

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF THE APPLICATION FOR
APPROVAL OF THE ACQUISITION OF CONTROL
OF VANTAGE HEALTH PLAN OF ARKANSAS, INC.**

AID NO. 2019- 48

ORDER

A hearing was held at 10:00 a.m. on June 27, 2019, in the Hearing Room of the Arkansas Insurance Department in accordance with the provisions of Ark. Code Ann. §§ 23-63-501, *et seq.*, and other pertinent provisions of the Arkansas Insurance Code, pursuant to an April 17, 2019, Statement Regarding the Acquisition of Control of Vantage Health Plan of Arkansas, Inc. by the Applicant, Louisiana Health Service & Indemnity Company d/b/a Blue Cross and Blue Shield of Louisiana (“Statement”), which included an Agreement and Plan of Merger. The hearing was held before Bill Lacy, Deputy Commissioner and Director of the Compliance (“Hearing Officer”) pursuant to his appointment by Commissioner Allen Kerr in accordance with Ark. Code Ann. § 23-61-103. The Arkansas Insurance Department (“Department”) was represented by Amanda Capps Rose, Associate Counsel, Mel Anderson, Director of Financial Analysis, and Brenda Haggard, Manager of Financial Analysis.

The Applicant’s testimony was presented by Darrell Langlois, Senior Vice President of the Applicant. The Applicant was represented by its attorneys, Lee Harrell of Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C. and Korey Harvey, Vice President and Deputy General Counsel for the Applicant. Testimony was presented on behalf of Vantage Health Plan of Arkansas, Inc. by Patrick Gary Jones, M.D.

FINDINGS OF FACT

From the Statement, related filings, testimony of the witnesses and other evidence introduced at the hearing, including exhibits filed in connection with the Statement, reports and

statements on file with the Department, representations of counsel and other matters and things considered, the Hearing Officer finds as follows:

1. The Statement and related documents were filed with the Department on April 25, 2019. The parties agree that the Commissioner has jurisdiction of the parties and the subject matter under the provisions of Ark. Code Ann. §§ 23-63-501, *et seq.*, and other pertinent provisions of the Arkansas Insurance Code.

2. The Applicant will acquire control of the Vantage Health Plan of Arkansas, Inc. pursuant to the Agreement and Plan of Merger by and between Vantage Holdings, Inc., the Applicant, Delta Principal Acquisition Corp., and Michael W. Breard, as Shareholder Representative.

3. Darrell Langlois, on behalf of the Applicant, testified that, in his opinion:

(a) After the change of control, Vantage Health Plan of Arkansas, Inc. will be able to satisfy the requirements for the issuance of a license to write the line(s) of business for which it is presently licensed;

(b) The effect of the acquisition will not substantially lessen competition in insurance in Arkansas or tend to create a monopoly in Arkansas;

(c) The financial condition of the Applicant will not jeopardize the financial stability of Vantage Health Plan of Arkansas, Inc. or prejudice the interest of its policyholders or the interests of any remaining security holders who are unaffiliated with the Applicant;

(d) The terms of the acquisition are fair and reasonable to the security holders of the Vantage Health Plan of Arkansas, Inc.;

(e) Any plans or proposals which the Applicant has to liquidate the Vantage Health Plan of Arkansas, Inc., sell its assets, or consolidate or merge it with any person,

or make any other material changes in its business or corporate structure or management are reasonable and fair to policyholders of Vantage Health Plan of Arkansas, Inc. and are in the public interest; and

(f) The competence, experience and integrity of those persons who would control the operation of Vantage Health Plan of Arkansas, Inc. are such that it would be in the interest of policyholders of Vantage Health Plan of Arkansas, Inc. and the public to permit the acquisition of control.

4. Dr. Jones, on behalf of Vantage Health Plan of Arkansas, Inc., testified that, in his opinion the statutory criteria for the approval of the proposed transaction have been met.

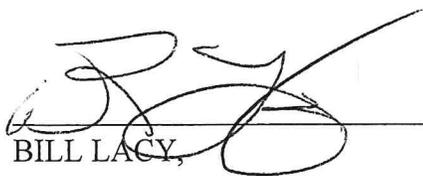
CONCLUSIONS OF LAW

5. All filings, hearings and other procedures required by law or otherwise deemed appropriate by the Hearing Officer have been duly completed by the Applicant and the Department.

6. None of the conditions specified in Ark. Code Ann. § 23-63-510 as preclusions for the approval of the proposed acquisition exist.

RECOMMENDATIONS OF THE HEARING OFFICER

WHEREFORE, based upon the foregoing Findings of Fact, Conclusions of Law, and other matters before him, the Hearing Officer recommends that the proposed acquisition of control of Vantage Health Plan of Arkansas, Inc. by the Applicant should be approved as provided in the Statement and related filings, and as described in this Order.


BILL LACY,
DEPUTY COMMISSIONER,
DIRECTOR OF COMPLIANCE,
and HEARING OFFICER

CERTIFICATION

I, Allen Kerr, Insurance Commissioner for the State of Arkansas, do hereby certify that the above Findings of Fact, Conclusions of Law, and Recommendations of the Hearing Officer were made by and under my authority and supervision by Bill Lacy, Chief Deputy Commissioner, and Hearing Officer in this proceeding. I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law, and Recommendations in full and enter this Order.

THEREFORE, it is hereby ORDERED, based upon the above and foregoing Findings of Facts, Conclusions of Law and other matters, the Hearing Officer does hereby approve the proposed acquisition of Vantage Health Plan of Arkansas, Inc. pursuant to and subject to the terms and conditions of the Statement and related filings and submissions, the Findings of Facts and Conclusions of Law set forth herein.

IT IS SO ORDERED THIS 28th DAY OF JUNE, 2019.


ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS