

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF THE APPLICATION
FOR APPROVAL OF THE ACQUISITION
OF HUMANA REGIONAL HEALTH PLAN, INC.,
NAIC NO. 12282, BY APPLICANT, AETNA INC.

AID NO. 2016- 004

ORDER

A hearing was held at 2:00 p.m. on December 10, 2015, in the Hearing Room of the Arkansas Insurance Department in accordance with the provisions of Ark. Code Ann. §§ 23-63-501, *et seq.*, and other pertinent provisions of the Arkansas Insurance Code, pursuant to a Statement Regarding the Acquisition of Control of or Merger with a Domestic Health Maintenance Organization (“Statement”), which included the requisite plan and agreement, dated August 3, 2015, filed by Aetna Inc. (“Applicant”) seeking approval of the acquisition of Humana Regional Health Plan, Inc. (“Company”). The hearing was held before Chief Deputy Commissioner Russ Galbraith (“Hearing Officer”) pursuant to his appointment by Commissioner Allen Kerr in accordance with Ark. Code Ann. § 23-61-103. The Arkansas Insurance Department (“Department”) was represented by Amanda Capps Rose, Associate Counsel, and Brenda Haggard, Manager of Financial Analysis. The Applicant was represented by Steven T. Whitmer and Timothy Farber of Locke Lord, LLP.

FINDINGS OF FACT

From the Statement, related filings, testimony of the witnesses and other evidence introduced at the hearing, including exhibits filed in connection with the Statement, reports and statements on file with the Department, representations of counsel and other matters and things considered, the Hearing Officer finds as follows:

1. The Applicant is a Pennsylvania corporation seeking to acquire Humana Inc., a Delaware holding company.

2. All persons attending the hearing were provided the opportunity to present evidence, examine witnesses, and/or offer argument or objection. The Applicant presented evidence and argument through counsel and through the testimony of its representative, Gregory Martino.

3. Mr. Martino testified that, in his opinion:

(a) The acquisition will not adversely affect contractual obligations of the company to render service in the future to policyholders and the public;

(b) The acquisition will not substantially lessen competition in any line of insurance business in Arkansas or tend to create a monopoly;

(c) The financial condition of the Applicant will not jeopardize the financial stability of the Company or any corporation controlling the Company or prejudice the interests of its policyholders;

(d) Any plans, proposals, operations, investment policies, corporate structure and management will be fair and reasonable to the Company's policyholders and in the public interest; and

(e) The competence, experience and integrity of the persons who will control the Company are such that it is in the interest of the policyholders and the public to allow the acquisition.

CONCLUSIONS OF LAW

4. The parties agree that the Commissioner has jurisdiction of the parties and the subject matter under the provisions of Ark. Code Ann. §§ 23-63-501, *et seq.*, and other pertinent

provisions of the Arkansas Insurance Code. The Notice of Hearing was given within the time and in the manner required by law and the parties consented to the holding of this hearing at this time and on this date.

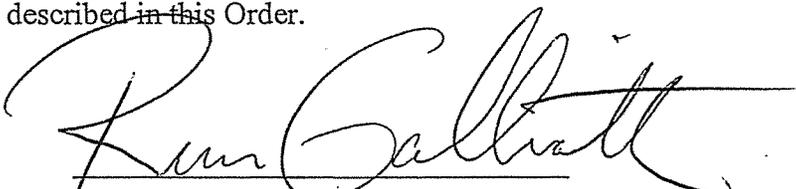
5. All filings, hearings and other procedures required by law or otherwise deemed appropriate by the Hearing Officer have been duly completed by the Applicant and the Department.

6. The requirements of Ark. Code Ann. §§ 23-63-501, *et seq.*, regarding the acquisition of the Company have been satisfactorily met, and the Department has completed its review of the proposed transaction.

7. The federal Department of Justice continues to examine this proposed transaction, and any approval granted by this Order is conditioned upon, and shall not be acted upon, until the expiration or termination of the applicable waiting periods under the Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended (“HSR Act”).

RECOMMENDATIONS OF THE HEARING OFFICER

WHEREFORE, based upon the foregoing Findings of Fact, Conclusions of Law, and other matters before him, the Hearing Officer recommends that the proposed acquisition of control of Humana Regional Health Plan, Inc., should be conditionally approved as provided in the Statement and related filings and as described in this Order.

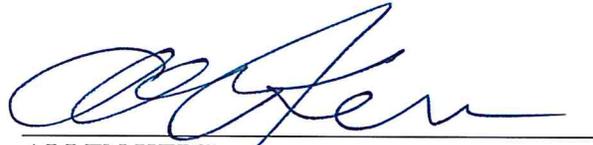

RUSS GALBRAITH,
CHIEF DEPUTY COMMISSIONER,
and HEARING OFFICER

CERTIFICATION

I, Allen Kerr, Insurance Commissioner for the State of Arkansas, do hereby certify that the above Findings of Fact, Conclusions of Law, and Recommendations of the Hearing Officer were made by and under my authority and supervision by Russ Galbraith, Chief Deputy Commissioner and Hearing Officer in this proceeding. I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law, and Recommendations in full and enter this Order.

THEREFORE, it is hereby ORDERED, based upon the above, the terms and conditions of the Statement and related filings, and the Findings of Fact and Conclusions of law stated herein and other matters, the Hearing Officer does hereby approve the proposed acquisition of Humana Regional Health Plan, Inc., conditioned upon and subject to the expiration or termination of the applicable waiting periods under the HSR Act.

IT IS SO ORDERED THIS 19th DAY OF JANUARY, 2016.



ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS