

**BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA**

<b>In Re:</b>	:	Pursuant to Sections 1401, 1402, and 1403 of the Insurance Holding Companies Act, Article XIV of the Insurance Company Law of 1921, Act of May 17, 1921, P.L. 682, <u>as amended</u> , 40 P.S. §§991.1401, 991.1402, and 991.1403
<b>Application of CVS Health Corporation Requesting Exemption from the Requirements of 40 P.S. §991.1402 for the Merger of HealthAssurance Pennsylvania, Inc. with and into Aetna Life Insurance Company</b>	:	Order No. ID-RC-22-12

**DECISION AND ORDER**

AND NOW, on this 2nd day of December 2022, Melissa 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. HealthAssurance Pennsylvania, Inc. (“HPI”) is a domestic stock risk-assuming preferred provider organization organized pursuant to the laws of Pennsylvania with its principal place of business in Blue Bell, Pennsylvania.
2. Aetna Health Holdings, LLC (“AHH”) is a limited liability company organized pursuant to the laws of Delaware with its principal place of business in Hartford,

Connecticut. AHH currently directly holds 100% of the issued and outstanding stock of HPI.

3. Aetna Life Insurance Company (“ALIC”) is a stock life insurance company organized pursuant to the laws of Connecticut with its principal place of business in Hartford, Connecticut.
4. Aetna Inc. (“AI”) is a business corporation organized pursuant to the laws of Pennsylvania with its principal place of business in Hartford, Connecticut. AI currently directly holds 100% of the issued and outstanding stock of ALIC and is currently the sole member of AHH.
5. CVS Health Corporation (“CVS”) is a business corporation organized pursuant to the laws of Delaware with its principal place of business in Woonsocket, Rhode Island. CVS currently indirectly holds 100% of the issued and outstanding stock of AI.
6. CVS is currently the sole ultimate controlling person of HPI and ALIC.

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

7. On October 17, 2022, 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 CVS for approval to merge HPI with and into ALIC with ALIC being the survivor (the “Merger”).
8. 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 mergers or other acquisitions of control of domestic insurers must be filed with the Department for approval or disapproval.
9. The Application was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
10. 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.

### **Department Procedures**

11. On November 5, 2022, the Department published notice in the *Pennsylvania Bulletin* that the Application was submitted by CVS and such notice invited interested persons to submit comments to the Department regarding the Application for twenty-one (21) days following the date of the publication (“Comment Period”).
12. The Department received no comments regarding the Application during the Comment Period.

### **The Transaction**

13. As described in the Application, prior to the commencement of the merger, AHH will dividend 100% of the issued and outstanding stock of HPI to AI.
14. As described in the Application, a Plan of Merger (“Merger Agreement”) was adopted and approved by the board of directors of HPI and ALIC on October 11, 2022.
15. As described in the Application, the Merger Agreement was approved by AI, the sole shareholder of HPI and ALIC on October 11, 2022.
16. The Merger Agreement provides for HPI to merge with and into ALIC, with ALIC being the surviving corporation.
17. As described in the Application, upon the effective date of the merger, ALIC shall acquire all of the assets of HPI and assume all of the debts and other liabilities of HPI.
18. As described in the Application, the articles of incorporation and by-laws of ALIC in effect immediately prior to the merger shall be the articles of incorporation and by-laws of ALIC upon the effective date of the merger.
19. As described in the Application, the members of the board of directors and the officers of ALIC prior to the merger shall be the members of the board of directors and the officers of ALIC after the merger.
20. As described in the Application, each share of HPI common stock issued and outstanding immediately prior to the effective date of the merger shall be converted into one (1) outstanding share of ALIC.
21. As described in the Application, AI would continue to be the sole shareholder of ALIC upon completion of the merger, and there would be no change to the ultimate controlling person.

22. **The Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”) has delegated to the Deputy Commissioner the authority to approve an application that would not have the effect of changing or influencing the control of a domestic insurer.**
23. **The Deputy Commissioner finds that the transaction described in the Application will not result in a change of control of a Pennsylvania domiciled insurer.**
24. **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 merger of HPI with and into ALIC.**
2. **Under Section 1402(g) of the Insurance Holding Companies Act, the Department shall exempt a merger from the requirements of Section 1402 if the merger does not have the effect of changing or influencing the control of a domestic insurer.**
3. **Pursuant to Section 1402(g) of the Insurance Holding Companies Act, the Deputy Commissioner concludes that the proposed merger does not change the ultimate controlling person of the parties to the merger and, therefore, is exempt from the requirements of the Insurance Holding Companies Act.**
4. **The Application was properly filed pursuant to and in accordance with Section 1402(g) of the Insurance Holding Companies Act.**
5. **The Application satisfies the requirements 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.**

**BEFORE THE INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA**

<b>In Re:</b>	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
<b>Application of CVS Health Corporation</b>	:	<b>Holding Companies Act, Article</b>
<b>Requesting Exemption from the</b>	:	<b>XIV of the Insurance Company</b>
<b>Requirements of 40 P.S. § 991.1402 for</b>	:	<b>Law of 1921, Act of May 17, 1921,</b>
<b>the Merger of HealthAssurance</b>	:	<b>P.L. 682, as amended, 40 P.S.</b>
<b>Pennsylvania, Inc. with and into Aetna</b>	:	<b>§§ 991.1401, 991.1402, and</b>
<b>Life Insurance Company</b>	:	<b>991.1403</b>
	:	
	:	<b>Order No. ID-RC-22-12</b>

**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 CVS Health Corporation (“CVS”) requesting exemption from the requirements of 40 P.S. § 991.1402 for the merger of HealthAssurance Pennsylvania, Inc. (“HPI”) with and into Aetna Life Insurance Company (“ALIC”), is hereby granted subject to this Order and the following conditions:

1. CVS shall submit any changes made to the Plan of Merger provided with the Application to the Deputy Insurance Commissioner prior to the execution of the changed document.
2. CVS shall file a copy of the Statement of Merger, as filed with and stamped as received by the Pennsylvania Department of State, with the Deputy Insurance Commissioner within ten (10) days of receipt from the Pennsylvania Department of State.
3. This transaction may be recorded as effective for accounting purposes as of the first day of the calendar quarter in which the merger is consummated.

This Order is effective immediately and valid for one (1) year from the date of signature, provided there are no material changes to the representations provided in the Application.



MELISSA GREINER  
Deputy Insurance Commissioner  
Office of Corporate and Financial Regulation

