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2012 SEP 13 A 11:49

Public Disclosure
Chief Hearing Officer

BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of the Proposed Acquisition of Control of:	)	
	)	**NO. 12-0203**
PEMCO LIFE INSURANCE COMPANY, A Washington domestic insurer	)	
	)	**AMENDED PRE-FILED OPENING STATEMENT**
By	)	
SAGICOR LIFE INSURANCE COMPANY, A Texas corporation.	)	

AMENDED
PRE-FILED OPENING STATEMENT OF:

William M. Clumpner
General Counsel
PEMCO Life Insurance Company

September 13, 2012

AMENDED OPENING STATEMENT

I am Bill Clumpner, General Counsel of PEMCO Life Insurance Company (PEMCO Life) and its affiliates, including PEMCO Life's parent and sole shareholder, PEMCO Mutual Insurance Company (PEMCO Mutual).

PEMCO Mutual and Sagicor Life Insurance Company (Sagicor Life) have entered into a Stock Purchase Agreement (the Agreement) whereby Sagicor Life has agreed to purchase from PEMCO Mutual all outstanding shares of PEMCO Life upon the terms of the Agreement and conditioned on approval of the transaction by the Washington Office of the Insurance Commissioner (the OIC).

Evidence in this hearing will include a Form A filing by Sagicor Life as the Applicant in this proceeding, along with additional, supplementary material submitted to the OIC. Testimony will be presented from representatives of both PEMCO Life and Sagicor Life. The evidence will establish that all requirements applicable to this proceeding have been met and specifically that the proposed acquisition of PEMCO Life by Sagicor Life should be approved.

RCW 48.31B provides that such acquisitions shall be approved by the Insurance Commissioner unless, following a public hearing, he finds one or more criteria identified in RCW 48.31B.015(4) to exist. The evidence will show that none of those criteria exists.

~~In a separate and subsequent part of the hearing, Sagicor Life's application for approval of its proposed merger of PEMCO Life into Sagicor Life, should the acquisition be approved, is expected to be heard. Again, the evidence is expected to establish that the proposed merger satisfies the statutory requirements and that none of the disqualifying criteria in RCW 48.31B.015(4) exists.~~

We look forward to presenting evidence on this matter and addressing any question posed by the Chief Hearing Officer.

September 13, 2012

William M. Clumpner
General Counsel
PEMCO Life Insurance Company

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Patricia D. Petersen
Chief Hearing Officer

BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of the Proposed Acquisition of Control of:	)	
	)	**NO. 12-0203**
PEMCO LIFE INSURANCE COMPANY, **A Washington domestic insurer**	)	**AMENDED** **PRE-FILED CLOSING ARGUMENT**
By	)	
SAGICOR LIFE INSURANCE COMPANY, **A Texas corporation.**	)	

AMENDED
PRE-FILED CLOSING ARGUMENT OF:

William M. Clumpner
General Counsel
PEMCO Life Insurance Company

September 13, 2012

Honorable Patricia D. Petersen – Presiding Judge
September 13, 2012

AMENDED CLOSING ARGUMENT

Thank you, your honor, and thank you to the Office of the Insurance Commissioner for your time and consideration of the proposed acquisition of PEMCO Life Insurance Company by Sagicor Life Insurance Company.

The testimony reflects that the acquisition is fair and equitable to the general public, to PEMCO Life and to its policyholders, and no reasonable objection to the acquisition exists.

RCW 48.31B provides that such acquisitions shall be approved by the Insurance Commissioner unless, following a public hearing, he finds one or more criteria identified in RCW 48.31B.015(4) to exist. The evidence shows that none of those criteria exists and the acquisition should be approved. The testimony and documentary evidence demonstrates that

- After the change of control, PEMCO Life would be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;
- Sagicor Life's acquisition of PEMCO Life would clearly not lessen competition in insurance in Washington or tend to create a monopoly in the state;
- The financial condition of Sagicor Life will not jeopardize the financial stability of PEMCO Life, or prejudice the interest of its policyholders;
- Sagicor Life's proposed merger with PEMCO Life would not be unfair and unreasonable to PEMCO Life policyholders, nor would it be against the public interest;
- The competence, experience, and integrity of those persons who would control the operation of PEMCO Life, assuming completion of the acquisition, are such that it is in the interest of policyholders of PEMCO Life and of the public to permit the proposed acquisition; and
- The acquisition will not be hazardous or prejudicial to the insurance-buying public.

~~PEMCO Life has also testified on Sagicor Life's proposed merger with PEMCO Life, with Sagicor Life becoming the surviving corporation. The proposed merger, should the acquisition be approved, is subject to the same requirements under RCW 48.31B.015. As the testimony reflects, there are operating efficiencies that can be gained through a merger, and PEMCO Life sees no negative consequences, to either PEMCO Life policyholders or the insurance-buying public, as a result of Sagicor Life's proposed merger.~~

Again, thank you for your consideration.

September 13, 2012

William M. Clumpner
General Counsel
PEMCO Life Insurance Company