

**FORM A**

**STATEMENT REGARDING THE ACQUISITION OF CONTROL OF OR MERGER  
WITH A DOMESTIC INSURER**

Filed with the Office of the Commissioner of Insurance  
State of Wisconsin

**ASPIRUS ARISE HEALTH PLAN OF WISCONSIN, INC.**  
Name of Domestic Insurer

By

**ASPIRUS, INC.**  
Name of Applicant

Dated December 28, 2018

Name, title, address and telephone number of individuals to whom notices and correspondence concerning this statement should be addressed:

*With a copy to:*

Cari Logemann  
Senior VP & General Counsel  
Aspirus, Inc.  
3000 Westhill Drive  
Wausau, Wisconsin 54401  
(715) 847-2978

Lisa Gingerich  
Partner  
Michael Best & Friedrich LLP  
100 East Wisconsin Avenue, Suite 3300  
Milwaukee, Wisconsin 53202  
(414) 270-2710

## ITEM 1. INSURER AND METHOD OF ACQUISITION

The name and address of the Domestic Insurer to which this Form A application relates to is: Aspirus Arise Health Plan of Wisconsin (“AAHPWI” or the “Domestic Insurer”), which is located at 3000 Westhill Drive, Suite 303, Wausau, Wisconsin 54401. AAHPWI is a Wis. Stat. ch. 611 stock insurance corporation that is licensed as a Wisconsin health maintenance organization and is a fully-owned subsidiary of Arise Health Ventures, Inc. (“AHV”). AHV oversees the overall success of AAHPWI and enters into material agreements on behalf of AAHPWI. AHV also wholly owns Aspirus Arise Health Plan of Michigan, Inc. (“AAHPMI”); AAHPMI is not a health maintenance organization certified or licensed in Wisconsin as of the date of this Form A submission. Thus, this Form A filing information is for AAHPWI, in which the Applicant will acquire control after the purchase of AHV’s outstanding shares in AAHPWI (described in the paragraph below). Any relevant or incidental disclosure of AAHPMI is included in this Form A filing.

Currently, 50% of AHV is owned by Wisconsin Physicians Service Insurance Corporation, Inc. (“WPS”), and the other 50% of AHV is owned by Aspirus, Inc. (“Aspirus” or the “Applicant”). Aspirus intends to acquire control of AHV through the purchase of WPS’s 50% shares of capital in AHV pursuant to that certain Stock Transfer Agreement (the “Stock Transfer Agreement”) dated December 31, 2018, by and between Aspirus and WPS. A copy of the Stock Transfer Agreement is attached hereto as **Exhibit A**.

Pursuant to that Stock Transfer Agreement and subject to the approval of this Form A by the Wisconsin Office of the Commissioner of Insurance (the “Commissioner”) and any other regulatory approvals, Aspirus will ultimately acquire the power to control 100% of AHV’s shares of capital stock (the “Transaction” or the “Acquisition”). As a result of the Transaction, Aspirus will have 100% control of AAHPWI and AAHPMI.

These are certain key terms summarized for the Transaction:

- On or prior to December 31, 2018, Aspirus and WPS will execute the Stock Transfer Agreement, in which Aspirus is to acquire all of AHV’s outstanding shares of capital stock owned by WPS, and, as a result, hold all outstanding shares of AAHPWI.
- On December 31, 2018, certain AHV and AAHPWI board members and officers, who were previously designated by WPS, will resign from their respective positions and offices. AAHPWI and AHV will amend their respective articles of incorporation and bylaws at or after the closing date of the Acquisition to reflect any changes (see Item 5).
- After December 31, 2018, Aspirus shall control the operations of AHV and AAHPWI, in compliance with the Stock Transfer Agreement, Wisconsin law, and requirements under the agreements listed in Item 12.
- Upon submission of this Form A to the Commissioner, Aspirus, AHV, and WPS will work to provide the Commissioner any additional information required to obtain approval of the Transaction by February 28, 2019 (the “Closing”).
- The Closing is subject to closing conditions that are either customary for transactions of this nature, or otherwise suitable for this particular Transaction, including, without

limitation, conditions relating to the receipt of regulatory approvals (including approval of this Form A), accuracy at the Closing of certain representations and warranties made by the parties in the Stock Transfer Agreement, compliance with any pre-Closing covenants, and the delivery of certain closing documentation.

## **ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT**

### **(a) The Applicant**

The name and address of the Applicant is as follows:

Aspirus, Inc.  
2200 Westwood Drive  
Wausau, Wisconsin 54401

Except for headings and subheadings, Applicant will be referred to as Aspirus from herein.

### **(b) The Applicant's Business Operations**

Aspirus is a Wisconsin not-for-profit corporation. Aspirus is an integrated, community governed healthcare system. The integrated system includes hospitals and clinics in Wisconsin and the upper peninsula of Michigan. No individual person or persons has any rights to control the business or operations of Aspirus. Instead, Aspirus is governed by a Board of Directors (the "Aspirus Board"). The Aspirus Board has approved the proposed transaction as referenced in Exhibit B. Except for Item 5 in this Form A, Aspirus and its subsidiaries will continue to operate its existing facilities, employ their existing physicians and other healthcare professionals.

### **(c) The Applicant's Ownership Chart**

The chart attached as Exhibit C(1) lists the present identities of, and inter-relationships among, Aspirus and all known affiliates of Aspirus including AAHPWI. Additionally, the chart attached as Exhibit C(2) highlights the proposed post-acquisition identities of, and inter-relationship among, Aspirus and all known affiliates of Aspirus. Such charts in Exhibit C indicate the percentage of ownership interests, type of organization, and the state of domicile of each entity controlled by Aspirus. There are no court proceedings involving a reorganization or liquidation pending with respect to any such organization.

**ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT**

**(a) Identity of Officers, Directors, and Owners of 10% or more of the Voting Securities**

The following are the names and titles of the respective directors, executive officers, and owners of 10% or more of the voting securities of Aspirus, as of the effective date of the Acquisition.

<b>Name</b>	<b>Aspirus</b>
Graham Courtney	Director and Secretary
Kathy Kelsey Foley	Director
Joseph Fonti	Director
Matt Heywood	President and CEO
Sheri Lemmer	Director
Richard Poirier	Director and Vice Chair
Brian Prunty	Director
Matt Rowe	Director and Board Chair
Noel Sonnek, MD	Director
Kathy Strasser	Director and Treasurer

**(b) Biographical Affidavits and Authority for Release of Information**

The Biographical Affidavits and completed releases for the individuals identified above, as required by the Commissioner, are enclosed with this Form A under separate cover and are incorporated by reference into this Form A pursuant to Wis. Admin. Code § 40.12(1). These Biographical Affidavits are attached as Exhibit G.

**ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION**

**(a) Nature, source and amount of funds or other considerations used, or to be used.**

As set forth in Section 2 of the Stock Transfer Agreement, the aggregate price Aspirus will pay in consideration to WPS for purchase of WPS's 50% ownership interest in AHV is: 50% of the sum of the net book value of AHV as of December 31, 2018 plus a negotiated amount in cash; any capital contributions made by Aspirus unmatched by WPS in December 2018 will be subtracted from the net book value before the 50% of the sum of net book value as set forth in the preceding sentence (collectively, the "Purchase Price").

Aspirus will pay the Purchase Price in cash from funds on hand and investments held on Aspirus' balance sheet; no part of this consideration will be paid in borrowed funds.

**(b) Criteria used in determining the nature and amount of such consideration**

The nature and amount of the consideration to be paid by Aspirus was determined by arm’s-length negotiations between the parties. Both parties agreed negotiation should be based on net book value since AHV is a relatively young organization without an established history of earnings and a large number of insured lives. The additional cash consideration was valued at the work effort and costs realized by WPS to launch and grow AAHPWI through AHV. Both Aspirus and WPS were represented by independent legal advisors (Michael Best & Friedrich LLP and Husch Blackwell LLP).

**ITEM 5. APPLICANT'S FUTURE PLANS FOR THE INSURER**

As noted in Item 1, the directors and officers in the “Resignations” table below will resign on or by January 1, 2019. These directors will maintain their resignation subject to the Closing conditions in the Stock Transfer Agreement including the approval of this Form A. The directors and officers listed, in the “Directors and Officers after the Proposed Transaction” currently hold office, and any directors and officers to be appointed on or after January 1, 2019 are noted below with an asterisk (\*).

<b>Resignations</b>		
<b>Name</b>	<b>AHV</b>	<b>AAHPWI</b>
Michael Hamerlik	Vice Chair, Director	Chairman, Director
Cari Logemann	Secretary, Director	Director
John Stephens	Director	Secretary, Director
Matt Streiff	Director	Treasurer, Director

<b>Directors and Officers after the Proposed Transaction</b>		
<b>Name</b>	<b>AHV</b>	<b>AAHPWI</b>
Eric Anderson*	Secretary, Director	Director
Brett Davis	President	President
Matthew Heywood	Chairman, Director	Vice Chair, Director
Sidney Sczygelski	Treasurer, Director	Director

AAHPWI and AHV (by nature of its governance over AAHPWI) will amend at Closing its respective bylaws, articles of incorporation, and any other organizational documents to reflect any management changes. Any organizational documents stated in the preceding sentence are included in this Form A as **Exhibit B**.

Except as described above, Aspirus and AAHPWI have no current plans to declare an extraordinary dividend, liquidate AAHPWI, to sell any of AAHPWI’s assets outside of the ordinary course of business, to merge AAHPWI with any person or to make any material changes in AAHPWI’s business operations, corporate structure or management.

In the long term, Aspirus will intend to continue to grow AAHPWI's plan through operations of the plan and capital transfers from Aspirus. Any capital transfers will be subject to board approval and made in strict compliance with all applicable laws, regulation and accounting standards. Aspirus has attached additional details to its AAHPWI's business plan under Exhibit H.

**ITEM 6. VOTING SECURITIES TO BE ACQUIRED**

Pursuant to the Stock Transfer Agreement, Aspirus will acquire 50% of WPS outstanding shares of capital stock in AHV, which shall be a total of 500,000 shares of voting common stock. After the transaction, Aspirus will own 100% of outstanding shares of capital stock in AHV. As noted in Item 4, the terms and conditions of the Stock Transfer Agreement were arrived at through arms' length negotiations between Aspirus and WPS.

**ITEM 7. OWNERSHIP OF VOTING SECURITIES**

Other than as set forth in the Stock Transfer Agreement, neither Aspirus nor any of their affiliates or any of the persons listed in Item 3 has a beneficial interest in, or the right to acquire a beneficial interest in, the voting securities of AHV.

**ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER**

Aspirus, in its capacity as a 50% shareholder of AHV, is a party to a Shareholder Agreement with WPS dated May 10, 2016, (the "AHV Shareholder Agreement"). The AHV Shareholder Agreement imposes certain duties and obligations on Aspirus and WPS as shareholders of AHV. AHV as the sole shareholder of AAHPWI controls the governance and management of AAHPWI's business. AAHPWI's board controls the operations of the company. After the Acquisition, Aspirus will become the sole shareholder of AHV and the AHV Shareholder Agreement will be terminated upon Closing.

Except for the Stock Transfer Agreement and the AHV Shareholder Agreement, there are no contracts, arrangements or understandings directly or indirectly related to any voting securities of AHV to which Aspirus, its affiliates, or any person listed in Item 3 is a party, including, but not limited to: transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies.

**ITEM 9. RECENT PURCHASES OF VOTING SECURITIES**

There have been no direct or indirect purchases of any voting securities of AAHPWI by the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this Form A.

**ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE**

Except for the Stock Transfer Agreement, neither Aspirus, its affiliates or any person listed in Item 3, or to the knowledge of Aspirus, any other person based upon interviews or at the suggestion of Aspirus, its affiliates or any person listed in Item 3, has made any recommendations to others to acquire any shares of the voting securities of AAHPWI during the twelve calendar months preceding the filing of this Form A.

**ITEM 11. AGREEMENTS WITH BROKER-DEALERS**

There are no agreements, contracts or understandings with any broker-dealer as to the solicitation of voting securities of AAHPWI for tender.

**ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS**

**(a) Financial statements for Aspirus and AAHPWI and financial projections for AAHPWI are attached to this Form A, as Exhibit D or Exhibit H, as noted below.**

<b>Title</b>	<b>Exhibit</b>
Financial Projections for AAHPWI	D(1) and H
AAHPWI's Audited Financial Statements	D(2)
Aspirus Previous Five (5) Fiscal Years Financial Statements	D(3)
AHV's Audited Financial Statements	D(4)

**(b) All tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material related to Acquisition**

None.

**(c) Proposed employment, consultation, advisory or any management contracts concerning AAHPWI, as noted below.**

AHV has entered into the agreements on its own behalf and on behalf of AAHPWI and AAHPMI. The table below lists these agreements, the dated these agreements have been signed, and its reference in **Exhibit E**.

