

**DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

P.O. Box 690, Jefferson City, Mo. 65102-0690

ORDER

After full consideration and review of the report of the financial examination of Generation Life Insurance Company for the period ended December 31, 2016, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, Chlora Lindley-Myers, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration pursuant to section 374.205.3(3)(a), RSMo, adopt such examination report. After my consideration and review of such report, workpapers, and written submissions or rebuttals, I hereby incorporate by reference and deem the following parts of such report to be my findings and conclusions to accompany this order pursuant to section 374.205.3(4), RSMo: summary of significant findings, subsequent events, corporate history, corporate records, management and control, territory and plan of operations, reinsurance, financial statements, financial statement changes resulting from examination, comments on financial statement items, and summary of recommendations.

Based on such findings and conclusions, I hereby ORDER that the report of the financial examination of Generation Life Insurance Company as of December 31, 2016 be and is hereby ADOPTED as filed and for Generation Life Insurance Company to take the following action or actions, which I consider necessary to cure any violation of law, regulation or prior order of the Director revealed by such report: (1) account for its financial condition and affairs in a manner consistent with the Director's findings and conclusions.

So ordered, signed and official seal affixed this 15th day of June, 2018.

Chlora Lindley-Myers

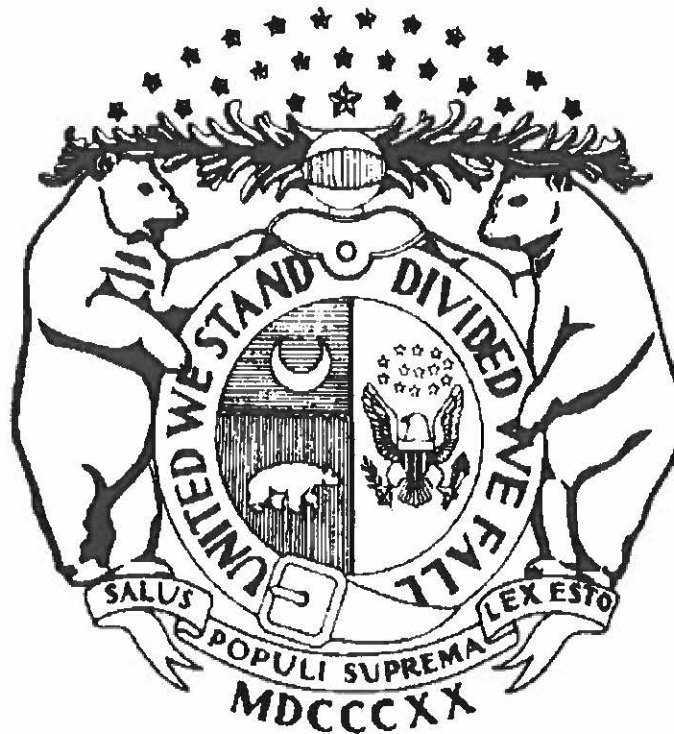
Chlora Lindley-Myers, Director
Department of Insurance, Financial Institutions
and Professional Registration



**REPORT OF THE
FINANCIAL EXAMINATION OF
GENERATION LIFE INSURANCE COMPANY**

**AS OF
DECEMBER 31, 2016**

FILED
JUN 11 2018
DIRECTOR OF INSURANCE,
FINANCIAL INSTITUTIONS &
PROFESSIONAL REGISTRATION



**STATE OF MISSOURI
DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND
PROFESSIONAL REGISTRATION
JEFFERSON CITY, MISSOURI**

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Armonk, New York
April 13, 2018

Honorable Chlora Lindley-Myers, Director
Missouri Department of Insurance, Financial
Institutions and Professional Registration
301 West High Street, Room 530
Jefferson City, Missouri 65102

Director Lindley-Myers:

In accordance with your financial examination warrant, a full scope financial examination has been made of the records, affairs and financial condition of

Generation Life Insurance Company

hereinafter referred to as such, as GLIC, or as the Company. Its administrative office is located at 175 King Street, Armonk, New York 10504, telephone number 877-794-7773. The fieldwork for this examination began on October 30, 2017 and concluded on the above date.

SCOPE OF EXAMINATION

Period Covered

The Missouri Department of Insurance, Financial Institutions and Professional Registration (DIFP) performed a multi-state examination of Generation Life Insurance Company. The last examination was completed as of December 31, 2011 and was conducted by examiners from the Arizona Department of Insurance. This examination covers the period of January 1, 2012 through December 31, 2016.

This examination also includes material transactions and/or events occurring subsequent to the examination date which are noted in this report.

This examination was part of a coordinated examination of the U.S. domiciled insurers and reinsurers that are part of the Swiss Re Ltd (SRL) holding company system (Swiss Re or Group) In addition to GLIC, Swiss Re includes 12 insurers and reinsurers domiciled in the states of Missouri, New Hampshire, New York, Texas and Vermont. All of the states that have domestics within Swiss Re participated in the coordinated examination. Missouri acted as the overall lead state for the coordinated examination.

Procedures

We conducted our examination in accordance with the National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook (Handbook) except where practices, procedures and applicable regulations of the DIFP and statutes of the State of Missouri prevailed. The Handbook requires the planning and performance of the examination to evaluate the Company's financial condition, assess corporate governance, identify current and prospective risks of the Company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination approach. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

The examination report includes significant findings of fact and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature, are not communicated within the examination report but separately communicated to other regulators and/or the Company.

Reliance Upon Others

The examiners relied upon information supplied by the Corporation's independent auditor, PricewaterhouseCoopers, LLP of New York, New York, for its audit covering the period from January 1, 2016 through December 31, 2016. Information relied upon included, but is not limited to, fraud risk analysis, attorney letters, narrative descriptions of processes and control, and substantive testing.

SUMMARY OF SIGNIFICANT FINDINGS

There were no material adverse findings, significant non-compliance issues, or material changes to the financial statements noted during the examination.

SUBSEQUENT EVENTS

There were no significant subsequent events noted from December 31, 2016 through the date of this report.

CORPORATE HISTORY

General

GLIC was organized and incorporated as a domestic life and disability insurer under the laws of the State of Arizona on November 2, 1965 as Congress Life Insurance Company, and received its first Certificate of Authority on February 15, 1966 as a domestic life and disability insurer. The Company was acquired by Bank One Corporation from the Security Life Insurance Company of America effective October 23, 2002. Effective July 1, 2004, Bank One Corporation merged with J.P. Morgan Chase & Company (DE).

The Company was acquired by Lehman Re Ltd. (Bermuda), a wholly owned subsidiary of Lehman Brothers Holdings Inc. (LBHI). On September 15, 2008, LBHI filed a voluntary petition for bankruptcy under Chapter 11 of the United States' Bankruptcy Code. On September 23, 2008, Lehman Re, a Bermuda insurer, was placed into liquidation by the Supreme Court of Bermuda. Effective January 9, 2009, the Company terminated its existing inforce business through a commutation of the October 1, 2007 assumed reinsurance agreement.

The Company was acquired by Tennessee Farmers Life Insurance Company (TFLIC) and Tennessee Farmers Assurance Company (TFAC) on May 18, 2012. TFLIC and TFAC were subsidiaries of Tennessee Farmers Mutual Insurance Company, the ultimate controlling party. The Company's name was changed from Congress Life Insurance Company to GLIC.

iptiQ Americas Inc., a member of Swiss Re's Life Capital business unit and an indirect subsidiary of Swiss Re Ltd, acquired the Company on October 3, 2016. The acquisition was approved per order dated September 14, 2016 issued by the Arizona Department of Insurance. Subsequent to the acquisition, GLIC redomiciled from Arizona to Missouri effective on November 30, 2016.

