
Sumitomo Life buys Symetra for \$3.8 billion, a 32% premium

By Editorial Staff *Thu, Aug 13, 2015*

Symetra's current management team, led by CEO Tom Marra, will continue to run the business from Bellevue, Washington. Symetra will maintain its current brand, employees, distribution channels and product mix, the company said.

Sumitomo Life Insurance Co. will acquire all of the outstanding shares of Symetra Financial Corp., which is part owned by Warren Buffett's Berkshire Hathaway and former Buffett company White Mountains Insurance Group, Symetra announced this week.

The total combined transaction consideration of \$32.50 per share is approximately \$3.8 billion in aggregate and represents a 32% premium over Symetra's average stock price of \$24.64 for the 30 days ending August 5, 2015. Symetra will give Sumitomo Life its first significant operational platform in the U.S.

Symetra's President and Chief Executive Officer, Thomas M. Marra, and the current management team will continue to lead the business from Symetra's headquarters in Bellevue, Washington. Symetra will maintain its current brand, employees, distribution channels and product mix.

Symetra shareholders will receive \$32.00 per share in cash at closing, plus a previously announced special dividend of \$0.50 per share in cash, payable on August 28, 2015 to Symetra shareholders of record as of August 10, 2015. The amount of the special dividend was established in connection with the determination of the total combined transaction consideration.

Sumitomo Life, founded in 1907, is a leading life insurer in Japan with multi-channel, multi-product life insurance businesses. It provides traditional mortality life insurance, nursing care, medical care and retirement plans through sales representatives, insurance outlets, the Internet and bancassurance.

As of March 31, 2015, Sumitomo Life had \$229 billion in assets, approximately 6.8 million customers and 42,000 employees.

Symetra, founded in 1957 and based in Bellevue, Washington, provides employee benefits, annuities and life insurance through a national network of benefits consultants, financial institutions and independent agents and advisors. As of June 30, 2015, Symetra had \$34 billion in assets, approximately 1.7 million customers, and 1,400 employees nationwide.

Symetra's largest shareholders, White Mountains and Berkshire Hathaway, representing approximately 18% and 17% ownership of common shares, respectively, have agreed to vote in favor of the transaction.

Warren E. Buffett, Berkshire Hathaway chairman and CEO, said, "Tom and his management team have done a good job running the company and have executed a great deal for shareholders. I wish them the best for future success under their new owners."

The transaction is expected to close late in the first quarter or early in the second quarter of 2016 and is subject to the approval of Symetra's shareholders and regulators, and to other customary closing conditions. Morgan Stanley & Co. LLC is acting as financial advisor and Cravath, Swaine & Moore LLP is acting as legal advisor to Symetra.

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