

In the Matter of the Acquisition of Control
MercyCare Insurance Company and
MercyCare HMO, Inc.

NOTICE OF HEARING

by Interstate Alliance, Inc.

Petitioner.

Case No. 15-C40481

*** PREHEARING CONFERENCE DATE: January 12, 2015, at 3:00 p.m. (C.D.S.T.)
IS SCHEDULED

PLACE: Office of the Commissioner of Insurance
125 South Webster Street
Madison, Wisconsin 53703

*** HEARING IS SCHEDULED DATE: January 12, 2015, at 3:05 p.m. (C.D.S.T.)

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125 South Webster Street
Madison, Wisconsin 53703

PLEASE READ CAREFULLY

A class 1 hearing under s. 611.72 and chs. 227 and 617, Wis. Stat., will be held before Rebecca L. Easland, duly appointed hearing examiner, at the time and place stated above, to be continued at any time and place the hearing examiner considers necessary, to consider the matters set forth in this Notice of Hearing.

The issues to be considered are as follows:

(1) The plan for the acquisition of control of MercyCare Insurance Company ("MCIC") and MercyCare HMO, Inc. ("MCHMO") by Interstate Alliance, Inc. (the "Petitioner").

(2) The names, addresses, and interrelationships of all affiliates and principals of the Petitioners at the time of the filing and after the request is granted if the plan is approved.

(3) Whether or not, under s. 611.72 and ch. 617, Wis. Stat.

(a) The plan would violate the law or be contrary to the interests of the insureds of MCIC or MCHMO, participating domestic corporations, or of the Wisconsin insureds of any participating nondomestic corporation.

(b) After the acquisition of control, MCIC and MCHMO would be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which each is presently licensed.

- (c) The effect of the acquisition of control would be to create a monopoly or substantially to lessen competition in insurance in Wisconsin.
- (d) The merger is likely to jeopardize the financial stability of MCIC or MCHMO, or to prejudice the interests of their Wisconsin policyholders.
- (e) Any plans or proposals which the acquiring party has to liquidate MCIC or MCHMO or their parent corporation, sell their assets, or consolidate or merge them with any person, or make any other material change in their business or corporate structure or management are fair and reasonable to the policyholders of MCIC and MCHMO and are in the public interest.
- (f) The competence and integrity of the persons who would control the operations of MCIC and MCHMO or their parent corporation are such that it would be in the interest of the policyholders of MCIC and MCHMO and of the public to permit the acquisition of control.

(4) Whether the Petitioners have complied with the filing requirements of s. Ins 40.02, Wis. Adm. Code.

Dated at Madison, Wisconsin, this 6th day of January, 2015.



Rebecca L. Easland
Hearing Examiner