

STATE OF CONNECTICUT

INSURANCE DEPARTMENT

ORDER ADOPTING REPORT OF EXAMINATION

I, Anne Melissa Dowling, Deputy Insurance Commissioner of the State of Connecticut, having fully considered and reviewed the Examination Report (the "Report") of the Hartford International Life Reassurance Corporation (the "Company") as of December 31, 2012, do hereby adopt the findings and recommendations contained therein based on the following findings and conclusions,

TO WIT:

1. I, Anne Melissa Dowling, Deputy Insurance Commissioner of the State of Connecticut, and as such is charged with the duty of administering and enforcing the provisions of Title 38a of the Connecticut General Statutes ("CGS").
2. The Company is a domestic insurer authorized to transact the business of insurance in the State of Connecticut.
3. On March 3, 2014, the verified Report of the Company was filed with the Connecticut Insurance Department (the "Department").
4. In accordance with CGS §38a-14(e) (3), the Company was afforded a period of thirty (30) days within which to submit to the Connecticut Insurance Department a written submission or rebuttal with respect to any matters contained in the Report.
5. On March 28 2014, the Company notified the Department of certain responses and comments relating to matters contained in the Report.
6. Following a review of the Report, it was deemed necessary and appropriate to modify the Report. A copy of the Report is attached hereto and incorporated herein as Exhibit A.

NOW, THEREFORE, it is ordered as follows:

1. That the Report of the Company hereby is adopted as filed with the Department.
2. That the Company shall comply with all of the recommendations set forth in the Report, and that the failure of the Company to so comply shall result in sanctions or administrative action as provided by Title 38a of the CGS.

Dated at Hartford, Connecticut this 7th day of April, 2014

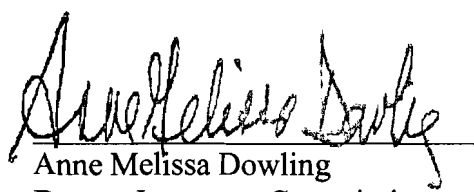

Anne Melissa Dowling
Deputy Insurance Commissioner

Exhibit A

EXAMINATION REPORT

OF THE

**HARTFORD INTERNATIONAL LIFE REASSURANCE
CORPORATION**

AS OF

DECEMBER 31, 2012

BY THE CONNECTICUT INSURANCE DEPARTMENT

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January 17, 2014

The Honorable Thomas B. Leonardi
Insurance Commissioner
State of Connecticut Insurance Department
153 Market Street, 6th Floor
Hartford, Connecticut 06103

Dear Commissioner:

In compliance with your instructions and pursuant to the requirements of Section 38a-14 of the Connecticut General Statutes (CGS), the undersigned has conducted a Financial Examination of the condition and affairs of the:

HARTFORD INTERNATIONAL LIFE REASSURANCE CORPORATION

(hereinafter referred to as the Company or HILRe), a capital stock corporation incorporated under the laws of the State of Connecticut and having its home office located at 200 Hopmeadow Street, Simsbury, Connecticut. The report of such examination is submitted herewith.

SCOPE OF EXAMINATION

The previous financial condition examination of the Company was conducted as of December 31, 2007. The current examination, which covers the subsequent five-year period, was conducted on a full scope, comprehensive basis in accordance with the procedures outlined in the NAIC Examiners Handbook (Handbook). Concurrent examinations were also conducted on the following Connecticut domiciled insurance companies, which are members of The Hartford Financial Services Group, Inc. (Group or HFSG):

Hartford Life and Accident Insurance Company (HLAC)
Hartford Life Insurance Company (HLIC)
Hartford Life and Annuity Insurance Company (HLAI)
American Maturity Life Insurance Company (AMLIC)

The Department also performed an examination of the Connecticut domestic property/casualty affiliates.

HARTFORD INTERNATIONAL LIFE REASSURANCE CORPORATION

As a part of the examination planning procedures, the Department reviewed the following documentation submitted by the Company for the period under examination:

- Board of Director (Board) minutes through the latest 2013 meeting;
- Statutory Audit reports completed by the Company's independent certified public accountants, Deloitte & Touche, LLP (D&T);
- Management Discussion and Analysis;
- Form 10-K reports filed with the Securities and Exchange Commission;
- Statements of Actuarial Opinion;
- Documentation supporting Section 404 of the Sarbanes-Oxley Act of 2002;
- Annual Statements filed with the Department; and
- Reports of the Company's Internal Audit Department.

A comprehensive review was made of the financial analysis files and documents submitted to the Financial Analysis Unit of the Department, reports from the National Association of Insurance Commissioners (NAIC) database, as well as the independent audit reports which indicated no material concerns with respect to financial condition or regulatory compliance issues.

Workpapers prepared by D&T in connection with its annual statutory audit were reviewed and relied upon to the extent deemed appropriate.

Jennan Enterprises, LLC (Jennan) was engaged by the Department to conduct an evaluation of the Information Technology (IT) controls.

InvoTex Group (InvoTex) was engaged by the Department to conduct an evaluation of the Company's investment holdings and provided staff accounting services.

Oliver Wyman Actuarial Consulting, Inc. (Oliver Wyman) was engaged by the Department to conduct an evaluation of the Company's reserving and underwriting processes.

Comments in this report are generally limited to exceptions noted or to items considered to be of a material nature. Failure of items in this report to add to totals or for totals to agree with captioned amounts is due to rounding.

The examination was conducted on a full scope, comprehensive basis in accordance with the procedures outlined in the NAIC Financial Condition Examiners Handbook (the Handbook). 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 inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial

HARTFORD INTERNATIONAL LIFE REASSURANCE CORPORATION

statement presentation, management compliance with the NAIC Accounting Practices & Procedures Manual (Manual) and the NAIC Life Annual Statement Instructions.

HISTORY

The Company was founded in 1981 as Hudson Life Reassurance Corporation (Hudson), a Florida corporation. Hudson was initially owned by a group of four stockholders including Skandia Group Insurance Company Ltd. (Skandia).

In 1988, Hudson acquired Skandia Life of America, a Connecticut company, and merged the companies with Hudson as the surviving company.

In a series of transaction from 1989 to 1992, Skandia acquired 100% ownership of Hudson from its previous shareholders. In 1992, the name was changed to American Skandia Life Reinsurance Company (ASRe).

On December 15, 1993, HLIC purchased 100% of the shares of ASRe from Skandia. Subsequent to the purchase, the name was changed to HILRe.

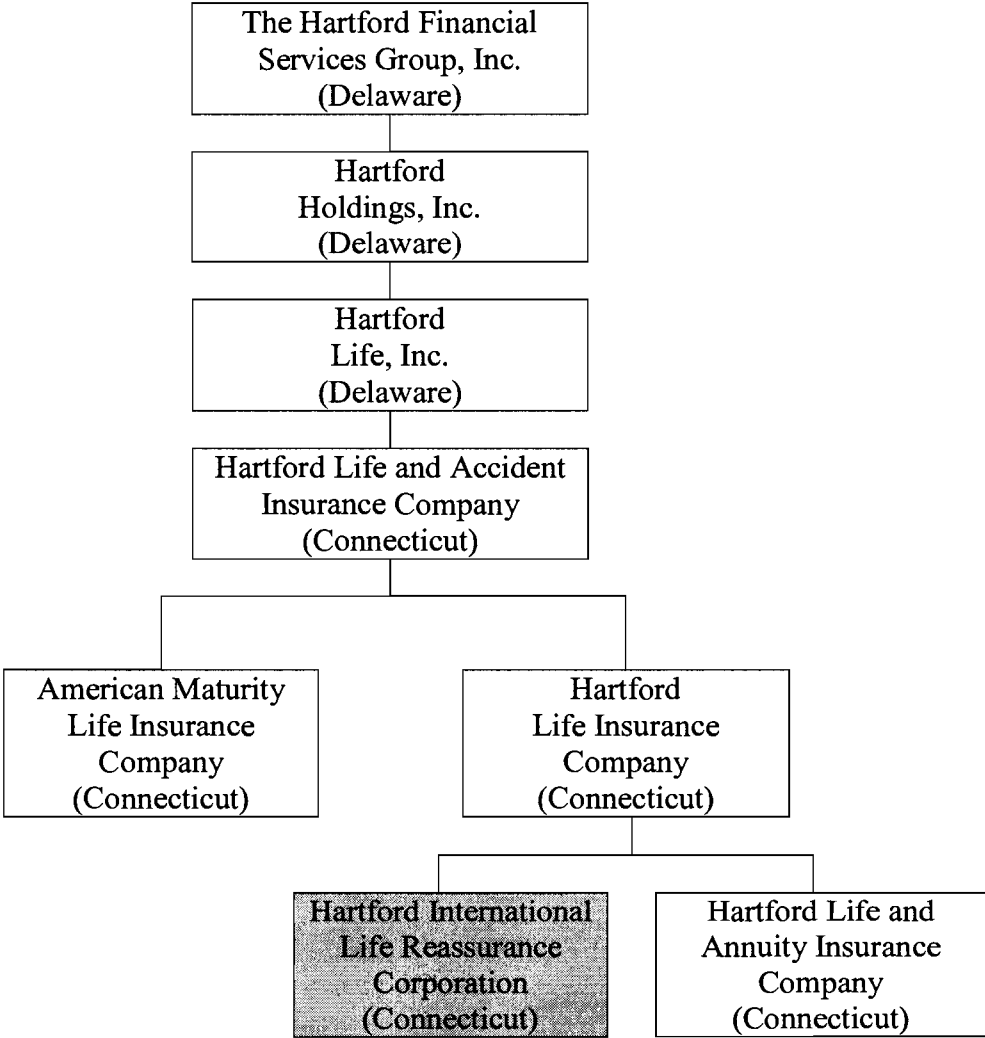
On August 30, 2002, HFSG restructured the life insurance organization by forming Hartford Holdings Inc. (Hartford Holdings), a Delaware insurance holding company. As a result of the reorganization, the Company is wholly owned by HLIC, which is wholly owned by HLAC. HLAC is wholly owned by Hartford Holdings. The ultimate parent is HFSG.

See the Current and Subsequent Events section (page 14) for details regarding HFSG's decision to focus on its property/casualty, group benefits, and mutual fund businesses.

HARTFORD INTERNATIONAL LIFE REASSURANCE CORPORATION

ORGANIZATIONAL CHART

The following is a partial organizational chart as of December 31, 2012:



HARTFORD INTERNATIONAL LIFE REASSURANCE CORPORATION

MANAGEMENT AND CONTROL

The bylaws of the Company states that the annual meeting of stockholders shall be held at such location, on such day and at such hour as the Board of Directors (Board) may appoint for the election of directors and such other business as may properly come before the meeting. Special meetings of the stockholders for any purpose may be called by the chairman of the Board (the Chairman), the president, or in the absence of both, by any vice president.

Holders of the majority of the voting power of shares entitled to vote at any meeting of stockholders shall constitute a quorum for such meeting.

The bylaws provide that the property, business and affairs of the Company be managed by its Board which constitutes no less than one nor more than twenty directors, who shall be chosen at each annual meeting. Each director shall hold office until the next annual meeting of the stockholders and until his successor is elected. Regular meetings of the Board may be held at such time and on such date of each year as may be determined by the Board.

A majority of the members of the Board shall constitute a quorum for the transaction of business, and a majority shall be equal to an odd number of directors.

