

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC
DEVELOPMENT

DIVISION OF INSURANCE
550 W. 7th AVENUE, SUITE 1560
ANCHORAGE, ALASKA 99501-3567

Order No. RO 23-03)
In the Matter of the Proposed)
Merger of)
MODA ASSURANCE)
COMPANY)
NAIC NO. 16628)
With and Into)
MODA HEALTH PLAN, INC.)
NAIC NO. 47098_)
_____)

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND FINAL ORDER

BACKGROUND

WHEREAS, MODA ASSURANCE COMPANY, is an Alaska domiciled health insurer organized pursuant to Title 21, Chapter 69 (Organization and

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DEVELOPMENT
DIVISION OF INSURANCE
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1 Corporate Procedures), of the Alaska Statutes. MODA ASSURANCE COMPANY
2 was organized June 12, 2019, and received Certificate of Authority #F-20252 from
3 the division effective August 19, 2019, authorizing MODA ASSURANCE
4 COMPANY to transact the business of a health insurer.
5

6 **WHEREAS**, MODA HEALTH PLAN, INC. is an Oregon domiciled health
7 insurer. MODA HEALTH PLAN, INC. was organized on November 3, 1988. It is
8 wholly owned by its parent company, MODA PARTNERS, INC., which is wholly
9 owned by MODA HOLDINGS GROUP, INC., an Oregon domiciled corporation.
10

11 **WHEREAS**, MODA ASSURANCE COMPANY is a wholly owned
12 subsidiary of MODA PARTNERS, INC., which is wholly owned by MODA
13 HOLDINGS GROUP, INC., an Oregon domiciled corporation.
14

15 **WHEREAS**, the Alaska Division of Insurance has received a request for
16 approval pursuant to AS 21.69.590 to affect a transaction, pursuant to the terms of
17 which MODA ASSURANCE COMPANY will be merged with and into MODA
18 HEALTH PLAN, INC., with MODA HEALTH PLAN, INC. being the surviving
19 entity of that merger.
20

21 **WHEREAS**, MODA ASSURANCE COMPANY and MODA HEALTH
22 PLAN, INC. also seek an exemption from the filing requirements of AS 21.22.010
23 pursuant to AS 21.22.010(g) with respect to the merger of MODA ASSURANCE
24 COMPANY with and into MODA HEALTH PLAN, INC.
25

26 **WHEREAS**, under the authority of AS 21.06.180 and AS 21.22.030, a
27 Notice of Hearing, H 23-04, dated November 27, 2023, was published for the
28 purpose of receiving public comments on the proposed merger of MODA
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2. MODA ASSURANCE COMPANY and MODA HEALTH PLAN, INC. are members of the same insurance holding company system, of which OREGON DENTAL SERVICE is the ultimate parent company and controlling person.
3. Based on the Agreement of Merger, the merger of MODA ASSURANCE COMPANY with and into MODA HEALTH PLAN, INC. is not contrary to law, is not inequitable to the stockholders of MODA ASSURANCE COMPANY and would not substantially reduce the security of and service to be rendered to policyholders of MODA ASSURANCE COMPANY in Alaska.
4. No director, officer, agent or employee of MODA ASSURANCE COMPANY, MODA HEALTH PLAN, INC. or any other insurer will receive a fee, commission, compensation, or other valuable consideration for aiding, promoting, or assisting in the merger except as set out in the plan or agreement and for the regular compensation paid to such individuals in the ordinary course of business.
5. Under the authority of AS 21.06.180 and AS 21.22.030, a Notice of Hearing, H 23-04, dated November 27, 2023, was published for the purpose of receiving public comments on the proposed merger of MODA ASSURANCE COMPANY. The notice invited any interested person to present at the hearing oral or written statements or arguments relevant to the director's consideration of the proposed merger. The notice also allowed for written statements or arguments to be sent to the division on or before December 22, 2023. The division has received no responses to the Notice of Hearing and has received

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no communications about any concerns or objections from the public regarding the proposed transaction.

6. The Division has reviewed the merger and has found after reviewing the information and documentation provided in support of the proposed transaction, that

- a. after the merger, upon completion of the transaction MODA ASSURANCE COMPANY will cease to exist;
- b. the merger will not substantially lessen competition in insurance in Alaska or tend to create a monopoly in the state;
- c. MODA HEALTH PLANS, INC. plans or proposals are fair and reasonable to the policyholders and are in the public interest;
- d. there is no evidence that competence, experience, and integrity of the persons who will control the operation of MODA HEALTH PLAN, INC. are such that it would be against the interests of policyholder and the public to allow the merger; and
- e. there is no evidence the merger would be hazardous or prejudicial to the insurance-buying public.

CONCLUSIONS OF LAW

1. Under AS 21.69.590(a), a domestic stock insurer may merge with another domestic or foreign insurer by complying with the applicable provisions of Alaska statute governing mergers. A person planning to merge with a domestic insurer must meet the filing and approval requirements of AS 21.22.010,

1 21.22.020, and 21.22.030, unless an exemption to filing requirements of AS
2 21.22.010 applies. AS 21.22.010 provides the following exemption from the
3 filing and approval requirements of AS 21.22.010(g): “The provisions of
4 [AS21.22.010] do not apply to an offer, request, invitation, agreement, or
5 acquisition that the director by order may exempt as not having been made or
6 entered into for the purpose and not having the effect of changing or influencing
7 the control of the domestic insurer”.

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- 10 2. In reviewing the merger and documentation, the Division has found no basis to
11 disapprove the proposed transaction under AS 21.22.030(a) because:
- 12 3. after the merger, MODA ASSURANCE COMPANY will cease to exist;
- 13 a. the merger will not substantially lessen competition in insurance in Alaska
14 or tend to create a monopoly in the state;
- 15 b. the financial stability of the surviving entity will not jeopardize the financial
16 stability of the health insurer or prejudice the interests of its policyholders;
- 17 c. the surviving entity's plans or proposals are fair and reasonable to the
18 policyholders and are in the public interest;
- 19 d. there is no evidence that competence, experience, and integrity of the
20 persons who will control the operation of MODA HEALTH PLAN, INC.
21 are such that it would be against the interests of policyholders of and the
22 public to allow the merger; and
- 23 e. there is no evidence the merger would be hazardous or prejudicial to the
24 insurance-buying public.
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- 1 4. The Division concludes that an exemption exists to the filing and approval
2 requirements of AS 21.22.010, 21.22.020, and 21.22.030 based on AS
3 21.22.010(g), because the merger of MODA ASSURANCE COMPANY will
4 not have the effect of “changing or influencing the control’ of such domestic
5 insurer as contemplated under AS 21.22.010. MODA ASSURANCE
6 COMPANY ultimate parent company and controlling person, OREGON
7 DENTAL SERVICE, will remain the same prior and subsequent to the merger.
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9 5. The division also concludes that the plan and agreement for merger of MODA
10 ASSURANCE COMPANY into MODA HEALTH PLAN, INC. meets the
11 requirements of AS 21.69.590(b), because it is not contrary to law, is not
12 inequitable to the stockholders of MODA ASSURANCE COMPANY and
13 would not substantially reduce the security of and service to be rendered to
14 policyholders of MODA ASSURANCE COMPANY in this state.
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18 **ORDER**

19 **IT IS HEREBY ORDERED**, pursuant to the provisions of AS 21.22.030(a),
20 that the merger of MODA ASSURANCE COMPANY, an Alaska domiciled health
21 insurer with MODA HEALTH PLAN, INC., an Oregon domiciled health insurer,
22 is APPROVED as filed, and that the merger be effectuated.
23

24 **IT IS HEREBY ORDERED**, that the merger of MODA ASSURANCE
25 COMPANY with and into MODA HEALTH PLAN, INC, is exempt under AS
26 21.22.010(g) from the filing and approval requirements of AS 21.22.010(b),
27 21.22.020, and 21.22.030 and that the merger is approved under AS 21.69.590.
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This Order is effective the 27th day of December 2023, IT IS FURTHER ORDERED, that MODA ASSURANCE COMPANY and MODA HEALTH PLAN, INC. shall file with the State of Alaska Division of Insurance a copy of all final documents pertaining to the Agreement and Plan of Merger and any board resolutions or additional approvals regarding the Agreement and Plan of Merger which are necessary to effectuate the merger.

Dated this 27th day of December 2023.



LORI WING-HEIER, DIRECTOR
DIVISION OF INSURANCE