

**BEFORE THE STATE OF CONNECTICUT
INSURANCE DEPARTMENT**

IN THE MATTER OF:)	DOCKET NO.
)	
THE ACQUISITION OF CONTROL OF)	EX 24-167
CONNECTICARE, INC.; CONNECTICARE INSURANCE)	
COMPANY, INC.; AND CONNECTICARE BENEFITS, INC.)	
)	
BY MOLINA HEALTHCARE, INC.)	
)	
)	

**PRE-FILED TESTIMONY OF MARK R. MARGIOTTA ON BEHALF OF THE
APPLICANT**

I, Mark R. Margiotta, hereby declare under penalty of perjury as follows:

I am Senior Vice President, Marketplace, of Molina Healthcare, Inc., a publicly-traded Delaware corporation (“Molina” or the “Applicant”). I present this testimony on behalf of the Applicant to show the evidence supporting the approval of the above-entitled action under Conn. Gen. Stat. § 38a-132(a). I am authorized to give this testimony by the powers vested in me under my duties on behalf of the Applicant.

I. Witness Identification

1. Please state, for the record, your full name, business address and by whom you are employed.

A: My name is Mark Richard Margiotta III. I am employed by Molina. My business address is 200 Oceangate, Suite 100, Long Beach, California 90802.

2. What is your position at Molina Healthcare, Inc.?

A: I am Senior Vice President, Marketplace, at Molina.

3. Please identify your responsibilities as Senior Vice President, Marketplace.

A: My responsibilities in this role include oversight of all aspects of Molina’s participation in state insurance marketplaces (the “Marketplace”), including managing seller relationships, customer experience, product listings, pricing

strategies, marketing initiatives and facilitation of smooth transactions on the platform.

4. Please describe your educational background and any other professional titles or positions held.

A: I earned a B.S. from Georgetown University in 2009, and an M.B.A. from Harvard Business School in 2017.

5. How long have you been employed by Molina Healthcare, Inc.?

A: I have been employed by Molina Healthcare, Inc. since October 2023.

6. Please describe your previous employment.

A: From 2018 to 2023, I served as an officer of Tufts Health Plan, a nonprofit health insurance company that offers a variety of health plans to individuals, families, and employers in New England. From 2017 to 2018, I worked for the Massachusetts Executive Office of Health and Human Services, where I assisted in the launch of the state's redesigned managed Medicaid program. From 2015 to 2016, I worked at Novel Energy Solutions, a solar developer. From 2012 through 2014, I was an associate at Silver Lake Partners, a private equity investment company. I also served as an investment banking analyst and capital markets analyst at Morgan Stanley from 2009 through 2012.

7. Please explain for the record your purpose for providing this testimony here today.

A: I am providing testimony in support of the proposed acquisition of control of ConnectiCare, Inc., a Connecticut Health Care Center ("CCI"), ConnectiCare Insurance Company, Inc., a Connecticut accident and health insurer ("CICI"), and ConnectiCare Benefits, Inc., a Connecticut accident and health insurer ("CBI" and, together with CCI and CICI, the "Domestic Insurers") by the Applicant.

8. Have you been authorized by the Applicant to speak on its behalf at this hearing?

A: Yes, I am authorized to testify on behalf of the Applicant at this hearing.

9. Are you familiar with the Proposed Acquisition and the Form A Statement which is the subject of this hearing?

A: Yes. In my position as Senior Vice President, Marketplace, I have been involved in all significant business decisions regarding the Proposed Acquisition, including the diligence review, negotiations and execution of definitive agreements. In addition, I have reviewed and am familiar with the Form A Statement and the exhibits attached thereto filed by the Applicant with the Connecticut Insurance Department (the "Department"), originally dated August 19, 2024 and as amended and restated on December 15, 2024 (as supplemented, the "Form A Statement"), and the supplemental filings and submissions made by the Applicant

to the Department in connection with the Form A Statement, including the Form E pre-acquisition notification exemption request dated August 19, 2024 (the “Form E Exemption Request”).

