

CONNECTICUT DEPARTMENT OF INSURANCE

DOCKET EX 21-78

- - - - -

IN THE MATTER OF THE NOTICE OF PUBLIC HEARING  
 CONCERNING THE PROPOSED ACQUISITION OF CONTROL 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

- - - - -

HEARING

February 23, 2022  
 9:00 a.m.  
 Department of Insurance  
 153 Market Street  
 Room 601  
 Hartford, Connecticut

H e l d        B e f o r e:

JOSH HERSHMAN, HEARING OFFICER

JENNY C. EBNER, RPR/CLR/LSR 00030

BRANDON LEGAL TECH, LLC  
 370 Asylum Street, Hartford, CT 06103  
 860.528.2244

1                   ... The following is the transcript of the  
2 Hearing in the Matter of the Public Hearing  
3 Concerning THE PROPOSED ACQUISITION OF CONTROL OF  
4 PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY  
5 BY GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY,  
6 GWL&A FINANCIAL INC., GREAT-WEST LIFECO U.S. LLC,  
7 GREAT-WEST FINANCIAL (NOVA SCOTIA) CO., GREAT-WEST  
8 LIFECO INC., POWER FINANCIAL CORPORATION, POWER  
9 CORPORATION OF CANADA, PANSOLO HOLDING INC., AND  
10 THE DESMARAIS FAMILY RESIDUARY TRUST at which time  
11 participants appeared as hereinbefore set forth...

12

13

14

15

16

17

18

19

20

21

22

23

24

25

## 1 HEARING PARTICIPANTS

2 JOSH HERSHMAN, HEARING OFFICER, INSURANCE  
3 DEPARTMENT4 JENNIFER DOWTY, COUNSEL, LEGAL DIVISION, INSURANCE  
5 DEPARTMENT

6 KATHY BELFI, CPA, INSURANCE DEPARTMENT

7 KENNETH CORONE, JR., INSURANCE DEPARTMENT

## 8 REPRESENTING THE APPLICANTS:

9 ANDRA BOLOTIN, GREAT-WEST LIFE & ANNUITY INSURANCE  
10 COMPANY, GWL&A FINANCIAL INC., AND GREAT-WEST  
11 LIFECO U.S., LLC

12 BROCKETT HUDSON, EMPOWER RETIREMENT

13 ELIZABETH RETERSDORF, DAY PITNEY, LLP, FOR  
14 APPLICANTS

15 EVERSHEDES SUTHERLAND (US) LLP, FOR APPLICANTS

16 GREAT-WEST LIFE FINANCIAL (NOVA SCOTIA) CO.

17 GREGORY D. TRETIAK, GREAT-WEST LIFE & ANNUITY  
18 INSURANCE COMPANY, GREAT-WEST LIFECO, INC., POWER  
19 FINANCIAL CORPORATION AND POWER CORPORATION OF  
20 CANADA

21 GUY DESMARAIS, PANSOLO HOLDING INC.

22 PAUL DESMARAIS, JR., GREAT-WEST LIFE & ANNUITY  
23 INSURANCE COMPANY, GREAT-WEST LIFECO, INC., POWER  
24 FINANCIAL CORPORATION, POWER CORPORATION OF CANADA  
25 AND THE DESMARAIS FAMILY RESIDUARY TRUST

26 RICH LINTON, EMPOWER RETIREMENT

27 ERNEST MCNEE, CORPORATION d'INVESTISSEMENTS SANPALO

28 BERT ADAMS, EVERSHEDES SUTHERLAND  
29 HARRY A. DALESSIO, PRUDENTIAL RETIREMENT INSURANCE  
30 AND ANNUITY COMPANY

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

INDEX  
February 23, 2022

EXAMINATION

Cross

By Ms. Dowty .....	19
By Mr. Cotrone, Jr. ....	29
By Ms. Belfi .....	32

1 HEARING OFFICER HERSHMAN:

2 Thank you. Good morning everyone. I  
3 would like to call this public hearing to  
4 order and welcome you to this hearing  
5 before the Connecticut Insurance  
6 Department in sunny Hartford. It is a  
7 gorgeous day.

8 I am Josh Hershman, Deputy  
9 Commissioner of the Connecticut Insurance  
10 Department. I have been appointed by  
11 Insurance Commissioner Andrew Mais to  
12 preside at today's public hearing which is  
13 being held as part of the Department's  
14 Docket Number EX 21-78 in a hybrid format  
15 with individuals appearing both in person  
16 at the Connecticut Insurance Department  
17 and remotely via video and teleconference.

18 This hearing, which will be conducted  
19 in accordance with the Insurance  
20 Department's Rules of Practice and  
21 Connecticut's Uniform Administrative  
22 Procedure Act, has been called and is  
23 being held today pursuant to section  
24 38a-132 of the Connecticut General  
25 Statutes.

