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2012 DEC -7 AM 9:50

December 6, 2012

VIA E-MAIL AND LEGAL MESSENGER

Judge Patricia Petersen
Chief Hearing Officer
Office of the Insurance Commissioner
5000 Capitol Boulevard SW
Tumwater, WA 98501

Re: *In the Matter of the Proposed Merger of PEMCO Life Insurance Company
with and into Sagicor Life Insurance Company*
No. 12-0279

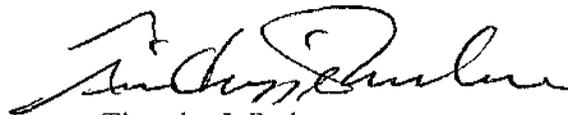
Dear Judge Petersen:

On behalf of Sagicor Life Insurance Company enclosed are the Declaration of Bart Catmull and Sagicor's Closing Statement. The Notice of Hearing requests an oral Opening Statement. If a written Opening Statement is required, please advise us immediately.

We look forward to meeting with you at the hearing on December 12.

Very truly yours,

CARNEY BADLEY SPELLMAN, P.S.



Timothy J. Parker

TJP:cw
Enclosures

cc: Ms. Robin Aronson (w/enclosures)
Mr. Ronald Pastuch (w/enclosures)
Mr. James Odiorne (w/enclosures)
Mr. Bart Catmull (w/enclosures)
Mr. James Golembiewski (w/enclosures)
Mr. Michael Perkins (w/enclosures)

OFFICE OF THE INSURANCE COMMISSIONER
STATE OF WASHINGTON

In the Matter of the Proposed Merger of:

PEMCO LIFE INSURANCE
COMPANY, a Washington domestic
insurer

with and into:

SAGICOR LIFE INSURANCE
COMPANY, a Texas corporation.

NO. 12-0279

SAGICOR LIFE INSURANCE
COMPANY CLOSING STATEMENT

Thank you for this opportunity to address the relevant legal and factual issues in this proceeding.

The statutory criteria addressing mergers of insurers in the state of Washington are set forth in RCW 48.31B.015(4) and are recited in the Notice of Hearing dated November 27, 2012, issued in this matter. Those criteria primarily address whether a merger will have a negative effect on the surviving companies' finances or management and whether the proposed merger would have a negative effect on policyholders, the insurance-buying public or the public interest.

Mr. Catmull has a long history in finance and insurance. He holds responsible positions with the two life insurers that are the subject of the proposed merger. He is knowledgeable concerning all relevant aspects of the companies' finances, operations and future plans.

SAGICOR LIFE INSURANCE
COMPANY CLOSING
STATEMENT - 1

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ORIGINAL

Mr. Catmull's testimony addressed each of the six criteria in RCW 48.3B.015(4). He gave credible and informed testimony supporting the conclusion that none of the bases for disapproval in that statute are present. He has also testified that the companies have received no objections or expressions of concern from policyholders, regulators or members of the public about the proposed merger.

Similarly, Mr. Pastuch has testified on behalf of the Commissioner that his and his fellow employees' diligent review of the proposed merger has identified no reason to believe that the merger would have a negative effect on any interested party or the public at large. He has testified credibly that none of the statutory bases for disapproval were found to exist.

Accordingly, the companies respectfully request entry of an order approving the merger pursuant to RCW 48.3B.015(4).

On behalf of Sagicor Life Insurance Company and PEMCO Life Insurance Company I extend my appreciation to Mr. Pastuch and the other persons in the Company Supervision Department of the Washington Office of the Insurance Commissioner for the diligence and courtesy they have demonstrated in reviewing the proposed merger transaction.

I also want to extend the companies' thanks to the hearing officer and Ms. Cairns for expeditiously reviewing this matter so that the companies' business plans, which include effecting an approved merger by year end, might be accommodated.

DATED this 5th day of December, 2012.

CARNEY BADLEY SPELLMAN, P.S.

By 
Timothy J. Parker, WSBA # 8797
Attorney for Sagicor Life Insurance Company

SAGICOR LIFE INSURANCE
COMPANY CLOSING
STATEMENT - 2

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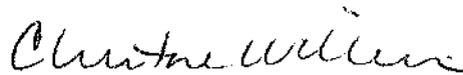
CERTIFICATE OF SERVICE

I, Christine Williams, under oath hereby declare as follows: I am an employee at Carney Badley Spellman, P.S., over the age of 18 years, and not a party to nor interested in this action. On December 6, 2012, I caused to be delivered *via e-mail and legal messenger* a copy of the foregoing document on the following parties:

<u>ORIGINAL TO:</u> Patricia Petersen Chief Hearing Officer Office of Insurance Commissioner 5000 Capitol Boulevard Tumwater, WA 98501	<u>COPIES TO:</u> Robin E. Aronson Staff Attorney, Legal Affairs Division Office of the Insurance Commissioner 5000 Capitol Boulevard Tumwater, WA 98501 Ronald J. Pastuch Holding Company Manager Office of the Insurance Commissioner 5000 Capitol Boulevard Tumwater, WA 98501 James T. Odiorne Deputy Commissioner Office of the Insurance Commissioner 5000 Capitol Boulevard Tumwater, WA 98501
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I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF WASHINGTON THAT THE FOREGOING IS TRUE AND CORRECT.

