

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

In the Matter of the Proposed Exemption of                    )  
**Aetna Health Holdings, LLC**                                            )       Docket No. 4638-EX

**CONSENT ORDER**

Now comes on this \_31st\_ day of January, 2014 before the Commissioner of Insurance for disposition the request of Aetna Health Holdings, LLC (“Applicant”), dated January 21, 2014, for an Order, pursuant to K.S.A. 40-3304(e)(1), exempting Applicant from the filing and approval requirements of K.S.A. 40-3304(a), as said statute may be construed to apply to the restructuring of the insurance holding company system of Coventry Health Care of Kansas, Inc., a Kansas domestic insurer. Such restructuring was accomplished through the merger of Coventry Health Care, Inc., the direct parent of Coventry Health Care of Kansas, Inc., with and into Aetna Health Holdings, LLC, a subsidiary of Aetna Inc. Aetna Health Holdings, LLC was the surviving entity.

The Kansas Insurance Department and the Applicant wish to resolve this matter by entering into this Consent Order. The Applicant hereby waives any and all rights to further administrative adjudication or review of this matter, including any and all rights conferred upon it under K.S.A. 77-501 et seq. This Consent Order constitutes the Final Order in this matter.

**FINDINGS OF FACT**

1. The Commissioner of Insurance has jurisdiction over this matter pursuant to K.S.A. 40-103 and K.S.A. 40-3301, *et seq.*
2. Coventry Health Care of Kansas, Inc., a Kansas domestic insurer, was a wholly owned subsidiary of Coventry Health Care, Inc., a corporation organized under the laws of Delaware.

3. Coventry Health Care, Inc. was acquired by Aetna Inc. on May 7, 2013. The order approving the acquisition was issued by the Kansas Insurance Department on November 13, 2012.

4. The Applicant is a subsidiary of Aetna Inc. and a limited liability company organized under the laws of Delaware.

5. Aetna Inc. is a holding company organized under the laws of Pennsylvania.

6. Effective January 1, 2014, the proposed restructuring was accomplished through the merger of Coventry Health Care, Inc. with and into Aetna Health Holdings, LLC.

7. As a result of the merger, Coventry Health Care of Kansas, Inc. became a wholly owned subsidiary of Aetna Health Holdings, LLC.

8. Both before and after the merger, Aetna Inc. is and will continue to be the ultimate controlling person of Coventry Health Care of Kansas, Inc.

### **CONCLUSIONS OF LAW**

9. K.S.A. 40-3304(a) provides, in part, as follows:

(a) No person other than the issuer shall...enter into any agreement to exchange securities or, seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if,... at the time... any such agreement is entered into, ... such person has filed with the commissioner of insurance and has sent to such insurer, a statement containing the information required by this section and such... agreement... has been approved by the commissioner of insurance in the manner hereinafter prescribed.

10. K.S.A. 40-3304(e) provides

(e) The provisions of this section shall not apply to:

Any offer, request, invitation, agreement or acquisition which the commissioner of insurance by order shall exempt therefrom as: (1) Not having been made or entered into for the purpose and not having the effect of changing or influencing the control of a domestic insurer;...

11. Based upon the information enumerated in the Findings of Fact contained in paragraphs one through eight above, and the representations made on behalf of Aetna Health



BY:

/s/ Joseph M. Zubretsky  
Joseph M. Zubretsky, President  
Aetna Health Holdings, LLC

**Certificate of Service**

The undersigned hereby certifies that a true and correct copy of the above order was transmitted by U.S. Mail, postage prepaid, on this 31st day of January, 2014 to:

Mr. Tim Farber  
Locke Lord LLP  
111 South Wacker Drive  
Chicago, IL 60606

/s/ Diane Minear  
Diane Minear  
Staff Attorney