REPORT ON EXAMINATION

OF THE

SCOR REINSURANCE COMPANY

AS OF

DECEMBER 31, 2009

DATE OF REPORT	MAY 4, 2011
EXAMINER	ANTHONY CARDONE

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STATE OF NEW YORK
INSURANCE DEPARTMENT
25 BEAVER STREET
NEW YORK, NEW YORK 10004

May 4, 2011

Honorable James J. Wrynn
Superintendent of Insurance
Albany, New York 12257

Sir:

Pursuant to the requirements of the New York Insurance Law, and in compliance with the instructions contained in Appointment Number 30612 dated October 14, 2010 attached hereto, I have made an examination into the condition and affairs of SCOR Reinsurance Company as of December 31, 2009, and submit the following report thereon.

Wherever the designations "Company" or "SCOR Re" appear herein without qualification, they should be understood to indicate SCOR Reinsurance Company.

Wherever the term "Department" appears herein without qualification, it should be understood to mean the New York Insurance Department.

The examination was conducted at the Company's home office located at 199 Water Street, New York, New York 10038.

1. SCOPE OF EXAMINATION

The Department has performed a multi-state examination of SCOR Reinsurance Company. The previous examination was conducted as of December 31, 2004. This examination covered the five year period from January 1, 2005 through December 31, 2009. Transactions occurring subsequent to this period were reviewed where deemed appropriate by the examiner.

This examination was conducted in accordance with the National Association of Insurance Commissioners ("NAIC") Financial Condition Examiners Handbook ("Handbook"), which requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company including corporate governance, identifying and assessing inherent risks within the Company and evaluating system controls and procedures used to mitigate those risks. This examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with Statutory Accounting Principles and annual statement instructions when applicable to domestic state regulations.

All financially significant accounts and activities of the Company were considered in accordance with the risk-focused examination process. The examiners also relied upon audit work performed by the Company's independent public accountants when appropriate.

This examination report includes a summary of significant findings for the following items as called for in the Financial Condition Examiners Handbook of the NAIC:

Significant subsequent events
Company history
Corporate records
Management and control
Fidelity bonds and other insurance
Pensions, stock ownership and insurance plans
Territory and plan of operation
Growth of Company
Loss experience
Reinsurance
Accounts and records
Statutory deposits
Financial statements
Summary of recommendations

A review was also made to ascertain what action was taken by the Company with regard to comments and recommendations contained in the prior report on examination.

This report on examination is confined to financial statements and comments on those matters that involve departures from laws, regulations or rules, or that are deemed to require explanation or description.

2. DESCRIPTION OF COMPANY

The Company was incorporated on November 8, 1984, as SCOR Reinsurance Company of New York under the laws of New York to serve as the vehicle for the redomestication of its operational predecessor and parent, SCOR Reinsurance Company, Irving, Texas. The predecessor company was incorporated on March 22, 1974, under the laws of Texas and began business on April 16 of the same year. Effective September 30, 1985, the two companies merged and the surviving entity adopted its present name.

The Company is a wholly-owned subsidiary of SCOR U.S. Corporation ("SCOR U.S."), a Delaware holding company, which is in turn wholly-owned by SCOR SE ("SCOR Paris"), a French corporation. SCOR U.S. was a publicly traded company from September 25, 1986 until December 1995. SCOR U.S., the holding company, acquired ownership of the predecessor company on December 31, 1981, through a share for share exchange of stock.

In July 2001, SCOR Paris acquired 100% of the stock of Sorema N.A. Holding Corporation ("Sorema N.A."), a Delaware corporation. Sorema N.A. owned Sorema North America Reinsurance Company, which in turn owned General Security Indemnity Company of Arizona ("GSINDA") (formerly Fulcrum Insurance Company). Immediately upon acquisition, SCOR Paris contributed the stock of Sorema North America Reinsurance Company to the Company. In 2002, Sorema North America Reinsurance Company's name was changed to General Security National Insurance Company ("GSNIC").

