

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Canada Life Reinsurance	:	Holding Companies Act, Article
Company Requesting Exemption from the	:	XIV of the Insurance Company
Requirements of 40 P.S. §991.1402 for the	:	Law of 1921, Act of May 17, 1921,
Restructuring of its Holding Company	:	P.L. 682, <u>as amended</u> , 40 P.S.
System	:	§§991.1401, 991.1402, and
	:	991.1403
	:	
	:	Order No. ID-RC-20-19

DECISION AND ORDER

AND NOW, on this 3rd day of December, 2020, Melissa L. Greiner, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”), hereby makes the following Decision and Order:

Pursuant to the Insurance Holding Companies Act and in consideration of the documents, presentations and reports received, as well as other inquiries and studies as permitted by law, the Deputy Commissioner hereby makes the following findings of fact:

FINDINGS OF FACT

Identity of the Parties

1. Canada Life Reinsurance Company (“CLRC”) is a domestic stock life insurance company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Blue Bell, Pennsylvania.
2. Great-West Lifeco Inc. (“Lifeco”) is a holding company organized under the laws of Canada with its principal place of business in Winnipeg, Manitoba. Lifeco indirectly owns 100% of the voting securities of CLRC.

3. Power Financial Corporation (“PFC”) is a holding company organized under the laws of Canada with its principal place of business in Montréal, Québec. PFC directly owns 54% of the voting securities of Lifeco.
4. 171263 Canada Inc. (“171”) is a holding company organized under the laws of Canada with its principal place of business in Montréal, Québec. 171 directly owns approximately 64% of the voting securities of PFC.
5. Power Corporation of Canada (“PCC”) is a holding company organized under the laws of Canada with its principal place of business in Montréal, Québec. PCC directly owns 100% of the voting securities of 171. PCC directly owns approximately 36% of the voting securities of PFC.

Filing of the Application

6. On November 10, 2020, the Insurance Department of the Commonwealth of Pennsylvania (“Department”) received an initial request (which together with all material received subsequently is collectively referenced as “Application”) from CLRC for approval to restructure its holding company system.
7. The Insurance Holding Companies Act, Article XIV of the Insurance Company Law of 1921, Act of May 17, 1921, P.L. 682, as amended, 40 P.S. §§991.1401 et seq. (“Insurance Holding Companies Act”), provides that all transactions affecting the control of a domestic insurer must be filed with the Department for approval or disapproval.
8. The Application was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
9. Section 1402(g) of the Insurance Holding Companies Act provides for the exemption from the requirements of Section 1402(b) if the transaction:
 - a. does not have the effect of changing or influencing the control of a domestic insurer, or
 - b. is otherwise not comprehended within the purposes of the section.

The Transaction

10. As described in the Application, all of the property of 171 will be distributed to PCC and subsequent to such transfer 171 will be dissolved in accordance with Canadian law (the “Restructuring”).
11. As described in the Application, after giving effect to the Restructuring, planned to take place during the fourth quarter of 2020 or early 2021, PCC will directly hold 100% of the voting securities of PFC.

12. As described in the Application, after giving effect to the Restructuring, PFC will continue to directly own a majority of the voting securities of Lifeco.
13. As described in the Application, CLRC will remain an indirect wholly- owned subsidiary of Lifeco.
14. The Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”) has delegated to the Deputy Insurance Commissioner the authority to approve an application that would not have the effect of changing or influencing the control of a domestic insurer.
15. The Deputy Commissioner finds that the transaction described in the Application would not have the effect of changing or influencing the control of a domestic insurer.
16. If any of the above Findings of Fact are determined to be Conclusions of Law, they shall be incorporated in the Conclusions of Law as if fully set forth therein.

CONCLUSIONS OF LAW

1. Under Section 1402 of the Insurance Holding Companies Act, the Department has jurisdiction to review and approve the acquisition of controlling securities of a domestic insurer if, after consummation thereof, the acquiring person would be in control of the domestic insurer.
2. The Insurance Commissioner has delegated authority to approve an application that would not have the effect of changing or influencing the control of a domestic insurer to the Deputy Insurance Commissioner.
3. The Deputy Commissioner has jurisdiction over the parties and subject matter of this proceeding.
4. The Application was properly filed pursuant to and in accordance with Section 1402(g) of the Insurance Holding Companies Act.
5. The restructuring of the holding company system proposed in the Application is not being contemplated to change or influence the ultimate control of CLRC, and, therefore, is exempt from the requirements of Section 1402(b) of the Insurance Holding Companies Act.
6. If any of the above Conclusions of Law are determined to be Findings of Fact, they shall be incorporated in the Findings of Fact as if fully set forth therein.

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re: : Pursuant to Sections 1401, 1402,
: and 1403 of the Insurance
Application of Canada Life Reinsurance : Holding Companies Act, Article
Company Requesting Exemption from the : XIV of the Insurance Company
Requirements of 40 P.S. §991.1402 for the : Law of 1921, Act of May 17, 1921,
Restructuring of its Holding Company : P.L. 682, as amended, 40 P.S.
System : §§991.1401, 991.1402, and
: 991.1403
:
: Order No. ID-RC-20-19

ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania hereby makes the following Order:

An approving determination for the application of Canada Life Reinsurance Company requesting exemption from the requirements of 40 P.S. §991.1402 for the restructuring of its holding company system as set forth in the Application, is hereby granted.

This Order is effective immediately and valid for one year, provided there are no material changes to the representations provided in the application.



Melissa L. Greiner

MELISSA L. GREINER
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation