
In the Matter of the Acquisition of Control of
Humana Insurance Company
HumanaDental Insurance Company
Humana Wisconsin Health Organization Insurance Corporation, and
Independent Care Health Plan

By

Aetna Inc.

Petitioner.

Case No. 15-C40896

**AFFIDAVIT OF JOSEPH C. VENTURA ON BEHALF OF
HUMANA INC. AND HUMANA INSURANCE COMPANY, HUMANADENTAL
INSURANCE COMPANY, HUMANA WISCONSIN HEALTH ORGANIZATION
INSURANCE CORPORATION, AND INDEPENDENT CARE HEALTH PLAN**

I, Joseph C. Ventura, hereby declare under penalty of perjury as follows:

1. I am an officer of Humana Inc. ("Humana"), a publicly-traded Delaware holding company for various insurance companies, health maintenance and dental maintenance organizations and related organizations, holding the title of Associate General Counsel and Assistant Corporate Secretary. I am authorized to give this Affidavit by the powers vested in me under my duties on behalf of Humana.

2. I first became employed by Humana in January of 2009. My duties have included, among other things, the practice of securities law, mergers and acquisitions, and general corporate governance and oversight controls.

3. The following entities are indirect, wholly-owned subsidiaries of, and controlled by, Humana: Humana Insurance Company ("HIC"), a Wisconsin domiciled life, accident and health insurer; HumanaDental Insurance Company ("HDIC"), a Wisconsin domiciled life, accident and health insurer; and Humana Wisconsin Health Organization Insurance Corporation

("HWHOIC" and collectively with HIC and HDIC, the "Wholly-Owned Domestic Insurers"), a Wisconsin domiciled health maintenance organization ("HMO"). Independent Care Health Plan ("ICHP"), a Wisconsin domiciled HMO, is 50% owned by CareNetwork Inc., a wholly-owned direct subsidiary of Humana, while the remaining 50% of ICHP is owned by Centers of Excellence, Inc., an entity unaffiliated with Humana. The Wholly-Owned Domestic Insurers and ICHP will be collectively referred to as the "Domestic Insurers."

4. In my capacity as Associate General Counsel and Assistant Corporate Secretary of Humana, I have oversight responsibilities for Humana and all of Humana's subsidiaries, including the Wholly-Owned Domestic Insurers and CareNetwork Inc., which controls Humana's investment in ICHP.

5. I present this Affidavit on behalf of Humana and the Domestic Insurers to show the evidence supporting the approval of the above-entitled action in compliance with Wisconsin Statutes § 611.72, and in support of the Form A Statement and attached exhibits ("Form A Statement") submitted to the Wisconsin Office of the Commissioner of Insurance ("OCI") on August 3, 2015. As explained in the Form A Statement, Aetna Inc. ("Aetna" or "Applicant") proposes to acquire indirect control of the Domestic Insurers in connection with Applicant's acquisition of Humana (the "Transaction").

DESCRIPTION OF HUMANA AND THE DOMESTIC INSURERS

6. Humana, a Delaware corporation, was incorporated on July 27, 1964. Humana became an insurance holding company system on December 1, 1992. Humana is a publicly-traded Delaware holding company for its various insurance companies, health maintenance and dental maintenance organizations and related organizations and is the ultimate controlling person

in its insurance holding company system. Humana offers insurance and HMO plans through its subsidiaries.

7. Humana is a leading health and well-being company focused on making it easy for people to achieve their best health with clinical excellence through coordinated care. Humana has a long history of being a leader in providing innovative and high quality health plan choices to Medicare beneficiaries. Humana's strategy integrates care delivery, the member experience, and clinical and consumer insights to encourage engagement, behavior change, proactive clinical outreach and wellness for millions of people it serves across the country. As of December 31, 2015, Humana insures over 14 million Americans, which includes providing Medicare benefits to over 3.2 million beneficiaries through its Medicare Advantage program and stand-alone Medicare Part D coverage to over 4.5 million members.