Effective as of the close of business on December 31, 2002, the Company sold two of its subsidiaries, General Security Insurance Company ("GSIC") and General Security Property and Casualty Company ("GPAC") to Unitrin, Inc. Concurrent with the sale, GSNIC assumed all of the outstanding insurance liabilities of GSIC and GPAC on all insurance policies and reinsurance contracts in force on or before December 31, 2002, pursuant to an indemnity and assumption reinsurance agreement. The Department required that the agreement provide that the liabilities assumed by GSNIC are guaranteed by the Company. The premium payable pursuant to the indemnity and assumption agreement was 100% of the outstanding reserve liabilities.

Effective at the close of business October 1, 2003, the Company sold General Security Indemnity Company ("GSIND") to Odyssey America Reinsurance Corporation. Concurrent with the sale, GSINDA assumed all of the outstanding insurance liabilities of GSIND on all insurance policies and reinsurance contracts in force on or before October 1, 2003, pursuant to an indemnity reinsurance agreement. The Department required that the agreement provide that the liabilities assumed by GSINDA are guaranteed by the Company. The premium payable pursuant to the indemnity and assumption agreement was 100% of the outstanding reserve liabilities.

Effective July 1, 2008, the Company terminated its branch operation in Canada and entered into a domestic and assumption reinsurance agreement with SCOR Canada Reinsurance Company pursuant to which the Company transferred all federal and Provincial licenses and authorizations to conduct insurance and reinsurance business in Canada. Non-disapproval of this transaction by New York was received May 19, 2008.

At December 31, 2009, the capital paid in was $5,000,000 consisting of 5,000 shares of common stock at $1,000 par value per share. All authorized shares were outstanding. Gross paid in and contributed surplus was $912,964,974. There were also surplus notes of $156,766,000. Gross paid in and contributed surplus and/or capital paid in increased by $41,963,396 during the examination period, as follows:

Year		Gross Paid in and Contributed Surplus	
As of December 31, 2004			$871,001,686
2005	(a)	$ 3,268,935	
2006	(b)	12,000,000	
2008	(a)	2,646,244	
2008	(e)	(3,268,941)	
2008	(c)	10,178,467	
2008	(d)	13,604,292	
2009	(a)	3,534,291	
Total Paid in and Contributed Surplus			41,963,288
Total as of December 31, 2009			$912,964,974

(a) The Company recorded deemed capital contributions from SCOR US relating to deferred compensation plans for certain of its employees.

(b) Capital contribution from SCOR US

(c) 2007 and prior deferred compensation booked in 2008

(d) Converium/SCOR Switzerland renewal rights

(e) Correction of 2007 and prior deferred compensation calculation.

Deferred compensation is being accounted for pursuant to NAIC Accounting Practices and Procedures Manual Statements of Statutory Accounting Principles ("SSAP") No.13. The New York Insurance Department has approved the $12,000,000 capital contribution and the Converium/Scor Switzerland renewal rights agreement capital contributions.

A. Management

Pursuant to the Company's charter and by-laws, management of the Company is vested in a board of directors consisting of not less than seven nor more than thirteen members. The board meets four times during each calendar year. As of December 31, 2009, the board of directors was comprised of the following thirteen members:

Name and Residence	Principal Business Affiliation
John Tennant Andrews, Jr. Califon, New Jersey	Retired
John Albert Arvis Paris, France	Chairman of Advisory Board, Group Vendome Rome
Allan Melville Chaplin New York, New York	Partner, Compass Advisors Group LLC
Jean-Paul Conoscente Scarsdale, New York	Senior Vice President, Chief Underwriting Officer – Treaty, SCOR Reinsurance Company
Steven Zane Desner Rockville Center, New York	Senior Vice President, Human Resources and Administration, SCOR Reinsurance Company
Denis Jean-Marie Kessler Cedex, France	Chairmen, Chief Executive Officer, SCOR SE
Henry Klecan, Jr. New York, New York	President & Chief Executive Officer, SCOR Reinsurance Company
Mark Kociancic Mendham, New Jersey	Executive Vice President, Chief Financial Officer & Treasurer, SCOR Reinsurance Company
Kathleen Theresa McGahran Palm Beach Shores, Florida	Managing Director, Pelham Associates

Name and Residence	Principal Business Affiliation
Victor Yves Peignet Saint-Cloud, France	Chief Executive Officer, SCOR Global P&C
Patrick Thourot Cedex, France	Retired, SCOR SE
Maxine Hilary Verne Millbrook, New York	Senior Vice President and General Counsel, SCOR Reinsurance Company
Edward Nathan Wolff New York, New York	Professor of Economics, New York University

A review of the minutes of the board of directors' meetings held during the examination period indicated that the meetings were generally well attended and each board member has an acceptable record of attendance.

As of December 31, 2009, the principal officers of the Company were as follows:

Name	Title
Henry Klecan, Jr.	President & Chief Executive Officer
Maxine Hilary Verne	Senior Vice President, General Counsel and Corporate Secretary
Mark Kociancic	Executive Vice President, Chief Financial Officer and Treasurer
Sarah Krutov	Senior Vice President, Chief Risk Officer, Chief Actuary
Lee H. Routledge	Senior Vice President, Claims, Litigation and Discontinued Business

B. Territory and Plan of Operation

As of December 31, 2009, the Company was licensed to write business in thirty-one U.S. States, the District of Columbia, and Puerto Rico. The Company is also an accredited/approved reinsurer in the remaining nineteen states where is it not directly licensed.

As of the examination date, the Company was authorized to transact the kinds of insurance as defined in the following numbered paragraphs of Section 1113(a) of the New York Insurance Law:

Paragraph	Line of Business
3	Accident & health
4	Fire
5	Miscellaneous property
6	Water damage
7	Burglary and theft
8	Glass
9	Boiler and machinery
10	Elevator
11	Animal
12	Collision
13	Personal injury liability
14	Property damage liability
15	Workers' compensation and employers' liability
16	Fidelity and surety
17	Credit
19	Motor vehicle and aircraft physical damage
20	Marine and inland marine
21	Marine protection and indemnity

As of the examination date, the Company is also licensed to write special risk insurance (free trade zone license) pursuant to Article 63 of the New York Insurance Law. Additionally, the Company is authorized by Section 4102(c) to insure property or risks of every kind or description outside of the United States and reinsurance of every kind or description.

The Company is a reinsurer and has no direct writings. Based on the lines of business for which the Company is licensed and the Company's current capital structure, and pursuant to the requirements of Articles 13 and 41 of the New York Insurance Law, the Company is required to maintain a minimum surplus to policyholders in the amount of $35,000,000. As of December 31, 2009, the Company reported policyholders' surplus of $551,775,166.

The Company specializes in underwriting treaties covering commercial and technical risks as well as providing property/casualty and special risk facultative coverages. Its underwriting strategy emphasizes the development of long-term relationships with small to medium-sized regional and specialty companies. The Company's treaty book was written principally through reinsurance intermediaries, while facultative business was underwritten both through reinsurance intermediaries and on a direct basis. The corporate headquarters are located in New York City with branch offices maintained in Itasca, Illinois and Miami, Florida.

Effective July 1, 2008, the Company terminated its branch operations in Canada and entered into a domestic and assumption reinsurance agreement with SCOR Canada Reinsurance Company, pursuant to which the Company transferred and assigned all of its Canadian business to Scor Canada Reinsurance Company. The SCOR Re Canadian branch surrendered all federal and Provincial licenses and authorizations to conduct insurance and reinsurance business in Canada.

During 2008, the Company established a South American branch, consisting of underwriting in Rio De Janeiro, Brazil (where the Company is an admitted reinsurer) and Bogota, Columbia. In addition, the South American branch writes what is considered by the Company as the Miami segment, which consists of the Caribbean and Mexico. These operations are all under the control of the Miami offices.

C. Reinsurance

Assumed

Assumed reinsurance accounted for 100% of the Company's gross premium written at December 31, 2009. During the period covered by this examination, the Company's assumed reinsurance business has increased since the last examination. The Company's assumed reinsurance program consists mainly of property/casualty coverage assumed on both a quota share and/or excess of loss basis, pursuant to the terms of the facultative and treaty agreements with both authorized and unauthorized cedents. The Company has expanded to Latin America during the examination period. On January 1, 2007, the Company entered into a portfolio transfer agreement with an affiliate, SCOR Global P&C, for its Latin American and South American reinsurance operations. The Company recorded $44.5 million in claims reserves, $24.5 million in unearned premium reserves, $39.5 million in premium and other portfolio assets. In addition the Company recorded a receivable of $33.8 million as consideration for the transfer. The Company assumed 100% of this business and subsequently renewed the business on its paper. The Company's gross written premium assumed from Domestic and Latin America were 56.1% and 43.9% in 2009, 52.7% and 47.3% in 2008 and 57.4% and 42.6% in 2007, respectively.

