

Form A
Statement Regarding the Acquisition
of Control of or Merger With A Domestic Insurer

Filed with the Insurance Department of the State of Connecticut
(State of domicile of insurer being acquired)

Dated: October 7, 2024 (as supplemented October 24, 2024)

Name, Title, address and telephone number of Individual to Whom Notices and Correspondence Concerning this Statement Should be Addressed:

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Item 1. Insurer and Method of Acquisition

State the name and address of the domestic insurer to which this application relates and a brief description of how control is to be acquired or the merger effected.

The name and address of the domestic insurer to which this application relates is:

HNE of Connecticut, Inc. (“HNE of Connecticut”), One Monarch Place, Suite 1500, Springfield, MA 01144-1500. HNE of Connecticut is a Connecticut non-stock corporation licensed as a “health care center” by the Connecticut Insurance Department.

HNE of Connecticut has not carried on any insurance activities in the State of Connecticut since 2018.

This Form A Statement (“Statement”) is being submitted to the Commissioner of the Connecticut Insurance Department in connection with the proposed acquisition (“Proposed Transaction”) of Health New England, Inc. (“HNE”), a Massachusetts nonprofit corporation, and its subsidiaries by

Point32Health, Inc., a Massachusetts nonprofit corporation (“Point32Health”).

HNE is the sole corporate member of HNE of Connecticut. HNE’s sole corporate member is Baystate Health, Inc., a Massachusetts nonprofit corporation. Effective on the date of the closing of the Proposed Transaction, HNE will amend and restate its governing documents to provide that Point32Health shall be its sole corporate member. Therefore, effective upon the closing, Point32Health will also ultimately control HNE of Connecticut.

Point32Health respectfully requests that the Connecticut Insurance Department review this Statement and approve the Proposed Transaction as it relates to the acquisition of HNE of Connecticut by Point32Health pursuant to Section 38a-130 of the Connecticut General Statutes.

Attached as **Exhibit 1** is the Point32Health and Baystate Health, Inc. Affiliation Agreement dated as of February 15, 2024, and all attachments thereto.

Item 2. Identity and Background of the Applicant

(a) State the name and address of the applicant seeking to acquire control over or to effect a merger with the insurer.

Point32Health, Inc.

Current address: One Wellness Way, Canton MA 02021

(b) If the applicant is not an individual, state the nature of its business operations for the past five (5) years or for such lesser period as such person and any predecessors thereof shall have been in existence. Briefly describe the business intended to be done by the applicant and the applicant's subsidiaries and affiliates.

Point32Health¹ is a nonprofit parent organization that resulted from the combination of the Tufts Health Plan and Harvard Pilgrim Health Care organizations effective January 1, 2021. Point32Health continues to carry out the purposes of its predecessor organizations and oversees several licensed HMO entities that offer comprehensive health benefits plans and arrange for access to health care services to consumers in Massachusetts, Rhode Island, Connecticut, New Hampshire, and Maine, in furtherance of the purpose of “guiding and empowering healthier lives for everyone.” Following the Proposed Transaction, Point32Health intends to continue to offer health benefit plans throughout the states in which it currently operates. Point32Health believes the acquisition will allow such health plans to be provided in a more efficient and cost-effective manner, will promote economies of scale and population health management, will expand the provision of quality health care services, and will allow Point32Health and Health New England, Inc. to continue their non-profit missions. In addition, as a result of the Proposed Transaction, Point32Health will ultimately control HNE of Connecticut. HNE of Connecticut does not have any active insurance operations and has not operated in the State of Connecticut since 2018. At this time, Point32Health has no plans to change the dormant status of HNE of Connecticut’s operations.

¹ On July 1, 2021, Health Plan Holdings, Inc. changed its name to Point32Health, Inc. Prior to October 7, 2020, Health Plan Holdings, Inc. was previously known as Tufts Health Plan, Inc.

- (c) **Furnish a chart or listing clearly presenting the identities of the inter-relationships among the applicant and all affiliates of the applicant. Indicate in such chart or listing the percentage of voting securities of each such person which is owned or controlled by the applicant or by any other such person. If control of any person is maintained other than by the ownership or control of voting securities, indicate the basis of such control. As to each person specified in such chart or listing indicate the type of organization (e.g. corporation, trust, partnership) and the state or other jurisdiction of domicile. If court proceedings involving a reorganization or liquidation are pending with respect to any such person, indicate which person, and set forth the title of the court, nature of proceedings and the date when commenced.**

See **Exhibit 2** for (1) the current corporate structure chart for Point32Health and its subsidiaries, (2) the current corporate structure chart for HNE and its subsidiaries, including HNE of Connecticut, and (3) the proposed corporate structure chart of the Point32Health organization after the acquisition of HNE and its subsidiaries, including HNE of Connecticut.

Item 3. Identity and Background of Individuals Associated With the Applicant

On the biographical affidavit, include a third party background check by an agency acceptable to Commissioner and state the following with respect to (1) the applicant if the applicant is an individual or (2) all persons who are directors, trustees, executive officers or owners, beneficial or otherwise, of 10% or more of the voting securities of the applicant if the applicant is not an individual:

- (a) **Name and business address;**
- (b) **Present principal business activity, occupation or employment including position and office held and the name, principal business and address of any corporation or other organization in which such employment is carried on;**
- (c) **Material occupations, positions, offices or employment during the last five (5) years, giving the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on; if any such occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency, indicate such fact, the current status of such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection therewith;**
- (d) **Whether or not such person has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten (10) years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case;**
- (e) **Whether or not, during the last ten (10) years, such person has been the subject of any proceeding under the Federal Bankruptcy Code, (or in the case of an alien person, such equivalent provision) or whether or not, during the ten (10) year period, any business or organization in which such person was a director, officer, trustee, partner, owner, manager or other official has been subject to any such proceeding, (or in the case of an alien person or such equivalent provision) either during the time in which such person was a director, officer or trustee, if a corporation, or a partner, owner, manager, joint venturer, or the official, if not a corporation, or within twelve (12) months thereafter;**

(f) Whether or not, during the ten (10) year period, such person has been enjoined, either temporarily or permanently, by a court of competent jurisdiction from violating, actually or potentially, any federal or state law, or, in the case of an alien person, applicable law regulating the business of insurance, securities, or banking, together with details as to any such event; and

(g) A complete credit report on such person prepared by an independent credit rating agency acceptable to the Commissioner.

A list setting forth the names and business addresses of the officers and directors of Point32Health is provided as **Exhibit 3**.

Signed biographical affidavits completed by each individual listed in **Exhibit 3** were filed in a separate confidential submission contemporaneously with this Statement as **Exhibit 4**, which is hereby incorporated by reference. The biographical affidavits included in **Exhibit 4** have been submitted to a third-party background check service provider approved by the NAIC. The present principal business activity, occupation, or employment and additional employment history for the last five years of each individual listed in **Exhibit 3** is stated in the biographical affidavits. To the knowledge of the Point32Health, none of the individuals listed in **Exhibit 3** has, in the last ten years, been convicted in a criminal proceeding (excluding minor traffic violations), been subject to a bankruptcy proceeding as described in (e) above, or enjoined from violating applicable law regulating the business of insurance, as described in (f) above. A credit report for each individual listed in **Exhibit 3** is included as part of the third-party background check.

Item 4. Nature, Source and Amount of Consideration

(a) Describe the nature, source, and amount of funds or other considerations used or to be used in effecting the merger or other acquisition of control. If any part of the same is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, or trading securities, furnish a description of the transaction, the names of the parties thereto, the relationship, if any, between the borrower and the lender, the amounts borrowed or to be borrowed, including any pledge of the insurance company's stock or the stock of any of its subsidiaries or affiliates, and copies of all agreements, promissory notes, and security arrangements relating thereto.

The total closing cash consideration for the acquisition of HNE will be \$165 million, subject to customary post-closing adjustments, including an adjustment to ensure that HNE is transferred with risk-based capital of at least 300% of the Authorized Control Level RBC (the "300% RBC Target"), as well as a potential post-closing earnout of up to \$20 million for meeting certain milestones.

Point32Health will fund the acquisition using a combination of cash from its operating accounts plus an anticipated draw on an existing credit facility, which currently has a zero balance. The credit facility is anticipated to comprise approximately two-thirds of the purchase price.

(b) Explain the criteria used in determining the nature and amount of such consideration.

HNE of Connecticut has been inactive since 2018 and does not hold material assets apart from approximately \$4.5 million in cash and investments.

Point32Health worked with its outside financial advisors at Citigroup Global Markets Inc., Jefferies LLC and PricewaterhouseCoopers LLP to value HNE and its subsidiaries to determine the nature and amount of consideration for the Proposed Transaction. The Point32Health valuation relied on three methodologies to determine the value of the HNE businesses: (1) comparables of public companies with consistent books of business to HNE, (2) health plan precedent transactions multiples on a per member per month basis applied to HNE's membership base by line of business and (3) a discounted cash flow analysis that relied on a number of factors including the historical performance of the HNE business, HNE's budgeted financials and go forward projections and Point32Health's current business performance and understanding of the market forces/drivers. Accordingly, the overall valuation for the Proposed Transaction attributed no purchase price value to HNE of Connecticut. The valuation of HNE was largely based on cash flow and membership multiples, neither of which are applicable to HNE of Connecticut as it has been inactive since 2018 with no membership or cash flows in recent history.

