

**FORM A
STATEMENT REGARDING THE ACQUISITION OF CONTROL OF OR MERGER WITH A
DOMESTIC INSURER**

Filed with the Office of the Commissioner of Insurance,
State of Wisconsin

TRILOGY HEALTH INSURANCE, INC.
Name of Domestic Insurer

By

**INDEPENDENT PHYSICIANS NETWORK, INC.
SCAS MANAGEMENT GROUP, LLC
BONITA L. WARNER**

Name of Acquiring Person (Applicant)
Filed with the insurance department of WISCONSIN
(state of domicile of insurer being acquired)

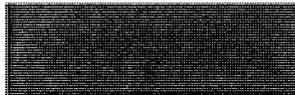
Date: October 22, 2013

Name, title, address and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

INDEPENDENT PHYSICIANS NETWORK, INC.
Attn: Michael J. Repka, Chief Executive Officer/Executive Director
6767 West Greenfield Avenue
Suite 300
Milwaukee, WI 53214
Phone: (414)771-6177

SCAS MANAGEMENT GROUP, LLC
ATTN: Ronald L. Scasny
3073 S. Chase Avenue, Suite 300
Milwaukee, WI 53207
Phone: (414)755-4412

BONITA LOUISE WARNER



ITEM 1. INSURER AND METHOD OF ACQUISITION

State the name and address of the domestic insurer to which this application relates and briefly describe how control is to be acquired.

Insurer: TRILOGY HEATH INSURANCE, INC.
18000 West Sarah Lane, Suite 310
Brookfield, WI 53045

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OF INSURANCE

Control will be acquired by each of the Acquiring Persons through the issuance and acquisition of membership interests in Trilogy Health Holdings, LLC, a Wisconsin limited liability company ("Holdings"), the parent and sole shareholder of the Insurer.

There are currently 51,665 units outstanding in Holdings. INDEPENDENT PHYSICIANS NETWORK, INC. ("IPN"), SCAS MANAGEMENT GROUP, LLC ("SMG"), and BONITA L. WARNER ("Warner," and, collectively, with IPN and SMG are referred to herein as the "Applicants") propose to acquire a total of 47,832 newly-issued Units in Holdings. Of such total, IPN proposes to purchase 21,880 Units; SMG proposes to purchase 15,971 Units and Warner proposes to purchase 9,981 Units. Following the acquisition of these Units, there will be 99,497 Units of Holdings outstanding, of which the Applicants will own 47,832, or 48.07% of the total Units (or 54.33% of the total voting Units). The Investment Agreement is attached as Exhibit A which is incorporated herein by reference. The acquisition of control pursuant to the Investment Agreement is subject to satisfaction of certain customary closing conditions as set forth therein.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) State the name and address of the applicant seeking to acquire control over the insurer.

INDEPENDENT PHYSICIANS NETWORK, INC.
Attn: Michael J. Repka, Chief Executive Officer/Executive Director
6767 West Greenfield Avenue
Suite 300
Milwaukee, WI 53214
Phone: (414)771-6177

SCAS MANAGEMENT GROUP, LLC
ATTN: Ronald L. Scasny
3073 S. Chase Avenue, Suite 300
Milwaukee, WI 53207
Phone: (414)755-4412

BONITA LOUISE WARNER



(b) If the applicant is not an individual, state the nature of its business operations for the past 5 years or for such lesser period as such person and any predecessors thereof shall have been in existence. Briefly describe the business intended to be done by the applicant and the applicant's subsidiaries.

Independent Physicians Network, Inc. IPN is a Chapter 181 nonstock membership corporation, whose over 900 members utilize all hospitals in the Milwaukee and surrounding areas. Formed in 1984, IPN is a physician-run organization which operates as a managed medical provider network, where IPN arranges for the provision of health care services to individuals enrolled in health programs, and performs medical management services for health plan enrollees who have selected or been assigned to IPN's member physicians. IPN also helped create and actively participates in the Accountable Care Coalition of Southeast Wisconsin, LLC, to serve as a Medicare Shared Savings Program ACO.

Scas Management Group, LLC. SMG is a Wisconsin limited liability company formed on March 12, 2011 and is comprised of seven (7) professionals with a combined 175 years of experience in the insurance, managed care, third party administration and health care industries. SMG's highly experienced and talented professionals offer management, consultation, and back room services to support a variety of industries across

the continuum of health care. Members of the management group have extensive experience in both government programs and commercial insurance plan administration and are specialists in provider relations and contracting, data services, reporting, medical claims processing and cost containment, membership management, and customer service.

(c) Furnish a chart or listing clearly presenting the identities of the interrelationships among the applicant and all affiliates of the applicant. No affiliate need be identified if its total assets are equal to less than .5% of the total assets of the ultimate controlling person of the applicant. Indicate in such chart or listing the percentage of voting securities of each such person which is owned or controlled by the applicant or by any other such person. If control of any person is maintained other than by the ownership or control of voting securities, indicate the basis of such control. As to each person specified in such chart or listing, indicate the type of organization (e.g., corporation, trust, partnership) and the state of domicile. If court proceedings involving a reorganization or liquidation are pending with respect to any such person, indicate which person, and set forth the title of the court, nature of proceedings and the date when commenced.

See Exhibit B-1 for the organizational chart for Independent Physicians Network, Inc., a Chapter 181 Wisconsin nonstock corporation.

See Exhibit B-2 for the organizational chart for Scas Management Group, LLC, a Wisconsin limited liability company.

There are no court proceedings involving a reorganization or liquidation pending with respect to any of the individuals or entities listed in Exhibits B-1 and B-2.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT

State the following with respect to (1) the applicant if the applicant is an individual or (2) all persons who are directors, executive officers or owners of 10% or more of the voting securities of the applicant if the applicant is not an individual.

(a) Name and business address;

(b) Present principal business activity, occupation or employment including position and office held and the name, principal business and address of any corporation or other organization in which such employment is carried on;

(c) Material occupations, positions, offices or employment during the last 5 years, giving the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on; if any such occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency, indicate such fact, the current status of such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection with the license or registration whether pending or concluded.

(d) Whether or not such person has ever been convicted in a criminal proceeding (excluding traffic violations not involving death or injury) during the last 10 years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case.

See Exhibit C-1 for IPN.

See Exhibit C-2 for SMG

See Exhibit C-3 for Warner.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Describe the nature, source and amount of funds or other considerations used, or to be used, in effecting the merger or other acquisition of control. If any part of the same is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding or trading securities, furnish a description of the transaction, the names of the parties thereto, the relationship, if any, between the borrower and the lender, the amounts borrowed or to be borrowed, and copies of all agreements, promissory notes and security arrangements relating thereto.

The aggregate purchase price for the 47,832 Units being acquired will be \$1,198,000.00, all of which will be paid in cash at the closing.

(b) Explain the criteria used in determining the nature and amount of such consideration.

The consideration was determined based on arms-length negotiations between Holdings and the Applicants after Applicants' due diligence review.

ITEM 5. APPLICANT'S FUTURE PLANS FOR THE INSURER

Describe any plans or proposals which the applicant may have to declare an extraordinary dividend, to liquidate the Insurer, to sell the Insurer's assets to or merge it with any person or persons or to make any other material change in its business operations or corporate structure or management.

The Applicants have no plans to declare an extraordinary dividend, liquidate the Insurer, to sell the Insurer's assets to or merge it with any person or persons or to make any other material change in its business operations or corporate structure or management.

