

STATE OF CONNECTICUT
INSURANCE DEPARTMENT

In the Matter of:

PROPOSED ACQUISITION OF CONTROL OF)
)
HARTFORD LIFE INSURANCE COMPANY,)
HARTFORD LIFE AND ANNUITY INSURANCE COMPANY,)
HARTFORD INTERNATIONAL)
LIFE REASSURANCE CORPORATION, AND)
AMERICAN MATURITY LIFE INSURANCE COMPANY,)
each a Connecticut domiciled life insurance company and)
collectively the "Domestic Insurers")

DOCKET # EX 18-05

By)
)
HOPMEADOW ACQUISITION, INC.,)
HOPMEADOW HOLDINGS, LP,)
HOPMEADOW HOLDINGS GP LLC,)
HOPMEADOW UK HOLDINGS LTD.,)
HOPMEADOW CAYMAN GP LLC,)
CORNELL CAPITAL GP III LP,)
CORNELL CAPITAL GP III GP LLC,)
HENRY CORNELL,)
AMC FUND GP LP,)
AMC SPECIAL MGP LTD,)
AMC FUND MGP LP,)
AMC MGP GP LTD,)
ROBERT E. DIAMOND, JR.,)
DAVID I. SCHAMIS,)
CORNELL CAPITAL PARTNERS III LP,)
AND ATLAS MERCHANT CAPITAL FUND LP)

STATEMENT OF BETH BOMBARA

Good morning. My name is Beth Bombara, and I am Executive Vice President and Chief Financial Officer of The Hartford Financial Services Group, Inc. (“The Hartford”). I am joined by Brion Johnson, Executive Vice President, Chief Investment Officer and President of Hartford Investment Management Company and Talcott Resolution.

The insurance companies that are the subject of this hearing, Hartford Life Insurance Company, Hartford Life and Annuity Insurance Company, Hartford International Life Reassurance Corporation, and American Maturity Life Insurance Company (collectively, the “Domestic Insurers”), are indirect wholly owned subsidiaries of The Hartford.

On behalf of The Hartford’s Chairman and Chief Executive Officer, Chris Swift, we are pleased to speak in support of the proposed acquisition by Hopmeadow Acquisition, Inc. of Hartford Life, Inc. and its subsidiaries, including the Domestic Insurers, together known as “Talcott Resolution.”

I. Description of The Hartford

The Hartford is a holding company for insurance and financial services subsidiaries that provide property and casualty insurance, group life and disability products and mutual funds and exchange-traded products to individual and business customers in the United States. The Hartford has been in business and headquartered in Hartford, Connecticut, since 1810; its Stag logo is one of the most iconic symbols in the financial services industry. The Hartford has 18,500 employees, with 6,800 located in Connecticut.

The Hartford strives to maintain and enhance its position as a market leader within the financial services industry. Through its subsidiaries, the company sells diverse and innovative products through multiple distribution channels to individuals and businesses and is considered a leading property and casualty insurer, as well as a market leader in group life and disability insurance. The company endeavors to expand its insurance product offerings and distribution and capitalize on the strength of the company's brand.

The Hartford conducts business principally in five reporting segments including Commercial Lines, Personal Lines, Property & Casualty Other Operations, Group Benefits and Mutual Funds, as well as a Corporate category.

II. Description of the Process leading to the Proposed Acquisition

In 2012, The Hartford decided to place its Individual Annuity business into runoff and to pursue sales or other strategic alternatives for Individual Life, Woodbury Financial Services and Retirement Plans. That decision was the result of management and the Board of Directors’ rigorous evaluation of the company’s strategy and business portfolio. Subsequent to that announcement, The Hartford sold the Individual Life,

Woodbury Financial Services and Retirement Plans businesses and sold its new business capabilities for Individual Annuity in early 2013. At the time of the decision to place the life insurance and annuity businesses into run-off, The Hartford formed an operating segment called “Talcott Resolution” under which the remaining life and annuity run-off businesses were to be managed. At the same time, The Hartford sharpened its focus on its property and casualty, group benefits and mutual funds businesses, each of which held a competitive market position, strong capital generating ability and lower sensitivity to capital markets. Throughout the period following the 2012 announcement, The Hartford periodically evaluated the merits of pursuing a sale of the run-off life and annuity businesses as opposed to continuing to administer Talcott Resolution’s run-off block.

After an extensive marketing, bid and due diligence process that included a number of potential buyers, on December 4, 2017, The Hartford announced that it had entered into a definitive agreement to sell Talcott Resolution to the group of investors led by Cornell Capital LLC, Atlas Merchant Capital LLC, TRB Advisors LP, Global Atlantic Financial Group, Pine Brook and J. Safra Group.

III. The Proposed Acquisition is Beneficial to The Hartford, its Policyholders, its Employees, its Stockholders and the State of Connecticut

We believe that approval of this transaction will yield many positive benefits for stakeholders, including policyholders, who will benefit from the new company’s continued focus on maintaining the highest levels of customer service, the employees of The Hartford who will be joining the new company, many of whom will have the opportunity to expand responsibilities, enhancing their career growth, The Hartford, which will remain an investor in the new company and the State of Connecticut, which will benefit from the new company maintaining a base of operations in the state along with its employee population.

We are proud of the reputation, operational capabilities and talented employees of Talcott Resolution. These attributes provide the new company with a solid foundation upon which to build its U.S. life insurance and annuity presence. They also provide important continuity for Talcott Resolution’s policyholders and partners.

IV. Conclusion

In closing, we would like to thank the Insurance Department for the opportunity to testify at this hearing today and for the extensive efforts that staff at the Insurance Department undertook as part of the comprehensive review of the proposed acquisition.

Thank you.