In March 2017, GLIC filed Amended and Restated Articles of Incorporation to rename itself as Lumico Life Insurance Company. The name change was approved by the DIFP on March 23, 2017.

Dividends

GLIC did not pay any stockholder dividends during the examination period.

Capital Contributions

GLIC received a capital contribution of \$20 million in 2016.

Mergers and Acquisitions

GLIC was not a party to any mergers or acquisitions during the examination period other than its acquisition by iptiQ Americas Inc. as described above.

CORPORATE RECORDS

A review was made of the Articles of Incorporation and Bylaws. In November of 2016, the Articles and Bylaws were amended and restated to reflect the redomestication of the Company from the State of Arizona to the State of Missouri, and to comply with applicable Missouri statutes and regulations.

The minutes of the Board of Directors' meetings, committee meetings, and stockholder's meetings were reviewed for proper approval of corporate transactions. In general, the minutes appear to properly reflect and document approval of the Company's major transactions and events.

MANAGEMENT AND CONTROL

Board of Directors

The management of the Company is vested in a Board of Directors who are appointed by the stockholder. The Articles of Incorporation specify that the number of directors shall not be less than nine (9) and not more than twenty-one (21). The Board of Directors elected and serving as of December 31, 2016 was as follows:

<u>Name</u>	<u>Address</u>	<u>Business Affiliation</u>
Thierry Leger	Wadenswil, Zurich, Switzerland	Chairman of Board, iptiQ Americas Inc.
Craig Clark	Plano, Texas	Director, Senior Vice President & Chief Operating Officer Closed Books, iptiQ Americas Inc.
Timothy Daniels	Dallas, Texas	Senior Vice President & Chief Risk Officer, iptiQ Americas Inc.
Philip Long	Richmond, United Kingdom	Director, iptiQ Americas Inc.
John Moran	Basking Ridge, New Jersey	Senior Vice President & Chief Financial Officer, iptiQ Americas Inc.
Erika Sperling	Mamaroneck, New York	Director & Senior Vice President, iptiQ Americas Inc.
Ian Patrick	Tunbridge Wells, United Kingdom	Director, iptiQ Americas Inc.
Julia Roper	Lincolnshire, Illinois	Director, Senior Vice President & Head of New Business Operations, iptiQ Americas Inc.
Philip Walker	Midlothian, Virginia	Director, President & Chief Executive, GLIC

Management Team/Officers

The Bylaws state that the Board of Directors shall elect a Chairman of the Board, a President, and a Secretary, at the first regular meeting of the Board of Directors following the annual meeting of the stockholders. The Board of Directors may elect other officers as required by law or as needed

or as determined by the Board. The officers elected to the Management Team by the Board of Directors and serving as of December 31, 2016 were as follows:

<u>Name</u>	<u>Title</u>
Philip Walker	President
Elissa Kenny	Secretary
Timothy D. Daniels	Chief Risk Officer and Actuary
Craig W. Clark	Chief Operating Officer
John H. Moran	Chief Financial Officer
Julia B. Roper	Senior Vice President

GLIC also relies on information and strategic guidance provided by numerous boards and committees at the direct or indirect parent level including, but not limited, to the following committees: Audit, Risk, Compensation, Investment, and Finance.

Holding Company, Subsidiaries and Affiliates

GLIC is a member of an Insurance Holding Company System as defined by Section 382.010, RSMo (Definitions). An Insurance Holding Company System Registration Statement (Form B) was filed by GLIC on behalf of itself, for each year of the examination period.

