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November 1, 2013

Hand Delivered

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 Physicians Plus Insurance Corporation by Iowa Health System d/b/a UnityPoint Health

Dear Kristin:

Following up on our discussions, on behalf of Iowa Health System d/b/a UnityPoint Health (“UnityPoint Health”), I have enclosed two paper copies and one electronic copy (non-confidential documents only) of a Form A in support of UnityPoint Health’s request for OCI approval, pursuant to Wis. Stat. § 611.72 and Wis. Admin. Code § Ins 40.02, of the acquisition by UnityPoint Health of indirect control of Physicians Plus Insurance Corporation (“PPIC”) (the “Affiliation”). Also enclosed is an original Consent to Jurisdiction Statement for UnityPoint Health pursuant to Wis. Stat. § 617.11(5) and Wis. Admin. Code § Ins 40.19. I have also delivered a copy of the Form A to PPIC, 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 Kim Shaul.

The Affiliation is described in more detail in Item 1 of the enclosed Form A. PPIC is a Wisconsin stock health maintenance organization insurance corporation that will be wholly owned by Meriter Health Systems, Inc. (“Meriter”), a Wisconsin nonstock, nonprofit corporation at the time of the Affiliation.¹ UnityPoint Health intends to become the sole corporate member of Meriter, subject to all required regulatory approvals, including the approval of this Form A, pursuant to the terms of the Affiliation Agreement dated October 10, 2013, by and between

¹ Meriter currently owns 79% of the outstanding stock of PPIC. Physicians Plus Investment Group, L.L.P., a Wisconsin limited liability partnership (“PPIG”) currently owns 21% of the outstanding stock of PPIC. It is anticipated that Meriter will purchase all of PPIG’s ownership in PPIC prior to the closing of the Affiliation described in this agreement.

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UnityPoint Health and Meriter. A true and correct copy of the Affiliation Agreement is attached to the Form A as Exhibit 1. As you will note from the Affiliation Agreement, the parties hope to close the Affiliation by January 1, 2014.

Contemporaneous with, or as soon as possible after, the closing of the Affiliation Agreement, but preferably no later than January 31, 2014, UnityPoint Health will purchase all of the outstanding stock of PPIC so that PPIC becomes a direct subsidiary of UnityPoint Health. UnityPoint Health anticipates filing a separate Form A seeking OCI's approval for this transaction in the near future as the terms of that purchase are not yet final.

Please note that Exhibit 3, Exhibit 4E, and Exhibit 5 contain confidential information that could put UnityPoint Health, Meriter and PPIC at a competitive disadvantage if it is released to the public. UnityPoint Health, Meriter and PPIC use reasonable efforts to keep this information confidential. Therefore, the information is a "trade secret" under Wis. Stat. § 134.90(1)(c) because it "derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use and is the subject of efforts to maintain its secrecy that are reasonable under the circumstances." As you know, a trade secret is exempt from the public records law under Wis. Stat. § 19.36(5) and Wis. Admin. Code § Ins 6.13(2). Moreover, the public value of the personal information in questionnaires attached as Exhibit 3 is outweighed by the possible harm to persons submitting these questionnaires. See § VIII.F.1. (p. 28) of the Wisconsin Attorney General's 2013 public records compliance outline. Finally, OCI may withhold this information from public disclosure under Wis. Stat. § 601.465(1m)(a) and § Ins 40.05. In line with these provisions, we request that you do not release Exhibit 3, Exhibit 4E or Exhibit 5 to the public.

If you have any questions, please do not hesitate to contact me or Ashley Dose ((515) 241-4662, ashley.dose@unitypoint.org). 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

Cristina Choi

Enclosures

cc(w/enc.): Kim Shaul
Ashley Dose