<b>Agreements concerning AAHPWI</b>	<b>Exhibit</b>
Amended and Restated Administrative and Management Services Agreement Between WPS and AHV (on behalf of AAHPWI and AAHPMI) Signed 12/31/2018	E(1)
Administrative and Management Services Agreement Between WPS and AHV (on behalf of AAHPWI and AAHPMI) Signed 03/31/2016	E(2)

<b>Agreements concerning AAHPWI</b>	<b>Exhibit</b>
Amendment 1 to the Administrative and Management Services Agreement Between Aspirus Network Inc. (a wholly-owned subsidiary of Aspirus) and AHV (on behalf of AAHPWI and AAHPMI) Signed 02/21/2017	E(3)
Administrative and Management Services Agreement (“AMSA”) Between Aspirus Network Inc. (a wholly-owned subsidiary of Aspirus) and AHV (on behalf of AAHPWI and AAHPMI). Signed 12/22/2016	E(4)
Amendment 3 to the Statement of Work Between WPS and AHV (on behalf of AAHPWI and AAHPMI) Signed 12/31/2018	E(5)
2020 Statement of Work Between WPS and AHV (on behalf of AAHPWI and AAHPMI) Effective 01/01/2020	E(6)
Amendment 2 and Amendment 1 to the Statement of Work Between WPS and AHV (on behalf of AAHPWI and AAHPMI) Amend. 2 Signed 01/02/2018; Amend. 1 Signed 02/16/2017	E(7)
Statement of Work Between WPS and AHV (on behalf of AAHPWI and AAHPMI) Effective 01/26/2017	E(8)
Delegation of Quality Management and Improvement, and Member Connections Agreement Between AAHPWI and Aspirus Network, Inc. (a wholly-owned subsidiary of Aspirus) Signed 11/17/2016	E(9)
Delegation of Quality Management and Improvement, Network Management, Utilization Management, Members’ Rights and Responsibilities, and Member Connections Agreement Between AAHPWI and WPS Health Plan Inc. (“WPSHP”) Signed 11/30/2016.	E(10)
Amendment No. 1 of Delegation of Quality Management and Improvement, and Member Connections Agreement Between AAHPWI and Aspirus Network, Inc. (a wholly-owned subsidiary of Aspirus) Signed 1/09/2017	E(11)
Amendment No. 1 of Delegation of Quality Management and Improvement, and Member Connections Agreement Between AAHPWI and WPS Signed 1/06/2017	E(12)
Investment Agreement Between Aspirus, WPS, and AHV Signed 05/10/2016	E(13)
Confidentiality, Non-Compete, And Retention Bonus Agreement Between Aspirus, Inc. and Brett Davis Signed 11/19/2018	E(14)



<b>Agreements concerning AAHPWI</b>	<b>Exhibit</b>
██ Between WPS and AHV (on behalf of AAHPWI and AAHPMI) Signed December 31, 2018	E(15)
██ Between WPS and AHV (on behalf of AAHPWI and AAHPMI) Signed December 20, 2016	E(16)

**(d) Annual reports to the stockholders for the last 2 fiscal years.**

Neither Aspirus nor AAHPWI provide annual reports for each of their respective stockholders. AAHPWI has provided budget presentations to the Aspirus Finance Committee and the AHV Board for the years listed below. These reports are under **Exhibit F**.

<b>Entity</b>	<b>Exhibit</b>
2019 Budget Presentation to Aspirus Finance Committee from AAHPWI	F(1)
2018 Budget Presentation to Board of Directors of AAHPWI from AAHPWI	F(2)

**(e) Summary of all Exhibits attached to this Form A:**

<b>Summary of Exhibits</b>	
Exhibit A	Stock Transfer Agreement
Exhibit B	Organizational Documents
Exhibit C	Applicant's Organizational Chart Pre/Post-Acquisition
Exhibit D	Financial Information of Aspirus and AAHPWI
Exhibit E	Employment, Consultation, and Management Agreements concerning AAHPWI
Exhibit F	Budget Presentations to Aspirus and AAHPWI
Exhibit G	Biographical Affidavits
Exhibit H	Applicant's Business Plan and Financial Projections of AAHPWI

**CONFIDENTIAL:** Certain Exhibits or sections of such Exhibits included in this Form A are filed subject to a request for CONFIDENTIAL treatment and an exception under the public records law. See the December 31, 2018 letter from Michael Best & Friedrich LLP to Michael Mancusi-Ungaro of the Office of the Commissioner.

<b>CONFIDENTIAL Exhibits</b>	
Exhibit A	Stock Transfer Agreement [partial treatment]
Exhibit B	Organizational Documents [partial treatment]
Exhibit D	Financial Information of Aspirus and AAHPWI
Exhibit E	Employment, Consultation, and Management Agreements concerning AAHPWI
Exhibit F	Budget Presentations to Aspirus and AHV
Exhibit G	Biographical Affidavits
Exhibit H	Applicant's Business Plan and Financial Projections of AAHPWI

**ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT**

Applicant agrees to provide, to the best of its knowledge and belief, the information required by form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

**ITEM 14. SIGNATURE AND CERTIFICATION**

Pursuant to the requirements of ch. Ins 40, Wis. Adm. Code, Aspirus, Inc. have caused this application to be duly signed on their behalf in the City of Wausau and State of Wisconsin on the 28th day of December, 2018.

**Aspirus, Inc.**

[Redacted Signature]

(Signature of Officer)

Senior VP of Finance / CFO

(Title)

**Attest:**

[Redacted Signature]

(Signature of Officer)

Assistant Secretary, Aspirus, Inc.

(Title)

**Certification**

The undersigned deposes and says that (s)he has duly executed the attached application dated December 28, 2018 for and on behalf of Aspirus, Inc.; that (s) he is the CFO of such company and Aspirus, Inc. (Name of Applicant) that (s) he is authorized to execute and file such instrument. Deponent further says that (s) he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

[Redacted Signature]

(Signature)

Sidney C. Sczygelbski

(Type or Print Name)

STATE OF WISCONSIN  
COUNTY OF MARATHON

The foregoing instrument was subscribed and sworn before me this 28 day of December, 2018.

[Redacted Signature]

(Signature)

STELLA A. ROUWIG

(Type or Print Name)

My Commission Expires: 08/09/2019

**Exhibit A**

**Stock Transfer Agreement**

Certain provisions and sections of this Stock Transfer Agreement have been filed in a separate confidential supplement to the Form A subject to a request for CONFIDENTIAL treatment and an exception under the public records law. See the December 31, 2018 letter from Michael Best & Friedrich LLP to Michael Mancusi-Ungaro of the Office of the Commissioner.

