

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

**IN THE MATTER OF HUMANA
REGIONAL HEALTH PLAN, INC.**

A.I.D. NO. 2015- 021

ORDER

Now on this day, the matter of Humana Regional Health Plan, Inc. (“Company”) comes before Allen Kerr, Insurance Commissioner of the State of Arkansas (“Commissioner”). The Arkansas Insurance Department (“Department”) is represented by Associate Counsel, Amanda Capps Rose. From the facts and matters before him, the Commissioner finds as follows:

FINDINGS OF FACT

1. The Commissioner has jurisdiction over the parties and subject matter herein pursuant to Ark. Code Ann. §§ 23-61-103, 23-63-501, *et seq.*, and other provisions of the Arkansas Insurance Code.
2. Humana Regional Health Plan, Inc., NAIC No. 12282, is an Arkansas domestic health maintenance organization.
3. The Company is owned by Arcadian Management Services, Inc. (“AMS”) and Arcadian Health Plan, Inc. (“AHP”). In correspondence dated January 30, 2015, the Company described a proposed transaction as follows:
 - a. AMS will merge with and into AHP, with AHP being the surviving entity.
 - b. AHP and the Company will become wholly owned subsidiaries of Humana, Inc., as approved by the Board of Directors of AHP, AMS and the Company.

c. No unaffiliated parties are involved in the transaction and the Company's officers, directors and general operations will remain unaffected.

4. The proposed transaction does not result in a change in the ultimate controlling party.

5. In the January 30, 2015 correspondence from the Company, the Company requested an exemption from the requirements of Ark. Code Ann. §§ 23-63-506 – 23-63-513.

6. The Commissioner or his representatives have reviewed the proposed transaction, including the organizational structure, as it affects the Company, both prior to and following the proposed transaction.

7. The proposed transaction will not change or influence the ultimate control of the Company.

CONCLUSIONS OF LAW

Based upon the above and foregoing Findings of Fact and the evidence before him, the Commissioner concludes as follows:

8. The Company is subject to the Insurance Holding Company Regulatory Act ("Act"), Ark. Code Ann. §§ 23-63-501, *et seq.* Pursuant to the Act and Department Rule 15, a detailed filing is required for any change of control or merger with an Arkansas domestic insurer. Additionally, the Act and Department Rule 15 require the Commissioner's prior approval of any such transaction following a hearing on the matter.

9. The Act provides, in pertinent part, as follows:

The provisions of §§ 23-63-506 – 23-63-513 shall not apply to: [...]

(3) Any offer, request, invitation, agreement, or acquisition which the commissioner, by order, shall exempt therefrom as:

(A) Not having been made or entered into for the purpose and not having the effect of changing or influencing the control of a domestic insurer.

Ark. Code Ann. § 23-63-507(3)(A).

10. Based upon the findings stated above and applicable provisions of the Act, because the transaction was not made or entered into for the purpose of, and not having the effect of changing or influencing the control of, a domestic insurer, the requested exemption from the requirements of Ark. Code Ann. §§ 23-63-506 – 23-63-513 should be granted.

11. It is hereby **ORDERED** that the proposed transaction is exempt from the requirements of Ark. Code Ann. §§ 23-63-506 – 23-63-513 pursuant to Ark. Code Ann. § 23-63-507(3)(A).

IT IS SO ORDERED ON THIS 3rd DAY OF MARCH, 2015.



ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS