

BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of UPMC Health Benefits,	:	Holding Companies Act, Article
Inc. 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,
Restructure its Holding Company System	:	P.L. 682, <u>as amended</u> , 40 P.S.
	:	§§ 991.1401, 991.1402, and
	:	991.1403
	:	
	:	Order No. ID-RC-21-17

DECISION AND ORDER

AND NOW, on this 26th day of August, 2021, Melissa L. Greiner, 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 Work Alliance, Inc. (“Work Alliance”) is a domestic stock casualty company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Pittsburgh, Pennsylvania.
2. UPMC Health Benefits, Inc. (“Health Benefits”) is a domestic stock casualty company organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Pittsburgh, Pennsylvania.

3. UPMC Coverage Products, Inc. (“Coverage Products”) is a corporation organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Pittsburgh, Pennsylvania. Coverage Products directly owns 100% of the issued and outstanding stock of Work Alliance and Health Benefits.
4. 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 in Pittsburgh, Pennsylvania. UPMC is the ultimate controlling person of Work Alliance and Health Benefits.

#### **Filing of the Application**

5. On July 14, 2021, 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 Health Benefits to restructure its holding company system.
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, upon Department approval, Coverage Products proposes to contribute 100% of the issued and outstanding stock of Work Alliance to Health Benefits (the “Transaction”).
10. As described in the Application, after giving effect to the Transaction, Health Benefits will directly hold 100% of the issued and outstanding stock of Work Alliance.
11. As described in the Application, after giving effect to the Transaction, UPMC will remain the ultimate controlling person of Work Alliance and Health Benefits.

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 controlling 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 proposed transaction is not being contemplated to change or influence the ultimate control of Work Alliance and Health Benefits, 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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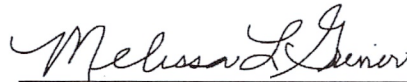
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: 991.1403  
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ORDER

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 UPMC Health Benefits, Inc. requesting exemption from the requirements of 40 P.S. § 991.1402 to restructure its holding company system 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.



MELISSA L. GREINER  
Deputy Insurance Commissioner  
Office of Corporate and Financial Regulation

