

4. As explained in the Form A Statement, CVS Health proposes to acquire control of Aetna Life Insurance Company (“ALIC”), Aetna Insurance Company of Connecticut (“AIC-CT”), Aetna Health and Life Insurance Company (“AHLIC”), Aetna Health Inc. (a Connecticut corporation) (“AHI-CT”) and Aetna Better Health Inc. (a Connecticut corporation) (“ABH-CT”) (collectively, the “Domestic Insurers”), companies domiciled in the State of Connecticut, each indirect, wholly-owned subsidiaries of, and controlled by, Aetna Inc. (“Aetna”). Aetna is a publicly-traded Pennsylvania holding company for various insurance companies, health maintenance and dental maintenance organizations, and related organizations, in connection with CVS Health’s acquisition of Aetna. ALIC and AHLIC are both life insurance companies. AIC-CT is a fraternal insurance company. AHI-CT and ABH-CT are both health maintenance organizations (“HMOs”).

5. Pursuant to an Agreement and Plan of Merger dated as of December 3, 2017 (the “Merger Agreement”), which is attached as Exhibit 1 to the Form A Statement, CVS Health would acquire control of Aetna, with Aetna becoming an indirect, wholly-owned subsidiary of CVS Health and a direct, wholly-owned subsidiary of CVS Pharmacy, Inc. (“CVS Pharmacy”), a Rhode Island corporation that is a direct, wholly-owned subsidiary of CVS Health (the “Transaction”). Specifically, the Transaction contemplates that Hudson Merger Sub Corp., a Pennsylvania corporation and indirect, wholly-owned subsidiary of CVS Health and direct subsidiary of CVS Pharmacy established specifically for the Transaction (“Merger Sub”), will merge with and into Aetna (the “Merger”). As a result of the Merger, Aetna (the surviving entity of the Merger) will become an indirect, wholly-owned subsidiary of CVS Health. The capital stock of the Domestic Insurers is not being transferred or otherwise directly acquired by CVS Health. Instead, as described above, Aetna, the current indirect holder of all capital stock of the

Domestic Insurers, will undergo the Merger. Following the Merger, CVS Health will indirectly own one hundred percent of the capital stock of the Domestic Insurers.

6. Under the terms of the Merger Agreement, following the closing of the Transaction, CVS Health will be the ultimate parent company of, and will thus control, Aetna and the Domestic Insurers. A chart reflecting the organizational structure of CVS Health and its affiliates following the closing of the Transaction based on CVS Health's and Aetna's respective current organizational structures is attached as Exhibit 3-C to the Form A Statement.

DESCRIPTION OF AFFIANT

7. In 1993, I graduated from Brown University with an A.B. in Religious Studies and, in 1998, I graduated from Yale Law School, where I served as the notes editor for the Yale Law Journal.

8. After law school, I clerked for the Honorable Jon O. Newman of the United States Court of Appeals for the Second Circuit. From 1999 through 2005, I was a litigation associate at Davis Polk & Wardwell LLP. From 2006 through 2012, I was an associate and then partner in the Litigation Department of Edwards Wildman LLP, where I focused on antitrust disputes and counseling, commercial litigation, and government investigations.

9. In 2012, I joined CVS Health as Senior Legal Counsel. I am responsible for managing CVS Health's commercial litigation and advising on legal and regulatory issues affecting the company's retail business, including health care and retail legal and regulatory issues.

10. More specifically, either directly or through oversight of my team, I am responsible for, among other things, (a) retail regulatory matters, including those affecting MinuteClinics, optometry, audiology, the retail front store business, and certain health care regulations applicable to pharmacies and other CVS operations, (b) ensuring compliance with

marketing rules and regulations for the retail businesses, (c) intellectual property issues, (d) commercial litigation, and (e) assisting with federal Hart-Scott-Rodino Antitrust Improvements Act of 1976 (“HSR”) filings and related reviews by the United States Department of Justice, the Federal Trade Commission, and state attorneys general in connection with large transactions, such as this one.

11. With respect to this Transaction, my responsibilities include (a) due diligence in connection with the negotiation of the Merger Agreement, (b) the HSR filing and any related questions or requests, (c) state and international change of control filings, including Form A, Form E, and similar filings in other jurisdictions, and (d) meeting with state departments of insurance and responding to any related questions or requests.

DESCRIPTION OF CVS HEALTH

12. CVS Health is a pharmacy health care company whose stock is traded on the New York Stock Exchange under the trading symbol CVS. CVS Health enables individuals, businesses, and communities to manage health in more affordable, effective ways through its pharmacy benefits management services and its retail pharmacies, walk-in health care clinics, specialty pharmacies, infusion services, and long-term care pharmacies.

13. CVS Pharmacy locations not only dispense prescriptions but, through face-to-face counseling by our retail pharmacists, drive medication adherence, close gaps in care, improve health literacy, and recommend more cost-effective drug therapies. At the MinuteClinics, nurse practitioners and physician assistants diagnose and treat a variety of lower-acuity health conditions, perform health screenings, monitor chronic conditions, provide wellness services, and deliver vaccinations. CVS specialty pharmacies support individuals with chronic or genetic diseases who require complex and expensive drug therapies.

14. CVS Health's Coram business is a provider of infusion services, caring for 140,000 patients annually through our infusion centers and delivery of home infusion services. CVS Health addresses the needs of an aging population through Omnicare, a provider of pharmacy services to long-term care facilities.

15. Through CVS Caremark ("Caremark"), CVS Health provides a full range of pharmacy benefit management solutions, including formulary management, mail-order pharmacy, specialty pharmacy, retail pharmacy network management services, prescription management systems, clinical services, and disease management services. Caremark's customers include employers, unions, health plans, and federal, state, and local governments.

16. Through its subsidiary, SilverScript Insurance Company ("SilverScript"), CVS Health offers Medicare Part D prescription drug coverage through plans contracted with the U.S. Center for Medicare and Medicaid Services ("CMS"). SilverScript has participated in the Medicare Part D program since it went into effect in 2006.

17. Detailed descriptions of each of CVS Health's business segments, products offered, and the nature of CVS Health's business are set forth in Item 1 of CVS Health's Annual Report on Form 10-K. Copies of the 2012-2016 10-Ks were attached to the Form A Statement as Exhibits 4-A through 4-E, and the 2017 10-K was separately provided to the Department as Exhibit 37 of the Amended and Restated Form A.

DESCRIPTION OF AETNA AND THE DOMESTIC INSURERS

18. Aetna is a publicly-owned Pennsylvania holding company whose stock is traded on the New York Stock Exchange. Aetna is one of the nation's leading medical benefits companies, serving an estimated 46 million people with information and resources to help them make better informed decisions about their health care.

19. Aetna offers a broad range of traditional, voluntary, and consumer-directed health insurance products and related services, including medical, dental, behavioral health, and disability plans. Aetna's customers include employer groups, individuals, health care providers, and federal, state, and local governments.

20. In forming networks for its medical benefits offerings, Aetna works closely with many of the country's hospital systems and physician groups. It has formed close collaborations with hospital systems and physician groups to improve patient care.

21. Aetna's operations are conducted in three business segments: Health Care, Group Insurance, and Large Case Pensions. Detailed descriptions of each of Aetna's business segments and the nature of Aetna's business are set forth in Item 1 of Aetna's Annual Report on Form 10-K for the year ended December 31, 2017, as provided in Exhibit 5-D of the Amended and Restated Form A.

22. ALIC is licensed by the Department as a life insurance company and is an indirect, wholly-owned subsidiary of Aetna.

23. AIC-CT is licensed by the Department as a fraternal insurance company and is an indirect, wholly-owned subsidiary of Aetna.

24. AHLIC is licensed by the Department as a life insurance company and is an indirect, wholly-owned subsidiary of Aetna.

25. AHI-CT is licensed by the Department as an HMO and is an indirect, wholly owned subsidiary of Aetna.

26. ABH-CT is licensed by the Department as an HMO and is an indirect, wholly owned subsidiary of Aetna.

REQUIREMENTS OF CONN. GEN. STAT. § 38a-132

27. On January 17, 2018, CVS Health delivered a copy of the Form A Statement to Aetna and the Domestic Insurers.

28. CVS Health was provided with more than 20 days' notice of the public hearing to be held in this matter, which is set for October 4, 2018. CVS Health provided Aetna and the Domestic Insurers with more than 7 days' notice of the public hearing. CVS Health also published notice of the hearing in the *Hartford Courant* on September 6, September 13, September 20, and September 27, 2018.

29. Below, I present facts demonstrating that each of the six Requirements set forth in Conn. Gen. Stat. § 38a-132(a) are satisfied.

1. Requirement 1: The Domestic Insurers Will Continue To Satisfy The Requirements For Issuance Of Their Respective Licenses. Conn. Gen. Stat. § 38a-132(a)(1).

30. ALIC is currently licensed by the Department as a life insurance company. As demonstrated through its license, ALIC satisfies the minimum requirements for licensure as a life insurance company.

31. AIC-CT is currently licensed by the Department as a fraternal insurance company. As demonstrated through its license, AIC-CT satisfies the minimum requirements for licensure as a fraternal insurance company.

32. AHLIC is currently licensed by the Department as a life insurance company. As demonstrated through its license, AHLIC satisfies the minimum requirements for licensure as a life insurance company.

33. AHI-CT is currently licensed by the Department as an HMO. As demonstrated through its license, AHI-CT satisfies the minimum requirements for licensure as an HMO.

34. ABH-CT is currently licensed by the Department as an HMO. As demonstrated through its license, ABH-CT satisfies the minimum requirements for licensure as an HMO.

35. As indicated in the Form A Statement, CVS Health does not plan to effect any change in the Domestic Insurers' businesses, corporate structures, management or general plans of operations that would have any adverse impact on the ability of the Domestic Insurers to continue to satisfy the requirements of the Connecticut Statutes for the issuance of their respective licenses, the operations of which are as described above.

36. CVS Health and its affiliates have robust and proactive compliance departments, which provide substantial quality assurance and ensure that all CVS Health companies adhere to the highest standards of business conduct. These standards include sound corporate governance policies to address the interests of CVS Health's constituents. After the Transaction, CVS Health will apply these same quality assurance and compliance standards to the Domestic Insurers.

2. Requirement 2: The Transaction Will Not Substantially Lessen Competition Or Create A Monopoly In Insurance In Connecticut. Conn. Gen. Stat. § 38a-132(a)(2).

37. This Transaction will not substantially lessen competition or create a monopoly in insurance in Connecticut. See Conn. Gen. Stat. §§ 38a-132(a)(2), 38a-131(b)(4), 38a-131(e)(1)(a).

38. In my discussion of competition, I will refer to the year-end 2016 Share Analysis attached as Exhibit 7 to CVS Health's Form E filing, as supplemented, which is incorporated herein by reference. The data in Exhibit 7 was obtained from SNL Financial, which obtained the data directly from the National Association of Insurance Commissioners ("NAIC").

The Four NAIC Lines Of Business

39. The Connecticut Statutes require that the parties to the transaction report to the Commissioner “direct written insurance premium for a line of business, such line being that used in the annual statement insurance companies doing business in this state.” Conn. Gen. Stat. § 38a-131(d)(2).

40. CVS Health and its affiliates (collectively, the “CVS Companies”), as well as Aetna and its affiliates, including the Domestic Insurers (collectively, the “Aetna Companies”), together offer coverage in Connecticut reported under four¹ lines of business defined by the NAIC and reported to the NAIC on the Life and A&H and the Health Only blanks. As discussed below, the Transaction will not substantially lessen competition with respect to any of these four business lines, nor tend to create a monopoly in any line of insurance in Connecticut.

41. Specifically, in Connecticut, for the *four* business lines collectively written by the CVS Companies or the Aetna Companies in Connecticut, there is no competitive overlap between the CVS Companies and the Aetna Companies. Pursuant to Conn. Gen. Stat. § 38a-131(b)(4)(B), for these four lines of business, the Transaction qualifies for a statutory exemption from review by the Commissioner. Specifically, in Connecticut, the CVS Companies do not issue coverage reported under [1] Medicare Title XVIII Exempt from State Taxes (Life and A&H blank) or [2] Title XVIII Medicare (Health Only blank). For their part, in Connecticut, the Aetna Companies do not issue coverage reported under [3] Other Health (Health Only blank) or [4] Medicare Supplement (Health Only blank). Because there is no overlap in these lines of business in Connecticut, there is no increase in concentration or share. Accordingly, there is no

¹ This Affidavit does not address additional lines of business reported by the Aetna Companies in Connecticut because, for those lines: (1) there is no competitive overlap between the CVS Companies and the Aetna Companies, and (2) the CVS Companies are not licensed to write such medical business.

risk of any anticompetitive effects from the proposed Transaction with respect to these four lines of business.

Medicare Part D

42. Medicare Part D premiums are not reported as separate lines of business in the Life and A&H and Health Only blanks. However, even if Medicare Part D coverage was viewed as a separate line of business in Connecticut, the Transaction will not have the effect of substantially lessening competition and will not tend to create a monopoly in Connecticut.

43. To address competitive concerns outside of Connecticut, Aetna has entered into an agreement to sell its standalone PDP business to a subsidiary of WellCare Health Plans, Inc. (the “Divestiture”). The Divestiture includes a PDP contract held by ALIC and a PDP contract held by First Health Life & Health Insurance Company (“First Health”). Each of these contracts includes members residing in Connecticut.

44. In Connecticut, there are currently about 21,500 individuals under the ALIC and First Health contracts that will be divested. As a result, CVS Health’s share of individual PDP members in Connecticut will be unchanged post-merger. Under the Divestiture, there will be no change for the 2019 plan year for ALIC and First Health PDP members. CVS Health and Aetna will work with CMS to ensure a seamless transition of the PDP contracts to the new owner.

45. This Divestiture provides an additional reason to conclude that the Transaction does not substantially lessen competition in Medicare Part D or any other line of insurance business in Connecticut.

3. **Requirement 3: The Financial Condition Of CVS Health Will Not Jeopardize The Financial Stability Of The Domestic Insurers Or Prejudice The Interests Of The Domestic Insurers’ Policyholders. Conn. Gen. Stat. §38a-132(a)(3).**

46. The financial condition of CVS Health will not jeopardize the financial stability of the Domestic Insurers or prejudice the interests of their policyholders. Additionally, CVS

Health is aware of no information suggesting that its financial condition would prejudice the interests of the Domestic Insurers' policyholders.

47. To the contrary, CVS Health believes that the financial condition and resources of CVS Health will materially strengthen the financial stability of the Aetna subsidiaries, including the Domestic Insurers, and will enhance the interests of the Domestic Insurers' policyholders.

48. The audited consolidated financial statements of CVS Health reflect its strong financial condition. Per its financial statements, for the year ending December 31, 2017, CVS Health had net income of approximately \$6,623,000,000. (*See* 2017 10-K at 39.) Also, CVS Health had approximately \$184,765,000,000 in net revenues in 2017. (*Id.*)

49. All of the debt issued by CVS Health in relation to the Transaction will be solely the obligation of CVS Health and not the obligation of the Domestic Insurers. The Domestic Insurers will remain capitalized at existing levels, and the Domestic Insurers' risk based capital ratios will be unchanged.

50. Furthermore, as reported in their Health Quarterly Statements for June 30, 2018, the capital and surplus of ALIC is approximately \$3,916,703,634, the capital and surplus of AIC-CT is approximately \$19,087,415, the capital and surplus of AHLIC is approximately \$99,592,732, the capital surplus of AHI-CT is approximately \$56,403,856, and the capital and surplus of ABH-CT is approximately \$3,179,833. Accordingly, the Domestic Insurers' financial strength will provide further financial stability for their policyholders.

4. **Requirement 4: CVS Health Has No Plans Or Proposals With Regard To The Domestic Insurers That Are Unfair Or Unreasonable To The Domestic Insurers' Policyholders Or That Are Not In The Public Interest. Conn. Gen. Stat. §38a-132(a)(4).**

51. CVS Health has no present plans or proposals following the closing of the Transaction to cause the Domestic Insurers to declare any extraordinary dividend, to liquidate the

Domestic Insurers, to sell any material portion of the assets of the Domestic Insurers, to merge them with any other person or persons or to make any other material change in the Domestic Insurers' businesses, corporate structures, management, or general plans of operations.

