

**BEFORE THE STATE OF CONNECTICUT  
INSURANCE DEPARTMENT**

<b>IN THE MATTER OF:</b>	)	<b>DOCKET NO.</b>
	)	
<b>THE ACQUISITION OF CONTROL OF</b>	)	<b>EX 21-77</b>
<b>PATRONS MUTUAL INSURANCE COMPANY OF</b>	)	
<b>CONNECTICUT</b>	)	
	)	
<b>BY LIBERTY MUTUAL HOLDING COMPANY INC.,</b>	)	
<b>LMHC MASSACHUSETTS HOLDINGS INC. AND</b>	)	
<b>LIBERTY MUTUAL GROUP INC.</b>	)	

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**AFFIDAVIT OF JERRY W. BRUMFIELD ON BEHALF OF THE DOMESTIC  
INSURER**

I, Jerry W. Brumfield, hereby declare under penalty of perjury as follows:

I am Vice President Legal and ASEC of State Automobile Mutual Insurance Company, a property and casualty mutual insurance company domiciled in Ohio ("SAM"), which controls through affiliation Patrons Mutual Insurance Company of Connecticut, a property and casualty mutual insurance company domiciled in Connecticut (the "Domestic Insurer"). I present this Affidavit on behalf of the Domestic Insurer to show the evidence supporting the approval of the above-entitled action under Conn. Gen. Stat. § 38a-132(a). I am authorized to give this Affidavit by the powers vested in me under my duties on behalf of SAM.

**I. Witness Identification**

**1. Please state, for the record, your full name, business address and by whom you are employed.**

**A:** My name is Jerry W. Brumfield. I am an officer of SAM and the Domestic Insurer. My business address is 518 East Broad Street, Columbus, Ohio 43215.

**2. What is your position at SAM?**

**A:** I am the Vice President Legal and ASEC of SAM. I am also the Vice President Legal and ASEC of the Domestic Insurer.

**3. Please identify your responsibilities as Vice President Legal and ASEC.**

**A:** My responsibilities in this role include general oversight of the legal functions at SAM and its subsidiaries (including the Domestic Insurer) including insurance regulatory matters.

**4. Please describe your career and educational background.**

**A:** I have been with SAM since its acquisition of Rockhill Insurance Company in 2009, and have served in my current role for approximately 12 years. Prior to that, I served as Vice President – General Counsel at Rockhill Insurance Company from 2006 to 2009. Before that, I was employed by ERC as a claims manager from 1999 to 2005.

I received a bachelor's degree in economics from the University of Missouri - Columbia in 1986 and a J.D. from the University of Missouri – Kansas City School of Law in 1995. I am admitted to practice law in the States of Missouri and Kansas.

**5. Please explain for the record your purpose for providing this testimony here today.**

**A:** I am providing testimony in support of the proposed acquisition of control of the Domestic Insurer, a property and casualty mutual insurance company domiciled in Connecticut, by Liberty Mutual Holding Company Inc. ("LMHC"), LMHC Massachusetts Holdings Inc. and Liberty Mutual Group Inc. (collectively, the "Applicants").

As described in the written testimony of Richard P. Quinlan of Liberty Mutual Group Inc. submitted to the Connecticut Insurance Department (the "Department") in connection with this hearing, the proposed acquisition of control of the Domestic Insurer is part of a broader transaction (the "Proposed Transaction") governed by the terms and conditions set forth in an Agreement and Plan of Merger and Combination, dated as of July 12, 2021, by and among LMHC, SAM, State Auto Financial Corporation and two wholly owned subsidiaries of LMHC formed to facilitate the Proposed Transaction.

The Domestic Insurer is controlled by SAM pursuant to the affiliation arrangement in place between SAM and the Domestic Insurer. Following the consummation of the Proposed Transaction, SAM will become a wholly owned indirect subsidiary of LMHC, and LMHC will become the new ultimate controlling person of each of SAM and, through SAM's control of the Domestic Insurer under the affiliation arrangement in place between SAM and the Domestic Insurer, the Domestic Insurer.

**6. Have you been authorized by the Domestic Insurer to speak on its behalf at this hearing?**

**A:** Yes, I am authorized to testify on behalf of the Domestic Insurer at this hearing.

## **II. Procedural Matters**

### **7. Did the Domestic Insurer receive a copy of the Form A Statement?**

**A:** Yes. The Applicants sent copies of the original Form A Statement and the amended and restated Form A Statement (as supplemented, the “Form A Statement”) to the Domestic Insurer, through its outside counsel, on August 6, 2021 and December 21, 2021, respectively, via a secure File Transfer Site.

