

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Independence Blue Cross	:	Holding Companies Act, Article
Requesting Exemption from the	:	XIV of the Insurance Company
Requirements of 40 P.S. §991.1402 for a	:	Law of 1921, Act of May 17, 1921,
Change in the Insurance Holding	:	P.L. 682, as amended, 40 P.S.
Company System of which Vista Health	:	§§991.1401, 991.1402, and
Plan, Inc. is a Member	:	991.1403
	:	
	:	ID-RC-05-24

DECISION AND ORDER

AND NOW, on this 15th day of December, 2005, Stephen J. Johnson, 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

1. Vista Health Plan, Inc. (“Vista”) is a health maintenance organization (“HMO”) organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business located in Philadelphia, Pennsylvania.
2. Keystone Health Plan East, Inc. (“KHPE”) is a HMO organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business located in Philadelphia, Pennsylvania. KHPE directly holds 100% of the issued and outstanding capital stock of Vista.
3. AmeriHealth HMO, Inc. (“AmeriHealth”) is a HMO organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business located in Philadelphia, Pennsylvania. AmeriHealth directly holds 100% of the

issued and outstanding capital stock of KHPE.

4. Independence Blue Cross (“IBC”) is a not for profit non-stock, non-member Hospital Plan Corporation organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business located in Philadelphia, Pennsylvania. IBC indirectly controls 100% of the issued and outstanding capital stock of AmeriHealth.
5. IBC is the sole ultimate controlling person of Vista, KHPE and AmeriHealth.
6. On December 9, 2005, the Insurance Department of the Commonwealth of Pennsylvania (“Department”) received an initial request (which together with all material received subsequently is collectively referenced as “Request”) from IBC for approval to effectuate a corporate restructuring which will result in a change in the chain of control within the holding company system of Vista, although the ultimate controlling person will not change.
7. As described in the Request, KHPE will contribute its Vista stock to AmeriHealth. The result will be AmeriHealth directly holding 100% of the issued and outstanding common stock of Vista.
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 changes in control of domestic HMOs must be filed with the Commissioner for approval or disapproval.
9. The Request was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
10. As provided in the Request, the ultimate controlling person of Vista will remain IBC.
11. Section 1402(g) of the Insurance Holding Companies Act provides for the exemption from the requirements of Section 1402(b) if the transaction does not have the effect of changing or influencing the control of a domestic HMO.
12. The Deputy Commissioner finds that the transaction described in the Request does not have the effect of changing or influencing the ultimate control of a domestic HMO.
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 voting securities of a domestic HMO if, after consummation thereof, the acquiring person would be in control of the domestic HMO.
2. The Request satisfies the requirements of all applicable laws and regulations.
3. The change in direct control proposed in the Request is not being contemplated to change or influence the ultimate control of Vista, and, therefore, is exempt from the requirements of Section 1402(b) of the Insurance Holding Companies Act.
4. 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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Plan, Inc. is a Member	:	991.1403
	:	
	:	ID-RC-05-24

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 for exemption from the requirements of 40 P.S. Section 991.1402 for the change in the Insurance Holding Company system of which Vista Health Plan, Inc. is a member, as set forth in the Request, is hereby granted.

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

STEPHEN J. JOHNSON
Deputy Insurance Commissioner
Regulation of Companies