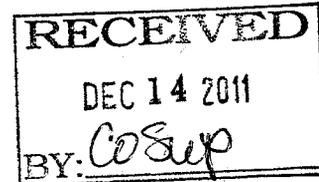




Rob McKenna
ATTORNEY GENERAL OF WASHINGTON

800 Fifth Avenue #2000 • Seattle WA 98104-3188

December 13, 2011



Sent Via Electronic and U.S. Mail

Ron Pastuch
Holding Company Manager
Office of the Insurance Commissioner
PO Box 40249
Olympia, WA 98504

Re: Proposed Acquisition of Arcadian Management Services, Inc.

Dear Mr. Pastuch:

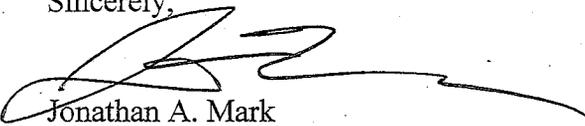
This letter responds to your August 26, 2011 correspondence to the Antitrust Division of the Attorney General's Office regarding the proposed acquisition of Arcadian Management Services, Inc, and its subsidiaries ("Arcadian"), by Humana Inc. ("Humana"). Your e-mail requests, pursuant to RCW 48.31C.030, that the Antitrust Division undertake a merger review of the proposed acquisition.

Based on the information provided to us by the OIC, Arcadian, and Humana, we understand that Arcadian strictly offers Medicare Advantage plans in the counties of Benton, Franklin, Spokane, and Yakima. We further understand that, of those four counties, Humana offers Medicare Advantage plans in Spokane and Yakima. We have also received and reviewed Arcadian's and Humana's associated revenues for those counties, as well as information regarding other competing carriers.

At this time, based on a review of the information that has been provided to us, there does not appear to be sufficient evidence to conclude that the proposed acquisition of Arcadian warrants legal action by the Attorney General's Office. However, this review is without prejudice to any further action by this Office in this matter, if such action is determined to be necessary at a later date, and this letter should not be construed as a waiver of the Attorney General's ability or authority to take further action, as necessary. This letter also should not be construed as an opinion, formal or otherwise, of the Attorney General.

Please feel free to contact me if you have any concerns or questions about this letter.

Sincerely,


Jonathan A. Mark
Assistant Attorney General
(206) 389-3806