10. Does the Form A Statement accurately describe the Proposed Acquisition?

A: Yes, the Form A Statement accurately describes the Proposed Acquisition.

II. Procedural Matters

11. Did the Applicant send to the Domestic Insurers a copy of the Form A Statement?

A: Yes. The Applicant sent copies of the original Form A Statement and the amended and restated Form A Statement to the Domestic Insurers, through ConnectiCare’s outside counsel, on August 19, 2024 and December 16, 2024, respectively, via a secure File Transfer Site.

12. Did the Applicants receive notice of the public hearing?

A: Yes. The Applicant, through its outside counsel, received formal notice of the hearing from the Department on December 20, 2024.

13. Did the Domestic Insurers receive at least seven days’ notice of the public hearing?

A: Yes. The Domestic Insurers received formal notice of the hearing from the Applicant on December 24, 2024.

14. Was notice of the public hearing published?

A: Yes. Molina caused notice of the public hearing to be published in the *Hartford Courant* on December 24, 2024 and December 31, 2024.

15. Have there been any material changes with respect to the information provided or required in the Form A Statement since the Form A Statement was filed by the Applicant?

A: Other than the supplemental information provided to the Department prior to today’s date, there have not been any material changes to the Form A Statement since the time it was filed by the Applicant.

III. Overview of the Applicant

16. Please provide an overview of the Applicant and its business activities.

A: Molina is a national healthcare enterprise that provides managed healthcare services under the Medicaid and Medicare programs and through the Marketplace. Molina was founded in 1980 as a provider organization serving low-income families in Southern California and reincorporated in Delaware in 2002. Molina provides healthcare services for its members through contracts with

a vast network of providers, including independent physicians and physician groups, hospitals, ancillary providers and pharmacies. Molina's partnership with quality, cost-effective providers in combination with Molina's utilization of clinical and financial information derived from Molina's medical informatics function, as well as experience gained serving members, provides quality, cost-effective care for Molina's members.

Molina operates through three primary business segments: Medicaid, Medicare and the Marketplace. The Medicaid, Medicare and Marketplace segments represent the government-funded or sponsored programs under which Molina offers managed healthcare services. Molina also provides services identified under a fourth, reportable business segment, "Other", which includes long-term services and support consultative services in Wisconsin, although revenue from this segment is insignificant.

For the year ended December 31, 2023, Molina's Medicaid, Medicare and Marketplace segments accounted for 77%, 12% and 6%, respectively, of its total revenue, based on premium revenue. Molina's membership totaled approximately 5.0 million as of December 31, 2023, located across 20 states. For the year ended December 31, 2023, Molina's total revenues and net earnings attributable to Molina were \$34.1 billion and \$1.1 billion respectively, and total cash flow from operations was \$1.7 billion.

Molina's stock is publicly traded on the NYSE under the ticker symbol "MOH."

17. Does the Applicant have any affiliates licensed as insurance companies in Connecticut?

A: The Applicant does not have any affiliates domiciled or licensed in Connecticut.

18. What is the composition of the board of directors of the Applicant? Will this composition change following the consummation of the Proposed Acquisition?

A: A list of the names of the directors and executive officers of the Applicant is included in the Form A Statement. The business addresses of each of the directors and executive officers of the Applicant were provided to the Department as Exhibit C to the Form A Statement. There are no anticipated changes to the Applicant's directors or executive officers as a result of the Proposed Acquisition.

19. Have biographical affidavits and background reports been submitted for Molina's directors and executive officers?

A: Yes. NAIC biographical affidavits for the Applicant's directors and executive officers were provided to the Department on a supplemental basis after the filing of the original Form A Statement. In addition, background verification reports in respect of these biographical affidavits were provided directly to the Department by an NAIC-approved third-party verification service on a supplemental basis.

IV. Overview of the Proposed Acquisition

20. Please briefly state the method by which the Applicants propose to acquire control of the Domestic Insurers.

A: Each of CCI and CICI is a direct, wholly owned subsidiary of ConnectiCare Capital, LLC, a Connecticut limited liability company ("ConnectiCare Capital"), which is, in turn, a direct, wholly owned subsidiary of ConnectiCare Holding Company, Inc. (itself or collectively with its subsidiaries that are part of the Proposed Acquisition as the context may require, "ConnectiCare"), a Connecticut corporation, which is, in turn, a direct, wholly owned subsidiary of HIP Holdings, Inc., a for profit Delaware corporation ("HIP Holdings"), which is, in turn, a direct, wholly owned subsidiary of Health Insurance Plan of Greater New York, a New York not-for-profit corporation ("HIPGNY" and, together with HIP Holdings, the "Seller Parties"), which is, in turn, a direct, wholly owned subsidiary of EmblemHealth, Inc., a New York not-for-profit corporation ("EmblemHealth"). CBI is a direct, wholly owned subsidiary of CICI.

The Applicant proposes to acquire control of the Domestic Insurers pursuant to a Stock Purchase Agreement, dated as of July 22, 2024 (the "Purchase Agreement"), by and among the Applicant, the Seller Parties and ConnectiCare. The Purchase Agreement provides that, subject to the terms and conditions set forth therein, the Applicant will directly acquire all of the issued and outstanding shares of common stock of ConnectiCare and, thereby, indirectly acquire all of the issued and outstanding stock of each of the Domestic Insurers (the "Proposed Acquisition"). Upon consummation of the Proposed Acquisition (the "Closing"), the Applicant will directly own all of the issued and outstanding shares of common stock of ConnectiCare and indirectly own all of the issued and outstanding stock of each of the Domestic Insurers.

21. Is the completion of the Proposed Acquisition subject to the satisfaction of closing conditions?

A: The completion of the Proposed Acquisition is subject to the satisfaction or waiver of customary closing conditions, including but not limited to: (i) there being no law or order enacted or issued by a governmental authority prohibiting the Proposed Acquisition; (ii) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"); and (iii) required state insurance regulatory approvals from applicable governmental authorities having been obtained, including the approval of the Form A Statement.

Each of Molina and ConnectiCare filed a notice under the HSR Act on August 16, 2024 and August 15, 2024, respectively. The initial 30-day waiting period expired on September 16, 2024, thereby providing clearance for the Closing from a federal antitrust perspective. A Form A exemption request, dated August 19, 2024, was submitted to the Massachusetts Division of Insurance in respect of an

internal restructuring at EmblemHealth whereby two of ConnectiCare's current subsidiaries, Wellspark Health, Inc. and ConnectiCare of Massachusetts, Inc., which are not part of the Proposed Acquisition, will no longer be subsidiaries of ConnectiCare as of the Closing. On December 2, 2024, the Massachusetts Division of Insurance granted this exemption request.

In addition, the Purchase Agreement provides that the receipt of certain third party consents is a condition to the obligation of the Applicant to close the Proposed Acquisition, which the Applicant may waive in whole or in part. The parties have worked together to send notices and requests for consent where needed and do not anticipate receiving any responses that would prevent Molina from consummating the Proposed Acquisition.

22. What is the consideration for the Proposed Acquisition?

A: The estimated base purchase price for the Proposed Acquisition is \$350,000,000, which is subject to adjustment for, among other items, cash and indebtedness as of the Closing (if any), transaction expenses related to the Proposed Acquisition and adjustments for net asset value and net working capital, as more fully described in the Purchase Agreement.

The Applicant expects to finance the purchase price through available cash on hand including, potentially, available lines of credit and liquid marketable securities. The Closing is not subject to any financing contingency.

At the Closing, pursuant to the purchase price adjustment mechanisms set forth in the Purchase Agreement, Molina, on behalf of ConnectiCare and its subsidiaries, will also pay or cause to be paid certain outstanding and unpaid liabilities of ConnectiCare and its subsidiaries as described in the Purchase Agreement in order to fully discharge indebtedness and terminate all applicable obligations and liabilities of ConnectiCare and its subsidiaries related thereto.