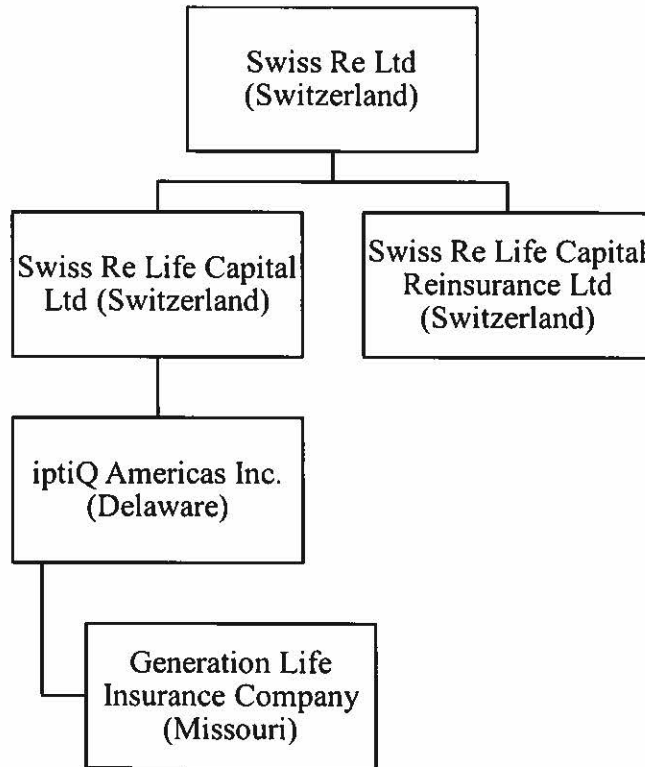
Within the holding company structure, GLIC is wholly owned by SRL, the ultimate controlling person within the holding company system. SRL is a diversified global reinsurer, offering a wide variety of reinsurance products and financial services solutions to manage capital and risk. SRL is a publicly traded company on the SIX Swiss Exchange under the symbol SREN; no single shareholder was determined to own 10% or more of its outstanding shares. The SRL holding company system is segregated into three distinct business units that correspond to Swiss Re's core activities and are managed by three direct subsidiaries of SRL:

- Reinsurance – focuses on reinsurance activities.
- Corporate Solutions – focuses on direct corporate property & casualty insurance.
- Life Capital – focuses on management of closed and open life and health insurance books of business.

GLIC is a member of Swiss Re's Life Capital business unit and an indirect subsidiary of SRL.

Organizational Chart

The ultimate parent, SRL, has a number of subsidiaries, both insurance and non-insurance, which are too numerous to list in this report. Therefore, only entities which have direct and indirect ownership of GLIC, are subsidiaries of GLIC's indirect parent or have significant transactions with GLIC are included in the following organizational chart as of December 31, 2016. All ownership percentages are 100%.



Intercompany Transactions

The Corporation is a party to the following intercompany agreements outlined below.

1. Type: Service Agreement
 Parties: GLIC & iptiQ Americas Inc.
 Effective: October 3, 2016
 Terms: iptiQ Americas Inc. agrees to make available to GLIC the use of assets and to provide certain general management and administrative services, including, but not limited to, legal, human resources, information systems, tax, actuarial and auditing, and underwriting. GLIC will reimburse iptiQ Americas Inc. for the costs of services provided. If services are performed on behalf of iptiQ Americas Inc. by an affiliated company located outside the United States, the cost-based fee charged by iptiQ Americas Inc. may reflect a mark-up not to exceed 7.5%.

2. Type: Investment Advisory Agreement
 Parties: GLIC and Swiss Re America Holding Corporation (SRAH)
 Effective: October 3, 2016
 Terms: SRAH agrees to manage GLIC’s portfolio of investments, assist and advise GLIC in the preparation of quarterly and annual financial statements, provide monthly reports of purchases and sales of investments, and verify receipt of investment income. Fees will be computed based upon the annual rates outlined in the Schedule of Fees applied to the market value of securities in GLIC’s investment portfolio and are payable quarterly in advance.

