

BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF IOWA

In the matter of the application for)	
acquisition of control of AETNA BETTER)	
HEALTH OF IOWA, INC. and)	NOTICE of Public Hearing
AETNA HEALTH OF IOWA, INC.)	(Iowa Code chapter 521A)
by)	
CVS HEALTH CORPORATION and CVS)	
PHARMACY, INC.)	

Pursuant to the provisions of Iowa Code sections 17A.12 and 521A.3(4)(1)-(6), the Commissioner of Insurance for the State of Iowa will hold a public hearing regarding the application of CVS Health Corporation and CVS Pharmacy, Inc. (collectively, the “Applicants”) for the acquisition of control of Aetna Better Health of Iowa, Inc. and Aetna Health of Iowa, Inc. (collectively, the “Domestic Insurers”).

1. **Date and Time:** October 24, 2018 at 9:30 A.M. CST. In the event that the United States Department of Justice has not taken final action on the Applicants’ proposed transaction or otherwise caused the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Act on or before the date of this hearing, the record will be held open until after the United States Department of Justice has made a final determination with respect to the proposed transaction and, at the discretion of the Commissioner, the hearing may be reconvened to take further evidence to enable the public full opportunity to consider the matter and supplement testimony.
2. **Location:** Insurance Division Office: 4th Floor, Two Ruan Center, 601 Locust Street, Des Moines, Iowa 50309.
3. **Nature of Hearing:** The hearing will be a public opportunity for the Applicants and any other interested party to present evidence and argument relevant to Applicants’ acquisition of control of or merger with the Company. Applicable rules of evidence are found at Iowa Code sections 17A.12-17 (2018).
4. **Legal Authority:** The hearing will be held pursuant to Iowa Code sections 521A.3(4)(a)(1)-(5). Procedures for the hearing are found at Iowa Code sections 17A.12-17(2018).
5. **Issue Presented:** The hearing will be held for the purpose of determining whether Applicants’ acquisition of control through the purchase of all of the issued and outstanding shares of the Domestic Insurers complies with the standards set forth in Iowa Code sections 521A.3(4)(a)(1)-(6) (2018) which are set forth below:

Approval by the commissioner – hearings.

- a. *The commissioner shall approve any merger or other acquisition of control referred to in subsection 1 if, after a public hearing on such merger or acquisition, the applicant has demonstrated to the commissioner all of the following:*
- (1) After the change of control the domestic insurer referred to in subsection 1 will be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed.*
 - (2) The effect of the merger or other acquisition of control will not substantially lessen competition in insurance in this state.*
 - (3) The financial condition of any acquiring party will not jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders.*
 - (4) The plans or proposals which the acquiring party has to liquidate the insurer, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are not unfair or unreasonable to policyholders of the insurer and are not contrary to the public interest.*
 - (5) The competence, experience, and integrity of those persons who would control the operation of the insurer are sufficient to indicate that the interests of policyholders of the insurer and of the public will not be jeopardized by the merger or other acquisition of control.*
 - (6) The merger or other acquisition of control is not likely to be hazardous or prejudicial to the insurance-buying public.*
6. **Statutes and Rules Involved:** Iowa Code chapters 17A and 521A (2018) and 191 IAC chapter 45.
7. **ADA Notice:** If, due to a disability, you require the assistance of auxiliary aids or services to participate in or attend this hearing, please call your district ADA coordinators immediately at (515) 286-3394. If you are hearing impaired, please call Relay Iowa TTY at (800) 735-2942. For additional assistance, you may also contact Lori Taha at the Iowa Insurance Division, (515) 281-5706.

IT IS HEREBY ORDERED

DATED this 3rd day of October, 2018.



DOUG OMMEN
Commissioner of Insurance

Email Copies To:

Tim Farber, Locke Lord, LLP, Chicago, Illinois

Laurie Brubaker, CEO & President
Aetna Better Health of Iowa, Inc.

Frank D'Antonio, President
Aetna Health of Iowa, Inc.

Domestic Insurers