

AUG 24 2016

STATE OF ARIZONA  
DEPARTMENT OF INSURANCE

DEPT OF INSURANCE  
BY 

In the Matter of the Acquisition of Control of )  
Cigna Dental Health Plan of Arizona, Inc. )  
(NAIC No. 47013) )  
Insurer, )  
By )  
Anthem, Inc. )  
Petitioner. )

Docket No. 16A-115-INS

ORDER APPROVING  
ACQUISITION

On September 3, 2015, Anthem, Inc. ("Petitioner") submitted an application for the acquisition of control of Cigna Dental Health Plan of Arizona, 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. §§20-481 through 20-481.32 and A.A.C. R20-6-1402.

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 insurer as referred to in A.R.S. §20-481.
2. The Petitioner filed a statement as referred to in A.R.S. §§20-481.02 and 20-481.03, in the form required by A.A.C. R20-6-1402.

1           3.     The Insurer and its security holders waived the ten (10) day advance filing notice  
2 to be given as required by A.R.S. §20-481.07(D).

3           4.     No evidence has been produced that would indicate or form the basis for a  
4 finding that the Petitioner's acquisition of control of the Insurer:

5           a.     Is contrary to law;

6           b.     Is inequitable to the shareholders of any domestic insurer involved;

7           c.     Would substantially reduce the security of and service to be rendered to the  
8 policyholders of the domestic insurer in this State or elsewhere;

9           d.     After the change of control the domestic insurer, would not be able to satisfy the  
10 requirements for the reissuance of a Certificate of Authority to write the line or lines of  
11 insurance for which it is presently licensed;

12          e.     Would have the effect of substantially lessening competition in insurance in this  
13 state, or tend to create a monopoly;

14          f.     Might jeopardize the financial stability of the Insurer or prejudice the interest of its  
15 policyholders, based upon the financial condition of any acquiring party;

16          g.     Is unfair and unreasonable to policyholders of the Insurer and is not in the public  
17 interest, based upon the plans or proposals that the acquiring party has to liquidate the insurer,  
18 sell its assets or consolidate or merge it with any person, or to make any other material change  
19 in its business or corporate structure or management;

20          h.     Would not be in the public interest of policyholders of the Insurer and of the  
21 public to permit the merger or other acquisition of control based upon the competence,  
22 experience and integrity of those persons who would control the operation of the Insurer; or

23          i.     Would likely be hazardous or prejudicial to the insurance-buying public.  
24

1 5. The Petitioner furnished completed fingerprint cards to the Department to enable  
2 the Department to determine if Petitioner's officers or directors have been charged with or  
3 convicted of a felony or misdemeanor other than minor traffic violations. The results of the  
4 analysis of the fingerprint cards submitted by the Petitioner's officers and directors have not  
5 been received by the Department. The Petitioner's officers and directors made  
6 representations material to the issuance of the Order in this matter that none of its officers or  
7 directors have been charged with or convicted of a felony or misdemeanor other than minor  
8 traffic violations.

9 6. The Petitioner filed the following to comply with A.R.S. §§20-481.03(A)(14) and  
10 20-481.03(A)(15):

11 a. An agreement that the Petitioner will file with the Director the annual enterprise  
12 risk report pursuant to A.R.S. §20-481.10(D) while in control of the insurer; and

13  
14 b. An acknowledgement that the Petitioner and all subsidiaries in its control in the  
15 insurance holding company system will provide all information requested by the Director for the  
16 Director to evaluate enterprise risk to the insurer.

### 17 **CONCLUSIONS OF LAW**

18 1. The application established that none of the enumerated grounds set forth in  
19 A.R.S. §20-481.07(A) exist so as to provide a basis for disapproval or rejection of Petitioner's  
20 acquisition of control of the Insurer.

21 2. Petitioner presented credible evidence for approval of its acquisition of control of  
22 the Insurer and the Petitioner to be a controlling person pursuant to the provisions of A.R.S.  
23 §§20-481 through 20-481.32 and A.A.C. R20-6-1402.  
24

1 **ORDER**

2 THEREFORE, I, LESLIE R. HESS, Interim Director of Insurance of the State of Arizona,  
3 for the purpose of protecting and preserving the public health, safety and welfare, and by virtue  
4 of the authority vested in me by A.R.S. §§20-142, 20-481 through 20-481.32, and A.A.C. R20-  
5 6-1402 hereby order that:

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

8 a. Petitioner must secure all other required regulatory approvals, including all  
9 involved state insurance departments, the United States Department of Justice and the  
10 Federal Trade Commission under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

11 b. If the proposed transaction is revised in any manner subsequent to the  
12 date of this Order, an amended Form A must be filed with the Department and would be  
13 subject to the Department's prior approval. Failure of the Petitioner to take the prescribed  
14 action prior to the closing of the transaction will constitute an immediate danger to the public.

15 2. Subject to A.R.S. §20-481.21(A), all documents, materials and other information  
16 that is in the possession or control of the Department and that was obtained by or disclosed to  
17 the Director or any other person in the course of filing the application is confidential and  
18 privileged, is not subject to Title 39, Chapter 1, Article 2 and is not subject to subpoena.


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

21 4. Upon consummation of this acquisition, the Insurer shall file its registration  
22 statement in the form required by A.A.C. R20-6-1403(B) and within the time period prescribed  
23 by A.R.S. §20-481.13. If the registration statement would duplicate the information previously  
24

1 submitted by the Petitioner in the statement filed with the Department pursuant to A.R.S. §20-  
2 481.03 and there have been no material changes since the filing of that statement, then the  
3 Insurer shall submit a statement to that effect incorporating by reference the statement  
4 previously filed with the Department in lieu of the registration statement;

5 5. 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 August, 2016.

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11 \_\_\_\_\_  
12 **LESLIE R. HESS**  
13 **Interim Director of Insurance**

14 COPY of the foregoing mailed/delivered  
15 this 24<sup>th</sup> day of August, 2016, to:

16 James Wadhams  
17 Fennemore Craig, P.C.  
18 300 South Fourth Street, Suite 1400  
19 Las Vegas, Nevada 89101

20 Mary Kosinski, Executive Assistant for Regulatory Affairs  
21 Steven Fromholtz, Consumer Protection Division, Assistant Director  
22 Kurt A. Regner, CFE, Assistant Director  
23 Catherine O'Neil, Consumer Legal Affairs Officer  
24 Arizona Department of Insurance  
2910 N. 44<sup>th</sup> Street, Suite 210  
Phoenix, Arizona 85018

