers" as distinct participants whose contracts, rights, and obligations may be affected by a division, separate from the "dividing insurer" and "resulting insurer" that are the subjects of the division.

For example, Section 521I.2 requires a plan of division to describe the manner in which the dividing insurer proposes to allocate all reinsurance contracts. Section 521I.8(1) separately requires the dividing insurer to provide notice to “each reinsurer that is a party to a reinsurance contract allocated in the plan of division.” Section 521I.10 requires the certificate of division to confirm that notice was provided to each reinsurer whose reinsurance contract is allocated in the plan. Section 521I.12(8)(b) separately provides that, unless provided in the plan of division and specifically approved by the Commissioner, an allocation of a policy or other liability may not release or reduce the obligation of a "reinsurer, surety, or guarantor" of the policy or liability.

These provisions are important because they show that the legislature knew how to address reinsurance relationships and did so by treating reinsurers as separate actors affected by a division, not as the dividing insurer whose own assumed reinsurance obligations could be transferred to a new reinsurer over the cedent's objection. That distinction is critical here. Although Chapter 521I recognizes that *ceded* reinsurance contracts may be allocated in a division, nowhere does it expressly authorize a reinsurer to extinguish a cedent's existing contractual relationship and substitute a different reinsurance counterparty by operation of law.

3. Recent Developments Confirm the Problems with Applying Chapter 521I in the Reinsurance Context

The procedural history of this matter underscores why the Commissioner's review should focus on the threshold question of whether Chapter 521I is an appropriate mechanism for transferring reinsurance obligations at all. When John Hancock challenged the proposed transaction, TLIC and SGLUSA did not proceed with John Hancock's treaties as part of the transaction. Instead, TLIC amended the Plan to exclude those treaties from the Covered Contracts and treat them as Excluded Contracts. As reflected in the July 31, 2026 Stipulation and Order of Withdrawal of Intervenor John Hancock's Petition, Amendment No. 1 excluded all reinsurance contracts with John Hancock, and John Hancock withdrew its petition in light of that amendment.

That development raises a significant question concerning the application of Chapter 521I in the reinsurance context. If the statute truly authorizes the non-consensual transfer of reinsurance obligations by operation of law, it is difficult to reconcile why one cedent's treaties can simply be carved out of the transaction while others remain subject to compulsory transfer. The result is disparate treatment among similarly situated cedents based on the transaction proponents' choices rather than any apparent distinction in the statute.

The purpose of a division statute should not be to create an ad hoc, cedent-by-cedent process in which some reinsurance counterparties are excluded from the transfer after objecting while others remain bound by the proposed restructuring. In the reinsurance context, the statute is either an appropriate mechanism to transfer the relevant reinsurance business as a whole, subject to the required statutory findings, or it is not. The selective exclusion of one cedent's treaties only heightens the concern that Chapter 521I is being used as a substitute for consensual novation rather than as the type of statutory division mechanism the legislature contemplated.

4. The Transaction Effects a Non-Consensual Change of Counterparty and Overrides Negotiated Treaty Protections

Protective bargained for, and currently holds, reinsurance agreements with TLIC as its contractual counterparty. The proposed Plan of Division and Merger would replace that counterparty with SGLUSA by operation of law, without Protective's consent and without any amendment or novation of the underlying treaties. TLIC would be released from obligations it presently owes, and SGLUSA would be substituted in its place, notwithstanding that Protective never agreed to that substitution. The identity of one's reinsurance counterparty is a material term of any reinsurance relationship. It determines the credit standing behind the obligations, the enforcement rights available to the cedent, and the counterparty concentration the cedent carries on its books. A cedent's right to choose, and to retain, its reinsurer is precisely the kind of bargained-for protection that should not be displaced by a corporate restructuring to which the cedent is not a party.

5. The Transaction Would Eliminate Protective's Existing Recourse to TLIC and Increase Its Concentration of Exposure

Under the current structure, Protective has the benefit of TLIC as its direct reinsurance counterparty and obligor on the Specified Business. If the Plan of Division and Merger is approved, TLIC would be released from those obligations, and Protective would be left with recourse to SGLUSA alone. Regardless of SGLUSA's financial solvency or agency ratings, the elimination of a separate obligor changes the security supporting Protective's reinsurance recoverables without Protective's consent.

The transaction would also increase the concentration of Protective's reinsurance exposure within a single organization. Today, TLIC and the SCOR group stand as separate counterparties from Protective's perspective. Following the transaction, obligations currently owed by TLIC would be consolidated into the SCOR group, increasing Protective's aggregate exposure to a single organization. Prudent counterparty risk management depends on a cedent's ability to control such concentration.

6. The Commissioner's Analysis Should Consider the Broader Implications of Any Approval

The significance of this proceeding extends beyond the parties involved. Future transactions could present materially different and more problematic circumstances. For example, a dividing insurer could seek to transfer obligations to an entity that is less highly rated, less well capitalized, or otherwise presents greater counterparty risk than the original obligor. For that additional reason, Protective respectfully requests that the Commissioner carefully scrutinize this transaction and whether the proposed Plan is appropriate under Chapter 521I.

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Protective appreciates the opportunity to submit these comments. Protective reserves all rights with respect to this proceeding and the underlying reinsurance agreements, including the right to supplement or amend these comments as additional information becomes available.