The Company utilizes reinsurance accounting as defined in Statement of Statutory Accounting Principle ("SSAP") No. 62 for all of its assumed reinsurance business.

The Company assumed all of its business from unaffiliated companies except as follows:

- The Company assumes from GSINDA, effective January 1, 2009, an aviation excess of loss contract. The contract's limits are $3 million excess of $1 million. This cover insures GSINDA for its Aviation business accepted through the La Reunion pool, on an excess of loss basis, for losses occurring after 6/1/2009, premium is 25% of assumed written premium.

- Effective January 1, 2009, the Company assumes business from its subsidiary, GSINDA. This is a quota share agreement where GSINDA cedes 95% of all its business to the Company, excluding La Reunion, and Space business.

The Company has structured its ceded reinsurance program to limit its maximum exposure on any one risk as follows:

- Effective January 1, 2009, the Company has a 2 layer Catastrophe excess of loss reinsurance cover. The first and second layers provide property coverage for $90 million excess of $10 million and $200 million excess of $100 million, respectively. The cover is fully placed with the Company's affiliate SCOR Global P&C.

- Effective January 1, 2009, the Company has the following cover for the SBS/facultative division:

(i) The Company has an excess of loss agreement, effective January 1, 2009, for $20 million excess of $5 million (referred to as the facultative property aggregate excess) covering all facultative and direct property risks, written by SCOR Re or GSINDA. This agreement is fully placed with the Company's affiliate SCOR Global P&C.

(ii) The Company has an excess of loss agreement, effective January 1, 2009, with two layers. The first layer is $105 million excess of $25 million property cover for direct & facultative, above the facultative property aggregate excess of loss, coverage on a single risk basis. The second layer is $200 million excess of $130 million 2nd layer of coverage on a single risk basis, property direct and facultative. This agreement is fully placed with the Company's affiliate SCOR Global P&C.

(iii) The Company has an excess of loss agreement, effective January 1, 2009, for $20 million, excess of $5 million. The contract covers all casualty lines, on an occurrence basis. The contact is fully placed with the Company's affiliate SCOR Global P&C.

(iv) The Company has an excess of loss agreement (referred to as the multi-line excess of loss), effective January 1, 2009, for $ 20 million excess of $5 million. This contract covers lines of business not covered by the Property or Casualty covers above. This contract covers both Treaty and Facultative, mostly from the Latin America book: Agriculture, Credit & Surety, Engineering, Marine & Aviation, and Specialties. The contract is fully placed with the Company's affiliate SCOR Global P&C.

(v) The Company has an excess of loss agreement (referred to as aggregate accumulation deductible or "AAD"). This contract covers the accumulation of annual aggregate deductibles in all other excess of loss programs listed. Total of all AAD's for the various covers is $25 million. This cover will pay back excess of $15 million. The contract is fully placed with the Company's affiliate SCOR Global P&C.

Reinsurance agreements with affiliates were reviewed for compliance with Article 15 of the New York Insurance Law. It was noted that all affiliated reinsurance agreements were filed with the Department pursuant to the provisions of Section 1505(d)(2) of the New York Insurance Law.

Effective January 1, 2007, the stop loss agreement between SCOR Global P&C and the Company was commuted. In its place the Company implemented a new stop-loss agreement with its parent SCOR Global P&C, whereby the Company will have $100 million coverage for incurred losses on a discounted basis in excess of $20 million, with a 10% co-insurance. The cost of this treaty was $9.5 million and as of the examination date the Company had $90.4 million in reserves on this treaty. There was no gain as a result of this transaction and it was properly accounted for as prospective. This transaction was approved by the New York Insurance Department.

It is the Company's policy to obtain the appropriate collateral for its cessions to unauthorized reinsurers. Letters of credit and trust accounts obtained by the Company to take credit for cessions to unauthorized reinsurers were reviewed for compliance with Department Regulations 133 and 114, respectively. It was observed that the trust agreement had named the former parent, not SCOR Global P&C, as the grantor. Subsequent to the examination date, the Company modified its reinsurance agreements to a funds held basis and terminated the trust agreement.

