

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE REQUEST )  
BY BLACKROCK, INC. AND )  
THE PNC FINANCIAL SERVICES )  
GROUP, INC, FOR AN EXEMPTION ) ORDER  
FROM THE FILING AND PUBLIC )  
HEARING REQUIREMENTS OF THE )  
INSURANCE HOLDING COMPANY )  
SYSTEMS ACT, N.J.S.A. 17:27A-1 to -14 )

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 to -48 and 17:27A-1 to -14, and all powers expressed or implied therein; and

IT APPEARING that N.J.S.A. 17:27A-2(d) 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-2(f)(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 Aetna Better Health Inc. and Aetna Health Inc., both New Jersey domiciled health maintenance organizations, and Aetna Dental Inc., a New Jersey domiciled dental plan organization (“the domestic companies”), each a wholly-owned subsidiary of Aetna Heath Holdings, LLC, (collectively, “the Aetna Companies”); and

IT FURTHER APPEARING that the domestic companies are ultimately wholly-owned by Aetna Inc.; and

IT FURTHER APPEARING that PNC Financial Services Group, Inc., (“PNC”) owns approximately 21.48 percent of the common shares of BlackRock, Inc. (“BlackRock”), but that, PNC is not considered to, and does not, exercise any control over BlackRock; and

IT FURTHER APPEARING that BlackRock and PNC (collectively, “the Applicants”) currently directly own approximately 7.64 percent of Aetna Common Shares, with BlackRock owning approximately 7.4 percent of outstanding Aetna Common Shares and PNC owning approximately 0.27 percent of outstanding Aetna Common Shares; and

IT FURTHER APPEARING that, pursuant to N.J.S.A. 17:27A-1(c), “[c]ontrol shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, 10% or more of the voting securities of any other person”; and

IT FURTHER APPEARING that although the Applicants state that they do not currently own more than the 10 percent statutory threshold of the Aetna Companies, however the uncoordinated investment activities of the Applicants in the ordinary course of business may cause their respective holdings of Aetna Common Shares to reach or exceed 10 percent in the aggregate; and

IT FURTHER APPEARING that, as the potential transactions involved in this matter relate to those of institutional investors, the Applicants state that they may purchase, directly or through their respective affiliates, additional Aetna Common Shares in the open market, of up to 14.9 percent; and

IT FURTHER APPEARING that the Applicants state these institutional investments are not being made for the purpose of maintaining or influencing control of the domestic companies; and

IT FURTHER APPEARING that the Department of Banking and Insurance (“Department”) has reviewed the documents submitted in support of these requests 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-2(f)(2) are applicable, provided however, that given the Applicants’ potential direct or indirect ownership interest an excess of 14.9 percent of the Aetna Common Stock, any acquisition of additional shares involving the Applicants or affiliated individuals or entities, or acquisition of any seats on any of the boards of directors of the insurance holding companies that exert control over the domestic companies even if not accompanied by the acquisition of additional ownership percentage of Aetna Common Stock, will require review by the Department de novo, where the Department may require filings and a public hearing pursuant N.J.S.A. 17:27A-2;

THEREFORE, IT IS on this 26<sup>th</sup> of Dec, 2018,

ORDERED that:

Based upon the finding that the potential transactions of the Applicants as set forth above are being made in the capacity of institutional investment, and not for the purpose affecting or influencing the ultimate control, direction or ownership of the companies, the potential transactions that are subject of the Applicants’ filing dated February 9, 2018, are hereby exempted from the statutory filing and public hearing requirements of N.J.S.A. 17:27A-1 to -14 and in accordance with N.J.S.A. 17:27A-2f(2), with the understanding that any additional direct or indirect acquisition of ownership in the companies, or acquisition of any seats on any of the boards of directors of the insurance holding companies that exert control over the domestic companies

even if not accompanied by the acquisition of additional ownership percentage of Aetna Common Stock, shall be submitted for review de novo and may be subject to such filing requirements.



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Marlene Caride  
Commissioner

Orders/AR 2F Exemption Aetna BlackRock PNC