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OFFICE OF
INSURANCE COMMISSIONER

HEARINGS UNIT
Fax: (360) 664-2782

Patricia D. Petersen
Chief Hearing Officer

Patricia D. Petersen
Chief Hearing Officer
(360) 725-7105

Kelly A. Cairns
Paralegal
(360) 725-7002
KellyC@oic.wa.gov

August 17, 2012

BY REGULAR MAIL AND ELECTRONIC MAIL

Timothy J. Parker, Esq.
Carney Badley Spellman, P.S.
701 Fifth Avenue, Suite 3600
Seattle, WA 98104

RE: Proposed Acquisition and Merger of PEMCO Life Insurance Company by Sagicor Life Insurance Company; Docket No. 12-0203

Dear Mr. Parker:

In an effort to accommodate Sagicor Life Insurance Company's ("Sagicor Life" or "Applicant") request that its request for approval of its proposed acquisition be adjudicated in time to close this transaction (if approved) by the end of September, the prehearing conference herein was held on July 19, 2012, and the Notice of Hearing was issued on August 13, 2012. As indicated in the Notice of Hearing, however, there are several areas where further information was needed and as of this date we have received no other information from you regarding these issues:

1. Item 4 on page 4 of the Form A statement requires the Applicant to describe the "nature, source and amount of funds" to be used for the transaction. Your (Applicant's) response provided, after stating the purchase price, is: "Applicant will pay in cash." You have not stated the source, i.e., where specifically is the Applicant's cash to come from to make this purchase?
2. It does not appear that you have obtained the OIC's staff's review and agreement (via, e.g., a review of its latest financial statement and identification of source of purchase money) that the Applicant has sufficient resources/cash to complete this

transaction pursuant to the Stock Purchase Agreement, because you have not identified the source of cash to make this purchase.

3. Please explain why the Applicant has always been domiciled in Texas but you state its official address as being in Scottsdale, Arizona, and elsewhere you state that the Applicant has also conducted its business from the address in Scottsdale, Arizona for thirty years (April 19 letter to Mr. Ronald J. Pastuch).
4. Your Form A lacks basic information concerning the Applicant which is not appropriate to be required to be researched by the OIC staff or the undersigned (except in some circumstances for purposes of verification). What are the Applicant's Texas and Washington Certificate of Authority numbers? What specific lines of insurance is the Applicant now authorized to conduct in Texas and Washington? In what other states (and countries if applicable, e.g., Barbados) is the Applicant authorized to conduct insurance business, and for what specific lines of insurance? Is the Applicant a life company? --a life and disability company? In other words, please provide the proper full description and current authority of the Applicant.
5. During the prehearing conference you raised the Applicant's request that the hearing on the proposed merger be held, if possible, on September 13 directly following the acquisition hearing. Recognizing that the OIC staff indicated its willingness to accommodate your request if possible, the undersigned tentatively scheduled that hearing for September 13 as well. However, either before or since the prehearing conference, all that has been filed regarding the proposed merger to date are several undated, unsigned, draft documents with no letter of explanation or other material. Please note that - although it is recognized that the merger would not take place until after the acquisition is approved (if it is approved) and would therefore involve some different authorizing individuals, it still involves PEMCO Life as the Washington domestic insurer and Sagacor Life. As always, compliance with RCW 48.31B.015 is required, including the typical letter from the Applicant or its representative outlining the proposed merger how it fits into the process involving the proposed acquisition, what your plan is for submitting final (not draft) documents, filing the Form A including all information specifically required by RCW 48.31B.015 and elsewhere as referenced therein, notification to be filed with the OIC and completion of the required waiting period. It would not be appropriate to expect either the OIC staff or the undersigned to go through the Form A concerning the acquisition, to identify and separate those documents which would pertain to the merger, compile a proper Form A regarding the proposed merger and then let you know what else is needed to fully complete your filing.

Relative to Item 5 above relating to the proposed merger, due to lack of filing of the proper notice which commences the required RCW 48.31B.015 waiting period, and other information and documents required under that statute as discussed in Item 5, the hearing on the Applicant's request for approval of its proposed merger cannot take place on September 13. However, in an

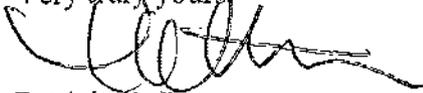
Mr. Timothy J. Parker, Esq.

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effort to see that the hearing on the Applicant's request for approval of its proposed acquisition is at least still able to take place on September 13 as scheduled, your responses to the above issues must be filed by August 24, 2012. Further, should your review of RCW 48.31B.015 and related statutes indicate that any other information may become necessary to include in evidence at the September 13 hearing on the proposed acquisition, please make sure that it is either included in the written testimony or is available to the Applicant's witnesses for presentation, as appropriate.

Very truly yours,



Patricia D. Petersen
Chief Presiding Officer

Copies sent by email to:

Bart Catmull, Chief Operating Officer, Sagicor Life Insurance Co.

Jim Golembiewski, AVP Compliance & Associate General Counsel, Sagicor Life Insurance Co.

Kasandra Moeskau, Sneed Vinc & Perry, P.C., Outside Counsel for Sagicor Life Insurance Co.

William Clumpner, V.P. & General Counsel, PEMCO Life Insurance Co.

Robin Aronson, Esq., Staff Attorney, Legal Affairs Division

Ronald J. Pastuch, OIC Holding Company Manager