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STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

In the Matter of the Redomestication of

SYMETRA LIFE INSURANCE
COMPANY and SYMETRA NATIONAL
LIFE INSURANCE COMPANY

Authorized Domestic Insurers

NO. 14-0031

PREFILED DIRECT TESTIMONY OF
MARGARET MEISTER

1. Please state your name for the record.

My name is Margaret Meister.

2. Can you state for the record your purpose for being here today?

Yes. I am Chief Financial Officer of Symetra Financial Corporation. We have filed an application for the Redomestication of Symetra Life Insurance Company and Symetra National Life Insurance Company ("Symetra").

3. What is your professional title or position?

I serve as Executive Vice President and Chief Financial Officer for Symetra Financial Corporation and its insurance subsidiaries, including Symetra Life Insurance Company and Symetra National Life Insurance Company. In this capacity, I am responsible for all aspects of company accounting, financial reporting and compliance with regulatory requirements concerning corporate finance.

4. Do you currently hold any other professional titles or positions?

I also serve on the board of directors of Symetra Life Insurance Company and Symetra National Life Insurance Company.

ORIGINAL

1 5. Please describe your educational background.

2 **I received a bachelor of arts degree in math from Whitman College in Walla**
3 **Walla, Washington in 1986.**

4 6. How long have you been employed by your current employer?

5 **I have been employed by Symetra since May of 1988.**

6 7. Please describe your previous employment positions.

7 **My professional-level employment began with Symetra, and I have had no**
8 **material previous employment.**

9 8. Have you been authorized by the Applicants to speak on behalf at this hearing?

10 **Yes.**

11 9. What is the basis for your information and knowledge about the Application to
12 Redomesticate the referenced companies?

13 **In my position as Chief Financial Officer, I have been involved in all significant**
14 **decisions regarding the proposed redomestications, including evaluating the**
15 **financial and legal benefits of the transactions and securing all necessary**
16 **regulatory approvals. I have also consulted with our legal and business**
17 **personnel on various issues related to the proposed redomestications and**
18 **generally have personal knowledge of Symetra's internal business considerations**
19 **and planning in connection with the proposed redomestications.**

20 10. As part of this involvement, have you reviewed the Application and the supplemental
21 information and materials provided to Washington State Office of the Insurance
22 Commissioner relating to the Application, as already admitted into evidence as
23 exhibits to this hearing?

24 **Yes.**

25 11. Do you believe that the Applications and the supplemental information and materials
26 provided to the Department are complete, true and current in all material respects?

Yes.

12. Have the Applicants submitted redomestication applications to the proposed new state
of domicile?

Yes. The Iowa Insurance Division has indicated that it will approve the
Applications after the Washington State Office of the Insurance Commissioner
completes its review of the Applications in order to coordinate the effective date
of the redomestications between the two states. The Iowa Insurance Division has

1 provided letters to the Washington State Office of the Insurance Commissioner
2 confirming that the Division has no objection to the redomestications. A copy of
3 each of these letters is attached to our Prefiled Direct Testimony as Exhibit A.

4 13. What is the purpose of the Proposed Redomestications?

5 As set forth in the Applications, Symetra believes that redomestication to Iowa
6 will further its efforts to grow and diversify its product portfolio and risk profile
7 by permitting it to take advantage of the statutes and regulations governing the
8 life insurance industry in Iowa, including Iowa's legislation that allows the
9 enforcement of derivative netting provisions in the event of insurer insolvency.
10 We also expect the redomestication to Iowa to benefit our competitiveness
11 through enhanced capabilities to offer product features and benefits. We do not
12 expect the change in domicile to affect existing policyholders in the state of
13 Washington or elsewhere. To date, no existing policyholders have expressed any
14 concerns to us concerning the proposed redomestication.

15 Further, Symetra estimates that if the redomestications are approved, substantial
16 savings will be realized in reduced exposure to retaliatory taxes. The
17 redomestications, however, should have no negative revenue impact to the State
18 of Washington.

19 14. The Washington State Insurance Code sets forth two criteria for the Commissioner to
20 consider in approving the Proposed Redomestications. The following responses
21 address those criteria:

22 With respect to the two Washington-domiciled insurers which are the subject
23 of the applications that have been submitted to the Washington State Office of
24 the Insurance Commissioner, will the effect of the redomestications be such
25 that it is not in the interest of the public to permit the redomestications, as
26 contemplated by RCW 48.07.210(2)?

27 This requested change in Symetra's state of domicile will not significantly affect
28 its business operations or employees in the State of Washington. Symetra will
29 maintain its significant presence in Washington. The company recently renewed
30 its lease in Bellevue, Washington, through 2025.

31 I would also note that if the Applications for redomestications are approved,
32 taxes and fees paid to the State of Washington by the companies as foreign
33 insurers would be no different from the taxes and fees paid to the State of
34 Washington as domestic insurers. Savings relating to reduced retaliatory taxes
35 paid relate solely to taxes paid in other states and has no detrimental impact on
36 the State of Washington.

37 With respect to the two Washington-domiciled insurers which are the subject
38 of the applications that have been submitted to the Washington State Office of
39 the Insurance Commissioner, will the effect of the redomestications be such

1 that it is not be in the interest of the insurers' policyholders in this state to
2 permit the redomestications, as contemplated by RCW 48.07.210(2)?

3 **The proposed redomestications will be seamless and virtually invisible to**
4 **Symetra's Washington policyholders because they will not result in any changes**
5 **to its producer base or to their methods and ability to handle claims and service**
6 **policyholders. The proposed redomestications, if approved, will not have any**
7 **substantive impact on the contractual or statutory rights of the applicants'**
8 **Washington policyholders. Nor will the redomestications have a material impact**
9 **on any pending litigation filed in Washington involving the Symetra's**
10 **Washington policyholders. In addition, all of Symetra's policyholders will**
11 **benefit from the fact that the proposed redomestications will enable it to compete**
12 **more effectively in the marketplace as a result of the significant annual**
13 **retaliatory tax savings. Finally, if the redomestications requests are approved,**
14 **each one of the Symetra Applicants will conduct insurance business as a foreign**
15 **insurer and will qualify as such without interruption. As a consequence, the**
16 **redomestications of Symetra should be virtually seamless to the its Washington**
17 **policyholders.**

- 18 15. What are the strategic plans for the next 5 years for the location of the company
19 operations and staff currently in Washington? 10 years? Are there plans to
20 restructure, consolidate, eliminate or move any of the staff or current operations
21 located in Washington?

22 **There are no current strategic plans in the next 5 or 10 years to restructure,**
23 **consolidate, eliminate or to move Symetra's Washington-based operations or**
24 **employee population. To the contrary, Symetra plans to continue its substantial**
25 **presence in the State of Washington. For example, Symetra employs 70 more**
26 **Washington state residents than it did on January 1, 2014 – an 8% increase.**

As I said in my answer to the previous question, the proposed redomestications
will be seamless to Symetra's Washington policyholders because they will not
result in any changes to its producer base or to their methods and ability to
handle claims and service policyholders. The proposed redomestications, if
approved, will not have any substantive impact on the contractual or statutory
rights of Symetra's Washington policyholders. Nor will the redomestications
have a material impact on any pending litigation filed in Washington involving
our Washington policyholders.

16. Have the applicants or any of their affiliates, employees, officers or directors, or other
affiliates received any comments, complaints or concerns concerning these proposed
redomestications?

The proposed redomestications have been the subject of limited media reports,
and, where appropriate, we have responded to requests for comments from
journalists and other interested parties. We have not received any comments,

1 complaints or concerns from any policyholders, and no residents of the state of
2 Washington have contacted us with any comments, complaints or concerns.

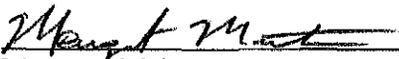
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17. Is there anything else you would like to add?

I would like to express my appreciation to the staff of the Washington State Office of the Insurance Commissioner for the careful review that has been applied to this application. I'd also like to express appreciation to Judge Finkle for his review and attention to this matter. Symetra firmly believes that the applications that have been submitted, together with the testimony and exhibits offered at the hearing today, demonstrates that there is no basis for the Office of the Insurance Commissioner to determine that the proposed transfers of domicile are not in the best interests of the public or the insurers' policyholders in this State. If the proposed transfers of domicile are approved, Symetra will continue to maintain a significant business and employee presence in the state, and will continue to maintain active involvement with important charitable and civic activities throughout the State of Washington. Further, if the proposed transfers of domicile are approved, Symetra will continue to effectively administer policyholder claims and related policyholder services. The proposed transfers of domicile will not impact pending litigation involving policyholders or adversely impact their contractual rights nor will it result in the wholesale removal of assets out of the State of Washington. Accordingly, Symetra request the approval of the applications as soon as possible.

VERIFICATION

I, Margaret Meister, declare under penalty of perjury of the laws of the State of Washington that the foregoing answers are true and correct.

DATED this 12th day of June, 2014, at Bellevue, Washington.



Margaret Meister
Executive Vice President and Chief Financial
Officer, Symetra Life Insurance Company and
Symetra National Life Insurance Company

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DECLARATION 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 June 12, 2014, I caused to be delivered via *email and legal messenger* a copy of the foregoing document on the following parties at the last known address as stated: _____

Judge George Finkle (Ret.) Hearing Officer Office of the Insurance Commissioner 5000 Capitol Boulevard Tumwater, WA 98501 kellyc@oic.wa.gov	<u>Attorney for OIC</u> Andrea Philhower, Staff Attorney Legal Affairs Division Office of Insurance Commissioner P.O. Box 40255 Olympia, WA 98504-0255 andreap@oic.wa.gov
	<u>Office of the Insurance Commissioner</u> Gayle Pasero Company Licensing Manager Office of Insurance Commissioner P.O. Box 40255 Olympia, WA 98504-0255 gaylep@oic.wa.gov

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

DATED this 12 day of June, 2014.



Christine Williams, Legal Assistant

Prefiled Direct Testimony of
Margaret Meister

EXHIBIT A



STATE OF IOWA

TERRY E. BRANSTAD
GOVERNOR

NICK GERHART
COMMISSIONER OF INSURANCE

KIM REYNOLDS
LT. GOVERNOR

June 2, 2014

Gayle Pasero, CPCU
Company Licensing Manager
Company Supervision Division
Washington State Office of the Insurance Commissioner
P.O. Box 40259
Olympia, WA 98504-0255

Re: Redomestication of Symetra Life Insurance Company

Dear Ms. Pasero,

This letter will confirm that the Iowa Insurance Division has no objection to the redomestication of Symetra Life Insurance Company to Iowa from the State of Washington.

Please advise if we may provide further assistance.

Very truly yours,

A handwritten signature in black ink, appearing to read "James Armstrong".

James Armstrong, CFE, CPA
Deputy Commissioner and Chief Examiner



STATE OF IOWA

TERRY E. BRANSTAD
GOVERNOR

NICK GERHART
COMMISSIONER OF INSURANCE

KIM REYNOLDS
LT. GOVERNOR

June 2, 2014

Gayle Pasero, CPCU
Company Licensing Manager
Company Supervision Division
Washington State Office of the Insurance Commissioner
P.O. Box 40259
Olympia, WA 98504-0255

Re: Redomestication of Symetra National Life Insurance Company

Dear Ms. Pasero,

This letter will confirm that the Iowa Insurance Division has no objection to the redomestication of Symetra National Life Insurance Company to Iowa from the State of Washington.

Please advise if we may provide further assistance.

Very truly yours,

A handwritten signature in black ink, appearing to read "James Armstrong".

James Armstrong, CFE, CPA
Deputy Commissioner and Chief Examiner