8. HIC is licensed by OCI as a life, accident and health insurer and is an indirect, wholly-owned subsidiary of Humana.

9. HIC is a Wisconsin insurance company, incorporated on December 18, 1968 and is owned 100% by CareNetwork, Inc., a Wisconsin general business corporation and wholly-owned subsidiary of Humana. As of the quarter ended December 31, 2015, HIC provided coverage to over 9.3 million members across 51 states, with over 1 million members located in Texas, its largest membership state. HIC provided Prescription Drug Plans to over 4.4 million members, Medicare to over 1.6 million members, Commercial products to over 1.1 million members, Vision and Dental products to over 1.1 million members combined and a combined total of over 968,000 members with Medicare Supplement coverage, Federal Employers Health Benefit Plans ("FEHBP"), Other – Life coverage or Other general coverage.

10. HDIC is licensed by OCI as a life, accident and health insurer and is an indirect, wholly-owned subsidiary of Humana.

11. HDIC is a Wisconsin insurance company incorporated on January 1, 1908 and is owned 100% by HumanaDental, Inc., a Delaware general business corporation and wholly-owned subsidiary of Humana. As of the quarter ended December 31, 2015, HDIC provided coverage to over 1.3 million members across 36 states, with over 397,000 members located in Texas, its largest membership state. HDIC's largest product line is Dental, providing coverage to over 910,000 members, followed by Vision products, providing coverage to over 370,000 members. HDIC also provides FEHBP coverage to over 64,000 members and Medicare Supplement coverage to over 4,000 members.

12. HWHOIC is licensed by OCI as an HMO and is an indirect, wholly-owned subsidiary of Humana.

13. HWHOIC is a Wisconsin corporation incorporated on June 4, 1985 and is owned 100% by CareNetwork, Inc., a Wisconsin general business corporation and wholly-owned subsidiary of Humana. As of the quarter ended December 31, 2015, HWHOIC provided coverage to over 83,000 members located in Montana, Virginia and Wisconsin. HWHOIC provided Commercial coverage to over 41,700 members and Medicare coverage to over 41,800 members.

14. ICHP is licensed by OCI as an HMO.

15. ICHP is a Wisconsin corporation incorporated on August 8, 2003 and is 50% owned by CareNetwork, Inc., a wholly-owned subsidiary of Humana, and 50% owned by Centers of Excellence, Inc., an entity unaffiliated with Humana. ICHP provides coverage to over 19,800 Medicaid members and over 6,200 Medicare members located in Wisconsin.

REQUIREMENTS OF WISCONSIN STATUTES § 611.72

16. On August 3, 2015, Applicant delivered a copy of the Form A Statement to Humana and the Domestic Insurers.

17. On February 24, 2016, OCI provided written notice to Applicant that a public hearing concerning the Transaction would take place on March 30, 2016. That same day, Applicant provided a copy of the Notice of Hearing to Humana and the Domestic Insurers.

18. Below, I present facts demonstrating that the specific factors set forth in Wisconsin Statutes § 611.72(3)(1), (4) and (5) are satisfied, and that the one general factor set forth in Wisconsin Statutes § 611.72(3) is also satisfied. I also present facts supporting the specific factor set forth in Wisconsin Statutes § 611.72(3)(3). I understand that other affiants will also be presenting facts demonstrating that these and the other factors set forth in Wisconsin Statutes § 611.72(3) are satisfied.

Requirement 1: The Domestic Insurers Will Continue To Satisfy The Requirements For Issuance Of A License As HMOs And Life, Accident & Health Insurers. Wis. Stat. § 611.72(3)(1).

19. HIC and HDIC are each currently licensed by OCI as a life, accident and health insurer.

20. HIC and HDIC each currently satisfies the minimum requirements for licensure as a life, accident and health insurer under Wisconsin law, and I am not aware of any facts suggesting that HIC and HDIC will not be able to continue to satisfy the minimum requirements for licensure as life, accident and health insurers under Wisconsin law after the closing of the Transaction.

21. HWHOIC and ICHP are each currently licensed by OCI as an HMO.

22. HWHOIC and ICHP each currently satisfies the minimum requirements for licensure as an HMO under Wisconsin law and will continue to satisfy these requirements up to

the closing of the Transaction, and I am not aware of any facts suggesting that HWHOIC and ICHP will not be able to continue to satisfy the minimum requirements for licensure as an HMO under Wisconsin law after the closing of the Transaction.

23. The Wholly-Owned Domestic Insurers have no plans and, to my knowledge, ICHP has no plans, to effect any change in their respective businesses, corporate structures, management or general plan of operations that would have any adverse impact on the ability of the Domestic Insurers to continue to satisfy the requirements of the Wisconsin Statutes for the issuance of licenses as HMOs or life, accident and health insurers, the operations of which are as described above.

Requirement 2: The Transaction Will Not Substantially Lessen Competition Or Create A Monopoly In Insurance In Wisconsin. Wis. Stat. § 611.72(3)(2).

24. I understand that Applicant will address this Requirement through the affidavit and testimony of Gregory Martino, who is the Assistant Vice President, State Government Relations for Aetna.

Requirement 3: The Financial Condition Of Applicant Will Not Jeopardize The Financial Stability Of The Domestic Insurers Or Humana Or Prejudice The Interests Of The Domestic Insurers' Policyholders. Wis. Stat. § 611.72(3)(3).

25. I understand that Applicant will address this Requirement through the affidavit and testimony of Gregory Martino, who is the Assistant Vice President, State Government Relations for Aetna. I present the below facts in further support of this Requirement.

26. As reported in their respective Annual Statements for December 31, 2015: the capital and surplus of HIC is approximately \$3,642,086,042; the capital and surplus of HDIC is approximately \$84,647,125; the capital and surplus of HWHOIC is approximately \$87,423,541; the capital and surplus of ICHP is \$27,526,671. The Domestic Insurers' financial condition will provide further financial stability for its policyholders.

Requirement 4: The Transaction Is Fair And Reasonable To The Domestic Insurers' Policyholders And Humana And Is In The Interest Of The Public. Wis. Stat. § 611.72(3)(4).

27. The terms and conditions governing the Transaction, which are described in the Agreement and Plan of Merger dated July 2, 2015 among Aetna, Humana and the merger subsidiaries (the "Acquisition Agreement"), are fair and reasonable to the policyholders of the Domestic Insurers and are in the interest of the public.

28. Specifically, following the closing of the Transaction, the combined organization will be better positioned to help drive higher-quality and better-value health care by leveraging best-in-class practices from the two organizations, including Humana's chronic-care capabilities that measurably improve health outcomes for larger populations, reducing administrative costs and enabling the combined organization to better compete with more cost-effective products.

29. The combined organization will also be well-positioned to offer a broader choice of affordable, consumer-centric health care products by bringing together Aetna's and Humana's complementary capabilities and product focuses, helping to improve health outcomes, constrain cost growth, and promote wellness.

30. As a result, the Transaction is expected to benefit the Domestic Insurers' members and insureds specifically and the insurance buying public in general.

31. Moreover, the basis and terms of the Transaction, including the nature and amount of consideration, were determined by arm's-length negotiations between the respective management and representatives of Applicant and Humana.

32. Humana engaged independent financial and legal advisors in connection with negotiating the Transaction and Acquisition Agreement, in addition to relying on their respective corporate counsel and other professionals.

33. Specifically, Humana performed an extensive due diligence investigation and reviewed, among other things, the financial statements, operations and legal documents of Applicant and its subsidiaries.

34. Humana utilized widely accepted valuation techniques to obtain an indication of value for determining the amount of consideration and also considered such additional factors and information as Humana deemed relevant under the circumstances including, but not limited to, the financial position and results of operations of Applicant and its subsidiaries, their past and current business operations, historical and potential earnings, financial prospects, and assets and liabilities.

35. The Board of Directors of Humana has unanimously approved the transactions contemplated by the Acquisition Agreement.

36. Finally, the stockholders of Humana have approved the transactions contemplated by the Acquisition Agreement, with 99% of the approximately 124 million shares voted during the October 19, 2015 special stockholder meeting voting in favor of the Transaction.

Requirement 5: The Competence And Integrity Of Those Who Will Control The Domestic Insurers And Humana Following The Closing Of The Transaction Warrant Approval Of The Transaction. Wis. Stat. § 611.72(3)(5).

37. It is my understanding that no specific material changes in the Board of Directors or senior management or operations of the Domestic Insurers or Humana are currently planned. With this understanding, it is my belief that the competence and integrity of those persons who will directly control the Domestic Insurers following the closing of the Transaction, whom I understand will be the same individuals who control the Domestic Insurers today, are such that it would be in the interests of the policyholders of the Domestic Insurers and of the public to permit the proposed acquisition of Humana and its subsidiaries, including the Domestic Insurers.

38. The current *directors* of HIC are: Bruce Dale Broussard, Brian Andrew Kane and James Elmer Murray.

39. The current *executive officers* of HIC are: Bruce Dale Broussard, Brian Andrew Kane, Joan Olliges Lenahan, Kenny Waitem Kan, Stephen Michael Arnhold, Alan James Bailey, Elizabeth Diane Bierbower, John Ellis Brown, Renee Jacqueline Buckingham, Jonathan Albert Canine, John Gregory Catron, Steven James DeRaleau, Charles Wilbur Dow Jr., Mark Sobhi El-Tawil, Jeffrey Carl Fernandez, William Kevin Fleming, Deborah Maureen Galloway, Brian Phillip LeClaire, Heidi Suzanne Margulis, Mark Matthew Matzke, Steven Edward McCulley, Kevin Ross Meriwether, Matthew George Moore, James Elmer Murray, Bruno Roger Piquin, William Mark Preston, Tamara Lynn Quiram, Richard Donald Remmers, George Renaudin, Donald Hank Robinson, Timothy Alan Wheatley, Ralph Martin Wilson, Tod James Zacharias, Cynthia Hillebrand Zipperle and myself.

40. The current *directors* of HDIC are: Bruce Dale Broussard, Brian Andrew Kane and James Elmer Murray.

41. The current *executive officers* of HDIC are: Elizabeth Diane Bierbower, Brian Andrew Kane, Joan Olliges Lenahan, Kenny Waitem Kan, Alan James Bailey, Jonathan Albert Canine, John Gregory Catron, Charles Wilbur Dow Jr., Brian Phillip LeClaire, Mark Matthew Matzke, Steven Edward McCulley, William Mark Preston, Tamara Lynn Quiram, Richard Donald Remmers, Donald Hank Robinson, Timothy Alan Wheatley, Ralph Martin Wilson, Cynthia Hillebrand Zipperle and myself.

42. The current *directors* of HWHOIC are: Bruce Dale Broussard, Brian Andrew Kane and James Elmer Murray.

43. The current *executive officers* of HWHOIC are: Bruce Dale Broussard, Brian Andrew Kane, Joan Olliges Lenahan, Kenny Waitem Kan, Stephen Michael Arnhold, Alan James Bailey, Elizabeth Diane Bierbower, Renee Jacqueline Buckingham, Jonathan Albert Canine, John Gregory Catron, Steven James DeRaleau, Charles Wilbur Dow Jr., Mark Sobhi El-Tawil, Jeffrey Carl Fernandez, Brian Phillip LeClaire, Heidi Suzanne Margulis, Steven Edward McCulley, Matthew George Moore, William Mark Preston, Tamara Lynn Quiram, Richard Donald Remmers, George Renaudin, Donald Hank Robinson, Timothy Alan Wheatley, Ralph Martin Wilson, Cynthia Hillebrand Zipperle and myself.

44. The current *directors* of ICHP are: Elwood Ivans Kleaver, Stephen Michael Arnhold, John Carroll Moats, Daniel Gordon Neely, James Clarence Hartwig, Alex Carl Chou, Howard Lawrence Garber, Anita Marie Holloway and Cheri Kay Greenfield-La Tour.

45. The current *executive officers* of ICHP are: Howard Lawrence Garber, Thomas Henry Lutzow, Craig David Steffes, William Frederick Jensen, Elizabeth June Bartlett, Donald James Slowik, Vinay Pandey, Lisa Carolyn Holden and Linda Suzanne Ellis.

46. I have reviewed the biographical affidavits of the current directors and executive officers of the Domestic Insurers, and I have had personal interactions with many of them. These biographical affidavits confirm that the current directors and executive officers of the Domestic Insurers, who I understand will continue to directly control the Domestic Insurers following the closing of the Transaction, are individuals who are competent and of high integrity, and have years of experience with the Domestic Insurers and at other health insurers or businesses and will continue to make a significant contribution to the Domestic Insurers' management.

47. As explained above, it is my understanding that no replacement of the current directors and executive officers of the Domestic Insurers is currently planned as part of the Transaction or immediately after the Transaction, other than replacing any of whom may resign following the closing of the Transaction.

General Factor: The Transaction Would Not Violate The Law Or Be Contrary To The Interests Of The Insureds Of Any Participating Domestic Corporation Or Of The Wisconsin Insureds Of Any Participating Nondomestic Corporation. Wis. Stat. § 611.72(3).

48. I am not aware of any facts that would indicate that the Transaction would violate any law. For example, the Wholly-Owned Domestic Insurers have no plans and, to my knowledge, ICHP has no plans to effect any change in the Domestic Insurers' businesses, corporate structures, management or general plan of operations that would have any adverse impact on the ability of the Domestic Insurers to continue to satisfy the requirements of the Wisconsin Statutes for the issuance of licenses as HMOs or life, accident and health insurers.

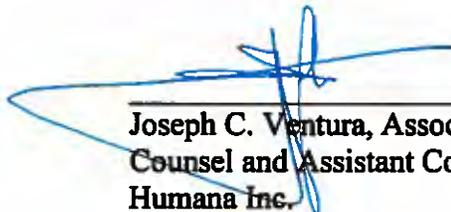
49. Humana and the Domestic Insurers believe that, following the closing of the Transaction, the combined organization will be better positioned to help drive higher-quality and better-value health care by leveraging best-in-class practices from the two organizations, including Humana's chronic-care capabilities that measurably improve health outcomes for larger populations, reducing administrative costs and enabling the combined organization to better compete with more cost-effective products.

50. Humana and the Domestic Insurers also anticipate that the combined organization will also be well-positioned to offer a broader choice of affordable, consumer-centric health care products by bringing together Aetna's and Humana's complementary capabilities and product focuses, helping to improve health outcomes, constrain cost growth, and promote wellness.

51. As a result, the Transaction is expected to benefit Aetna's and Humana's members and policyholders specifically and the insurance buying public in general.

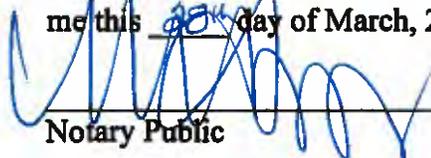
52. I state under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

FURTHER THE AFFIANT SAYETH NOT



Joseph C. Ventura, Associate General
Counsel and Assistant Corporate Secretary,
Humana Inc.

SUBSCRIBED and SWORN to before
me this 20th day of March, 2016.



Notary Public

My Commission expires:

Michele H. Sizemore
State at Large
Kentucky
My Commission Expires Jan. 3, 2010