52. From time to time following the closing of the Transaction, CVS Health may assess the advisability of causing the Domestic Insurers to declare a dividend. Such determination and any declaration would be effected in compliance with all applicable statutory and regulatory requirements.

53. Also, following the closing of the Transaction, the Domestic Insurers will maintain their separate corporate existence and will be indirect, wholly-owned subsidiaries of CVS Health. No specific material changes in the Boards of Directors or senior management or operations of the Domestic Insurers are currently planned as part of the Transaction or immediately after the Transaction other than to replace any current Board members or employees who may resign following the closing of the Transaction, except that Mark T. Bertolini and Thomas J. Sabatino, Jr. will be resigning from their positions with ALIC. Mr. Bertolini will be replaced in his positions at ALIC by Karen Lynch, and Mr. Sabatino will not have a replacement for his position.

54. If any such changes were to occur following the closing of the Transaction, they would be communicated to the Department as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

55. After the Transaction is consummated and as part of the ongoing integration of the management and operations of Aetna and its subsidiaries, including the Domestic Insurers, CVS Health may choose, from time to time, to terminate existing and enter into new affiliate or intercompany agreements such as Federal tax sharing agreements. Any such changes to affiliate

or intercompany agreements proposed to be made with respect to the Domestic Insurers following the Transaction would be implemented subject to and after any required insurance regulatory approvals (including of the Department), as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

56. In addition, the terms of the Merger Agreement are fair and reasonable to the policyholders of the Domestic Insurers and are in the interest of the public.

57. Together, CVS Health and Aetna will build a much improved health care concept based on the principles of greater convenience and lower cost while offering consumers the ability to interact with health care experts they know and trust in communities all across the country to improve their health. By combining the expertise and analytics of Aetna with CVS Health's local presence and clinical capabilities, the combined company will become the front door to health care, delivering lower-cost care whenever, wherever, and however it's needed.

58. The combination of CVS Health and Aetna will create a health care platform that invigorates the consumer health care experience by allowing for easier and more frequent access to high-quality care in lower-cost settings, meeting patients where they are, and engaging with them as part of their daily lives and routines. Following the closing of the Transaction, the combined company will provide and facilitate higher-quality care at lower costs by joining CVS Health's extensive suite of pharmacy, walk-in clinic, and other retail assets with Aetna's expertise in medical benefits and services.

59. The combined company will offer an unparalleled array of health care services, and will use improved pharmacy and medical data integration, localized care, coordinated care across providers, and cost management tools to deliver the most clinically-appropriate care in the most cost-effective settings. As a result, the Transaction will also allow the combined company

to compete even more effectively in what is already a highly competitive space. Integrating CVS Health and Aetna will bring together the robust community presence of CVS Health, a pharmacy innovation company at the forefront of transforming the health care landscape, with the data, analytics, and insights of Aetna, one of the nation's leading diversified health care benefits companies. Together, CVS Health and Aetna will provide a new integrated health care model that will deliver substantial public benefits such as improved health outcomes and lower health care spending.

60. More specifically, the combination of CVS Health and Aetna in connection with the Transaction will:

- Combine two organizations with long-standing commitments to promoting health and wellness in their local communities and expanding access to high-quality, affordable health care.
- Provide treatment at the best site of care and improve care across the continuum through greater collaboration among Aetna's in-network physician and hospital providers and other sites of care including, but not limited to, more than 9,800 CVS Pharmacy locations, 1,100 MinuteClinic walk-in clinics, 145 long-term care pharmacies, and 80 infusion branches.
- Allow Aetna's in-network physician and hospital providers, CVS Health pharmacists, and MinuteClinic nurse practitioners to coordinate their activities through more effective use of pharmacy and medical claims data, to achieve better outcomes by ensuring that a patient's full health history is considered at all points of care.
- Lower patient and enrollee costs through the broader use of data and analytics. This will be achieved, for example, by improving chronic care management using pharmacist-led interventions and by boosting patients' adherence to medication and treatment protocols. The combined company will also reduce avoidable hospital visits by growing use of MinuteClinics and by shifting infusion services from outpatient hospital settings to more convenient and lower-cost home settings when appropriate.
- Generate company-level savings opportunities by combining corporate functions, by obtaining lower pricing from third-party suppliers, and by merging complementary expertise in pharmacy and medical benefits, the benefits of which can be shared with clients, customers, and patients. CVS Health has a proven

track record of successfully integrating acquired companies and achieving cost savings.

61. As a result, CVS Health's plans and proposals with respect to the Domestic Insurers are not unfair or unreasonable to the policyholders of the Domestic Insurers and are in the public interest.

62. In addition, through the Transaction, the Domestic Insurers will continue to provide their policyholders with a strong financial foundation. As explained above, CVS Health believes that its financial condition and resources will materially strengthen the financial stability of the Domestic Insurers.

63. 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 CVS Health and Aetna.

64. CVS Health and Aetna each engaged independent financial and legal advisors in connection with negotiating the Transaction and Merger Agreement, in addition to relying on their respective corporate counsel and other professionals.

65. Specifically, with respect to CVS Health, it performed a comprehensive due diligence investigation and reviewed, among other things, the financial statements, operations, and legal documents of Aetna and its subsidiaries.

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

67. CVS Health utilized financial advisors and legal counsel to assist it in its due diligence and received the written opinions of Goldman Sachs & Company LLC, Barclays Capital Inc., and Centerview Partners LLC. Collectively, these financial advisors and legal counsel have confirmed that, as of the date of the Merger Agreement, and based upon and subject to the limitations, qualifications, and assumptions set forth in those opinions, the Merger Consideration (as defined in the Merger Agreement) to be paid by CVS Health pursuant to the Merger Agreement was fair, from a financial point of view, to CVS Health.

68. The respective Boards of Directors of CVS Health and Aetna unanimously approved the Merger Agreement and the Transaction contemplated thereby.

69. Finally, CVS Health's stockholders voted to approve the shares of company stock to be issued as contemplated by the Merger Agreement, with more than 98 percent of the shares voting at the meeting having voted in favor. Aetna's stockholders have also voted to approve and adopt the Merger Agreement, with approximately 97 percent of the shares voting at the meeting having voted in favor.

5. **Requirement 5: The Competence, Experience, And Integrity Of Those Who Will Control The Domestic Insurers. Conn. Gen. Stat. §38a-132(a)(5).**

(a) **The Competence, Experience, And Integrity Of Those Who Will Directly Control The Domestic Insurers Indicate That The Transaction Is In The Interests Of The Domestic Insurers' Policyholders And In The Public Interest.**

70. The competence, experience, and integrity of those persons who will directly control the Domestic Insurers following the closing of the Transaction 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 Aetna and its subsidiaries, including the Domestic Insurers.

71. The current *directors* of ALIC are Shawn M. Guertin, Jean LaTorre, and Mark T. Bertolini.

72. The current *executive officers* of ALIC are Mark T. Bertolini, Thomas J. Sabatino Jr., Harold L. Paz, John David Buda, Adam F. McAnaney, Heather Dixon, Shawn M. Guertin, Jean LaTorre, Bryan Nazworth, and John M. Stenson.

73. The current *director* of AIC-CT is Edward Chung-I Lee.

74. The current *executive officers* of AIC-CT are John Patrick Maroney, Bradley Andrew Thompson, and Edward Chung-I Lee.

75. The current *directors* of AHLIC are Steven Louis Hendrich, Brad Everett Shelton, and Tyree Scott Wooldridge.

76. The current *executive officers* of AHLIC are Tyree Scott Wooldridge, John Patrick Maroney, Edward Chung-I Lee, and Bradley Andrew Thompson.

77. The current *directors* of AHI-CT are David John Finn, Spence William Papke, and Mark Costa Santos.

78. The current *executive officers* of AHI-CT are Mark Costa Santos, John Patrick Maroney, Edward Chung-I Lee, Gregory Stephen Martino, Cara Sue Mullen, Kevin James Casey, and Steven Matthew Conte.