23. Has the Proposed Acquisition been approved by the boards of directors of Molina and EmblemHealth?

A: Yes, each of Molina's and EmblemHealth's board of directors has unanimously approved the Proposed Acquisition.

V. Benefits of the Proposed Acquisition

24. What is the reasoning behind the Proposed Acquisition?

A: Competitively, ConnectiCare's brand and health products are well-established in the market and provide a solid foundation to enhance Molina's ability to serve communities and improve access to comprehensive health care services. The expertise Molina brings in managing health care programs in multiple jurisdictions is expected to translate into operational excellence, enhancing the reliability and quality of ConnectiCare's health products.

More specifically, ConnectiCare has a strong presence on Access Health CT. The Proposed Acquisition supports Molina's commitment to the Affordable Care Act, enabling the company to extend its coverage through federal and state exchanges. The Proposed Acquisition reflects Molina's dedication to improving health care access and options for individuals and families, specifically in the Marketplace. Molina's experienced management team has proven its ability to responsibly and sustainably run a government-sponsored business with a view toward both member experience and financial health of the enterprise.

The Closing of the Proposed Acquisition will mark a significant milestone in Molina's journey towards becoming a leading health care provider in the region and on state exchanges. The combined strengths of Molina and ConnectiCare are set to create a robust health care offering that benefits members, providers, employees and other stakeholders alike, furthering Molina's mission to provide customers access to low-cost health plans, coupled with high quality and appropriate access to care.

25. Will the Proposed Acquisition benefit ConnectiCare's members and providers?

A: The Proposed Acquisition is part of a strategic initiative that is expected to provide a number of advantages to ConnectiCare's members, providers and other stakeholders. The Applicant intends to leverage its expertise in managing health care programs in multiple jurisdictions to bring best practices to ConnectiCare for the benefit of members and providers. The Applicant's focus on supporting underserved communities provides differentiated expertise, particularly for those members on AccessHealth CT, whose income level qualifies them for subsidized coverage. We share Connecticare's belief in enabling providers to best serve members, and we look forward to combining our experiences with ConnectiCare's long history in Connecticut to partner with providers in our network. This approach aligns with Molina's strategy, which focuses on increasing its presence in government-sponsored programs, thereby providing high-quality care to a larger population.

VI. Future Plans for the Domestic Insurers

26. Do the Applicants have any plans to cause the Domestic Insurer to declare any extraordinary dividend, to liquidate it, sell its assets, merge it with any other persons or materially change its corporate structure?

A: Other than as set forth in the Form A Statement (including the plan of operations attached as Exhibit E), the Applicant has no present plans or proposals to cause the Domestic Insurers to declare an extraordinary dividend or make other distributions, to liquidate the Domestic Insurers, to sell the assets of the Domestic Insurers (other than in ordinary course), to merge or consolidate the Domestic Insurers with any person or persons or to make any other material change in the Domestic Insurers' business operations or corporate structure, or to cause the

Domestic Insurers to enter into material contracts, agreements, arrangements, understandings or transactions of any kind with any party.

In addition, the Applicant has no current plans to change the names of the Domestic Insurers. Immediately following the Closing, each of the Domestic Insurers will continue to maintain its separate corporate existence.

The Applicant is undergoing a continuing strategic assessment with respect to the Medicare and commercial lines of insurance written by the Domestic Insurers and is considering, among other factors, alignment with the Applicant's strategic goals and the Applicant's core strengths in connection therewith. The Applicant has determined that it is unable to make decisions with respect to such lines of business until after consummation of the Proposed Acquisition. The Applicant expects to make such decisions shortly following Closing once it has had an opportunity to complete its assessment. Regardless, immediately following the closing of the Proposed Acquisition, we expect the Domestic Insurers' businesses to continue in the ordinary course, while the Domestic Insurers, Molina and EmblemHealth work through a transition to migrate the Domestic Insurers to Molina's systems and platform in a manner as seamless as possible for policyholders.

27. Please describe any intended changes to the directors and executive officers of the Domestic Insurers following the Closing.

A: The composition of the board of directors of each of the Domestic Insurers and their respective executive officers will change as a result of the Proposed Acquisition. The names of the proposed directors and executive officers of the Domestic Insurers effective as of the Closing have been included in the Form A Statement.

NAIC biographical affidavits for the proposed directors and executive officers of the Domestic Insurers were provided to the Department on a supplemental basis after the filing of the original Form A Statement. In addition, background verification reports in respect of these biographical affidavits were provided directly to the Department by an NAIC-approved third-party verification service on a supplemental basis.

28. Please describe how the integration process that will be undertaken following the Closing will minimize disruption to members and providers.

A: The Applicant has a strong track record of successfully completing significant transactions and integrations. The integration of the Domestic Insurers' businesses will follow a clearly defined strategy based on the Applicant's experience with prior large-scale acquisitions and integrations. The Applicant's veteran integration team, which has the necessary experience and expertise to support a smooth transition, uses industry standard project management and risk management processes and tools to execute integration plans. Integration

portfolio and status are presented to executive management, including the Applicant's CEO, on a monthly basis to ensure high-level visibility regarding progress and risks, and facilitate timely decision-making for key integration decisions. One of the guiding principles of the Applicant's integration planning and execution process is to ensure minimal disruption to members, providers and other stakeholders. Following the Closing, the administration of the Domestic Insurers' businesses will be included in the Applicant's oversight processes, including monthly operating and financial reviews by line of business.

Further, in order to ensure minimal disruption to members and providers, the Applicant will work with EmblemHealth to transition the Domestic Insurers onto the Applicant's platform as seamlessly as possible under a Transition Services Agreement. This will be done through a phased transition that allows the Domestic Insurers to maintain "business as usual" immediately after Closing while the Applicant and EmblemHealth work through planning, development, testing, and finally implementation of migration to the Applicant's systems and platform.

29. Does Molina intend for the Domestic Insurers' headquarters to remain in Connecticut upon the consummation of the Proposed Acquisition?

A: Yes, Molina intends for the Domestic Insurers' headquarters to remain in Connecticut upon the consummation of the Proposed Acquisition.

30. Please describe any proposed intercompany agreements.

A: The Domestic Insurers are currently party to several intercompany services agreements with ConnectiCare and EmblemHealth affiliated companies. The parties expect to terminate these agreements or remove the Domestic Insurers as parties thereto effective as of the Closing Date. Effective as of the Closing Date, the Applicant intends to cause the Domestic Insurers to enter into an intercompany services agreement pursuant to which the Applicant or one of its affiliates will provide certain management and related services to the Domestic Insurers (the "Intercompany Services Agreement"). Charges for services performed under the Intercompany Services Agreement will be at cost. The Applicant will submit the Intercompany Services Agreement for review by the Department pursuant to a Form D (Prior Notice of a Transaction) filing.

The Domestic Insurers are currently party to a Tax Sharing Agreement with Health Insurance Plan Holdings, Inc. ("Health Insurance Plan Holdings") whereby Health Insurance Plan Holdings files a consolidated federal income tax return for all affiliated companies. Effective as of the Closing Date, the Domestic Insurers will no longer be a party to this Tax Sharing Agreement. Effective as of the Closing Date, the Applicant intends to cause the Domestic Insurers to enter into tax sharing agreements with the Applicant, which will govern the allocation among Molina and the Domestic Insurers of tax liabilities with respect to Molina's U.S. federal consolidated income tax returns and certain state or local

tax returns (the “Molina Tax Sharing Agreements”). The Applicant will submit the Molina Tax Sharing Agreements for review by the Department pursuant to a Form D (Prior Notice of a Transaction) filing.

