BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Aetna Inc. Requesting	:	Holding Companies Act, Article
Exemption from the Requirements of 40	:	XIV of the Insurance Company
P.S. §991.1402 for the Merger of	:	Law of 1921, Act of May 17, 1921,
Coventry Health Care of the Carolinas,	:	P.L. 682, as amended, 40 P.S.
Inc. with and into Aetna Health Inc.	:	§§991.1401, 991.1402, and
	:	991.1403
	:	
	:	Order No. ID-RC-15-08

DECISION AND ORDER

AND NOW, on this 18th day of May, 2015, 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. Aetna Health Inc. ("AHI-PA") is an authorized health maintenance organization ("HMO") organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business located in Blue Bell, Pennsylvania.

2. Coventry Health Care of the Carolinas, Inc. ("CHC-NC") is an unauthorized HMO organized pursuant to the laws of the State of North Carolina with its principal place of business located in Morrisville, North Carolina.

3. Aetna Inc. ("Aetna") is a business corporation organized under the laws of the Commonwealth of Pennsylvania with its principal place of business located in Hartford, Connecticut. AHI-PA and CHC-NC are indirect wholly-owned subsidiaries of Aetna.

4. Aetna is the ultimate controlling person of AHI-PA and CHC-NC.

5. 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, to include HMO's, must be filed with the Department for approval or disapproval.

6. 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:

   a) 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.

7. On March 11, 2015, 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 Aetna for approval to cause CHC-NC to be merged with and into AHI-PA with AHI-PA being the survivor (the "Merger").

8. The Request was filed pursuant to Section 1402 of the Insurance Holding Companies Act.

9. As provided in the Request, Aetna would remain the ultimate controlling person of AHI-PA following the Merger.

10. The Deputy Commissioner finds that the transaction described in the Request will not result in a change of control of a Pennsylvania domiciled HMO.

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. Under Section 1402 of the Insurance Holding Companies Act, the Department has jurisdiction to review and approve the acquisition of voting securities or merger of a domestic HMO if, after consummation thereof, a person would be in control of the domestic HMO.

2. The Request satisfies the requirements of all applicable laws and regulations.

3. The Merger proposed in the Request will not have the effect of changing or influencing the control of a domestic HMO and is, therefore, 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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Inc. with and into Aetna Health Inc.	:	§§991.1401, 991.1402, and
	:	991.1403
	:	
	:	Order No. ID-RC-15-08

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 Aetna Inc. requesting exemption from the requirements of 40 P.S. §991.1402 for the merger of Coventry Health Care of the Carolinas, Inc. ("CHC-NC") with and into Aetna Health Inc. ("AHI-PA"), as set forth in the Request, is hereby granted subject to this Order and the following conditions:

1. Aetna Inc. shall file a copy of the Articles of Merger, as filed with and stamped as received by the Pennsylvania Department of State, with the Insurance Department within ten (10) days of receipt from the Pennsylvania Department of State.

2. 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 significant changes from the Request.

STEPHEN J. JOHNSON
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation