

July 23, 2013

Kristin L. Forsberg, CPA, CFE  
Insurance Financial Examiner/Licensing Specialist  
Office of the Wisconsin Commissioner of Insurance  
125 South Webster Street, 2<sup>nd</sup> Floor  
Madison, Wisconsin 53703-3474

Re: Form A-- Acquisition of Control of Dean Health Insurance,  
Inc. ("DHI") and Dean Health Plan, Inc. ("DHP") by SSM  
Health Care Corporation and FPP, Inc.

Dear Ms. Forsberg:

Set forth below are responses to your follow-up inquiries to the above-referenced Form A, transmitted to the undersigned on July 11, 2013.

1. Shareholder Resolution: Please provide a certified copy of the DHS shareholder resolution approving the Merger Agreement.

*Response: Attached is a copy of the certified summary Proxy Ballot, showing the form of Proxy Ballot by which the DHS shareholders approved the Merger at a meeting held on May 21, 2013, and certifying the final voting tally. Note that the 297 Class S-1 Shares constituted 5% of the total voting power of all outstanding stock. We have redacted references to certain other actions taken at the meeting not directly related to approval of the Merger Agreement.*

2. Merger Consideration: In Item 4, the Form A filing states: "The Applicants have sufficient cash on hand to pay the Merger Consideration without having to borrow from third parties, and the Merger Agreement contains no financing contingency. Notwithstanding that fact, SSM does intend to replenish its cash reserves through a short term loan facility of up to \$[REDACTED] from Citibank, N.A." In addition, Item 4 provided a calculation of the Estimated Merger Consideration (estimated to be \$[REDACTED]).

In Exhibit 13 to the Form A filing (Consolidated Balance Sheets), the Applicants reported current assets totaling \$1.08B (including \$131.5M cash and short-term investments).

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- a) Please identify the specific source of funds (including the anticipated amount from each source) that will be used to effect the proposed transaction (including the amount of anticipated borrowing under the short-term facility to replenish the cash reserves).

Response: *The amount of funds necessary to complete the closing is estimated to be \$ [REDACTED], as indicated on Schedule 3.01(e) to the Merger Agreement (see Tab 3 of the June 18, 2013 filing). SSM Health Care Corporation anticipates borrowing \$ [REDACTED] under the new bridge loan facility and liquidating \$ [REDACTED] of short-term investments in order to effect the proposed transaction.*

- b) The Term Sheet for the Citibank short-term loan facility indicates a proposed maturity date of 9-months from the closing date. What are the Applicant's contingency plans in the event additional time will be needed to repay the loan?

Response: *The Applicants plan to repay the short term facility with proceeds borrowed from the issuance of tax-exempt bonds in either the Fall of 2013 or the Spring of 2014. In the event of disruption in the tax-exempt bond markets that would prevent a bond issue, the Applicants would either renew or extend the maturity of the bridge loan facility by means of a private placement of debt or would repay the bridge loan facility by liquidating a portion of the Applicants' long-term investments (which as of December 31, 2012 were in the amount of \$1.6 billion, as reflected in Footnote 6 of the audited financial statements of the Applicants for 2012 in Tab 12 of the June 18, 2013 filing).*

3. 2012/2011 Consolidated Financial Statements:

- a) The SSM Consolidated Financial Statements, as of and for the years ended December 31, 2012 and 2011, were missing page 33. Please provide a copy of the missing page 33.

Response: *Page 33 is attached hereto.*

- b) In Note 10 (Debt), it states: "SSMHCC is a member of the SSM Health Care Credit Group (Credit Group) and the only Obligated Group Member pursuant to a Master Trust Indenture (amended and restated) dated May 15, 1998...Certain of SSMHC's affiliates are "Designated Affiliates" under the Master Trust Indenture. The net assets of the Designated Affiliates are available to SSMHCC to service all obligations under the Master Trust Indenture." Please discuss:

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- i. Will DHI and DHP be "Designated Affiliates" under the Master Trust Indenture?

