



**COMMONWEALTH OF MASSACHUSETTS**  
**OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION**  
**DIVISION OF INSURANCE**

***REPORT OF EXAMINATION OF THE***  
**PRIMERICA LIFE INSURANCE COMPANY**

**Boston, Massachusetts**

**As of December 31, 2014**

**NAIC GROUP CODE 4750**

**NAIC COMPANY CODE 65919**

**EMPLOYER ID NUMBER 04-1590590**

# PRIMERICA LIFE INSURANCE COMPANY

## TABLE OF CONTENTS

	<u>Page</u>
Salutation	1
Scope of Examination	2
Summary of Significant Findings of Fact	3
Company History	3
Management and Control	4
Board of Directors	4
Officers	4
Affiliated Companies	5
Organizational Chart	5
Transactions and Agreements with Subsidiaries and Affiliates (Excluding Reinsurance)	7
Territory and Plan of Operation	8
Treatment of Policyholders-Market Conduct	8
Reinsurance	9
Assumed Reinsurance	9
Ceded Reinsurance	9
Financial Statements	10
Statement of Assets, Liabilities, Surplus and Other Funds	11
Statement of Assets, Liabilities, Surplus and Other Funds (continued)	12
Statement of Operations	13
Reconciliation of Capital and Surplus	14
Analysis of Changes in Financial Statements Resulting From The Examination	15
Comments on Financial Statement Line Items	15
Subsequent Events	17
Summary of Recommendations	17
Signature Page	18



**COMMONWEALTH OF MASSACHUSETTS**  
**Office of Consumer Affairs and Business Regulation**  
**DIVISION OF INSURANCE**

1000 Washington Street, Suite 810 • Boston, MA 02118-6200  
(617) 521-7794 • Toll free (877) 563-4467  
<http://www.mass.gov/doi>

**CHARLES D. BAKER**  
GOVERNOR

**KARYN E. POLITO**  
LIEUTENANT GOVERNOR

**JAY ASH**  
SECRETARY OF HOUSING AND  
ECONOMIC DEVELOPMENT

**JOHN C. CHAPMAN**  
UNDERSECRETARY OF CONSUMER AFFAIRS  
AND BUSINESS REGULATION

**DANIEL R. JUDSON**  
COMMISSIONER OF INSURANCE

April 10, 2016

The Honorable Daniel R. Judson  
Commissioner of Insurance  
Commonwealth of Massachusetts  
Division of Insurance  
1000 Washington Street, Suite 810  
Boston, MA 02118-6200

Honorable Commissioner:

Pursuant to your instructions and in accordance with Massachusetts General Laws, Chapter 175, Section 4, an examination has been made of the financial condition and affairs of

**PRIMERICA LIFE INSURANCE COMPANY**

at its statutory home office located at 33 Arch Street, 26<sup>th</sup> Floor, Boston, Massachusetts 02110 and its main administrative offices located at 1 Primerica Parkway, Duluth, Georgia 30099. The following report thereon is respectfully submitted.

## **SCOPE OF EXAMINATION**

Primerica Life Insurance Company ("Company" or "PLIC") was last examined as of December 31, 2009 by the Massachusetts Division of Insurance ("Division"). The current examination was also conducted by the Division and covers the five (5) year period from January 1, 2010 through December 31, 2014, including any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted in accordance with standards and procedures established by the National Association of Insurance Commissioners ("NAIC") Financial Condition (E) Committee and prescribed by the current NAIC *Financial Condition Examiners Handbook*, the examination standards of the Division and with Massachusetts General Laws. The Handbook 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.

All accounts and activities of the company were considered in accordance with the risk-focused examination process. 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.

This examination report includes significant findings of fact, as mentioned in the Massachusetts General Laws, Chapter 175, Section 4, and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

The Company is audited annually by KPMG LLP ("KPMG"), an independent certified public accounting firm. The firm expressed unqualified opinions on the Company's statutory financial statements for the calendar years 2010 through 2014. A review and use of the Certified Public Accountants' work papers was made to the extent deemed appropriate and effective. Representatives from the firm of PricewaterhouseCoopers LLP ("PwC") were retained by the Division to assist in the examination by performing certain examination procedures at the direction and under the overall management of the Division's examination staff. The assistance included a review of accounting records, information systems, investments, reinsurance, underwriting, premiums, taxes, related parties and actuarially determined loss and loss adjustment expense reserves.

