

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE REQUEST BY)
ORTHONET OF THE MID-ATLANTIC, INC.)
FOR AN EXEMPTION FROM THE FILING)
AND PUBLIC HEARING REQUIREMENTS) ORDER
OF THE INSURANCE HOLDING COMPANY)
SYSTEMS ACT, N.J.S.A. 17:27A-1 ET SEQ.)

This matter having been opened by the Commissioner of the Department of Banking and Insurance (“the Commissioner”) pursuant to N.J.S.A. 17:1C-1 et seq., and 17:27A-1 et seq., and all powers expressed or implied therein; and

IT APPEARING that N.J.S.A. 17:27A-2d provides for the Commissioner’s approval of any merger or other acquisition of control of a domestic insurer after holding a public hearing; and

IT FURTHER APPEARING that N.J.S.A. 17:27A-2f(2)(a) provides an exemption to N.J.S.A. 17:27A-2 when an offer, request, invitation, agreement or acquisition is made, which the Commissioner by Order shall find as not having been made or entered into for the purpose, and not having the effect, of changing or influencing the control of a domestic insurer; and

IT FURTHER APPEARING that OrthoNet of the Mid-Atlantic, Inc. (“OrthoNet-MA”), a New Jersey licensed organized delivery system (“ODS”), is currently directly wholly-owned by OrthoNet Holdings, Inc. (“OrthoNet-H”), a Delaware-domiciled holding company; which, in turn, is directly wholly-owned by OptumHealth Care Solutions, LLC (“OHCS”), a Delaware domiciled limited liability company, which is ultimately indirectly owned by United Health Group Incorporated, (“UHG”), a Delaware-domiciled corporation; and

IT FURTHER APPEARING that UHG intends to restructure its holding company system whereby OHCS will be directly wholly-owned by OptumInsight, Inc., a Delaware-domiciled company, which, in turn, will be ultimately indirectly owned by UHG; and

IT FURTHER APPEARING that after the transaction, OrthoNet-MA will continue to be wholly-owned by Orthonet-H, which, in turn, will continue to be wholly-owned by OHCS and ultimately indirectly owned and controlled by UHG; and

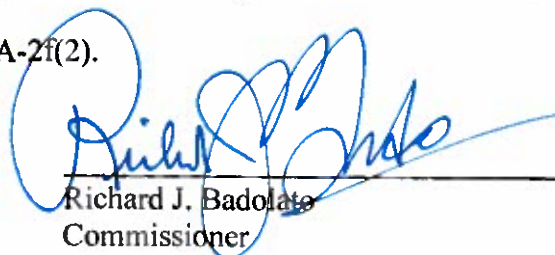
IT FURTHER APPEARING that this transaction is an intrasystem corporate restructuring that is not being made or entered into for the purpose, and will not have the effect, of changing or influencing the control of the licensed organized delivery system; and

IT FURTHER APPEARING that the Department of Banking and Insurance (“the Department”) has reviewed the documents submitted in support of this request and, based upon that review, has determined that the parties may be exempted from the filing and public hearing requirements of N.J.S.A. 17:27A-2, upon finding that the provisions of N.J.S.A. 17:27A-2f(2) are applicable to this transaction;

THEREFORE, IT IS on this 17th day of November, 2017,

ORDERED that:

Based upon the finding that the proposed transaction involves an intrasystem reorganization that has no effect on the ultimate control or ownership of the ODS, this transaction is hereby exempted from the statutory filing and public hearing requirements of N.J.S.A. 17:27A-1 et seq. in accordance with N.J.S.A. 17:27A-2f(2).


Richard J. Badolato
Commissioner