All ceded reinsurance agreements in effect as of the examination date were reviewed and found to contain the required clauses, including an insolvency clause meeting the requirements of Section 1308 of the New York Insurance Law, except for the reporting clause. The reporting clause is also required under SSAP No. 62, paragraph 8(d). It is recommended that the Company comply SSAP No 62, paragraph 8(d) regarding the inclusion of a reporting clause.

Examination review of the Schedule F data reported by the Company in its filed annual statement was found to accurately reflect its reinsurance transactions. Additionally, management has represented that all material ceded reinsurance agreements transfer both underwriting and timing risk as set forth in SSAP No. 62, with the exception of those treaties that were accounted for as deposit accounting in accordance with Paragraph of SSAP No. 75. Representations were supported by appropriate risk transfer analyses and an attestation from the Company's chief executive officer pursuant to the NAIC Annual Statement Instructions. Additionally, examination review indicated that the Company was not a party to any finite reinsurance agreements. All ceded reinsurance agreements were accounted for utilizing reinsurance accounting as set forth in SSAP No. 62.

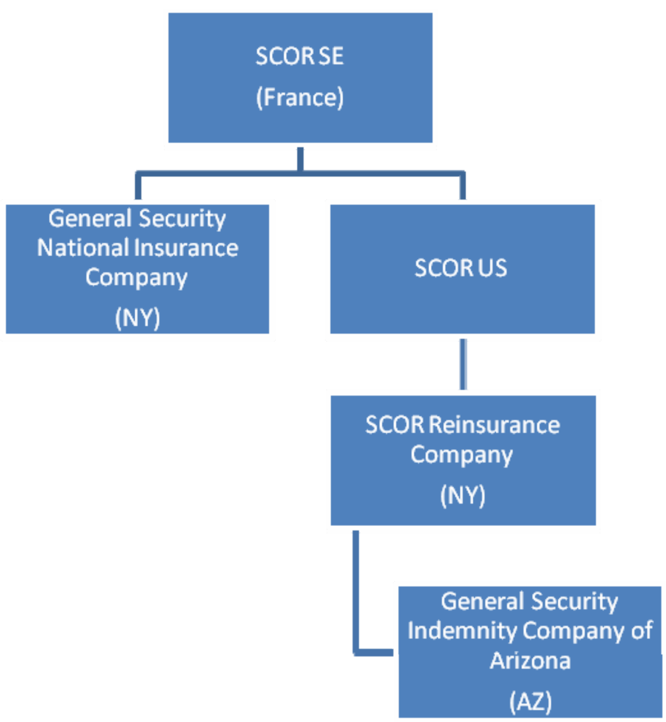
During the period covered by this examination, the Company commuted various reinsurance agreements where it was the ceding reinsurer. The liabilities were commuted on a dollar-for-dollar basis; therefore, the Commutations had no effect on the Company’s surplus.

D. Holding Company System

The Company is a member of the SCOR SE Group. The Company is a wholly-owned subsidiary of SCOR US, a Delaware corporation, which is ultimately controlled by SCOR SE, a French Company.

A review of the holding company registration statements filed with this Department indicated that such filings were complete and were filed in a timely manner pursuant to Article 15 of the New York Insurance Law and Department Regulation 52.

The following is an abridged chart of the holding company system at December 31, 2009:



At December 31, 2009, the Company was party to the following agreements with other members of its holding company system:

Cost Sharing Agreement

Effective July 1, 2008, the Company had agreed to provide services relating to data information, human resources, legal, risk management, treasury and actuarial, accounting/financial management, claims, investment management, office space, and marketing. The parties to the agreement are the Company, SCOR Global Life U.S. Re Insurance Company (Texas) and other affiliates. The agreement was filed with this Department pursuant to Section 1505 of the New York Insurance Law.

Effective July 28, 2008, the Company had agreed to provide services relating to data information, human resources, legal, risk management, treasury and actuarial, accounting/financial management, claims, investment management, office space, and marketing. The parties to the agreement are the Company, GSNIC, GSINDA, SCOR US and other affiliates. The agreement was filed with this Department pursuant to Section 1505 of the New York Insurance Law.

