

**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF ARKANSAS**

**IN THE MATTER OF THE PROPOSED PURCHASES BY
ARKANSAS BLUE CROSS AND BLUE SHIELD OF THE
COMMON STOCK OF HMO PARTNERS, INC. AND OF THE
MEMBERSHIP INTEREST IN LIFE AND SPECIALTY
VENTURES, LLC CURRENTLY OWNED BY USABLE
CORPORATION**

AID NO. 2006- 038

ORDER

Now on this day the matter of the proposed purchases by Arkansas Blue Cross and Blue Shield, A Mutual Insurance Company of the common stock of HMO Partners, Inc. d/b/a Health Advantage and of the membership interest in Life and Specialty Ventures, LLC, currently owned by USABLE Corporation is considered by Julie Benafield Bowman, Insurance Commissioner for the State of Arkansas (“Commissioner”), and from the facts, matters and other items before her, the Commissioner finds as follows:

FINDINGS OF FACT

1. Arkansas Blue Cross and Blue Shield, A Mutual Insurance Company (“Arkansas Blue Cross”) is a mutual insurance company domiciled in the State of Arkansas.
2. USABLE Corporation, an Arkansas business corporation and a wholly owned subsidiary of Arkansas Blue Cross, owns fifty (50%) percent of the common stock of HMO Partners, Inc. (“HMOP”), a health maintenance organization domiciled in Arkansas and operating under the trade name “Health Advantage.” The remaining common stock of HMOP is owned by Baptist Medical Systems HMO, Inc. an Arkansas business corporation.

3. US Able Corporation owns a fifty (50%) percent membership interest in Life and Specialty Ventures, LLC (“LSV”). The other fifty (50%) percent membership interest in LSV is owned by Diversified Health Services, Inc. (“DHSI”) a Florida business corporation and a wholly owned subsidiary of Blue Cross and Blue Shield of Florida, Inc.

4. LSV owns 70% of the common stock of US Able Life, a stock insurance company domiciled in the State of Arkansas.

5. Arkansas Blue Cross proposes to purchase the common stock of HMOP currently owned by US Able Corporation for the book value of such stock as carried by US Able Corporation on October 1, 2006. As a result of this proposed purchase, Arkansas Blue Cross shall become a direct owner of HMOP.

6. Arkansas Blue Cross proposes to purchase the membership interest in LSV currently owned by US Able Corporation for the book value of such membership as carried by US Able Corporation on October 1, 2006. As a result of this proposed purchase, Arkansas Blue Cross shall become a direct owner of LSV.

CONCLUSIONS OF LAW

1. The Commissioner has jurisdiction over the insurance companies and health maintenance organization involved in the proposed transactions and over the subject matter involved.

2. Because US Able Corporation is a wholly owned subsidiary of Arkansas Blue Cross, Arkansas Blue Cross currently has control of HMOP as “control” is defined by the Arkansas Insurance Holding Company Regulatory Act.

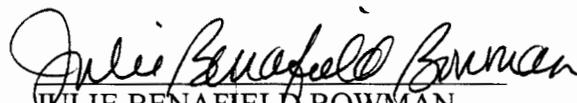
3. Because US Able Corporation is a wholly owned subsidiary of Arkansas Blue Cross, Arkansas Blue Cross currently has control of US Able Life as “control” is defined by the Arkansas Insurance Holding Company Regulatory Act.

4. If the proposed purchases are consummated, although the control exercised by Arkansas Blue Cross over both HMOP and US Able Life shall become more direct because US Able Corporation will no longer have an interest in either of these entities, “control” as defined by the Arkansas Insurance Holding Company Regulatory Act, exercised by Arkansas Blue Cross will not change.

5. Arkansas Code Ann. §23-63-507(3)(A) allows the Commissioner by order to exempt from the provisions of Arkansas Code Ann. §§23-63-506—23-63-513 any offer, request, invitation, agreement, or acquisition that has been made or entered into not for the purpose of changing control of a domestic insurer and not having the effect of changing or influencing the control of a domestic insurer.

IN ACCORDANCE WITH the Findings of Fact and Conclusions of Law, the Commissioner hereby **ORDERS** that the proposed purchases by Arkansas Blue Cross and Blue Shield of the common stock of HMOP and the membership interest in LSV are exempt from the provisions of Arkansas Code Ann. §§23-63-506—23-63-513.

IT IS SO ORDERED, this 15th day of September, 2006


JULIE BENAFIELD BOWMAN
INSURANCE COMMISSIONER
STATE OF ARKANSAS