

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re: : Pursuant to Sections 1401, 1402,
: and 1403 of the Insurance
Application of the University of : Holding Companies Act, Article
Pittsburgh Medical Center Requesting : XIV of the Insurance Company
Exemption from the Requirements of : Law of 1921, Act of May 17, 1921,
40 P.S. § 991.1402 for the Restructuring : P.L. 682, as amended, 40 P.S.
of its Holding Company System, : §§ 991.1401, 991.1402, and
which includes UPMC For You, Inc. : 991.1403
:
:
:
Order No. ID-RC-07-16

DECISION AND ORDER

AND NOW, on this 15th day of June, 2007, Stephen J. Johnson, 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. UPMC For You, Inc. ("UPMC For You") is a domestic non-profit membership health maintenance organization ("HMO") organized under the laws of the Commonwealth of Pennsylvania with its principal place of

business in Pittsburgh, Pennsylvania.

2. UPMC Coverage Products, Inc. (“UPMC Coverage Products”) is an insurance holding company organized under the laws of the Commonwealth of Pennsylvania, with its principal place of business in Pittsburgh, Pennsylvania. UPMC Coverage Products is the sole member of UPMC For You.
3. University of Pittsburgh Medical Center (“UPMC”) is a non-profit corporation organized under the laws of the Commonwealth of Pennsylvania with its principal place of business located in Pittsburgh, Pennsylvania. UPMC indirectly holds 100% of the issued and outstanding voting stock of UPMC Coverage Products.
4. UPMC is a non-membership, non-stock corporation, and as such there are no voting securities.
5. UPMC is the sole ultimate controlling person of UPMC For You.

Filing of the Application

6. On June 11, 2007, 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 UPMC for approval to effectuate a plan of reorganization of the holding company system that includes UPMC For You.
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 HMO 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 HMO, or

b. is otherwise not comprehended within the purposes of the section.

The Transaction

10. As described in the Application, UPMC Coverage Products will transfer 100% of the membership interest in UPMC For You to UPMC.
11. As described in the Application, after the transaction UPMC would directly hold 100% of membership interest of UPMC For You.
12. As described in the Application, UPMC would continue to be the sole ultimate controlling person of UPMC For You.
13. 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 HMO.
14. 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 HMO if, after consummation thereof, the acquiring person would be in control of the domestic HMO.
2. The Deputy Commissioner has jurisdiction over the parties and subject matter of this proceeding.
3. The Application was properly filed pursuant to and in accordance with Section 1402(g) of the Insurance Holding Companies Act.
4. The instant transaction is not being contemplated to change or influence the ultimate control of UPMC For You, and, therefore, is exempt from the requirements of Section 1402(b) of the Insurance Holding Companies Act.
5. 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.

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which includes UPMC For You, Inc.	:	991.1403
	:	
	:	
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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 the University of Pittsburgh Medical Center requesting exemption from the requirements of 40 P.S. §991.1402 for the restructuring of its holding company system, which includes UPMC For You, Inc., 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.

STEPHEN J. JOHNSON
Deputy Insurance Commissioner