



DEPARTMENT OF COMMERCE AND INSURANCE

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

IN RE: Proposed Acquisition of)
LIBERTY Dental Plan of Missouri, Inc..)
a direct subsidiary of LIBERTY Dental Plan)
Corporation, a Delaware corporation)

By)

Case No. 2294060401F

Project Freedom Parent, Inc.; Project)
Freedom Holdings, Inc.; Project Freedom)
Holdings, LLC; WCAS XIV, L.P.; WCAS)
XIV Cayman, L.P.; WCAS XIV Co-Investors)
I LLC; WCAS XIV Co-Investors II LLC;)
WCAS XIV Associates LLC; Freedom SPV,)
Inc.; ATH Holding Company, LLC; and)
Elevance Health, Inc., f/k/a/ Anthem, Inc.)

APPROVAL ORDER

Based on the competent and substantial evidence in the administrative record before me, I, Chlora Lindley-Myers, Director of the Missouri Department of Commerce and Insurance (“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 in this case as follows:

FINDINGS OF FACT

1. On March 24, 2022, the Division of Insurance Company Regulation, Department of Commerce and Insurance (“Division” of the “Department”) received a Form A Statement regarding the proposed acquisition of control of or merger with LIBERTY Dental Plan of Missouri, Inc. (the “Domestic Insurer”), a direct subsidiary of LIBERTY Dental Plan Corporation (“LDPC”) by Project Freedom Parent, Inc. (“Buyer”), Project Freedom Holdings, Inc., Project Freedom Holdings, LLC (collectively the “Buyer Applicants”), and WCAS XIV, L.P., WCAS XIV Cayman, L.P., WCAS XIV Co-Investors I LLC, WCAS XIV Co-Investors II LLC, WCAS XIV Associates LLC (“WCAS Associates”) (collectively the “WCAS Applicants”) , and Freedom SPV, Inc., ATH Holding Company, LLC and Elevance Health, Inc., formerly known as Anthem, Inc. (“Elevance Health”) (collectively the “Elevance Health Applicants”), (all Buyer Applicants, WCAS Applicants and Elevance Health Applicants collectively “Applicants”).

2. At approximately the same time Applicants filed the Form A Statement with the Department, Applicants also filed similar Form A Statements with other states, including the states of Nevada and Oklahoma seeking to acquire other subsidiaries of LDPC.

3. The Department attempted to coordinate with the other state regulators during the review of Applicants’ Form A Statement.

4. On April 7, 2022, Applicants submitted a Form E, Pre-Acquisition Notice Form pursuant to § 382.095, RSMo¹.

5. On April 7, 2022, the Division sent Applicants correspondence identifying certain additional items that were needed to address the Division staff's initial review of the Form A Statement.

6. On April 15, 2022, Applicants responded to the Division's April 7, 2022, letter and provided additional information in support of the proposed acquisition.

7. On June 13, 2022, the Division sent a second request for information to Applicants. Applicants responded to the Division's second request for information on June 23, 2022, and again provided additional information and documentation in support of the proposed acquisition.

8. The Division's review of the Form A Statement and the supplemental information received from Applicants shows that the proposed transaction is a joint venture between Welsh, Carson, Anderson & Stowe, a private equity firm, and Elevance Health. On February 24, 2022, LDPC, Buyer, Project Freedom Merger Sub, Inc., a Delaware corporation and a direct, wholly owned subsidiary of Buyer ("Merger Sub") and LIBERTY Shareholder Representative, LLC, a Delaware limited liability Company, solely in its capacity as the representative for the Securityholders, entered into an Agreement and Plan of Merger ("Agreement").

¹ All references to the Revised Statutes of Missouri are to RSMo 2016 unless otherwise noted.

9. The WCAS Applicants will acquire, in the aggregate, beneficial ownership of approximately 45% of the voting securities of the Domestic Insurer, and the Elevance Health Applicants will acquire beneficial ownership of approximately 40% of the voting securities of the Domestic Insurer. Dr. Amir Neshat, an individual and the current ultimate controlling person of the Domestic Insurer, will retain beneficial ownership of approximately 15% of the voting securities of the Domestic Insurer.

10. According to the Agreement, Merger Sub will merge with and into LDPC. LDPC will be the surviving corporation and, because of the merger, will be a direct, wholly owned subsidiary of Buyer. Merger Sub will cease to exist as a separate corporation.

11. According to the Form A Statement submitted by Applicants, none of the sixteen managing members of WCAS Associates, the general partner or managing member, as applicable, of the WCAS Funds (as defined in the Form A Statement), controls 10% or more of any vote determining the actions to be taken by WCAS Associates with respect to Project Freedom Holdings, LLC and its subsidiaries, including, after closing, LDPC and the Domestic Insurer.

12. The Director has exercised her discretion and deemed the Form A Statement filed as that term is used in §§ 382.060 and 382.095.

13. Buyer intends to fund the acquisition using cash it will obtain through two equity commitment letters, the WCAS Equity Commitment Letter and the Anthem Equity Commitment Letter, each as defined in the Form A Statement and a Debt Commitment Letter, as also defined in the Form A Statement.

14. Division staff have determined that Applicants have sufficient capital or access to sufficient capital to complete the transaction in a manner that will not be financially hazardous to the Applicants or Domestic Insurer and the policyholders.

