

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Capital Blue Cross	:	Holding Companies Act, Article
Requesting Exemption from the	:	XIV of the Insurance Company
Requirements of 40 P.S. §991.1402 to	:	Law of 1921, Act of May 17, 1921,
Increase its Percentage of Direct Control	:	P.L. 682, <u>as amended</u> , 40 P.S.
of Vibra Health Plan Holdings, LLC,	:	§§991.1401, 991.1402, and
Parent of Vibra Health Plan, Inc.	:	991.1403
	:	
	:	Order No. ID-RC-19-09

DECISION AND ORDER

AND NOW, on this 16th day of August, 2019, Joseph DiMemmo, 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. Vibra Health Plan, Inc. (“Vibra”) is a domestic for-profit risk-assuming preferred provider organization that is not a licensed insurer organized under the laws of the Commonwealth of Pennsylvania with its statutory home office located in Harrisburg, Pennsylvania.
2. Vibra Health Plan Holdings, LLC (“VHPH”) is a Delaware domiciled limited liability holding company that directly holds 100% of the issued and outstanding stock of Vibra.

3. Capital Blue Cross (“CBC”) is a Pennsylvania hospital plan corporation that directly holds 88.3% of the membership interest of VHPH.
4. Hollinger Health, LLC (“HLLC”) is a Delaware domiciled limited liability holding company that directly holds 11.7% of the membership interest of VHPH.

Filing of the Application

5. On July 15, 2019, 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 CBC to increase its percentage of direct control of VHPH.
6. 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 insurer must be filed with the Department for approval or disapproval.
7. The Application was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
8. 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 insurer, or
 - b. is otherwise not comprehended within the purposes of the section.

The Transaction

9. As described in the Application, CBC will enter into a Membership Interest Purchase Agreement (“Purchase Agreement”) with HLLC.
10. As described in the Application and pursuant to the Purchase Agreement, CBC will acquire the remaining 11.7% membership interest of VHPH that is currently held by HLLC.
11. As described in the Application, CBC will remain an ultimate controlling person of Vibra.
12. The Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”) has delegated to the Deputy Insurance Commissioner the authority to approve an application that would not have the effect of changing or

influencing the control of a domestic insurer.

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 insurer.
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 voting securities of a domestic insurer if, after consummation thereof, the acquiring person would be in control of the domestic insurer.
2. The Insurance Commissioner has delegated authority to approve an application that would not have the effect of changing or influencing the control of a domestic insurer to the Deputy Insurance Commissioner.
3. The Deputy Commissioner has jurisdiction over the parties and subject matter of this proceeding.
4. The Application was properly filed pursuant to and in accordance with Section 1402(g) of the Insurance Holding Companies Act.
5. The increase in the percentage of ownership of voting securities proposed in the Application is not being contemplated to change or influence the control of Vibra, and, therefore, is exempt from the requirements of Section 1402(b) of the Insurance Holding Companies Act.
6. 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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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 Capital Blue Cross requesting exemption from the requirements of 40 P.S. §991.1402 to increase its percentage of direct control of Vibra Health Plan Holdings, LLC, parent of Vibra Health Plan, 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.




JOSEPH DIMEMMO
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation