

Execution Version

## FORM A

STATEMENT REGARDING THE ACQUISITION OF  
CONTROL OF OR MERGER WITH A DOMESTIC INSURER**Medco Containment Life Insurance Company**

Name of Domestic Insurer

by

**Cigna Corporation**

and

**Halfmoon Parent, Inc.**

Names of Acquiring Persons (Applicants)

Filed with the Insurance Department of the Commonwealth of Pennsylvania

Dated: April 20, 2018

**Name, Title, Address and Telephone Number of Individual to Whom Notices  
and Correspondence Concerning this Form Should be Addressed:**

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This Form A Statement (this “Statement”) is being submitted to the Commissioner (the “Commissioner”) of the Commonwealth of Pennsylvania Insurance Department (the “Department”) by Cigna Corporation, a Delaware corporation (“Cigna”), and Halfmoon Parent, Inc., a Delaware corporation and a wholly owned subsidiary of Cigna (“Holdco” and, together with Cigna, the “Applicants”), in connection with Cigna’s proposed acquisition of control of Express Scripts Holding Company, a Delaware corporation (“Express Scripts”), as more particularly described below (the “Proposed Transaction”). The Proposed Transaction would constitute an indirect change of control of Medco Containment Life Insurance Company, a Pennsylvania domestic stock life, accident and health insurance company and an indirect, wholly owned subsidiary of Express Scripts.

## **ITEM 1. INSURER AND METHOD OF ACQUISITION**

### *A. Name and Address of the Domestic Insurer*

This Statement seeks the approval of the Commissioner, pursuant to the requirements of 40 P.S. § 991.1402, for the Applicants’ acquisition of control of Medco Containment Life Insurance Company (NAIC #63762) (the “Domestic Insurer”). The statutory home office address of the Domestic Insurer is 3000 Ericsson Drive, Suite #280, Warrendale, PA 15086, and the main administrative office address of the Domestic Insurer is One Express Way, St. Louis, MO 63121. In accordance with 40 P.S. § 991.1402(a)(1), the Applicants will provide the Domestic Insurer with a copy of this Statement promptly following the filing of this Statement with the Department.

### *B. Method of Acquisition*

The Applicants intend to acquire indirect control of the Domestic Insurer pursuant to an Agreement and Plan of Merger, dated March 8, 2018 (the “Merger Agreement”), by and among Cigna, Express Scripts, Holdco, Halfmoon I, Inc., a Delaware corporation and a wholly owned subsidiary of Holdco (“Merger Sub 1”), and Halfmoon II, Inc., a Delaware corporation and a wholly owned subsidiary of Holdco (“Merger Sub 2”). A copy of the Merger Agreement is attached as Exhibit A to this Statement. The summary of the Proposed Transaction contained in this Statement is qualified in its entirety by reference to the Merger Agreement.

The Applicants will acquire indirect control of the Domestic Insurer upon the closing of the following transactions contemplated by the Merger Agreement (collectively, the “Merger”):

- Merger Sub 1 will merge with and into Cigna, the separate corporate existence of Merger Sub 1 will cease, and Cigna will continue as the surviving corporation (the “Cigna Surviving Corporation”). As a result, the Cigna Surviving Corporation will become a direct, wholly owned subsidiary of Holdco.
- Concurrently, Merger Sub 2 will merge with and into Express Scripts, the separate corporate existence of Merger Sub 2 will cease, and Express Scripts will continue as the surviving corporation (the “Express Scripts Surviving Corporation”). As a result, the Express Scripts Surviving Corporation will become a direct, wholly owned subsidiary of Holdco.

- Subject to certain customary exceptions set forth in the Merger Agreement, (i) each issued and outstanding share of common stock of Cigna will be converted automatically into one share of common stock of Holdco, and (ii) each issued and outstanding share of common stock of Express Scripts will be converted automatically into 0.2434 of a share of common stock of Holdco and the right to receive \$48.75 in cash consideration, subject to applicable withholding taxes.
- Upon the closing of the Merger, Cigna-legacy shareholders collectively are expected to own approximately 64% of Holdco, and Express Scripts-legacy shareholders collectively are expected to own approximately 36% of Holdco, and each of the Cigna Surviving Corporation and the Express Scripts Surviving Corporation will become a direct, wholly owned subsidiary of Holdco.

As a result of the Merger, Holdco will become the new top-tier holding company of each of the Cigna Surviving Corporation,<sup>1</sup> the Express Scripts Surviving Corporation, and the Domestic Insurer. Immediately after the Merger, Holdco will be renamed Cigna Corporation, the Express Scripts Surviving Corporation will be renamed Express Scripts Holding Company, and the Cigna Surviving Corporation will be renamed a name that is yet to be determined.

The diagrams attached as Exhibit B hereto depict the transaction steps to be effected pursuant to the Merger Agreement and are qualified in their entirety by reference to the descriptions of such transactions included in this Statement and the terms of the Merger Agreement. Additional information concerning the Merger Agreement, the Proposed Transaction and related matters can be found in Cigna's Current Report on Form 8-K, filed on March 8, 2018 with the U.S. Securities and Exchange Commission (the "SEC"), a copy of which is attached hereto as Exhibit C-1, and Cigna's Current Report on Form 8-K, filed on March 13, 2018 with the SEC, a copy of which is attached hereto as Exhibit C-2.

The parties desire to close the Proposed Transaction during the fourth quarter of 2018, subject to the making of required filings and notices with, and the receipt of required approvals from, governmental and regulatory authorities, the approval of Cigna and Express Scripts shareholders, and the satisfaction of other customary closing conditions set forth in the Merger Agreement.

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<sup>1</sup> As a result of the Merger, Holdco will also be the new top-tier holding company of the following indirect subsidiaries of Cigna, each of which is a Pennsylvania domestic insurance company or HMO: Cigna Dental Health of Pennsylvania, Inc., Bravo Health Pennsylvania, Inc. and Life Insurance Company of North America (collectively, the "Cigna Domestic Companies"). The introduction of Holdco as the new top-tier holding company of the Cigna Domestic Companies will result from the transactions contemplated in the Merger Agreement in connection with Cigna's proposed acquisition of control of Express Scripts and is not being proposed in connection with an acquisition of control of Cigna by an unaffiliated party. As such, pursuant to 40 P.S. § 991.1402(g), Cigna has, under separate cover, submitted a written request that the Department issue an order that exempts such insertion of a new top-tier holding company above the Cigna Domestic Companies from the requirements under 40 P.S. § 991.1402(a)(1), as such transaction would not result in a change of control of the Cigna Domestic Companies.

## **ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANTS**

### *A. Names and Addresses of the Applicants*

The names and current business addresses of the Applicants seeking to acquire control of the Domestic Insurer are as follows:

Cigna Corporation  
900 Cottage Grove Road  
Bloomfield, CT 06002

Halfmoon Parent, Inc.  
900 Cottage Grove Road  
Bloomfield, CT 06002

### *B. Business Operations of the Applicants*

#### **1. General Business Description**

Cigna is a publicly traded corporation, whose common stock trades on the New York Stock Exchange under the symbol “CI.” Cigna has no other classes of stock outstanding. Cigna operates multiple insurance businesses through its subsidiary companies. Through Cigna’s business segments, Cigna sells a wide range of commercial and government health care, supplemental benefits, and group disability and life insurance products. Cigna was organized under the laws of the State of Delaware in 1981. Cigna currently maintains its principal executive offices in Bloomfield, Connecticut. As of December 31, 2017, Cigna had consolidated assets of \$61.75 billion and consolidated stockholders’ equity of \$13.74 billion.

Additional information concerning Cigna’s history, business segments, products, strategies and operating principles can be found under the caption “Item 1. Business” in Cigna’s Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC, a copy of which is attached hereto as Exhibit D.

On March 6, 2018, Holdco was incorporated under the laws of the State of Delaware as a direct, wholly owned subsidiary of Cigna for the purpose of effecting the Merger and serving as a holding company for the Cigna Surviving Corporation and the Express Scripts Surviving Corporation following the Merger.

#### **2. Business Intended to be Done by the Applicants**

The Proposed Transaction will bring together two innovative, complementary and customer-centric services companies to chart a healthier, more affordable, and more personalized health care journey for consumers. The combination of Cigna, a health insurance services company, and Express Scripts, a pharmacy benefits management services company with complementary health services operations, will drive greater affordability and connectivity while making health care simpler and promoting healthy outcomes at lower cost. It will create an expanded portfolio of health services and collaborative relationships that offer greater choice,

alignment and value across a proven services platform for everyone, including customers, employers, health plans and government agencies. Together, the combined company will make it easier for customers to access health care by continuing to innovate to deliver greater connectivity and drive affordability.

In pursuit of improved health outcomes through more affordable and more personalized health care experience for its members, the combined company will offer:

- **Expanded Consumer Choice** – Enhance each party’s complementary offerings by providing a full suite of medical, behavioral, specialty pharmacy and other health engagement services accessible across a wide array of distribution channels, providing optionality for all customers.
- **Patient-Provider Alignment** – Using broad and high-performing delivery system partnerships to drive the combined company’s role as an important link between individuals and their health care providers, providing a more coordinated approach to an individual’s health care journey, reducing complexity and creating better outcomes.
- **Personalized Value** – Making health care easy for consumers by harnessing actionable insights and predictive analytics, maximizing adoption of evidence-based care and delivering industry-leading innovation and medical technology to support care decisions.

By combining complementary capabilities, the combined company will be positioned to continue to deliver industry-leading medical cost trend and enhanced quality of care to its members. Additionally, the combined company’s expanded repository of actionable data will allow for early prediction, prevention and interventions for diseases and conditions, leading to better health care outcomes. In sum, the combined company will be well positioned to deliver superior service, responding fully to the dynamic needs of customers and clients.

### *C. The Applicants’ Organizational Chart*

Attached as Exhibit E-1 is an organizational chart presenting the identities and the interrelationships among the Applicants and their subsidiaries and affiliates before giving effect to the Proposed Transaction, and attached as Exhibit E-2 is an organizational chart presenting the identities and the interrelationships among the Applicants and their subsidiaries and affiliates after giving effect to the Proposed Transaction. The organizational charts indicate the percentage of voting securities owned or controlled by the Applicants or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Statement, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit E-1.

### **ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANTS**

Biographical affidavits are being filed in response to this Item 3, in accordance with 31 Pa. Code § 25.12 and Form 040324 (“Public Availability of Filed Documents”), and the confidential unredacted versions of such biographical affidavits contain personal information which should not be disclosed to the public under any circumstances. One set of affidavits, attached as Exhibit F-1, is being filed with personal information, such as Social Security numbers, dates of birth and home addresses, redacted. A second, unredacted set of biographical affidavits, attached as Exhibit F-2, is being submitted confidentially under separate cover. The Applicants request that (i) the redacted portions of the biographical affidavits be afforded confidential treatment; (ii) the Applicants be notified in advance of any proposed disclosure of the redacted portions by the Department; and (iii) the Applicants be given a reasonable opportunity to seek a protective order or take other action to prevent or limit any such disclosure. Any communications regarding the confidentiality of these materials or the disclosure of the same should be directed to Steven B. Davis, Stradley Ronon, 2005 Market Street, Suite 2600, Philadelphia, PA 19103.

#### *A. Directors and Executive Officers of the Applicants*

Attached as Exhibit F-3 is a list of the current directors and executive officers of each of Cigna and Holdco. The business addresses and residence addresses of the current directors and executive officers of the Applicants are stated in the biographical affidavits of such persons. For each person with an asterisk next to his or her name on Exhibit F-3, a biographical affidavit of such person is being filed in both redacted and confidential unredacted versions as Exhibit F-1 and Exhibit F-2. A biographical affidavit of each other person listed in Exhibit F-3 will be submitted to the Department promptly following the filing of this Statement.

#### *B. Owners of Ten Percent or More of the Voting Securities of the Applicants*

Cigna currently owns one hundred percent (100%) of the voting securities of Holdco. Following the Proposed Transaction, Holdco will own one hundred percent (100%) of the voting securities of Cigna.

Cigna is a publicly traded holding company, and as of the date of this Statement, to Cigna’s knowledge, no single person or group of persons directly or indirectly owns, controls, holds with power to vote or holds proxies representing collectively ten percent (10%) or more of the voting securities of Cigna. As described in greater detail in Item 4 below, as part of the consideration for the Proposed Transaction, subject to certain customary exceptions, (1) each issued and outstanding share of common stock of Cigna will be converted automatically into one share of common stock of Holdco, and (2) each issued and outstanding share of common stock of Express Scripts will be converted automatically into 0.2434 of a share of common stock of Holdco and the right to receive \$48.75 in cash consideration, subject to applicable withholding taxes. To the extent that any passive investment funds that are holders of shares of common stock of both Cigna and Express Scripts acquire control of ten percent (10%) or more of the voting securities of Holdco as a result of receiving the stock consideration as provided in the Merger Agreement, the Applicants expect that such persons would disclaim affiliation with and control of Holdco and would make appropriate filings with the Department to disclaim such affiliation and control.

*C. Present Principal Business Activity*

The principal business activity, occupation, or employment of the current directors and executive officers of the Applicants is stated in the biographical affidavits of such persons, which, as described above, are being filed in both redacted and confidential unredacted versions as Exhibit F-1 and Exhibit F-2 (or will be submitted to the Department promptly following the filing of this Statement).

*D. Material Occupations, Positions, Offices and Employment*

The material occupations, positions, offices or employment during the last five years, including the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on, with respect to the current directors and executive officers of the Applicants, are stated in the biographical affidavits of such persons, which, as described above, are being filed in both redacted and confidential unredacted versions as Exhibit F-1 and Exhibit F-2 (or will be submitted to the Department promptly following the filing of this Statement). Except as set forth in such biographical affidavits, no such occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency. The current status of any such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection therewith, are stated in such biographical affidavits.

*E. Criminal Proceedings*

Except as otherwise indicated in the biographical affidavits of such persons, which, as described above, are being filed in both redacted and confidential unredacted versions as Exhibit F-1 and Exhibit F-2 (or will be submitted to the Department promptly following the filing of this Statement), to the best knowledge, information and belief of the Applicants, none of the current directors or executive officers of the Applicants has been convicted in a criminal proceeding (excluding minor traffic violations) during the past ten years.

**ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION**

*A. Nature, Source and Amount of Consideration*

**1. Source and Amount of Consideration**

As provided in the Merger Agreement, subject to certain customary exceptions, each share of common stock, \$0.01 par value, of Express Scripts (the “Express Scripts Common Stock”) issued and outstanding immediately prior to the Effective Time (as defined in the Merger Agreement) will be converted at the Effective Time into (a) the right to receive \$48.75 in cash, without interest and (b) 0.2434 of a share of common stock, \$0.01 par value, of Holdco, subject to applicable withholding taxes (together, the “Merger Consideration”).<sup>2</sup> Upon such conversion, all

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<sup>2</sup> As set forth in the Merger Agreement, the exceptions are: (i) shares held directly by Express Scripts as treasury stock, (ii) shares owned by Cigna or any wholly owned subsidiary of Cigna, including Holdco, or of Express Scripts, (iii) shares held by any person who has properly exercised and perfected appraisal rights pursuant to Section 262 of the

issued and outstanding shares of Express Scripts Common Stock will be cancelled and will cease to exist.

The value of the transaction is estimated to be approximately \$67 billion based on the closing price of Cigna's common stock on the New York Stock Exchange on March 7, 2018, and including the value of assumed indebtedness. The final value of the transaction will be determined based on Cigna's closing stock price on the date of the closing of the Merger (the "Closing"). The combined company is expected to reflect a pro forma equity ownership comprised of approximately 64% Cigna-legacy stockholders and approximately 36% Express Scripts-legacy stockholders.

Cigna estimates that approximately \$26.6 billion in equity will be issued to Express Scripts stockholders and that approximately \$27.4 billion in cash will be required to be paid, as part of the Merger Consideration. Cigna expects to finance the cash portion of the Proposed Transaction through available cash on hand and the issuance of new debt and commercial paper. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Cigna will be assuming approximately \$13 billion in existing Express Scripts indebtedness, which will remain outstanding following the Closing. The pro forma debt-to-capital ratio of Cigna is expected to be approximately 49% at the Closing, declining to a debt-to-capital ratio below 40% within 18 to 24 months following the Closing.

## **2. Debt Financing or Borrowing**

Cigna and Holdco entered into a bridge facility commitment letter, dated as of March 8, 2018 (the "Commitment Letter"), by and among Cigna, Holdco, Morgan Stanley Senior Funding, Inc. ("MSSF") and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (now known as MUFG Bank, Ltd., "MUFG" and, together with MSSF, the "Commitment Parties") pursuant to which the Commitment Parties have committed to provide, subject to the terms and conditions of the Commitment Letter, a \$26.7 billion 364-day senior unsecured bridge term loan facility to finance the Proposed Transaction (the "Facility"). Under the Commitment Letter, the Commitment Parties will serve as joint lead arrangers of the Facility. A copy of the Commitment Letter is attached hereto as Exhibit G-1.

On April 6, 2018, in connection with the Merger, Cigna and Holdco entered into the Revolving Credit and Letter of Credit Agreement with the lenders named therein, JPMorgan Chase Bank, N.A., as administrative agent, JPMorgan Chase Bank, N.A., Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, MSSF, MUFG and Wells Fargo Securities, LLC, as joint lead arrangers and joint book managers, Citibank, N.A., as syndication agent, and Bank of America, N.A., MSSF, MUFG and Wells Fargo Bank, National Association, as documentation agents (the "Revolving Credit Agreement"). The Revolving Credit Agreement replaces Cigna's Fifth Amended and Restated Revolving Credit and Letter of

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Delaware General Corporation Law, and (iv) shares related to certain Express Scripts equity awards, each of which will be treated as described in the Merger Agreement.

Credit Agreement, dated December 22, 2017. Prior to the Merger, Cigna will be the borrower under the Revolving Credit Agreement. On and after the Merger, Holdco will be the borrower under the Revolving Credit Agreement and Cigna will be automatically discharged and released from all of its duties and obligations thereunder and will not have any rights, benefits, duties or obligations thereunder.

Prior to the Merger, Cigna can borrow up to an aggregate principal amount of \$1.50 billion for general corporate purposes, of which up to \$500 million is available for the issuance of standby letters of credit. On and after the Merger, Holdco can borrow up to an aggregate principal amount of \$3.25 billion for general corporate purposes, of which up to \$500 million is available for the issuance of standby letters of credit. The Revolving Credit Agreement also includes an option to increase the facility amount by up to \$500 million and an option to extend the termination date of April 5, 2023 for additional one-year periods, in each case, subject to the consent of the administrative agent and the committing banks and satisfaction of certain other conditions. Additional information concerning the Revolving Credit Agreement, as well as a copy of the Revolving Credit Agreement, can be found in Cigna's Current Report on Form 8-K, filed on April 12, 2018 with the SEC, a copy of which is attached as Exhibit G-2 hereto.

On April 6, 2018, Cigna and Holdco entered into a Term Loan Credit Agreement with the lenders named therein, MSSF, as administrative agent, MSSF, MUFG, Citigroup Global Markets Inc., JPMorgan Chase Bank, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Wells Fargo Securities, LLC, as joint lead arrangers and joint book managers, and MUFG, Citibank, N.A., JPMorgan Chase Bank, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Wells Fargo Securities, LLC, as syndication agents (the "Term Loan Credit Agreement").