15. Other than as described in the Form A Statement, the Applicants have no present plans for the Domestic Insurer to declare an extraordinary dividend, to liquidate the Domestic Insurer, to sell any of the assets of the Domestic Insurer (other than in the ordinary course of business), or to merge the Domestic Insurer with any other person or persons.

16. The Division staff conducted an independent analysis of the proposed acquisition and determined that the proposed acquisition would be a prima facie violation of the competitive standard set out in § 382.095.4(2)(a)a. Division staff also determined that the proposed acquisition, considering the factors enumerated in § 382.095.4(4), is not anticompetitive.

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

CONCLUSIONS OF LAW

18. 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.

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

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

- a. after the proposed acquisition, the Domestic Insurer would not be able to satisfy the requirements for issuance of a license to write the line or lines of insurance for which it is presently licensed;
- b. the effect of the acquisition 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 the Domestic Insurer or prejudice the interests of its policyholders;
- d. any plans or proposals by Applicants to liquidate the Domestic Insurer, sell any of its assets, consolidate or merge it with any other person, or make any other material change in the business or corporate structure or management of the Domestic Insurer are unfair and unreasonable to its policyholders and contrary to the public interest;
- e. the competence, experience, or integrity of the persons who would control or manage the Domestic Insurer post-acquisition are such that it would be contrary to the interest of policyholders and the general public to permit the acquisition; or

- f. the acquisition is likely to be hazardous or prejudicial to the insurance-buying public.

ORDER

21. Based on the foregoing Findings of Fact and Conclusions of Law, it is hereby Ordered that the proposed acquisition of the Domestic Insurer by Project Freedom Parent, Inc., Project Freedom Holdings, Inc., Project Freedom Holdings, LLC, and WCAS XIV, L.P., WCAS XIV Cayman, L.P., WCAS XIV Co-Investors I LLC, WCAS XIV Co-Investors II LLC, WCAS XIV Associates LLC, and Freedom SPV, Inc., ATH Holding Company, LLC and Elevance Health, Inc. as set out in the March 24, 2022, Form A Statement is approved with the following conditions:

- a. the acquisition contemplated in the Agreement by and among LDPC, Buyer, Merger Sub and LIBERTY Shareholder Representative, LLC shall be subject to, and conditioned on, the closing of the acquisition;
- b. the Domestic Insurer shall provide a minimum of thirty (30) days prior written notice in the event any of the sixteen managing members of WCAS Associates, the general partner or managing member, as applicable, of the WCAS Funds (as defined in the Form A Statement), controls 10% or more of any vote determining the actions to be taken by WCAS Associates with respect to Project Freedom Holdings, LLC and its subsidiaries, including, after closing, LDPC and the Domestic Insurer.

SO ORDERED.

WITNESS MY HAND THIS 26th DAY OF JULY, 2022.



Chlora Lindley Myers

CHLORA LINDLEY-MYERS,
DIRECTOR

APPROVED FOR ENTRY AND EXECUTION:

John F. Rehagen

John F. Rehagen
Director, Division of Insurance Company Regulation
Missouri Department of Commerce and Insurance

Tom Scully

Project Freedom Parent, Inc.
Name: Thomas A. Scully
Title: President

Tom Scully

Project Freedom Holdings, Inc.
Name: Thomas A. Scully
Title: President

Tom Scully

Project Freedom Holdings, LLC
Name: Thomas A. Scully
Title: President

Tom Scully

WCAS XIV, L.P.
Name: Thomas A. Scully
Title: Managing Member of WCAS XIV Associates LLC, acting for and on behalf
of WCAS XIV, L.P.

Tom Scully

WCAS XIV Cayman, L.P.
Name: Thomas A. Scully
Title: Managing Member of WCAS XIV Associates LLC, acting for and on behalf
of WCAS XIV Cayman, L.P.

Tom Scully

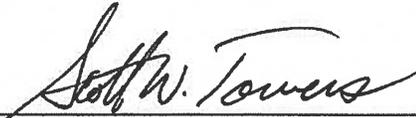
WCAS XIV Co-Investors I LLC
Name: Thomas A. Scully
Title: Managing Member of WCAS XIV Associates LLC, acting for and on behalf
of WCAS XIV Co-Investors I LLC

Tom Scully

WCAS XIV Co-Investors II LLC
Name: Thomas A. Scully
Title: Managing Member of WCAS XIV Associates LLC, acting for and on behalf
of WCAS XIV Co-Investors II LLC

Tom Scully

WCAS XIV Associates LLC
Name: Thomas A. Scully
Title: Managing Member



Freedom SPV, Inc.
Name: Scott Towers
Title: President

ATH Holding Company, LLC
Name: John E. Gallina
Title: President

Elevance Health, Inc.
Name: John E. Gallina
Title: Executive Vice-President and CFO

RESPECTFULLY SUBMITTED:

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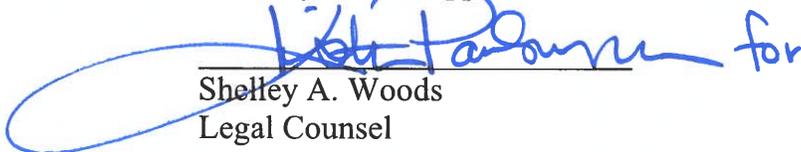
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