MIKE KREIDLER
STATE INSURANCE COMMISSIONER

DECLARATION OF MAILING
I declare under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery of a true copy of this document to parties listed below
DATED this 27th day of March 2007 at Tumwater, Washington.
Signed: Wendy Galloway

STATE OF WASHINGTON

OFFICE OF
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FILED
MAR 26 2007
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BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of the Application for Order Granting Exemption of CAPITAL GROUP COMPANIES, INC., CAPITAL RESEARCH AND MANAGEMENT COMPANY AND CAPITAL GROUP INTERNATIONAL, INC., Relative to the Purchase of Additional Voting Shares of AETNA GROUP, Parent Company of AETNA HEALTH INC., A Washington Domiciled Health Care Service Contractor.	**G2007-10** **ORDER GRANTING EXEMPTION RELATIVE TO THE PURCHASE OF ADDITIONAL VOTING SHARES**

TO: James P. Ryan, Senior Vice President
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COPY TO: Mike Kreidler, Insurance Commissioner
Michael G. Watson, Chief Deputy Insurance Commissioner
James T. Odiorne, Deputy Commissioner, Company Supervision Div.
Carol Sureau, Deputy Commissioner, Legal Affairs Division
Charles Brown, Staff Attorney, Legal Affairs Division
Ronald Pastuch, Holding Company Manager, Company Supervision
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

Pursuant to Chapter 48.04 RCW, Chapter 34.05, RCW, and Chapter 48.31B RCW, and after notice to interested parties and persons (see notice detailed below), the above-entitled matter came on regularly for hearing before the Washington State Insurance Commissioner commencing at 9:00 a.m., on March 21, 2007, by telephone as permitted by the undersigned and pursuant to WAC 10-08-180, in the Office of the Insurance Commissioner, 5000 Capitol Blvd., Tumwater, Washington 98501. All persons to be affected by the above-entitled matter were given the right to be present at such hearing, during the giving of testimony, and had reasonable opportunity to inspect all documentary evidence, to examine witnesses and present oral and written statements. The Commissioner appeared pro se, by and through Charles Brown, Senior Staff Attorney in the Legal Affairs Division of the Office of the Insurance Commissioner. The Capital Group Companies, Inc., and their wholly owned subsidiaries, Capital Research and Management Company and Capital Group International, Inc., were represented by J. Michael Low, Esq., and Tasha Cycholl, Esq., of Low & Childers of Phoenix, Arizona. Aetna Group was represented by William E. Baskin III, Esq., Counsel for Aetna Life Insurance Co., and a member of the Board of Directors for Aetna Health Inc., of Hartford, Connecticut.

NATURE OF PROCEEDING

The Applicants in this matter are The Capital Group Companies, Inc. and two of its wholly owned subsidiaries, Capital Research and Management Company and Capital Group International, Inc. On October 20, 2006, the Applicants submitted to the Washington State Insurance Commissioner a Disclaimer of Control and Request for Exemption from the prior notice and approval requirements of RCW 48.31B.015(1)-(4) in connection with the proposed purchase of additional shares of the authorized, issued and outstanding voting stock of Aetna Group by Capital Research and Management Company and Capital Group International, Inc. Such additional purchase(s) might result in Capital Research and Management Company and/or Capital Group International, Inc. owning, in the aggregate, in excess of 10% of the authorized, issued and outstanding voting common stock of Aetna Group, although the Applicants assert that the aggregate ownership of Aetna Group by these two companies will not exceed 20%. Aetna Group is a publicly held corporation that is the ultimate controlling person of Aetna Health Inc., a Washington domiciled corporation authorized by the Washington State Insurance Commissioner to operate as a health care service contractor in the state of Washington (Registration No. 161).

FINDINGS OF FACT

Having considered the written and oral evidence presented at the hearing, the documents on file herein, and the entire hearing file, the undersigned finds as follows:

1. The hearing was duly and properly convened and all substantive and procedural requirements under the laws of the state of Washington have been satisfied. Further, the undersigned was properly delegated to conduct the proceeding in this matter and to make the final decision herein.

2. The Capital Group Companies, Inc. ("The Capital Group") wholly owns and controls Capital Research and Management Company and Capital Group International, Inc. (together referred to herein as "CGC Management Companies"). Specifically, CGC Management Companies conduct the business of investment management for their clients, who are mutual funds, institutional investors and individual investors. [Ex. 1; Testimony of Walter Burkley.]

3. Aetna Group is a publicly held corporation that is the ultimate controlling person of Aetna Health Inc., a Washington domiciled corporation authorized by the Washington State Insurance Commissioner ("Commissioner") to operate as a health care service contractor in the state of Washington (Registration No. 161).

4. As of August, Aetna Group had 547,700,000 authorized shares of voting common stock issued and outstanding, and, as of that time, mutual funds and clients managed by the CGC Management Companies held, collectively, 37,040,800 such shares, representing 6.76% of the voting common stock of Aetna Group. [Ex. 1.]

5. CGC Management Companies are considering the acquisition of additional voting common stock of Aetna Group that may result in the mutual funds and client accounts owning, in the aggregate, in excess of 10% of the authorized, issued and outstanding voting common stock of Aetna Group. For this reason, in accordance with applicable requirements, on October 20, 2006, The Capital Group and CGC Management Companies, by and through James P. Ryan, Senior Vice President, The Capital Group, properly submitted to the Commissioner a Disclaimer of Control and Request for Exemption from the prior notice and approval requirements of RCW 48.31B.015(1)-(4) in connection with the proposed purchase of additional voting shares of Aetna Group by CGC Management Companies. [Ex. 1.] Such additional purchase(s) might result in CGC Management Companies owning, in the aggregate, in excess of 10% of the authorized, issued and outstanding voting common stock of Aetna Group, although said aggregate ownership of Aetna Group will not exceed 20% and no individual mutual fund or client of CGC Management Companies will own more than 10% of the authorized, issued and outstanding voting common stock of Aetna Group. [Ex. 1; Testimony of Walter Burkley.]

6. The proposed additional share acquisition of Aetna Group by CGC Management Companies would not affect the ability of Aetna Group to direct or cause the direction of

the management and policies of Aetna Group. Further, The Capital Group's only affiliation with Aetna Health Inc. will result from the ownership of voting common stock of Aetna Group by clients of the CGC Management Companies: neither The Capital Group, nor the CGC Management Companies, have any other contracts, agreements or arrangements with Aetna Group or Aetna Health Inc. Further, CGC Management Companies do not own shares of Aetna Group for their own account and the shares held by their clients, and those shares which are proposed to be acquired, are not acquired for the purpose of affecting, changing or influencing the control of Aetna Group or Aetna Health Inc. [Ex. 1; Testimony of Walter Burkley.]

7. The Capital Group and CGC Management Companies have filed a sworn Affidavit of Disclaimer of Control herein [Ex. 1], and it is here found, that in the past and in this proposed transaction, CGC Management Companies are only acquiring Aetna Group shares on behalf of its clients in its ordinary course of business and not with the purpose, nor with the effect of changing or influencing control, of Aetna Group or its subsidiaries, including Aetna Health Inc. [Ex. 1.]

8. The Applicants' filing is complete and the proposed transaction will not be entered into, and would not have the effect of, changing or influencing Aetna Group or Aetna Health Inc. [Ex. 1; Testimony of Ronald Pastuch; Testimony of Walter Burkley.]

9. The Notice of Hearing in this matter, which contains information concerning this application and the public hearing thereon, was published in its entirety on the Washington State Insurance Commissioner's website beginning on February 23, 2007 and continuously since that date. [Ex. 2.] This Notice constitutes reasonable and adequate notice to interested parties. [Declaration of Ronald J. Pastuch; Testimony of Ronald J. Pastuch.]

10. As indicated in the subject Notice of Hearing, all interested parties were given the opportunity to submit any comments on, or objections to, this proposed acquisition to the undersigned through March 20, 2007, by fax, U.S. mail, personal delivery or e-mail. All interested parties were also advised in said Notice of Hearing that they would be given the opportunity to present evidence at hearing and to examine and cross-examine witnesses and offer oral and written arguments, and in connection therewith to conduct discovery proceedings. Other than ordinary filings made into the hearing file by the parties, no comments, questions or objections were received by the Insurance Commissioner [Testimony of Ronald J. Pastuch] or by the undersigned. Because no comments, adverse or otherwise, and no objections, were received from any individual or entity, it is here found that no reasonable objection to this application exists.

11. Based upon the above Findings of Facts, it is here found that the proposed future transactions at issue herein, which may result in CGC Management Companies owning an aggregate of up to 20% of the total authorized, issued and outstanding voting stock of Aetna Group, but with no individual mutual fund or client owning over 10% of said voting stock, has not been made or entered into for the purpose of changing or influencing the control of Aetna Group or Aetna Health Inc., and would not have the

effect of changing or influencing the control of Aetna Group or Aetna Health Inc. [Ex. 1; Testimony of Ronald J. Pastuch; Testimony of Walter Burkley.] For this reason, it is reasonable under the circumstances that an exemption should be granted.

12. Mr. Ronald J. Pastuch, Holding Company Manager in the Company Supervision Division of the Washington State Office of the Insurance Commissioner, appeared as the sole witness on behalf of the Washington State Insurance Commissioner. Mr. Pastuch presented his testimony in a detailed and credible manner and exhibited no apparent biases.

13. Mr. Walter Burkley, Vice President and Counsel, Fund Business Management Group for Capital Research and Management Company, Los Angeles, California, appeared as a witness on behalf of The Capital Group and CGC Management Companies. Mr. Burkley presented his testimony in a detailed and credible manner and exhibited no apparent biases.

14. Mr. William C. Baskin III, Counsel, Aetna Life Insurance Company and a member of the Board of Directors of Aetna Health Inc., appeared as a witness on behalf of The Capital Group and CGC Management Companies. Mr. Baskin presented his testimony in a detailed and credible manner and exhibited no apparent biases.

15. The application of The Capital Group and CGC Management Companies for an Order Granting Exemption of The Capital Group and CGC Management Companies relative to its prospective purchase(s), under the terms detailed above, of additional shares of Aetna Group, the ultimate controlling person of Aetna Health Inc., a Washington domiciled health care service contractor, should be approved.

CONCLUSIONS OF LAW

1. Pursuant to Title 48 RCW, the Insurance Commissioner has jurisdiction over this matter, and properly convened a hearing to hear and determine the merits of the proposed transaction herein. Further, the undersigned has been at all times pertinent hereto properly delegated the authority to conduct the adjudicative proceeding in this matter and to make the final determination herein.

2. The Applicants properly filed a Request for Exemption, with attachments, relating to the proposed purchase of additional shares of Aetna Group by CGC Management Companies, pursuant to RCW 48.31B.015(5), and such application contains the information required by RCW 48.31B.015(5) and RCW 48.31B.005(2).

3. Based upon the Findings of Facts set forth above, the proposed transaction at issue herein, whereby CGC Management Companies may purchase additional shares of the authorized, issued and outstanding stock of Aetna Group with the result that the total aggregate voting shares of Aetna Group which CGC Management Companies will, solely on behalf of their investment clients, own, may be up to, but not exceeding an aggregate of 20% with no individual mutual fund or client owning more than 10%, is not made or

entered into for the purpose or having the effect of changing or influencing the control of Aetna Group or Aetna Health Inc., as contemplated by RCW 48.31B.015(5)(b).

4. Based upon the above Findings of Fact, reasonable notice to interested parties has been given, and no reasonable objections exist.

5. Based upon the above Findings of Fact, the provisions of the Insurance Code of the State of Washington, Chapter 48.31B RCW, and specifically RCW 48.31B.015(5)(b) and RCW 48.31B.005(2) relating to the control of a domestic insurer, have been met and the exemption contemplated by RCW 48.31B.015(5)(b), exempting the Applicants from the prior notice and approval requirements otherwise required by RCW 48.31B.015(1)-(4) relative to their prospective purchase of additional shares under the terms specified above, is granted.

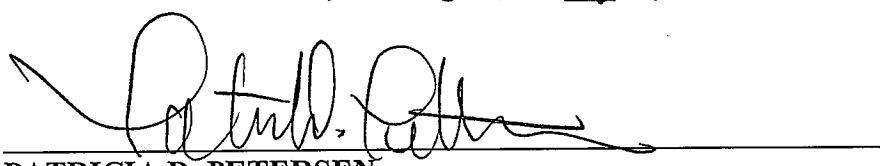
ORDER

On the basis of the foregoing Findings of Fact and Conclusions of Law, to the effect that the statutory criteria for approval of this exemption from prior notice and approval otherwise required under RCW 48.31B.015 has been met relative to the purchase of additional voting shares by CGC Management Companies, not to exceed an aggregate of 20% of the total authorized, issued and outstanding voting shares of Aetna Group and with no mutual fund or individual client to own in excess of 10% of those total authorized, issued and outstanding shares, and to the effect that approval of this request for an exemption should be granted,

IT IS HEREBY ORDERED that the Application for an order granting exemption filed by The Capital Group Companies, Inc. and its two wholly owned subsidiaries, Capital Research and Management Company and Capital Group International, Inc., which requests an exemption to Capital Research and Management Company and Capital Group International, Inc. relative to their prospective purchase(s) of additional shares of Aetna Group, the ultimate parent company of Aetna Health Inc., a Washington domestic health care service contractor, upon the terms included into evidence in this proceeding, is **GRANTED** effective immediately. Consummation of this transaction may occur at any time beginning on the date of entry of this Order.

This Order is entered pursuant to Title 48 RCW, and specifically RCW 48.31B.015(5)(b) and RCW 48.31B.005(2), Title 34 RCW and regulations applicable thereto.

ENTERED at Tumwater, Washington, this 26th day of March, 2007.



PATRICIA D. PETERSEN
Chief Hearing Officer
Presiding Officer