Response: *Dean Health Insurance, Inc. and Dean Health Plan, Inc. will not be Designated Affiliates under the SSM Health Care Master Trust Indenture.*

- ii. If yes, will there be any guarantees/agreements in place to ensure that, in the event DHI and DHP net assets are used to service obligations under the Master Trust Indenture, DHI and DHP's capital and surplus will not be adversely impacted, and will continue to meet Wisconsin's statutory capital and surplus requirements for insurers at all times?

Response: *N/A*

4. Employee Benefit Plan: It is our understanding that SSMHC administers several qualified and nonqualified pension plans for its employees. Please discuss:

- i. Under federal law, if SSMHC has not made the minimum required contributions with respect to the employee benefit plans it administers, will DHI and DHP be contingently liable, jointly and severally with all other members of the controlled group, to make such contributions?

Response: *SSM Health Care maintains three principal qualified defined benefit pension plans and several nonqualified plans. The defined benefit plans are church plans as defined under Internal Revenue Code Section 414(e) and ERISA Section 3(33) and as such are not subject to any federal or state minimum funding requirement. The nonqualified plans are top-hat/church plans and are also exempt from the Code and ERISA's minimum funding requirement. Consequently, neither Dean Health Insurance, Inc. nor Dean Health Plan, Inc. will become responsible for any of SSM Health Care's pension liabilities. On April 1, 2013, SSM Audrain Health Care, Inc. ("Audrain") joined SSM Health Care. Audrain sponsors a smaller defined benefit plan which is currently subject to ERISA. As of April 1, 2013, the Audrain plan had approximately \$13,200,000 in unfunded liabilities. In theory, all members of the controlled group (which would include Dean Health Insurance, Inc. and Dean Health Plan, Inc.) are contingently liable, jointly and severally, for making the required minimum funding contributions for the Audrain plan.*

- ii. If yes, will there be any guarantees/agreements in place to ensure that, in the event DHI and DHP are required to make contributions to fund the employee benefit plans, DHI and DHP's capital and surplus will not be adversely impacted, and will continue

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to meet Wisconsin's statutory capital and surplus requirements for insurers at all times?

Response: *Since April 1, 2013, SSM Health Care has made all past due funding contributions with respect to the Audrain plan (including past due PBGC premiums) and commits to fully fund the Audrain plan over time. SSM Health Care has more than sufficient assets both (i) to cover the unfunded liabilities of the Audrain plan without adversely impacting the capital and surplus of Dean Health Insurance, Inc. and Dean Health Plan, Inc. and (ii) to operate and maintain Dean Health Insurance, Inc. and Dean Health Plan, Inc. in compliance with Wisconsin's statutory capital and surplus requirements for insurers at all times. The Applicants will operate and maintain Dean Health Insurance, Inc. and Dean Health Plan, Inc. in compliance with Wisconsin's statutory capital and surplus requirements for insurers at all times.*

5. Hart-Scott-Rodino Anti-Trust (HSR) Determination: Please provide a copy of the FTC's determination as to whether the proposed transaction will/will not adversely affect U.S. commerce under the federal anti-trust laws (when available).

Response: *We will file the FTC determination with OCI when available.*

Please contact the undersigned with any questions or if there is any further information you will require to complete your review of this filing.

Respectfully submitted,



Anne E. Ross

Enclosure

cc: John W. Dillane  
Thomas N. Kirschbaum  
Christine C. Senty



Dean Health Systems, Inc.

PROXY BALLOT

CAPITALIZED TERMS USED IN THIS PROXY BALLOT AND NOT OTHERWISE DEFINED HEREIN HAVE THE MEANINGS ASCRIBED TO SUCH TERMS IN THE PROXY STATEMENT SENT TO THE SHAREHOLDERS ON APRIL 24, 2013.

- To approve an Agreement and Plan of Merger, dated as of April 15, 2013, by and among the Company; FPP, Inc.; FPP Acquisition Corporation; and Synergy SR, LLC, pursuant to which FPP Acquisition Corporation will be merged with and into the Company, with the Company surviving as a wholly-owned subsidiary of FPP, Inc. (the "Merger").

Number of Shares voted **FOR**

Class A: 286

Class S-1: 297

Number of Shares voted **AGAINST**

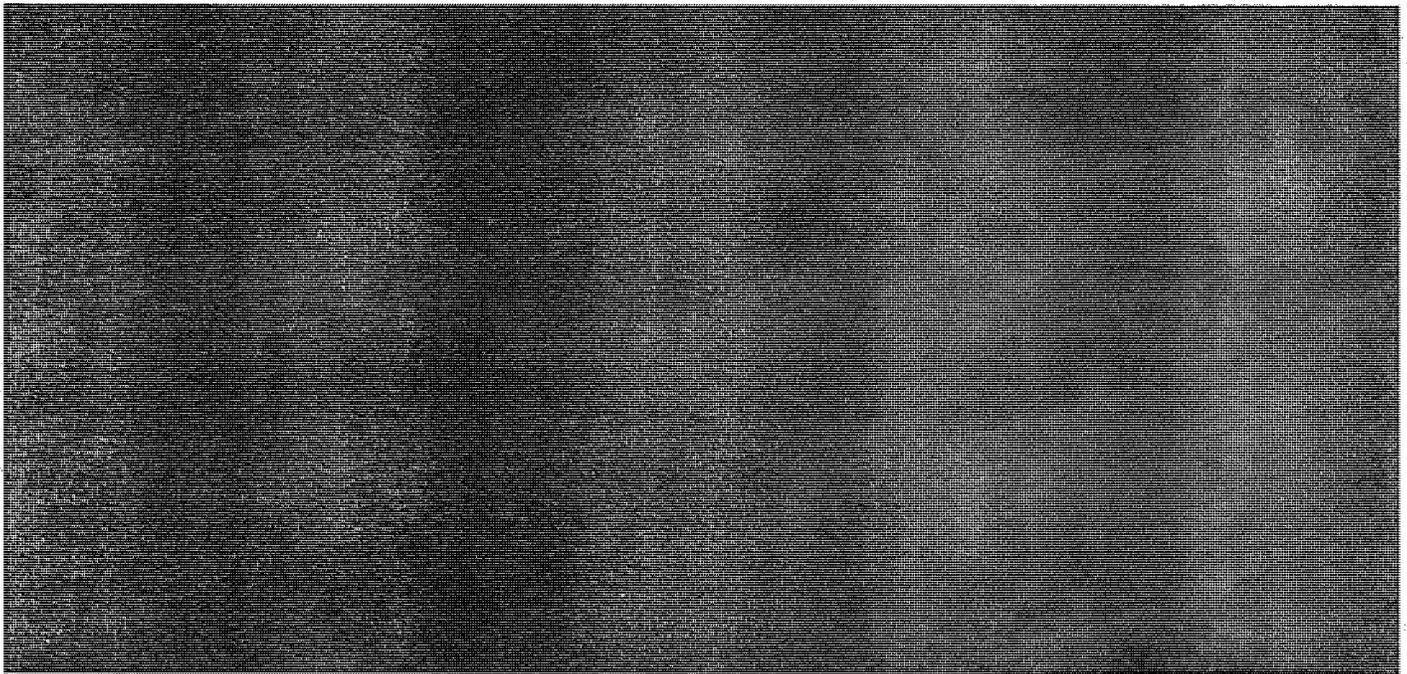
Class A: 0

Class S-1: 0

Number of Shares voted **ABSTAIN**

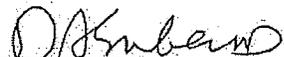
Class A: 1

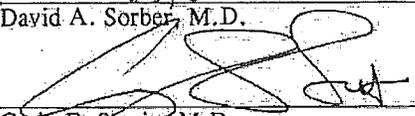
Class S-1: 0



Dated: May 21, 2013

PROXIES:

  
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David A. Sorber, M.D.

  
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Craig E. Samitt, M.D.