STOCK TRANSFER AGREEMENT

THIS STOCK TRANSFER AGREEMENT (this "Agreement"), effective as of December 31, 2018 (the "Effective Date"), is entered into between Wisconsin Physicians Service Insurance Corporation, a Wisconsin service insurance corporation (the "Seller"), Aspirus, Inc., a Wisconsin non-profit corporation (the "Buyer"), and Arise Health Ventures, Inc., a Wisconsin corporation (the "Company").

WHEREAS, Seller holds ten thousand (10,000) shares of common stock, representing fifty percent (50%) of the total outstanding shares of the Company (the "Shares") and Buyer holds ten thousand (10,000) shares of common stock, representing fifty percent (50%) of the total outstanding shares of the Company which, together with Seller, represents all of the outstanding shares of capital stock of the Company;

WHEREAS, Seller wishes to sell to Buyer, and Buyer wishes to purchase from Seller, all of the Shares, subject to the terms and conditions set forth herein; and

WHEREAS, the Company owns and operates Aspirus Arise Health Plan of Wisconsin, Inc. ("AAHPW"), an insurance company licensed to do business in Wisconsin.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Purchase and Sale. Subject to the terms and conditions set forth herein, on the Closing Date (as defined in Section 2), Seller shall sell, transfer and assign to Buyer, and Buyer shall purchase from Seller, all of Seller's right, title and interest in and to the Shares.

2. Purchase Price. The purchase price for the Shares shall be as follows:

(a) Initial Purchase Price. The initial purchase price to be paid by Buyer for the Shares shall be an amount equal to (a) fifty percent (50%) of the difference of (i) net book value, calculated in accordance with Generally Accepted Accounting Principles, as of the Effective Date minus (ii) the amount of any capital contributions made by Buyer after December 1, 2018 but before the date of Closing (as defined in Section 3) (the "Closing Date") which are not matched by Seller, plus (b) [REDACTED] Dollars [REDACTED] (the "Initial Purchase Price"), subject to adjustment as set forth herein, and payable in cash by wire transfer on the Closing Date.<sup>1</sup>

(b) Purchase Price Adjustment. The Initial Purchase Price shall be adjusted as follows:

(i) Risk Adjustment. [REDACTED]

[REDACTED]

(ii) Final Reconciliation of 2018 Claims.

[REDACTED]

(iii) Final Reconciliation of Legal Liabilities.

[REDACTED]

(iv) Cost Sharing Reduction (CSR) Payments.

[REDACTED]

(v) Resolution of Disputes.

[REDACTED]

3. Closing. Subject to the terms and conditions contained in this Agreement, including satisfaction of the terms set forth in Section 4 and Section 5 herein, the purchase and sale of the Shares contemplated

hereby shall take place electronically on or before February 28, 2019, subject to the completion of the closing condition set forth in Section 4 (the “Closing”). At the Closing, Seller shall deliver to Buyer a stock certificate or certificates evidencing the Shares, free and clear of all Encumbrances (as defined herein), duly endorsed in blank or accompanied by stock powers or other instruments of transfer duly executed in blank (the “Stock Certificate”), and Buyer shall deliver to Seller the Purchase Price as set forth in Section 2.

4. Closing Condition. The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to approval by the Wisconsin Office of the Commissioner of Insurance (“OCI”) of the transactions contemplated by this Agreement, including the release of the Seller from the guarantee of the capital of the Company in favor of OCI. The parties shall have received all other consents, authorizations, orders and approvals from all applicable Governmental Authorities (as defined in Section 8(a)), in form and substance reasonably satisfactory to Buyer and Seller, and no such consent, authorization, order and approval shall have been revoked. Each party shall have delivered to the other parties’ satisfaction those closing deliverables set forth in Section 5.

5. Closing Deliverables.

(a) At the Closing, Buyer shall deliver to Seller the following items and documents, which documents shall be, in each case, duly executed or otherwise in proper form:

(i) That portion of the Purchase Price set forth in Section 2(a).

(ii) A certificate, dated the Closing Date and signed by a duly authorized officer of Buyer, that each of the following conditions have been satisfied:

(1) The representations and warranties of Buyer in Section 7 hereof are true and correct on and as of the Closing Date with the same effect as though made at and as of such date;

(2) Buyer has performed and complied in all material respects with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or on the Closing Date; and

(3) Buyer has obtained any and all consents, permits, approvals, registrations and waivers necessary or appropriate for consummation of the transactions contemplated herein.

(iii) a certificate of the Secretary (or equivalent officer) of Buyer certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Buyer authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby.

(iv) An executed Amended and Restated Administrative and Management Services Agreement between the Company and Seller dated December 31, 2018, but effective as of the Closing together with all attachments, addenda, and documents referenced therein, and including the 2017 SOW and 2020 SOW as described below (the “Amended and Restated AMSA”), amends, restates, and replaces that certain Administrative and Management Services Agreement between Company and Seller dated March 31, 2016. The Statement of Work between Company and Seller dated January 1, 2017, as amended (including addenda) (collectively, the “2017 SOW”) is hereby incorporated by reference into the Amended and Restated AMSA for the period commencing on December 31, 2018 and terminating on December 31, 2019. The Statement of Work between the parties effective as of January 1, 2020, and all

of its attached appendices (the "2020 SOW"), are hereby incorporated by reference into the Amended and Restated AMSA, and shall replace the 2017 SOW commencing on January 1, 2020. The executed Amended and Restated AMSA shall be substantially in the form of Exhibit A.

(v) An executed amendment to that Trademark License Agreement among Buyer, Company and WPS Health Plan, Inc. dated May 10, 2016 (the "**Trademark Amendment**"). The executed Trademark Amendment shall be substantially in the form of Exhibit B.

(vi) An executed amendment to that [REDACTED] between the parties effective December 20, 2016 [REDACTED] in the form of Exhibit C.

(b) At the Closing, Seller shall deliver to Buyer the following items and documents, which documents shall be, in each case, duly executed or otherwise in proper form:

(i) A certificate, dated the Closing Date and signed by a duly authorized officer of Seller, that each of the following conditions have been satisfied:

(1) the representations and warranties of Seller in Section 6 hereof are true and correct on and as of the Closing Date with the same effect as though made at and as of such date;

(2) Seller has performed and complied in all material respects with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or on the Closing Date; and

(3) Seller has obtained any and all consents, permits, approvals, registrations and waivers necessary or appropriate for consummation of the transactions contemplated herein.

(ii) A certificate of the Secretary (or equivalent officer) of Seller certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Seller authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby.

(iii) The executed Amended and Restated AMSA substantially in the form of Exhibit A.

(iv) The executed Trademark Amendment substantially in the form of Exhibit B.

(v) The executed [REDACTED] substantially in the form of Exhibit C.

(vi) The Stock Certificate.

(c) The Company shall deliver to Buyer and Seller a copy of the documentation evidencing OCI's approval of the transactions contemplated by this Agreement. The Company shall deliver to Buyer and Seller a copy of the fully executed written consent of the Company's Board of Directors, approving the transactions contemplated by this Agreement.

6. Representations and Warranties of Seller. [REDACTED]



[REDACTED] Seller hereby represents and warrants to Buyer that as of the Effective Date:

(a) Seller is a service insurance corporation duly organized, validly existing and in good standing under the laws of the State of Wisconsin.

(b) Seller has all requisite power and authority to execute and deliver this Agreement, to carry out its obligations hereunder, and to consummate the transactions contemplated hereby. Seller has obtained all necessary corporate approvals for the execution and delivery of this Agreement, the performance of its obligations hereunder, and the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by Seller and (assuming due authorization, execution and delivery by Buyer) constitutes Seller's legal, valid and binding obligation, enforceable against Seller in accordance with its terms.

(c) The Shares represent Seller's entire ownership interest in the Company. The Shares are free and clear of all liens, pledges, security interests, charges, claims, encumbrances, agreements, options, voting trusts, proxies and other arrangements or restrictions of any kind ("**Encumbrances**"). Upon Seller's delivery of the Stock Certificate to Buyer, Buyer shall own all of the Shares, free and clear of all Encumbrances.

(d) The execution, delivery and performance by Seller of this Agreement do not conflict with, violate or result in the breach of, or create any Encumbrance on the Shares pursuant to any agreement, instrument, order, judgment, decree, law or governmental regulation to which Seller is a party or is subject or by which the Shares are bound.

(e) Except for the Closing Condition set forth in Section 4 and other approvals that have been obtained, no governmental, administrative or other third party consents or approvals are required by or with respect to Seller in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(f) [REDACTED]

(g) To Seller's Knowledge, the Form A dated December 31, 2018 which Seller has reviewed and which Buyer will submit to the OCI on the Effective Date contains financial statements of the Company, AAHPW and Seller prepared in accordance with GAAP.

(h) [REDACTED]

(i) [REDACTED]

[REDACTED]

(k) [REDACTED]

7. Representation and Warranties of Buyer.

(a) Buyer is a non-stock corporation duly organized, validly existing and in good standing under the laws of the State of Wisconsin.

(b) Buyer has all requisite power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by Buyer of this Agreement, the performance by Buyer of its obligations hereunder and the consummation by Buyer of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and (assuming due authorization, execution and delivery by Seller) this Agreement constitutes a legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms.

(c) Buyer is acquiring the Shares solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. Buyer acknowledges that the Shares are not registered under the Securities Act of 1933, as amended, or any state securities laws, and that the Shares may not be transferred or sold except pursuant to the registration provisions of the Securities Act of 1933, as amended or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable. Buyer has had the opportunity to visit with the Company and meet with the officers of the Company and other representatives to discuss the business, assets, liabilities, financial condition and operations of the Company, has received all materials, documents and other information that Buyer deems necessary or advisable to evaluate the Company and the Shares and has made its own independent examination, investigation, analysis and evaluation of the Company and the Shares, including its own estimate of the value of the Shares. Buyer has undertaken such due diligence (including a review of the properties, liabilities, books, records and contracts of the Company) as Buyer deems adequate. Buyer has had the opportunity to visit with the Company and meet with the officers of the Company and other representatives to discuss the business, assets, liabilities, financial condition and operations of the Company, has received all materials, documents and other information that Buyer deems necessary or advisable to evaluate the Company and the Shares and has made its own independent examination, investigation, analysis and evaluation of the Company and the Shares, including its own estimate of the value of the Shares. Buyer has undertaken such due diligence (including a review of the properties, liabilities, books, records and contracts of the Company) as Buyer deems adequate.

(d) Except for the Closing Condition set forth in Section 4, no governmental, administrative or other third party consents or approvals are required by or with respect to Buyer in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(e)

(f) Buyer has sufficient cash on hand or other sources of immediately available funds to enable it to make payment of the Purchase Price and consummate the transactions contemplated by this Agreement.

(g) Buyer has conducted its own independent investigation, review and analysis of the business, results of operations, prospects, condition (financial or otherwise) or assets of the Company, and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of the Company for such purpose. Buyer acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer has relied solely upon its own investigation and the express representations and warranties of Seller set forth in Section 6 of this Agreement; and (b) none of Seller or any other person has made any representation or warranty as to Seller, the Company, the Shares or this Agreement, except as expressly set forth in Section 6 of this Agreement.

8. Pre-Closing Covenants.

(a) Governmental Approvals.

[Redacted]

(b) Business Operations.

[Redacted]

(c) Best Efforts; Reasonable Assurances.

[Redacted]

[REDACTED]

(d) Ordinary Course of Business.

[REDACTED]

(e) Board of Directors.

[REDACTED]

9. Post-Closing Covenants.

(a) Director and Officer Indemnification and Insurance.

(i)

[REDACTED]

(ii)

[REDACTED]

[REDACTED]

(iii)

[REDACTED]

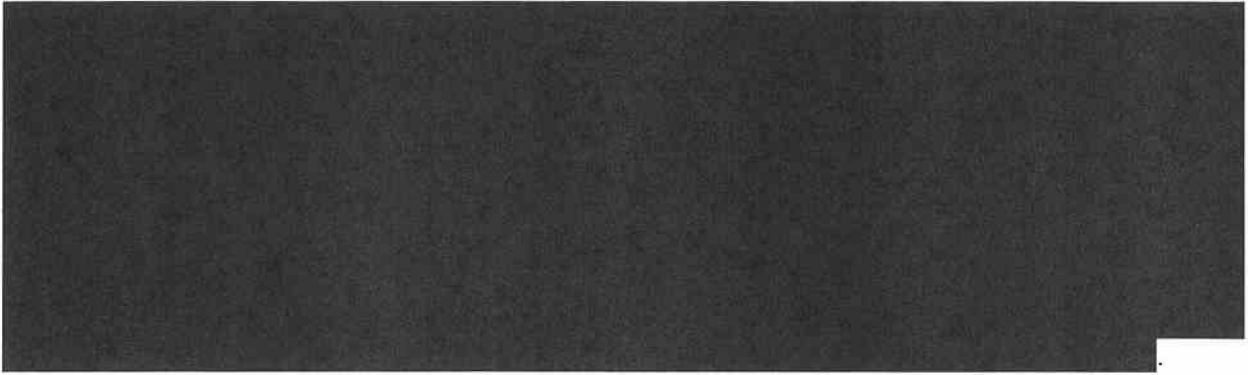
[REDACTED]

(b) Books and Records

[REDACTED]

(c) Confidential Information.