The Applicants acknowledge that concurrent with the transactions described herein, the Insurer, with the approval of the Commissioner, will change its business plan and seek approval from OCI to amend its certificate of authority from having the authority to engage in business as a Wisconsin domestic health insurance company to having the authority to engage in business as a Wisconsin health maintenance organization with a focus on Medicaid and maintaining a contract with the Wisconsin Department of Health Services to provide health services to BadgerCare Plus and Supplemental Security Income (SSI) eligible members. In connection therewith, certain assets of the Insurer, including cash and contract rights, will be assigned to an affiliate of the Insurer, in exchange for the assumption of certain surplus notes of the Insurer in the aggregate amount of \$2,000,000. In addition, in connection with the proposed transactions, applicants acknowledge that the Insurer, with the approval of the Commissioner, intends to pay interest owed to its surplus note holders through December 31, 2013 which payment will be made on or before December 31, 2013, in the amount of \$855,000.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

State the number of shares of the insurer's voting securities which the applicant, its affiliates and any person listed in Item 3 plan to acquire; and the terms of the offer, request, invitation, agreement or acquisition; and a statement as to the method by which the fairness of the proposal was arrived at.

None of the Applicants will acquire any direct interest in the insurer's voting securities as a result of the transaction.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

State the amount of each class of any voting security of the insurer which is beneficially owned or concerning which there is a right to acquire beneficial ownership by the applicant, its affiliates or any person listed in Item 3.

Following the transactions described herein, the Units (Voting) of Holdings, the sole owner of the Insurer will be owned as follows:

<u>Name</u>	<u>Units (Voting)</u>	<u>Percent of Holdings (Voting)</u> <u>Units</u>
William D. Felsing	22,499.5	25.55%
Less than 10% holders (aggregate)	17,715.5	20.12%
IPN	21,880.0	24.85%
SMG	15,971.0	18.14%
Warner	<u>9,981.00</u>	<u>11.34%</u>
	88,047.00	100.00%

ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER

Give a full description of any contracts, arrangements or understandings with respect to any voting security of the insurer in which the applicant, its affiliates or any person listed in Item 3 is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. Such description shall identify the persons with whom the contracts, arrangements or understandings have been entered into.

There are no such contracts, arrangements or understandings with respect to voting securities of the Insurer.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

Describe any purchases of any voting securities of the insurer by the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this statement. Include in the description the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid therefor. State whether any shares so purchased are hypothecated.

No such purchases have occurred.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Describe any recommendations to purchase any voting security of the insurer made by the applicant, its affiliates or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this statement.

No such recommendations have been made.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Describe the terms of any agreement, contract or understanding made with any broker-dealer as to solicitation of voting securities of the insurer for tender and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.

No such agreements have been entered into.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) Attach financial statements and exhibits to this statement as an appendix, but list under this item the financial statements and exhibits so attached.

See Exhibit D-1 for IPN (Financial Statements for 2012, 2011, 2010, 2009 and 2008)

See Exhibit D-2 for SMG (Financial Statements for 2012 and 2011- entity formed in March 2011)

(b) The financial statements shall include the annual financial statements of the persons identified in Item 2(c) for the preceding 5 fiscal years (or for such lesser period as such applicant and its affiliates and any predecessors thereof shall have been in existence), and similar information covering the period from the end of such person's last fiscal year, if the information is available. The statements may be prepared either on an individual basis or, unless the commissioner otherwise requires, on a consolidated basis if consolidated statements are prepared in the usual course of business.

The annual financial statements of the applicant shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial position of the applicant and the results of its operations for the person's last fiscal year, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the applicant is an insurer which is actively engaged in the business of insurance, the financial statements need not be certified, provided they are based on the annual statement of the person filed with the insurance department of the person's state of domicile and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of the state.

(c) File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory or management contracts concerning the insurer, annual reports to the stockholders of the insurer and the applicant for the last 2 fiscal years, and any additional documents or papers required by form A or ss. Ins 40.11 and 40.13, Wis. Adm. Code.

None.

ITEM 13. SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of ch. Ins 40, Wis. Adm. Code, Ajit M. Parekh, MD, the President of INDEPENDENT PHYSICIANS NETWORK, INC., a Wisconsin nonstock corporation has caused this application to be duly signed on behalf of such corporation in the city of West Allis and state of Wisconsin on the 21st day of October, 2013.

