DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

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

IN RE:	**Proposed Acquisition of:**	)	
		)	
	Mercy Health Plans	)	
		)	
	by	)	
		)	Case NO. 100713523C
	Coventry Health Care, Inc.	)	

Consolidated with

IN RE:	**Proposed Acquisition of:**	)	
		)	
	Mercy Health Plans of Missouri, Inc.	)	
		)	
	by	)	
		)	Case NO. 100723528C
	Coventry Health Care, Inc.	)	

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

Based on the competent and substantial evidence on the whole record, I, John M. Huff, Director of Insurance, Financial Institutions and Professional Registration, State of Missouri, ("Director") find and conclude that:

1. On or about July 8, 2010, Form A Registration Statements were filed with the Missouri Department of Insurance, Financial Institutions and Professional Registration (the "Department") by and on behalf of Coventry Health Care, Inc. ("Applicant"), in connection with the proposed acquisition of control of Mercy Health Plans ("MHP"), a Missouri domestic life insurance company, and Mercy Health Plans of Missouri, Inc. ("MHPMo"), a Missouri domestic health maintenance organization (collectively, MHP and MHPMo are referred to as the "Domestic Insurers"). Applicant filed supplementary information with the Department on or about July 28, 2010. The Form A Statements were consolidated into one proceeding as indicated in the caption above.

2. On August 26, 2010, the Department held a public hearing pursuant to an order of Notice of Hearing issued on July 23, 2010. Jonathan Weinberg appeared for Applicant. Mark Stahlhuth appeared for the Department's Division of Insurance Company Regulation (the "DICR"). James Gunn appeared for the Domestic Insurers.

3. The Applicant will acquire control of the Domestic Insurers pursuant to a Stock Purchase Agreement dated June 29, 2010, between Applicant and Sisters of Mercy Health System, which currently directly owns one hundred percent (100%) of the outstanding shares of MHP, Inc., which in turn directly owns all the outstanding shares of the Domestic Insurers. Pursuant to the Stock Purchase Agreement, The Sisters of Mercy Health System will transfer the outstanding shares of MHP, Inc., to Applicant.

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

A. After the acquisition of control of the Domestic Insurers by the Applicant, the Domestic Insurers will be unable to satisfy the requirements for the issuance of licenses to write the lines of insurance for which they are presently licensed.

B. The effect of the acquisition of control of the Domestic Insurers will be to substantially lessen competition in insurance, or tend to create a monopoly in this state.

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

D. The Applicant's plans or proposals, if any, to liquidate the Domestic Insurers, to sell their assets, to consolidate or merge with any person, or to make any other material change in their business or corporate structure or management is unfair or unreasonable to policyholders of the Domestic Insurers, or contrary to the public interest.

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

F. The proposed acquisition of the Domestic Insurers by the Applicant is likely to be hazardous or prejudicial to the insurance buying public.

ORDER

Based on the foregoing findings and conclusions, the proposed acquisitions of control of Mercy Health Plans and Mercy Health Plans of Missouri, Inc., by Coventry Health Care, Inc. as submitted in the respective Form A Statements are hereby APPROVED.

So ordered, signed and official seal affixed this 14th day of September, 2010.

JOHN M. HUFF, Director