As a result, HNE and Point32Health did not attribute a value to HNE of Connecticut when determining the total cash consideration to be paid in connection with the Proposed Transaction.

As shown in HNE's most recent financial statements, HNE of Connecticut holds approximately \$4.5 million in Cash and Investments, which rolls-up into the parent level risk-based capital. Accordingly, even though HNE of Connecticut had no value from a business operations standpoint at the time of the valuation or currently, HNE of Connecticut's cash and investments were included as part of the normalized working capital required at the 300% RBC Target.

See **Exhibit 7** for Point32Health cash flow projections for the years ending December 31, 2024, 2025, and 2026.

(c) If the source of the consideration is a loan made in the lender's ordinary course of business and if the applicant wishes the identity of the lender to remain confidential, the applicant must specifically request that the identity be kept confidential.

Point32Health requests that the identity of the lender be kept confidential.

Item 5. Future Plans of Insurer

Describe any plans or proposals which the applicant may have to declare an extraordinary dividend or make other distributions, to liquidate such insurer, to sell its assets to or merge or consolidate it with any person or persons or to make any other material change in its business operations or corporate structure or management, or to cause the insurer to enter into material contracts, agreements, arrangements, understandings or transactions of any kind with any party. In addition, describe any plans or proposals of the applicant or any of its affiliates, including any plans or proposals for ownership or control of any of the insurer's affiliates, which may have a material effect on the insurer.

HNE of Connecticut has not carried on any insurance activities in the State of Connecticut since 2018. Point32Health has no current plans for HNE of Connecticut to declare an extraordinary dividend or make other distributions, to liquidate HNE of Connecticut, to sell its assets to or merge or consolidate it with any person or persons or to make any other material change in its business operations or corporate structure or management, or to cause HNE of Connecticut to enter into material contracts, agreements, arrangements, understandings or transactions of any kind with any party. Point32Health has no current plans or proposals that may have a material effect on HNE of Connecticut.

Item 6. Voting Securities to be Acquired

State the number of shares of the insurer's voting securities which the applicant, its affiliates and any person listed in Item 3 plan to acquire, and the terms of the offer, request, invitation, agreement, or acquisition, and a statement as to the method by which the fairness of the proposal was arrived at, including but not limited to, a certification by any consultant, accountant, financial advisor or other expert, used by such person, as to the accuracy and fairness of the method.

HNE of Connecticut is a non-stock corporation and does not issue voting securities. No voting securities will be acquired.

Item 7. Ownership of Voting Securities

State the amount of each class of any voting security of the insurer which is beneficially owned or concerning which there is a right to acquire beneficial ownership by the applicant, its affiliates or any person listed in Item 3, including any security convertible into a right to acquire a voting security whether or not such right or conversion or acquisition is exercisable immediately or at some future time.

HNE of Connecticut is a non-stock corporation and does not issue voting securities. No voting securities will be owned.

Item 8. Contracts, Arrangements, or Understandings With Respect to Voting Securities of the Insurer

Give a full description of any contracts, arrangements, or understandings, whether oral or in writing, with respect to any voting security of the insurer or any security convertible into or evidencing a right to acquire a voting security whether or not such right of conversion or acquisition is exercisable immediately or at some future time, in which the applicant, its affiliates or any person listed in Item 3 is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. Such description shall identify the persons with whom such contracts, arrangements or understandings have been entered into. A copy of any such written contracts, agreements, arrangements, or understandings shall be provided to the Commissioner.

HNE of Connecticut is a non-stock corporation and does not issue voting securities. There will be no contracts, arrangements, or understandings with respect to voting securities.

Item 9. Recent Purchases of Voting Securities

Describe any purchases of any voting securities of the insurer by the applicant, its affiliates, or any person listed in Item 3 during the twelve (12) calendar months preceding the filing of this Statement. Include in such description the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid therefor. State whether any such shares so purchased are hypothecated and, if hypothecated, describe the terms of such arrangement.

HNE of Connecticut is a non-stock corporation and does not issue voting securities. There are no recent purchases of voting securities.

Item 10. Recent Recommendations to Purchase

Describe any recommendations to purchase any voting security of the insurer made by the applicant, its affiliates or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of the applicant, its affiliates or any person listed in Item 3 during the twelve (12) calendar months preceding the filing of this statement.

HNE of Connecticut is a non-stock corporation and does not issue voting securities. There are no recent recommendations to purchase voting securities.

Item 11. Agreements With Broker-Dealers

Describe the terms of any agreement, contract or understanding made with any broker-dealer as to solicitation of voting securities of the insurer for tender and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.

HNE of Connecticut is a non-stock corporation and does not issue voting securities. There are no agreements with any broker-dealer.