Effective May 18, 2009, the Company entered into a service agreement with SCOR Switzerland AG (“SSAG”). The two parties also entered into a separate Swiss Trans-border data flow agreement within the subject agreement. The Company provides administrative, accounting and claims related services to SSAG. The data flow agreement provides adequate protection for personal data in situations in which such data is transferred from SSAG (“the data exporter”) established in Switzerland to the Company (“the data importer”) established in the USA, for the purposes of processing such data on behalf of the data exporter. Timely settlement and reporting provisions of expenses incurred by the Company are stated in the agreement. The agreement was filed with this Department pursuant to Section 1505 of the New York Insurance Law.

Effective January 22, 2008, the Company entered into a services agreement with SCOR Canada Reinsurance Company (“SCOR Canada”). The Company will perform such claims management services on behalf of SCOR Canada as are necessary for the due and proper settlement of claims for SCOR Business Solutions facultative and non-proportional business. The Company is entitled to receive fees on a cost allocation/reimbursement basis for its provision of services, payable monthly. The agreement was filed with this Department pursuant to Section 1505 of the New York Insurance Law.

Tax Sharing Agreement

Effective January 1, 2007, the Company is a party to a tax sharing agreement with SCOR US (Parent), GSINDA and Cal Re Management (affiliate). Each subsidiary will provide the parent funds to cover its individual federal income tax liability. Settlements will be made under this agreement within 30 days of filing the consolidated income tax return. The agreement was filed with this Department pursuant to Section 1505 of the New York Insurance Law.

Purchase of Subsidiary

On April 11, 2008, the Company purchased SCOR Reinsurance Escritorio de Representacao no Brasil Ltda. The Company failed to notify the Department of this purchase in violation of Section 1603(a) of the New York Insurance Law, which states in part:

> "No acquisition of a majority of any corporation's outstanding common shares shall be made pursuant to this article unless a notice of intention of such proposed acquisition shall have been filed with the superintendent not less than ninety days, or such shorter period as may be permitted by the superintendent, in advance of such proposed acquisition, nor shall any such acquisition be made if the superintendent at any time prior thereto finds that the proposed acquisition is contrary to law or determines that such proposed acquisition would be contrary to the best interests of the parent insurer's policyholders or of the people of this state."

It is recommended that the Company comply with the provisions of Section 1603 of the New York Insurance Law regarding the purchase of a subsidiary.

E. Significant Operating Ratios

The following ratios have been computed as of December 31, 2009, based upon the results of this examination:

Net premiums written to surplus as regards policyholders	95%
Liabilities to liquid assets (cash and invested assets less investments in affiliates)	69%
Premiums in course of collection to surplus as regards policyholders	8%

All of the above ratios fall within the benchmark ranges set forth in the Insurance Regulatory Information System of the National Association of Insurance Commissioners.

The underwriting ratios presented below are on an earned/incurred basis and encompass the six year period covered by this examination:

	Amounts	Ratios
Losses and loss adjustment expenses incurred	$12,567,926	74.66%
Other underwriting expenses incurred	4,877,009	28.97
Net underwriting loss	(611,756)	(3.63)
Premiums earned	$16,833,185	100.00%

F. Risk Management and Internal Controls

(i) Audit Committee

During the review of the local audit committee it was observed that the committee did not have a formal charter. Therefore, it is recommended that the committee adopt a formal charter so the effectiveness of the committee can be measured locally.

(ii) Audit committee - Internal audit

During the review of the local audit committee, it was observed that the Company did not have any formal reporting relationship with the internal audit department of the parent. The internal audit function is provided to the Company by the parent. Therefore, it is recommended that the local audit committee become part of the internal audit process, so that the effectiveness of the internal audit process can be measured locally.