VII. Statutory Criteria

31. Pursuant to the laws of the State of Connecticut, the Commissioner of the Connecticut Insurance Department shall approve any merger or other acquisition of control unless, after a public hearing, he finds that such merger or acquisition of control would result in one or more of six adverse consequences, as set forth in Conn. Gen. Stat. § 38a-132(a)(1)-(6). The following questions relate to those criteria. Will the Proposed Acquisition result in any of these six adverse consequences or violate any of these standards?

A: No, the Proposed Acquisition will not result in any such consequences or violations, and there are no circumstances as described in those statutory provisions that would cause the Commissioner to disapprove the proposed acquisition of control of the Domestic Insurers. Therefore, I respectfully submit that the proposed acquisition of control of the Domestic Insurers should be approved by the Commissioner.

32. First, following the consummation of the Proposed Acquisition, will the Domestic Insurers be able to satisfy the requirements for the issuance of a license to write the line or lines of business for which each is presently licensed?

A: Yes, following the consummation of the Proposed Acquisition, each of the Domestic Insurers will be able to continue to satisfy the requirements for the issuance of a license to write the business for which it is presently licensed. Each of CICI and CBI is currently licensed as an accident and health insurance company, and CCI is currently licensed as a health care center. As demonstrated through their respective licenses, each of the Domestic Insurers satisfies the minimum requirements for licensure as an accident and health insurance company or health care center, as applicable, under Connecticut insurance law.

Following the consummation of the Proposed Acquisition, the Applicant has no intention of causing the Domestic Insurers to take any action that would inhibit their ability to satisfy the requirements for licensure under Connecticut insurance law.

33. Second, will the Proposed Acquisition substantially lessen competition of insurance in Connecticut or tend to create a monopoly in Connecticut?

A: No. The Proposed Acquisition will not substantially lessen competition in any line of insurance in Connecticut or tend to create a monopoly therein. In all lines of business, the Proposed Acquisition would not result immediately in any increase in market share in any line of insurance in Connecticut held by ConnectiCare or Molina because Molina does not write business in Connecticut and has no premium in any line of business in Connecticut.

34. Third, is the financial condition of the Applicant such that it might jeopardize the financial stability of the Domestic Insurers or prejudice the interests of their policyholders?

A: No. The historical consolidated financial statements of the Applicant filed with the Form A Statement clearly demonstrate that the Applicant's financial condition will not jeopardize the financial stability of the Domestic Insurers or prejudice the interests of their respective policyholders.

The Applicant is a FORTUNE 500 company. For the year ended December 31, 2023, Molina's total revenues and net earnings attributable to Molina were \$34.1 billion and \$1.1 billion respectively, and total cash flow from operations was \$1.7 billion. As of December 31, 2023, the Applicant served approximately 5.0 million members.

Therefore, to the contrary, as demonstrated by the historical consolidated financial statements of the Applicant filed with the Form A Statement, the Applicant's financial condition and resources will strengthen the financial stability of the Domestic Insurers, and will enhance the interests of the Domestic Insurers' respective policyholders.

35. Fourth, do the Applicants have any plans or proposals to liquidate the Domestic Insurers, to sell their assets or to consolidate or merge them with any person or to make any other material change in their business or corporate structure or management that would be unfair and unreasonable to policyholders of the Domestic Insurers and not in the public interest?

A: Other than as set forth in the Form A Statement (including the plan of operations attached as Exhibit E), the Applicant has no present plans or proposals to cause the Domestic Insurers to declare an extraordinary dividend or make other distributions, to liquidate the Domestic Insurers, to sell the assets of the Domestic Insurers (other than in ordinary course), to merge or consolidate the Domestic Insurers with any person or persons or to make any other material change in the Domestic Insurers' business operations or corporate structure, or to cause the Domestic Insurers to enter into material contracts, agreements, arrangements, understandings or transactions of any kind with any party. The plans for the Domestic Insurers as set forth in the Form A Statement and plan of operations are fair and reasonable to policyholders of the Domestic Insurers and in the public interest.

