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2 In the Matter of: :

3 PROPOSED ACQUISITION OF CONTROL :
4 OF PATRONS MUTUAL INSURANCE : Docket No. EX 21-77
5 COMPANY OF CT :

6 By: :

7 LIBERTY MUTUAL HOLDING COMPANY :
8 INC., ET. AL. :
9 -----X

10 DATE: JANUARY 27, 2022

11 HELD AT: CONNECTICUT INSURANCE DEPARTMENT
12 153 MARKET STREET, 7TH FLOOR
13 HARTFORD, CONNECTICUT

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18
19
20 Reporter: BRANDON LEGAL TECH
21 JACQUELINE V. McCAULEY, RPR, CSR
22 LICENSE #40

23 37 Pinnacle Mountain Road
24 Simsbury, CT 06070
25 (860) 528-2244

1 HEARING PARTICIPANTS:

2 RALPH CHIN, ESQUIRE, HEARING OFFICER,
INSURANCE DEPARTMENT

3 JENNIFER DOWTY, COUNSEL, LEGAL DIVISION,
INSURANCE DEPARTMENT

4 KATHY BELFI, CPA, INSURANCE DEPARTMENT

5 KENNETH COTRONE, JR., INSURANCE DEPARTMENT

6 REPRESENTING THE APPLICANTS, LIBERTY MUTUAL HOLDING
COMPANY, INC., LMHC MASSACHUSETTS HOLDINGS, ET. AL:

7 **DAY PITNEY, LLP

8 242 TRUMBULL STREET, 6TH FLOOR

9 HARTFORD, CONNECTICUT 06103

(860) 275-0656

10 By: ELIZABETH RETERSDORF, ESQUIRE

11 -AND-

12 **SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

13 1 MANHATTAN WEST AVENUE

NEW YORK, NEW YORK 10001

14 (212) 735-3000

By: ELENA COYLE, ESQUIRE

15 REPRESENTING PATRONS AS CONTROLLED BY STATE AUTO:

16 **MICHAEL MENAPACE, ESQUIRE

17 WIGGIN AND DANA, LLP

18 20 CHURCH STREET, 16TH FLOOR

HARTFORD, CONNECTICUT 06106

19 (860) 297-3700

By: MICHAEL MENAPACE, ESQUIRE

20 **ALSO PRESENT:

21 Richard Quinlan, Executive VP/Deputy General Counsel,
Liberty Mutual Insurance Group

22 Nik Vasilakos, VP & Global Head of Mergers &
Acquisitions, Liberty Mutual Insurance Group

23 Michael Garvey, Esq., VP/Senior Corporate Counsel,
Liberty Mutual Insurance Group

24 Nora Marantz, Esq., VP/Senior Corporate Counsel,
Liberty Mutual Insurance Group

25

1 Jerry Brumfield, VP - Legal & ASEC, State Auto
Insurance Companies
2 Michael LaRocco, CEO, State Auto Insurance Group
M.I. Hudson, State Auto Insurance Group
3
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6 **SIGNIFIES PARTICIPANT LOCATED AT HIS/HER RESPECCTIVE
LOCATION THROUGH VIDEOCONFERENCE AND/OR SPEAKERPHONE
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1 (The hearing commenced at 9:00 a.m.)
2 (Exhibits 1 through 22, previously
3 marked and admitted into evidence.)

4 MR. CHIN: Good morning, everyone.
5 I'd like to call this public hearing to order.
6 Welcome to this hearing before the Connecticut
7 Insurance Department. I'm Ralph Chin, counsel for the
8 Connecticut Insurance Department.

9 I have been appointed by Insurance
10 Commissioner, Andrew Mais, to preside at today's
11 public hearing, which is being held as part of the
12 Department's Docket Number EX 21-77 in a hybrid format
13 with individuals appearing both in person, at the
14 Connecticut Insurance Department, and remotely via
15 video and teleconference.

16 This hearing, which will be
17 conducted in accordance with the Insurance
18 Department's Rules of Practice and Connecticut's
19 Uniform Administrative Procedure Act, has been called
20 and is being held today pursuant to section 38a-132 of
21 the Connecticut General Statutes.

22 The statute is a part of the
23 Connecticut Insurance Holding Company Act, which
24 consists of sections 38a-129 through 38a-140 of the
25 Connecticut General Statutes.

1 The Insurance Holding Company Act
2 provides the statutory authority under which the
3 Insurance Commissioner is empowered to review the
4 acquisition of control over the management of
5 Connecticut domestic insurance companies in order to
6 safeguard the financial security of such companies for
7 the protection of the policyholders.

8 At this proceeding the subject of
9 regulatory review is a Form A Application dated August
10 6, 2021 as amended and restated and November 1, 2021.
11 During this hearing I'll refer to the Application as
12 amended as the Form A. Liberty Mutual Holding
13 Company, Inc., LMHC Massachusetts Holdings, Inc., and
14 Liberty Mutual Group, Inc. are the named applicants in
15 the Form A, and I may refer to them collectively
16 during the hearing as the Applicants.

17 The Form A was filed pursuant to
18 section 38a-130 of the Connecticut General Statutes
19 and requests the Insurance Commissioner's approval of
20 the Applicants' proposed acquisition of control of the
21 Connecticut-domiciled property and casualty mutual
22 insurance company, Patrons Mutual Insurance Company,
23 which I may refer to in this hearing as the Domestic
24 Insurer or Patrons, which is currently controlled
25 through an affiliation by the Ohio-domiciled property

1 and casualty mutual insurance company, State
2 Automobile Mutual Insurance Company, which I may refer
3 to in this hearing as State Auto.

4 The Proposed Acquisition would be
5 effected pursuant to the terms of the Merger Agreement
6 dated as of July 12, 2021 by and among State Auto and
7 the Applicants under section 38a-132 of the General
8 Statutes, the Insurance Commissioner must approve the
9 Proposed Acquisition of control of the Domestic
10 Insurer unless, after this public hearing, the
11 Commissioner finds one of the following:

12 (1) That after the change of control
13 the domestic insurance company would not be able to
14 satisfy the requirements of the insurance, I'm sorry,
15 requirements for the issuance of the license to write
16 the line or lines of business for which it is
17 presently licensed;

18 (2) That the effect of the merger or
19 other acquisition of control would be to substantially
20 lessen the competition of insurance in this state or
21 attempt to create a monopoly herein;

22 (3) That the financial condition of
23 any acquiring party is such as might jeopardize the
24 financial stability of the insurance company or
25 prejudice the interests of its policyholders;

1 (4) That the plans or proposals of
2 the acquiring party to liquidate the insurance company
3 or to sell such insurance company's assets or to
4 consolidate or merge such insurance company with any
5 person or to make any other material change in its
6 business or corporate structure or management are
7 unfair and unreasonable to policyholders of the
8 insurance company and not in the public interest;

9 (5) The competence, experience and
10 integrity of those persons who would control the
11 operation of the insurance company are such that it
12 would not be in the interest of the company's
13 policyholders and of the public to permit the merger
14 or other acquisition of control; or

15 (6) That the acquisition is likely
16 to be hazardous or prejudicial to those buying
17 insurance.

18 In addition, section 38a-8 of the
19 Connecticut General Statutes provides that the
20 Insurance Commissioner has all the powers specifically
21 granted, and all powers that are reasonably necessary
22 to protect the public interest in accordance with the
23 duties imposed by the Connecticut insurance statutes.

24 Following the opening of this docket
25 and commencement of this proceeding with the initial

1 filing of the Form A on August 6, 2021, the staff of
2 the Insurance Department advised the Applicants that
3 additional information was needed in order for the
4 Form A to be found substantially complete.

5 On November 1, 2021 the Applicants
6 filed an Amended and Restated Form A Application with
7 additional exhibits and supplements that addressed
8 matters contained in the Department's letters. On
9 December 29, 2021 Insurance Commissioner Mais ordered
10 that a public hearing be held January 27, 2022 to
11 consider the granting of the approval of the proposed
12 acquisition.

