



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Scott Walker, Governor
Theodore K. Nickel, Commissioner

Wisconsin.gov

January 2, 2014

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Ms Lisa R. Lange
Whyte Hirshboeck Dudek SC
P O Box 1379
Madison WI 53701-1379

By email: llange@whdlaw.com
wfelsing@trilogycares.com

Re: Form D Filings for Trilogy Health Insurance, Inc.

Dear Ms. Lange:

Thank you for your October 22, 2013 Form D filing proposing the following affiliated agreements:

- An Assignment and Assumption Agreement between Trilogy Health Insurance, Inc. (THI) and Trilogy Health Solutions (THS) related to the spin-off of the non-insurance network to THS
- An Administrative Services Agreement between THI and THS whereby THI will provide services to THS
- An Administrative Services Agreement between THI and Independent Physicians Network, Inc. (IPN) whereby IPN will provide medical management services to THI
- An Administrative Services Agreement between THI and Scas Management Group, LLC (SMG) whereby SMG will provide services to THI

In addition, your proposal is for THI to pay \$855,000 in accrued but unpaid interest on the THI surplus notes, and subsequently transfer of the \$2 million surplus note obligation to Trilogy Health Solutions thereby releasing THI from all surplus note obligations in exchange for a \$550,000 payment from THI to THS.

Please be advised that OCI does not disapprove the proposed affiliated transactions and approves the proposed payment of accrued surplus note interest, and the transfer of the surplus note obligations from THI to THS in consideration for a \$550,000 payment from THI to THS.

Thank you for keeping us informed.

Sincerely,

Stephen Caughill, CPA, CFE
Insurance Examiner Supervisor
Bureau of Financial Analysis and Examinations