

SEP 24 2012

DEPT OF INSURANCE
BY 

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

1 In the Matter of the Merger of)
 2)
 3 **Sunamerica Annuity and Life Assurance Company**)
 4 **(NAIC No. 60941)**)
 5)
 6 **Insurer,**)
 7)
 8 Into)
 9 **Sunamerica Life Insurance Company**)
 10 **(NAIC No. 69256),**)
 11)
 12 **Petitioner.**)

Docket No. 12A-104-INS

ORDER APPROVING MERGER

11 On June 18, 2012, pursuant to A.R.S. § 20-731, Sunamerica Life Insurance Company
12 ("Petitioner") submitted an application to the Arizona Department of Insurance ("Department")
13 for the merger of Sunamerica Annuity and Life Assurance Company ("Insurer") with and into
14 Petitioner.

15 Based upon reliable evidence provided to the Director of Insurance by the Assistant
16 Director of the Financial Affairs Division of the Department, the Director finds as follows:

FINDINGS OF FACT

- 18 1. Insurer and Petitioner are both Arizona domiciled insurers authorized to transact
 19 disability, life, and variable annuity business.
- 20 2. Insurer is a 100% wholly-owned subsidiary of Petitioner.
- 21 3. On June 18, 2012, Petitioner filed with the Department an Agreement and Plan of
 22 Merger between Petitioner, Insurer and American General Life Insurance Company ("AGLIC")
 23 (the "Merger Agreement") wherein Insurer will merge with and into Petitioner, and

1 simultaneously therewith Petitioner will merge with and into AGLIC, a Texas domiciled insurer,
2 and an affiliate of Insurer and Petitioner.

3 4. Insurer has one or more separate accounts ("Insurer Separate Accounts")
4 established in compliance with A.R.S. § 20-651.

5 5. The Merger Agreement includes the acquisition by merger of the Insurer Separate
6 Accounts by the Petitioner and simultaneously therewith by AGLIC.

7 6. Pursuant to A.R.S. § 20-536.01(A), separate accounts shall not be acquired
8 through merger unless specifically approved by the Director.

9 7. The Merger Agreement provides that, upon consummation of the merger, Insurer
10 Separate Accounts will be in compliance with state laws governing insurer separate accounts.

11 8. No evidence has been produced that would indicate or form the basis for a
12 finding by the Director that the Merger Agreement:

- 13 a. Is contrary to law;
- 14 b. Is unfair in the terms and conditions of the exchange of securities; or
- 15 c. Would substantially reduce the security of and service rendered to the
16 policyholders of the Insurer in Arizona or elsewhere.

17 9. Insurer has a \$100.00 deposit with the Insurance Examiners' Revolving Fund
18 ("IERF").

19 10. The Department holds a \$5,600,000 statutory deposit on behalf of the Insurer.

20 11. Petitioner has prepared Articles of Merger it intends to file with the Arizona
21 Corporation Commission ("ACC").
22
23

1 **CONCLUSIONS OF LAW**

- 2 1. Petitioner has complied with the provisions of A.R.S. § 20-731.
- 3 2. No grounds set forth in A.R.S. § 20-731 exist so as to provide a basis for
- 4 disapproval or rejection of the Merger Agreement.
- 5 3. Grounds exist for the Director to specifically approve the acquisition by merger of
- 6 the Insurer Separate Accounts.

7 **ORDER**

- 8 1. The Agreement and Plan of Merger between Insurer and Petitioner is approved.
- 9 2. Acquisition by merger of the Insurer Separate Accounts by Petitioner is
- 10 approved.
- 11 3. Petitioner may file its Articles of Merger with the ACC.
- 12 4. Insurer shall file its 2012 Annual Statement including applicable fees with the
- 13 Department unless Petitioner files its Articles of Merger with the ACC on or before December
- 14 31, 2012.
- 15 5. Insurer shall pay its Certificate of Authority renewal fee to the Department and
- 16 file its 2012 Annual Form "B" Registration Statement with the Department unless Petitioner
- 17 files its Articles of Merger with the ACC on or before March 31, 2013.
- 18 6. The Department shall release the \$5,600,000 statutory deposit of the Insurer to
- 19 the Petitioner after the Department receives the following: (a) an ACC certified copy of
- 20 Petitioner's ACC filed Articles of Merger, and (b) payment of any outstanding IERF invoices.
- 21 The Director has no personal liability for the release of such deposit so made by her in good
- 22 faith as provided in A.R.S. §20-588(B).
- 23