13 In compliance with section 38a-132
14 of the Connecticut General Statutes, a copy of the
15 notice for this public hearing was published in the
16 Hartford Courant, Boston Globe, Burlington Free Press,
17 New Haven Register, New London's The Day, Pittsfield's
18 Berkshire Eagle, Springfield's Republican, and
19 Worcester's Telegram & Gazette once a week for two
20 conservative weeks, and the notice of public hearing
21 was uploaded to the Connecticut State Agency Public
22 meeting Calendar. Notice of the public hearing was
23 also posted on the Insurance Department's Internet Web
24 site.

25 The notice indicated that the entire

1 official record of this proceeding was available for
2 public inspection at the Insurance Department and that
3 the Department was accepting written statements
4 concerning the proposed acquisition of control of
5 Domestic Insurer. In this regard, I'll note that the
6 Department did not receive any correspondences from
7 the public.

8 In accordance with the Insurance
9 Department's Rules of Practice, the Applicants, State
10 Auto, and the Domestic Insurer are designated as
11 parties to this proceeding.

12 At this point I would like to ask
13 the counsel, who have filed appearances in this
14 proceeding, to introduce themselves and identify on
15 whose behalf they are appearing. I will later ask you
16 to identify your witnesses.

17 MS. RETERSDORF: Good morning.
18 Elizabeth Retersdorf from Day Pitney. I'm here with
19 my colleague, Elena Coyle from Skadden Arps, to
20 represent the Applicants.

21 MR. MENAPACE: Good morning,
22 Mr. Chin, Michael Menapace of Wiggin and Dana. I'm
23 here representing Patrons as controlled by State Auto.

24 MR. CHIN: Thank you. So not
25 designated as parties to this proceeding, members of

1 the Connecticut Insurance Department staff will have
2 the right to ask questions of the witnesses at this
3 hearing.

4 Joining me today from the Department
5 staff are Kathy Belfi, Director of the Financial
6 Regulation Division, Kenneth Cotrone, Insurance
7 Certified Supervising Examiner, and Jennifer Dowty,
8 Counsel to the Insurance Department.

9 Attorney Dowty, has the Insurance
10 Department received any application or petition from
11 anyone requesting to be made a party or to otherwise
12 intervene in this proceeding?

13 MS. DOWTY: No.

14 MR. CHIN: In accordance with the
15 Insurance Department's Rules of Practice, specifically
16 section 38a-8-52 of the Regulations of Connecticut
17 State Agencies, all written testimony filed shall be
18 received in evidence with the same force and effect as
19 though such testimony had been given orally by the
20 witness, provided that each such witness is actually
21 present at this hearing and adopts the written
22 testimony under oath, and makes himself or herself
23 available for cross-examination as I may direct as the
24 presiding officer. Also, prior to its admission into
25 the record, any written testimony is subject to

1 objections by any party.

2 At this point I would like to enter
3 into the record a stipulated list of exhibits. This
4 list identifies 22 documents, which have been
5 stipulated to, I'm sorry, which have been stipulated
6 to as full exhibits by the parties to this proceeding.
7 These exhibits include the Form A itself, as well as
8 all exhibits thereto, all copies of communications
9 between the Department and the Applicants, which
10 includes requests for additional information, and all
11 the responses provided to the Department and the
12 written testimony submitted by the Applicant and
13 Domestic Insurers. A copy of the exhibit list will be
14 available on the Insurance Department's Web site
15 today.

16 In a moment Attorney Retersdorf or
17 Attorney Coyle will have the opportunity to make a
18 brief opening statement on behalf of the applicants
19 and may introduce additional testimony, if any. After
20 that Attorney Menapace will be given an opportunity to
21 do the same on behalf of the Domestic Insurer and
22 State Auto.

23 At the conclusion of the partys'
24 presentations, the Insurance Department staff will be
25 given an opportunity to cross-examine the witnesses

1 for the Applicants, State Auto and the Domestic
2 Insurers. Finally, the applicant, State Auto, and the
3 Domestic Insurer, will have an opportunity to make
4 closing statements, if they wish.

5 At this point members of the public
6 will have an opportunity to comment on the
7 application. With respect to the public comment
8 portion of this hearing, a teleconference line was
9 made available for members of the public to listen to
10 today's hearing and for persons interested in
11 presenting comments to make.

12 After completing the public comment
13 portion of the hearing, I'll ask representatives of
14 the Applicants, the Domestic Insurer, and State Auto
15 if they wish to respond generally or specifically to
16 any public comments presented and/or offer any
17 concluding remarks in support of the Form A
18 Application before me. The Department staff will then
19 have an opportunity to ask any further questions.

20 With that, I'll ask Attorney
21 Retersdorf, Attorney Coyle, and Attorney Menapace to
22 please identify those witnesses who are present and
23 available to testify, and we will have those
24 individuals sworn in. Would the court reporter please
25 swear in the witnesses.

1 COURT REPORTER: Who are the
2 witnesses?

3 MS. RETERSDORF: Elizabeth
4 Retersdorf here for Day Pitney. I will introduce the
5 Applicant witnesses. Today we have virtually with us
6 today Richard Quinlan. He's Executive Vice President
7 and Deputy General Counsel of Liberty Mutual Group,
8 Inc. as well as Nik Vasilakos, Executive Vice
9 President and Global Head of Mergers & Acquisitions of
10 Liberty Mutual Group, Inc.

11 MR. CHIN: Are there any others?

12 MS. DOWTY: Attorney Menapace, do
13 you have witnesses to be sworn in, please?

14 MR. MENAPACE: We do. We have two
15 witnesses here today. We have Mike LaRocco, CEO, and
16 Jerry Brumfield, Vice President of Legal, both of
17 State Auto. They are appearing virtually.

18 (Whereupon, Mr. Quinlan, Mr.
19 Vasilakos, Mr. LaRocco and Mr.
20 Brumfield were duly sworn by the
21 court reporter.)

22 MR. CHIN: Attorney Menapace, do you
23 wish to examine -- I'm sorry. Attorney Retersdorf or
24 Attorney Coyle, do you wish to examine any witnesses
25 or introduce any additional statements into the

1 record?

2 MS. RETERSDORF: I'd just like to
3 take a moment to thank the Department, and
4 specifically Ms. Belfi, Mr. Cotrone and Ms. Dowty, for
5 their thorough review of the application and, you
6 know, happy to offer to ask our witnesses, who
7 submitted pre-file testimony, to adopt their
8 testimony, but defer to Attorney Dowty if she would
9 like to do so.

10 MS. DOWTY: Thank you, Attorney
11 Retersdorf. I will do so in just a minute.

12 MR. CHIN: Attorney Menapace, do you
13 wish to examine any witnesses or introduce any
14 additional statements into the record?

15 MR. MENAPACE: Not at this time.

16 MR. CHIN: We will now begin the
17 cross-examination of the witnesses for the Applicants,
18 State Auto and Domestic Insurer, by Department staff.

19 MS. DOWTY: This is Attorney Dowty.
20 My first question is for those individuals who
21 submitted pre-file testimony. Those individuals are
22 Richard P. Quinlan, Nik Vasilakos for the Applicant,
23 and Jerry W. Brumfield for the Domestic Insurer.

24 Please confirm for the record that
25 you have submitted pre-file testimony with the

1 Department and that you now adopt this testimony under
2 oath and are available for examination by the
3 Department.

4 MR. BRUMFIELD: I do.

5 MR. QUINLAN: I do.

6 MR. VASILAKOS: I do as well.

7 MS. DOWTY: My next questions are
8 directed to the Form A Application. Richard P.
9 Quinlan. Please verify that in your Form A Statement
10 as filed with the Department, on the signature page,
11 you certified that you were familiar with the
12 application and the contents thereof, and that the
13 facts contained in the Form A Statement were true to
14 the best of your knowledge, information and belief.

