

STATE OF ARIZONA

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FILED

FEB 24 2015

DEPARTMENT OF INSURANCE

DEPT OF INSURANCE  
BY MA

Docket No. 15A-010-INS

In the Matter of the Acquisition of Control of )  
 )  
 University of Arizona Health Plans-University )  
 Healthcare, Inc., The )  
 (NAIC No. 14004) )  
 Insurer, )  
 By )  
 )  
 Banner Health, )  
 )  
 Petitioner. )  
 )

ORDER APPROVING  
ACQUISITION

On January 7, 2015, Banner Health ("Petitioner") submitted an application for the acquisition of control of The University of Arizona Health Plans-University Healthcare, Inc. ("Insurer") to the Arizona Department of Insurance (the "Department") for approval of Petitioner as the controlling person of the Insurer pursuant to the provisions of A.R.S. §20-1070.

Based upon reliable evidence provided to the Director of Insurance ("Director") by the Assistant Director of the Financial Affairs Division of the Department, the Director finds as follows:

FINDINGS OF FACT

1. The Insurer is a domestic health care services organization as referred to in A.R.S. §20-1051.
2. The Petitioner filed a statement as referred to in A.R.S. §20-1070.
3. The Petitioner has demonstrated that Insurer will continue to maintain the requirements for a certificate of authority as required by A.R.S. §20-1070(D) subsequent to the change in control.

1 **CONCLUSIONS OF LAW**

2 1. The application established that none of the enumerated grounds set forth in  
3 A.R.S. §20-1070(D) exist so as to provide a basis for disapproval or rejection of Petitioner's  
4 acquisition of control of the Insurer.

5 2. Petitioner presented credible evidence for approval of its acquisition of control of  
6 the Insurer and the Petitioner to be a controlling person pursuant to the provisions of A.R.S.  
7 §20-1070.

8 **ORDER**

9 THEREFORE, I, GERMAINE L. MARKS, Director of Insurance of the State of Arizona,  
10 for the purpose of protecting and preserving the public health, safety and welfare, and by  
11 virtue of the authority vested in me by A.R.S. §§20-142 and 20-1070 hereby order that :

12 1. The acquisition of control of the Insurer by the Petitioner is approved, subject to  
13 the following express condition:

14 If the completed fingerprint cards furnished to the Department of Insurance reveal that  
15 Petitioner's officers or directors have been charged with or convicted of a felony or  
16 misdemeanor other than minor traffic violations, the individual(s) shall be removed as an  
17 officer and/or director of the Petitioner within 30 days after notice to Petitioner by the  
18 Department and shall be replaced with an officer or director acceptable to the Director. If  
19 Petitioner fails to take the prescribed action within 30 days, this failure will constitute an  
20 immediate danger to the public and the Director may immediately suspend or revoke Insurer's  
21 Certificate of Authority without further proceedings.

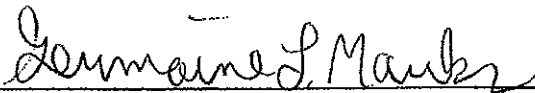
22 2. Subject to A.R.S. §20-481.21(A), all documents, materials and other information  
23 that is in the possession or control of the Department and that was obtained by or disclosed to

1 the Director or any other person in the course of filing the application is confidential and  
2 privileged, is not subject to Title 39, Chapter 1, Article 2 and is not subject to subpoena.

3 3. The Petitioner shall advise the Director in writing of the effective date of the  
4 change of control.

5 4. The failure to adhere to one or more of the above terms and conditions shall  
6 result without further proceedings in the suspension or revocation of the Insurer's Certificate of  
7 Authority.

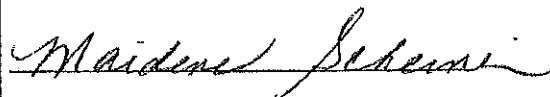
8 Effective this 24<sup>th</sup> day of February, 2015.

9  
10   
11 GERMAINE L. MARKS  
**Director of Insurance**

12 COPY of the foregoing mailed/delivered  
13 this 24<sup>th</sup> day of February, 2015, to:

14 David M. Bixby, SVP/General Counsel  
15 Banner Health  
1441 North 12<sup>th</sup> Street  
Phoenix, Arizona 85006

16 Germaine L. Marks, Director of Insurance  
17 Mary Kosinski, Executive Assistant for Regulatory Affairs  
18 Yvonne Hunter, Assistant Director  
19 Kurt A. Regner, CFE, Assistant Director  
20 Catherine O'Neil, Consumer Legal Affairs Officer  
Stephen D. Clutter, Public Information Officer  
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