

STATE OF WASHINGTON

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Hearings Unit, OIC
Patricia D. Petersen
Chief Hearing Officer



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MIKE KREIDLER
STATE INSURANCE COMMISSIONER
DECLARATION OF MAILING

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery of a true copy of this document to parties listed below
DATED this 20th day of September 2005
at Tumwater, Washington.

Signed: Wendy Galloway

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

BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of the Merger of:)
) NO. G05-39
AMERICAN STATES LIFE INSURANCE)
COMPANY, an Indiana Life Insurance) FINAL ORDER APPROVING
Company, with and into SYMETRA LIFE) PROPOSED MERGER OF
INSURANCE COMPANY, a Washington) AMERICAN STATES LIFE
Life Insurance Company.) INSURANCE COMPANY INTO
) SYMETRA LIFE INSURANCE
) COMPANY

TO: George C. Pagos, Vice-President, General Counsel & Secretary
Symetra Financial Corporation
777 108th Avenue NE, Suite 1200
Bellevue, WA 98004-5135

Randall H. Talbott, President
Symetra Life Insurance Company & American States Life Insurance Company
777 108th Avenue NE, Suite 1200
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Julie M. Bodmer, Counsel, Asst. Secretary & Jeff Laurence, Counsel
Symetra Financial Corporation, Symetra Life Insurance Company &
American States Life Insurance Company
777 108th Avenue NE, Suite 1200
Bellevue, WA 98004-5135

COPY TO: Mike Kreidler, Insurance Commissioner
Michael G. Watson, Chief Deputy Insurance Commissioner
James T. Odiorne, Deputy Commissioner, Company Supervision
James E. Tompkins, Assistant Deputy Commissioner, Company Supervision
Carol Sureau, Deputy Commissioner for Legal Affairs
Office of Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504-0255

Mailing Address: P.O. Box 40255 • Olympia, WA 98504-0255
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Pursuant to chapter 34.05 RCW; Chapter 48.31 RCW and specifically RCW 48.31.010; 48.04.010; and WAC 10-08-210, and after notice to interested parties and persons (see notice detailed below), the above-entitled matter came on regularly for hearing before the Insurance Commissioner of the state of Washington on July 5, 2005, in the Office of the Insurance Commissioner, Tumwater, Washington. All persons to be affected by the above-entitled matter were given the right to be present at such hearing, during the giving of testimony, and had reasonable opportunity to inspect all documentary evidence. The Insurance Commissioner (Commissioner) was represented by James E. Tompkins, Asst. Deputy Commissioner in his Company Supervision Division. Symetra Financial Corporation (Symetra), Symetra Life Insurance Corporation (SLIC) and American States Life Insurance Corporation (ASLIC) were represented by Julie M. Bodmer, Counsel and Asst. Secretary and Jeffrey L. Laurence, Counsel.

NATURE OF PROCEEDING

By filing with the Commissioner dated May 19, 2005, Symetra, SLIC and ASLIC applied to the Commissioner for approval of its proposed merger of ASLIC with and into SLIC. Specifically, in this proposed transaction Symetra, SLIC and ASLIC propose that SLIC shall acquire control of ASLIC, and that SLIC shall acquire, assume, and consolidate into SLIC all assets and liabilities of ASLIC from and after the effective date of the proposed merger. The requested effective date of the proposed merger is October 1, 2005.

FINDINGS OF FACTS

Having considered the evidence and argument presented at the hearing, and the documents on file herein, the undersigned, who was properly designated to hear and make the final determination in this matter, finds as follows:

1. The hearing was duly and properly convened and all substantive and procedural requirements under the laws of the state of Washington have been satisfied.
2. Symetra is a privately held insurance holding company incorporated under the laws of the state of Delaware. Its executive offices are located in Redmond, WA (effective July 15, 2005, its executive offices will be located in Bellevue, WA). Through its operating subsidiaries, Symetra provides life insurance and annuities, group insurance, employee benefits and retirement plans throughout the United States. [Ex. 1, Application for Approval of Proposed Merger; Ex. 2, Declaration of Julie M. Bodmer.]
3. SLIC is a Washington domestic stock life insurance company authorized to conduct insurance business in all states and the District of Columbia, except New York. [Ex. 1, Application for Approval of Proposed Merger; Ex. 2, Declaration of Julie M. Bodmer.] SLIC has its executive offices in Redmond, WA (effective July 15, 2005, its executive offices will be located in Bellevue, WA).

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4. ASLIC is an Indiana domestic stock life insurance company authorized to conduct insurance business in all states and the District of Columbia, except New York. [Ex. 1, Application for Approval of Proposed Merger; Ex. 2, Declaration of Julie M. Bodmer.] Its executive offices are located in Redmond, WA. Besides Indiana, ASLIC is admitted to do business in the District of Columbia and all states except New York.

5. Symetra owns 100% of all issued and outstanding shares of SLIC. SLIC, in turn, owns 100% of the authorized capital stock of ASLIC, which consists of 2,500,000 shares of common stock, all of which has been issued and are currently outstanding. [Ex. 1, Application for Approval of Proposed Merger; Ex. 2, Declaration of Julie M. Bodmer.]

6. Under the terms of this proposed merger, all 2,500,000 issued and outstanding shares of ASLIC, being owned in their entirety by SLIC, and all rights in respect of such shares, would be canceled as of the effective date of the merger. The certificates representing such shares shall be surrendered and canceled. Each share of SLIC outstanding on the effective date of the merger shall thereupon, without further action, become one share of the surviving corporation, SLIC, without the issuance or exchange of any new shares or share certificates. All rights and obligations of ASLIC shall become the rights and obligations of SLIC.

7. Further, under the terms of this proposed merger, SLIC, the surviving corporation, would continue to exist as a domestic insurance corporation under the law of the state of Washington, with all of the rights and obligations of such surviving domestic corporation as are provided by the Washington Business Corporation Act. ASLIC's in force block of business consists of approximately 123,000 policies of life insurance, disability income insurance, and annuities; all policies, of whatever kind, issued by ASLIC and in force at the effective date of the merger would become the policies of SLIC and all obligations of ASLIC to policyholders, of whatever kind, shall become the obligations of SLIC. Current policyholders of ASLIC will experience absolutely no change in the terms and conditions of their policies, or in any values they hold under those policies, when ASLIC is replaced by SLIC at the effective date of this proposed merger, and ASLIC policyholders will receive an Assumption Certificate in the form or substantially the form provided as Exhibit D in the hearing file. [Ex. 1, Agreement and Plan of Merger; Ex. 2, Declaration of Julie M. Bodmer.]

8. Upon the effective date of this proposed merger, ASLIC would cease to exist and its property shall become the property SLIC as the surviving corporation. [Ex. 1, Agreement and Plan of Merger; Ex. 2, Declaration of Julie M. Bodmer.]

9. Pursuant to RCW 48.31.010, on May 19, 2005, Symetra, SLIC and ASLIC filed an Application for Approval of its proposed merger, together with an Agreement and Plan of Merger in this matter. [Agreement and Plan of Merger, Ex. 1.] Although originally Symetra, SLIC and ASLIC had indicated that they wished the effective date of this proposed merger to be September 30, 2005, subsequent to the hearing in this matter, Symetra, SLIC and ASLIC indicated it was revising the Articles of Merger to instead reflect an effective date of October 1,

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2005. [July 20, 2005 letter from Symetra filed July 20, 2005.] The Commissioner agreed to this change of effective date. [Letter from Commissioner dated July 20, 2005, filed July 20, 2005.] It is here found that, as required, the Agreement and Plan of Merger was submitted to, and can be approved by the Commissioner, in advance of the proposed effective date of October 1, 2005, as required.

10. The Commissioner has required that notice of this proposed merger be given to the public via the internet (on the Commissioner's web site). Such notice was duly given by the Commissioner, by announcement on the Commissioner's web site notifying the public of the July 5, 2005 hearing herein and the nature of this hearing, and also by publication of the Notice of Hearing herein. Such publication over the internet commenced June 6, 2005 and continued to the date of the hearing, all as required by the Commissioner. [Ex. 1, Affidavit of Publication by Wendy Galloway detailing notice given, along with attached copies of Notice of Hearing.] Based upon this evidence, it is here found that this notice constitutes adequate notice as required by the Commissioner.

11. In the aforereferenced Notice of Hearing, interested parties were advised that any individual or entity may submit comments and questions on, or objections to, this proposed merger. Said comments or objections must be submitted to the undersigned by fax, U.S. Mail, or personal delivery. The fax number of the undersigned is (360) 664-2782, and her address is 5000 Capitol Boulevard, Tumwater, Washington 98501. Further, any member of the public may attend the hearing and may present relevant information concerning the matters at issue herein. No comments or objections of any kind were received, either by the undersigned, by Symetra, SLIC or ASLIC or by the Commissioner or any of his representatives. [Testimony of James E. Tompkins; Testimony of Julie M. Bodmer.] Based upon this evidence, it is here found that reasonable notice of this proposed merger was properly given, and that no reasonable objection exists.

12. Based upon the evidence presented herein, this proposed merger is fair, equitable and consistent with law. [Testimony of James E. Tompkins; Testimony of Jeffrey L. Laurence.]

13. No director, officer, member, or subscriber of either SLIC or ASLIC will receive any fee, commission, other compensation or valuable consideration whatsoever, for in any manner aiding, promoting or assisting in the merger, other than their regular salary as an employee of SLIC or ASLIC. Further, the board of directors and the principal officers of SLIC and ASLIC are substantially identical. The same employees currently operate both ALIC and ASLIC. ASLIC policyholders will not experience as a result of the proposed merger any change in the competence or experience of the individuals operating the company issuing their policies. [Ex. 1, Declaration of Julie M. Bodmer.]

14. The proposed merger of ASLIC into SLIC is consistent with and governed by the applicable laws of the state of Washington, and they have complied with such laws. [Testimony of James E. Tompkins.]

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15. This proposed merger is subject to review by the Indiana Department of Insurance. The Agreement and Plan of Merger filed herein was also filed with the Indiana Department, and on June 29, 2005, the Indiana Department gave its verbal approval of this proposed merger and indicated that no other form of approval from it was necessary. [Testimony of Jeffrey L. Laurence.]

16. The sole witness for the Commissioner was James E. Tompkins, Assistant Deputy Commissioner in his Company Supervision Division. Mr. Tompkins presented his testimony in a detailed and credible manner and exhibited no apparent biases.

17. Jeffrey L. Laurence, Counsel in the legal division of Symetra, SLIC and ASLIC appeared as a witness for Symetra, SLIC and ASLIC. Mr. Laurence presented his testimony in a detailed and credible manner and exhibited no biases.

18. Julie M. Bodmer, Counsel and Assistant Secretary for Symetra, SLIC and ASLIC appeared as a witness for Symetra, SLIC and ASLIC. Ms. Bodmer presented her testimony in a detailed and credible manner and exhibited no apparent biases.

19. Based upon the above findings of facts, to the effect 1) that the Agreement and Plan of Merger in this matter was submitted to the Commissioner in advance of the merger; 2) that notice of this proposed merger as the Commissioner required was duly provided; 3) that the proposed merger is fair, equitable, consistent with law; 4) that no reasonable objection to this proposed merger exists; 5) that no director, officer, member, or subscriber of Symetra, SLIC or ASLIC has or shall receive any fee, commission, other compensation or valuable consideration whatsoever (aside from their regular salaries) for in any manner aiding, promoting or assisting in the merger; 6) that SLIC is in other respects governed by the general laws of this state relating to business corporations and has complied with those laws; it is here found that the application of Symetra, SLIC and ASLIC for approval of its proposed merger, whereby ASLIC shall merge with and into SLIC, is reasonable and should be approved.

CONCLUSIONS OF LAW

1. The proposed plan of merger was submitted to the Commissioner in advance of the merger, in compliance with RCW 48.31.010(1)(a).

2. Notice of this proposed merger, as required by the Commissioner, has been given, in compliance with RCW 48.31.010(1)(b).

3. This proposed merger is fair, equitable, consistent with law, and no reasonable objection exists, as contemplated by RCW 48.31.010(1)(b).

4. No director, officer, member, or subscriber of Symetra, SLIC or ASLIC has received or shall receive, except for their regular salaries, any fee, commission, other compensation or

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valuable consideration whatsoever, for in any manner aiding, promoting or assisting in this merger. This is in compliance with RCW 48.31.010(1)(c).

5. The requirements of the Insurance Code of the State of Washington, and specifically Chapter 48.31 RCW governing approval of mergers, have been met. Pursuant to Title 48 RCW, Title 34 RCW, and applicable regulations, approval of this proposed merger should be granted.

ORDER

On the basis of the foregoing Findings of Fact and Conclusions of Law, to the effect 1) that the proposed plan of merger was filed with the Commissioner in advance of the merger; 2) that notice of this proposed merger was given as required by the Commissioner; 3) that the proposed merger is fair, equitable, consistent with law and that no reasonable objection exists, 4) that no director, officer, member, or subscriber of Symetra, SLIC or ASLIC, except as to their regular salaries, has received or shall receive any fee, commission, other compensation or valuable consideration whatsoever, for in any manner aiding, promoting or assisting in this merger; that 5) the merger of ASLIC into SLIC is consistent with and governed by the applicable laws of the state of Washington and Symetra, SLIC and ASLIC have complied with such laws; 6) generally all requirements of the Insurance Code of the state of Washington concerning approval of mergers have been met, and 7) that Symetra's, SLIC's and ASLIC's Application for Approval of this proposed merger should be granted,

IT IS HEREBY ORDERED that the application of Symetra, SLIC and ASLIC for the Commissioner's approval of the proposed merger of ASLIC with and into SLIC is hereby APPROVED. On July 5, 2005, at the conclusion of the hearing in this matter, the undersigned orally ordered that the application was approved.

IT IS FURTHER ORDERED that the effective date of the proposed merger shall be 12:01 a.m. on October 1, 2005.

This Order is entered pursuant to RCW 48.04.010, Chapter 48.31 RCW, Title 34 RCW, WAC 10-08-210.

THIS ORDER IS ENTERED AT TUMWATER, WASHINGTON, this 20TH day of July, 2005, and is effective immediately.



PATRICIA D. PETERSEN
Presiding Officer