

BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF IOWA

In the matter of the Application of Transamerica Life Insurance Company (TLIC) for Approval of Its Plan of Division	AFFIDAVIT OF LAIRD ZACHEIS
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**BEFORE THE INSURANCE COMMISSIONER AND THE ATTORNEY GENERAL OF
THE STATE OF IOWA**

In the matter of the Application of Transamerica Life Insurance Company (TLIC) for Approval of the merger of Newly Formed Company with SCOR Global Life USA Reinsurance Company	AFFIDAVIT OF LAIRD ZACHEIS
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FILED CONFIDENTIALLY PURSUANT TO PROTECTIVE ORDER

STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

I, Laird Zacheis, being first duly sworn, hereby deposes and states as follows:

1. I am a principal and consulting actuary with Milliman, Inc. (“Milliman”). Milliman is one of the world’s largest independent actuarial and consulting firms. Through consulting practices in insurance, financial services, healthcare, life sciences, and employee benefits, Milliman serves a wide variety of clients across the public and private sectors.
2. Milliman was engaged by an affiliate of Transamerica Life Insurance Company (“TLIC”) on behalf of itself and its affiliated companies (collectively, “Transamerica”) and SCOR Global Life Americas Reinsurance Company (“SGLA”) and its affiliated companies (collectively, “SCOR”) (together with Transamerica, the “Companies”) to provide advisory services in support of the Plan of Division (the “Plan”) submitted by TLIC to the Iowa Insurance Division (“IID”) on

May 12, 2026, as amended on July 29, 2026, and to provide a report (the “Report”)¹ regarding the Plan.

3. Under the Plan, the proposed transactions include the following: (1) TLIC will create a new Iowa-domiciled stock insurance company, Transamerica Division Insurance Company-A (“TLIC-A”), and allocate certain mortality risk reinsurance business to TLIC-A (the “Division”) and (2) TLIC-A will simultaneously merge with and into SCOR Global Life USA Reinsurance Company (“SGLUSA”) (the “Merger”).

4. This Affidavit, along with the Report, explains how the analysis conducted by Milliman supports my conclusion that the Plan satisfies the below financial requirements listed in Chapter 521I (Division of Domestic Stock Insurers) of the Iowa Code (the “Iowa Division Law”), as I understand them. Based on that analysis, as set forth in greater detail below, I conclude that:

- a. The financial condition of SGLUSA and TLIC, upon the Division and Merger, will not jeopardize the financial stability of SGLUSA or TLIC or prejudice the interests of TLIC’s reinsurance cedants whose contracts are being allocated as part of the Division (the “Cedants”), as required under Section 521I.8(3)(b) of the Iowa Division Law.
- b. SGLUSA will continue to be qualified and eligible to receive a certificate of authority to transact the business of insurance in this state, as required under Section 521I.8(3)(c) of the Iowa Division Law.
- c. TLIC and SGLUSA will remain solvent when the Division and simultaneous Merger become effective, as required under Section 521I.8(3)(f) of the Iowa Division Law.
- d. The remaining assets of SGLUSA and TLIC will not be “unreasonably small in relation to the business and transactions” they will engage in after completion of

¹ I understand that TLIC submitted the Report, entitled *Actuarial Analysis of Transamerica Life Corporate Division*, to IID on May 11, 2026, on a confidential basis. Milliman made a minor edit to the Report on May 29, 2026, and TLIC submitted the updated version of the Report to IID on June 2, 2026. On August 8, 2026, Milliman submitted a memorandum to TLIC and SCOR regarding the impact of Amendment No. 1 to the Plan on the analysis and conclusions of the Report (the “Memo”). I understand that the Memo and any new documents relied upon therein were produced to the parties in these proceedings and IID on August 11, 2026. The updated Report and the Memo are attached hereto as Exhibit A.

the Division and simultaneous Merger, as required under Section 521I.8(3)(g) of the Iowa Division Law.

5. Milliman focused its analysis on the factors listed above; however, I understand that the Iowa Division Law identifies additional statutory prerequisites to approval of a plan of division, namely that (a) the interest of the policyholders, creditors, or shareholders of TLIC will be adequately protected and the Plan is not unfair or unreasonable to the cedants/policyholders of TLIC nor contrary to the public interest (Section 521I.8(3)(a) of the Iowa Division Law); (b) the proposed Division does not violate Iowa's fraudulent transfer statute, chapter 684 of the Iowa Code (Section 521I.8(3)(d) of the Iowa Division Law); and (c) the proposed Division is not being made for the purpose of hindering, delaying, or defrauding any policyholders or other creditors of TLIC (Section 521I.8(3)(e) of the Iowa Division Law). Although analyzing these factors is outside the scope of Milliman's work, the IID may find elements of Milliman's analysis relevant to these additional factors.

6. I understand that on July 29, 2026, TLIC submitted an amendment to the Plan (the "Amendment") that contemplates that certain business associated with reinsurance contracts issued to John Hancock Life Insurance Company and its affiliate The Manufacturers Life Insurance Company (Bermuda Branch) (together, "John Hancock") will remain retroceded to SCOR and will not be allocated to TLIC-A in the Division. Separately, I understand that SCOR will novate the surviving retrocession agreement involving the John Hancock contracts from SGLA to SGLUSA. Milliman has reviewed the Amendment as well as the implications of the Amendment on TLIC, TLIC-A, and SGLUSA from an actuarial perspective. As discussed below and in the Memo, Milliman has concluded that the changes to the Plan reflected in the Amendment are immaterial and do not affect any of the ultimate conclusions in the Report.

7. Milliman's analysis primarily focused on the financial status of SGLUSA following the Division and Merger, along with a high-level review of the potential impact of the Division and Merger on TLIC. As noted above, the Division will create a new insurer, TLIC-A, which will be simultaneously merged into SGLUSA and therefore will not actually transact any business in Iowa. Given that the at-issue reinsurance business will be assumed by SGLUSA as an immediate result of the Division and Merger, Milliman has not reviewed the financial position of TLIC-A on a standalone basis.

8. I understand that on July 10, 2026, IID filed a report by its independent expert, Risk & Regulatory Consulting ("RRC"), entitled *Transaction Review Report* (the "RRC Report"). The RRC Report concludes that the Division and Merger "would satisfy the criteria found in §§ 521I.8(3) and (4) required for Commissioner approval and the resulting entities would be in compliance with § 508.36, Actuarial Standards of Practice, and the NAIC Valuation Manual." RRC Report at 8. I have reviewed the RRC Report and note that RRC agrees with Milliman's ultimate conclusions regarding the statutory requirements addressed in Milliman's analysis.

9. This Affidavit, which is based on my personal knowledge, my expertise and experience, and my review of the Report and the documents referenced therein, will proceed as follows. First, I will provide information on my background and qualifications. Second, I will summarize the scope of Milliman's analysis, including the reliance on information provided by the Companies and the limitations of the Report. Third, I will briefly describe the proposed Division and Merger. Fourth, I will explain how Milliman reached the conclusions identified in Paragraph 4(a)-(d) above.

10. The Report was filed confidentially, and this Affidavit is also intended to be confidential because it references the Report and the confidential materials on which Milliman

relied in reaching its conclusions. I understand that the confidential materials relied upon in the Report and described in this Affidavit contain proprietary trade secret level business plans and financial analyses that if disclosed to competitors of SCOR and TLIC would damage their ability to compete effectively in their markets, as do the confidential materials relied upon in the RRC Report. This Affidavit is not intended to waive any confidentiality in whole or in part.

BACKGROUND AND QUALIFICATIONS

11. I earned my bachelor's degree in mathematics from Yale University, where I graduated summa cum laude in 1988. I also earned my MBA with high honors from the University of Chicago in 1997.

12. Prior to joining Milliman, I worked in the actuarial rotation program at Equitable Life.

13. I joined Milliman in 1991 and am currently a principal and consulting actuary with Milliman's Chicago office. I specialize as a consultant to clients regarding mergers and acquisitions involving life insurance companies on issues including valuation, transaction design, capitalization, and other actuarial matters. I have consulted for buyers and sellers in some of the most significant transactions in the United States since the early 1990s, consisting of more than 100 transactions with a total value in excess of \$150 billion. My consulting includes transactions structured around reinsurance, use of reserve financing captives and offshore solutions, and cross-border acquisitions. I also provide consulting services in the areas of financial planning and capital management, evaluation of emerging accounting standards, and strategic planning, in order to help organizations assess long-term business direction, evaluate capital deployment options, and navigate evolving regulatory and market environments.

14. I am a fellow of the Society of Actuaries, a member of the American Academy of Actuaries, and a member of the International Actuarial Association.

SCOPE, RELIANCE, AND LIMITATIONS

15. The Report addresses certain financial factors identified under Iowa Code § 521I.8(3). The Report does not opine on legal, tax, operational, or other non-financial aspects of the Division.

16. In preparing the analysis in the Report, Milliman relied upon information provided by SCOR and Transamerica. To the extent such information is incomplete and/or inaccurate, the conclusions set forth in the Report may have been impacted. Milliman did not independently audit or verify the accuracy of this information.

17. The information provided by Transamerica and SCOR and relied upon in Milliman's analysis includes: pro forma projections for SGLUSA created by SCOR;² statutory filings of SGLUSA, TLIC, and their respective affiliated entities; historical financial results and reporting schedules for the block of liabilities that will be allocated in the Division and Merger; information from SCOR regarding the ultimate internal structure of the allocated reinsurance business; reserve adequacy analysis prepared by SCOR; and other relevant information.

18. The assumptions underlying the analysis in the Report reflect SCOR's best estimates for the business. Actual experience may differ from these assumptions. To the extent actual experience differs from the assumptions, the analysis in the Report may be impacted.

19. The opinions and conclusions expressed in this Affidavit are solely my own, and are based on analysis produced by myself, Galin Mitchener, and Katherine Nelson (also of

² SCOR's pro forma projections were accompanied by certain notes and based on certain assumptions with respect to the merged entity; a summary of those notes and assumptions may be found at Slide 27 of the Report.

Milliman). However, these opinions and conclusions do not necessarily reflect the views of Milliman, Inc., or its affiliates, or those of other Milliman personnel.

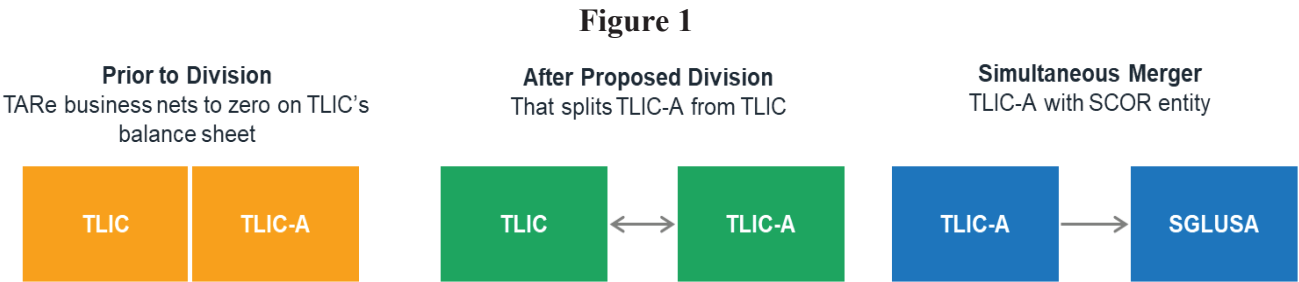
THE PROPOSED DIVISION AND MERGER

20. I understand that, in 2011, Transamerica entered into an agreement with SGLA (a SCOR entity) and other SCOR affiliates to retrocede certain reinsurance business from a TLIC business division known as Transamerica Reinsurance (“TARe”) to SCOR through a series of retrocession agreements on a 100% indemnity reinsurance basis, along with a transition of the TARe business servicing, staffing and administration systems. This agreement and subsequent related retrocession agreements ultimately passed full responsibility for the financial results and the reinsurance operations of the ceded reinsurance business to SCOR. In subsequent agreements between 2017 and 2024, TLIC also retroceded additional reinsurance agreements assumed by subsidiary Transamerica International Re (Bermuda) Ltd (“TIRe”) to SCOR. In July 2024, TIRe was sold to SCOR and renamed SCOR Bermuda Ltd (“SBL”).

21. The TARe assumed inforce business currently 100% ceded from TLIC to SCOR affiliates is the subject of the Plan. This business consists primarily of coinsurance and yearly renewable term reinsurance contracts on individual life insurance policies. Less than 0.6% of the liabilities relate to universal life and health coverages.

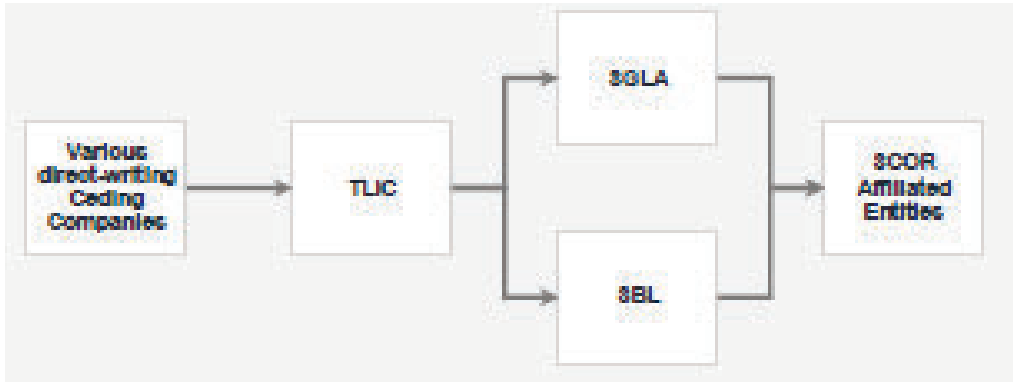
22. Together, the Division and Merger will allocate the contracts in the Specified Business,³ as defined in the Plan, directly to SGLUSA. A representation of the proposed Division and Merger, which appears in Slide 10 of the Report, is reproduced below as Figure 1.

³ The Defined Block, as defined in the Milliman Report, refers to the entirety of the TARe assumed inforce business currently 100% ceded from TLIC to SCOR. Pursuant to the Amendment, the Specified Business includes all of the Defined Block except for the John Hancock contracts listed on Schedule 1B to the Plan.



23. Currently, reinsurance contracts written by TLIC with various direct insurance companies are retroceded into two separate companies, SGLA and SBL. SGLA and SBL then retrocede a material portion of the reinsurance business to SCOR-affiliated entities. The remaining business that is retained in SGLA is approximately \$22.6 million of reserves at year-end 2025. Of the \$22.6 million, \$21.7 million is universal life business and \$0.9 million is accident & health business. The retained reserves are just 0.6% of the total reserves ceded from TLIC to SGLA. An illustration of the current flow of business and reserves, which appears in Slide 11 of the Report, is reproduced below as Figure 2.

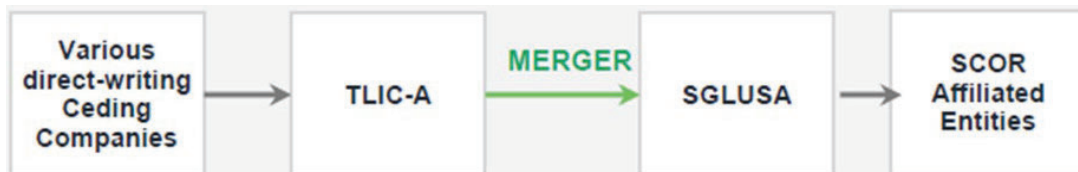
Figure 2 – Current Flow of Business



24. The proposed Division will create a new entity, TLIC-A, which will hold the reinsurance contracts of the Specified Business. TLIC-A will simultaneously merge with and into SGLUSA. At the same time, [REDACTED], including a novation of the [REDACTED]

retrocession treaty covering the John Hancock contracts from SGLA to SGLUSA. These additional simplifications were taken into consideration in reviewing the financial strength of SGLUSA. An illustration of the proposed flow of business after the Division and Merger, which also appears in Slide 11 of the Report, is reproduced below as Figure 3.

Figure 3 – Proposed Flow of Business from Merger



25. Because 100% of TLIC's reinsurance business is currently retroceded to SCOR, historical income of the Specified Business nets to zero for TLIC. Therefore, the proposed Division and Merger will have zero net impact on the future income of TLIC. Figures 4, 5, and 6 below, which appear on Slides 14, 15, and 16 of the Report, respectively, illustrate the historical balance sheet, and the historical and 2025 income statement results for what the Report defines as the Defined Block. Because the TARE assumed inforce business is 100% ceded to SCOR, the assumed and ceded premiums in Figures 5 and 6 exclude the John Hancock treaties listed in Schedule 1B to the Plan as well as the Specified Business, resulting in no change in net income as a result of the Amendment.

Figure 4 – Historical Balance Sheet of Defined Block in TLIC

Proforma Balance Sheet	YE2025	YE2024	YE2023	YE2022	YE2021	YE2020
P2_05.1_Cash	\$1,581,106	\$259,609	\$211,705	\$687,032	\$4,605,658	\$2,167,034
P2_06_Contract loans	-	-	0	0	-	-
Assumed - Ren - Uncollected Premiums - A&H	(141,387)	284,563	1,871,164	1,529,536	702,588	484,710
Ceded - Ren - Uncollected Premiums - A&H	141,387	(284,563)	(1,871,164)	(1,529,536)	(702,588)	(484,710)
Assumed - Ren - Uncollected Premiums Life	173,478,552	396,734,333	358,949,676	299,553,844	335,644,949	324,402,923
Ceded - Ren - Uncollected Premiums Life	(173,478,552)	(396,734,333)	(358,949,676)	(299,553,844)	(335,644,949)	(324,402,923)
P2_15_Premis & Considerations - Admitted	-	-	-	-	-	-
P2_16.2_Funds held by or deposited with reinsurance companies	4,750,417	4,798,145	3,043,931	3,023,531	3,122,253	3,194,753
P2_16.3_Other amounts receivable under reinsurance contracts	10,845,102	11,452,503	13,183,257	13,109,865	19,650,482	29,520,579
P2_25_01_Accounts receivable	142,098	691,655	44,473	37,437	36,089	47,402
Total Assets	\$17,318,723	\$17,201,912	\$16,483,366	\$16,857,866	\$27,414,481	\$34,919,767
Exh 5 - Assum - Life	\$3,709,117,222	\$4,050,487,976	\$4,434,677,966	\$5,193,163,311	\$6,120,502,422	\$6,472,876,481
Exh 5 - Ceded - Life	(3,709,117,222)	(4,050,487,976)	(4,434,677,966)	(5,193,163,311)	(6,120,502,422)	(6,472,876,481)
Exh 5 - Net - Life	-	-	-	-	-	-
Exh 5 - Assum - Accidental Death Benefits	6,805	7,966	8,515	19,898	24,620	25,082
Exh 5 - Total Ceded - Accidental Death Benefits	(6,805)	(7,966)	(8,515)	(19,898)	(24,620)	(25,082)
Exh 5 - Net - Accidental Death Benefits	-	-	-	-	-	-
Exh 5 - Assum - Disability - Active Lives	13,750,618	14,277,455	15,616,490	17,835,125	19,851,125	20,422,706
Exh 5 - Total Ceded - Disability - Active Lives	(13,750,618)	(14,277,455)	(15,616,490)	(17,835,125)	(19,851,125)	(20,422,706)
Exh 5 - Net - Disability - Active Lives	-	-	-	-	-	-
Exh 5 - Assum - Disability - Disabled Lives	242,575	242,576	240,532	297,318	492,975	616,330
Exh 5 - Total Ceded - Disability - Disabled Lives	(242,575)	(242,576)	(240,532)	(297,318)	(492,975)	(616,330)
Exh 5 - Net - Disability - Disabled Lives	-	-	-	-	-	-
Exh 5 - Assum - Miscellaneous Reserves	44,432,252	53,734,168	20,602,596	29,026,505	70,206,428	70,208,677
Exh 5 - Total Ceded - Miscellaneous Reserves	(44,432,252)	(53,734,168)	(20,602,596)	(29,026,505)	(70,206,428)	(70,208,677)
Exh 5 - Net - Miscellaneous Reserves	-	-	-	-	-	-
P3_01_Aggregate reserve for life contracts	-	-	-	-	-	-
Incurred But Not Reported Life - Assumed	470,501,286	473,319,266	474,327,950	521,543,164	593,563,194	481,324,333
Incurred But Not Reported Life - Ceded	(470,501,286)	(473,319,266)	(474,327,950)	(521,543,164)	(593,563,194)	(481,324,333)
P3_04.1_Contract claims - Life	-	-	-	-	-	-
Incurred But Not Reported Accident and Health - Assumed	1,466,455	4,295,907	4,725,350	4,851,371	4,217,762	4,429,282
Incurred But Not Reported Accident and Health - Ceded	(1,466,455)	(4,295,907)	(4,725,350)	(4,851,371)	(4,217,762)	(4,429,282)
In Course of Settlement - Assumed	21,491,443	18,368,861	21,433,447	21,627,166	22,102,108	22,149,964
In Course of Settlement - Ceded	(21,491,443)	(18,368,861)	(21,433,447)	(21,627,166)	(22,102,108)	(22,149,964)
P3_04.2_Contract claims - Accident and health	-	-	-	-	-	-
P3_09.3_Other amts pay on reinsurance, incl assumed and ceded	-	-	-	-	-	-
P3_11_Commissions and expense allowances payable on reinsurance assume	10,845,102	11,452,503	13,183,257	13,109,865	19,650,482	29,505,502
P3_19_Remittances and items not allocated	930,120	(8,759,012)	(10,080,193)	(9,611,902)	(5,694,625)	(8,113,079)
P3_24.03_Funds held under reinsurance treaties with unauthorized reins	5,543,501	14,508,421	13,380,302	13,359,903	13,458,624	13,527,344
Total Liabilities	\$17,318,723	\$17,201,913	\$16,483,366	\$16,857,866	\$27,414,481	\$34,919,767