TERRITORY AND PLAN OF OPERATIONS

GLIC is licensed as a life insurer by the Missouri Department of Insurance, Financial Institutions, and Professional Registration under Chapter 376 RSMo (Life, Health and Accident Insurance Laws). Prior to the acquisition by iptiQ Americas Inc., GLIC had entered into an exclusive marketing agreement with Spring Venture Group to sell term life, whole life, and final expense products with its target market middle-income households. In June 2015, GLIC ceased doing business with Spring Venture Group and selling any new business. The Company continues to service and renew business already on its books.

In conjunction with the acquisition by iptiQ Americas Inc. on October 3, 2017, the Company plans to aggressively market and underwrite new business. The Company's new marketing strategy involves the use of distribution partners, automated underwriting tool, and biometric data to assist in addressing and reducing the protection gap in the life insurance market for middle market consumers. As of December 31, 2016, GLIC was licensed in 43 states and the District of Columbia and generated premium income in 22 states for ordinary life business.

REINSURANCE

General

As of December 31, 2016, GLIC does not assume or cede any new business.

Effective January 1, 2017, GLIC entered into a Self-Administered Reinsurance Agreement with Swiss Re Life Capital Reinsurance Ltd. (SRLC Re). GLIC agrees to cede and SRLC Re agrees to assume a 90% quota share of new life and accident and health policies issued on or after the effective date.

FINANCIAL STATEMENTS

The following financial statements, with supporting exhibits, present the financial condition of GLIC for the period ending December 31, 2016. Any examination adjustments to the amounts reported in the financial statements and/or comments regarding such are made in the "Comments on Financial Statement Items." The failure of any column of numbers to add to its respective total is due to rounding or truncation.

There may have been additional differences found in the course of this examination, which are not shown in the "Comments on Financial Statement Items." These differences were determined to be immaterial concerning their effect on the financial statements and therefore were only communicated to the Corporation and noted in the workpapers for each individual activity.

	<u>Assets</u>		
	Assets	Non-admitted Assets	Net Admitted Assets
Bonds	\$ 5,014,103	-	\$ 5,014,103
Cash and Short-term Investments	47,458,292	-	47,458,292
Contract Loans	172,201	\$ 131,633	40,568
Investment Income Due and Accrued	35,213	-	35,213
Uncollected Premiums and Agents' Balances in the Course of Collection	20,078	-	20,078
Deferred Premiums and Agents' Balances and installments Booked but deferred and not Yet due and earned but Unbilled premium	428	-	428
Net Deferred Tax Asset	6,306,791	6,306,791	-
Aggr. Write-Ins for Other than Invested Assets	122,461	122,461	-
TOTAL ASSETS	\$59,129,567	\$6,560,885	\$52,568,682

Liabilities, Surplus and Other Funds

Aggregate reserve for life contracts	\$ 8,135,355
Contract Claims:	
Life	733,080
Premiums and Annuity considerations for life and accident and health	
Contracts received in advance	178
Contract liabilities not included elsewhere:	
Interest maintenance reserve	20,440
General expenses due and accrued	135,406
Taxes, licenses and fees due or accrued, excluding federal income taxes	48,790
Remittances and items not allocated	25,341
Miscellaneous liabilities:	
Asset valuation reserve	186,297
Payable to parent, subsidiaries and affiliates	166
TOTAL LIABILITIES	9,285,052
Common Capital Stock	2,500,000
Gross Paid In and Contributed Surplus	53,337,361
Unassigned Funds (Surplus)	(12,553,731)
Surplus as Regards Policyholders	43,283,630
TOTAL LIABILITIES AND SURPLUS	\$ 52,568,682