Item 12. Financial Statements and Exhibits

(a) Financial statements, exhibits, and three-year financial projections of the insurer(s) shall be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.

Exhibit 1	Affiliation Agreement
Exhibit 2	Corporate Structure Charts
Exhibit 3	List of Officers & Directors
Exhibit 4	Biographical Affidavits (submitted confidentially under separate cover)
Exhibit 5	Point32Health, Inc. Combined Financial Statements
Exhibit 6	Health New England Financial Statements
Exhibit 7	Point32Health, Inc. Cash Flow Projections
Exhibit 8	Massachusetts Form A Filing

(b) The financial statements shall include the annual financial statements of the persons identified in Item 2 (c) for the preceding five (5) fiscal years (or for such lesser period as such applicant and its affiliates and any predecessors thereof shall have been in existence), and similar unaudited financial information covering the period from the end of such person's last fiscal year, if such information is available. Such statements may be prepared on either an individual basis, or, unless the Commissioner otherwise requires, on a consolidated basis if such consolidated statements are prepared in the usual course of business.

The annual financial statements of the applicant shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial position of the applicant and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. Unaudited financial information shall be accompanied by an affidavit or certification of the chief financial officer of the acquiring party that (1) such unaudited financial statement is true and correct, as of its date, and (2) there has been no material change in the financial statements to the date of the affidavit or certification. If the applicant is an insurer which is actively engaged in the business of insurance, the financial statements need not be certified, provided they are based on the Annual Statement of such person filed with the insurance department of the person's domiciliary state and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of such state.

See **Exhibit 5** for (1) the consolidated annual financial statements of Point32Health for years 2021–2023, (2) the consolidated annual financial statements of Health Plan Holdings, Inc. for years 2019–2020, (3) the consolidated annual financial statements of Tufts Health Plan, Inc. for years 2018–2019, and (4) the consolidated annual financial statements of Harvard Pilgrim Health Care, Inc. for years 2018–2019 and 2019–2020, as well as similar information for the current year.² See **Exhibit 6** for the consolidated annual financial statements of Health New England, Inc. for the past five years, as well as similar information for the current year.

(c) File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory or management contracts concerning the insurer, annual reports to the stockholders of the insurer and the applicant for the last two (2) fiscal years, and any additional documents or papers required by Form A or Sections 38a-138-1 and 38a-138-3 of the Regulations of Connecticut State Agencies.

² As referenced under Item 2, on July 1, 2021, Health Plan Holdings, Inc. changed its name to Point32Health, Inc. Effective as of January 1, 2021, Health Plan Holdings, Inc. and Harvard Pilgrim Health Care, Inc. combined, pursuant to which Health Plan Holdings, Inc. became the parent company of Harvard Pilgrim Health Care, Inc. Prior to October 7, 2020, Health Plan Holdings, Inc. was known as Tufts Health Plan, Inc.

Item 13. Agreement Requirements for Enterprise Risk Management

Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

Point32Health agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

Item 14. Other Information

(a) Attach copies of any regulatory filings of any acquiring party in connection with the proposed acquisition of control or merger including, but not limited to, filings with the Securities and Exchange Commission, the United States Department of Justice, or any other Federal or State regulatory body or commission.

See **Exhibit 8** for a copy of the final Form A submitted to the Division of Insurance in the Commonwealth of Massachusetts on October 2, 2024.

(b) Provide an analysis of the competitive impact in the State of Connecticut on each line of insurance listed in the annual statements of the insurer affected by such acquisition.

There will be no competitive impact in the State of Connecticut. HNE of Connecticut has not carried on any insurance activities in the State of Connecticut since 2018.

(c) Provide such additional information as the Commissioner may prescribe as necessary or appropriate for the protection of policyholders of the insurance company or in the public interest.

Point32Health is prepared to provide additional information as the Commissioner may prescribe as necessary or appropriate. HNE of Connecticut has not carried on any insurance activities in the State of Connecticut since 2018 and therefore there are no current policyholders in the State of Connecticut.


Item 15. Signature and Certification

Signature and certification required as follows:


SIGNATURE

Pursuant to the requirements of Section 38a-130 of the Connecticut General Statutes, Point32Health, Inc. has caused this application to be duly signed on its behalf in the Town of Canton and Commonwealth of Massachusetts on the 24th day of October, 2024.

Point32Health, Inc.

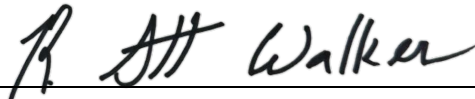
BY: 
R. Scott Walker, President & Chief Financial Officer

Attest:


Susan Kee, Esq.
Chief Legal Officer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated October 24, 2024 for and on behalf of Point32Health, Inc.; that he is the President & Chief Financial Officer of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

(Signature) 
R. Scott Walker