The Term Loan Credit Agreement provides for a three-year unsecured term loan facility in aggregate principal amount of \$3.0 billion, which will be available on the Closing Date (as defined in the Term Loan Credit Agreement) to finance the Merger, repay certain existing indebtedness of Express Scripts as required under the Merger Agreement, and pay fees and expenses in connection with the Merger. Concurrently with entry into the Term Loan Credit Agreement, the bridge facility commitments under the Commitment Letter reduced to \$23.7 billion.

Lenders' commitments under the Term Loan Credit Agreement terminate on the earliest to occur of (i) 11:59 p.m. on the date that is five (5) business days after December 8, 2018, which shall be extended to the date that is five (5) business days after June 8, 2019 in certain circumstances, (ii) the consummation of the Merger without any use of the term loans and (iii) the date of any public announcement by Cigna of the abandonment by Cigna of the Merger or the termination in accordance with the terms of the Merger Agreement of Cigna's obligations under the Merger Agreement to consummate the Merger. Additional information concerning the Term Loan Credit Agreement, as well as a copy of the Term Loan Credit Agreement, can be found in Cigna's Current Report on Form 8-K, filed on April 12, 2018 with the SEC, a copy of which is attached as Exhibit G-2 hereto.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the future based on prevailing market conditions and other financial factors. The Applicants will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

None of the borrowings under the Facility, the Revolving Credit Agreement, the Term Loan Credit Agreement or any other indebtedness currently contemplated to be issued or incurred in connection with the Proposed Transaction will be secured by the stock of any of Cigna's affiliates, including any of the Express Scripts entities acquired in the Proposed Transaction or otherwise. In certain circumstances, certain non-insurance subsidiaries of Cigna, or after the Merger, Holdco will be required to guarantee the obligations of Cigna or Holdco, as applicable, under the Facility, the Revolving Credit Agreement and the Term Loan Credit Agreement.

*B. Criteria Used in Determining the Nature and Amount of Such Consideration*

Cigna and Express Scripts are both publicly held companies. Cigna performed a customary due diligence investigation and reviewed, among other things, the financial statements, operations and legal documents of Express Scripts and its subsidiaries. The basis and terms of the Merger Agreement, including the consideration to be paid, resulted from arm's length negotiations between the respective management, financial advisors and counsel of Cigna and Express Scripts. The respective boards of directors of Cigna and Express Scripts, after due diligence review and analysis under customary valuation techniques, have approved the transactions contemplated by the Merger Agreement and have determined that the Merger Agreement and related agreements are advisable and in the best interests of their respective shareholders.

Additional information concerning the Merger Agreement, the Proposed Transaction and related matters can be found in Cigna's Current Report on Form 8-K, filed on March 8, 2018 with the SEC, a copy of which is attached hereto as Exhibit C-1, Cigna's Current Report on Form 8-K, filed on March 13, 2018 with the SEC, a copy of which is attached hereto as Exhibit C-2, and Cigna's Current Report on Form 8-K, filed on April 12, 2018 with the SEC, a copy of which is attached hereto as Exhibit G-2.

*C. Identity of Lender*

The joint lead arrangers under each of the Facility, the Revolving Credit Agreement and the Term Loan Credit Agreement are joined by syndicates of additional lenders. As the loans to be made under each of these facilities is in the lenders' ordinary course of business, the Applicants respectfully request the identity of each such additional lender to remain confidential.

**ITEM 5. FUTURE PLANS OF INSURER**

Other than as noted in this Statement, the Applicants have no present plans or proposals: (a) to cause the Domestic Insurer to declare any extraordinary dividend, (b) to liquidate the Domestic Insurer, (c) to sell the assets of the Domestic Insurer, (d) to merge the Domestic Insurer

with any person or persons, or (e) to make any other material change in the Domestic Insurer's business operations or corporate structure or management.

Immediately following the Closing, the Domestic Insurer will continue to maintain its separate corporate existence and, except as otherwise noted below in this Item 5, will continue its operations as currently conducted. Five-year financial projections for the Domestic Insurer are attached hereto as Exhibit H.

Cigna has no present plans or intentions to change the directors or executive officers of the Domestic Insurer or Medco Health Solutions, Inc., the Domestic Insurer's direct parent company. A list of the current directors and executive officers of Merger Sub 1, as well as plans regarding the proposed post-Closing directors and executive officers of the Cigna Surviving Corporation, are attached as Exhibit I-1. A list of the current directors and executive officers of Merger Sub 2, as well as plans regarding the proposed post-Closing directors and executive officers of the Express Scripts Surviving Corporation, are attached as Exhibit I-2. A list of the current directors and executive officers of Holdco, as well as plans regarding the proposed post-Closing directors and executive officers of Holdco, are attached as Exhibit I-3.

A biographical affidavit of each person listed on Exhibit I-1, Exhibit I-2 and Exhibit I-3, other than any such persons who are existing directors or executive officers of Express Scripts or the Domestic Insurer, is included in Exhibit F-1 and Exhibit F-2, filed in both redacted and confidential unredacted versions, as described above (or will be submitted to the Department promptly following the filing of this Statement). Once the Applicants have identified the four (4) independent members of the board of directors of Express Scripts who will serve on the post-Merger board of directors of Holdco, the Applicants will submit biographical affidavits of such persons to the Department.

Following the Closing, Cigna plans for the Domestic Insurer to become a party to certain intercompany agreements as may be necessary or desirable, which may include (but which are not limited to) general corporate services, tax sharing, investment management and cost sharing agreements, in each case, currently in effect within Cigna's insurance holding company system. Applications to obtain the approval (or non-disapproval) of the Department for the Domestic Insurer to become a party to such intercompany agreements will be submitted to the Department under separate cover as may be required by law.

Following the Closing, Holdco will be renamed Cigna Corporation, the Express Scripts Surviving Corporation will be renamed Express Scripts Holding Company, and the Cigna Surviving Corporation will be renamed a name that is yet to be determined. Cigna's headquarters in Bloomfield, Connecticut, will serve as the headquarters for the combined company, and Express Scripts will continue to be headquartered in St. Louis, Missouri. Cigna anticipates that certain operations of Express Scripts, such as human resources, payroll, finance and accounting, may be integrated with Cigna's existing operations following the Closing. Leaders from Cigna and Express Scripts will finalize such integration plans together. Due to requirements of antitrust law, detailed staffing plans cannot be determined until after the Closing.

## **ITEM 6. VOTING SECURITIES TO BE ACQUIRED**

The Domestic Insurer currently has one hundred fifty (150) shares of Class A common stock outstanding, par value twelve thousand five hundred dollars (\$12,500), and fifty (50) shares of Class B common stock outstanding, par value twelve thousand five hundred dollars (\$12,500), and no shares of preferred stock outstanding (other than that there is a dividend preference in favor of the Class A common stock). The Domestic Insurer has two million five hundred thousand (2,500,000) shares authorized. Pursuant to the Merger Agreement, the Applicants propose to acquire one hundred percent (100%) of the issued and outstanding voting securities of Express Scripts, the Domestic Insurer's indirect parent, as of the Effective Time and, thereby, will beneficially acquire indirect ownership of one hundred percent (100%) of the issued and outstanding voting securities of the Domestic Insurer.

The terms of the Merger Agreement are described in Item 1(b) hereof. A statement as to the method by which the fairness of the proposal was determined is included in Item 4(b) hereof.

## **ITEM 7. OWNERSHIP OF VOTING SECURITIES**

To the knowledge of the Applicants, except as provided in the Merger Agreement, and except for any purchases of Express Scripts shares made in the public market in the ordinary course of investing activities in accordance with applicable law, there are no voting securities of any class of Express Scripts or any of its subsidiaries that are beneficially owned or concerning which there is a right to acquire beneficial ownership by the Applicants, their affiliates, or any person listed in Item 3. Under the terms of the Merger Agreement, (a) shares of Express Scripts Common Stock held directly by Express Scripts as treasury stock or held by Holdco or Merger Sub 2 immediately prior to the Effective Time will be cancelled and will cease to exist and no cash, Holdco common stock or other consideration will be delivered in exchange therefor, and (b) shares of Express Scripts Common Stock held by Cigna or any wholly owned subsidiary of Cigna (other than Holdco and Merger Sub 2) or of Express Scripts immediately prior to the Effective Time will be automatically converted into shares of Holdco common stock pursuant to the Merger Agreement.

## **ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER**

To the knowledge of the Applicants, other than as described in this Statement or the Merger Agreement, there are no contracts, arrangements or understandings with respect to any voting security of Express Scripts or the Domestic Insurer, in which the Applicants, their affiliates or any person listed in Item 3 hereof is involved, including but not limited to, transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies.

## **ITEM 9. RECENT PURCHASES OF VOTING SECURITIES**

To the knowledge of the Applicants, except for any purchases of Express Scripts shares made in the public market in the ordinary course of investing activities in accordance with

applicable law, none of the Applicants, their affiliates, or any person listed in Item 3 hereof has purchased any voting securities of Express Scripts or the Domestic Insurer during the twelve calendar months preceding the filing of this Statement.

**ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE**

To the knowledge of the Applicants, except with respect to the Proposed Transaction and except for any purchases of Express Scripts shares made in the public market in the ordinary course of investing activities in accordance with applicable law, none of the Applicants, their affiliates or any person listed in Item 3 hereof, or, to the knowledge of the Applicants, anyone based upon interviews or at the suggestion of the Applicants, their affiliates or any person listed in Item 3 hereof, has made any recommendations during the twelve calendar months preceding the filing of this Statement to purchase any voting security of Express Scripts or the Domestic Insurer.

**ITEM 11. AGREEMENTS WITH BROKER-DEALERS**

To the knowledge of the Applicants, no agreement, contract or understanding has been made by the Applicants, their affiliates or any person listed in Item 3 hereof with any broker-dealer as to solicitation of voting securities of Express Scripts or the Domestic Insurer for tender and no amount of any fees, commissions or other compensation has been or will be paid by the Applicants, their affiliates or any person listed in Item 3 hereof to broker-dealers with regard thereto. Cigna has agreed to pay contingent compensation to certain financial advisors for financial advice provided to Cigna regarding the Proposed Transaction.

**ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS**

A. *Exhibits*

All exhibits referenced in this Statement are itemized below:

<u>Exhibit A</u> .....	Merger Agreement
<u>Exhibit B</u> .....	Transaction Steps Diagram
<u>Exhibit C-1</u> .....	Cigna’s Current Report on Form 8-K, filed on March 8, 2018 with the SEC
<u>Exhibit C-2</u> .....	Cigna’s Current Report on Form 8-K, filed on March 13, 2018 with the SEC
<u>Exhibit D</u> .....	Cigna’s Annual Report on Form 10-K for the Period Ending December 31 of each of 2013, 2014, 2015, 2016 and 2017 (includes audited financial statements)
<u>Exhibit E-1</u> .....	Pre-Closing Organizational Chart of the Applicants and Their Affiliates

<u>Exhibit E-2</u> .....	Post-Closing Organizational Chart of the Applicants and Their Affiliates
<u>Exhibit F-1</u> .....	Redacted NAIC Biographical Affidavits
<u>Exhibit F-2</u> .....	NAIC Biographical Affidavits <b>(submitted confidentially under separate cover)</b>
<u>Exhibit F-3</u> .....	Lists of Directors and Executive Officers of the Applicants
<u>Exhibit G-1</u> .....	Bridge Facility Commitment Letter <b>(submitted confidentially under separate cover)</b>
<u>Exhibit G-2</u> .....	Cigna’s Current Report on Form 8-K, filed on April 12, 2018 with the SEC
<u>Exhibit H</u> .....	Five-Year Financial Projections for the Domestic Insurer <b>(submitted confidentially under separate cover)</b>
<u>Exhibit I-1</u> .....	Lists of Pre- and Post-Closing Directors and Executive Officers of Merger Sub 1 and the Cigna Surviving Corporation, respectively
<u>Exhibit I-2</u> .....	Lists of Pre- and Post-Closing Directors and Executive Officers of Merger Sub 2 and the Express Scripts Surviving Corporation, respectively
<u>Exhibit I-3</u> .....	Lists of Pre- and Post-Closing Directors and Executive Officers of Holdco
<u>Exhibit J</u> .....	Cigna’s Annual Reports to Shareholders for the Periods Ending December 31, 2016 and December 31, 2017
<u>Exhibit K</u> .....	Before and After Balance Sheet and Income Statement for the Domestic Insurer, as well as a pre-acquisition balance sheet with a column reflecting any adjustments to the

post-acquisition balance sheet  
(submitted confidentially under  
separate cover)

Exhibit L ..... Domestic Insurer’s Latest NAIC  
Risk-Based Capital Calculations  
(submitted confidentially under  
separate cover)

Exhibit M ..... Competitive Impact Statement  
(submitted confidentially under  
separate cover)

As described herein, the Applicants respectfully request confidential treatment of the materials filed as Exhibits F-2, G-1, H, K, L and M in accordance with 31 P.S. § 25.12 and Form 040324 (“Public Availability of Filed Documents”), as they (1) contain information that is personal, confidential or proprietary, (2) are documents that do not constitute public records within the meaning of the Pennsylvania Right to Know Law, Act 3 of 2008, 65 P.S. § 67.101, et seq., and/or (3) constitute trade secrets within the meaning of 12 P.S. § 5302.

Specifically, the Applicants request that: (i) the redacted portions of the biographical affidavits filed as Exhibit F-2 and all information in Exhibits G-1, H, K, L and M be afforded confidential treatment; (ii) the Applicants be notified in advance of any proposed disclosure by the Department of such confidential information; and (iii) the Applicants be given a reasonable opportunity to seek a protective order or take other action to prevent or limit any such disclosure. Any communications regarding the confidentiality of these materials or the disclosure of same should be directed to Steven B. Davis, Stradley Ronon, 2005 Market Street, Suite 2600, Philadelphia, PA 19103.

*B. Financial Statements*

Exhibit D includes Cigna’s Annual Report on Form 10-K for the fiscal years ended December 31, 2017, 2016, 2015, 2014 and 2013 (including the audited financial statements for such years), which audited financial statements are accompanied by the certificate of an independent public accountant, to the effect that such financial statements present fairly Cigna’s consolidated financial position, and the results of operations for the year then ended, in conformity with generally accepted accounting principles. Holdco was incorporated on March 6, 2018, and as a result, no financial statements of Holdco are available. As of the date of this Statement, the parties’ joint proxy statement has not been filed with the SEC and will be provided to the Department supplementally promptly following the filing of the same with the SEC.

*C. Individual Financial Statements*

The Applicants are not individuals; therefore, this subparagraph is not applicable.

*D. Tender Offers and Annual Reports*

To the knowledge of the Applicants, other than as disclosed in this Statement, there have been no (1) tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of Express Scripts or the Domestic Insurer (or additional soliciting material related thereto), or (2) proposed employment, consultation, advisory or management contracts concerning Express Scripts or the Domestic Insurer.

Cigna's annual reports to shareholders for the fiscal years ended December 31, 2016 and December 31, 2017 are attached hereto as Exhibit J. Neither Holdco nor the Domestic Insurer has had any annual reports to stockholders for the last two fiscal years.

**ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT**

The Applicants agree to provide, to the best of their knowledge and belief, the information required by Form F within 30 days after the end of the month in which the acquisition of control occurs and annually thereafter as long as control exists or upon request as necessary for the Commissioner to evaluate enterprise risk of the Domestic Insurer unless otherwise ordered by the Commissioner.

**ITEM 14. COMPLIANCE WITH THE DEPARTMENT'S PUBLICATION TITLED "QUALIFICATION REQUIREMENTS TO ACQUIRE CONTROL OF OR MERGE WITH A DOMESTIC INSURANCE COMPANY, HEALTH MAINTENANCE ORGANIZATION, PREFERRED PROVIDER ORGANIZATION, ASSOCIATION OR RECIPROCAL EXCHANGE"**

As set forth in the guidance contained in the Department's publication titled "Qualification Requirements to Acquire Control of or Merge with a Domestic Insurance Company, Health Maintenance Organization, Preferred Provider Organization, Association or Reciprocal Exchange," the Applicants are submitting before and after balance sheets and income statements for the Domestic Insurer (as well as a pre-acquisition balance sheet for the Domestic Insurer with a column reflecting any adjustments to the post-acquisition balance sheet and a summary description of all adjustments), attached as Exhibit K, as well as the Domestic Insurer's latest NAIC Risk-Based Capital Calculations, attached as Exhibit L.<sup>3</sup>

Applying the criteria set forth in 40 P.S. § 991.1403, the Proposed Transaction will not substantially lessen competition in insurance in the Commonwealth of Pennsylvania or tend to create a monopoly therein. As illustrated in Exhibit M attached hereto, the Proposed Transaction meets the pre-acquisition notification exemption standards set forth in 40 P.S. § 991.1403(b)(2)(v)(B). Accordingly, the Applicants respectfully request that the Department deem the information provided in this Item 14 and Exhibit M attached hereto to satisfy the requirements of 40 P.S. § 991.1403(d)(2).

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<sup>3</sup> Because the Applicants contemplate no immediate change to the Domestic Insurer's business plan presently in place, a Form DOI-135 (Business Plan) is not being submitted with this Statement.

The Applicants acknowledge the requirements imposed by 40 P.S. § 991.1405(c)(3), (4) and (4.1) with respect to the minimum number of independent directors and board committee members of Pennsylvania domestic insurers and related requirements with respect to the audit committee and nominating committee of Pennsylvania domestic insurers and will ensure that the Domestic Insurer complies with those requirements following the Closing.

**ITEM 15. SIGNATURE AND CERTIFICATION**

The signature and certification of the Applicants are set forth on the immediately following page.

*[Signature page follows]*

**SIGNATURE**

Pursuant to the requirements of Section 1402 of the act, Cigna Corporation has caused this application to be duly signed on its behalf in the City of Bloomfield and State of Connecticut on the 20<sup>th</sup> day of April, 2018.

**CIGNA CORPORATION**

By: Nicole S. Jones  
Name: Nicole Jones  
Title: Executive Vice President and General Counsel

Attest:

By: Marguerite Geiger  
Name: Marguerite Geiger  
Title: Assistant Corporate Secretary

**CERTIFICATION**

The undersigned deposes and says that she has duly executed the attached application dated April 20, 2018, for and on behalf of Cigna Corporation; that she is the Executive Vice President and General Counsel of such company and that she is authorized to execute and file such instrument. Deponent further says that she is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of her knowledge, information and belief.

By: Nicole S. Jones  
Name: Nicole Jones  
Title: Executive Vice President and General Counsel

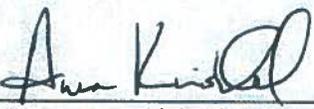
**SIGNATURE**

Pursuant to the requirements of Section 1402 of the act, Halfmoon Parent, Inc. has caused this application to be duly signed on its behalf in the City of Bloomfield and State of Connecticut on the 20<sup>th</sup> day of April, 2018.

**HALFMOON PARENT, INC.**

By:   
Name: Eric Palmer  
Title: President

Attest:

By:   
Name: Anna Krishtul  
Title: Secretary

**CERTIFICATION**

The undersigned deposes and says that he has duly executed the attached application dated April 20, 2018, for and on behalf of Halfmoon Parent, Inc.; that he is the President of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By:   
Name: Eric Palmer  
Title: President