[REDACTED]



(d) Business Operations. Following Closing, Seller shall have no further obligations to the Company except as specifically set forth herein.

(e) Brand Licensing. [Redacted]  
[Redacted].

(f) Non-Competition.

(i) By Seller. [Redacted]  
[Redacted].

(ii) By Company. [Redacted]  
[Redacted].

(iii) [Redacted]  
[Redacted].

(g) Non-Solicitation.

(i) [Redacted]  
[Redacted].

[REDACTED]

(ii)

[REDACTED]

(iii) Nothing in this Section 9(g) shall prevent a party from (a) hiring an employee of another party who responds to a general public employment advertisement, or (b) soliciting an employee of another party after receiving prior written consent from such party.

(h) Best Efforts; Reasonable Assurances.

[REDACTED]

10. Survival. All representations, warranties and covenants contained herein shall survive the execution and delivery of this Agreement and the Closing hereunder.

11.

[REDACTED]

12. Payments and Contributions Related to the Investment Agreement.

[REDACTED]

13. No Right of Offset.

[REDACTED]

14. No Double Recovery. No provision of this Agreement shall be construed to provide an indemnity or other recovery for any costs, damages, or other amounts for which the damaged party has been fully compensated under any other provision of this Agreement or under any other agreement between the parties or between a third party, or action at law or equity.

15. Further Assurances. Following the Closing, each party hereto (as applicable) shall execute and deliver such additional documents, instruments, conveyances and assurances, and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

16. Termination. This Agreement may be terminated at any time prior to the Closing (a) by the mutual written consent of Buyer and Seller or (b) by either Buyer or Seller if a breach of any provision of this Agreement has been committed by the other party and such breach has not been cured within five (5) business days following receipt by the breaching party of written notice of such breach. Upon termination, all further obligations of the parties under this Agreement shall terminate without liability of any party to the other parties to this Agreement, except that no such termination shall relieve any party from liability for any fraud or willful breach of this Agreement.

17. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a “**Notice**”) shall be in writing and addressed to the parties at the addresses set forth on the first page of this Agreement (or to such other address that may be designated by the receiving party from time to time in accordance with this Section 16). All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile or e-mail of a PDF document (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) upon receipt by the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section 16.

18. Entire Agreement. This Agreement constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

19. Successor and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may assign any of its rights or obligations hereunder without the prior written consent of the other parties hereto, which consent shall not be unreasonably withheld or delayed.

20. Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

21. Expenses. Buyer and Seller will each bear their own legal and administrative fees and expenses in connection with this Agreement and the transactions contemplated hereby.



22. Publicity. Except as otherwise required by law, press releases concerning the transactions should be made only with the Company's, Seller's and Buyer's prior agreement.

23. Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

24. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

25. Governing Law; Submission to Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Wisconsin without giving effect to any choice or conflict of law provision or rule (whether of the State of Wisconsin or any other jurisdiction). Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby shall exclusively be instituted in the United States District Court for the Western District of Wisconsin or the courts of the State of Wisconsin, in each case located in Dane County or Marathon County, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

26. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

**Aspirus, Inc.**

By \_\_\_\_\_

Name: Matthew F. Heywood  
Title: President and CEO

**Wisconsin Physicians Service  
Insurance Corporation**

By \_\_\_\_\_

Name:  
Title:

*For purposes of Sections 5(c), 9(a),  
9(e), 9(f), 9(g), 10, 11 and 12 only:*

**Arise Health Ventures, Inc.**

By \_\_\_\_\_

Name: Brett Davis  
Title: President and CEO

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

**Aspirus, Inc.**

By \_\_\_\_\_

Name:

Title:

**Wisconsin Physicians Service  
Insurance Corporation**

By \_\_\_\_\_

Name: Vicki Bernard's

Title: CFO

*For purposes of Sections 5(c), 9(a),  
9(e), 9(f), 9(g), 10, 11 and 12 only:*

**Arise Health Ventures, Inc.**

By \_\_\_\_\_

Name:

Title:

List of Exhibits

Exhibit A: Amended and Restated AMSA, in Final Form

Exhibit B: Trademark Amendment, in Final Form

Exhibit C: [REDACTED], in Final Form

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[REDACTED]

## **Exhibit B**

### **Organizational Documents for AAHPWI, AHV, and Aspirus**

The documents listed with [confidential] have been filed in a separate confidential supplement to the Form A subject to a request for CONFIDENTIAL treatment and an exception under the public records law. See the December 31, 2018 letter from Michael Best & Friedrich LLP to Michael Mancusi-Ungaro of the Office of the Commissioner.

- **B(1): AHV's Articles of Incorporation**
- **B(2): AHV's Bylaws [confidential]**
- **B(3): AAHPWI Articles of Incorporation**
- **B(4): AAHPWI Bylaws [confidential]**
- **B(5): Resolutions by Aspirus Board for Proposed Transaction [confidential]**
- **B(6): Unanimous Written Consent by AHV Board for Proposed Transaction [confidential]**
- **B(7): AHV's Proposed Bylaws after Closing [confidential]**
- **B(8): AAHPWI's Proposed Bylaws after Closing [confidential]**



State of Wisconsin  
Department of Financial Institutions

**ARTICLES OF INCORPORATION - STOCK FOR-PROFIT CORPORATION**

Executed by the undersigned for the purpose of forming a Wisconsin Stock For-Profit Corporation under Chapter 180 of the Wisconsin Statutes:

Article 1. **Name of the corporation:**

Arise Health Ventures, Inc.

Article 2. **The corporation is organized under Ch. 180 of the Wisconsin Statutes.**

Article 3. **Name of the initial registered agent:**

Christine Witherill

Article 4. **Street address of the initial registered office:**

1717 W. Broadway  
Madison, WI 53713  
United States of America

Article 5. **Number of shares of stock the corporation shall be authorized to issue:**

**Number of Shares Authorized:** 500,000

**Class:** Common

**Par Value Per Share:** \$.01

Article 6. **Name and complete address of each incorporator:**

Wisconsin Physicians Service Insurance Corporation  
1717 W. Broadway  
Madison, WI 53713  
United States of America

Other provisions (optional). (No other provisions declared.)