Statement of Income

Premiums and annuity considerations for life and accident and health	\$ 3,843,242
Net investment income	345,182
Amortization of interest maintenance reserve (IMR)	2,043
Miscellaneous income:	
Aggregate write-ins for miscellaneous income	60
Total	4,190,527
Death benefits	2,690,239
Surrender benefits and withdrawals for life contracts	46,820
Interest and adjustments on contract or deposit-type contract funds	8,564
Increase in aggregate reserves for life and accident and health contracts	4,844,150
Total	7,589,773
General insurance expenses	1,051,369
Insurance taxes, licenses and fees, excluding federal income taxes	282,920
Increase in loading on deferred and uncollected premium	(1,407)
Total	8,922,655
Net gain from operations before dividends to policyholders and income taxes	(4,732,128)
Net income before federal and foreign income taxes	(4,732,128)
Federal and foreign income taxes incurred	-
Net gain from operating after dividends to policyholders and federal income taxes and before realized capital gains or (losses)	(4,732,128)
Net realized capital gains (losses) less capital gains tax	157,268
NET INCOME	\$ (4,574,860)

Capital and Surplus Account

Surplus as Regards Policyholders, December 31, 2015	\$29,979,313
Net Income	(4,574,860)
Change in Net Unrealized Capital Gains or (Losses)	(5,388)
Change in Net Deferred Income Tax	2,912,294
Change in Non-Admitted Assets	(3,166,388)
Change in Reserve on Account of Change in Valuation Basis	(1,750,649)
Change in Asset Valuation Reserve	(110,693)
Surplus Adjustment: Paid In	20,000,000
Net Change in Surplus as Regards Policyholders for 2016	13,304,317
Surplus as Regards Policyholders, December 31, 2016	\$43,283,630

FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION

None.

COMMENTS ON FINANCIAL STATEMENT ITEMS

None.

SUMMARY OF RECOMMENDATIONS

None.

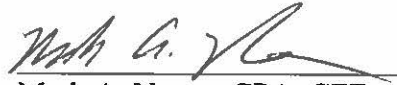
ACKNOWLEDGMENT

The assistance and cooperation extended by the officers and the employees of GLIC during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Marc Peterson, CFE, Kim Dobbs, AES, CFE, Debbie Doggett, PIR, CFE and Alicia Galm, examiners for the Missouri DIFP, participated in this examination.

VERIFICATION

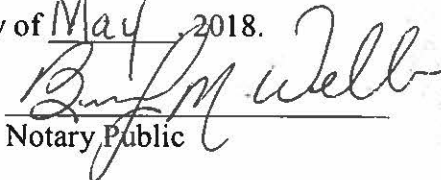
State of Missouri)
County of Jackson)

I, Mark A. Nance, CPA, CFE, on my oath swear that to the best of my knowledge and belief the above examination report is true and accurate and is comprised of only facts appearing upon the books, records or other documents of Generation Life Insurance Company, its agents or other persons examined or as ascertained from the testimony of its officers or agents or other persons examined concerning its affairs and such conclusions and recommendations as the examiners find reasonably warranted from the facts.



Mark A. Nance, CPA, CFE
Senior Examiner-In-Charge
Missouri Department of Insurance, Financial
Institutions and Professional Registration

Sworn to and subscribed before me this 2nd day of May, 2018.

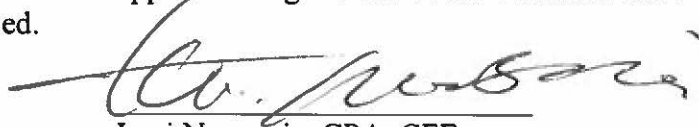
My commission expires: 04-14-2020 
Notary Public



BEVERLY M. WEBB
My Commission Expires
April 14, 2020
Clay County
Commission #12484070

SUPERVISION

The examination process has been monitored and supervised by the undersigned. The examination report and supporting workpapers have been reviewed and approved. Compliance with NAIC procedures and guidelines as contained in the Financial Condition Examiners Handbook has been confirmed, except where practices, procedures and applicable regulations of the Missouri DIFP and statutes of the State of Missouri prevailed.



Levi Nwasoria, CPA, CFE
Audit Manager
Missouri Department of Insurance, Financial
Institutions and Professional Registration