

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

In Re: : Pursuant to Sections 1401, 1402, and  
: 1403 of the Insurance Holding  
Application of Independence Health : Companies Act, Article XIV of the  
Group, Inc. Requesting Exemption from : Insurance Company Law of 1921, Act of  
the Requirements of 40 P.S. §991.1402 : May 17, 1921, P.L. 682, as amended, 40  
to Restructure its Holding Company : P.S. §§991.1401, 991.1402, and  
System Involving Region 6 Rx Corp. : 991.1403  
:  
: Order No. ID-RC-20-04

DECISION AND ORDER

AND NOW, on this 4<sup>th</sup> day of March 2020, 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 Parties**

1. Independence Health Group, Inc. (“IHG”) is a nonprofit corporation organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business in Philadelphia, Pennsylvania.
2. AmeriHealth, Inc. (“AHI”) is a business corporation organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business in Philadelphia, Pennsylvania. AHI is a direct wholly-owned subsidiary of IHG.
3. Independence Blue Cross, LLC (“IBC”) is a limited liability company organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of

business in Philadelphia, Pennsylvania. IBC is a direct wholly-owned subsidiary of AHI.

4. Region 6 Rx Corp. (“Region 6”) is a stock life insurance company organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business in Philadelphia, Pennsylvania. Region 6 is a direct wholly-owned subsidiary of IBC.
5. GR Health Solutions, LLC, (“HoldCo”) is a newly-formed limited liability company with its principal place of business in Philadelphia, Pennsylvania. HoldCo is a direct wholly-owned subsidiary of IBC.

### **Filing of the Application**

6. On February 20, 2020, the Pennsylvania Insurance Department (“Department”) received an initial request (which together with all material received subsequently is collectively referenced as “Request”) from IHG for approval to restructure its holding company system.
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 insurer must be filed with the Department for approval or disapproval.
8. The Request 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 insurer, or
  - b. is otherwise not comprehended within the purposes of the section.

### **The Transaction**

10. As described in the Request, IBC proposes to contribute 100% of Region 6 to HoldCo.
11. As described in the Request, IHG would remain an ultimate controlling person of Region 6 and HoldCo following the transaction.
12. The Deputy Commissioner finds that the transaction described in the Request would not have the effect of changing or influencing the control of a domestic insurer.

13. 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 a controlling interest 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 Request was properly filed pursuant to and in accordance with Section 1402(g) of the Insurance Holding Companies Act.
5. The restructuring of the holding company system proposed in the Request is not being contemplated to change or influence the ultimate control of Region 6, 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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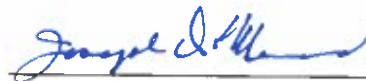
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ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania, hereby makes the following Order:

An approving determination for the request of Independence Health Group, Inc. for exemption from the requirements of 40 P.S. §991.1402 to restructure its holding company system involving Region 6 Rx Corp., as set forth in the request, is hereby granted.

This Order is effective immediately and valid for one (1) year from the date of signature, provided there are no significant changes from the request.



JOSEPH DIMEMMO  
Deputy Insurance Commissioner  
Office of Corporate and Financial Regulation