**SUMMARY OF SIGNIFICANT FINDINGS OF FACT**

There are no significant findings noted as part of this examination.

**COMPANY HISTORY**

The Company is authorized to underwrite and administer individual term life, annuities, and accident and health insurance. However, the Company is engaged primarily in the business of underwriting and administering term life insurance products to middle income households. The Company is a leading distributor of term life insurance products. The company has a large distribution channel of independent agents. Currently the Company's sales force is approximately 100,000 agents strong.

As of January 1, 2010, PLIC was a wholly and directly owned subsidiary of Citigroup Insurance Holding Corporation ("CIHC"), and indirect subsidiary of Citigroup Inc. On April 1, 2010, in connection with an initial public offering of the stock of Primerica, Inc., a newly formed Delaware corporation and indirect subsidiary of Citigroup Inc., ownership of PLIC, together with certain other indirect subsidiaries of Citigroup Inc., was transferred to Primerica, Inc. PLIC thus became, and continues to be, a wholly and directly owned subsidiary of Primerica, Inc., the ultimate parent of PLIC.

PLIC has three wholly owned subsidiaries, National Benefit Life Insurance Company ("NBLIC"), Peach Re, Inc ("Peach Re"), and Vidalia Re, Inc ("Vidalia Re"). NBLIC is a New York domestic insurer regulated by the New York State Department of Financial Services and is licensed to transact business in all 50 states, the District of Columbia and the U.S. Virgin Islands. Peach Re is incorporated and organized under the laws of Vermont and licensed as a special purpose financial captive insurance company. Peach Re is established for the limited purpose of reinsuring certain term life insurance business from Primerica Life. As a result, there are no direct written premiums, and all premiums are assumed from Primerica Life. Vidalia Re is also a special purpose financial captive insurance company incorporated and organized under the laws of Vermont and licensed in the State of Vermont. Vidalia Re is established for the limited purpose of reinsuring certain term life insurance business from Primerica Life. As a result, there are no direct written premiums, and all premiums are assumed from Primerica Life.

Primerica Life Insurance Company

**MANAGEMENT AND CONTROL**

**Board of Directors**

The minutes of meetings of the Board of Directors and its Committees for the periods under examination were read and they indicated that all meetings were held in accordance with the Company's bylaws and the Laws of the Commonwealth of Massachusetts. Activities of the Committees were ratified at meetings of the Board of Directors.

According to the bylaws, the Company's business shall be managed by a Board of Directors which may exercise all of the powers of the Company, except as otherwise provided by the articles of incorporation, by law, or the bylaws. The number of directors of the Corporation will be fixed by resolution of the stockholders from time to time and, until otherwise determined, will not be less than five. The Company's Board of Directors consisted of the following individuals:

<u>Name of Director</u>	<u>Title</u>
David Thomas Chadwick	President
Donald Richard Williams	Compensation Committee, Investment Committee
Daniel Brian Settle	Executive Vice President, Chief Actuary
Alison Sue Rand	Executive Vice President, Chief Financial Officer
Michael Kurt Wells	Senior Vice President, Treasurer
Terrie Lynn Mote	Executive Vice President
Raul Rivera	Director

**Officers**

Officers and management of the Company as of December 31, 2014 were as follows:

<u>Name of Officers</u>	<u>Title</u>
David Thomas Chadwick	President
Stacey Kipnis Geer	SVP, Clerk/Secretary
Michael Aaron Nussbaum	EVP, Controller
Daniel Brian Settle	EVP, Chief Actuary
Michael Craig Adams	Executive Vice President
Chess Eugene Britt	Executive Vice President
Michael Wayne Burroughs	Executive Vice President
Shirley Ann Cate	Executive Vice President
Cynthia Ann Chavis	Executive Vice President
Jeffrey Scott Fendler	Executive Vice President
Alexis Panagakos Ginn	Executive Vice President
William Addams Kelly	Executive Vice President
Katherine Elizabeth Kieser	Executive Vice President
Monica Lewis	Executive Vice President
Deborah Daffron Miller	Executive Vice President
Melanie Jo Mitchell	Executive Vice President

## Primerica Life Insurance Company

Duane Mcelmurray Morrow	Executive Vice President
Terrie Lynn Mote	Executive Vice President
William James Nemetz	Executive Vice President
Robert Hudson Peterman, Jr.	Executive Vice President
Gregory Carl Pitts	Executive Vice President
Alison Sue Rand	EVP, Chief Financial Officer
Karen Rose Fine Saltiel	Executive Vice President
Peter Wayne Schneider	EVP, General Counsel
Julie Anne Seman	Executive Vice President
Stanton Jay Shapiro	Executive Vice President
Thomas Frederick Swift	Executive Vice President
Deborah Ford Thomas	Executive Vice President
Janice Lynn Trantham	Executive Vice President
Michael Stephen Turnage	Executive Vice President
Lisa Marie Vacante	Executive Vice President
David Russell Wade	Executive Vice President
Michael Kurt Wells	SVP/Treasurer
Glenn Jackson Williams	Executive Vice President
Danny James Woodard	Executive Vice President

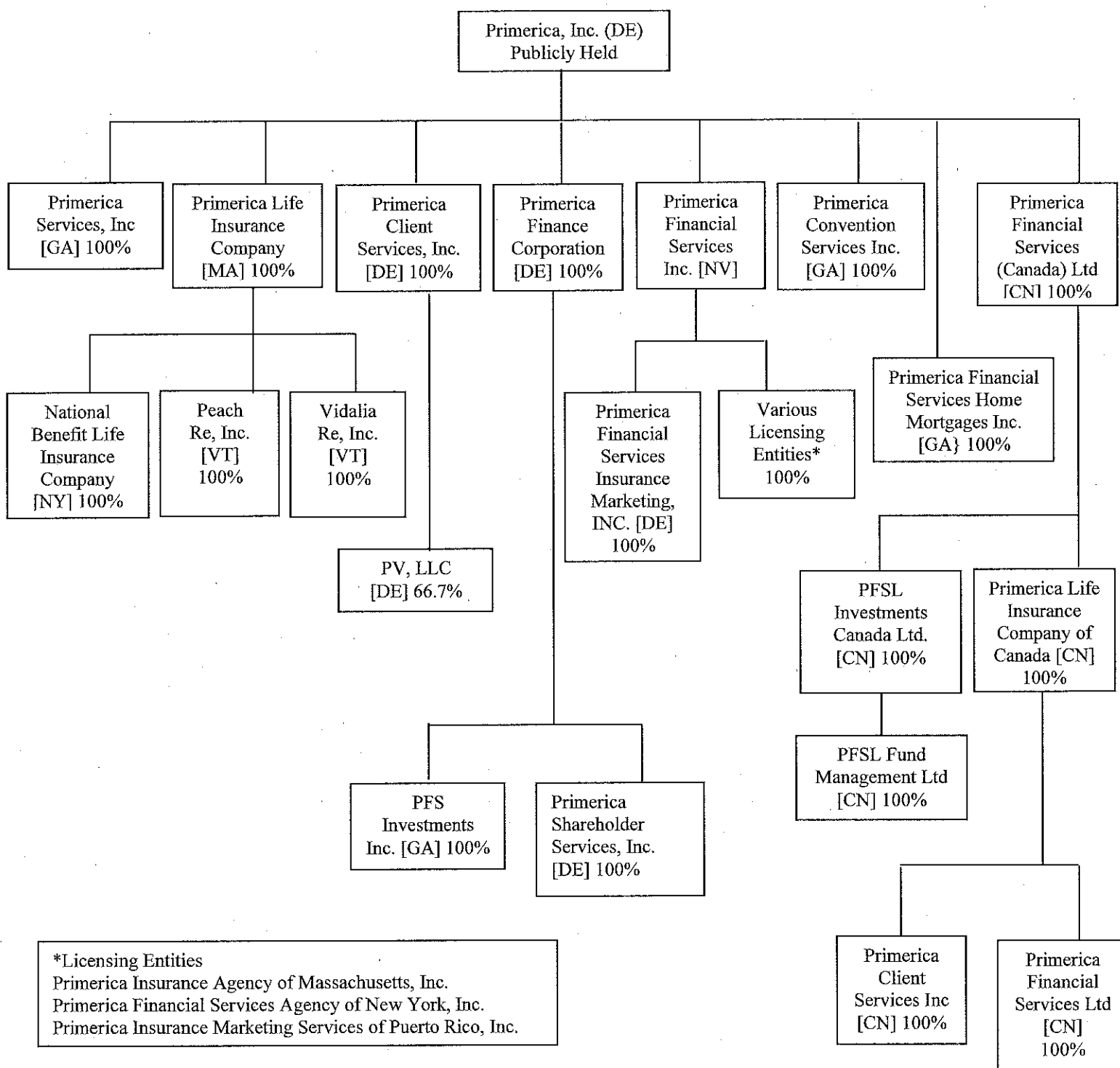
### Affiliated Companies

As stated in the Insurance Holding Company System Form B as filed with the Division, the Company is a member of a holding company system with Primerica Inc, a Delaware corporation, as the ultimate controlling party. The group is subject to the registration requirements of Massachusetts General Laws, Chapter 175, Section 206C and 211 CMR 7.00. Primerica Inc. is a publicly traded company that trades on the New York Stock Exchange under the symbol PRI.

### Organizational Chart

The following is an organizational chart that reflects the identities and interrelationships between the Company, its parent and subsidiaries, and other affiliates as of December 31, 2014:

# Primerica Life Insurance Company





## Primerica Life Insurance Company

### Transactions and Agreements with Subsidiaries and Affiliates (Excluding Reinsurance)

In January 2010, the Company paid Citigroup a dividend of \$1.45 billion as part of a corporate reorganization. In addition, the Company paid dividends of \$735 million to its parent, Primerica Inc, during the examination period.

#### *Intercompany Tax Sharing Agreement*

The Company files a consolidated federal tax return with Peach Re, Vidalia Re, and NBLIC. The Company, NBLIC, Peach Re and Vidalia Re are domestic insurance companies, each of which is subject to federal income tax under Section 801 of the Internal Revenue Code of 1986, as amended. The Company, NBLIC, Peach Re and Vidalia Re are treated as "includible corporations" of an affiliated group under Section 1504(c) (1) of the Code of which the Company is the common parent and files a life-consolidated federal income tax return.

The Board of Directors has approved a written tax allocation agreement between PLIC and its other subsidiaries. Allocation is based upon separate return calculations with credit for net losses utilized. A Captive Tax Account was set up for the Company's initial separate company tax loss that was utilized by PLIC to offset its separate company tax gain generated as a result of the Coinsurance Agreement. The future income taxes generated by the Company on a separate return basis will be paid by PLIC with a corresponding reduction to the Captive Tax Account. After the Captive Tax Account is exhausted, the captive companies will be required to make payments to PLIC for its income tax liabilities.

**TERRITORY AND PLAN OF OPERATION**

The Company is licensed in all 50 U.S. states, with the largest numbers of insurance risks written in California (\$318 million), Texas (\$159 million), and Florida (\$133 million) at the year ended December 31, 2014. The Company uses independent agents to sell term life insurance products in these states. The Company reported \$40 million in direct premium written in Massachusetts for the year ended December 31, 2014.

**Treatment of Policyholders – Market Conduct**

During the financial examination of the Company, the Division's Market Conduct Department initiated a comprehensive market conduct examination of the Company as of December 31, 2014. The market conduct examination was called pursuant to authority in M.G.L. Chapter 175, Section 4. The market conduct examination was conducted at the direction of, and under the overall management and control of, the market conduct examination staff of the Division. Representatives from the firm of Risk & Regulatory Consulting LLC were engaged to complete certain agreed upon procedures which were developed using the guidance and standards of the NAIC Market Regulation Handbook, the market conduct examination standards of the Division, and the Commonwealth of Massachusetts insurance laws, regulations and bulletins. The business areas that were reviewed under this comprehensive market conduct examination are Company Operations/Management; Complaint Handling; Marketing and Sales; Producer Licensing; Policyholder Services; Underwriting and Rating and Claims. Each business area reviewed includes the identification and evaluation of the insurer's internal controls.

## REINSURANCE

### Assumed Reinsurance

The Company did not assume reinsurance during the examination period.