Figure 5 – Historical Income Statement Results of Defined Block in TLIC

TLIC-A Condensed Income Statement					
	Year Ending December 31, 2025	Year ending December 31, 2024	Year ending December 31, 2023	Year ending December 31, 2022	Year ending December 31, 2021
Revenue					
Assumed Premiums	\$866,843,701	\$867,737,228	\$844,999,595	\$972,508,858	\$1,220,987,158
Ceded Premiums	(866,843,701)	(867,737,228)	(844,999,595)	(972,508,858)	(1,220,987,158)
Net Premium	-	-	-	-	-
Ceded Commission	46,511,213	55,416,503	52,108,053	60,380,450	68,136,301
Total Revenue	\$46,511,213	\$55,416,503	\$52,108,053	\$60,380,450	\$68,136,301
Expenses					
Assumed Commissions	\$46,511,213	\$55,416,503	\$52,108,053	\$60,380,450	\$68,136,301
Assumed Benefits	1,177,027,133	941,575,828	909,009,754	1,396,082,015	1,396,140,292
Ceded Benefits	(1,177,027,133)	(941,575,828)	(909,009,754)	(1,396,082,015)	(1,396,140,292)
Net Benefits	-	-	-	-	-
Assumed Change in Reserves	(351,376,984)	(352,445,685)	(769,290,434)	(971,024,722)	(353,153,351)
Ceded Change in Reserves	351,376,984	352,445,685	769,290,434	971,024,722	353,153,351
Net change in Reserves	-	-	-	-	-
Assumed Experience Refunds	(28,450)	10,387	50,370	20,027	(46,312)
Ceded Experience Refunds	28,450	(10,387)	(50,370)	(20,027)	46,312
Net Experience Refunds	-	-	-	-	-
Net expenses	\$46,511,213	\$55,416,503	\$52,108,053	\$60,380,450	\$68,136,301
Net Gain (Loss) from Operations	-	-	-	-	-
Net Income	-	-	-	-	-

Figure 6 – 2025 Income Statement of Defined Block in TLIC



ANALYSIS

A. The Financial Condition of SGLUSA and TLIC After the Merger Will Not Jeopardize the Financial Stability of SGLUSA or TLIC or Prejudice the Interest of the Cedants.

26. Milliman's analysis of SGLUSA's and TLIC's post-Merger financial condition focused on (1) projected Risk Based Capital ("RBC") ratios⁴ for SGLUSA and TLIC, and benchmarking against industry peers (Sections 4 and 5 of the Report); (2) the Capital Maintenance Agreement ("CMA") and Parental Guarantee Agreement ("PGA") between SGLUSA and its ultimate parent, SCOR SE, [REDACTED] (Section 4 of the Report), and (3) SGLUSA reserve adequacy testing and the pro forma impact of the post-Merger business (Section 6 of the Report).⁵ Milliman also considered that the Specified Business that will be allocated to SGLUSA following the Merger has been operating as part of SCOR since 2011 and thus has been part of SCOR's consolidated balance sheet through various agreements with TLIC since then. Furthermore, Milliman took into consideration that both SCOR and Transamerica are large, well-established global insurers each with ratings of A+ by S&P and A by AM Best.

TLIC's and SGLUSA's Post-Merger RBC Ratios and Asset Adequacy

27. Milliman's analysis showed that TLIC's RBC ratio will modestly improve as a result of the Division and Merger, while SGLUSA's RBC ratio will decrease slightly, primarily because the Division and Merger [REDACTED]

⁴ RBC ratios are generally used as a way to measure a company's capital compared to its risk pursuant to National Association of Insurance Commissioners ("NAIC") guidelines. For clarification, all RBC ratios in the Report and in this document are stated on a Company Action Level ("CAL") basis.

⁵ [REDACTED]

Nonetheless, SGLUSA's RBC ratio and asset adequacy will remain strong after the Division and Merger, as explained in more detail below.

28. Milliman's analysis of TLIC's RBC showed that after the Division and Merger, TLIC's RBC ratio will increase slightly. As a result of the Division, TLIC's [REDACTED]
[REDACTED]
[REDACTED] the Specified Business reinsurance agreements that ultimately will be allocated to SGLUSA in the Division and Merger. Other capital risk categories are not materially impacted by the Division and Merger. TLIC's Total Adjusted Capital will not be adversely impacted by the proposed Division and Merger.⁶

29. Thus, as a result of the Division, TLIC's [REDACTED]
[REDACTED]
[REDACTED] following the Merger. A representation of TLIC's RBC post-Merger and Division, which appears in Slide 18 of the Report, is reproduced below as Figure 7.

⁶ I understand that the Plan contemplates that TLIC will allocate \$5 million in initial capitalization to TLIC-A in the Division, and SGLUSA will reimburse TLIC upon the effectiveness of the simultaneous Merger.

Figure 7 – Risk Based Capital Post- Division and Merger– TLIC



30. As noted elsewhere in this Affidavit, the impact on TLIC's RBC of removing John Hancock's contracts from the Specified Business pursuant to the Amendment is immaterial. Figure 8 shows the immaterial changes to assets and liabilities as a result of the Amendment.

Figure 8-Pro Forma Changes Due To Amendment



31. Milliman's analysis of SGLUSA's RBC showed that post-Division and Merger SGLUSA's RBC ratio will decrease modestly, primarily due [REDACTED] [REDACTED], but will remain in the range of the reported RBC ratios of peer reinsurers. SGLUSA's Liabilities/Adjusted Capital ratio of [REDACTED] which is one of a number of metrics discussed in the Report that demonstrate a superior ability to successfully withstand unanticipated financial disturbances and maintain solvency, is

also well below peer companies. Furthermore, the margin in SGLUSA's liabilities is sufficient to withstand approximately [REDACTED] higher lifetime mortality (the primary risk in the Specified Business).

32. Milliman anticipates that SGLUSA's [REDACTED]

following the Merger and [REDACTED]

[REDACTED] SGLUSA's [REDACTED]

[REDACTED] Other capital risk categories are impacted by immaterial amounts.

SGLUSA's Total Adjusted Capital [REDACTED]

33. SGLUSA's CAL RBC amount [REDACTED]

[REDACTED] However, the

principal driver of the RBC ratio decrease is the [REDACTED]

[REDACTED] A representation of SGLUSA's RBC post-Merger and Division,

which is unaffected by the Amendment, appears in Slide 19 of the Report and is reproduced below as Figure 9.

Figure 9 – Risk Based Capital Post- Division and Merger – SGLUSA

34. In addition to reviewing the projected RBC ratios of TLIC and SGLUSA post-Division and Merger, Milliman's analysis included benchmarking against industry peers. Milliman compared three key metrics: (1) year-end 2025 CAL RBC Ratio; (2) year-end 2025 liabilities/adjusted capital; and (3) financial ratings. The adjusted capital in Milliman's calculation was reduced by affiliate common stock amounts to normalize for capital on affiliate statements that would not have corresponding reserves on the NAIC statements of the benchmark companies.

35. Milliman selected the twenty-five largest direct life insurers in the United States for benchmarking against TLIC post-Division and Merger, based on market share for individual policies in 2024. After the Division and Merger, TLIC's pro forma RBC ratio is [REDACTED] which is squarely within the range for the U.S. operations of the peers Milliman selected for benchmarking. A representation of the benchmarking analysis against other domestic life insurers, which appears in Slide 21 of the Report, is reproduced below as Figure 10.

Figure 10 – Risk Based Capital Comparison to Peers – Direct Insurers

Company	Direct Issuers (\$000s)				Rating			
	General Account Liabilities	Adjusted Capital	CAL RBC Ratio	Liabilities / Adjusted Capital	S&P Global	Fitch	AM Best	Moody's
Transamerica Life Insurance Company					A+	WD	A	A1
American General Life Insurance Company					A+	A+	A	A2
Brighthouse Life Insurance Company					A	A-	A	A3
Equitable Financial Life Insurance Company					A+	WD	A	A1
Equitable Financial Life Insurance Company of America					A+	WD	NR	A1
John Hancock Life Insurance Company (U.S.A)					AA-	AA-	A+	Aa3
Globe Life Inc.					A	A	NR	Baa1
Lincoln National Life Insurance Company					A+	A+	A	Baa2
Massachusetts Mutual Life Insurance Company					AA+	AA	A++	Aa3
Metropolitan Life Insurance Company					AA-	A+	A+	A3
Midland National Life Insurance Company					A+	A+	A+	NR
United of Omaha Life Insurance Company					A+	NR	A+	A1
NLV Financial Corporation					NR	NR	NR	A1
Nationwide Life Insurance Company					A+	NR	A+	Baa1
New York Life Insurance Company					AA+	AA+	A++	Aa1
Northwestern Mutual Life Insurance Company					AA+	AA+	A++	Aa1
Pacific Life Insurance Company					AA-	A+	A+	Aa3
Primerica, Inc.					A-	NR	NR	Baa1
Principal Life Insurance Company					A-	A	NR	A1
Protective Life Insurance Company					AA-	AA-	A+	A1
Prudential Insurance Company of America					AA-	A+	A+	A3
Securian Financial Group, Inc.					A-	A+	NR	A3
State Farm Life Insurance Company					AA	NR	A+	Aa1
The Guardian Life Insurance Company of America					AA+	WD	A++	Aa1
The Penn Mutual Life Insurance Company					A+	AA-	A+	Aa3
Western-Southern Life Assurance Company					AA-	AA	A+	Aa3
Median excluding TLIC								
Mean excluding TLIC								
Transamerica Life Insurance Post Division & Merger					A+	WD	A	A1

36. Given that the domestic reinsurance industry includes fewer peers of SGLUSA, the U.S. operations of four reinsurer peers were chosen for SGLUSA's benchmarking analysis, based on prominence in the industry. A representation of the benchmarking analysis against other reinsurers, which appears in Slide 22 of the Report, is reproduced below as Figure 11.

Figure 11 – Risk Based Capital Comparison to Peers – Reinsurers

Reinsurers (\$000s)					
Company		Rating			
		S&P Global	Fitch	AM Best	Moody's
Scor Global Life USA Reinsurance Company		A+	NR	A	A1
Hannover Life Reassurance Company of America		AA-	NR	A+	NR
Munich American Reassurance Company		AA	NR	A+	Aa3
Reinsurance Group of America		A	A-	NR	Baa1
Swiss Re Life & Health America Inc.		AA-	NR	A+	Aa3
Median excluding SGLUSA					
Mean excluding SGLUSA					
Scor Global Life USA Post Division & Merger		A+	NR	A	A1

37. SGLUSA's post-Division and Merger pro forma RBC ratio is [REDACTED] which is in the middle of peer entities and modestly below average. SGLUSA's liabilities/adjusted capital ratio of [REDACTED] is well below its peers, indicating a strong capital position relative to its liabilities. Since 2020, SGLUSA has historically shown RBC ratios ranging from [REDACTED] to [REDACTED] indicating that the post-Division and Merger RBC ratio is at a level consistent with historical performance.

38. Under the pro forma SGLUSA projections provided by SCOR (discussed in more detail in Sections B and C below), [REDACTED]
As shown in Slide 31 of the Report, SGLUSA's projected RBC ratio is [REDACTED] in 2026, [REDACTED] in 2027, and [REDACTED] in 2028. Figure 12 below, which appears in Slide 31 of the Report, shows a

⁷ Because the Specified Business has been 100% reinsured to SCOR since 2011, the net-of-reinsurance impact of TLIC earnings historically has been immaterially close to zero and will be zero going forward. Therefore, a review of pro forma projections for TLIC was considered to be outside the scope of Milliman's review.

simplified projected balance sheet for SGLUSA and assumes impacts from the Division and Merger effective on October 1, 2026.

Figure 12 – Pro forma Projections – SGLUSA Simplified Balance Sheet⁸



39. Milliman approximated two stress tests using the pro forma SGLUSA projections provided by SCOR. An adverse mortality stress was approximated by assuming a [REDACTED] increase in claims. No impact on reserve releases were assumed in this stress, as a conservative measure. Additionally, an asset default stress was approximated by assuming a 300% increase in defaults in 2026 and 150% increase in defaults in 2027. The stress was based on credit cycle highs since 1983 and the average length of time it took for the economic event to revert back to the long-term average. [REDACTED]

[REDACTED]

⁸ The projections [REDACTED]

40. Based on the stress tests, it was approximated that SGLUSA could withstand a [REDACTED] increase in lifetime mortality and still maintain a CAL RBC Ratio above [REDACTED]⁹ Figure 13 below, which appears in Slide 32 of the Report, shows projections in the two stress test scenarios.

Figure 13 – Stress Testing



41. Milliman also reviewed SGLUSA’s 2025 asset adequacy testing, which is impacted by the Specified Business that SGLUSA will assume in the proposed Division and Merger. Based on the year-end 2025 reserve adequacy analysis performed by SCOR, SGLUSA is expected to have positive results after incorporating the Specified Business.

42. On a net basis, SGLUSA performs asset adequacy testing using Gross Premium Valuation (“GPV”) and Cash Flow Testing (“CFT”) analyses. Individual life reinsurance business is tested using GPV in SGLUSA. The testing showed redundancy even with adverse sensitivity testing beyond what was illustrated in the year-end 2025 Actuarial Opinion and Memorandum. For example, by extrapolating the results, Milliman approximated that the testing would remain sufficient with mortality increasing [REDACTED] in all years. Based on SGLUSA’s CFT testing, Milliman believes that in a level scenario there [REDACTED]

⁹ In both stress tests, no dividends were assumed, to stay at the same amount as in the baseline projection.

.¹⁰ Figures 14 and 15 below, which appear in Slides 34 and 35 of the Report, respectively, show SGLUSA's GPV and CFT testing of individual life reinsurance business and net retained block.

Figure 14 – Gross Premium Valuation Testing – SGLUSA Individual Life

SGLUSA Individual Life Reinsurance: Gross Premium Valuation Baseline and Sensitivity Testing Results as of December 31, 2025		
Gross Premium Valuation Test	Net Retained Reserve and Other Amounts	Redundancy (Deficiency)
Baseline (Best-Estimate)		
Sensitivities		
GPV discount rates +1% (Shift long-term Treasury rate target from 3.09% to 4.09%)		
GPV discount rates -1% (Shift long-term Treasury rate target from 3.09% to 2.09%)		
GPV discount rates based on a level Treasury rate scenario of 3.74%		
Mortality +5% in all years		
Lapse +50% in all years		
100% shock lapse at the end of the level term period for all Term Life business		
Maintenance Expenses Increased by 10%		
Net Retained Block: Gross Premium Valuation Baseline and Sensitivity Testing Results as of December 31, 2025		
Gross Premium Valuation Test	Net Retained Reserve and Other Amounts	Redundancy (Deficiency)
Baseline (Best-Estimate)		
Sensitivities		
GPV discount rates +1% (Shift long-term Treasury rate target from 3.09% to 4.09%)		
GPV discount rates -1% (Shift long-term Treasury rate target from 3.09% to 2.09%)		
GPV discount rates based on a level Treasury rate scenario of 3.74%		
Mortality +5% in all years		
Lapse +50% in all years		
100% shock lapse at the end of the level term period for all Term Life business		
Maintenance Expenses Increased by 10%		

¹⁰ Though testing the New York 7 scenarios and adverse liability sensitivities

Figure 15 – Cashflow Testing

Net Retained Defined Block Cashflow Testing Baseline and Sensitivity Testing Results as of December 31, 2025		
Scenario Tested	Net Retained Reserves	Present Value of Projected Ending Book Value of Surplus
Level		
Up 5% in 10 years then level		
Up 5%, down 5%, then level		
Pop up 3% then level		
Down 5% in 10 years then level		
Down 5%, up 5%, then level		
Pop down 3% then level		
Inverted yield curve		
Sensitivities		
105% Mortality		
90% Lapse		
110% Lapse		

43. For completeness, SGLUSA has also tested business for Individual Waiver, Group Waiver, and Individual Disability Income business using CFT. Figure 16 below, which appears in Slide 35 of the Report, shows the results.

Figure 16 – Cashflow Testing for Individual Waiver, Group Waiver, and Individual Disability Income

SGLUSA Cashflow Testing Baseline and Sensitivity Testing Results as of December 31, 2025		
Scenario Tested	Net Retained Reserves	Present Value of Projected Ending Book Value of Surplus
Level		
Up 5% in 10 years then level		
Up 5%, down 5%, then level		
Pop up 3% then level		
Down 5% in 10 years then level		
Down 5%, up 5%, then level		
Pop down 3% then level		
Sensitivities		
5% Adverse Mortality for Waiver Business, 5% Adverse Mortality and Recovery for Disability Business		
5% Adverse Recovery for Waiver Business, 5% Adverse Mortality and Recovery for Disability Business		
Discount Rates minus 1%		
Discount Rates minus 1%, Mortality and Recovery -5% in First Year		

44. SGLUSA also performed asset adequacy testing on a gross basis, using a GPV test.

As shown in Figure 17 below, which appears in Slide 36 of the Report, there is more than adequate redundancy in the GPV following the Division and Merger, even with sensitivity testing.

Figure 17 – Gross Premium Valuation Testing – Individual Life Gross of Reinsurance

Individual Life Reinsurance: Gross Premium Valuation Baseline and Sensitivity Testing Results as of December 31, 2025			Individual Life Reinsurance: Gross Premium Valuation Baseline and Sensitivity Testing Results as of December 31, 2025 with Defined Block		
Gross Premium Valuation Test	Gross Reserve and Other Amounts	Redundancy (Deficiency)	Gross Premium Valuation Test	Gross Reserve and Other Amounts	Redundancy (Deficiency)
Baseline (Best-Estimate)					
Sensitivities			Sensitivities		
GPV discount rates +1% (Shift long-term Treasury rate target from 3.09% to 4.09%)			GPV discount rates +1% (Shift long-term Treasury rate target from 3.17% to 4.17%)		
GPV discount rates -1% (Shift long-term Treasury rate target from 3.09% to 2.09%)			GPV discount rates -1% (Shift long-term Treasury rate target from 3.17% to 2.17%)		
GPV discount rates based on a level Treasury rate scenario of 3.74%			GPV discount rates based on a level Treasury rate scenario of 4.60%		
Mortality +5% in all years			Mortality +5% in all years		
Lapse +50% in all years			Lapse +50% in all years		
100% shock lapse at the end of the level term period for all Term Life business			100% shock lapse at the end of the level term period for all Term Life business		
Maintenance Expenses Increased by 10%			Maintenance Expenses Increased by 10%		

45. Milliman approximates that even stresses beyond SCOR’s testing will not have a negative result on SGLUSA’s financial condition or the Cedants, even without considering the additional backstop provided by the intercompany agreements discussed below. For example, the post-Division and Merger retained SGLUSA business subject to GPV testing appears to be able to withstand a ■ increase in lifetime mortality before showing a deficiency, and post-Division and

Merger retained SGLUSA business subject to CFT testing appears to be able to withstand a lifetime mortality increase of greater than [REDACTED] before showing a deficiency.¹¹

SGLUSA Intercompany Agreements

46. Intercompany agreements between SGLUSA and SGLUSA's parent company, SCOR SE, provide added safety for policyholders of SGLUSA and the Cedants. SGLUSA and SCOR SE entered into the CMA [REDACTED]

[REDACTED]

[REDACTED] As the RRC Report notes, [REDACTED]

[REDACTED]

[REDACTED] RRC Report at 38. Additionally, SGLUSA and SCOR SE entered into a PGA, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

47. SCOR SE is rated A+ by S&P Global, A+ by Fitch, and A by AM Best. According to Best's February 13, 2026 Credit Rating Report, "SCOR is considered to have a balance sheet strength assessment of very strong, underpinned by consolidated risk-adjusted capitalization (as measured by [Best's Capital Adequacy Ratio 'BCAR']) at the strongest level for year-end 2024." Further explanation of the impact of BCAR scores on assessment of balance sheet strength can be found on Slide 23 of the Report.

¹¹ For the gross formulaic reserves, there are assumption differences between SCOR and Transamerica that are responsible for the differences shown in the "Flow of Reserves" in Figure 3. The primary difference is preferred mortality factors used by SCOR and not by TLIC, but there are also differences in X Factors on XXX business; "California Method" differences, which are implementation date differences for regulation XXX; and other minor differences in methodology. The formulaic reserves for this business are prescribed and subject to SCOR's annual external audit process. For the Specified Business that is retained to SGLUSA, the majority of the reserves are set using the Commissioner's Reserve Valuation Method and are materially at the account value.

48. The solvency ratio for all SCOR affiliates (the “SCOR Group”) is assessed using Solvency II, which is the prudential regime for insurance and reinsurance undertakings in the European Union (where SGLUSA’s ultimate parent, SCOR SE, is domiciled). Figure 18 below, which appears in Slide 24 of the Report, illustrates SCOR Group’s solvency ratio of 215% and its Eligible Own Funds of \$9.2 billion Euros.

Figure 18 – SCOR Group Capital Solvency Ratio

(In EUR millions)		
	2025	2024
Eligible Own Funds (EOF)	\$9,164	\$9,468
Solvency Capital Requirements (SCR) Internal Model	4,262	4,515
Excess Capital (EOF - SCR)	4,902	4,953
Solvency Ratio	215%	210%

49. [REDACTED]

[REDACTED] However, [REDACTED]

[REDACTED]

[REDACTED] Figure 19

below, which appears in Slide 25 of the Report, [REDACTED]

[REDACTED]

Figure 19 – Capital Injection History for SCOR Entities



50. Based on the analysis described above, I conclude that TLIC and SGLUSA will remain financially stable following the Division and Merger, and that the interests of TLIC's policyholders and the Cedants will not be prejudiced by the transaction. TLIC is a large and well-established global insurer with ratings of A+ by S&P and A by AM Best, and TLIC's RBC ratio will increase slightly following the Division and Merger, with no other appreciable effect on TLIC's financial condition because SCOR has been operating the business associated with the Specified Business, and receiving the entirety of the financial impacts of the business, since 2011. SGLUSA's RBC ratio will remain strong and comparable to the reported ratios of its peers, and SGLUSA will maintain a superior Liabilities/Adjusted Capital Ratio of [REDACTED], though its RBC ratio

will decrease slightly [REDACTED]. Furthermore, SCOR's pro forma projections and Milliman's stress testing based on those projections indicate that SGLUSA would maintain an RBC ratio consistent with its peers and [REDACTED] even with a [REDACTED] increase in lifetime mortality. Year-end 2025 reserve adequacy analysis performed by SCOR, and stress testing beyond that, also indicates that incorporation of the Specified Business post-Merger will have positive results for SGLUSA. SGLUSA's RBC ratio is projected to [REDACTED] based on pro forma projections. Should SGLUSA's RBC ratio [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

B. SGLUSA Will Continue to Meet the Financial Requirements to Transact the Business of Insurance in Iowa.

51. SGLUSA is licensed in Iowa as a foreign stock life insurance company. Milliman's analysis supports my opinion that SGLUSA will continue to meet the financial requirements to transact the business of insurance in Iowa following the Division and Merger based on (1) the pro forma financial analysis discussed elsewhere in this Affidavit and Sections 4 and 5 of the Report, which confirms that SGLUSA will meet the required Capital and Surplus eligibility thresholds for insurance companies licensed to conduct reinsurance business in Iowa, and (2) an analysis of SGLUSA's asset portfolio and investment guidelines for compliance with Iowa Code § 511.8, which outlines the requirements for investments of Life Insurance Companies and Associations domiciled in Iowa,¹² as set forth in Section 7 of the Report.

¹² Milliman applied this analysis to SGLUSA rather than TLIC-A because, as noted elsewhere in this Affidavit, TLIC-A will exist only momentarily because the Merger will happen simultaneously with the Division.

52. Under Iowa Code Sections 508.5 and 508.10, domestic and foreign stock life insurance companies must maintain capital and surplus of at least \$5,000,000 in order to transact business in the State of Iowa. SCOR's pro forma projections show SGLUSA's capital and surplus will be at least \$190,000,000 through 2028. See Figure 12 above, Slide 31 of the Report. Thus, this requirement is met.

53. Iowa Code § 511.8 imposes the following requirements and allowances as it relates to assets on an insurer's balance sheet:

- a. General five-percent diversification: An insurer shall not directly or indirectly acquire an investment if, as a result of acquiring the investment, the insurer will hold more than five percent of the insurer's admitted assets in investment of all kinds issued, assumed, accepted, insured or guaranteed by a single person. Iowa Code § 511.8 (6).
- b. Medium and lower grade investments: The aggregate amount of medium and lower grade investments may not exceed 20% of admitted assets. The aggregate amount of lower grade investments may not exceed 10% of admitted assets. The aggregate amount of investments designated 5 or 6 by the NAIC's Securities Valuation Office ("SVO") may not exceed three percent of the insurer's admitted assets. The aggregate amount of investments designated 6 by the SVO may not exceed 1% of admitted assets. Iowa Code § 511.8 (7).
- c. Equity interests: The aggregate amount of equity investments may not exceed 10% of the insurer's admitted assets. Iowa Code § 511.8 (4).
- d. Cash or cash equivalents: An insurer, may acquire, without limitation, cash and cash equivalents. Iowa Code § 511.8 (8).
- e. Investment policy. An insurer shall establish and follow a written investment policy to be reviewed annually and approved by Board of Directors. Iowa Code § 511.8 (3).¹³

54. When the Specified Business is allocated to SGLUSA in the Division and Merger, the \$22.6 million in universal life business and accident & health business currently ceded to SGLA will become SGLUSA's assets. Because those assets will be cash or investment grade

¹³ Analyzing this final factor is outside the scope of Milliman's work, but it is addressed in other testimony.

assets, the IID investment requirements were reviewed relative to year-end 2025 SGLUSA statement amounts. Figure 20 below, which appears in Slide 39 of the Report, shows SGLUSA’s admitted assets by asset category for cash and invested assets at year-end 2025.

Figure 20 – SGLUSA Assets at Year-End 2025

Asset Category	Net Admitted Assets
1. Bonds	\$260,212,374
2. Stocks	673,800
5. Cash	37,179,135
7. Derivatives	113,712
8. Other invested assets	105,440,876
- Joint Venture Interests – Real Estate – Unaffiliated	27,642
- Joint Venture Interests – Other – Unaffiliated	9,875,440
- Surplus Debentures – Affiliated	90,000,000
- Any other asset class – Unaffiliated	5,537,793
9. Receivables for securities	92,507
12. Subtotals, cash and invested assets	\$403,712,404

55. Based on the RBC asset concentration factor calculation for the year-end 2025 RBC filing, the largest holding at SGLUSA was [REDACTED]. Additionally, SGLUSA has [REDACTED]

[REDACTED]

[REDACTED] SFLIC is a Delaware-based captive that utilizes U.S. Generally Accepted Account Principles (“U.S. GAAP”) reserves to determine RBC and capital sufficiency. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] reviewed the 5% diversification requirement [REDACTED]

[REDACTED] Thus the 5% diversification requirement under

Iowa Code § 511.8 (6) is met when considering [REDACTED] In any case, as noted in the RRC Report, the 5% diversification limit is not a requirement under Delaware regulations for SGLUSA. Figure 21 below, which appears in Slide 41 of the Report, shows SGLUSA’s top five asset holdings.

Figure 21 – SGLUSA’s Asset Holdings

Top 5 Holdings	Book/Adjusted Carry Value	% of Cash and Invested Assets
[REDACTED]		

56. Milliman’s review of SGLUSA’s bond holdings showed that the bond holdings are high-grade investments (with SVO ratings of 1 or 2) and thus meet IID requirements. Figure 22 below, which appears in Slide 42 of the Report, shows SGLUSA’s bond holdings per Schedule D.

Figure 22 – SGLUSA Schedule D: Bond Holdings

\$000s		
NAIC Rating	Balance	Percent
Class 1	\$243,589	94%
Class 2	16,623	6%
Class 3	0	0%
Class 4	0	0%
Class 5	0	0%
Class 6	0	0%
Total	\$260,212	

57. Because SGLUSA is [REDACTED]
[REDACTED]

The bond holdings [REDACTED] as well.¹⁴ Figure 23 below, which appears in Slide 43 of the Report, shows SFLIC’s bond holdings per Schedule BA.

