

BEFORE THE CONNECTICUT INSURANCE DEPARTMENT

IN RE: Proposed Acquisition of)
)
 Prudential Retirement Insurance and)
 Annuity Company)
)
 By)
)
 Great-West Life & Annuity Insurance Company,)
 GWL&A Financial Inc.,)
 Great-West Lifeco U.S. LLC,)
 Great-West Financial (Nova Scotia) Co.,)
 Great-West Lifeco Inc.,)
 Power Financial Corporation,)
 Power Corporation of Canada,)
 Pansolo Holding Inc.,)
 and)
 The Desmarais Family Residuary Trust)

TESTIMONY OF HARRY DALESSIO

[I'd like to call Harry Dalessio as a witness on behalf of Prudential Retirement Insurance and Annuity Company – Swearing-in of witness by court reporter]

I. INTRODUCTION AND PERSONAL BACKGROUND

1. Q: Please state your full name for the record.

A: My name is Harry Arthur Dalessio.

2. Q: What is your business address?

A: My business address is 280 Trumbull Street, H-17A, Hartford, Connecticut 06103.

3. Q: What is your current position and role at Prudential Retirement Insurance and Annuity Company?

A: I am a Senior Vice President of Prudential Retirement Insurance and Annuity Company (which I will refer to as the “Domestic Insurer” or “PRIAC”). I am also Head of Retirement Plan Services of Prudential Financial, Inc. (which I will refer to as “Prudential”). As Head of Retirement Plan Services business, I am

responsible for the defined contribution, defined benefit and non-qualified businesses.

4. Q: How long have you been employed with Prudential?

A: I joined Prudential in 2004. Prior to joining Prudential, I was employed by CIGNA Retirement & Investment Services beginning in 1989 until CIGNA Retirement & Investment Services was acquired by Prudential.

5. Q: Please describe your educational background and professional designations.

A: I received my undergraduate degree in Economics from Providence College in 1989 and my Masters of Business Administration from Fordham University in 1997.

6. Q: Please state your purpose for testifying at this proceeding.

A: I am submitting this testimony in connection with the Amended and Restated Form A Statement Regarding the Acquisition of Control of the Domestic Insurer by Great-West Life & Annuity Insurance Company, GWL&A Financial Inc., Great-West Lifeco U.S. LLC, Great-West Financial (Nova Scotia) Co., Great-West Lifeco Inc., Power Financial Corporation, Power Corporation of Canada, Pansolo Holding Inc. and The Desmarais Family Residuary Trust (which I will refer to respectively as the “Form A Statement” and the “Applicants” or “Empower”). I am testifying on behalf of the Domestic Insurer in support of the Form A Application.

7. Q: Have you been authorized by the Domestic Insurer to submit this testimony?

A: Yes.

II. THE PROPOSED TRANSACTION AND THE FORM A STATEMENT

1. Q: Are you familiar with the transaction pursuant to which the Applicants propose to acquire control of the Domestic Insurer?

A: Yes.

2. Q: Has the Domestic Insurer received a copy of the Form A Statement that the Applicants filed with the Connecticut Insurance Department in connection with the proposed acquisition of control of the Domestic Insurer?

A: Yes, the Applicants have provided the Domestic Insurer with a copy of the Form A Statement.

3. **Q. In your opinion, does the Form A Statement filed with the Department by the Applicants, as supplemented, accurately characterize the proposed acquisition?**

A. Yes it does, to the best of my knowledge.

4. **Q: Did the Domestic Insurer receive at least 7 days' prior notice of this public hearing?**

A: Yes.

III. BACKGROUND ON THE DOMESTIC INSURER

1 **Q. Could you please provide us with some general background on the business operations of the Domestic Insurer?**

A: The Domestic Insurer was formed under the laws of the State of Connecticut on January 14, 1981, and issued a Certificate of Authority to conduct life and accident and health insurance from the Connecticut Insurance Department (the "Department") and commenced business on October 1, 1981. The Domestic Insurer is licensed to sell products in all 50 states, the District of Columbia and Puerto Rico. The Domestic Insurer was originally formed as a wholly owned subsidiary of Connecticut General Corporation under the name Connecticut General Life and Casualty Insurance Company. The name was changed to CIGNA Life Insurance Company on August 3, 1984. The company was acquired by The Prudential Insurance Company of America ("PICA") on April 1, 2004 and subsequently changed its name to Prudential Retirement Insurance and Annuity Company. Since then, it has remained a wholly owned subsidiary of PICA which is wholly owned by Prudential.

2. **Q. Please describe the Domestic Insurer's operations and business in Connecticut.**

A: The Domestic Insurer provides retirement investment and income products and services to public, private and not-for-profit organizations. The Domestic Insurer offers plan sponsors and their participants a broad range of products and services to assist in the delivery and administration of qualified and non-qualified defined contribution and defined benefit retirement plans, including recordkeeping and administrative services, comprehensive investment offerings and advisory services to assist plan sponsors in managing fiduciary obligations. It also offers products that provide pension risk transfer solutions, as pension plan sponsors seek to manage their exposure to risk.

IV. EFFECTS OF THE ACQUISITION

1. **Q. Does the Domestic Insurer currently satisfy the requirements to maintain its status as a licensed insurance company in Connecticut?**

A. Yes, it does. The Domestic Insurer is currently in good standing under its certificate of authority and meets all of the requirements for licensure in the State of Connecticut.

2. **Q. To your knowledge, will the Domestic Insurer continue to satisfy the requirements to maintain its status as a licensed insurer in Connecticut?**

Yes.

3. **Q: To your knowledge, do the Applicants have any plans to cause the Domestic Insurer declare any extraordinary dividend, to liquidate it, sell its assets, merge it with any other persons or materially change its corporate structure?**

As part of the Form A Statement, the Applicants have indicated that, except as set forth in the Form A Statement, the Applicants have no present plans or proposals to declare an extraordinary dividend, liquidate the Domestic Insurer, sell the Domestic Insurer's assets (other than such sales of assets as may be contemplated in the ordinary course of the Domestic Insurer's business) or merge the Domestic Insurer with any person or persons or make any other material change to the Domestic Insurer's business operations or corporate structure or management.

4. **Q: Have you had the opportunity to meet with representatives of the Applicants to discuss the proposed transaction since it was publicly announced?**

A: Yes.

5. **Q: As a result of those meetings, have you formed any conclusions about the business philosophy of the Applicants and the way that the organization conducts business?**

A: Yes. We have found that Empower and Prudential share a commitment to serving the financial needs of working Americans, their advisors and employers.

6. **Q: Do you believe the proposed acquisition of the Domestic Insurer by the Applicants will benefit the policyholders of the Domestic Insurer and be in the public interest?**

A: Yes, I do. As noted in the Form A Statement, with Empower's guidance and support, PRIAC will be well-positioned to pursue new business opportunities as they become available and to provide its suite of products and services to existing and new clients of both Empower and the FSS Business. Joining with Empower is anticipated to benefit PRIAC in several ways, including revenue and operating synergies that are anticipated to drive down expenses, expanding the breadth and

depth of services and products available to existing clients and policyholders of PRIAC, and maintaining and supporting PRIAC's financial strength through its integration into a highly-rated global financial services organization. As Prudential's Chairman and CEO Charles Lowrey noted in a July 21, 2021 statement, "[i]n Empower, we have found a partner that, like Prudential, is passionate about expanding financial opportunity for more people, and that has the scale and expertise to ensure the long-term success of the full-service retirement business."

7. **Q: Do you believe the proposed acquisition of the Domestic Insurer by the Applicants is likely to be hazardous or prejudicial to the insurance buying public in Connecticut?**

A. No.

8. **Q: Is there anything else that you would like to add at this time, Mr. Dalessio?**

A: Yes. I would like to thank the Commissioner as well as the staff of the Department for the financial and legal review of the Form A Statement filed by the Applicants. I would also like to recommend the approval of the acquisition of the Domestic Insurer as Prudential strongly believes the transaction will be beneficial to its policyholders.

[No further questions, Your Honor.]