### Ceded Reinsurance

The examination team noted that the Company has three main reinsurers: Peach Re, Vidalia Re, as well as Prime Reinsurance Company Inc ("Prime Re").

Peach Re and Vidalia Re are wholly owned subsidiaries of the Company and were set up for the sole purpose of assuming certain level of premium term life insurance policies of the Company pursuant to coinsurance agreements (the "Peach Re Coinsurance Agreement" and the "Vidalia Re Coinsurance Agreement"). Peach Re and Vidalia Re are regulated by the State of Vermont Department of Financial Regulation (the "Vermont Department"). Both Peach Re and Vidalia Re are accredited reinsurers in the State of Massachusetts.

It is important to note that the Company withheld the true economic reserves relating to the policies assumed by Peach Re and Vidalia Re as "funds withheld" on the Company's balance sheet. The funds withheld is shown as an asset on the balance sheet for Peach Re and Vidalia Re and is available to pay for amounts owed under the coinsurance agreements. For Peach Re, the funds withheld includes any accrued settlements.

In March 2010, as part of the Citigroup corporate reorganization, PLIC entered into an 80% coinsurance agreement and a 10% coinsurance agreement with Prime Re, a wholly owned subsidiary of Citigroup. This resulted in PLIC ceding 90% of the risks and rewards of the term life insurance policies that were in-force as at December 31, 2009. Prime Re is not an accredited reinsurer in the State of Massachusetts, however a trust account is sufficiently maintained in order for the company to take statutory reserve credit. The reinsurance treaties contain various safeguards to ensure that the Company will receive full statutory reserve credit.

Primerica Life Insurance Company

**FINANCIAL STATEMENTS**

The following financial exhibits are based on the statutory financial statements prepared by management and filed by the Company with the Division and present the financial condition of the Company for the period ending December 31, 2014. The financial statements are the responsibility of Company management.

Statement of Assets, Liabilities, Surplus and Other Funds as of December 31, 2014

Statement of Operations for the Year Ended December 31, 2014

Reconciliation of Capital and Surplus for Each Year in the Five-Year Period Ended December 31, 2014

Primerica Life Insurance Company

Statement of Assets, Liabilities, Surplus and Other Funds  
As of December 31, 2014

Assets	Per Annual Statement
Bonds	\$ 841,218,520
Stocks:	
Preferred Stocks	15,118,669
Common Stocks	381,435,470
Cash, cash equivalents and short term Investments	33,267,810
Other invested assets	5,013,113
Receivable for securities	9
Securities lending reinvested collateral assets	31,019,205
Subtotals, cash and invested assets	1,307,072,797
Investment income due and accrued	9,287,990
Premiums and considerations:	
Uncollected premiums and agents' balances	(160,113,050)
Deferred premiums booked but not yet due	40,537
Reinsurance:	
Amounts recoverable from reinsurers	5,548,297
Other amounts receivable under reinsurance contract	12,478,819
Net deferred tax asset	91,955,480
Guaranty funds receivable or on deposit	2,144,688
Electronic data processing equipment and software	2,141,859
Receivables from parent, subsidiaries and affiliates	7,198,395
Aggregate write-ins for other than invested assets	1,681,150
Total Assets	\$ 1,279,436,962

Primerica Life Insurance Company

Statement of Assets, Liabilities, Surplus and Other Funds (cont.)  
As of December 31, 2014

Liabilities	Per Annual Statement
Aggregate reserve for life contracts	\$138,554,990
Liability for deposit-type contracts	324,392,637
Contract claims:	
Life	720,077
Premiums and annuity considerations for life	680,168
Interest Maintenance Reserve	20,264,023
Commissions to agents due or accrued - life and annuity contracts	38,419,372
General expenses due or accrued	24,077,460
Taxes, licenses and fees due or accrued, excluding federal income taxes	13,846,069
Current federal and foreign income taxes, including \$0 on realized capital gains (losses)	5,621,734
Amounts withheld or retained by company as agent or trustee	2,607,810
Remittances and items not allocated	15,505,872
Miscellaneous liabilities:	
Asset valuation reserve	12,858,733
Funds held under coinsurance	52,862,593
Derivatives	61,337
Payable for securities lending	31,019,205
Aggregate write-ins for liabilities	98,953,260
Total liabilities	780,445,342
Common capital stock	2,500,000
Gross paid in and contributed surplus	486,733,750
Unassigned funds (surplus)	9,772,770
Less treasury stock, at cost	14,900
Surplus	496,491,620
Total Liabilities and Surplus	\$1,279,436,962