1                   That statute is part of the  
2                   Connecticut Insurance Holding Company Act,  
3                   which consists of section 38a-129 through  
4                   38a-140, of the Public Connecticut General  
5                   Statutes.

6                   The Insurance Holding Company  
7                   provides the statutory authority under  
8                   which the Insurance Commissioner is  
9                   empowered to review the acquisition of  
10                  control over the management of Connecticut  
11                  domestic insurance companies in order to  
12                  safeguard the financial security of such  
13                  companies for the protection of the  
14                  policyholders.

15                  In this proceeding the subject of  
16                  regulatory review is a Form A application  
17                  dated August 17, 2021 as amended and  
18                  restated on January 27, 2022. During this  
19                  hearing I'll refer to the Application as  
20                  amended as the Form A.

21                  Great-West Life & Annuity Insurance  
22                  Company, GWL&A Financial Inc., Great-West  
23                  Lifeco U.S. LLC, Great-West Financial  
24                  (Nova Scotia) Co., Great-West Lifeco Inc.,  
25                  Power Financial Corporation, Power

1 Corporation of Canada, Pansolo Holding  
2 Inc., and the Desmarais Family Residuary  
3 Trust are the named applicants in the Form  
4 A, and I may refer to them collectively  
5 during the hearing as the Applicants.

6 The Form A was filed pursuant to  
7 Section 38a-130 of the Connecticut General  
8 Statutes and requests the Insurance  
9 Commissioner's approval of the Applicants'  
10 proposed acquisition of control of the  
11 Connecticut-domiciled life, accident and  
12 health insurance company, Prudential  
13 Retirement Insurance and Annuity Company,  
14 which I may refer to in this hearing as  
15 the Domestic Insurer or Prudential.

16 The Proposed Acquisition would be,  
17 the proposed acquisition would be effected  
18 pursuant to the terms of the Master  
19 Transaction Agreement dated as of July 20,  
20 2021.

21 (Voices in background.)

22 Turn that on mute. Thanks.

23 Under section 38a-132 of the General  
24 Statutes, the Insurance Commissioner must approve  
25 the Proposed Acquisition of control of the Domestic

1 Insurer unless, after the public hearing, the  
2 Commissioner finds one of the following.

3 One: That after the change of  
4 control, the domestic insurance company  
5 would not be able to satisfy the  
6 requirements for the issuance of a license  
7 to write the lines of business for which  
8 it is presently licensed.

9 Two: That the effect of the merger  
10 or other acquisition of control would be  
11 to substantially lessen the competition of  
12 insurance in this state to attempt to  
13 create a monopoly herein.

14 Three: That the financial condition  
15 of any acquiring party is such as might  
16 jeopardize the financial stability of the  
17 insurance company or prejudice the  
18 interests of its policyholders.

19 Four: That the plans or proposals of  
20 the acquiring party to liquidate the  
21 insurance company or sell such insurance  
22 company's assets or to consolidate or  
23 merge such insurance company with any  
24 person or to make any other material  
25 change in its business or corporate



1 structure or management are unfair and  
2 unreasonable to policyholders of the  
3 insurance company and not in the public  
4 interest.

5 Five: That the competence,  
6 experience and integrity of those persons  
7 who would control the operation of the  
8 insurance company are such that it would  
9 not be in the interest of the company's  
10 policyholders and of the public to permit  
11 the merger or other acquisition or  
12 control.

13 Or six: That the acquisition is  
14 likely to be hazardous or prejudicial to  
15 those buying insurance.

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

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

1 the initial filing of the Form A on August  
2 17, 2021, the staff of the Insurance  
3 Department advised Applicants that  
4 additional information was needed in order  
5 for the Form A to be found substantially  
6 complete.

7 On January 27, 2022 the Applicants  
8 filed an Amended and Restated Form A  
9 Application with additional exhibits and  
10 supplements that addressed matters  
11 contained in the Department's letter.

12 On February 3, 2022 the Insurance  
13 Commissioner Andrew Mais ordered that a  
14 public hearing be held on February 23,  
15 2022 to consider the granting of the  
16 approval of the proposed acquisition.

17 In compliance with section 38a-132 of  
18 the Connecticut General Statutes, a copy  
19 of the notice for such public hearing was  
20 published in the Hartford Courant once a  
21 week for two consecutive weeks, and the  
22 notice of public hearing was uploaded to  
23 the Connecticut State Agency's Public  
24 Meeting Calendar.

25 Notice of the public hearing was also

1 posted on the Insurance Department's  
2 website.

3 The notice indicated that the entire  
4 official record of this proceeding was  
5 available for public inspection at the  
6 Insurance Department, and that the  
7 Department was Accepting written  
8 statements concerning the proposed  
9 acquisition of control of the Domestic  
10 Insurer.

11 In this regard I'll note that the  
12 Department did not receive any  
13 correspondence from the public.

14 In accordance with the Insurance  
15 Department Rules of Practice, the  
16 Applicants and the Domestic Insurer are  
17 designated as parties to this proceeding.

18 At this point I would like to ask  
19 counsel who have filed appearances in this  
20 proceeding to introduce themselves and  
21 identify on whose behalf they are  
22 appearing and later you can identify your  
23 witnesses.

24 Go ahead.

25 MS. RETERSDORF: Elizabeth Retersdorf

1 from Day Pitney. I am here with Sean  
2 Diamond and Bert Adams from Eversheds  
3 Sutherland to represent the Applicants.

4 HEARING OFFICER HERSHMAN: No one  
5 else appears? That's wonderful. Thank  
6 you.

7 Though not designated as parties to  
8 this proceeding, the members of the  
9 Connecticut Insurance Department staff  
10 will have the right to ask questions of  
11 the witnesses at this hearing.

12 Joining me today from the Department  
13 staff are Kathy Belfi, Director of the  
14 Financial Regulation Division; Kenneth  
15 Cotrone, Insurance Certified Supervising  
16 Examiner; and Jennifer Dowty, Counsel to  
17 the Insurance Department.

18 Attorney Dowty, has the Insurance  
19 Department received any application or  
20 petition from anyone requesting to be made  
21 a party or to otherwise intervene in this  
22 matter?

23 MS. DOWTY: No.

24 HEARING OFFICER HERSHMAN: In  
25 accordance with the Insurance Department's

1 Rules of Practice, specifically section  
2 38a-8-52 of the regulations of Connecticut  
3 State Agencies, all written testimony  
4 filed shall be received in evidence with  
5 the same force and effect as though such  
6 testimony has been given orally by the  
7 witness, provided that each such witness  
8 is actually present at this hearing and  
9 adopts the written testimony under oath,  
10 and makes himself or herself available for  
11 cross-examination, as I may direct as the  
12 presiding officer.

13 Also, prior to its admission into the  
14 record, any written testimony is subject  
15 to objections by any party.

16 At this point I would like to enter  
17 into the record a stipulated list of  
18 exhibits. This list identifies 18  
19 documents which have been stipulated to as  
20 full exhibits by the parties to this  
21 proceeding.

22 These exhibits include the Form A  
23 itself, as well as exhibits thereto, all  
24 copies of communications between the  
25 Department and the Applicants, which

1 includes requests for additional  
2 information and all of the responses  
3 provided to the Department and the written  
4 testimony submitted by the Applicants and  
5 Domestic Insurer. A copy of the exhibit  
6 list will be available on the Insurance  
7 Department's website.

8 In a moment Attorney Retersdorf will  
9 have the opportunity to make a brief  
10 opening statement on behalf of the  
11 Applicants and may introduce additional  
12 testimony, if any.

13 After, the Domestic Insurer will be  
14 given an opportunity to do the same.

15 At the conclusion of the party's  
16 presentations, the Insurance Department  
17 staff will be given an opportunity to  
18 cross-examine the witnesses for the  
19 Applicants and the Domestic Insurer.

20 Finally, the Applicants and Domestic  
21 Insurer will have an opportunity to make  
22 closing statements, if they wish.

23 At that point members of the public  
24 will have an opportunity to comment on the  
25 application.

1                   With respect to the public comment  
2                   portion of this hearing, a teleconference  
3                   line was made available for members of the  
4                   public to listen to today's hearing and  
5                   for persons interested to present comments  
6                   to me.

7                   After completing the public comment  
8                   portion of the hearing, I will ask the  
9                   representatives of the Applicants and the  
10                  Domestic Insurer if they wish to respond  
11                  generally or specifically to any public  
12                  comments presented and/or offer any  
13                  concluding remarks in support of the Form  
14                  A application before me.

15                  The Department staff will then have  
16                  an opportunity to ask any further  
17                  questions.

18                  With that I ask Attorney Retersdorf  
19                  and Domestic Insurer to please identify  
20                  those witnesses who are present and  
21                  available to testify, and we will have  
22                  those individuals sworn in.

23                  MS. RETERSDORF: Thank you. I would  
24                  just like to take a moment to thank the  
25                  Department today for the review of this

1 application, specifically Ms. Belfi, Mr.  
2 Cotrone and Ms. Dowty, for their thorough  
3 and diligent review and to introduce the  
4 people here today.

5 Please bear with me. The list is not  
6 short. We have in person Andra Bolotin.  
7 She is Executive Vice President and Chief  
8 Financial Officer of Great-West Life &  
9 Annuity Insurance Company, GWL&A  
10 Financial, Inc., and Great-West Lifeco  
11 West, LLC.

12 Brockett Hudson, Associate General  
13 Counsel, Corporate and Investments at  
14 Empower Retirement.

15 And I will be moving to the virtual  
16 attendees now. We have Garry McNicholas,  
17 Director of Great-West Financial (Nova  
18 Scotia) Co. and Executive Vice President  
19 and Chief Financial Officer of Great-West  
20 Lifeco, Inc.

21 Gregory Tretiak, Director of  
22 Great-West Life & Annuity Insurance  
23 Company and Great-West Lifeco, Inc., and  
24 Executive Vice President and Chief  
25 Financial Officer of Power Financial



1 Corporation and Power Corporation of  
2 Canada.

3 Guy Desmarais, Director and President  
4 of Pansolo Holding, Inc.; Paul Desmarais,  
5 Jr., Director of Great-West Life and  
6 Annuity Insurance Company, Great-West  
7 Lifeco, Inc., Power Financial Corporation  
8 and Power Corporation of Canada, and  
9 Trustee of the Desmarais Family Residuary  
10 Trust.

11 Rich Linton, President and Chief  
12 Operating Officer at Empower, and Ernest  
13 McNee, CEO of Sanpalo.

14 We also have a representative of the  
15 Domestic Insurer here today, Harry  
16 Dalessio. He is Director and Senior Vice  
17 President of the Domestic Insurer.

18 I think I got everybody. Let me know  
19 if I didn't.

20 HEARING OFFICER HERSHMAN: Would the  
21 court reporter please swear in the  
22 witnesses.

23

24

25

1 ALL WITNESSES,  
2 being duly sworn or affirmed by Jenny C.  
3 Ebner, RPR, CSR, CLR, a Notary Public in  
4 and for the State of Connecticut,  
5 testified as follows:

6  
7 HEARING OFFICER HERSHMAN: Okay. Do  
8 you wish to examine your witnesses?

9 MS. RETERSDORF: I have no questions.  
10 We did submit prefiled testimony  
11 today. I assume Attorney Dowty would like  
12 to ask the witnesses questions about that,  
13 but --

14 MS. DOWTY: I will shortly. Thank  
15 you.

16 HEARING OFFICER HERSHMAN: Would the  
17 Domestic like to introduce themselves or  
18 make any statements?

19 MR. DALESSIO: I'm Harry Dalessio, as  
20 mentioned, Director of PRIAC as well as  
21 head of Retirement Plan Services at the  
22 Domestic Insurer, in support of this  
23 transaction.

24 The written testimony covers much of  
25 my comments that I assume will be sworn in

1 at some point.

2 HEARING OFFICER HERSHMAN: Thank you.  
3 Okay. We will now begin the cross  
4 examination of the witnesses for the  
5 Applicants and Domestic Insurer by  
6 Department staff.

7 We will now begin the cross  
8 examination of the witnesses for the  
9 Applicants and the Domestic Insurer by  
10 Department staff.

11 MS. DOUTY: Thank you.

12

13 CROSS EXAMINATION

14 BY MS. DOWTY:

15 Q My first questions are for those  
16 individuals who submitted prefiled testimony.

17 Those individuals are Ms. Bolotin for the  
18 Applicants, and Mr. Dalessio for the Domestic  
19 Insurer.

20 Please confirm for the record that you  
21 have submitted prefiled testimony with this  
22 Department and that you now adopt this testimony  
23 under oath and are available for examination by the  
24 Department.

25 MR. DALESSIO: I do.

1 MS. BOLOTIN: I do.

2 BY MS. DOWTY:

3 Q My next question is directed to the  
4 signers of the Form A application and those are  
5 Andra Bolotin, Garry MacNicholas, Gregory Tretiak,  
6 Paul Desmarais and Guy Desmarais, Jr.

7 Will you please verify that the Form A  
8 statement as filed with the Department on the  
9 signature page you certified that you were familiar  
10 with the Application and its contents thereof, and  
11 that the facts contained in the Form A statement  
12 were true to the best of your knowledge,  
13 information and belief?

14 MS. BOLOTIN: Yes, I do.

15 MR. DESMARAIS: Yes, that is correct.

16 MR. DESMARAIS, JR.: Yes, that is  
17 correct.

18 MR. MACNICHOLAS: Yes, that is  
19 correct.

20 MR. TRETIK: Yes.

21 BY MS. DOWTY:

22 Q Do the statements contained in the  
23 Application as amended and restated remain true  
24 today to the best of your knowledge, information,  
25 and belief?

1 MR. BOLOTIN: Yes, they do.

2 MR. MACNICHOLAS: Yes, they do.

3 MR. DESMARAIS: Yes, they do.

4 MR. DESMARAIS, JR.: Yes, they do.

5 MR. TRETIAK: Yes, they do.

6 BY MS. DOWTY:

7 Q Thank you. When your entity files the  
8 Form A statement that is the subject of today's  
9 proceeding, did you ensure you would become aware  
10 of any changing facts or circumstances that would  
11 impact the facts contained in the statement?

12 MR. BOLOTIN: Yes, I did.

13 MR. DESMARAIS: Yes, I did.

14 MR. DESMARAIS, JR.: Yes, that is  
15 correct.

16 MR. MACNICHOLAS: Yes, that is  
17 correct.

18 MR. TRETIAK: Yes, as well.

19 BY MS. DOWTY:

20 Q Thank you. Are there any material facts  
21 omitted from the Form A as amended and restated  
22 that you would like to add?

23 MR. BOLOTIN: No, there is not.

24 MR. DESMARAIS: No, there is not.

25 MR. DESMARAIS, JR.: No, there is

1 not.

2 MR. MACNICHOLAS: No, there is not.

3 MR. TRETIAK: No.

4 BY MS. DOWTY:

5 Q Thank you. Are there any misleading  
6 statements in Form A as amended and restated that  
7 need to be changed?

8 MR. BOLOTIN: No.

9 MR. DESMARAIS: No.

10 MR. DESMARAIS, JR.: No.

11 MR. MACNICHOLAS: No.

12 MR. TRETIAK: No.

13 BY MS. DOWTY:

14 Q Thank you. Have there been any material  
15 changes to the facts, statements or representations  
16 in the Form A since the most recent amendment and  
17 restatement?

18 MR. BOLOTIN: No.

19 MR. DESMARAIS: No.

20 MR. DESMARAIS, JR.: No.

21 MR. MACNICHOLAS: No.

22 MR. TRETIAK: No.

23 BY MS. DOWTY:

24 Q Thank you. Since the filing of the  
25 amendment and restated Form A, have there been any

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

9 MR. BOLOTIN: There are not.

10 MR. DESMARAIS: No, there have not  
11 been any.

12 MR. DESMARAIS, JR.: No, there is  
13 none.

14 MR. MACNICHOLAS: No.

15 MR. TRETIAK: Nope, there are none.

16 BY MS. DOWTY:

17 Q Thank you. My final questions are not  
18 directed to any one individual but to whomever is  
19 most appropriate to respond. I just ask that the  
20 responding person state your name for the record.

21 Please describe your plans to be able to  
22 satisfy the requirements for the issuance of an  
23 insurance license to write the line of business for  
24 which the Domestic Insurer is presently licensed.

25 MS. BOLOTIN: I will take that

1 question. So, the Domestic Insurer is  
2 licensed as a Life, Accident and Health  
3 insurer in the State of Connecticut.

4 As demonstrated through its license,  
5 it meets the minimum requirements for  
6 licensure in the state.

7 Through this acquisition we have, we  
8 intend to continue with the Domestic  
9 Insurer -- if you don't mind, sometimes I  
10 call it PRIAC -- PRIAC as integrated into  
11 the larger GWL&A Empower group, and you  
12 know, don't have any material immediate  
13 plans to change it other than what we  
14 outlined in the Form A submission and  
15 statement of operation.

16 We don't have -- we will not do  
17 anything that would cause the Domestic  
18 Insurer to not be able to fulfill the  
19 requirements under the licensure, and we  
20 are comfortable with that.

21 BY MS. DOWTY:

22 Q Thank you. At a high level describe what,  
23 if any, effect those transactions will have in  
24 substantially lessening the competition of  
25 insurance in Connecticut or tend to create a



1 monopoly?

2 BROCKETT HUDSON: I'll take that one.

3 As the Department knows, we submitted a  
4 Form E filing on a confidential basis to  
5 the Department providing a detailed market  
6 impact analysis of our proposed  
7 acquisition of Domestic Insurer. Based on  
8 the information presented therein, we are  
9 confident that the proposed acquisition  
10 will not substantially lessen competition  
11 and tend to create a monopoly or to  
12 significantly increase any insurer's  
13 market concentration in the state of  
14 Connecticut, and therefore, we are  
15 confident that it will not have a negative  
16 impact on the insurance marketplace in  
17 Connecticut.

18 BY MS. DOWTY:

19 Q Thank you. Please state as to whether the  
20 financial condition of the Applicants may  
21 jeopardize the financial stability of the Domestic  
22 Insurer or prejudice the interests of its  
23 policyholders.

24 MS. BOLOTIN: Okay. Sorry about  
25 that. Andra Bolotin. I can take that

1 one.

2 As you have seen in our Form A  
3 submission, the consolidated historic  
4 financials of the Applicants are quite  
5 strong and would not cause any financial  
6 instability to PRIAC.

7 If you look at the financial strength  
8 rating, the debt ratings of the  
9 Applicants, including GWL&A, they were  
10 reaffirmed by the rating agencies post the  
11 announcement of our transaction. We  
12 believe in general they are equal to or  
13 better than those of the Domestic Insurer,  
14 so ultimately that should have a neutral  
15 or positive effect on the Domestic  
16 Insurer. And we would not do anything to  
17 jeopardize the financial stability of  
18 PRIAC.

