

**STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

**Before the Director of Insurance and Financial Services**

In the matter of:

**Scottish Re (U.S.), Inc.**  
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**Order No. 19-035-M**

**Issued and entered  
this 29<sup>th</sup> day of May 2019  
by Anita G. Fox  
Director**

**ORDER REVOKING STATUS AS AN  
ACCREDITED REINSURER IN MICHIGAN**

**I.**

**FINDINGS OF FACT**

1. Scottish Re (U.S.), Inc. (Scottish Re) is a Delaware domestic corporation whose principal place of business is in Dover, Delaware.

2. Scottish Re was approved as an accredited reinsurer in Michigan on June 22, 2001.

3. On or about March 6, 2019, the Court of Chancery of the State of Delaware entered a Rehabilitation and Injunction Order (Delaware Order) in which, among other things, Scottish Re was declared to be impaired and in unsound condition and a receiver was appointed.

4. Section 1103(2) of the Insurance Code of 1956 (Code), MCL 500.1103(2), allows the Director of the Department of Insurance and Financial Services (Director) to recognize an insurer as an accredited reinsurer if the insurer meets all requirements set forth in that subsection.

5. Section 1103(10) of the Code, MCL 500.1103(10), provides, in part, that if an accredited reinsurer ceases to meet the requirements for accreditation, the Director may suspend or revoke the reinsurer's accreditation or certification. The suspension or revocation shall not take effect until after the Director's order on hearing, unless the reinsurer waives its right to a hearing, the Director's order is based on regulatory action by the insurer's domiciliary jurisdiction, or an emergency requires immediate action.

## II. CONCLUSIONS OF LAW

1. As a result of the entry of the Delaware Order, Scottish Re no longer meets the criteria set forth in Section 1103(2)(e) of the Code, MCL 500.1103(2)(e), which require an accredited insurer to demonstrate to the satisfaction of the Director that it has adequate financial capacity to meet its reinsurance obligations and is otherwise qualified to assume reinsurance from domestic insurers.


2. Scottish Re no longer meets the requirements for accreditation, see MCL 500.1103(10), and its accredited reinsurer status must be revoked. As a result, the Director will no longer recognize Scottish Re as an accredited reinsurer in Michigan.

3. Pursuant to Section 500.1103(10)(b) of the Code, MCL 500.1103(10)(b), the Director may revoke an accredited reinsurer's status without a hearing if the Order is based on regulatory action by the reinsurer's domiciliary jurisdiction. The Delaware Order is a regulatory action that provides a sufficient basis for revocation without a hearing.

**III.  
ORDER**

Based upon the foregoing Findings of Fact and Conclusions of Law, it is hereby  
**ORDERED:**

1. The Director's **REVOKES** the approval of Scottish Re (U.S.), Inc. as an  
accredited reinsurer in Michigan, effective as of the date of this Order.

  
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Anita G. Fox  
Director