

DEPARTMENT OF COMMERCE AND INSURANCE

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

IN RE: Proposed Acquisition of Control of)
)
Blue Cross and Blue Shield of Kansas)
City, Blue-Advantage Plus of Kansas)
City, Inc., Good Health HMO, Inc., and)
Missouri Valley Life and Health)
Insurance Company)
)
By:)
)
Highmark Health and Highmark Inc.)

Case No. 25181514H

APPROVAL ORDER

Based on the competent and substantial evidence in the administrative record before me, I, Gina L. Clark, Deputy Director of the Missouri Department of Commerce and Insurance (“Deputy Director” of the “Department”), determine that there is no need for additional proceedings or a formal hearing on this matter and hereby issue the following findings of fact, conclusions of law, and order approving the proposed acquisition of control in this case as follows:

FINDINGS OF FACT

1. On December 15, 2025, Highmark Health and Highmark Inc. (“Applicants”) submitted a Form A Statement (“Form A”) seeking the Director’s

approval/non-disapproval of the proposed acquisition of control of Blue Cross and Blue Shield of Kansas City (“Blue KC”), Blue-Advantage Plus of Kansas City, Inc., Good Health HMO, Inc., and Missouri Valley Life and Health Insurance Company (collectively, “Domestic Insurers”).

2. Applicants are nonprofit corporations based in Pennsylvania. Highmark Inc. is a direct, wholly-controlled subsidiary of Highmark Health. Blue KC is a Missouri-domiciled nonprofit public benefit corporation, and the remaining Domestic Insurers are wholly owned Missouri domestic insurance company and health maintenance organization subsidiaries of Blue KC.

3. On January 21 and 23, 2026, the Department’s Division of Insurance Company Regulation (“Division”) sent Applicants correspondence containing comments and questions identified as a result of the initial review of the Form A.

4. On January 26 and 28, 2026, Applicants responded to the Division’s correspondence and provided the information requested.

5. On March 10, 2026, the Division sent additional correspondence to Applicants regarding certain details of the affiliation.

6. On March 11, 2026, Applicants responded to the Division’s correspondence and provided the information requested.

7. The Division’s review of the Form A and the supplemental documents and information received shows that the Applicants will complete an Affiliation Agreement with Blue KC (the “Affiliation Agreement”), whereby Highmark Inc. will become the

sole member of Blue KC. As a result of the proposed affiliation, the Domestic Insurers will become controlled affiliates of the Applicants.

8. In the Affiliation Agreement, Applicants and Blue KC agreed to use commercially reasonable efforts to cause Blue KC to maintain administrative offices and other appropriate facilities (in addition to the headquarters) in the State of Missouri and otherwise take appropriate actions to ensure that Blue KC continues to maintain a significant presence in the Blue KC service area and continues to provide high quality service to Blue KC's policyholders and customers.

9. In the Affiliation Agreement, for the initial five year period following the closing of the affiliation, Highmark Inc. agreed to ensure that Blue KC makes at least \$4,000,000 in charitable giving per year, subject to Blue KC maintaining a risk-based capital level above 500% of authorized control level.

10. In the Affiliation Agreement, Highmark Inc. agreed to permit two members of the Blue KC Board of Directors to attend, in a nonvoting observer capacity, all meetings of the Board of Directors of Highmark Inc., subject to permitted reasons for exclusion outlined therein.

11. In the Affiliation Agreement, Highmark Inc. agreed to continue with usage of the Blue KC brand for no less than 10 years, provided that it be permitted to recognize in marketing or other similar materials that Blue KC is now affiliated with Highmark Inc.

12. The proposed affiliation will be accomplished by amending and restating the Articles of Incorporation and amending and restating the Bylaws of Blue KC.

Pursuant to the Amended and Restated Bylaws, Applicants will have certain reserved rights and powers, including the power and authority to select the directors of Blue KC.

13. Given the nature of the transaction, in which there will be no transfer or conveyance of assets or equity interests, the Applicants will pay no cash consideration.

14. The proposed acquisition of control of the Domestic Insurers by Applicants will not substantially lessen competition or tend to create a monopoly in the business of insurance in Missouri.

CONCLUSIONS OF LAW

15. Section 382.040.1 provides:

No person other than the issuer shall commence a tender offer for or a request or invitation for tenders of, or enter into any agreement to exchange securities for, seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if, after the consummation thereof, he or she would, directly or indirectly, or by conversion or by exercise of any right to acquire, be in control of the insurer, and no person shall enter into an agreement to merge with or otherwise to acquire control of a domestic insurer unless, at the time the offer, request, or invitation is commenced or the agreement is entered into, or prior to the acquisition of the securities if no offer or agreement is involved, he or she has filed with the director and has sent to the insurer a statement containing the information required by section 382.050 and the offer, request, invitation, agreement or acquisition has been approved by the director in the manner prescribed by sections 382.010 to 382.300.

16. Section 382.060 provides, in relevant part, that “[t]he director shall approve any merger or other acquisition of control referred to in section 382.040 unless after a public hearing the director” finds certain adverse conditions or consequences related to a merger or acquisition of control.

17. After a review of the Form A, all of the Exhibits and the additional documents and information submitted by Applicants as outlined above, pursuant to section 382.060, the Deputy Director fails to find that:

- a. after the proposed acquisition of control, Domestic Insurers would not be able to satisfy the requirements for issuance of a license to write the line or lines of insurance for which they are presently licensed;
- b. the effect of the acquisition of control would be substantially to lessen competition in insurance in this state or tend to create a monopoly therein;
- c. the financial condition of Applicants is such as might jeopardize the financial stability of Domestic Insurers or prejudice the interests of their policyholders;
- d. any plans or proposals by Applicants to liquidate Domestic Insurers, sell any of their assets, consolidate or merge them with any other person, or make any other material change in the businesses or corporate structure or management of Domestic Insurers are unfair and unreasonable to their policyholders and contrary to the public interest;
- e. the competence, experience, or integrity of the persons who would control or manage Domestic Insurers post-acquisition of control is such that it would be contrary to the interest of policyholders and the general public to permit the acquisition of control; or
- f. the acquisition of control is likely to be hazardous or prejudicial to the insurance-buying public.

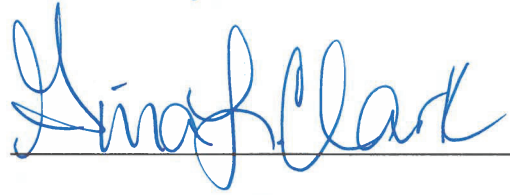
ORDER

18. Based on the foregoing Findings of Fact and Conclusions of Law, the proposed acquisition of control of Blue Cross and Blue Shield of Kansas City, Blue-Advantage Plus of Kansas City, Inc., Good Health HMO, Inc., and Missouri Valley Life and Health Insurance Company by Highmark Health and Highmark Inc. is approved. Applicants shall notify the Department of the closing of the proposed transaction as soon as it is final.

19. The hearing in this matter was previously continued with the parties' consent and not rescheduled. Based on this approval, a new hearing date is not necessary, and the Hearing Officer may close her file based on this Approval Order, without the need for any additional filings from the parties.

SO ORDERED.

WITNESS MY HAND THIS 17 DAY OF March, 2026.



**GINA L. CLARK
DEPUTY DIRECTOR**