19 BY MS. DOWTY:

20 Q Thank you. Do the Applicants have any  
21 plans or proposals to liquidate or consolidate the  
22 Domestic Insurer or merge it with any person or  
23 make any other material changes to the business or  
24 corporate structure? If so, describe how these  
25 plans and proposals would not be unfair or

1 unreasonable to the policyholders of the Domestic  
2 Insurer and not in the public interest.

3 MS. BOLOTIN: I can take that one  
4 again. Andra Bolotin. As we noted in our  
5 Form A filing and our prefiled testimony,  
6 we have no plans to liquidate, dispose of  
7 or merge the domestic entity PRIAC with  
8 any other person.

9 We intend to continue its operation,  
10 you know, consistent with how we described  
11 it as integrating it into the broader  
12 Empower group, and we don't believe any of  
13 that would injure the entity or be  
14 prejudicial to any policyholder.

15 BY MS. DOWTY:

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

24 MS. BOLOTIN: I can take that one,  
25 too. Andra Bolotin. Again, as you can

1 see in our Form A submission and our  
2 prefiled testimony, the directors and  
3 officers of PRIAC on a go-forward basis,  
4 are individuals of the highest integrity  
5 and experience, they have significant  
6 experience, a number of them are already  
7 at GWL&A Empower, or you know, are at the  
8 Domestic Insurer and running the business.

9 The individuals and directors are of  
10 the highest integrity.

11 BY MS. DOWTY:

12 Q Thank you. Lastly, tell us why, from the  
13 viewpoint of the Applicants, the proposed  
14 acquisition would not likely be hazardous or  
15 prejudicial to those buying insurance.

16 MS. BOLOTIN: I can take that one as  
17 well. Andra Bolotin. So, we believe that  
18 this transaction is, in general,  
19 beneficial to the insurance buying public.

20 Power, PRIAC and GWL&A on a  
21 go-forward basis are strong participants  
22 in the full service business and will  
23 bring, you know, additional products and  
24 services to a plan participants, sponsors  
25 and other consumers, and we think this, in

1           general, are a positive benefit to both  
2           the Insurer and the insurance buying  
3           public.

4           MS. DOWTY: Thank you. I now turn  
5           over the questioning to Ken Cotrone.

6  
7           FURTHER CROSS EXAMINATION

8 BY MR. COTRONE, JR.:

9           Q     This is not directed to any one individual  
10          but to whomever is most appropriate to respond. I  
11          just ask that before responding, please state your  
12          name for the record.

13          Would you please confirm for the record  
14          that there are no changes in the financing for the  
15          transaction as represented in the Form A  
16          application?

17          MS. BOLOTIN: To the best of my  
18          knowledge at this point there's no  
19          changes. To the best of my knowledge,  
20          there is no changes in the financing as  
21          represented in the Form A application.

22 BY MR. COTRONE, JR.:

23          Q     In what we hope will be an unlikely event,  
24          would you please confirm you agree to work with the  
25          Department to have unrestricted access to software

1 and systems in order to continue to run the  
2 Domestic Insurers should it be placed under an  
3 order of supervision, rehabilitation or  
4 liquidation?

5 MR. HUDSON: Brockett Hudson. I'll  
6 take that one.

7 Yes, in the highly unlikely event  
8 that the Domestic Insurer was placed in a  
9 receivership, we would absolutely work  
10 with the Department to ensure they all  
11 obtain access to all necessary systems,  
12 operations of the company to allow its  
13 operations to continue.

14 BY MR. COTRONE, JR.:

15 Q Thank you. Please verify that you do not  
16 contemplate moving the Domestic Insurer's books,  
17 records, documents, and accounts and vouchers and  
18 agreements from their current approved location of  
19 Connecticut and you shall make all such items  
20 available for inspection by the Commissioner at any  
21 time.

22 MR. HUDSON: Brockett Hudson, I'll  
23 take that as well. We can confirm, and we  
24 will notify the Department and work with  
25 the Department should we choose or desire

1 to move the books and records and will  
2 make them available to the Department  
3 within the State of Connecticut upon  
4 request.

5 BY MR. COTRONE, JR.:

6 Q Thank you. Please confirm that you  
7 understand the books and records, documents,  
8 accounts, vouchers, and agreements of the Domestic  
9 Insurer cannot be moved from their current approved  
10 location without approval first.

11 MR. HUDSON: I will confirm that as  
12 well. Brockett Hudson.

13 BY MR. COTRONE, JR.:

14 Q Thank you. Please confirm that the number  
15 of persons employed by Connecticut, employed in  
16 Connecticut by Great-West Life and Annuity  
17 Insurance Company and its subsidiaries will remain  
18 at or above 650 persons, and that the Domestic  
19 Insurer's offices will remain in Connecticut for at  
20 least the next four years postclosing, as submitted  
21 as a commitment letter to the Department.

22 MR. LINTON: Rich Linton. We do  
23 commit we will maintain employment levels  
24 in the state of Connecticut at 650 or  
25 above.

1 MR. COTRONE, JR.: I will hand the  
2 questioning off to Kathy Belfi.

3 MS. BELFI: Thank you.

4

5 FURTHER CROSS EXAMINATION

6 BY MS. BELFI:

7 Q Like Mr. Cotrone, whoever feels  
8 appropriate to answer may do so. Just please state  
9 your name for the record before you respond.

10 So, Empower has had several large  
11 transactions recently. In particular I know a  
12 transaction with Mass Mutual. How at a high level  
13 is the integration going? Have there been any  
14 issues or lessons learned?

15 MS. BOLOTIN: Mr. Linton, can you  
16 take that one?

17 MR. LINTON: I am happy to take it.  
18 Rich Linton, again. The Mass Mutual  
19 integration is going very well. We  
20 actually had our third wave of clients  
21 migrate from the Mass Mutual Legacy  
22 platform to the Empower platform just this  
23 past weekend successfully.

24 We will have that integration  
25 completed by the late third quarter of



1           2022. And from there we will then begin  
2           transitioning the Prudential clients to  
3           our platform.

4 BY MS. BELFI:

5           Q    Has there been any appetite for more  
6           transactions in the near future?

7                   MR. MACNICHOLAS: Garry MacNicholas.  
8           Certainly our first priority is to serve  
9           the existing customers and successfully  
10          integrate the acquisitions we have done  
11          recently. When that's fully in hand so we  
12          are operationally ready, and we would be  
13          sure we have the financial capacity, we  
14          would consider further growth  
15          opportunities.

16                   We do not need the growth for  
17          growth's sake. We have the scale to be a  
18          competitive and attractive player in the  
19          marketplace, so we want to make sure we  
20          have a strong regulatory capital  
21          positions, operating with our target  
22          leverage ratios. But first and foremost  
23          that we serve our existing customers and  
24          are fully bedded down the recent  
25          acquisitions.

1 BY MS. BELFI:

2 Q Thank you. I think it was noted earlier  
3 that your rating agencies have actually either been  
4 neutral, are responded positively to this  
5 transaction. Do they or have they had any concerns  
6 over your leverage ratio?

7 Was there any commitment to, because you,  
8 you know, have had a somewhat large transactions,  
9 has there been any commitment to the rating  
10 agencies to actually reduce your leverage ratio?

11 MR. MACNICHOLAS: It's Garry  
12 MacNicholas. I will take that one again.

13 We did have a number of discussions  
14 prior to both the recent acquisitions with  
15 the rating agencies to ensure they were  
16 fully onside with our financing plans  
17 which included a deleveraging component  
18 post-acquisition, and we have included  
19 this -- what is seen in the submissions a  
20 portion of the financing plan is in  
21 short-term debt, which we intend to repay,  
22 and we have communicated that target to  
23 the rating agencies that we expect to  
24 repay that within 18 to 24 months after  
25 closing of the transaction.

1           Our current plans have us able to  
2           repay that within 12 months. So we are  
3           onside with that. And we, with the  
4           financing plan and the deleveraging plan  
5           fully we've received very positive  
6           feedback from the rating agencies, and  
7           they -- some of them wrote about the  
8           strategic benefits of the transaction as  
9           well.

10           We fully expect to be able to  
11           maintain our ratings at a high level.

12 BY MS. BELFI:

13           Q     That's great. Thank you. So, from a  
14           government and risk perspective, can you please  
15           provide details as to why this acquisition works?  
16           We have seen acquisitions, prior acquisitions, you  
17           know, actually have issues because of governance  
18           and risk cultures.

19           Can you provide details around the due  
20           diligence performed in getting comfortable with the  
21           willingness to proceed with this acquisition?

22           MS. BOLOTIN: I can take that. Andra  
23           Bolotin. I think there's a lot of pieces  
24           to that question, so let me kind of do it  
25           in the order that you asked and bring in

1 the due diligence as well.

2 I think, in general, the Applicants,  
3 including GWL&A have a very strong  
4 corporate governance and risk culture or  
5 risk mentality.

6 We have a strong focus on risk  
7 management and internal controls. One of  
8 the things that we appreciate and liked  
9 about the Prudential full service business  
10 is this is a very complementary business  
11 to the business that Empower GWL&A is  
12 already in today.

13 We offer many of the same products  
14 and services. Throughout our due  
15 diligence we were very impressed with the  
16 people and capabilities of the business  
17 that we would be acquiring.

18 We also felt on our side that we  
19 have, as I said, very complementary  
20 products and services, and capabilities in  
21 operations, in investment management, in  
22 asset liability, in management, and in our  
23 overall operational and risk capabilities  
24 that we feel fit very well with their  
25 business.

1           There was a lot of work done to look  
2           at all of those, and you know, Rich could  
3           probably comment on the culture. We felt  
4           there was a very strong cultural fit  
5           between the two organizations. We both  
6           are very focused on the policyholders, the  
7           plan sponsors, the participants, and  
8           making sure that they are getting, you  
9           know, high quality products and services  
10          as part of this.

11           MR. LINTON: This is Rich Linton. I  
12          would agree with Andra. Whenever we look  
13          at an acquisition, we look for  
14          complementary values, and we see that the  
15          commitment to service excellence, the  
16          commitment to continuous improvement, the  
17          commitment to financial wellness for our  
18          customers and clients were all  
19          commonalities between the two  
20          organizations, and we felt that would make  
21          it a very good cultural fit as we move  
22          forward together.

23 BY MS. BELFI:

24           Q     Thank you. As you know there is a pending  
25          investment with the Department in the amount of

1 \$130,000,000. As it is considered a regulatory  
2 investment, in addition to a no objection by the  
3 Department, the SVO will have to also rate this  
4 investment.

5 If you cannot get the appropriate signoffs  
6 and the investment is required to be nonadmitted,  
7 how would you fill that \$130,000,000 gap for our  
8 Domestic company upon closing?

9 MS. BOLOTIN: Andra Bolotin. I will  
10 start with that question. I think, first  
11 of all, the parties are working very  
12 closely together, and we actually believe  
13 we will be able to get that investment in  
14 place by the time of close.

15 However, if something arises, that  
16 that doesn't happen, the Applicants are  
17 confident that we can post-close,  
18 appropriately capitalize the Domestic  
19 Insurer so that, we believe we have  
20 sufficient capital to operate the  
21 business. So we are -- that would be  
22 our plan.

23 BY MS. BELFI:

24 Q Okay. Thank you. Thank you for those  
25 responses, I have no other questions.

1 HEARING OFFICER HERSHMAN: Does the  
2 Department have any more questions for the  
3 Applicants?

4 MS. DOUTY: We have fully evaluated  
5 the application based on the written  
6 testimony and evidence as submitted, and  
7 we have no additional questions of the  
8 party.

9 However, as the parties are aware, we  
10 are still waiting for information  
11 regarding the third-party verification  
12 concerning the biographical affidavits of  
13 several individuals.

14 Based on conversations I have had  
15 with the Applicants, we expect to receive  
16 this information promptly. We request at  
17 the conclusion of this hearing the Hearing  
18 Officer make an order for submission of  
19 this additional information.

20 At this time in order to ensure we  
21 have no technical issues before we turn  
22 this hearing over for public comments, I  
23 would like the analyst on the line to  
24 confirm he is able to make comments.

25 Those wishing to comment must dial

1 star 6 and unmute themselves.

2 Griffin, are you on the line?

3 (Silence.)

4 VOICE ON SCREEN: Good morning,  
5 everyone. Am I coming through okay?

6 MS. DOUTY: Yes. Thank you.

7 HEARING OFFICER HERSHMAN: Okay.  
8 Thank you.

9 Before we commence with the public  
10 comment portion of the hearing, would the  
11 Applicants at this time like to present a  
12 closing statement?

13 MS. RETERSDORF: I would like to  
14 thank the Department again for their  
15 review of this application and everyone  
16 for coming today.

17 HEARING OFFICER HERSHMAN: Thank you.  
18 We'll commence with the public comment  
19 portion of the hearing. Is there anyone  
20 on the public teleconference line that  
21 would like to make a public comment?

22 If so, please state your full name  
23 and what, if any, entity you are speaking  
24 on behalf of. And if you happen to be on  
25 the telephone, you have to dial star 6.



1 (Pause.)

2 Give it another ten seconds.

3 (Pause.)

4 It doesn't appear as though we have  
5 anyone from the public willing here to  
6 speak, and I would like the record to  
7 reflect that no one from the public has  
8 requested to submit any public comment.

9 So with that, I hear that Attorney  
10 Dowty wanted there to be a contingent on  
11 the order to close.

12 So, in accordance with section  
13 38a-8-40, the regulations of the  
14 Connecticut State Agency, at this time I'm  
15 ordering the Applicants to submit  
16 information regarding the third-party  
17 verifications concerning the biographical  
18 affidavit of several individuals as  
19 described hereby by Attorney Dowty.

20 With that, today's hearing is hereby  
21 adjourned at 9:40, and the record of the  
22 hearing is closed.

23 Thank you.

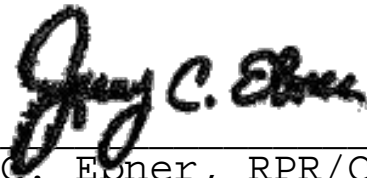
24

25 (Whereupon, the hearing was

1	adjourned at 9:40 a.m.)
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	

CERTIFICATE

I, JENNY C. EBNER, R.P.R., L.S.R, C.L.R.,  
do hereby certify that the foregoing testimony  
taken on February 23, 2022, is true and accurate to  
the best of my knowledge and belief.



Jenny C. Ebner, RPR/CSR/CLR  
Certified Court Reporter  
CT. License 00030

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25