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December 24, 2014

By Email and Hand Delivery

Kristin L. Forsberg, CPA CFE
Insurance Financial Examiner/Licensing Specialist
Bureau of Financial Analysis and Examinations
Office of the Commissioner of Insurance
125 S. Webster St.
Madison, WI 53702

Re: In the Matter of the Acquisition of Control of MercyCare Insurance Company (“MCIC”) and MercyCare HMO, Inc. (“MCHMO”) by Interstate Alliance, Inc.

Dear Kristin:

Following up on my voice mail, Interstate Alliance hereby requests approval by the Commissioner of Insurance, pursuant to Wis. Stat. § 611.72 and Wis. Admin. Code § Ins 40.02, of the acquisition by Interstate Alliance of indirect control of MCIC and MCHMO (the “Acquisition”). On behalf of Interstate Alliance, I have enclosed by hand delivery a manually signed original and one paper copy of a Form A in support of this request. Also enclosed by hand delivery is an original Consent to Jurisdiction Statement for Interstate Alliance pursuant to Wis. Stat. § 617.11(5) and Wis. Admin. Code § Ins 40.19 (electronic copies of all enclosures are included with this letter by email). And, while it is just a formality in this case, I have delivered a copy of the Form A to MCIC and MCHMO, as required by Wis. Admin. Code § Ins 40.02(1)(b)1., by sending a copy of this letter and the enclosed Form A to Paul Van Den Heuvel, Vice President and General Counsel.

The Acquisition is described in more detail in Item 1 of the enclosed Form A, and “before” and “after” organizational charts are included as Exhibits 2 and 3, respectively, to the Form A. Basically, however, Interstate Alliance proposes to acquire indirect control over MCIC and MCHMO by becoming the sole voting member of their current ultimate controlling affiliate,

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Mercy Alliance, Inc. ("MAI") pursuant to a System Formation Agreement between MAI and Rockford Health System, a copy of which is included as Exhibit 1 to the Form A. Rockford Health System is the parent corporation of a Rockford, Illinois-based, not-for-profit health care system offering a full continuum of health care services. Under the System Formation Agreement, the parties plan to create a strong, mission-driven organization whose combined resources and attributes will further the ability of their affiliated primary, secondary and tertiary providers to offer personalized, high-quality, coordinated care and access to all members of the diverse communities they serve.

The parties hope to close the Acquisition by January 1, 2015. Due to an inadvertent oversight, Interstate Alliance did not make this filing earlier, and for that I apologize. In the hope of expediting the process, I have also enclosed by hand delivery a Waiver of Minimum Hearing Notice from Interstate Alliance, MCIC, and MCHMO waiving minimum notice of the Form A hearing.

If you have any questions, please do not hesitate to contact me or Paul Van Den Heuvel. Otherwise, we look forward to obtaining your Office's approval of this transaction, and we would appreciate receiving a copy of your recommendation. Thank you for your consideration.

Very truly yours,

QUARLES & BRADY LLP



William J. Toman

Enclosures

cc(w/enc.): Paul T. Van Den Heuvel
Richard A. Hinkel