
In the Matter of the Acquisition of Control
of Health Tradition Health Plan
by WEA Insurance Corporation,

PROPOSED DECISION

Case No. 18-C42753

Petitioner.

Amy J. Malm, Hearing Examiner, Presiding

APPEARANCES

For the Office of the
Commissioner of Insurance:

Steven J. Junior
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For the Petitioner:

Present in person
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Present by telephone
Michael Quist, President and Chief Executive Officer
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For the Seller:

Present by telephone
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*Mr. Zargham is appearing at the hearing as a representative of his company, and not as legal counsel representing his company in the hearing.

PRELIMINARY

Pursuant to a Notice of Hearing dated July 30, 2018, a hearing was held at 12:05 p.m. on August 15, 2018, to determine whether the Petitioner's application for approval of the plan for acquisition of control should be granted. Based on the record, the Hearing Examiner makes the following:

PROPOSED FINDINGS OF FACT

(1) WEA Insurance Corporation (the "Petitioner") is a Wisconsin domestic insurance corporation.

(2) Health Tradition Health Plan is a Wis. Stat. ch. 611 stock insurance corporation that is licensed as health maintenance organization and is owned by Mayo Holding Company.

(3) The Petitioner filed with the Office of the Commissioner of Insurance (the "Commissioner") an application for approval of the acquisition of control of Health Tradition Health Plan by WEA Insurance Corporation (the "plan").

(4) The Petitioner was served with a Notice of Hearing.

(5) The Petitioner fulfilled the filing requirements of s. Ins 40.02, Wis. Adm. Code.

(6) The plan will not violate the law or be contrary to the interest of the insureds of Health Tradition Health Plan or WEA Insurance Corporation.

(7) After the acquisition of control, both Health Tradition Health Plan and WEA Insurance Corporation will be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which they are presently licensed.

(8) The effect of the acquisition of control will not be to create a monopoly or substantially to lessen competition in any type or line of insurance in Wisconsin.

(9) The financial condition of WEA Insurance Corporation is not likely to jeopardize the financial stability of Health Tradition Health Plan or its parent insurance holding corporation, or to prejudice the interests of their respective Wisconsin policyholders.

(10) There are no plans or proposals to liquidate the domestic stock insurance corporations, Health Tradition Health Plan, WEA Insurance Corporation, or their parent insurance holding corporation, WEA Trust or sell its assets, or to consolidate or merge it with any person or make any other material change in its business or corporate structure or management other than as described in the proposed plan for acquisition of control.

(11) The competence and integrity of the persons who will control the operation of the domestic stock insurance corporations, Health Tradition Health Plan and WEA Insurance Corporation, and their parent insurance holding corporation, WEA Trust, are such that it will be in the interest of the policyholders and the public to permit the acquisition of control.

PROPOSED CONCLUSION OF LAW

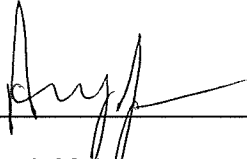
(12) The proposed findings of fact set forth above establish that the requirements of s. 611.72 and chs. 227 and 617, Wis. Stat., and ch. Ins 40, Wis. Adm. Code, have been satisfied and approval of the plan should be granted.

PROPOSED ORDER

NOW, THEREFORE, based upon the findings of fact and conclusion of law, I hereby recommend that:

(13) The Petitioner's request for approval of the plan for acquisition of control should be approved.

Dated at Madison, Wisconsin, this 18th day of August 2018.



Amy J. Malm
Hearing Examiner