Figure 23 – SFLIC from Schedule BA: Bond Holdings from SFLIC Schedule D



58. Milliman’s analysis of investments at SGLUSA further showed that equity and equity-like investments make up 2.62% of the invested assets and cash at SGLUSA, which is less than Iowa Code § 511.8’s 10% threshold. Figure 24, which appears in Slide 44 of the Report, shows SGLUSA’s equity investments.

Figure 24 – SGLUSA’s Equity Investments

Stock Holdings	Amount
Schedule BA Real Estate Ventures	\$27,642
Schedule BA Other Ventures	9,875,440
Common Stock	673,800
Total	10,576,882
Percent of Total Assets	2.62%

¹⁴ [REDACTED]
[REDACTED] as of December 31, 2024. Milliman’s understanding from SCOR is that [REDACTED]

59. Based on the above, I conclude that SGLUSA will continue to be financially qualified to transact the business of insurance in Iowa post-Division and Merger.

C. TLIC and SGLUSA Will Be Solvent When the Division and Simultaneous Merger Become Effective.

60. Milliman's review of the pro forma financial analyses prepared by SCOR indicates that SGLUSA is projected to remain solvent over the 2025-2028 period because (1) admitted assets of SGLUSA will not be less than the liabilities, capital, and minimum required surplus of the entity following the Division and Merger, as detailed in Sections 4 and 5 of the Report and evidenced by positive surplus and RBC ratios [REDACTED]; and (2) the projected SGLUSA RBC ratios are in line with capitalization levels of industry peers [REDACTED] as discussed above and in Section 4 of the Report. With respect to TLIC, its admitted assets are also not less than the liabilities, capital and minimum surplus of the entity, as evidenced by its positive surplus and capital of \$6.1 billion, and its RBC ratios [REDACTED] (see Figure 7 above), and its RBC ratio is in line with industry peers and will improve slightly as a result of the Division and Merger, as detailed in Section 4 of the Report. I therefore believe that TLIC will also remain solvent after the Division and Merger.

61. SCOR projects that [REDACTED]
[REDACTED] Figures 25 and 26 below, which appear in Slides 28 and 29 of the Report, respectively, show SCOR's pro forma income statement projection and the dynamic validation of that projection.

Figure 25 – Pro forma Projections – Income Statement for Defined Block



Figure 26 – Dynamic Validation of Defined Block Projection¹⁵



62. Figure 27 below, which appears in Slide 30 of the Report, shows SCOR's pro forma projections of SGLUSA's income statement post-Division and Merger.

¹⁵ The projection for 2026 was multiplied by four to extrapolate a full year projected amount. Due to seasonality, this causes some variance when reviewing 2025 actuals against 2026 projected premiums and commissions. Generally, premiums and commission are trending down on the block when looking at the period from 2021-2025, consistent with the downward trend in the pro forma. Further, the trend of these items when compared to 2025 appears reasonable. Paid claims trends reasonably given COVID years in 2021 and 2022 actuals and less COVID effect going forward.

Figure 27 – Pro forma Projections – SGLUSA Income Statement Post Corporate Division Changes



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63. For ease of reference, SCOR's simplified balance sheet projections for SGLUSA, which [REDACTED] and is cited above as Figure 12 and in the Report as Slide 31, is also reproduced below as Figure 28.

Figure 28 – Pro forma Projections – SGLUSA Simplified Balance Sheet



64. I therefore conclude that post-Division and Merger, the admitted assets of SGLUSA are not less than the liabilities, capital, and minimum required surplus of the entity. In addition, as explained in detail in Section A of this Affidavit, post-Division and Merger, SGLUSA projected RBC ratios are in line with capitalization of industry peers [REDACTED]. As for TLIC, because 100% of TLIC's reinsurance business is currently retroceded to SCOR, the Division and Merger will not affect TLIC's solvency, and will in fact result in an increase in TLIC's RBC ratio. I therefore conclude that both SGLUSA and TLIC will remain solvent following the Division and Merger.

D. SGLUSA's and TLIC's Remaining Assets Will Not Be Unreasonably Small after the Division and Simultaneous Merger.

65. For many of the reasons detailed above in Sections A-C of this Affidavit, I conclude that the remaining assets of SGLUSA and TLIC will not be unreasonably small in relation to the business and transactions they will engage in after the Division and Merger, based on a comparison of total asset size to total liabilities plus capital.

66. Although SGLUSA's RBC ratio will decrease, [REDACTED], SCOR's pro forma projections and Milliman's stress testing based on those projections indicate that SGLUSA's RBC ratio can withstand a [REDACTED] increase in claims and still maintain an RBC ratio consistent with its peers and [REDACTED]. Should [REDACTED] [REDACTED]. Year-end 2025 reserve adequacy analysis performed by SCOR, and Milliman's additional stress-testing, also indicates that incorporation of the Specified Business post-Merger would have positive results for SGLUSA in terms of reserves, and, while [REDACTED] [REDACTED] SGLUSA is projected to remain solvent, with capital and surplus well over the minimum requirements for conducting reinsurance business in Iowa. As noted above, TLIC's RBC ratio is expected to increase as a result of the transaction.

67. Finally, based on Milliman's analysis in Section 8 of the Report, I do not believe there are any major liquidity concerns. Although pro forma projections show SGLUSA [REDACTED] [REDACTED] which would be available to support liquidity and prevent selling assets. [REDACTED] [REDACTED] [REDACTED]

[REDACTED] In total, cash and publicly traded bonds make up [REDACTED] of SGLUSA’s total invested assets.

68. This gives comfort that even in a stressed scenario, cash or publicly traded assets would be available to provide liquidity support for any losses at SGLUSA. SGLUSA’s liquidity profile, which can be found in Slide 46 of the Report, is Figure 29 below.

Figure 29 – Liquidity Profile of SGLUSA

SGLUSA Pro forma After-Tax Profit	
2027	[REDACTED]
2028	

Asset Type	Amount
Cash	[REDACTED]
Publicly Traded Bonds	
<i>Cash & Public Bonds as a % of Total Invested Asset</i>	

Year	Asset Maturities
2027	[REDACTED]
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	

69. Based on a review of the pro forma financial statements of SCOR, SCOR’s description of the anticipated post-Merger structure, and the peer benchmarking analysis, I believe that SGLUSA’s assets will not be unreasonably small in relation to the business and [REDACTED] [REDACTED] it will engage in after completion of the Division and Merger.

70. Based on Milliman's review and analysis of the TLIC pro forma balance sheet, impact on RBC ratios, and the peer benchmarking analysis, I believe that TLIC's assets will not be unreasonably small in relation to the business it will engage in after completion of the Division and Merger.

CONCLUSION

71. For all of the reasons explained above, I believe that the Plan satisfies the financial requirements listed in Iowa Division Law Sections 521I.8(3)(b), (c), (f), and (g), as detailed above.

I, Laird Zacheis, certify under penalty of perjury that the foregoing statements are true and correct, except as to matters stated to be on information and belief and as to such matters I certify I verily believe the same to be true.

Signed by:

Laird Zacheis

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Laird Zacheis
Principal and Consulting Actuary
Milliman Inc.
71 S. Wacker Dr.
Chicago, IL 60606

Subscribed and Sworn to
Before me this 12th day of
August, 2026.

DocuSigned by:

Katlyn Mayhew

F390F59AC800414...

Notary Public

KATLYN MAYHEW
NOTARIAL SEAL
IOWA
Commission Number 854400
My Commission Expires 3/5/2027

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