Directors serving the Company at December 31, 2012, were as follows:

<u>Name</u>	<u>Title and Principal Business Affiliation</u>
Beth A. Bombara	President, Talcott Resolution The Hartford Financial Services Group, Inc.
Mark J. Niland	Head of Portfolio Management The Hartford Financial Services Group, Inc.
Robert W. Paiano	Senior Vice President and Treasurer Hartford Fire Insurance Company

Audit Committee
Beth Bombara, Chairman
Mark J. Niland
Robert W. Paiano

HARTFORD INTERNATIONAL LIFE REASSURANCE CORPORATION

Finance Committee

Mark J. Niland, Chairman
Beth A. Bombara
Robert W. Paiano

Officers serving the Company at December 31, 2012, were as follows:

<u>Name</u>	<u>Title</u>
Beth A. Bombara	Chief Executive Officer, Chairman of the Board and President
Peter F. Sannizzaro	Senior Vice President and Chief Financial Officer
Robert W. Paiano	Senior Vice President and Treasurer Vice President
Michael R. Hazel	Vice President and Controller
Terence D. Shields	Assistant Vice President and Corporate Secretary
Penelope A. Hrib	Appointed Actuary

RELATED PARTY AGREEMENTS

Investment Management and Administration Agreement

The Company is party to an Investment Management and Administration Agreement (Agreement) with Hartford Investment Management Company (HIMCO). Pursuant to the terms of the Agreement, HIMCO provides a broad spectrum of investment services, including but not limited to the development of investment strategies and objectives, the development of investment policies and guidelines, the investment and management of assets, the measurement and evaluation of investment performance, investment accounting, cash management, the management of banking relationships, the management of a custodial relationship, and administrative support.

Investment Pooling Agreement

The Company participates in a Second Amended and Restated Investment Pooling Agreement between Hartford Investment Services, Inc. (Hartford Investment) and HIMCO. HIMCO acts as the investment manager to invest certain cash balances available to the participants in the investment pool known as "Hartford Short-Term Investment Pool". HIMCO is compensated at least quarterly for all incurred direct and indirect costs related to the services provided to the Company.

Tax Allocation Agreement (TAA)

The Company is party to a TAA with HFSG and its subsidiaries. The TAA governs the tax return filing, payment and allocation of federal, state and local income tax liability between HFSG and its subsidiaries. Each member calculates its separate return regular

HARTFORD INTERNATIONAL LIFE REASSURANCE CORPORATION

tax liability, and the consolidated federal regular income tax liability will be apportioned among the members in accordance with the ratio which is consistent with the taxable income. Payment to the parent of the Group will be made by the due date of the payment to the Internal Revenue Services.

Cost Allocation Agreements

The Company is party to a number of service and cost sharing agreements with several of its affiliates including HFSG. Such services include, but shall not be limited to: employee costs such as salaries, benefit and taxes; fixed assets including furniture and personal computers; miscellaneous accounts payable including rent, travel and entertainment, insurance, advertising, taxes, licenses and fees, etc.; and costs related to corporate services.

The Hartford Fire Insurance Company is incurring and paying certain expenses on behalf of other legal entities and acting as the banker for these entities without a signed written agreement. Statements of Statutory Accounting Principles (SSAP) No. 25 states in part that “transactions between related parties must be in the form of a written agreement”. It is recommended that the Company prepare a cost allocation agreement to comply with SSAP No. 25 and submit it to the Department for approval. On November 25, 2013, the Company filed a new services and cost allocation agreement with the Department.

Intercompany Liquidity Agreement (Liquidity Agreement)

Effective December 31, 2010, HFSG entered into a Liquidity Agreement with its insurance company subsidiaries that are domiciled in the State of Connecticut. The agreement allows for short-term advances of funds between Hartford affiliates. As of December 31, 2012, the Company had neither requested an advance of funds nor advanced funds to an affiliate under the terms of the Liquidity Agreement.

INSURANCE COVERAGE

The Company is insured under a fidelity policy issued by five insurers (St. Paul Fire and Marine Insurance Company, Federal Insurance Company, Fidelity and Deposit Company of Maryland, Ace American Insurance Company, and Continental Casualty Insurance Company). HFSG and its affiliates are listed as named insureds. Coverages include, but are not limited to business automobile liability, directors and officers liability, errors and omissions liability, employment practices liability, computer crime, fiduciary, general liability, commercial property, and workers’ compensation. The coverages also include an aggregate liability of \$200 million, a single loss limit of liability of \$100 million and a single loss deductible of \$10 million. These limits exceed the suggested minimum as outlined in the Handbook.

HARTFORD INTERNATIONAL LIFE REASSURANCE CORPORATION

TERRITORY AND PLAN OF OPERATION

The Company is identified as a reinsurer and is authorized to write life participating, variable annuities, and accident and health insurance. The Company is licensed or approved in thirty-one states and the District of Columbia. The Company business consist entirely of ordinary and group private placement life insurance (PPLI) assumed from HLIC.

REINSURANCE

Reinsurance Assumed

All of the business in the Company is PPLI assumed from HLIC through a variety of reinsurance agreements including coinsurance, modified coinsurance (ModCo) and a combination of coinsurance and ModCo.

Reinsurance Ceded

The Company's ceded reinsurance activity primarily consists of an automatic yearly renewable term retrocession agreement with RGA Reinsurance Company (novated from ReliaStar Life Insurance Company on July 1, 2010) that transfers the mortality risk of PPLI insurance coverage in excess of the Company's retention limits.

INFORMATION TECHNOLOGY CONTROLS

Jennan performed a risk-focused assessment and review of the Company's IT general controls in accordance with NAIC requirements as outlined in the Handbook. The guidance and direction used to perform the review of the Company's IT general controls was derived from Exhibit C Part 1 – Information Technology Planning Questionnaire (ITPQ) and Exhibit C Part 2 – Information Technology Work Program. The Company's responses to the ITPQ were evaluated and certain controls within the IT control environment were tested to assess whether the selected controls were designed effectively and were functioning properly.

Jennan's objectives were to determine that Information Systems (IS) resources align with the Company's objectives and ensuring that significant risks (strategic, operational, reporting and compliance) arising out of its IT environment were appropriately mitigated by strategies and controls as outlined in the Handbook's Exhibit C Part 2 – Evaluation of Controls in Information Technology Work Program.

The objectives above were achieved through a combination of reviewing the Company's policies and procedures, testing in key areas related to the Exhibit C, interviewing the Company's IT senior management, reviewing IT risk assessment processes and leveraging the risk assessment procedures performed by Company's internal and external auditors.

HARTFORD INTERNATIONAL LIFE REASSURANCE CORPORATION

As a result of this review, findings were noted in controls over operations, logical security, physical security, application changes, and corporate governance. These findings were presented to the Company along with recommendations that the Company establish and implement appropriate control policies and procedures to strengthen its IT controls. The Company's remediation is well underway, with efforts expected to be complete by year end 2013. It is recommended that the Company continue these remediation efforts. In 2014, the Department will conduct a limited IT review to assess the Company's remediation policies and procedures.

ACCOUNTS AND RECORDS

The Company reports all financial accounting transactions in Horizon, a PeopleSoft, Inc. system. Horizon is the official book of record for the Company's financial accounting operations.

The majority of accounting transactions within Horizon originate from monthly feeds that flow through a process called the interface manager. The interface manager is responsible for summarizing, converting and extracting the financial data from each feeding system in order to populate the Horizon database. These feeds represent the detail monthly activity of the various administrative systems such as premiums, losses, expenses, investments and cashbook. Horizon also receives direct journal entries and spreadsheet uploads for other miscellaneous information such as tax settlements and foreign financial statements.

The Booke Seminars' software package, "The Complete Package for Windows" (TCP) is used to create the annual statement. TCP is updated manually using data from Horizon for creation of the balance sheet and income statement.

The year-end trial balance for 2012 was reconciled to the annual statement.

FINANCIAL STATEMENTS

The following statements, as filed by the Company and as determined by the examination, reflect the assets, liabilities, surplus and other funds and summary of operations of the Company as of December 31, 2012:

HARTFORD INTERNATIONAL LIFE REASSURANCE CORPORATION

ASSETS

Account Description	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$432,483,008		\$432,483,008
Preferred stocks	12,501,428		12,501,428
Mortgage loans on real estate – First liens	58,664,653		58,664,653
Cash, cash equivalents and short-term investments	26,884,514		26,884,514
Contract loans	576,333,016		576,333,016
Receivables for securities	33,705		33,705
Subtotals, cash and invested assets	1,106,900,325		1,106,900,325
Investment income due and accrued	10,615,564		10,615,564
Uncollected premiums and agents’ balances in course of collection	10,829		10,829
Other amounts receivable under reinsurance contracts	6,522,337		6,522,337
Current federal and foreign income tax recoverable	2,254,166		2,254,166
Net deferred tax asset	14,567,071	13,288,071	1,279,000
Guarantee funds receivable or on deposit	300		300
Aggregate write-ins for other than invested assets	899		899
Totals	<u>\$1,140,871,492</u>	<u>\$13,288,071</u>	<u>\$1,127,583,421</u>

LIABILITIES, SURPLUS AND OTHER FUNDS

Aggregate reserve for life contracts	\$985,904,295
Contract claims: Life	23,334,364
Dividends apportioned for payment	1,070,057
Provision for experience rating refunds	16,208,280
Other amounts payable on reinsurance	486,866
Interest Maintenance Reserve	941,789
General expenses due or accrued	131,716
Taxes, licenses and fees due or accrued	(1,006)
Unearned investment income	3,155,883
Amounts withheld or retained by company as agent or trustee	800
Amounts held for agents’ account	309,752
Remittances and items not allocated	15,429
Asset valuation reserve	1,281,335
Payable to parent, subsidiaries and affiliates	18,590
Payable for securities	311,466
Aggregate write-ins for liabilities	10,333,365
Total liabilities	1,043,502,980
Common capital stock	2,500,000
Gross paid in and contributed surplus	83,220,700
Unassigned funds (surplus)	(1,640,259)
Surplus	81,580,441
Total capital and surplus	84,080,441
Total liabilities and surplus	<u>\$1,127,583,421</u>

HARTFORD INTERNATIONAL LIFE REASSURANCE CORPORATION

SUMMARY OF OPERATIONS

Premiums and annuity considerations for life and accident and health contracts	\$18,924,969
Net investment income	51,239,008
Amortization of Interest Maintenance Reserve	(117,403)
Totals	70,046,574
Death benefits	52,088,164
Surrender benefits and withdrawals for life contracts	716,504
Interest and adjustments on contract or deposit-type contract funds	1,353,548
Increase in aggregate reserves for life and accident and health contracts	46,668,532
Totals	100,826,748
Commissions and expense allowances on reinsurance assumed	455,789
General insurance expenses	106,336
Insurance taxes, licenses and fees, excluding federal income taxes	42,528
Aggregate write-ins for deductions	(35,619,958)
Totals	65,811,444
Net gain from operations before dividends to policyholders and federal income taxes	4,235,130
Dividends to policyholders	12,964,140
Net gain from operations after dividends to policyholders and before federal income taxes	(8,729,010)
Federal and foreign income taxes incurred (excluding tax on capital gains)	(601,396)
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses)	(8,127,614)
Net realized capital gains or (losses) less capital gains tax	(692,993)
Net income	<u>(\$8,820,607)</u>

CAPITAL AND SURPLUS ACCOUNT

Capital and surplus, December 31, prior year	\$92,032,440
Net income	(8,820,607)
Change in net deferred income tax	2,898,872
Change in non-admitted assets	(1,378,736)
Change in asset valuation reserve	(651,528)
Cumulative effect of changes in accounting principles	50,000
Aggregate write-ins for gains and losses in surplus	(50,000)
Net change in capital and surplus for the year	(7,951,999)
Capital and surplus, December 31, current year	<u>\$84,080,441</u>

INVESTMENTS

Invotex was engaged to assist in an evaluation of investment risk management practices and procedures of HFSG, as of December 31, 2012.

The scope of Invotex's review included, but was not limited to:

- An assessment of the Company's corporate governance structure, including its enterprise risk management (ERM) related to investment risks;
- A review and evaluation of the Company's general risk management practices and processes related to investment risks, including asset-liability management, credit, market, liquidity, and hedging risks;
- An assessment of the Company's risk management programs used to identify current and emerging risks with regard to invested assets;
- A review and evaluation of the Company's investment policies and guidelines; and
- An assessment of the Company's use of derivatives and its related hedging programs including its determination of hedge effectiveness, where applicable.

Investments of HFSG and all its insurance subsidiaries are managed by HIMCO. The largest components of the investment portfolio are investment grade corporate bonds and tax exempt municipal bonds.

ERM functions such as asset liability management, market risk and credit risk are centralized in a corporate level ERM group. The Board exercises its investment related oversight function through its Finance, Investment and Risk Management Committee. The Company maintains a formal and extensive framework of senior management risk committees that manage and oversee the ERM program and various investment related risks such as credit, market, liquidity, and hedging risks. The Company maintains formal and well documented policy documents, including investment strategy policies, asset liability management processes and procedures, various risk management policies, and hedge strategy policies. Compliance with investment guidelines, policies and limits is monitored on a regular basis and formally reported to the appropriate committee.

The Company conducts stress testing surrounding market risk sensitivity, interest rate sensitivity, liquidity requirements, and exposure to credit risk. The estimates of potential losses that result from such stress testing are compared to established statutory surplus loss limits. The limits appeared reasonable and based on the review of various internal management reports, the Company was generally in compliance with its stress testing limits. Hedging strategies and limits are well documented in formal policy statements.

Overall, the Company's investment related risk management practices, including the corporate governance framework, ERM processes, documented policies and risk limits, hedging strategies and compliance monitoring, adequately address investment risks.

HARTFORD INTERNATIONAL LIFE REASSURANCE CORPORATION

AGGREGATE RESERVE FOR LIFE CONTRACTS \$985,904,295

All of the Company's reserves are run-off PPLI business assumed from HLIC. A review by Oliver Wyman of HILRe was limited to a review of the 2012 Statement of Actuarial Opinion and supporting actuarial memorandum prepared by the Company's appointed actuary.

Conclusion

Based upon the risk-based assessment and review, no material findings were noted which affect the Company's ability to manage its reserving, pricing and underwriting, or liquidity risks.

COMMON CAPITAL STOCK \$2,500,000

As of December 31, 2012, the Company had 1,000,000 shares of capital stock issued, authorized and outstanding, with a par value of \$2.50. All shares are owned by HLIC.

GROSS PAID IN AND CONTRIBUTED SURPLUS \$83,220,700

There were no changes in gross paid in and contributed surplus during the period under examination.

UNASSIGNED FUNDS (SURPLUS) (\$1,640,259)

The following is a reconciliation of unassigned funds (surplus) during the period under examination:

Unassigned Funds (Surplus) as of December 31, 2007	\$20,633,731
Net Income	2,122,663
Change in Net Deferred Income Tax	7,318,138
Change in Nonadmitted Assets	(5,831,681)
Change in Asset Valuation Reserve	754,319
Cumulative Effect of Changes in Accounting Principles	90,571
Dividends to Stockholders	(26,500,000)
Aggregate Write-ins for Gains and Losses in Surplus	(228,000)
Unassigned Funds (Surplus) as of December 31, 2012	<u>(\$1,640,259)</u>

The fluctuation in unassigned surplus during the examination period was primarily attributed to dividends to stockholders.

HARTFORD INTERNATIONAL LIFE REASSURANCE CORPORATION

Recommendation

Page

8 INFORMATION TECHNOLOGY CONTROLS

It is recommended that the Company continue these remediation efforts.