### **8. Did the Domestic Insurer receive at least seven days’ notice of the public hearing?**

**A:** Yes. The Domestic Insurer received notice of the hearing from the Applicants on December 30, 2021.

### **9. Do you have an understanding of how notice of the public hearing was published?**

**A:** Yes. I understand that the Applicants caused notice of the public hearing to be published in the following nine newspapers: Burlington Free Press, Hartford Courant, Boston Globe, The Day, Providence Journal, Worcester Telegram, New Haven Register, Pittsfield- Berkshire Eagle and The Republican.

### **10. How were these nine newspapers identified for publication of the notice?**

**A:** Outside of policy papers, members of the Domestic Insurer are accustomed to receiving notice of annual meetings via publication in these newspapers.

### **11. Does the Domestic Insurer support the Form A Statement and the Proposed Transaction?**

**A:** Yes. LMHC is a seasoned, financially strong and well-managed insurer, with well-qualified directors and executive officers and an excellent reputation in the marketplace, as well as experience in managing mutual affiliation relationships. The Domestic Insurer believes that the Proposed Transaction will be advantageous to our policyholders.

Further, SAM, as the Domestic Insurer’s ultimate controlling person, freely entered into the Proposed Transaction after arms’ length negotiations by the parties, and its board unanimously approved the Proposed Transaction.

## **III. The Domestic Insurer**

### **12. Please briefly describe the current operations of the Domestic Insurer.**

**A:** The Domestic Insurer is a property and casualty mutual insurance company domiciled in Connecticut. The Domestic Insurer primarily underwrites personal, commercial and farm-owners insurance products through independent agents in Connecticut and Massachusetts. The Domestic Insurer is controlled by SAM and has a financial strength rating of A- (Excellent) from A.M. Best.

**13. What will the Domestic Insurer's business consist of after completion of the Proposed Transaction?**

**A:** It is our understanding that the Applicants have no present plans or proposals to liquidate the Domestic Insurer, sell its assets, merge it with any person or, other than as described in the Form A Statement, to make any material change to the Domestic Insurer's business operations or corporate structures or management. SAM and the Domestic Insurer plan to remain successful, well-capitalized and profitable participants in the insurance market.

**IV. Statutory Criteria**

**14. Are you familiar with the Proposed Transaction?**

**A:** Yes, I am familiar with the Proposed Transaction.

**15. Pursuant to the laws of the State of Connecticut, the Commissioner of the Connecticut Insurance Department shall approve any merger or other acquisition of control unless, after a public hearing, he finds that such merger or acquisition of control would result in one or more of six adverse consequences, as set forth in Conn. Gen. Stat. § 38a-132(a)(1)-(6). Do you have any reason to believe that the Proposed Transaction will result in any of the six adverse consequences or violate any of the standards set forth in Conn. Gen. Stat. § 38a-132(a)(1)-(6)?**

**A:** No, I do not have any reason to believe that the Proposed Transaction will result in any of the six adverse consequences or violate any of the standards set forth in Conn. Gen. Stat. § 38a-132(a)(1)-(6).

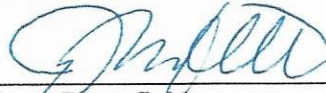
**V. Closing Remarks**

**16. Is there anything else that you would like to add at this time?**

**A:** Yes. I would like to thank Commissioner Mais, Hearing Officer Chin, Ms. Belfi, Mr. Cotrone, Ms. Dowty and the other Department staff for their prompt attention to this matter and for their diligence in reviewing the Form A Statement. I would also respectfully request at this time that the Commissioner approve the proposed acquisition of control of the Domestic Insurer as described here today and in the Form A Statement.

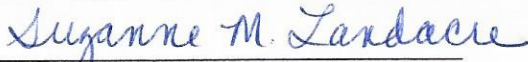
I state under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

FURTHER THE AFFIANT SAYETH NOT



\_\_\_\_\_  
Jerry Brumfield  
Vice President Legal and ASEC

SUBSCRIBED and SWORN to before  
me this 26 day of January, 2022.



\_\_\_\_\_  
Notary Public

My Commission expires:



Suzanne M. Landacre  
Notary Public, State of Ohio  
My Commission Expires 05-17-2022

[Signature Page to Domestic Insurer Connecticut Affidavit]