As set forth in the plan of operations, the Applicant is undergoing a strategic review of the Medicare and commercial lines of business of the Domestic Insurers. The Applicant has determined that it is unable to make decisions with respect to such lines of business until after consummation of the Proposed Acquisition. Any decisions with respect to these lines of business following the Closing will be made with the interests of the policyholders of the Domestic Insurers and the public interest in mind, with the goal of ensuring the Domestic

Insurers' continued financial stability and prioritizing its ability to support its Marketplace products and policyholders.

In addition, the Proposed Acquisition is fair and reasonable to the Domestic Insurers' policyholders and in the public interest because policyholders will continue to enjoy all contractual coverage-related rights under their respective insurance contracts.

36. Fifth, please discuss whether the competence, experience and integrity of the persons who will control the operations of the Domestic Insurers after Closing will in any way not be in the interest of policyholders of the Domestic Insurers or the public.

A: As described in the Form A Statement, the composition of the board of directors of each of the Domestic Insurers and their respective executive officers will change as a result of the Proposed Acquisition. The names of the proposed directors and executive officers of the Domestic Insurers effective as of the Closing have been included in the Form A Statement. The proposed executive officers of the Domestic Insurers following the Closing include Mark Meador, current President of the Domestic Insurers, who will continue his role as President, providing for continuity of the operations of the Domestic Insurers.

A list of the names of the directors and executive officers of the Applicant is included in the Form A Statement. The business addresses of each of the directors and executive officers of the Applicant were provided to the Department as Exhibit C to the Form A Statement. There are no anticipated changes to the Applicant's directors or executive officers as a result of the Proposed Acquisition.

I believe all of these current and proposed directors and executive officers are very well experienced and competent based on their history with the companies they serve and their prior work experience. Further evidence is reflected in the biographical information for such individuals that was submitted to the Department as part of the Form A Statement. I know some of these individuals personally, and I have reviewed the biographical affidavits for all of these individuals. Based on my personal knowledge and my review, I can confirm that all of these directors and executive officers are not only highly competent and experienced, but individuals of the highest moral integrity.

For these reasons, the competence, experience and integrity of the persons who will control the operations of the Domestic Insurers after the Closing will in no way be adverse to the policyholders of the Domestic Insurers or the interest of the public.

37. Sixth, will the Proposed Acquisition likely be hazardous or prejudicial to those buying insurance?

A: No. The Proposed Acquisition will not be hazardous or prejudicial to those buying insurance. To the contrary, the Proposed Acquisition will have a positive effect on the insurance buying public.

If consummated, the Proposed Acquisition is expected to provide a number of advantages to ConnectiCare's members, providers and other stakeholders. The Applicant has significant experience in the insurance and health care sectors, and the directors and executive officers of the Applicant are individuals of tremendous competence, experience and integrity. Moreover, the Domestic Insurers will be managed by a financially strong organization, as evidenced by the Applicant's historical financial statements submitted with the Form A Statement. ConnectiCare plays an extremely important role in the Connecticut Health Insurance Exchange, and the Applicant provides the strength and expertise to support that presence.

In sum, there is no evidence that the Proposed Acquisition is likely to be hazardous or prejudicial to those buying insurance.

VIII. Closing Remarks

38. Is there anything else that you would like to add at this time?

A: Yes. I would like to thank Commissioner Mais, Hearing Officer Dowty, Deputy Commissioner Kosky, Ms. Callanan, Mr. Cotrone and the other Department Staff for their prompt attention to this matter and for their diligence in reviewing the Form A Statement. Based on the record established and the filing of the Form A Statement, it is the Applicant's position that the proposed acquisition of control of the Domestic Insurers satisfies all of the applicable standards of review for approval under Conn. Gen. Stat. § 38a-132(a) and that the Commissioner has a sufficient and robust record for the issuance of an approval order with respect to the proposed acquisition of control as set forth in the Form A Statement.