

In the Matter of the Acquisition of Control of
Care Wisconsin Health Plan, Inc.,

STIPULATION
AND ORDER

Respondent.

Case No. 19-C43408

WHEREAS, Care Wisconsin Health Plan, Inc., 1617 Sherman Avenue, Madison, Wisconsin 53704 ("Respondent"), is subject to the jurisdiction and control of the Office of the Commissioner of Insurance (the "Commissioner") in the State of Wisconsin; and

WHEREAS, My Choice Family Care, Inc. 10201 West Innovation Drive, Suite 100, Wauwatosa, Wisconsin 53226 ("Applicant"), is subject to the jurisdiction and control of the Commissioner in the State of Wisconsin; and

WHEREAS, a Form A Statement was filed by a My Choice Family Care, Inc., pursuant to s. 611.72 and chs. 227, 617 and 648, Wis. Stat., and chs. Ins 40 and 57, Wis. Adm. Code, dated October 31, 2019, seeking approval from the Commissioner for a Plan for the Mergers of Care Wisconsin First, Inc. with and into My Choice Family Care, Inc. and of Trilogy Health Insurance, Inc. with and into Care Wisconsin Health Plan, Inc., by My Choice Family Care, Inc. (Case No. 19-C43349) (the "Plan for Mergers"); and

WHEREAS, the Respondent, the Applicant and the Commissioner have agreed to certain terms and conditions in conjunction with the Commissioner's approval of the Plan for Mergers.

NOW, THEREFORE, the Respondent, the Applicant and the Commissioner do agree and stipulate to the following terms and conditions:

- (1) Respondent shall maintain surplus in excess of its security surplus standard pursuant s. 623.12, Wis. Stat., and s. Ins 51.80 (4), Wis. Adm. Code.
- (2) Respondent shall maintain a ratio of total adjusted capital to authorized control level risk-based capital of not less than 350%.
- (3) The Respondent and the Applicant are responsible for monitoring compliance with this Stipulation and Order. In the event of noncompliance with either paragraph (1) or (2), as calculated based on the most recently available annual statement information or at any time such noncompliance becomes or should have become known, the Respondent and the Applicant shall have a forty-five (45) business day period following the discovery of the occurrence to either cure the noncompliance at issue through receipt by the Respondent of a capital contribution from its ultimate controlling person, the Applicant, or file a comprehensive plan of corrective actions ("Corrective Plan") with the Commissioner. After reviewing the plan, the Commissioner shall notify the Respondent and the Applicant, within fifteen (15) business days of receiving the Corrective Plan, whether the Corrective Plan is acceptable to the Commissioner.
- (4) If the Respondent is not in compliance with both paragraphs (1) and (2) and the Respondent or the Applicant has neither cured the noncompliance at issue nor filed a Corrective Plan acceptable to the Commissioner within a forty-five (45) business day period following the discovery of the noncompliance, the Respondent shall cease and desist from the writing of new direct or assumed insurance business, unless the Commissioner, in its sole discretion, allows additional time for the Respondent to comply with paragraphs (1) and (2) without the Respondent ceasing and desisting from the writing of new direct or assumed insurance business.
- (5) For purposes of this Stipulation and Order, the application of the Wisconsin Statutes and the Wisconsin Administrative Code are not modified except as explicitly stated herein.

- (6) The Respondent and the Applicant both agree that this Stipulation is made without reservation and constitutes a waiver of valuable rights including a hearing, confrontation and cross-examination of witnesses, production of evidence, making a motion for costs, and judicial review. The Commissioner may enforce this Stipulation and Order. In addition, if the Respondent or the Applicant is involved in a future administrative or disciplinary action, this Stipulation may be considered. The Respondent acknowledges that the Commissioner may make additional orders or subsequently modify or supersede this Order by making a subsequent order. However, this Stipulation applies only to this Order as originally issued and the Respondent and the Applicant reserves the right to contest any other new orders of the Commissioner or any modifications to this Order.

12/19/19
Date

Maria E. Ledger
Maria E. Ledger
Chief Executive Officer
My Choice Family Care, Inc.
Care Wisconsin Health Plan, Inc.

12/20/19
Date

Amy J. Mann
Amy J. Mann, Director
Bureau of Financial Analysis and Examinations
Office of the Commissioner of Insurance

ORDER

NOW, THEREFORE, based upon consideration of the Stipulation in this matter, I hereby order that:

- (7) The Respondent and the Applicant shall comply with their agreements as recited in this Stipulation.
- (8) This order shall become effective immediately and shall continue until modified, superseded or terminated by the Commissioner with written notice to the Respondent and the Applicant.

Dated at Madison, Wisconsin, this 20th day of December, 2020.

Mark V. Afable
Mark V. Afable
Commissioner of Insurance