

STATE OF COLORADO

DEPARTMENT OF REGULATORY AGENCIES

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**DIVISION OF INSURANCE**

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NEWS RELEASE

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**Commissioner of Insurance approves proposed merger
of CIGNA and Great-West Health**

(Denver) - Colorado Insurance Commissioner Marcy Morrison has announced approval of the application of CIGNA Corp. to acquire Great-West Healthcare of Colorado, Inc.

"I'm pleased that both parties, CIGNA and the providers, agreed to the conditions I recommended in the Final Agency Order. It gives both sides the opportunity to come together to address any consumer issues that may need further resolution," said Commissioner Morrison.

Following a hearing on March 11, the Commissioner considered the application, exhibits, oral and written testimony and staff recommendations by the Division of Insurance. All exhibits offered were admitted by the Commissioner and made part of the public record. Members of the public provided comments and had the opportunity to ask questions of the witnesses within the scope of the proceeding.

The combined total market share of all participants in the acquisition of Great-West Healthcare by CIGNA Corp. in Colorado was 4.94 percent of the market as of December, 2006. In contrast, as of December 2006, the four largest individual carriers providing risk health coverage in the Colorado marketplace were Kaiser Foundation Health Plan, PacifiCare of Colorado, Rocky Mountain Hospital and Medical Services, Inc. and United HealthCare. The combined market total of these four individual carriers is 53.57 percent.

As such, analysis of the transaction indicated the acquisition would not lessen competition in the market for selling health insurance coverage, nor enable the combined company to reduce reimbursement rates below competitive levels for the providers of health care services in Colorado.

Control of Great-West Colorado by CIGNA Corp. was proposed to be acquired through an asset and stock purchase agreement, which was dated November 26, 2007.

For more detail about the approved merger, read Final Agency Order 0-08-104 regarding CIGNA Corporation acquisition of Great-West Healthcare of Colorado, Inc. which is posted on the Division of Insurance website at: <http://www.dora.state.co.us/insurance/enforcement/2008/O08104.pdf>.

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.

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