CURRENT AND SUBSEQUENT EVENTS

In March of 2012, HFSG announced that it will focus on its property/casualty, group benefits, and mutual fund businesses. HFSG placed its existing individual annuity business into runoff and pursued the sale of its individual life and retirement businesses and Woodbury Financial Services, a broker-dealer. Talcott Resolution was formed to oversee the life runoff segment to manage risk, maximize capital efficiency and optimize profitability. Since this announcement the following has occurred:

- On April 26, 2012, HFSG announced that it had entered into an agreement to sell its U.S. individual annuity new business capabilities to Forethought Financial Group. The sale was completed on December 31, 2012.
- On July 13, 2012, HFSG closed a sale transaction with Philadelphia Financial Group, Inc. (PFG) whereby PFG acquired certain assets used to administer HLIC's PPLI businesses and will service the PPLI businesses.
- On July 31, 2012, HFSG entered into a definitive agreement to sell Woodbury Financial Services to AIG Advisor Group, Inc., a subsidiary of AIG. The sale was completed on November 30, 2012.
- On September 4, 2012, HFSG announced that it had entered into an agreement to sell its retirement plan business to Massachusetts Mutual Life Insurance Company. The sale is structured as a reinsurance transaction. The sale was completed on January 1, 2013.
- On September 27, 2012, HFSG announced that it had entered into a definitive agreement to sell its individual life insurance business to the Prudential Insurance Company of America (Prudential), a subsidiary of Prudential Financial, Inc. The sale was structured as a reinsurance transaction and was completed on January 2, 2013.
- As a result of the sale to Prudential, HFSG simultaneously recaptured the individual life insurance assumed by an affiliate, Champlain Life Reinsurance Company (Champlain). Champlain was dissolved on February 22, 2013.

HARTFORD INTERNATIONAL LIFE REASSURANCE CORPORATION

- On June 27, 2013, HFSG announced it had signed a definitive agreement to sell its United Kingdom variable annuity business and subsidiary Hartford Life International, Ltd. to Columbia Insurance Company, a Berkshire Hathaway company. The sale was completed on December 12, 2013.

The Company's bylaws were amended and restated as of March 15, 2013.

CONCLUSION

The results of this examination disclosed that as of December 31, 2012, the Company had admitted assets of \$1,127,583,421, liabilities of \$1,043,502,980, and surplus of \$84,080,441. During the period under examination, admitted assets decreased \$8,335,361, liabilities increased \$13,938,629, and surplus as regards policyholders decreased \$22,273,990.

It was determined that the Company's assets were fairly stated in accordance with guidance outlined in the Manual. Assets were acceptable under Section 38a-102 of the CGS. The liabilities established were adequate to cover the Company's obligations to policyholders.

HARTFORD INTERNATIONAL LIFE REASSURANCE CORPORATION

SIGNATURE

In addition to the undersigned, the following members of the State of Connecticut Insurance Department participated in the examination: William Arfanis, CFE; Cecilia Arnold, CFE; Michael Daniels, CFE, CPA; James Jakielo, FSA, MAAA; Grace Jiang, CFE; Chiffon King, AFE; Daniel Levine, AFE, CPA; Ken Roulier, AFE, AES, CISA; William Tacy, CFE, CIA, CISA; and the professional services firms of Invotex, Jennan, Oliver Wyman, INS and Noble.

I, Kevin Beaudoin, CFE, solemnly swear that the foregoing report on examination is hereby represented to be a full and true statement of the condition and affairs of the subject insurer as of December 31, 2012, to the best of my information, knowledge and belief.

Respectfully submitted,

Kevin Beaudoin
Kevin Beaudoin, CFE
Examiner-In-Charge
State of Connecticut
Insurance Department

State of Connecticut

ss. Hartford

County of Hartford

Subscribed and sworn to before me, Patricia A. Butler
Notary Public on this 26th day of February, 2014.

Patricia A. Butler
Notary Public

My Commission Expires September 30, 2018