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October 22, 2013

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WISCONSIN COMMISSIONER  
OF INSURANCE

**VIA HAND DELIVERY**

Theodore K. Nickel  
Commissioner of Insurance  
Office of the Commissioner of Insurance  
125 South Webster Street, 2nd Floor  
Madison, WI 53703

Attention: Kristen L. Forsberg, CPA, CFE  
Insurance Financial Examiner/Licensing Specialist  
Bureau of Financial Analysis and Examinations

**RE: Trilogy Health Holdings, LLC (“Holdings”) and Trilogy Health Insurance, Inc.  
(the “Insurer”)**

**Form A Filing - Statement Regarding the Acquisition of Control of Trilogy  
Health Holdings, LLC by Independent Physicians Network,  
Inc., Scas Management Group, LLC and [REDACTED]**

**Form D Filing - Prior Notice of a Transaction by Trilogy Health Insurance, Inc.**

Dear Commissioner Nickel:

Enclosed please find a manually signed original and one paper copy of a Form A in support of the request for OCI approval of the acquisition by each of Independent Physicians Network, Inc. (“IPN”), Scas Management Group, LLC (“SMG”) and [REDACTED] (“[REDACTED]”), unrelated parties (collectively, the “Applicants”), pursuant to Wis. Stat. § 611.72 and Wis. Admin. Code § 40.02, of Holdings (the “Acquisition”) pursuant to the Investment Agreement attached to the Form A as Exhibit A (the “Investment Agreement”).

In addition to requesting approval of the Acquisition, we enclose on behalf of the Insurer, a manually signed original and one paper copy of a Form D (the “Form D”) under Wis. Stat. §§ 611.61, 611.78 and 617.21 and § Ins. 40.04 pursuant to which the Insurer proposes to enter into certain agreements with affiliates and the Applicants, including (1) an Assignment and Assumption Agreement between the Insurer and a related corporation to be formed, Trilogy Health Solutions, Inc. (“Solutions”), (2) an Administrative Services Agreement by and between the Insurer and Solutions, (3) an Administrative Services Agreement by and between the Insurer and IPN, and (4) an Administrative Services Agreement by and between the Insurer and SMG. In connection with the transactions, as described more fully in the Form D, the Insurer proposes to engage in a change of its

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Commissioner Theodore K. Nickel  
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business plan and in connection therewith effect certain transactions outside of the ordinary course of its business, including payment of accrued but unpaid interest on its outstanding surplus notes. The Administrative Services Agreements described in (3) and (4) above will be filed supplementally promptly following this filing.

Each of the Applicants, Holdings and the Insurer understand and agree that all of the transactions as described herein and as set forth more fully in the Form A and Form D enclosed herein are subject to approval or non-disapproval, as applicable, of OCI and each of the transactions is contingent upon each other transaction obtaining such approval or disapproval.

Please note that certain of the exhibits to the Form A (Exhibits C-1, C-2 and C-3 – Biographical Affidavits and Exhibits D-1 and D-2 Financial Statements of IPN and SMG) are being submitted under separate cover as Confidential Supplements to Form A. We request that the biographical affidavits be kept confidential pursuant to Wis. Admin. Code INS § 40.05. This information contains non-public personal information which, if disclosed, could lead to identity theft. With respect to the financial statements of IPN and SMG, each contains confidential information that could put IPN and SMG, respectively, at a competitive disadvantage if released publicly and each has taken reasonable efforts to maintain the confidentiality of such information. 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.” Therefore, the Applicants request that OCI maintain the confidentiality of this information and not release this information to the public.

If you have any questions or require additional information, please feel free to contact me at the contact information set forth above or William D. Felsing at (262) 432-5181 or [wfelsing@trilogycare.com](mailto:wfelsing@trilogycare.com).

We look forward to working with you on this matter.

Very truly yours,

  
Lisa R. Lange

LRL/co  
Enclosure

cc (w/enc.): To the Attached Distribution List

**Form A – Acquisition of Control  
and Form D – Prior Notice of Transaction  
TRILOGY HEALTH INSURANCE**

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**DISTRIBUTION LIST**

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**INSURER**

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Glenn J. Reinhardt, Exec. VP and COO  
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**HOLDINGS**

(Same as Insurer)

**INSURER REGULATORY COUNSEL**

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**APPLICANT (IPN)**

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**APPLICANT (SMG)**

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APPLICANT

[REDACTED]

[REDACTED]

[REDACTED]