Other Information. **This document was drafted by:**

Tyler Kattre

**Incorporator signature:**

Christine Witherill

(Signing on behalf of Wisconsin Physicians Service Insurance Corporation)

**Date & Time of Receipt:**

8/4/2015 3:32:07 PM

**Order Number:**

201508044411396

**ARTICLES OF INCORPORATION - Wisconsin Stock For-Profit Corporation (Ch. 180)**



Filing Fee: \$100.00  
Expedite Fee: \$25.00  
**Total Fee: \$125.00**

**ENDORSEMENT**

**State of Wisconsin  
Department of Financial Institutions**

EFFECTIVE DATE	
8/4/2015	

<b>FILED</b> 8/5/2015	
	Entity ID Number A076561



**ARTICLES OF INCORPORATION**  
**OF**  
**ASPIRUS ARISE HEALTH PLAN OF WISCONSIN, INC.**  
(a Wisconsin Insurance Corporation)  
(d/b/a ASPIRUS ARISE)

These Articles of Incorporation are executed by the undersigned for the purpose of forming a Wisconsin corporation under Chapter 611 of the Wisconsin Statutes.

Article I. *Name and Incorporation.* The name of the corporation is Aspirus Arise Health Plan of Wisconsin, Inc., d/b/a Aspirus Arise. This Corporation (the "Corporation") is incorporated under Chapter 180 and organized under Chapter 611 of the Wisconsin Statutes.

Article II. *Purposes.* The purposes for which the Corporation is organized are to engage in the business of insurance, business reasonably incidental to its insurance business, and any other lawful activity within the purposes for which a corporation may be organized under Chapter 611 of the Wisconsin Statutes, subject to the limitations of Chapter 610.21 of the Wisconsin Statutes.

Article III. *Shares.* The corporation shall have one class of shares, known as "common," that has unlimited voting rights and that is entitled to receive the net assets of the corporation upon liquidation. The aggregate number of shares which the corporation shall have authority to issue is one million (1,000,000), and the par value is \$.01 per share.

Article IV. *Principal Office.* The principal office of the corporation is located at 1800 Westwood Center Blvd., Wausau WI 54401, and its initial registered agent is Christine M. Witherill, Wisconsin Physicians Service Insurance Corporation, 1717 West Broadway, Madison, WI 53713.

Article V. *Incorporator.* The Incorporator is Arise Health Ventures, Inc., whose address is 1800 Westwood Center Blvd., Wausau WI 54401 .

Dated this 28 day of September, 2015.

**ARISE HEALTH VENTURES, INC.**

BY: 

Print Name: Thomas R Nelson

Title: President

Please return to: Christine M. Witherill  
Vice President and Deputy General Counsel  
Wisconsin Physicians Service Insurance Corporation

