

Cairns, Kelly (OIC)

From: Pastuch, Ron (OIC)
Sent: Friday, July 13, 2012 11:53 AM
To: OIC Hearings Unit
Cc: Odiorne, Jim (OIC); Aronson, Robin (OIC)
Subject: FW: Sagicor - PEMCO Life
Attachments: Application for Merger 6-29-12 - final ('ng10br61sd.003').doc; Articles of Merger 6-29-12 - final ('ng10e8613z.003').doc; PEMCO-Dir Consent - final ('ng10e861jj.003').doc; PEMCO-SH Consent - final ('ng10e861vp.003').doc; Sagicor-SH Consent ('ng10e961j5').doc; Sagicor-Sec Cert BoD ('ng10e961dm').doc; Sagicor-Dir Consent ('ng10e9618s').doc; Sagicor Sec Cert SH ('ng10e96144').doc; PEMCO-Sec Cert SH ('ng10e861qm').doc; Plan of Merger 6-29-12 ('ng10e861zz').doc; PEMCO Sec Cert BoD ('ng10e861cq').doc

Good morning, Judge Petersen.

OIC staff is forwarding an amendment to the Form A filing filed by Sagicor Life Insurance Company on its proposed acquisition of control and merger of PEMCO Life Insurance Company. This amendment to the Form A filing contains draft copies of the proposed merger after, if approved, Sagicor Life acquires control of PEMCO Life. We thought presenting these draft documents now would provide a complete picture of the Applicant's business plan of PEMCO Life as described in the Form A filing.

Thank you,

Ronald J. Pastuch, CPA

Holding Company Manager
Company Supervision Division
Washington State Office of the Insurance Commissioner

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Protecting insurance consumers
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From: Parker, Tim [<mailto:Parker@carneylaw.com>]
Sent: Wednesday, July 11, 2012 4:59 PM
To: Pastuch, Ron (OIC)
Cc: Williams, Christine; Odiorne, Jim (OIC); Aronson, Robin (OIC)
Subject: Sagicor - PEMCO Life

Ron-

Here is the Plan of Merger, Articles of Merger, Application for Merger and appropriate consents and resolutions.

I intend to ask Ms. Peterson to conclude, as part of the Form A hearing, that the proposed merger reflected in these documents is "fair, equitable and consistent with law" per 48.31.010. If the merger is approved it will probably take effect upon the close of the 3d quarter to simplify quarterly reporting for Sagicor Life and PEMCO Life.

I will call you to discuss this plan.

-Tim

APPLICATION FOR MERGER

PEMCO Life Insurance Company, a Washington stock insurance company, organized under Chapters 48.07 and 48.08 of the Washington Insurance Code ("PEMCO"), and Sagicor Life Insurance Company, a Texas life and health insurance company, organized under Chapter 841 of the Texas Insurance Code ("Sagicor"), make this Application for Merger as follows:

1. PEMCO proposes to merge into Sagicor. Sagicor will be the surviving corporation of the merger.
2. Attached as Exhibit "A" are the Articles of Merger to be used in connection with the proposed merger.
3. Attached as Exhibit "B" is the Plan of Merger between PEMCO and Sagicor dated _____, 2012.
4. Attached as Exhibit "C" are the board of directors' resolutions for both PEMCO and Sagicor with original signatures, certified by the secretary of each respective company approving the Agreement and Plan of Merger dated _____, 2012. The effective date of the merger will be 12:01 a.m., _____. The Articles of Incorporation of Sagicor will not be affected by the merger.
5. Attached as Exhibit "D" are copies of the shareholder resolutions for both PEMCO and Sagicor, certified by the secretary of each respective company, approving the Agreement and Plan of Merger. PEMCO is a direct wholly-owned subsidiary of Sagicor. Therefore no formal shareholder meeting notice was provided.
6. Attached as Exhibit "E" is a copy of the Assumption Certificate filing made with the Washington Department of Insurance.
7. Attached as Exhibit "F" is the balance sheet of PEMCO, the balance sheet of Sagicor, and a combined pro forma all as of December 31, 2011.
8. Attached as Exhibit "G" is an analysis of surplus on the Texas standard form for PEMCO as well as an analysis of surplus for Sagicor. Following the proposed merger, the earned surplus account of the surviving corporation will be as shown on Exhibit "H".
9. PEMCO was issued its Washington Certificate of Authority on _____. PEMCO's Certificate of Authority is attached as Exhibit "I".
10. A \$750 filing fee is attached to the cover letter.
11. The management of PEMCO and Sagicor are not aware of any admissible assets of

either corporation that will be rendered non-admissible by reason of the proposed merger.

12. Attached as Exhibit "J" is a letter from legal counsel stating that the merger will not violate any of the appropriate state or federal laws dealing with anti-trust or restraint of trade practices.

IN WITNESS WHEREOF, both corporations have caused this Application for Merger to be executed by their officers thereunto duly authorized this 10th day of July, 2012.

PEMCO LIFE INSURANCE COMPANY

By: _____
Bart F. Catmull, Treasurer, CFO and COO

SAGICOR LIFE INSURANCE COMPANY

By: _____
Bart F. Catmull, Treasurer, CFO and COO

THE STATE OF _____

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COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared Bart F Catmull, Treasurer, CFO and COO of **PEMCO Life Insurance Company**, known to me to be the person who executed the foregoing instrument and acknowledged to me that he/she executed it for the purposes and considerations therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2012.

Notary Public in and for the
State of _____

(seal)

My Commission Expires: _____

THE STATE OF _____

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COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared Bart F Catmull, Treasurer, CFO and COO of **Sagicor Life Insurance Company**, known to me to be the person who executed the foregoing instrument and acknowledged to me that he/she executed it for the purposes and considerations therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2012.

Notary Public in and for the
State of _____

(seal)

My Commission Expires: _____

ARTICLES OF MERGER

Pursuant to the provisions of Chapter 10 of the Texas Business Organizations Code, Chapter 824 of the Texas Insurance Code, Chapter 23B.11 of the Washington Business Corporation Act and Chapter 48.31 of the Washington Insurance Code, the undersigned corporations adopt the following Articles of Merger for the purpose of merging PEMCO Life Insurance Company into Sagicor Life Insurance Company.

1. The names of the corporations to be merged under these Articles and the state under the laws of which they are respectively organized are as follows:

<u>Name</u>	<u>Jurisdiction</u>
PEMCO Life Insurance Company	Washington
Sagicor Life Insurance Company	Texas

2. As to each of the undersigned corporations, the number of shares outstanding and the number of shares voting in favor of the Plan of Merger is set forth below. PEMCO Life Insurance Company has only one class of stock, that being Common Stock and the holders thereof are entitled to one vote for each share held of record on all matters voted on by stockholders. Sagicor Life Insurance Company has only one class of stock, that being Common Stock and the holders thereof are entitled to one vote for each share held of record on all matters voted on by stockholders.

<u>NAME OF CORPORATION</u>	<u>TOTAL NUMBER OF SHARES OUTSTANDING</u>	<u>TOTAL VOTED FOR</u>	<u>TOTAL VOTED AGAINST</u>
PEMCO Life Insurance Company	12,500	12,500	0
Sagicor Life Insurance Company	2,000,000	2,000,000	0

4. A copy of the resolution adopted by the Board of Directors of each corporation approving the merger of PEMCO Life Insurance Company and Sagicor Life Insurance Company is attached to and incorporated by reference into these Articles as Exhibit "A". The resolution was approved by unanimous written consent of the Board of Directors of PEMCO Life Insurance Company effective _____, 2012. The resolution was approved by unanimous written consent of the Board of Directors of Sagicor Life Insurance Company effective _____, 2012.

5. The Plan of Merger that has been approved by the shareholders of each corporation in the manner prescribed by the laws under which it was incorporated and by its constituent documents is set forth in the attached Exhibit "B", and incorporated herein by this reference.

Executed to be effective _____, 2012.

PEMCO LIFE INSURANCE COMPANY

By: _____
Dodridge Miller, President

By: _____
Sandra Osborne, Secretary

SAGICOR LIFE INSURANCE COMPANY

By: _____
Dodridge Miller, President

By: _____
Sandra Osborne, Secretary

THE STATE OF _____
COUNTY OF _____

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BEFORE ME, the undersigned authority, on this day personally appeared Dodridge Miller, President of **PEMCO Life Insurance Company**, known to me to be the person who executed the foregoing instrument and acknowledged to me that he/she executed it for the purposes and considerations therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day of _____, 2012.

Notary Public in and for the
State of _____

(seal)

My Commission Expires: _____

THE STATE OF _____
COUNTY OF _____

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BEFORE ME, the undersigned authority, on this day personally appeared Sandra Osborne, Secretary of **PEMCO Life Insurance Company**, known to me to be the person who executed the foregoing instrument and acknowledged to me that he/she executed it for the purposes and considerations therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day of _____, 2012.

Notary Public in and for the
State of _____

(seal)

My Commission Expires: _____

THE STATE OF _____

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COUNTY OF _____

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BEFORE ME, the undersigned authority, on this day personally appeared Dodridge Miller, President of **Sagicor Life Insurance Company**, known to me to be the person who executed the foregoing instrument and acknowledged to me that he/she executed it for the purposes and considerations therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day of _____, 2012.

Notary Public in and for the
State of _____

(seal)

My Commission Expires: _____

THE STATE OF _____

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COUNTY OF _____

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BEFORE ME, the undersigned authority, on this day personally appeared Sandra Osborne, Secretary of **Sagicor Life Insurance Company**, known to me to be the person who executed the foregoing instrument and acknowledged to me that he/she executed it for the purposes and considerations therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day of _____, 2012.

Notary Public in and for the
State of _____

(seal)

My Commission Expires: _____

PLAN OF MERGER

This plan of merger (the "Plan") is dated as of _____, 2012 and is by and between Sagicor Life Insurance Company, a Texas stock life insurer ("Sagicor Life") and PEMCO Life Insurance Company, a Washington stock life insurer ("PEMCO").

WITNESSETH:

WHEREAS, PEMCO is a corporation duly organized and validly existing as a stock life insurance company under the laws of the State of Washington with an authorized Capital Stock consisting of 112,500 shares of Common Stock, \$10.00 par value, of which 12,500 shares are validly issued and outstanding, fully paid and nonassessable; and

WHEREAS, the respective Boards of Directors of PEMCO and Sagicor Life have determined that it is desirable to effect a plan of reorganization meeting the requirements of Section 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended, whereby on the Effective Date (as hereinafter defined), in accordance with the statutes of Texas and Washington and in accordance with this Plan, PEMCO will be merged into Sagicor Life with Sagicor Life (herein sometimes referred to as the "Surviving Corporation" whenever reference is made to it as of the Effective Date or thereafter) becoming the surviving corporation; and

WHEREAS, the Boards of Directors of both PEMCO and Sagicor Life have approved this Plan and have authorized the execution hereof;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, and in order to prescribe the terms and conditions of the merger and reorganization provided for herein, the mode of carrying the same into effect and such other details and provisions as are deemed necessary or proper, the parties hereto hereby agree as follows:

ARTICLE I

MERGER

Section 1.1. Subject to the adoption and approval of this Plan by the shareholders of PEMCO and Sagicor Life as set forth in Section 1.2 hereof and to the other conditions hereinafter set forth, PEMCO shall be, upon the Effective Date (as defined in Section 1.3 hereof), merged (the "Merger") into Sagicor Life, which shall be the surviving corporation governed by and subject to the laws of the State of Texas.

Section 1.2. This Plan shall be submitted for adoption and approval by the shareholders or members of PEMCO and Sagicor Life in accordance with applicable law.

This Plan shall not be deemed to have been approved and adopted unless and until approved and adopted:

(a) By the affirmative vote of the holders of at least two-thirds (2/3) of the aggregate number of outstanding shares of Capital Stock of PEMCO; and

(b) By the affirmative vote of the holders of at least two-thirds (2/3) of the aggregate number of outstanding shares of Capital Stock of Sagicor Life.

Section 1.3. Immediately after the Plan has been approved by the shareholders of PEMCO and Sagicor Life as provided in Section 1.2 hereof, the Plan shall be filed with the Commissioners of Insurance of the States of Texas and Washington as required by law. Upon the approval of the Plan by such Commissioners as provided by law, the Merger shall become effective at 12:01 a.m. on _____, 2012. The time when the Merger becomes effective, as described in this Section 1.3, is referred to in this Plan as the "Effective Date."

ARTICLE II

NAME AND CONTINUED CORPORATE EXISTENCE OF SURVIVING CORPORATION

The corporate name of Sagicor Life, the corporation whose corporate existence is to survive this Merger and continue thereafter as the Surviving Corporation, and its identity, existence, purposes, powers, objects, franchises, rights and immunities shall continue unaffected and unimpaired by the Merger, and the corporate identity, existence, purposes, powers, objects, franchises, rights and immunities of PEMCO shall be wholly merged into the Surviving Corporation. Accordingly, on the Effective Date, the separate existence of PEMCO shall cease.

ARTICLE III

ARTICLES OF INCORPORATION OF SURVIVING CORPORATION

As of the Effective Date, the Articles of Incorporation of Sagicor Life shall be consistent with the Articles of Incorporation filed in its jurisdiction of domicile.

ARTICLE IV

BYLAWS OF SURVIVING CORPORATION

On and after the Effective Date, the Bylaws of Sagicor Life, as in effect on the Effective

Date, shall be the Bylaws of the Surviving Corporation until the same shall be altered, amended or repealed, or until new Bylaws shall be adopted in accordance with the provisions of law, the Bylaws and the Articles of Incorporation of the Surviving Corporation.

ARTICLE V

DIRECTORS AND OFFICERS OF SURVIVING CORPORATION

Section 5.1. On the Effective Date, the Directors of Sagicor Life then in office shall be the Directors of the Surviving Corporation and shall hold office until the next annual meeting of the members and until their successors are elected and qualified.

Section 5.2. On the Effective Date, the persons listed below shall be and constitute the executive officers of the Surviving Corporation and shall hold office until their successors are elected and qualified:

<u>Name</u>	<u>Office</u>
Dodridge D Miller	President
Sandra Osborne	Corporate Secretary
Bart F Catmull	Treasurer, Chief Financial Officer and Chief Operating Officer
Michael P Stricker	Senior Vice President
Bernard (Ned) Gaffney	Senior Vice President

Section 5.3. If, on or after the Effective Date, a vacancy shall for any reason exist in the Board of Directors or in any of the offices of the Surviving Corporation, such vacancy shall be filled in the manner provided in the Bylaws of the Surviving Corporation.

ARTICLE VI

CAPITAL STOCK OF SURVIVING CORPORATION

Section 6.1. The authorized number of shares of Capital Stock of the Surviving Corporation and the par value thereof shall be as set forth in the Articles of Incorporation of the Surviving Corporation.

Section 6.2. The total number of issued and outstanding shares of Capital Stock of the Surviving Corporation shall remain unchanged.

ARTICLE VII

CONVERSION OF SECURITIES ON MERGER

Section 7.1. The manner and basis of converting the issued and outstanding shares of the Capital Stock of PEMCO into shares of the Capital Stock of the Surviving Corporation shall be as hereinafter set forth in this Article VII.

Section 7.2. Inasmuch as all the issued and outstanding shares of PEMCO prior to the merger are owned by Sagicor Life, upon the Effective Date of the merger such PEMCO shares will be canceled and no additional new Sagicor Life shares will be issued.

ARTICLE VIII

ASSETS AND LIABILITIES

Section 8.1. On the Effective Date, all rights, privileges, powers, immunities and franchises of PEMCO, both of a public and private nature, and all property, real, personal and mixed, and all debts due on whatever account, and all other choses or things in action, and all and every other interest of or belonging to or due to such corporation, shall be taken by and deemed to be transferred to and shall be vested in the Surviving Corporation without further act or deed, and all such rights, privileges, powers, immunities and franchises, property, debts, choses or things in action, and all and every other interest of such corporation shall be thereafter as effectually the property of the Surviving Corporation as they were of PEMCO, and the title to any real or other property, or any interest therein, whether vested by deed or otherwise, in PEMCO shall not revert or be in any way impaired by reason of the Merger; provided, however, that all rights of creditors and all liens upon any properties of PEMCO shall be preserved unimpaired, and all debts, liabilities, restrictions, obligations and duties of PEMCO, including, but not limited to, all obligations, liabilities and duties as lessee under any existing lease, shall thenceforth attach to the Surviving Corporation and may be enforced against it to the same extent as if said debts, liabilities, restrictions, obligations and duties had been incurred or contracted by it. Any action or proceeding pending by or against PEMCO may be prosecuted to judgment as if the Merger had not taken place, or the Surviving Corporation may be substituted in place of PEMCO in actions against it.

Section 8.2. The Surviving Corporation shall assume all of the outstanding life, health and accident insurance policies and annuity policies, if any, heretofore issued, assumed, co-insured or reinsured by PEMCO and in force on the Effective Date of this Plan, so as to carry out in manner and form all of the obligations of PEMCO as contained in said policies and contracts according to the true intent and tenure thereof, subject, however, to the rights of defense as have been or might or could be possessed by PEMCO.

Section 8.3. PEMCO hereby agrees that from time to time, as and when requested by the Surviving Corporation, or by its successors and assigns, PEMCO will execute and deliver or cause to

be executed and delivered, all such deeds and other instruments, and will take or cause to be taken such further or other action as the Surviving Corporation, its successors or assigns, may deem necessary or desirable in order to vest or perfect in or confirm to the Surviving Corporation, its successors and assigns, title to and possession of all the property, rights, privileges, powers, immunities, franchises and interest referred to in this Article VIII and otherwise to carry out the intent and purpose of this Plan.

Section 8.4. The assets and liabilities of PEMCO shall be taken up on the books of the Surviving Corporation in the amounts at which they shall be carried on the books of PEMCO on the Effective Date, and the capital surplus, paid-in surplus and retained earnings accounts of the Surviving Corporation shall be determined, in conformity with accounting practices prescribed or permitted by the Insurance Department of the State of Texas and by the Board of Directors of the Surviving Corporation. Nothing herein shall prevent the Board of Directors of the Surviving Corporation from making any future changes in its accounts in accordance with law.

ARTICLE IX

TERMINATION AND ABANDONMENT

Section 9.1. Anything contained in this Plan to the contrary notwithstanding, this Plan may be terminated and the Merger abandoned at any time (whether before or after the approval and adoption thereof by the shareholders of PEMCO and Sagicor Life) prior to the Effective Date by mutual consent of the Boards of Directors of PEMCO and Sagicor Life.

Section 9.2. In the event of the termination and abandonment of this Plan pursuant to the provisions of Section 9.1 hereof, the same shall become void and have no effect, without any liability on the part of PEMCO or Sagicor Life or their directors or officers or shareholders in respect of this Plan.

Section 9.3. Any of the terms or conditions of this Plan may be waived at any time by the corporation which is entitled to the benefit thereof, by action taken by its Board of Directors or the Executive Committee of its Board of Directors; provided, however, that such action shall be taken only if, in the judgment of the Board of Directors or the Executive Committee taking the action, such waiver will not have a materially adverse effect on the benefits intended under this Plan to the shareholders of such corporation.

ARTICLE X

AMENDMENT

Anything contained in this Plan or elsewhere to the contrary notwithstanding, this Plan may be amended or modified at any time (whether before or after the approval and adoption thereof by the shareholders of PEMCO and Sagicor Life) by the mutual consent of the Boards of Directors of PEMCO and Sagicor Life.

ARTICLE XI

MISCELLANEOUS

Section 11.1. This Plan shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

Section 11.2. This Plan shall be construed and interpreted in accordance with the laws of the State of Texas.

Section 11.3. This Plan may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have, pursuant to the authority duly given by their respective Board of Directors, caused this Plan to be executed on their behalf and in their corporate name by their respective President and their corporate seal to be hereunto affixed and attested by their respective Secretary, all as of the date and year first written above.

PEMCO Life Insurance Company

ATTEST:

Sandra Osborne, Secretary

By: _____
Dodridge Miller, President

Sagicor Life Insurance Company

ATTEST:

Sandra Osborne, Secretary

By: _____
Dodridge Miller, President

THE STATE OF _____

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COUNTY OF _____

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BEFORE ME, the undersigned authority, on this day personally appeared Dodridge Miller, President of **Sagicor Life Insurance Company**, known to me to be the person who executed the foregoing instrument and acknowledged to me that he/she executed it for the purposes and considerations therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2012.

Notary Public in and for the
State of _____

(seal)

My Commission Expires: _____

THE STATE OF _____

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COUNTY OF _____

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BEFORE ME, the undersigned authority, on this day personally appeared Sandra Osborne, Secretary of **Sagicor Life Insurance Company**, known to me to be the person who executed the foregoing instrument and acknowledged to me that he/she executed it for the purposes and considerations therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2012.

Notary Public in and for the
State of _____

(seal)

My Commission Expires: _____

**CERTIFICATE OF SECRETARY
OF
SAGICOR LIFE INSURANCE COMPANY**

The undersigned secretary of Sagicor Life Insurance Company, a Texas insurance corporation ("Corporation"), hereby certifies that set forth below is a true and correct copy of certain resolutions duly adopted by the Board of Directors of the Corporation on _____, 2012 and that such resolutions are in full force and effect and have not been amended or rescinded.

RESOLVED, That the Plan of Merger in the form attached hereto, pursuant to which PEMCO Life Insurance Company, a Washington insurance corporation, will be merged (the "Merger") with and into the Corporation (the "Surviving Corporation") is hereby approved; and be it further

RESOLVED, That the appropriate officers of the Corporation are hereby authorized and empowered to do such acts and things as are necessary and proper to submit the proposed Merger to the sole shareholder of the Corporation for its approval; and be it further

RESOLVED, That the appropriate officers of the Corporation are hereby authorized and empowered to (i) execute and deliver for and on behalf of the Corporation any and all agreements, certificates and other instruments that are necessary, advisable or appropriate in order to consummate the Merger and (ii) take any and all actions that they, in their sole discretion, shall deem necessary, advisable or appropriate in order to consummate the Merger or to carry out the purpose and intent of these resolutions; and be it further

RESOLVED, That any and all actions heretofore taken on behalf of the Corporation by its officers and directors in connection with the Merger are hereby approved, ratified and confirmed as the acts of the Corporation without the necessity of any further action by the Corporation.

Dated _____, 2012.

Sandra Osborne, Secretary

**CONSENT OF SOLE SHAREHOLDER
OF
SAGICOR LIFE INSURANCE COMPANY**

Acting pursuant to Section 6.201 of the Texas Business Organizations Code, the undersigned being the sole shareholder of Sagicor Life Insurance Company, a Texas insurance corporation (the "Corporation"), hereby constitutes this its written consent to the adoption of the following resolutions:

RESOLVED, That the Plan of Merger in the form attached hereto, pursuant to which PEMCO Life Insurance Company, a Washington insurance corporation, will be merged (the "Merger") with and into the Corporation (the "Surviving Corporation") is hereby approved; and be it further

RESOLVED, That the President and the Secretary of the Corporation are each hereby authorized and empowered to execute and deliver for and on behalf of the Corporation the Plan of Merger, the Articles of Merger and the Application for Merger in the forms attached hereto, with such changes and additions as they, in their sole discretion, shall deem necessary, advisable or appropriate; and be it further

RESOLVED, That the appropriate officers of the Corporation are hereby authorized and empowered to (i) execute and deliver for and on behalf of the Corporation any and all agreements, certificates and other instruments that are necessary, advisable or appropriate in order to consummate the Merger and (ii) take any and all actions that they, in their sole discretion, shall deem necessary, advisable or appropriate in order to consummate the Merger or to carry out the purpose and intent of these resolutions; and be it further

RESOLVED, That any and all actions heretofore taken on behalf of the Corporation by its officers and directors in connection with the Merger are hereby approved, ratified and confirmed as the acts of the Corporation without the necessity of any further action by the Corporation.

This consent of sole shareholder is dated as of _____, 2012.

SAGICOR USA, INC., Sole Shareholder

BY: _____
Dodridge Miller,
President

**UNANIMOUS CONSENT OF DIRECTORS
OF
SAGICOR LIFE INSURANCE COMPANY**

The undersigned, being all of the directors of Sagicor Life Insurance Company, a Texas insurance corporation (the "Corporation"), hereby constitute this their written consent to the adoption of the following resolutions:

RESOLVED, That the Plan of Merger in the form attached hereto, pursuant to which PEMCO Life Insurance Company, a Washington insurance corporation, will be merged (the "Merger") with and into the Corporation (the "Surviving Corporation") is hereby approved; and be it further

RESOLVED, That the appropriate officers of the Corporation are hereby authorized and empowered to do such acts and things as are necessary and proper to submit the proposed Merger to the sole shareholder of the Corporation for its approval; and be it further

RESOLVED, That the appropriate officers of the Corporation are hereby authorized and empowered to (i) execute and deliver for and on behalf of the Corporation any and all agreements, certificates and other instruments that are necessary, advisable or appropriate in order to consummate the Merger and (ii) take any and all actions that they, in their sole discretion, shall deem necessary, advisable or appropriate in order to consummate the Merger or to carry out the purpose and intent of these resolutions; and be it further

RESOLVED, That any and all actions heretofore taken on behalf of the Corporation by its officers and directors in connection with the Merger are hereby approved, ratified and confirmed as the acts of the Corporation without the necessity of any further action by the Corporation.

