

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
OF THE STATE OF TENNESSEE**

IN THE MATTER OF:)
)
THE ACQUISITION OF) **No.: 11-117**
HEALTHSPRING OF TENNESSEE, INC.)
BY)
CIGNA CORPORATION)

ORDER APPROVING PLAN OF ACQUISITION

On the 12th day of January, 2012, a hearing was held before the Commissioner of Commerce and Insurance (hereinafter referred to as "Commissioner"), to consider the plan filed by Cigna Corporation to acquire control of HealthSpring of Tennessee, Inc., a Tennessee domiciled health maintenance organization. Marie Murphy, Assistant Commissioner for Administration, heard the matter on behalf of the Commissioner.

These Findings of Fact and Conclusions of Law issue as a result of such filing:

FINDINGS OF FACT

1. HealthSpring of Tennessee, Inc. (hereinafter referred to as "HealthSpring"), is a Tennessee domiciled health maintenance organization authorized to transact business in Tennessee and other states.

2. Cigna Corporation, a Delaware publicly traded corporation, operates along with its subsidiaries, throughout the United States providing employee benefits. Cigna Magnolia Corporation is a direct subsidiary of Connecticut General Corporation which is an indirect subsidiary of Cigna Corporation. Cigna Magnolia Corporation was formed exclusively to

purchase HealthSpring, Inc. and to merge into HealthSpring, Inc. after the transaction is complete.

3. The proposed acquisition, as filed with the Department of Commerce and Insurance (hereinafter referred to as "Department"), calls for Cigna Magnolia Corporation and HealthSpring, Inc. to merge. Cigna will directly acquire control of one hundred percent (100%) of the outstanding voting securities of HealthSpring, Inc. On and after the effective date of the proposed acquisition, HealthSpring will continue to operate as a Tennessee authorized health maintenance organization and will be subject to and governed by the laws of the state of Tennessee as such.

4. The constituent companies have filed with the Commissioner all of the materials contemplated and required for such acquisitions by Tenn. Code Ann. § 56-11-103.

5. On December 29, 2011, Cigna provided notice of the original hearing date to HealthSpring.

6. After the proposed acquisition, HealthSpring will continue to be able to satisfy all requirements for the issuance of a license to engage in the activities for which it is presently licensed.

7. The effect of the proposed acquisition of control will not substantially lessen competition in this state or tend to create a monopoly in this state.

8. Upon consummation of the proposed acquisition, the financial condition of Cigna will not be such as might jeopardize the financial stability of HealthSpring, or prejudice the interests of HealthSpring's policyholders.

9. Cigna has no plans or proposals to liquidate HealthSpring, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or

corporate structure or management, and the acquisition is not unfair or unreasonable to the policyholders of HealthSpring, nor is it not in the public interest.

10. The competence, experience and integrity of those persons who would control the operation of HealthSpring are not such that would be contrary to the interest of the policyholders of HealthSpring, and the competence, experience and integrity of such persons are in accordance with the interests of the public so as to permit the proposed acquisition.

11. The proposed acquisition of HealthSpring by Cigna is not likely to be hazardous or prejudicial to the insurance buying public.

CONCLUSIONS OF LAW

12. Tenn. Code Ann. §§ 56-11-103(d)(1) provides that the Commissioner shall approve any merger or other acquisition of control of an insurance company unless, after a public hearing thereon, the Commissioner finds that:

(a) After the change of control, the insurance company would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;

(b) The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in this state or tend to create a monopoly therein. In applying the competitive standard in Tenn. Code Ann. § 56-11-103(d)(1)(B):

(i) The informational requirements of Tenn. Code Ann. § 56-11-104(c)(1) and the standards of Tenn. Code Ann. § 56-11-104(d)(2) shall apply;

(ii) The merger or other acquisition shall not be disapproved if the commissioner finds that any of the situations meeting the criteria provided by Tenn. Code Ann. § 56-11-104(d)(3) exist; and;

(iii) The Commissioner may condition the approval of the merger or other acquisition on the removal of the basis of disapproval within a specified period of time;

(c) The financial condition of any acquiring party is such as might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders;

(d) The plans or proposals which the acquiring party has to liquidate the insurer, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to policyholders of the insurer and not in the public interest;

(e) The competence, experience and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders of the insurer and of the public to permit the merger or other acquisition of control; or

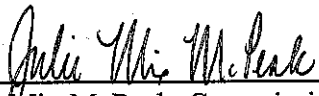
(f) The acquisition is likely to be hazardous or prejudicial to the insurance buying public.

13. Applying the standards delineated in Tenn. Code Ann. § 56-11-103(d)(1)(A)-(F) to the proposed transaction, as established by the filing made in this matter, the testimony at the hearing, the Findings of Fact contained herein, and the record taken as a whole, the proposed transaction meets the statutory standards for approval by the Commissioner.

ORDER

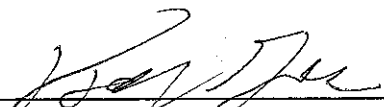
Accordingly, based upon the above Findings of Fact and Conclusions of Law, it is hereby **ORDERED** that the plan of acquisition filed by Cigna Corporation to acquire control of HealthSpring of Tennessee, Inc. is **APPROVED**.

ENTERED this the 27th day of January, 2012.



Julie Mix McPeak, Commissioner
Department of Commerce and Insurance
State of Tennessee

APPROVED FOR ENTRY:



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