Exhibit C

**Exhibit C(1): Pre-Acquisition Chart of Aspirus**

# Organization Structure

**ASPIRUS, INC.**

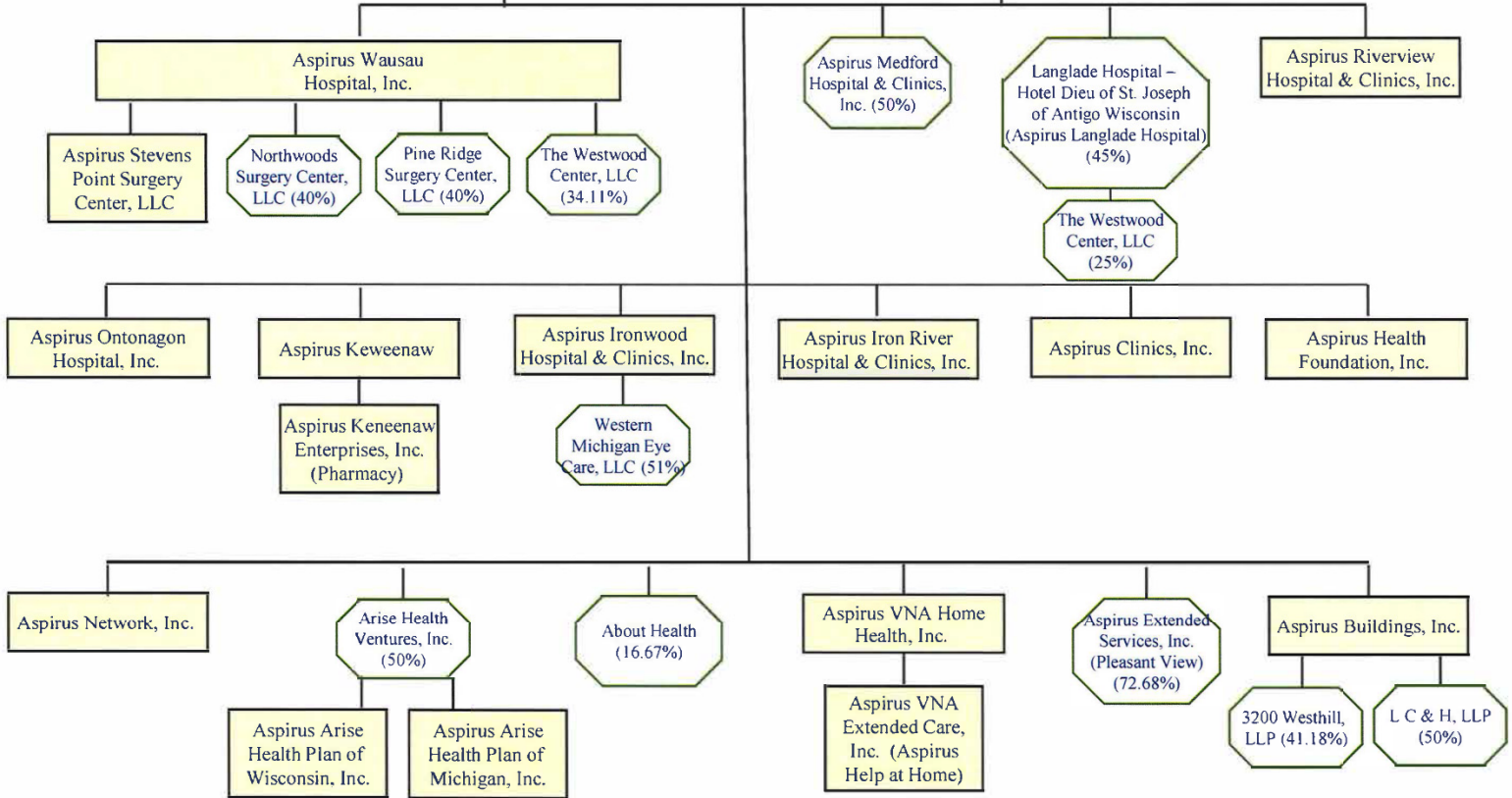
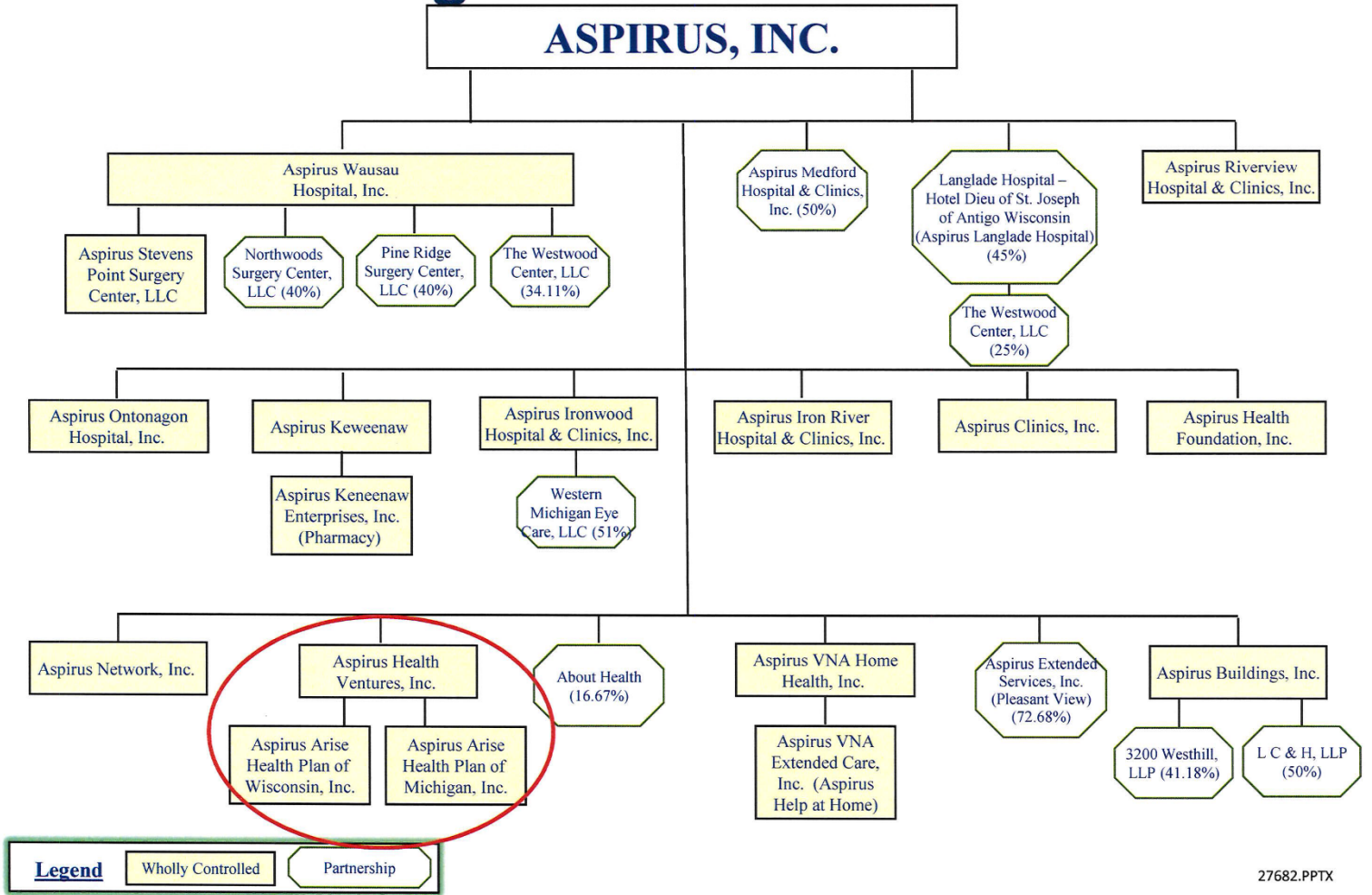


Exhibit C(2): Post-Acquisition Chart of Aspirus

# Organization Structure



## **Exhibit D**

### **Financial Information**

The documents listed with [confidential] have been filed in a separate confidential supplement to the Form A subject to a request for CONFIDENTIAL treatment and an exception under the public records law. See the December 31, 2018 letter from Michael Best & Friedrich LLP to Michael Mancusi-Ungaro of the Office of the Commissioner.

**Exhibit D(1): Aspirus Previous Five (5) Fiscal Years Financial Statements [confidential]**

**Exhibit D(2): AAHPWI's Audited Financial Statements [confidential]**

**Exhibit D(3): Financial Projections of AAHPWI [confidential]**

**Exhibit D(4): AHV's Audited Financial Statements [confidential]**

## **Exhibit E**

### **Employment, Consultation, and Management Agreements concerning AAHPWI**

All agreements in **Exhibit E** have been filed in a separate confidential supplement to the Form A subject to a request for CONFIDENTIAL treatment and an exception under the public records law. See the December 31, 2018 letter from Michael Best & Friedrich LLP to Michael Mancusi-Ungaro of the Office of the Commissioner.

**Exhibit F**

**Budget Presentations to Aspirus and AHV**

Both budget presentations listed in **Exhibit F** have been filed in a separate confidential supplement to the Form A subject to a request for CONFIDENTIAL treatment and an exception under the public records law. See the December 31, 2018 letter from Michael Best & Friedrich LLP to Michael Mancusi-Ungaro of the Office of the Commissioner.

## **Exhibit G**

### **Biographical Affidavits**

The biographical affidavits in **Exhibit G** have been filed in a separate confidential supplement to the Form A subject to a request for CONFIDENTIAL treatment and an exception under the public records law. See the December 31, 2018 letter from Michael Best & Friedrich LLP to Michael Mancusi-Ungaro of the Office of the Commissioner.



## **Exhibit H**

### **Aspirus' Business Plan and Financial Projections for AAHPWI**

Aspirus' Business Plans and Financial Projections for AAHPWI have been filed in a separate confidential supplement to the Form A subject to a request for CONFIDENTIAL treatment and an exception under the public records law. See the December 31, 2018 letter from Michael Best & Friedrich LLP to Michael Mancusi-Ungaro of the Office of the Commissioner.