



DEPARTMENT OF

INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

IN RE: Proposed Acquisition of Healthy Alliance)
 Life Insurance Company, HMO Missouri, Inc.,)
 HealthLink HMO, Inc., Wholly Owned)
 Subsidiaries of RightCHOICE Managed Care,) Case No. 1120689C
 Inc. d/b/a Blue Cross & Blue Shield of Missouri)
 And Alliance Blue Cross and Blue Shield by)
 WellPoint Health Networks, Inc.)

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

Based on the complete record herein, including the testimony and other evidence presented, I, Scott B. Lakin, Director of the Department of Insurance, State of Missouri (“Director”) find and conclude that:

1. On or about November 19, 2001, a Form A Acquisition Statement was filed with the Missouri Department of Insurance (the “Department”) on behalf of WellPoint Health Networks, Inc. (“Applicant”) relating to the proposed acquisition of Missouri domestic insurers, Healthy Alliance Life Insurance Company (“HALIC”), HMO Missouri, Inc. (“HMOM”), and HealthLink HMO, Inc. (“HHMO”) (collectively the “Insurers”), wholly owned direct or indirect subsidiaries of RightCHOICE Managed Care, Inc. d/b/a Blue Cross and Blue Shield of Missouri and Alliance Blue Cross and Blue Shield. A public hearing was held on December 19, 2001, as ordered by the Department on November 27, 2001. The Applicant, the Insurers and the Department’s Division of Financial Regulation appeared by counsel.

2. The Applicant intends to acquire direct or indirect control of the Insurers through the merger of the Insurers’ present ultimate parent corporation, RightCHOICE Managed Care, Inc.,

with and into a Delaware corporation that is a wholly owned subsidiary of Applicant created for the purpose of carrying out the proposed transaction.

3. A preponderance of evidence on the whole record fails to show that:

A. After the acquisition of Insurer by Applicant, Insurers will not be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed.

B. The effect of the acquisition of Insurers by Applicant will be to substantially lessen competition in insurance or tend to create a monopoly in this State.

C. The financial condition of Applicant is such as might jeopardize the financial stability of Insurers or prejudice the interests of its policyholders.

D. Applicant's plans, if any, to liquidate or sell Insurers or to consolidate or merge it with other companies or to make any other material change in Insurers' business, corporate structure, or management, would be unfair or unreasonable to policyholders of Insurer or contrary to the public interest.

E. The competence, experience, and integrity of Applicant's management are such that it would be contrary to the interest of policyholders of Insurers and to the public to permit the acquisition of Insurer by the Applicant.

F. The proposed acquisition of Insurer by Applicants is likely to be hazardous or prejudicial to the insurance buying public.

Order

Based on the foregoing Findings and Conclusions and pursuant to the provisions of sections 382.040 to 382.060, RSMo, the proposed acquisition of control of Healthy Alliance Life Insurance Company, HMO Missouri, Inc., and HealthLink HMO, Inc., wholly owned direct or indirect subsidiaries of RightCHOICE Managed Care, Inc. d/b/a Blue Cross and Blue Shield of Missouri and Alliance Blue Cross and Blue Shield, by WellPoint Health Networks, Inc. is APPROVED.

So ordered, signed and official seal affixed this ____ day of _____, 2002.

SCOTT B. LAKIN, Director
Missouri Department of Insurance