

October 10, 2014

**VIA FEDERAL EXPRESS OVERNIGHT AND
EMAIL: Kristin.Forsberg@Wisconsin.gov**

Kristin Forsberg, CPA, CFE
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 Network Health Plan and Network Health Insurance Corporation by Froedtert Health, Inc.

Dear Ms. Forsberg:

This letter is in response to your October 9, 2014 request addressed to Catherine Mode Eastham for additional information regarding Froedtert Health, Inc.'s ("Froedtert", "Applicant", or "Froedtert Health, Inc.") Form A filing regarding the acquisition of control of Network Health Plan and Network Health Insurance Corporation.

Your specific questions are listed below followed by the response. Similar to Froedtert's September 3, 2014 and October 7, 2014 letters, please note that responses to Questions 1 and 3 contain certain confidential information that could put Froedtert at a competitive disadvantage if released to the public. Toward that end, certain responses to Questions 1 and 3 have been redacted from this letter and responses to these questions have been provided to the Office under separate cover. Froedtert respectfully requests that the Office of the Commissioner of Insurance ("Office") does not release the non-redacted version of the response letter (or any corresponding attachments) to the public.

Question 1. Froedtert Health, Inc.: The Applicant indicated in its response that Froedtert Health, Inc. has no corporate members.

Please discuss how Froedtert Health, Inc.'s board members are chosen, and by whom. In addition, please provide a current copy of Froedtert Health, Inc.'s Bylaws.

Response 1. In general, Froedtert's existing Board members and senior leadership identify potential Board members who reside or work in the communities Froedtert serves. Froedtert also considers individuals who may have a particular desired competency who may be residing or working in other communities. Froedtert considers the following suggested universal competencies when assessing potential Board members:

- Commitment to the Froedtert mission, vision, values and ethical standards;
- Demonstrated willingness and ability to devote the time necessary to board work, including board education;
- Demonstrated capability to exercise leadership, teamwork/consensus building, systems thinking, and sound judgment;
- Personal integrity and objectivity and no conflicts of interest; and
- No self-serving personal agenda or other obligations that could conflict with Board responsibilities.

Froedtert leadership reviews references on potential Board members and prepares a profile for review by the Governance Committee. The Governance Committee determines whether to continue pursuing a potential Board member. If the decision is to pursue an individual, the potential Board member is contacted, and usually, at a minimum, the Froedtert Board chair (who is also the Governance Committee chair) and Froedtert's Chief Executive Officer meet with the potential Board member to discuss interest and expectations. A report is issued to the Governance Committee, and the Governance Committee then provides a final recommendation to the full Board, which votes on whether to appoint the individual to the Froedtert Board.

A copy of the Froedtert Governance Committee Charter was provided to the Office under separate cover.

A current copy of Froedtert Health, Inc.'s Bylaws was provided to the Office under separate cover.

Question 2. Ultimate Controlling Person: The ultimate controlling person for holding company filings is currently Ministry Health Care, Inc. If the proposed transaction is consummated, Froedtert Health, Inc. and Ministry Health Care, Inc. will each control 50% of the holding company system.

Please discuss the Applicant's rationale as to who will be the ultimate controlling person for holding company filings with OCI if the proposed transaction is consummated (i.e. - Do you expect Ministry Health Care, Inc. to continue to be the sole ultimate controlling person for purposes of holding company filings, or will there be two ultimate controlling persons - Ministry Health Care, Inc. and Froedtert Health, Inc.)?

Response 2. Froedtert expects that upon the Office's anticipated approval of Froedtert's Form A filing regarding the acquisition of control of NHP and NHIC by Froedtert, Froedtert and Ministry Health Care, Inc. ("MHC") will be the two ultimate controlling persons.

The rationale regarding the ultimate controlling person is based on the entities which will be involved in the governance and control of NHP and NHIC. Both Froedtert and MHC will be involved in the governance and control of NHP and NHIC, and no other Froedtert or MHC affiliate or parent corporation will be involved in such governance and control.

Question 3. Member Admission Agreement: The Member Admission Agreement submitted with the Applicant's response was not executed.

Please provide an electronic copy of the signed agreement (when available).

Response 3. A redacted copy of the executed Member Admission Agreement was provided to the Office as Attachment 3(a) to Froedtert's redacted October 7, 2014 response. Signatures to the Member Admission Agreement are found on Pages 50 to 52 of the full redacted October 7, 2014 response.

A non-redacted copy of the executed Member Admission Agreement was provided to the Office as Attachment 3(a) to Froedtert's non-redacted October 7, 2014 response. Signatures to the Member Admission Agreement are found on Pages 52 to 54 of the full non-redacted October 7, 2014 response. A non-redacted copy of the executed Member Admission Agreement is also attached to Froedtert's non-redacted October 10, 2014 response.

Question 4. Member Agreement: The Member Agreement submitted with the Applicant's response was not executed.

Please provide an electronic copy of the signed agreement (when available).

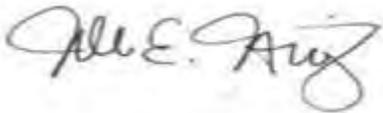
Response 4. The Members Agreement will not be effective until after the Office's anticipated approval of Froedtert's Form A filing regarding the acquisition of control of NHP and NHIC. Until that time, the parties' attorneys are holding executed signature pages in trust.

Froedtert will provide an electronic copy of the signed Members Agreement when available, but the executed version will not be available until after receipt of the Office's anticipated approval of Froedtert's Form A filing. Please note, however, the Member Agreement submitted with Froedtert's October 7, 2014 response is the final version of the Member Agreement, and no further changes will be made to the Member Agreement.

Thank you for your time and attention to this matter. If you have any further questions, please do not hesitate to contact me. We look forward to continuing to working with you and OCI throughout this process.

Very truly yours,

von BRIESEN & ROPER, s.c.



John E. Hintz

cc: Catherine Mode Eastham, Esq., Senior Vice President and General Counsel, Froedtert Health (via email)
Sheila Jenkins, President, Network Health Plan and Network Health Insurance Corporation (via email)
Ronald Mohorek, Esq., Senior Vice President and General Counsel, Ministry Health Care (via email)