15 MR. QUINLAN: Yes, the statements
16 for the Form A as amended and restated and
17 supplemented are true and correct to my knowledge.

18 MS. DOWTY: Thank you. Do the
19 statements contained in your application as amended
20 and restated remain true today to the best of your
21 knowledge, information and belief?

22 MR. QUINLAN: Yes, as supplemented,
23 they do.

24 MS. DOWTY: Thank you. When your
25 entities filed the Form A Statement that is the

1 subject of today's proceeding, did you ensure that you
2 would become aware of any changing facts or
3 circumstances that could impact the facts contained in
4 the statement?

5 MR. QUINLAN: Yes, I did.

6 MS. DOWTY: Thank you. Are there
7 any material facts omitted from the Form A as amended
8 and restated that you would like to add?

9 MR. QUINLAN: Except as
10 supplemented, to my knowledge there are no further
11 changes.

12 MS. DOWTY: Thank you. Are there
13 any misleading statements in the Form A as amended,
14 restated or supplemented that need to be changed?

15 MR. QUINLAN: No, not to my
16 knowledge.

17 MS. DOWTY: Thank you. Have there
18 been any material changes to the facts, statements or
19 representations in the Form A since the most recent
20 amendment, restatement or supplement?

21 MR. QUINLAN: No.

22 MS. DOWTY: Thank you. Since the
23 filing of the Amended and Restated Form a, have there
24 been any material transactions, any material lawsuits,
25 any material claims, any material contracts entered

1 into or any material events of any kind involving any
2 member of the Applicants or, to your knowledge, the
3 Domestic Insurer that have not been disclosed to the
4 Department? If materiality is a question, please err
5 on the side of considering the event or transaction
6 material.

7 MR. QUINLAN: No, to the best of my
8 knowledge.

9 MS. DOWTY: Thank you. My next
10 questions are not directed at any one individual but
11 to whomever is most appropriate to respond. I just
12 ask that before responding please state your name for
13 the record.

14 Please describe your plans to be
15 able to satisfy the requirements for the issuance of
16 an insurance license to write the lines of business
17 for which the Domestic Insurer is presently licensed.

18 MR. QUINLAN: I'll answer that.
19 This is Richard Quinlan of Liberty Mutual. The
20 Domestic Insurer is currently licensed as a property
21 and casualty insurance company in Connecticut. It
22 currently satisfies all the requirements associated
23 with that such as minimum capital and surplus
24 requirements.

25 Liberty has no intention of taking

1 any actions or making any changes that would not allow
2 the Domestic Insurer to continue to satisfy those
3 requirements.

4 MS. DOWTY: Thank you. At a high
5 level please describe what, if any, effect the
6 proposed acquisition will have in substantially
7 lessening the competition of insurance in Connecticut
8 or tend to create a monopoly in Connecticut.

9 MR. QUINLAN: I will take that
10 again. Rich Quinlan from Liberty Mutual. As you will
11 see or has been provided in our Form A, there is
12 nothing in this transaction that we see that will
13 lessen competition in the State of Connecticut for
14 insurance or tend to create a monopoly in Connecticut
15 with respect to insurance.

16 MS. DOWTY: Thank you. Please speak
17 as to whether the financial condition of the
18 Applicants may jeopardize the financial stability of
19 the Domestic Insurer or prejudice the interests of its
20 policyholders.

21 MS. VASILAKOS: It's Nik Vasilakos
22 from Liberty Mutual. We believe that this will only
23 strengthen the relationship that the Domestic Insurer
24 has with its policyholders. Liberty Mutual is a
25 large, very well-capitalized and financially-strong

1 company, and it has a very long history of mutual
2 heritage that we think will make it a great fit.

3 MS. DOWTY: Thank you. Do the
4 Applicants have any plans or proposals to liquidate
5 the Domestic Insurer, sell its assets or consolidate
6 or merge it with any person or to make any other
7 material change to its business or corporate structure
8 or management. If so, describe how these plans and
9 proposals would not be unfair or unreasonable for
10 policyholders of the Domestic Insurer and not in the
11 public interest.

12 MS. VASILAKOS: It's Nik Vasilakos
13 again from Liberty Mutual. We currently have no such
14 plans.

15 MS. DOWTY: Thank you. At a high
16 level, and from the view point of the Applicants,
17 please tell us whether the competence, experience and
18 integrity of the persons who will be in control of the
19 operation of the Domestic Insurer are such that it
20 would not be in the best interest of the policyholders
21 of the Domestic Insurer and of the public to permit
22 the proposed acquisition.

23 MR. QUINLAN: This is Rich Quinlan,
24 Liberty Mutual. I'll answer that question. I will
25 note that we intend to place directors on the Board of

1 the Domestic Insurer who have significant experience
2 in the insurance industry, and I know some of them
3 personally, and I can attest to their personal
4 integrity.

5 These are directors who have been in
6 the industry for quite some time and, as you can see,
7 more further evidence in the biographical affidavits
8 we've provided.

9 MS. DOWTY: Thank you. Lastly, tell
10 us why, from the viewpoint of the Applicants, the
11 proposed acquisition would not likely be hazardous or
12 prejudicial to those buying insurance.

13 MS. VASILAKOS: It's Nik Vasilakos
14 again from Liberty Mutual. As I previously stated,
15 Liberty Mutual is a very large, diversified,
16 financially-strong company with a long heritage of
17 mutuality, and we think by combining these two
18 companies, that those benefits will be afforded to the
19 policyholders of the Domestic Insurer.

20 MS. DOWTY: Thank you. I will now
21 turn questioning over to Ken Cotrone from the
22 Insurance Department.

23 MR. COTRONE: Good morning. My
24 questions are not directed to any one individual but
25 to whomever is most appropriate to respond. I just

1 ask that before responding, please state your name for
2 the record.

3 My first question is would you
4 please confirm for the record that there are no
5 changes in the financing for the transaction as
6 represented in the Form A Application.

7 MS. VASILAKOS: That's correct. Nik
8 Vasilakos.

9 MR. COTRONE: In what we would hope
10 would be an unlikely event, would you please confirm
11 that you agree to work with the Department to have
12 unrestricted access to software and systems in order
13 to continue to run the Domestic Insurer should they be
14 placed under an order of supervision, rehabilitation
15 or liquidation?

16 MR. QUINLAN: This is Rich Quinlan,
17 Liberty Mutual. I can provide you the assurance that
18 Liberty would cooperate with the Department in what we
19 believe will be a very unlikely event.

20 MR. COTRONE: Thank you. Please
21 confirm that you understand the books and records,
22 documents, accounts, vouchers and agreements of the
23 Domestic Insurer cannot be moved from their current
24 approved location of Ohio without first receiving
25 Department approval?

1 MR. QUINLAN: Rich Quinlan, Liberty
2 Mutual. We will acknowledge that and note that in due
3 course we do have plans to move them to our Boston
4 corporate headquarters consistent with our regular
5 books and records practices, but we will certainly
6 notify and work in concert with the Department at that
7 time.

8 MR. COTRONE: Thank you. Please
9 verify that you shall make the Domestic Insurer's
10 books, records, documents, accounts, vouchers, and
11 agreements available for inspection by the Insurance
12 Commissioner at any time.

13 MR. QUINLAN: This is Rich Quinlan
14 again for Liberty Mutual, and I will verify that we
15 will make such books and records available to the
16 Department --

17 MR. COTRONE: Thank you.

18 MR. QUINLAN: -- at any time, as you
19 said.

20 MR. COTRONE: Please confirm that
21 employee levels for the Domestic Insurer will remain
22 approximately consistent with current staffing levels
23 of 15 persons, and that the Domestic Insurer's offices
24 will remain in Connecticut for at least the next four
25 years post-closing as submitted as a commitment letter

1 to the Department.

2 MR. QUINLAN: I can confirm that
3 that commitment letter has been signed and delivered,
4 and that we have no current intent of moving offices
5 from Connecticut, and we intend to honor that
6 statement in Connecticut.

7 MR. COTRONE: Thank you. The
8 Application indicates the Domestic Insurer's intent to
9 grow over time through business acquisitions. Can you
10 provide your outlook on your vision for Connecticut
11 employee growth?

12 MS. BELFI: Can you please disregard
13 that last question? Thank you.

14 MR. COTRONE: At a high level can
15 you describe the process of infusing money into our
16 Domestic Company for capital supporting growth? As a
17 follow up, how about the need for capital?

18 MS. VASILAKOS: It's Nik Vasilakos,
19 Liberty Mutual. So it's our expectation that upon
20 closing or shortly after closing, that the Domestic
21 Insurer will become part of Liberty Mutual's pool
22 company, and as a result of becoming Liberty Mutual
23 pool company, this will satisfy those requirements.

24 MR. COTRONE: Thank you. I'll now
25 turn over questioning to Kathy Belfi.

1 MS. BELFI: Great, and good morning.
2 My questions actually pertain to our Domestic Insurer,
3 so I believe there were two individuals sworn in on
4 behalf of our Domestic Insurer. So any of you who
5 want to respond, that would be appropriate.

6 So the Agreement & Plan of Merger in
7 combination, which I believe is Exhibit 6 to this
8 hearing, states that "State Auto members shall
9 immediately become Liberty Mutual Holding Company
10 members." Does that include our Domestic Insurer's
11 members?

12 MR. BRUMFIELD: This is Jerry
13 Brumfield on behalf of the Domestic Insurer. State
14 Auto members would become members of Liberty Mutual
15 upon closing. Patrons' members will remain members of
16 Patrons.

17 MS. BELFI: Okay. And can you
18 explain why they would not?

19 MR. BRUMFIELD: The current
20 Affiliation Agreement between Patrons and State Auto
21 Mutual will become, will remain the same as it is now.
22 It's not going to change. It will remain in effect.
23 It's been in effect since 2007. Our understanding is
24 there's no plans to change that at any time in the
25 near future.

1 MS. BELFI: Thank you. Will the
2 Board of the Domestic Insurer change as a result of
3 the transaction closing?

4 MR. BRUMFIELD: This is Jerry
5 Brumfield again from State Auto. Yes, our
6 understanding is the Board, not only of State Auto but
7 all of its downstream companies, affiliates and
8 subsidiaries, including Patrons, will be changed at
9 closing to reflect the new Liberty slate of directors.

10 MS. BELFI: Okay. So how would the
11 members of Patrons or of our Domestic Insurer be able
12 to assess the new Board makeup?

13 MR. QUINLAN: This is Rich Quinlan
14 from Liberty Mutual. Would it be helpful if I --

15 MS. BELFI: That's fine.

16 MR. QUINLAN: With the transaction,
17 and as set forth in our Form A, a new slate of
18 directors, experienced individuals from Liberty, will
19 be put into the Board of Patrons Mutual by the current
20 directors and current director of Patrons, and then
21 subsequently at the annual meeting, which I believe
22 takes place this May, we will then have the -- The
23 members then have an opportunity to review that slate
24 and then vote it as they deem appropriate.

25 MS. BELFI: Thank you for that.

1 MR. BRUMFIELD: This is Jerry
2 Brumfield. I apologize. I apparently got kicked out
3 for about a minute there, but I'm back in.

4 MS. BELFI: Okay, thank you. Your
5 colleague responded very nicely to the question.
6 We're good.

7 MR. BRUMFIELD: Thank you.

8 MS. BELFI: How were our Domestic
9 Insurer members notified of this Form A transaction?

10 MR. QUINLAN: Ms. Belfi, if it's not
11 inappropriate, I thought --

12 MS. BELFI: I would like, you know,
13 those sir representing our Domestic Insurers to have
14 the opportunity to speak first. Thank you.

15 MR. QUINLAN: Okay.

16 MR. BRUMFIELD: Sure. This is Jerry
17 Brumfield. The members were provided notice via the
18 nine newspaper publications that were mentioned
19 earlier, and that's consistent with our normal
20 practice of advising members of our annual meeting.

21 MS. BELFI: Thank you. And do you
22 believe your notifications in those nine newspapers
23 went beyond the requirements set forth in the statute
24 regarding the Form A notification requirements?

25 MR. BRUMFIELD: Jerry Brumfield from

1 State Auto/Patrons. Yes, the number of newspapers in
2 which the notice was published does exceed the minimum
3 requirements.

4 MS. BELFI: Great. I have no
5 further questions. Thank you.

6 MR. CHIN: Does the Department have
7 anymore questions for the applicant, State Auto or the
8 Domestic Insurer?

9 MS. DOWTY: The Department believes
10 it can fully evaluate the application based upon the
11 oral and written testimony, facts and evidence that
12 have been submitted. We have no additional questions
13 of the parties.

14 However, as the parties are aware,
15 we are still awaiting information regarding the
16 third-party verifications concerning the biographical
17 affidavits of several individuals. Based on
18 conversations I had with the Applicants, we expect to
19 receive this information promptly, but request at the
20 conclusion of this hearing the Hearing Officer make an
21 order for the submission of this additional
22 information.

23 MR. CHIN: Thank you. Before we
24 commence with the public comment portion of the
25 hearing, would the Applicants, State Auto, a Domestic

1 Insurer, like at this time to present a closing
2 statement?

3 MS. RETERSDORF: Other than to just,
4 again, thank the Department for their review and
5 consideration of this transaction, I don't have any
6 other closing statement.

7 MR. MENAPACE: This is Michael
8 Menapace. We, too, thank the Department. We have no
9 closing statement.

10 MR. CHIN: At this time we'll
11 commence the public comment portion of the hearing.
12 Is there anyone on the public teleconference line that
13 would like to make a public comment? If so, please
14 state your full name and what, if any, entity you are
15 speaking on behalf of. Do we have an indication? Do
16 we know?

17 MS. DOWTY: It would just be verbal.

18 MS. BELFI: Maybe you can ask one
19 more time.

20 MR. CHIN: Sure, sure. At this time
21 I'm repeating for public comment. At this time we'll
22 commence the public comment portion of the hearing.
23 Is there anyone on the public teleconference line that
24 would like to make a public comment? If so, please
25 state your full name and what, if any, entity you are

1 speaking on behalf of. It doesn't look like we have
2 any indication that there's anybody out there.

3 MS. BELFI: Right.

4 MR. CHIN: Okay. I would like the
5 record to reflect that no one on the public
6 teleconference line has asked to make a public
7 comment. In accordance with section 38a-8-40 of the
8 regulations of the Connecticut State Agencies, at this
9 time I'm ordering the Applicants to submit information
10 regarding the third-party verifications concerning the
11 biographical affidavit of several individuals as
12 described earlier by Attorney Dowty.

13 With that, today's hearing is hereby
14 adjourned at 9:37, and the record of this hearing is
15 closed. Thank you all.

16 (Whereupon, this hearing was
17 concluded at 9:37 a.m.)

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1 CERTIFICATE OF REPORTER

2 I, Jacqueline V. McCauley, a Notary Public
3 duly commissioned and qualified in and for the State
4 of Connecticut, do hereby certify that the Connecticut
5 Insurance Department hearing was taken on January 22,
6 2022 at 9:00 a.m., and reduced to writing under my
7 supervision; that this deposition is a true record of
8 the testimony given by the witness.

9 I further certify that I am neither attorney
10 nor counsel for, nor related to, nor employed by any
11 of the parties to the action in which this deposition
12 is taken, and further, that I am not a relative or
13 employee of any attorney or counsel employed by the
14 parties hereto, or financially interested in the
15 action.

16 IN WITNESS HEREOF, I have hereunto set my hand
17 and affixed my seal this 4th day of February, 2022.

18 Jacqueline V. McCauley

19  Notary Public

20
21 My Commission expires: 5/31/2025
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