

**BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS**

In the Matter of the Merger Agreement and)	
And Plan of Merger)	
Filed Pursuant to K.S.A. 40-309 by)	
)	
COVENTRY HEALTH CARE OF KANSAS,)	
INC.)	
)	
and)	Docket No. 3110-M
)	
MID AMERICA HEALTH CARE PLANS, INC.)	

ORDER

NOW on this 2nd day of December, 2002, the above matter comes before the Commissioner of Insurance of the State of Kansas upon the filing of the Agreement, Articles and Plan of Merger ("Agreement") pursuant to K.S.A. 40-309 ("Joint Application") by Coventry Health Care of Kansas, Inc., a Kansas domestic health maintenance organization and operated pursuant to K.S.A. 40-3201 *et seq.* ("Coventry"), and Mid America Health Care Plans, Inc., a Missouri health maintenance organization ("Mid America").

The Agreement, which was filed by the Applicants with the Kansas Insurance Department on October 15, 2002 pursuant to K.S.A. 40-309, relates to the proposed merger of Mid America with and into Coventry.

Coventry is represented by its attorney, Jonathan Weinberg, and Mid America is represented by its attorney, Steve Imber. The Kansas Insurance Department is represented by Assistant General Counsel, Linda Sheppard, and Staff Attorney, Deletria L. Nash. Also appearing for the Kansas Insurance

Department are Don Gaskill, Chief Examiner, and Patrick Mulvihill of the Financial Surveillance Division.

All parties are relying on documentary and contractual representations filed with the Kansas Insurance Department.

FINDINGS OF PUBLIC INTEREST AND POLICY

The purpose of filing the Agreement, Articles and Plan of Merger was to obtain the approval of the Kansas Insurance Department for the proposed merger of Mid America with and into Coventry. The terms and conditions of the proposed merger are fully set forth in the Agreement, Articles and Plan of Merger, Certificate of Secretary of the Coventry Health Care of Kansas, Inc., Certificate of Merger of Mid America Health Care Plans, Inc. into Coventry Health Care of Kansas, Inc., and Summary Articles of Merger of Mid America Health Care Plans, Inc. into Coventry Health Care of Kansas, Inc.

The staff of the Kansas Insurance Department has inspected and reviewed the contents of the Agreement and all Exhibits attached thereto and found that the filing of the Agreement and Exhibits attached thereto is in accordance with K.S.A. 40-309 and that the Agreement and Exhibits attached thereto have provided all the information required under Kansas statutes to enable the Commissioner to render a decision on the Agreement, Articles and Plan of Merger.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Coventry is a health maintenance organization organized and operating pursuant to the provisions of Article 3 of the Kansas Insurance Code,

with its home office located in Wichita, Kansas. Coventry became authorized to transact business in Kansas on August 31, 1981;

2. Mid America is a health maintenance organization organized and operating pursuant to the provisions of Chapter 354 of the Missouri Insurance Code, with its home office located in Kansas City, Missouri;

3. According to K.S.A. 40-309, a company of this state may merge with any other company of any other state engaged in like business and having similar corporate powers;

4. K.S.A. 40-309 sets forth the procedure that must be followed when merging companies engaged in like business and having similar corporate powers. The first requirement is the approval at a meeting of stockholders of the domestic company prescribing the terms and conditions of the merger;

5. On December 2, 2002, the sole shareholder of Mid America approved a resolution adopted by the Board of Directors of Mid America on December 2, 2002. The purpose of the resolution was to effect the merger of Coventry and Mid America;

6. On December 2, 2002, the shareholders of Coventry approved a resolution adopted by the Board of Directors of Coventry on December 2, 2002. The purpose of the resolution was to effect the merger of Coventry and Mid America;

7. The Agreement, Articles and Plan of Merger was presented to shareholders of each of the Merging Corporations at meetings held on December 2, 2002 (Mid America) and December 2, 2002 (Coventry) pursuant to notice duly

provided in accordance with the Articles and By-Laws and all statutory provisions applicable to each company. The policyholders of each of the Merging Corporations unanimously approved the Agreement;

8. At least two-thirds of the shareholders of Mid America and Coventry each approved the merger as set forth in the Agreement, Articles and Plan of Merger of Mid America with and into Coventry;

9. Mid America and Coventry filed a certified copy of the Agreement, Articles and Plan of Merger with the Kansas Insurance Department after the closing of the transaction;

10. The Agreement, Articles and Plan of Merger is in compliance with the provisions of K.S.A. 40-309;

11. Evidence has been introduced to establish that the mergers of Coventry and Mid America, as proposed in the Agreement, Articles and Plan of Merger, will not be hazardous or prejudicial to the insurance-buying public;

12. The evidence submitted supports approval of the proposed the Agreement, Articles and Plan of Merger of Mid America with and into Coventry;

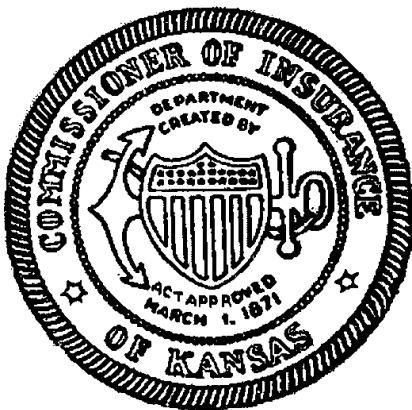
13. The evidence shows that the competence, experience and integrity of those persons who would control the surviving entity, Coventry, are such that it would be in the interest of policyholders and of the public to permit the Agreement, Articles and Plan of Merger.

**IT IS THEREFORE, BY THE COMMISSIONER OF INSURANCE,
ORDERED THAT:**

1. The merger of Coventry Health Care of Kansas, Inc. and Mid America Health Care Plans, Inc. as set forth in the Agreement, Articles and Plan of Merger and Exhibits attached thereto is hereby approved pursuant to K.S.A. 40-309, provided the merger is effected within sixty (60) days of the date of this Order.

2. The Commissioner of Insurance retains jurisdiction over the subject matter of this proceeding and over the parties for the purpose of entering such further Order or Orders as may be deemed proper.

**IT IS SO ORDERED THIS 2ND DAY OF DECEMBER, 2002, IN THE
CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.**



_____/s/ Kathleen Sebelius_____
Kathleen Sebelius
Commissioner of Insurance