



September 9, 2019

Mr. Neil Heidenreich  
Care Wisconsin Health Plan, Inc.  
P.O. Box 14017  
Madison, WI 53708-0017

We are pleased to confirm our acceptance and understanding of the services we are to provide for Care Wisconsin Health Plan, Inc. (the Company).

You have requested that we:

1. Prepare the statutory financial statements of the Company, which are comprised of the statements of assets and liabilities, surplus, and other funds as of December 31, 2019, and the related statutory statements of income, cash flows, and other supporting schedules for the year then ended, in the form prescribed by the Office of the Commissioner of Insurance of the State of Wisconsin (the OCI) (Annual Statement), and perform a compilation engagement with respect to those statutory financial statements.
2. Prepare the Risk-Based Capital Filing, the Supplemental Compensation Exhibit, and the Supplemental Investment Risk Interrogatories for the year ending December 31, 2019.
3. Prepare the statutory financial statements of the Company, which are comprised of the statements of assets and liabilities, surplus, and other funds as of March 31, 2020, June 30, 2020, and September 30, 2020, and the related statutory statements of income, cash flows, and other supporting schedules for the quarters then ended, in the form prescribed by the OCI (Quarterly Statements), and perform a compilation engagement with respect to those statutory financial statements.
4. Provide investment accounting services for the calendar year 2020 using investment data we receive from you, your custodian, and your investment advisor. On a quarterly basis, we will provide general ledger assistance with respect to the required entries needed to record the investment activities. We will also provide market pricing of securities and NAIC ratings (including determination of filing exempt securities), and Schedule D reports for Quarterly and Annual Statement filings.

In addition to the items enumerated above, we will be available to consult with you on accounting and reporting matters upon your request. This service will be billed at our standard rates.

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We will assist your bookkeeper in adjusting the books of accounts with the objective that he (she) will be able to prepare a working trial balance from which statutory financial statements can be prepared. Your bookkeeper will provide us with a detailed trial balance and any supporting schedules we require.

### **Our Responsibilities**

The objective of our engagement is to:

1. Prepare statutory financial statements in accordance with the format and accounting principles prescribed by the OCI based on information provided by you; and
2. Apply accounting and financial reporting expertise to assist you in the presentation of statutory financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the statutory financial statements in order for them to be in accordance with the format and accounting principles prescribed by the OCI.

We will conduct our compilation engagement in accordance with Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care, when performing the bookkeeping services, preparing the statutory financial statements, and performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the statutory financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the Company or noncompliance with laws and regulations.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Your Responsibilities**

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare statutory financial statements in accordance with the format and accounting principles prescribed by the OCI and assist you in the presentation of the statutory financial statements in accordance with this prescribed format. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

1. The selection of the format and accounting principles prescribed by the OCI as the financial reporting framework to be applied in the preparation of financial statements.
2. The preparation and fair presentation of statutory financial statements in accordance with the format and accounting principles prescribed by the OCI.
3. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statutory financial statements that are free from material misstatement, whether due to fraud or error.
4. The prevention and detection of fraud.
5. To ensure that the Company complies with the laws and regulations applicable to its activities.
6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
7. To provide us with:
  - Access to all information of which you are aware that is relevant to the fair presentation of the statutory financial statements, such as records, documentation, and other matters. You are responsible for removing any unnecessary personal identifiable information (i.e. social security numbers, dates of birth, phone numbers, driver license numbers, credit card numbers, bank account numbers, etc.) related to employees, policyholders, claimants, vendors, and others that may be included in the requested documents, but is not information that is needed to perform our compilation services.
  - Additional information that we may request from you for the purpose of the compilation engagement.
  - Unrestricted access to persons within the Company of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our bookkeeping services and the preparation of your statutory financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

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**Our Report**

As part of our engagement, we will issue a report that will state that we did not audit or review the statutory financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. There may be circumstances in which the report differs from the expected form and content. If, for any reason, we are unable to complete the compilation of your statutory financial statements, we will not issue a report on such statements as a result of this engagement.

Our report will disclose that the statutory financial statements are presented in a prescribed form in accordance with the requirements of the OCI and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

You agree to include our accountant’s compilation report in any document containing these statutory financial statements that indicates we have performed a compilation engagement on such financial statements.

**Other Relevant Information**

Russell Denk is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We estimate that our fees for these services will be as follows:

Preparation and compilation of the 2019 Annual Statement and all indicated related filings	
Preparation and compilation of the 2020 Quarterly Statements (3)	
Investment accounting services (January 1 – December 31, 2020) which includes investment accounting software costs	
Cost of Quarterly and Annual Statement software (estimate)	
Total	



The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will keep you informed of the difficulties we encounter and our fees will be adjusted accordingly. Our fees for these services will be billed to you as our work progresses and are payable upon receipt.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you acknowledge and agree with the terms of our engagement as described in this letter, please print and sign a copy of this letter and return it to us by mail or email.

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Sincerely,

*Strohm Ballweg, LLP*

Certified Public Accountants

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This letter correctly sets forth the understanding of  
**CARE WISCONSIN HEALTH PLAN, INC.**

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Signature of Officer/Title

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Date