Primerica Life Insurance Company

Statement of Operations  
For the Year Ended December 31, 2014

	Per Annual Statement
Premiums and annuity considerations for life and accident and health contracts	\$277,117,482
Net investment income	166,469,298
Amortization of Interest Maintenance Reserve	4,507,651
Commissions and expense allowances on reinsurance ceded	195,034,333
Aggregate write-ins for miscellaneous income	30,545,423
Totals	673,674,187
Death benefits	18,130,449
Disability benefits and benefits under accident and health contracts	3,648,386
Surrender benefits and withdrawals for life contracts	7,014,064
Interest and adjustments on contract or deposit-type contract funds	2,861,796
Payments on supplementary contracts with life contingencies	10,484
Increase in aggregate reserves for life and accident and health contracts	(125,111,661)
Totals	(93,446,482)
Commissions on premiums, annuity considerations and deposit-type contract funds	260,017,756
General insurance expenses	193,992,171
Insurance taxes, licenses and fees, excluding federal income taxes	14,993,755
Increase in loading on deferred and uncollected premiums	1,194,917
Aggregate write-ins for deductions	2,228,347
Totals	378,980,462
Net gain from operations before dividends to policyholders and federal income taxes	294,693,725
Federal and foreign income taxes incurred (excluding tax on capital gains)	27,267,647
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses)	267,426,077
Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR)	890,234
less capital gains tax of \$.....(724,169) (excluding taxes of \$.....2,593,752 transferred to the IMR)	
Net income	\$268,316,311

Primerica Life Insurance Company

Reconciliation of Capital and Surplus  
For Each Year in the Five-Year Period Ended December 31, 2014

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Surplus as at prior year	\$563,260,435	\$670,433,758	\$443,140,933	\$629,842,285	\$1,705,595,299
Net income/ (loss)	268,316,311	307,098,100	257,312,627	182,448,994	(1,766,603,377)
Changes in net unrealized capital gains (losses) less capital gains tax	(25,261,587)	(2,762,908)	83,348,265	7,958,458	(396,617,714)
Change in net unrealized foreign exchange capital gain (loss)	8,777	83,920	100,182	1,976,832	(708,974)
Changes in net deferred income tax	(4,125,762)	34,701,837	(19,028,696)	24,303,922	(340,858,426)
Changes in non-admitted assets	(23,895,700)	(29,533,238)	(496,862)	(16,516,848)	367,946,958
Changes in liability for reinsurance in unauthorized companies	70,091	(70,091)		4,494,009	(669,849)
Change in valuation basis			11,961,513		
Changes in asset valuation reserve	1,038,915	(499,483)	1,115,337	89,393	47,325,461
Surplus Paid-in	25,665,766	24,434,875	(125,516,913)	(175,853,226)	18,822,440
Changes in surplus due to reinsurance	(71,085,625)	(287,250,021)	18,497,372	(230,467,874)	2,443,369,841
Dividend to stockholders	(235,000,000)	(150,000,000)			(1,447,759,374)
Aggregate write in		(3,376,314)		14,864,988	
Change in Surplus	<u>(64,268,813)</u>	<u>(107,173,324)</u>	<u>227,292,825</u>	<u>(186,701,352)</u>	<u>(1,075,753,014)</u>
Surplus as at December 31, current year	<u>\$498,991,621</u>	<u>\$563,260,435</u>	<u>\$670,433,758</u>	<u>\$443,140,933</u>	<u>\$629,842,285</u>



**ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE  
EXAMINATION**

There are no changes to the financial statements as a result of the examination.

**COMMENTS ON FINANCIAL STATEMENT LINE ITEMS**

*Review of actuarial reserves and related items*

In connection with the Division's statutory examination of the Company, PwC performed an actuarial review of the Company's actuarial reserves and claims liability. Their review was performed in accordance with the plan and contract with the Division.

PwC performed the following in order to assist the Division in understanding and assessing the risk related to reserving:

1. PwC read the actuarial memos prepared by the Company's external auditors, KPMG LLP ("KPMG") to understand the procedures performed with respect to the statutory audit.
2. Held interviews /discussions with the actuarial staff of the Company to understand the Company's risks and to gather information necessary to complete the examination. In these interviews and conversations PwC discussed the operations of the valuation areas, risk management practices, general risk of the business, reserve methodologies, changes in valuation systems or methodologies, and other matters pertaining to the valuation process.
3. Reviewed the statutory reserve methods and assumptions used in the calculation of the reserves.
4. Performed independent analysis of the gross reserves by product type, including independent recalculations of a sample of policies tested by KPMG.
5. Read and reviewed the Company's Asset Adequacy Analysis and supporting documentation along with the work papers for the levels of sufficiency reported by the Company.
6. Read and reviewed the Company's X-factor memorandum as well as KPMG work papers related to the memorandum.

## Primerica Life Insurance Company

### *Term*

The Company's inforce business consists of term life products with a variety of riders. The term-life products feature level premiums for 10-35 years. No new products that would require changes in the valuation system calculation of statutory reserves were implemented during the examination period. Additionally, no changes were made to the methodology of statutory reserves during the examination period.

The Company calculates deficiency reserves for policies using X-factors provided for in SSAP Appendix A-830. There were no changes to existing X-factors in 2014. Based on our review and observations, it appears the X-factors comply with the requirements of the model regulation.

### *IBNR Reserves*

The Company's IBNR is calculated using a claims triangle by incurred and reported date. The IBNR methodology applies a completion factor to the inforce amount at the valuation date. Based on the review and observations of PwC, it appears that the IBNR reserves were calculated appropriately.

### *Asset Adequacy Testing*

The Company performed cash flow testing using the seven fixed scenarios of future interest rates that are required by New York regulation and typically referred to as the "New York 7" at a net basis. While not required by other states, these 7 scenarios are commonly tested and considered in the industry to assess asset adequacy. Additionally, two sensitivity tests in regards to an increase in death benefits, and an increase in loss ratios were performed. PwC noted positive criterion values in all scenarios at all times.

### *Conclusion*

Based on the review procedures performed, PwC concluded that the methods and assumptions used to determine the statutory benefit reserves and certain actuarial liabilities appear to be reasonable and appropriate, consistent with generally accepted actuarial practice and in compliance with the statutory requirements of the Commonwealth of Massachusetts. No material exceptions were identified.

### **SUBSEQUENT EVENTS**

On March 29, 2016, the Division approved the novation of Prime Re's rights and obligations under coinsurance agreement between the Company and Prime Re. Pecan Re, Inc., a wholly owned subsidiary of Swiss Re Life and Health America Inc., will replace Prime Re. Pecan Re is a Vermont special purpose financial captive insurance company. The following coinsurance, trust, and capital maintenance agreements with Prime Re will now be novated and replaced with agreements with Pecan Re.

- The 80% Coinsurance Agreement and the 80% Coinsurance Trust Agreement of all term life insurance policies that were inforce at December 31, 2009;
- The Capital Maintenance Agreement;
- The investment guidelines.

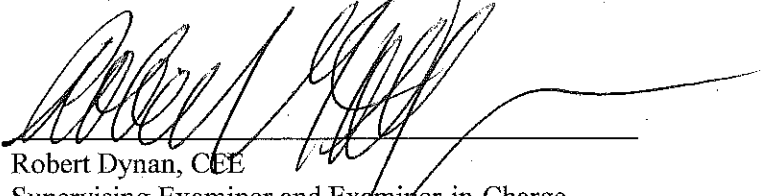
### **SUMMARY OF RECOMMENDATIONS**

There are no recommendations made in this examination report in regard to the examination period ending December 31, 2014.

**SIGNATURE PAGE**

Acknowledgement is made of the cooperation and courtesies extended by the officers and employees of the Company during the examination.

The assistance rendered by PricewaterhouseCoopers LLP, is hereby acknowledged.



Robert Dynan, CEE  
Supervising Examiner and Examiner-in-Charge  
Commonwealth of Massachusetts  
Division of Insurance