

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE  
MONTANA STATE AUDITOR**

<p>IN THE MATTER OF THE ACQUISITION OF:</p> <p>Allegiance Life &amp; Health Insurance Company and Allegiance Re,</p> <p>by</p> <p>Anthem, Inc.</p>	<p>CASE NO. INS-2015-240</p> <p><b>NOTICE OF HEARING</b></p>
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**PLEASE TAKE NOTICE:**

On September 3, 2015, the Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), received an initial Form A Statement, as required by Mont. Code Ann. § 33-2-1104, regarding the proposed acquisition of Allegiance Life & Health Insurance Company (Allegiance), a Montana life and disability company, as well as Allegiance Re, a Montana captive insurance company, by Anthem, Inc. (Anthem), as part of Anthem's larger acquisition of Allegiance's parent company, Cigna Corporation. On September 24, 2015, the CSI received a completed Form A Statement for that same proposed transaction.

Pursuant to § 33-2-1105, a hearing shall be held in this matter **at 9:00 am on October 21, 2015**, in the second floor conference room in the building of the Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), at 840 Helena Ave., in Helena, Montana.

Anthem, Inc., shall provide notice of this hearing at its own expense to Allegiance Life and Health Company and Allegiance Re, by certified mail. Anthem, Inc., shall also provide notice of this hearing at its own expense to the public, by publication on Sunday, October 11, 2015, in the following newspapers: the Independent Record; the Billings Gazette; the Missoulian; the Montana Standard; the Daily Interlake; the Bozeman Chronicle; and the Great Falls Tribune.

This hearing shall be open to the public. Anthem, Inc., Allegiance Life and Health Company, Allegiance Re, and any other person or entity whose interests may be affected, as well as staff of the CSI, have the right to appear in person or by counsel, to present evidence, and offer oral and written arguments. The Hearing Examiner and staff of the CSI shall have the right to cross-examine witnesses. Pursuant to *Cont'l Realty, Inc. v. Gerry*, 251 Mont. 150, 152, 822 P.2d 1083, 1084 (1991), corporations may not appear pro se at the hearing. In addition, if counsel has not been admitted to the practice of law in the State of Montana, he or she must comply with Montana law as stated in *Application of American Smelting and Refining, Co.* 164 Mont. 139, 520 P.2d 103 (1973) and *Mont Sup Ct Comm'n on the Unauth. Practice of Law v. O'Neil*, 2006 MT 284, 334 Mont. 311, 146 P.3d 200.

As stated in § 33-2-1105(1), the general issues for consideration at the hearing will be:

a) Whether Anthem, Inc., would be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which Allegiance is presently licensed;

b) Whether the acquisition would substantially lessen competition in insurance in this state or tend to create a monopoly;

c) Whether the financial condition of Anthem, Inc., might jeopardize the financial stability of Allegiance or prejudice the interests of its policyholders;

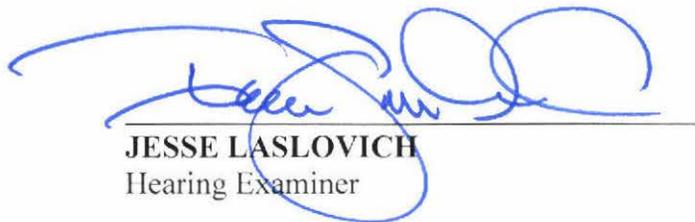
d) Whether the terms of the acquisition are unfair or unreasonable to the security holders of Allegiance;

e) Whether Anthem's plans to make any material change to Allegiance's business are unfair or unreasonable to Allegiance's policyholders; and

f) Whether the competence, experience, and integrity of those persons who would control Allegiance's operations are of the nature that it would not be in the interest of Allegiance's policyholders to permit the acquisition of Allegiance by Anthem.

After the contested case portion of the hearing has been completed, the hearing shall be open for public comment by any person who may be affected by the proposed acquisition. Written comments may be submitted in lieu of oral testimony, but must be submitted to the CSI on or before October 23, 2015.

DATED this 28<sup>th</sup> day of September, 2015.

  
**JESSE LASLOVICH**  
Hearing Examiner

cc: Michael A. Kakuk, Attorney for the CSI  
T. Ark Monroe, III, Counsel for Anthem, Inc.  
Alan Hall, Counsel for Allegiance