



**DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

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

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

Based on all of the facts and circumstances surrounding the application of Cigna Corporation and Halfmoon Parent, Inc. for control of Express Reinsurance Company, a domestic captive insurer, and the Exemption Request from Form A filed by Cigna Corporation on behalf of Cigna HealthCare of St. Louis, Inc. and Cigna Dental Health of Missouri, Inc., I, Chlora Lindley-Myers, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration (“Director” of the “Department”), hereby issue the following findings of fact, conclusions of law, and order:

FINDINGS OF FACT

1. On or about April 20, 2018, Cigna Corporation and Halfmoon Parent, Inc. (collectively, the “Applicants”) filed a Statement regarding the acquisition of control of or merger (the “Form A Statement”) with the Department in connection

with the proposed acquisition of Express Reinsurance Company (the “Captive Insurer”), a Missouri pure captive insurance company.

2. On or about April 20, 2018, Cigna Corporation filed an Exemption Request from Form A (“Exemption Request”) on behalf of Cigna HealthCare of St. Louis, Inc., a Missouri health maintenance organization (“Cigna HealthCare”), and Cigna Dental Health of Missouri, Inc., a Missouri prepaid dental plan corporation (“Cigna Dental” and collectively with Cigna HealthCare, the “Traditional Insurers”).

3. The Captive Insurer is a wholly owned subsidiary of Express Scripts, Inc., a Delaware corporation, which in turn is a wholly owned subsidiary of Express Scripts Holding Company.

4. Cigna HealthCare is a wholly owned subsidiary of Healthsource, Inc., a Delaware corporation, which is a wholly owned subsidiary of Cigna Health Corporation, a Delaware corporation, which is a wholly owned subsidiary of Connecticut General Corporation, a Connecticut corporation, which is wholly owned by Cigna Holdings, Inc., a Delaware corporation, which is wholly owned by Cigna Corporation.

5. Cigna Dental is a wholly owned subsidiary of Cigna Dental Health, Inc., a Florida corporation, which is wholly owned by Connecticut General Corporation, which is wholly owned by Cigna Holdings, Inc., which is wholly

owned by Cigna Corporation.

6. According to the Agreement and Plan of Merger dated March 8, 2018 (the “Merger Agreement”), by and among Cigna Corporation, a Delaware corporation (“Cigna”), Express Scripts Holding Company, a Delaware corporation (“Express Scripts”), Halfmoon Parent, Inc., a Delaware corporation and a direct wholly owned subsidiary of Cigna (“Halfmoon”), Halfmoon I, Inc., a Delaware corporation and a direct wholly owned subsidiary of Halfmoon (“Merger Sub 1”), Halfmoon II, Inc., a Delaware corporation and a direct wholly owned subsidiary of Halfmoon (“Merger Sub 2” and together with Merger Sub 1, the “Merger Subs”), Merger Sub 1 will merge with and into Cigna with Cigna as the surviving entity (the “Cigna Surviving Entity”) and Merger Sub 2 will merge with and into Express Scripts with Express Scripts as the surviving entity (collectively, the “Mergers”).

7. As set forth in the Merger Agreement, each issued and outstanding share of common stock of Cigna will be converted automatically into one share of common stock of Halfmoon.

8. As set forth in the Merger Agreement and subject to certain customary exceptions, each issued and outstanding share of common stock of Express Scripts will be converted automatically into 0.2434 of a share of common stock of Halfmoon and the right to receive \$48.75 in cash consideration, subject to applicable withholding taxes.

9. As a result of the Mergers, Halfmoon will become the new top-tier holding company of each of the surviving corporations, the Captive Insurer, and the Traditional Insurers.

10. Immediately after the Mergers, Halfmoon will be renamed Cigna Corporation and the Cigna Surviving Entity will be renamed a yet to be determined name.

CONCLUSIONS OF LAW

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

A. After the acquisition of the Captive Insurer, the Captive Insurer will be unable to satisfy the requirements for the issuance of a license to write the line of business for which it is presently licensed.

B. The effect of the acquisition of the Captive Insurer will be to substantially lessen competition in insurance or tend to create a monopoly in this state.

C. The financial condition of Cigna Corporation is such as might jeopardize the financial stability of the Captive Insurer or prejudice the interests of its policyholders.

D. Cigna Corporation's plans or proposals, if any, to liquidate the Captive Insurer, or sell its assets, to consolidate or merge it with any person, or to

make any other material change in its business or corporate structure or management, are unfair or unreasonable to its policyholders or contrary to the public interest.

E. The competency, experience and integrity of Cigna Corporation's management are such that it would be contrary to the interests of policyholders of the Captive Insurer and of the public to permit the acquisition of the Captive Insurer by Cigna Corporation.

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

12. Having reviewed the Exemption Request and the description of the accompanying transaction, the Director finds that the Mergers are not being entered into for the purpose, and will not have the effect, of changing or influencing the control of the Traditional Insurers.

ORDER

Based on the foregoing findings and conclusions, and the facts and circumstances surrounding the acquisition, the requirements for public notice and hearing are hereby **WAIVED** pursuant to §379.1310.9(1) RSMo (2016); and

Based on the foregoing findings and conclusions, the acquisition of control of the Captive Insurer by Cigna Corporation as submitted in the Form A Statement

is hereby **APPROVED**; and

Based on the foregoing findings and conclusions, the Exemption Request based on section 382.070(2) is hereby **APPROVED** and Cigna is exempted from any Form A filing and approval requirements under Sections 382.040, 382.050 and 382.060 of the Missouri Revised Statutes with respect to the addition of Halfmoon as the new top-tier holding company of the Traditional Insurers; and

Cigna Corporation is hereby **ORDERED** to maintain the home office of Express Scripts Holding Company in Missouri for a period of not less than five (5) years following this acquisition.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 31st DAY OF OCTOBER, 2018.



Chlora Lindley-Myers
Chlora Lindley-Myers, Director