

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE ACQUISITION)	
OF CONTROL OF LONGEVITY HEALTH)	ORDER APPROVING
PLAN OF NEW JERSEY INSURANCE)	ACQUISITION
COMPANY, INC. BY PARAGON EQUITY)	
GROUP, LLC)	

I have read the Hearing Officer’s report dated December 2, 2021 regarding the above-captioned matter, and I concur with the recommendation contained therein. Accordingly, pursuant to N.J.S.A. 17:27A-2, I hereby approve the proposal of Paragon Equity Group, LLC (“the Applicant”) to acquire control of Longevity Health Plan of New Jersey Insurance Company, Inc. (“the Domestic Insurer”) subject to the following conditions:

1. NO USE OF NEW JERSEY FUNDS FOR ACQUISITION. Upon consummation of the transaction, the Applicant shall: (a) Assets: not dispose of or otherwise use assets of the Domestic Insurer and/or any other subsidiaries of the parties, if any, that are licensed, authorized or certified by the New Jersey Department of Banking and Insurance (“Department”) to transact business in New Jersey for the purpose of repaying any debt incurred, to finance the transaction, use no part of the assets of the Domestic Insurer to pay, reimburse, or otherwise fund both the cash financing portion of the transaction and the debt related to the financing of the transaction except, with respect to this clause as approved or otherwise permitted by the relevant agency with regulatory authority; (b) Costs: not pass onto the Domestic Insurer any acquisition costs or other consideration, including without limitation executive compensation paid to or accrued for the benefit of any executive officers of the parties in connection with, or triggered by, the transaction;

(c) Rates: not seek premium rate increases applicable to New Jersey insureds that are intended to be used, or are used, to pay for the cost of the transaction. Applicant shall take steps to ensure that premiums and cost sharing obligations payable (including copayments and deductibles) by New Jersey Insureds for products offered by Applicant's Insurer in New Jersey, if any, shall not increase as a result of costs incurred in financing, analyzing and /or consummating the Proposed Acquisition ("Acquisition Costs"). (Such Acquisition Costs include, but are not limited to, attorney's and investment bankers' fees, loans expenses, travel expenses, due diligence expenses, execution compensation expenses, of any form and expenses related to current or future acquisitions by Applicant/Domestic Insurer); (d) No Dividends: refrain from declaring and/or paying any dividends (ordinary or extraordinary), without the express prior approval of the Commissioner of Banking and Insurance ("Commissioner") for a period of three (3) years from the consummation of the transaction. The parties shall not cause the Domestic Insurer to declare or pay dividends, make other distributions of cash or property or in any other way upstream any funds or property to their shareholders or any shareholders of the parties in NJ, if any, without the express prior approval of the Commissioner for a period of three (3) years.

2. MAINTAIN RBC. For a period of five (5) years from the consummation of the transaction, Applicant shall direct their respective representatives on the board of directors of the Domestic Insurer to use reasonable efforts or if required to vote to maintain a minimum Authorized Control Level Risk Based Capital (RBC) level of 300%, or higher at all times.

3. MAINTAIN PRODUCTS, SERVICES AREA, NETWORKS. Applicant agrees that, for a period of three (3) years from consummation of the transaction: The Applicant directs its representatives on the board of directors of the Domestic Insurer either by way of reasonable efforts or if required by vote, to cause the Domestic Insurer to maintain its current networks of

providers without material changes, except to the extent such changes are otherwise approved by the Department. Nothing herein shall preclude the Domestic Insurer or the parties from offering different networks or from contracting with carriers to entering new markets in New Jersey.

4. NO MATERIAL CHANGE TO BUSINESS. Upon the consummation of the transaction, Applicant, by way of its representative on the board of directors of the Domestic Insurer shall refrain from voting for the following actions: (i) liquidating the Domestic Insurer; (ii) selling any material portion of the assets of the Domestic Insurer; (iii) merging the Domestic Insurer with any other person or persons; or (iv) making any other material change with regard to business, corporate structure, management or general plan of operations of the Domestic Insurer., all without the express prior approval of the Commissioner.

5. CYBERSECURITY. Applicant shall direct its representatives on the board of directors of the Domestic Insurer to use reasonable efforts or if required to vote to cause the Domestic Insurer to provide the Department with confidential access to its cybersecurity plan for review as a part of the state examination pursuant to N.J.S.A. 17:27A-5 and N.J.S.A. 17:27A-6, commencing in 2021 or in the year in which the transaction is consummated. They shall provide notice to the Department when and if a cybersecurity breach takes place and shall work with the Department to protect New Jersey policyholders if they are affected. They shall take no action to oppose New Jersey regulation and/or legislation regarding cybersecurity, the same as or substantially similar to, the Insurance Data Security Model Law adopted by the National Association of Insurance Commissioners (“NAIC”). They shall commit to serving as a resource to the Department and providing constructive input and expertise to the Department with respect thereto.

6. Applicant shall direct their representative on the board of directors of the Domestic Insurer to use reasonable efforts or if required to vote to cause the Domestic Insurer to annually provide updated Supplemental Compensation Exhibits (“SCE”) following the consummation of the transaction in order to comply with the provisions of Bulletin No. 18-03, and any subsequent amendments thereto.

7. Applicant shall provide the Department with written details of the final purchase price after all adjustments used to complete the acquisition.

8. Following the acquisition, the Domestic Insurers shall continue to maintain its books and records in their current approved locations and shall make all such items available for inspection by the Department at any time.

9. Applicant or the Domestic Insurer shall provide the Department with the name(s) and title(s) of the individual(s) who will be responsible for filing an amended Insurance Holding Company System Annual Registration Statement pursuant to N.J.S.A. 17:27A-1 to 14 and N.J.A.C. 11:1-35.1 to 35.14.

10. ANNUAL AUDITED FINANCIAL STATEMENTS. Beginning with the year ended December 31, 2021, the Applicant shall confirm that the following will be filed annually with the Department:

(a) Longevity Health Founders, LLC, annual audited financial statement within 150 days after fiscal year end. Annual audited financial statement to be filed on a confidential basis with the Department;

(b) Longevity Health Holdings of New Jersey, LLC, annual audited financial statement within 150 days after fiscal year end if not otherwise provided in a consolidated filing. Annual audited financial statement to be filed on a confidential basis with the Department.

Note: Financial statements in (a) and (b) are required to be in accordance with United States generally accepted accounting principles.

(c) Domestic Insurer annual audited financial statement in accordance with New Jersey rules and NAIC guidelines.

11. Applicant represents it has or will obtain the required regulatory approvals in connection with the Form A filing. Approval of the Form A filing does not constitute approval or acceptance of any transactions or agreements which are either implicitly or explicitly disclosed in the Form A, including that of a Licensed Organized Delivery System, an application and approval by the New Jersey Department of Banking and Insurance for which shall be a prerequisite to such entity's acceptance of financial risk transfer.

12. Applicant represents that none of the individuals who represent the Applicant and will exercise the Applicant's responsibilities and control subsequent to this acquisition, directly or indirectly, over Longevity Health Holdings of New Jersey, LLC, or its subsidiaries, and the Domestic Insurer, will/or have been found guilty of, or pleaded guilty or nolo contendere to, a felony or a misdemeanor, other than a civil traffic offense.

13. CONSUMMATION OF ACQUISITION OF CONTROL. Applicant shall provide the Department with written confirmation of the consummation of the acquisition of control by the end of the month in which the acquisition takes place no later than 90 days after approval of this Form A filing. If the proposed acquisition is not consummated within ninety (90) days of the date of this Order and Applicant intends to consummate the proposed acquisition, Applicant shall submit to the Commissioner a statement requesting an extension and shall include (i) the reason for the Applicant's inability to consummate the proposed acquisition; (ii) any material changes in

the information contained in the application; and (iii) the current financial statements of the Applicant and Domestic Insurer. Any and all extensions shall be with the written approval of the Commissioner.

12/7/2021
Date



Marlene Caride
Commissioner

LC Longevity by Paragon Acquisition Order/Orders