79. The current *directors* of ABH-CT are Debra Jean Bacon, Laurie Ann Brubaker, and Mary Louise E. Osborne.

80. The current *executive officers* of ABH-CT are Laurie Ann Brubaker, John Patrick Maroney, Gregory Stephen Martino, Debra Jean Bacon, Frank F. Chronister, Robert M. Kessler, Kevin James Casey, Timothy James Olson, and Edward Chung-I Lee.

81. I have reviewed the biographical affidavits of the current directors and executive officers of the Domestic Insurers. These biographical affidavits confirm that the current directors and executive officers of the Domestic Insurers are individuals who are competent,

experienced, 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.

82. As explained above, no replacement of the current directors or 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.

(b) The Competence, Experience, And Integrity Of Those Who Will Control CVS Health And CVS Pharmacy.

83. The competence, experience, and integrity of those persons who will control CVS Health and CVS Pharmacy, and thereby indirectly control the Domestic Insurers, following the closing of the Transaction are such that it would be in the interests of policyholders of the Domestic Insurers and of the public to permit the proposed acquisition of Aetna and its subsidiaries, including the Domestic Insurers.

84. The current *directors* of CVS Health are Richard M. Bracken, C. David Brown II, Alecia A. DeCoudreaux, Nancy-Ann M. DeParle, David W. Dorman (Chairman), Anne M. Finucane, Larry J. Merlo, Jean-Pierre H. Millon, Mary L. Schapiro, Richard J. Swift, William C. Weldon, and Tony L. White.

85. The current *executive officers* of CVS Health are Larry J. Merlo, David M. Denton, Thomas M. Moriarty, Colleen M. McIntosh, Jonathan C. Roberts, Troyen A. Brennan, M.D., Eva C. Boratto, Derica W. Rice, and Kevin P. Hourican.

86. The current *directors* of CVS Pharmacy are Carol A. DeNale and Thomas S. Moffatt.

87. The current *executive officers* of CVS Pharmacy are Carol A. DeNale and Thomas S. Moffat.

88. The current directors and executive officers of CVS Health and CVS Pharmacy are not currently expected to change as a result of the Transaction except that, upon the closing of the Transaction: (i) the number of members of the CVS Health Board of Directors will be increased by three (3) and the vacancies created thereby will be filled by Aetna's Chairman and CEO Mark T. Bertolini and two other individuals who are serving on the Board of Directors of Aetna immediately prior to the closing of the Transaction, who are jointly designated by Aetna and CVS Health and who meet CVS Health's independence criteria in effect as of such time; (ii) Karen S. Lynch, currently President of Aetna Inc., will serve as Executive Vice President of CVS Health and President for the Aetna business unit; and (iii) Mr. Denton will resign, and Shawn M. Guertin, currently Executive Vice President, Chief Financial Officer and Chief Enterprise Risk Officer for Aetna Inc., will assume the position of Executive Vice President and Chief Financial Officer for CVS Health.

89. In addition, members of the Aetna management team will play significant roles in the newly combined company. Aetna will operate as a stand-alone business unit within the CVS Health enterprise and will be led by members of the current management team.

90. I have reviewed the biographical affidavits of the current directors and executive officers of CVS Health and CVS Pharmacy and/or have had personal interactions with them.

91. The current directors and executive officers of CVS Health and CVS Pharmacy are individuals who are competent, experienced, and of high integrity, and have years of experience with CVS Health, CVS Pharmacy, their affiliated entities, and/or other health care

businesses, and will continue to make a significant contribution to CVS Health's and CVS Pharmacy's management or the oversight of CVS Health and CVS Pharmacy, as applicable.

92. Most, if not all, of these persons have held positions with CVS Health, CVS Pharmacy, their affiliated entities, and/or other health insurers or other health care organizations that require them to submit biographical affidavits and supporting materials to multiple state insurance regulators. No such regulator has ever taken exception to any of these persons serving in a position with CVS Health or CVS Pharmacy.

93. If any changes to the composition of the directors or executive officers of CVS Health, CVS Pharmacy, or the Domestic Insurers were to occur following the closing of the Transaction, they would be communicated to the Department as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

6. Requirement 6: The Transaction Is Not Likely To Be Hazardous Or Prejudicial To The Insurance Buying Public. Conn. Gen. Stat. §38a-132(a)(6).

94. The proposed Transaction will enhance patient care while generating substantial cost savings and quality improvements for consumers in numerous ways.

95. First, by integrating both companies' pharmacy data and medical claims data, the combined company will enhance patient care and risk identification while improving the cost-effectiveness of care. The combined company will use the patient's full medical and prescription history to develop a more complete picture of a patient's health, which is otherwise rarely available in today's health care system. Aetna's superior data and predictive analytics capabilities will enable the combined company to improve the quality and coordination of care, while CVS Health will provide patients and physicians with more visibility into out-of-pocket costs and optimal treatment protocols.

96. Second, the combined company will allow patients to access high-quality care in more convenient and affordable locations. Patients will have access to a wide range of different care sites, including, but not limited to, more than 9,800 CVS Health pharmacies and 1,100 MinuteClinics. Using CVS Health's local presence and Aetna's deep collaborations with physicians and hospitals, along with its data and analytics capabilities, the combined company will increase utilization of lower-cost, clinically-tailored, and more convenient sites of care when appropriate.

97. Third, the combination of the companies' complementary assets will generate significant savings by improving the continuity of care patients receive. There is often insufficient coordination of care across providers. Multiple specialists may be used for different medical conditions, while coordination to address gaps in care and to ensure medication adherence may be absent. The combined company will effectively use care coordinators and its improved data analytics to assure that treatment decisions are made with more complete and timely information.

98. Fourth, the combined company will pursue many opportunities to contain costs in ways that will benefit consumers. Applying the most advanced value-based reimbursement systems and best-in-class purchasing across its portfolio, the combined company will accelerate cost reductions and incentivize improved care. The combined company will use improved care management to reduce emergency room visits by making walk-in clinics available for the treatment of common, low-acuity conditions when appropriate. The combined company will empower pharmacists to improve medication and treatment adherence, reducing hospital admissions and improving patient outcomes.

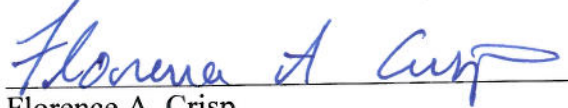
99. Fifth, CVS Health has a proven track record of successful merger integration. For example, as part of its \$12.7 billion acquisition of Omnicare in 2015, CVS Health integrated more than 130 Omnicare locations in 47 states into CVS Health's portfolio, significantly expanding its ability to dispense prescriptions in assisted living and long-term care facilities. Likewise, in 2013, CVS Health acquired one of the nation's largest drug infusion businesses, Coram, for \$2.1 billion. These acquisitions generated significant synergies while improving patient care and lowering health care costs. The annual cost savings are projected to be approximately \$750 million in the second full year following completion of the Transaction.

100. In sum, by combining the medical expertise and analytics of Aetna with CVS Health's strong local presence and clinical capabilities, the combined company will become the front door to health care, delivering lower-cost care, wherever it is needed. The proposed Transaction will bring pharmacy and medical data integration, better use of localized care, continuity of care across providers, and significant cost containment, all of which will raise the level of care patients receive.

101. For all of these reasons, and because the combined company will deliver more value and better health outcomes than CVS Health and Aetna would operating independently, the Transaction is not likely to be hazardous or prejudicial to the insurance buying public, and will benefit CVS Health's and Aetna's policyholders specifically and the insurance-buying public in general.

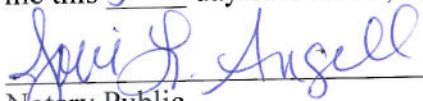
I state under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

FURTHER THE AFFIANT SAYETH NOT



Florence A. Crisp
Senior Legal Counsel, CVS Health Corporation

SUBSCRIBED and SWORN to before me this 3rd day of October, 2018.



Notary Public

My Commission expires: 2/16/2020

Jovi L. Angell
Notary Public
State of Rhode Island
My Commission Expires 02/16/2020