DATED this 6th day of December, 2012.


Christine Williams, Legal Assistant

OFFICE OF THE INSURANCE COMMISSIONER
STATE OF WASHINGTON

In the Matter of the Proposed Merger of:

PEMCO LIFE INSURANCE
COMPANY, a Washington domestic
insurer

with and into

SAGICOR LIFE INSURANCE
COMPANY

NO. 12-0279

DECLARATION OF BART CATMULL

1. My name is Bart F. Catmull. I am the Chief Operating Officer and Chief Financial Officer of Sagicor Life Insurance Company ("SLIC") and have served in those capacities since 2006 and 2011, respectively. I received my B.A. in accounting from Brigham Young University in 1992. Prior to joining the predecessor of SLIC in 1999, I worked for seven years with PricewaterhouseCoopers. When I left that firm I was a Senior Manager in its National Accounting Practices office. On September 20, 2012, the Washington State Office of the Insurance Commissioner approved SLIC's acquisition of PEMCO Life Insurance Company ("PLIC"). The acquisition of PLIC closed on September 28, 2012. Since that date I have also served as Chief Operating Officer and Chief Financial Officer of PLIC. I am therefore suited, and authorized, to provide this sworn testimony on behalf of both companies. I provide this Declaration in accordance with the November 27, 2012, Notice of Hearing [OIC No. 12-0279]. This declaration is based on my personal knowledge and is provided subject to the laws of perjury in the State of Washington.

DECLARATION OF BART
CATMULL -- 1

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ORIGINAL

2. SLIC is a stock insurance corporation domiciled in Texas. It was organized and incorporated under Texas law in 1954 and operates under Texas Certificate of Authority No. 14192. Its statutory home office is located at 900 Congress Avenue, Austin, Texas 78701. SLIC maintains administrative locations in Scottsdale, Arizona, and Tampa, Florida. The Texas Department of Insurance has acquiesced to maintenance of books and records at those locations.

3. SLIC is licensed in the state of Washington under Certificate of Authority No. 286, NAIC Company Code 60445. Its Washington certificate of authority allows it to transact disability as well as life insurance and annuity contracts; however, presently the company provides only life and annuity products in Washington as well as in the 43 other states in which it is licensed.

4. PLIC is a stock insurance corporation domiciled in the state of Washington. It was organized and incorporated under Washington law in 1963. PLIC is licensed to transact life insurance in Washington under Certificate of Authority No. 923, NAIC Company code 71803.

5. I am aware of the Washington statutory criteria that govern applications for mergers of insurance companies. I address each of them below.

a. If the merger of SLIC and PLIC is approved and effectuated, there will be no negative effect on the surviving company's finances or operations. The surviving company will have capital and surplus well in excess of statutory requirements and it will be able to satisfy all the legal requirements for issuance of a license to transact life and related lines of insurance in Washington, Texas and the other jurisdictions where it is authorized to transact insurance.

b. Neither PLIC nor SLIC maintains a significant share of the life, annuity or disability market in the state of Washington. As of 2011, SLIC had only 183 active life policies and 154 policyholders in the state of Washington. PLIC has approximately 7,500 policyholders. Together the companies have only a miniscule share of the market so merger will not substantially lessen competition in the relevant markets.

c. As of September 30, 2012, the quarterly financial statements on file with the NAIC reflect SLIC's assets at \$957.6 million, liabilities at \$902.3 million and surplus of \$55.3 million. SLIC has a financial rating from A.M. Best of A- and an ACL RBC of 612%. As of that date, PLIC's NAIC filings reflect assets of \$11.9, liabilities of \$5.8 and surplus of \$6.1. Merger of the two companies will not jeopardize the financial stability of the surviving entity nor will it prejudice the interests of the policyholders.

DECLARATION OF BART
CATMULL - 2

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d. SLIC has no plans to sell significant assets, enter into further consolidations or mergers or make any other material change in its business structure or management that would have unfair or unreasonable consequences for policyholders or a negative impact on the public interest.

e. As demonstrated at the Form A hearing that considered SLIC's application for acquisition of PLIC, the competence, experience and integrity of the management and persons who will control the surviving entity are not such that policyholders' interests or the interests of the public would be negatively affected. The management team of the surviving entity is experienced, capable and of high integrity.

f. The merger will result in a strong, well-managed and well-regarded insurer that is well-positioned to serve the insurance-buying public. I am aware of nothing about the merger that could be considered hazardous or prejudicial to consumers, potential consumers or the public.

6. As of the date of this declaration neither SLIC nor PLIC has received any objection or expression of concern from policyholders, regulators, the public or any quarter concerning the proposed merger. I intend to canvass company personnel involved in this transaction immediately prior to the December 12, 2012, hearing in order to confirm that this remains the case

I declare under penalty of perjury under the laws of the state of Washington that the foregoing is true and correct.

DATED this 4th day of December, 2012.



Bart F. Catmull, COO/CFO
Sagicor Life Insurance Company and PEMCO
Life Insurance Company

DECLARATION OF BART
CATMULL -- 3

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I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF WASHINGTON THAT THE FOREGOING IS TRUE AND CORRECT.

DATED this 6th day of December, 2012.



Christine Williams, Legal Assistant

DECLARATION OF BART
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