(SEAL)

Name of Applicant:

INDEPENDENT PHYSICIANS NETWORK, INC., a Wisconsin nonstock corporation



BY

Name: AJIT M. PAREKH

Title: President

Attest:

Wanda J. Repe
(Signature of Officer)

CEO
(Title)

The undersigned deposes and says that (s)he has duly executed the attached application dated October 21st, 2013, for and on behalf of INDEPENDENT PHYSICIANS NETWORK, INC., a Wisconsin nonstock corporation; that (s)he is the President of such company and INDEPENDENT PHYSICIANS NETWORK, INC., a Wisconsin nonstock corporation that (s)he is authorized to execute and file such instrument.

Deponent further says that (s)he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

Ajit M. Parekh
(Signature)

AJIT M. PAREKH
(Type or print name beneath)

Subscribed and sworn to this 21st day of Oct, 2013.

Notary Public Cathy Deppa
My commission expires on 05-8-16.

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of ch. Ins 40, Wis. Adm. Code, Ron Scasny, the President of SCAS MANAGEMENT GROUP, LLC, a Wisconsin limited liability company has caused this application to be duly signed on behalf of such limited liability company in the city of Milwaukee and state of Wisconsin on the 16th day of October, 2013.

(SEAL)

Name of Applicant:

SCAS MANAGEMENT GROUP, LLC, a Wisconsin limited liability company

BY Ron Scasny
Name: Ron Scasny
Title: President

Attest:

[Signature]
(Signature of Officer)
Member
(Title)

The undersigned deposes and says that (s)he has duly executed the attached application dated October 22, 2013, for and on behalf of SCAS MANAGEMENT GROUP, LLC, a Wisconsin limited liability company; that (s)he is the President of such company and SCAS MANAGEMENT GROUP, LLC, a Wisconsin limited liability company that (s)he is authorized to execute and file such instrument.

Deponent further says that (s)he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

Arthur C. Simmons
(Signature)

ARTHUR C. SIMMONS
(Type or print name beneath)

Subscribed and sworn to this 22 day of OCT, 2013.

Notary Public
My commission expires on 3-9-14.

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of ch. Ins 40, Wis. Adm. Code, BONITA L. WARNER has caused this application to be duly signed in the city of [REDACTED] and state of [REDACTED] on the 18th day of October, 2013.

(SEAL)

Name of Applicant:

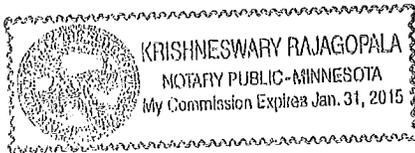
Bonita L Warner
BONITA L. WARNER, an individual

The undersigned deposes and says that she has duly executed the attached application dated October 18th 2013, that she is authorized to execute and file such instrument.

Deponent further says that she is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of her knowledge, information and belief.

Krishneswary Rajagopala
(Signature)

Krishneswary Rajagopala
(Type or print name beneath)



Subscribed and sworn to this 18th day of October, 2013.

Notary Public
My commission expires on Jan. 31, 2015

IN WITNESS WHEREOF, the parties have executed this Investment Agreement as of the date first written above.

TRILOGY HEALTH HOLDINGS, LLC

By: _____

Name (print): _____

Title: _____

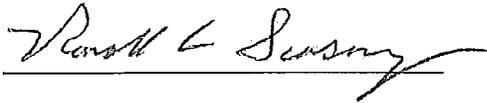
Address: 18000 West Sarah Lane, Suite 310
Brookfield, WI 53045

PURCHASERS:

INDEPENDENT PHYSICIANS
NETWORK, INC.

SCAS MANAGEMENT GROUP, LLC

By: _____
Ajit M. Parekh, M.D., President

By:  _____

Bonita Warner, individually