This unanimous written consent is dated as of _____, 2012.

Dodridge D Miller

J Arthur Bethell

Beverly Sisson

Ravi Rambarran

John F Shettle Jr.

Todd Campbell

Kendrick A Marshall

Stephen D R McNamara

William P Lucie-Smith

**CERTIFICATE OF SECRETARY
OF
SAGICOR LIFE INSURANCE COMPANY**

The undersigned secretary of Sagicor Life Insurance Company, a Texas insurance corporation ("Corporation"), hereby certifies that set forth below is a true and correct copy of certain resolutions duly adopted by the sole Shareholder of the Corporation on _____, 2012 and that such resolutions are in full force and effect and have not been amended or rescinded.

RESOLVED, That the Plan of Merger in the form attached hereto, pursuant to which PEMCO Life Insurance Company, a Washington insurance corporation, will be merged (the "Merger") with and into the Corporation (the "Surviving Corporation") is hereby approved; and be it further

RESOLVED, That the President and the Secretary of the Corporation are each hereby authorized and empowered to execute and deliver for and on behalf of the Corporation the Plan of Merger, the Articles of Merger and the Application for Merger in the forms attached hereto, with such changes and additions as they, in their sole discretion, shall deem necessary, advisable or appropriate; and be it further

RESOLVED, That the appropriate officers of the Corporation are hereby authorized and empowered to (i) execute and deliver for and on behalf of the Corporation any and all agreements, certificates and other instruments that are necessary, advisable or appropriate in order to consummate the Merger and (ii) take any and all actions that they, in their sole discretion, shall deem necessary, advisable or appropriate in order to consummate the Merger or to carry out the purpose and intent of these resolutions; and be it further

RESOLVED, That any and all actions heretofore taken on behalf of the Corporation by its officers and directors in connection with the Merger are hereby approved, ratified and confirmed as the acts of the Corporation without the necessity of any further action by the Corporation.

Dated _____, 2012.

Sandra Osborne, Secretary

**UNANIMOUS CONSENT OF DIRECTORS
OF
PEMCO LIFE INSURANCE COMPANY**

In accordance with RCW 48.31.010, 48.07.030 and 23B.08.010(2), the undersigned, being all of the directors of PEMCO Life Insurance Company, a Washington insurance corporation (the "Corporation"), hereby constitute this their written consent to the adoption of the following resolutions:

RESOLVED, That the Plan of Merger in the form attached hereto, pursuant to which the Corporation, a Washington insurance corporation, will be merged (the "Merger") with and into Sagacor Life Insurance Company, a Texas insurance corporation (the "Surviving Corporation") is hereby approved; and be it further

RESOLVED, That the appropriate officers of the Corporation are hereby authorized and empowered to do such acts and things as are necessary and proper to submit the proposed Merger to the sole shareholder of the Corporation for its approval; and be it further

RESOLVED, That the appropriate officers of the Corporation are hereby authorized and empowered to (i) execute and deliver for and on behalf of the Corporation any and all agreements, certificates and other instruments that are necessary, advisable or appropriate in order to consummate the Merger and (ii) take any and all actions that they, in their sole discretion, shall deem necessary, advisable or appropriate in order to consummate the Merger or to carry out the purpose and intent of these resolutions; and be it further

RESOLVED, That any and all actions heretofore taken on behalf of the Corporation by its officers and directors in connection with the Merger are hereby approved, ratified and confirmed as the acts of the Corporation without the necessity of any further action by the Corporation.

This unanimous written consent is dated as of _____, 2012.

Dodridge D. Miller

Bart F. Catmull

Beverly Sisson

Todd Campbell

Stephen D. R. McNamara

**CONSENT OF SOLE SHAREHOLDER
OF
PEMCO LIFE INSURANCE COMPANY**

In accordance with RCW 48.31.010, 48.07.030 and 23B.11.030, the undersigned being the sole shareholder of PEMCO Life Insurance Company, a Washington insurance corporation (the "Corporation"), hereby constitutes this its written consent to the adoption of the following resolutions:

RESOLVED, That the Plan of Merger in the form attached hereto, pursuant to which the Corporation, will be merged (the "Merger") with and into Sagicor Life Insurance Company, a Texas insurance corporation (the "Surviving Corporation") is hereby approved; and be it further

RESOLVED, That the President and the Secretary of the Corporation are each hereby authorized and empowered to execute and deliver for and on behalf of the Corporation the Plan of Merger, the Articles of Merger and the Application for Merger in the forms attached hereto, with such changes and additions as they, in their sole discretion, shall deem necessary, advisable or appropriate; and be it further

RESOLVED, That the appropriate officers of the Corporation are hereby authorized and empowered to (i) execute and deliver for and on behalf of the Corporation any and all agreements, certificates and other instruments that are necessary, advisable or appropriate in order to consummate the Merger and (ii) take any and all actions that they, in their sole discretion, shall deem necessary, advisable or appropriate in order to consummate the Merger or to carry out the purpose and intent of these resolutions; and be it further

RESOLVED, That any and all actions heretofore taken on behalf of the Corporation by its officers and directors in connection with the Merger are hereby approved, ratified and confirmed as the acts of the Corporation without the necessity of any further action by the Corporation.

This consent of sole shareholder is dated as of _____, 2012.

SAGICOR LIFE INSURANCE COMPANY, Sole
Shareholder

BY: _____
Dodridge Miller, President

**CERTIFICATE OF SECRETARY
OF
PEMCO LIFE INSURANCE COMPANY**

The undersigned secretary of PEMCO Life Insurance Company, a Washington insurance corporation ("Corporation"), hereby certifies that set forth below is a true and correct copy of certain resolutions duly adopted by the Board of Directors of the Corporation on _____, 2012, and that such resolutions are in full force and effect and have not been amended or rescinded.

RESOLVED, That the Plan of Merger in the form attached hereto, pursuant to which the Corporation, a Washington insurance corporation, will be merged (the "Merger") with and into Sagacor Life Insurance Company, a Texas insurance corporation (the "Surviving Corporation") is hereby approved; and be it further

RESOLVED, That the appropriate officers of the Corporation are hereby authorized and empowered to do such acts and things as are necessary and proper to submit the proposed Merger to the sole shareholder of the Corporation for its approval; and be it further

RESOLVED, That the appropriate officers of the Corporation are hereby authorized and empowered to (i) execute and deliver for and on behalf of the Corporation any and all agreements, certificates and other instruments that are necessary, advisable or appropriate in order to consummate the Merger and (ii) take any and all actions that they, in their sole discretion, shall deem necessary, advisable or appropriate in order to consummate the Merger or to carry out the purpose and intent of these resolutions; and be it further

RESOLVED, That any and all actions heretofore taken on behalf of the Corporation by its officers and directors in connection with the Merger are hereby approved, ratified and confirmed as the acts of the Corporation without the necessity of any further action by the Corporation.

Dated: _____, 2012.

Sandra Osborne, Secretary

**CERTIFICATE OF SECRETARY
OF
PEMCO LIFE INSURANCE COMPANY**

The undersigned secretary of PEMCO Life Insurance Company, a Washington insurance corporation ("Corporation"), hereby certifies that set forth below is a true and correct copy of certain resolutions duly adopted by the sole shareholder of the Corporation on _____, 2012, and that such resolutions are in full force and effect and have not been amended or rescinded.

RESOLVED, That the Plan of Merger in the form attached hereto, pursuant to which the Corporation, will be merged (the "Merger") with and into Sagicor Life Insurance Company, a Texas insurance corporation (the "Surviving Corporation") is hereby approved; and be it further

RESOLVED, That the President and the Secretary of the Corporation are each hereby authorized and empowered to execute and deliver for and on behalf of the Corporation the Plan of Merger, the Articles of Merger and the Application for Merger in the forms attached hereto, with such changes and additions as they, in their sole discretion, shall deem necessary, advisable or appropriate; and be it further

RESOLVED, That the appropriate officers of the Corporation are hereby authorized and empowered to (i) execute and deliver for and on behalf of the Corporation any and all agreements, certificates and other instruments that are necessary, advisable or appropriate in order to consummate the Merger and (ii) take any and all actions that they, in their sole discretion, shall deem necessary, advisable or appropriate in order to consummate the Merger or to carry out the purpose and intent of these resolutions; and be it further

RESOLVED, That any and all actions heretofore taken on behalf of the Corporation by its officers and directors in connection with the Merger are hereby approved, ratified and confirmed as the acts of the Corporation without the necessity of any further action by the Corporation.

Dated _____, 2012.

Sandra Osborne, Secretary