3. FINANCIAL STATEMENTS

A Balance Sheet

The following shows the assets, liabilities and surplus as regards policyholders as of December 31, 2009 as determined by this examination and as reported by the Company:

Assets	Assets	Assets Not Admitted	Net Admitted Assets
Bonds	$1,159,350,019	$ 0	$1,159,350,019
Common Stocks	22,297,852	84,683	22,213,169
Cash, cash equivalents and short-term investments	106,148,263	0	106,148,263
Other Invested Assets	1,779,825	0	1,779,825
Receivable for Securities	47,991		47,991
Investment income due and accrued	8,633,465	0	8,633,465
Uncollected premiums and agents' balances in the course of collection	47,499,501	1,825,000	45,674,501
Deferred premiums, agents' balances and installments booked but deferred and not yet due	205,976,189	0	205,976,189
Amounts recoverable under reinsurance contracts	7,187,503	0	7,187,503
Funds held by or deposited under reinsurance contracts	29,598,439	0	29,598,439
Current federal and foreign income tax recoverable and interest thereon	8,809,082	0	8,809,082
Net deferred tax asset	236,432,492	199,659,906	36,772,586
Electronic data processing equipment	1,207,933	427,722	780,211
Furniture and equipment	334,259	334,259	0
Receivable from parent	4,680,262	0	4,680,262
Reinsurance balances receivable	3,061,226	0	3,061,226
Miscellaneous receivable	2,201,050	280,506	1,920,544
Other assets	436,783	436,783	0
Receivable for securities	25,258	25,258	0
Total assets	$1,845,707,391	$203,074,116	$1,642,633,275

Liabilities, Surplus and Other Funds

Liabilities		
Losses		$ 659,998,528
Reinsurance payable on paid losses		9,395,901
Loss adjustment expenses		90,075,212
Commissions payable, contingent commissions and other similar charges		25,847,081
Other expenses		4,821,895
Unearned premiums		231,512,825
Ceded reinsurance premiums payable (net of ceding commissions)		7,010,843
Funds held by company under reinsurance treaties		38,842,063
Provision for reinsurance		8,928,794
Payable to parent, subsidiaries		4,315,422
Minimum liability for pensions		9,305,027
Accrued return retrospective premiums		804,518
Total liabilities		$1,090,858,109
Surplus and Other Funds		
Common capital stock	$ 5,000,000	
Surplus Notes	156,766,000	
Gross paid in and contributed surplus	912,964,974	
Unassigned funds (surplus)	(522,955,808)	
Surplus as regards policyholders		551,775,166
Total liabilities, surplus and other funds		$1,642,633,275

NOTE: The IRS performed and completed audits in 2005 of the SCOR Re/GSINDA (filed consolidated return under SCOR US Corporation) Federal Income Tax returns up to tax year 2002. All material adjustments, if any, made subsequent to the date of examination and arising from said audits, are reflected in the financial statements included in the subsequent reporting period. There are no IRS audits currently under examination or scheduled. Open taxation years subject to IRS audit include tax years 2003 through 2009. The Company is unaware of any potential exposure of the Company to any tax assessment and no liability has been established herein relative to such contingency.

B. Underwriting and Investment Exhibit

Surplus as regards policyholders increased $115,113,770 during the five year examination period January 1, 2005 through December 31, 2009, detailed as follows:

Underwriting Income		
Premiums earned		$1,126,436,490
Deductions:		
Loss and loss adjustment expense	$765,068,322	
Other Underwriting Expenses	406,330,936	
Total underwriting deductions		1,171,399,258
Net underwriting gain or (loss)		$ (44,962,768)
Investment Income		
Net investment income earned	$173,671,846	
Net realized capital gains (loss)	(17,206,012)	
Net investment gain or (loss)		156,465,834
Other Income		
Net gain or (loss) from agents' or premium balances charged off	$ 6,120,654	
Net gain or (loss) on foreign exchange	9,819,302	
Other income	5,745,534	
Interest accrued or charged on funds held and LPT	(18,502,914)	
Interest income on commutation from SCOR Paris	3,850,503	
Total other income		7,033,079
Net income after dividends to policyholders but before federal and foreign income taxes		$ 118,536,145
Federal and foreign income taxes incurred		14,890,606
Net income		$ 103,645,539

	Gains in Surplus	Losses in Surplus	
Surplus as regards policyholders per report on examination as of December 31, 2004			$436,661,395
Net income	$103,645,539		
Net unrealized capital gains	66,316,338		
Change in net unrealized foreign exchange capital gain		$ 1,409,491	
Change in net deferred income tax	252,707,472		
Change in not admitted assets		226,773,088	
Change in provision for reinsurance		3,022,304	
Cumulative effect of changes in accounting principles	9,214,770		
Surplus adjustments to surplus	41,963,296		
Prior year surplus adjustments		115,946,177	
Prior year federal income tax true-up	7,082,667		
Funding deficit on loss portfolio transfer		1,695,820	
Minimum liability for pensions		5,373,202	
Deferred compensation		6,154,375	
Prior year deferred tax adjustment		505,676	
Gain (loss) on foreign exchange	0	4,936,177	
Total gains and losses	$480,930,082	$365,816,310	
Net increase in surplus			115,113,771
Surplus as regards policyholders per report on examination as of December 31, 2009			$551,775,166

4. LOSSES AND LOSS ADJUSTMENT EXPENSES

The examination liability for the captioned items of $750,073,740 is the same as reported by the Company as of December 31, 2009. The examination analysis was conducted in accordance with generally accepted actuarial principles and practices and was based on statistical information contained in the Company's internal records and in its filed annual statements.

5. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

The prior report on examination contained six recommendations as follows (page numbers refer to the prior report):

ITEM		PAGE NO.
A.	Accounts and Records	
i.	It is recommended the Company maintain sufficient detailed records of the reinsurance recoverable on paid losses and paid loss adjustment expenses to identify individual claim payment detail. The Company has complied with this recommendation.	9

ITEM		PAGE NO.
ii.	It is recommended that the Company be able to support its aging schedule with detailed records. The Company has complied with this recommendation.	9
B.	Loss and Loss Adjustment Expenses	
i.	The Company was not responsive to numerous requests for their internal reserve analysis in support of their carried December 31, 2004 reserves. The Company was more responsive to examiner request regarding reserving for the current examination.	14
ii.	The Company lacks documentation to substantiate their carried reserves by business segment which precludes the Department Actuary from commenting on the differences between carried amounts and their estimates or on any of the methods or assumptions underlying the carried amounts. The Company has complied with this recommendation.	14
iii.	The Company did not adequately explain the data provided to the Department Actuary and did not provide a key data file that would have allowed Department Actuary to more readily understand the adjustments that needed to be made to the raw data to tie to the data in Tillinghast's analysis. The Company has complied with this recommendation and has been able to adequately explain the data provided.	14
iv.	The Company did not adequately explain the business that was written by SCOR US but was not written or assumed by the Company. The Company has been able to adequately explain the data provided for the current examination.	14

6. SUMMARY OF COMMENTS AND RECOMMENDATIONS

ITEM		PAGE NO.
A.	Reinsurance	
	It is recommended that the Company comply with SSAP No 62, paragraph 8(d) regarding the inclusion of a reporting clause.	10
B.	Holding Company System	
	It is recommended that the Company comply with the provisions of Section 1603 of the New York Insurance Law regarding the purchase of a subsidiary.	13
C.	Risk Management and Internal Controls	
(i)	Audit Committee	
	It is recommended that the Committee adopt a formal charter so the effectiveness of the committee can be measured locally.	14
(ii)	Audit Committee – Internal Audit	
	It is recommended that the local audit committee become part of the internal audit process, so that the effectiveness of the internal audit process can be measured locally.	14

Respectfully submitted,

_______/s/___________________
Anthony Cardone, CFE
Examiner in Charge

STATE OF NEW YORK)
)ss:
COUNTY OF NEW YORK)

ANTHONY CARDONE, being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of him knowledge and belief.

______________/s/______________
Anthony Cardone

Subscribed and sworn to before me

this__________ day of ____________________, 2011.

Appointment No. 30612

STATE OF NEW YORK
INSURANCE DEPARTMENT

I, James J. Wrynn *Superintendent of Insurance of the State of New York, pursuant to the provisions of the Insurance Law, do hereby appoint:*

Anthony Cardone

as proper person to examine into the affairs of the

SCOR REINSURANCE COMPANY

and to make a report to me in writing of the condition of the said

Company

with such other information as he shall deem requisite.

In Witness Whereof, I have hereunto subscribed by the name and affixed the official Seal of this Department, at the City of New York,

this 14th *day of* *October, 2010*

STATE OF NEW YORK ★ SUPERINTENDENT OF INSURANCE ★ EXCELSIOR

JAMES J. WRYNN
Superintendent of Insurance