

BEFORE THE DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

| | | |
|--|---|--|
| IN RE: | : | Pursuant to the Health Maintenance |
| | : | Organization Act, Act of December |
| The Request of CIGNA HealthCare of | : | 29, 1972, P.L. 1701, No. 364, <u>as</u> |
| Pennsylvania, Inc. for Approval to | : | <u>amended</u> , December 19, 1980, P.L. |
| Surrender its Certificate of Authority | : | 1300, No. 234, 40 P.S. §§1551 |
| to Operate as a Health Maintenance | : | through 1567 |
| Organization | : | |
| | : | |
| | : | |
| | : | Order Number ID-RC-10-21 |

DECISION AND ORDER

AND NOW, on this 9th day of August, 2010, Stephen J. Johnson, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”), hereby makes the following Decision and Order:

Pursuant to the Health Maintenance Organization Act, and in consideration of the documents, representations 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. CIGNA HealthCare of Pennsylvania (“HealthCare of PA”) is a Health Maintenance Organization (“HMO”) organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Hartford, Connecticut.
2. Connecticut General Life Insurance Company (“Connecticut General”) is a foreign admitted insurance company organized under the laws of the state of Connecticut with its principal place of business in Hartford, Connecticut. Connecticut General is an affiliate of HealthCare of PA.

3. On July 19, 2010, the Insurance Department of the Commonwealth of Pennsylvania (“Department”) received a request (which, together with all material received subsequently, is hereinafter referenced as “Request”) from HealthCare of PA to voluntarily surrender its Certificate of Authority to operate as a domestic HMO in this Commonwealth.
4. On May 19, 1987, HealthCare of PA was issued a Certificate of Authority by this Department and the Department of Health pursuant to the Health Maintenance Organization Act of December 29, 1972, P.L. 1701, No. 364, as amended (40 P.S. §1551, et seq.) to operate as a HMO in the Commonwealth of Pennsylvania.
5. As stated in the Request, HealthCare of PA has had no members since January 1, 2010.
6. As stated in the Request, HealthCare of PA has no known claims liabilities.
7. As stated in the Request, Connecticut General will assume responsibility for any legitimate HMO claims or other liabilities that may be made upon HealthCare of PA after the Certificate of Authority is surrendered.
8. As stated in the Request, the purpose of this transaction is to surrender the authority to operate a HMO.
9. HealthCare of PA has provided documentation that its Board of Directors has resolved to surrender its Certificate of Authority to act as a HMO in the Commonwealth of Pennsylvania.
10. HealthCare of PA has provided documentation that its sole shareholder has resolved to surrender the HealthCare of PA Certificate of Authority to act as a HMO in the Commonwealth of Pennsylvania.
11. 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. Inasmuch as there are no remaining known claims related to the HMO operations of HealthCare of PA and Connecticut General has agreed to resolve any unknown claims against HealthCare of PA, adequate provisions have been made for payment of member claims.
2. Based on all the information and analyses received and the Department's independent review, the Request is reasonable and in accordance with law.
3. 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 DEPUTY INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

| | | |
|--|---|--|
| IN RE: | : | Pursuant to the Health Maintenance |
| | : | Organization Act, Act of December |
| The Request of CIGNA HealthCare of | : | 29, 1972, P.L. 1701, No. 364, <u>as</u> |
| Pennsylvania, Inc. for Approval to | : | <u>amended</u> , December 19, 1980, P.L. |
| Surrender its Certificate of Authority | : | 1300, No. 234, 40 P.S. §§1551 |
| to Operate as a Health Maintenance | : | through 1567 |
| Organization | : | |
| | : | |
| | : | Order Number ID-RC-10-21 |

ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”) hereby approves the Request for the voluntary surrender of the Certificate of Authority as filed on July 19, 2010, by CIGNA HealthCare of Pennsylvania, Inc. (“HealthCare of PA”), subject to the following conditions:

1. HealthCare of PA shall not engage in the business of providing a Health Maintenance Organization, or any other insurance company business, in the Commonwealth of Pennsylvania or in any other jurisdiction, without the prior approval of the Pennsylvania Insurance Department.
2. HealthCare of PA shall return its Certificate of Authority to the Insurance Department within one year of the date of this Order.
3. The surrender will shall be effective upon receipt of the Certificate of Authority by the Insurance Department.
4. Should HealthCare of PA, as a continuing business corporation, determine that it would like to engage at some time in the future in the business of

providing a Health Maintenance Organization or other insurance company, it shall be necessary to file a new application for an appropriate certificate of authority.

This Order is effective immediately.

STEPHEN J. JOHNSON
Deputy Insurance Commissioner
Commonwealth of Pennsylvania