

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF  
**WELLCARE HEALTH INSURANCE COMPANY OF WISCONSIN, INC.**

and

**WELLCARE HEALTH PLANS OF WISCONSIN, INC.**

(collectively, the “Domestic Insurers”)

each, an indirect subsidiary of

**WELLCARE HEALTH PLANS, INC.**

by

**CENTENE CORPORATION**

(the “Applicant”)

Filed with the Wisconsin Office of the Commissioner of Insurance

Dated: May 3, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and  
Correspondence Concerning This Statement Should Be Addressed:

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This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Commissioner of Insurance of the State of Wisconsin (the “Commissioner”) pursuant to Wis. Stat. § 611.72(2) and Wis. Admin. Code § Ins 40.02 for the acquisition of control of WellCare Health Insurance Company of Wisconsin, Inc. and WellCare Health Plans of Wisconsin, Inc. by the Applicant.

### **Confidentiality Legend**

This Form A, together with any items that may be submitted separately as amendments or supplements hereto, contains confidential and/or proprietary information, business plans and strategies that are trade secrets and are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Pursuant to Wis. Admin. Code § Ins 40.05, such information is required under Wis. Stat. § 601.42; therefore, the Commissioner may withhold this information from public disclosure under Wis. Stat. § 601.465(1m)(a) and Wis. Admin. Code § Ins 6.13(3), and, moreover, because the information is not public, it is presumed under Wis. Stat. § 601.465(1n)(a), notwithstanding the public records law, that it is proprietary and confidential and that the potential for harm and competitive disadvantage if it is made public by the Commissioner outweighs the public interest in the disclosure of the information. Accordingly, the Applicant respectfully requests that Exhibits CE-1, CE-2 and CE-3, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including but not limited to the provisions referenced above, and any other applicable statutory or regulatory authority available to the Commissioner. All such information is provided with the express understanding that the confidentiality of such information will be safeguarded.

Exhibits CE-2 and CE-3 also include “trade secrets” as defined under Wis. Stat. § 134.90(1)(c) because information in the exhibits “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.” A trade secret is exempt from the public records law under Wis. Stat. § 19.36(5) and Wis. Admin. Code § Ins 6.13(2). Accordingly, the Applicant respectfully requests that the Commissioner afford Exhibits CE-2 and CE-3 confidential treatment and except them from disclosure pursuant to this authority.

Finally, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is also being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. The public value of this personal information is outweighed by the privacy interests of persons submitting these affidavits, and the public interest in encouraging qualified people to serve in these capacities, *see* the Wisconsin Attorney General’s March 2018 *Wisconsin Public Records Law Compliance Guide*, pp. 36-39, and, in particular, home information and the social security number of an employee provided by an employer are exempt from the public records law. *Id.* at p. 23, *citing* Wis. Stat. § 19.36(10)(a). Therefore, these exhibits are being provided with the understanding that the confidentiality of such information contained therein will be safeguarded and such individuals submitting NAIC biographical affidavits will be protected from unwarranted invasions of personal privacy pursuant to all provisions of law including, but not limited to, the

referenced authority and any other applicable statutory or regulatory authority available to the Commissioner.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

## ITEM 1. DOMESTIC INSURERS AND METHOD OF ACQUISITION

### (a) The Domestic Insurers

This Form A relates to the proposed acquisition of control of WellCare Health Insurance Company of Wisconsin, Inc., an accident and health insurance company domiciled in Wisconsin (“WHICW”), and WellCare Health Plans of Wisconsin, Inc., a health maintenance organization domiciled in Wisconsin (“WHPW” and, together with WHICW, the “Domestic Insurers”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”). Each of the Domestic Insurers is recently licensed in the State of Wisconsin and has not yet commenced business operations.

The address and Federal Employer Identification Number (“FEIN”) of each Domestic Insurer are as follows:

#### **WellCare Health Insurance Company of Wisconsin, Inc.**

Home Office: 301 S Bedford St  
Madison, Wisconsin 53703

Administrative Office: 8735 Henderson Road  
Tampa, Florida 33634

FEIN: 83-3310218

#### **WellCare Health Plans of Wisconsin, Inc.**

Home Office: 301 S Bedford St  
Madison, Wisconsin 53703

Administrative Office: 8735 Henderson Road  
Tampa, Florida 33634

FEIN: 82-3169616

Each of the Domestic Insurers is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

### (b) Method of Acquisition

#### Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger

Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II” and, together with Merger Sub I, the “Merger Subs”),<sup>1</sup> and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of each of the Domestic Insurers.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into

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<sup>1</sup> Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare’s and Centene’s respective businesses prior to the closing of the Merger Transaction (the “Closing”) and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare’s stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene’s stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the “NYSE”), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject

to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

#### Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare’s Medicare Advantage and

Medicare Prescription Drug Plans. It will also benefit from leveraging Centene's growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.

- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.
- **Expanding National Footprint.** With the addition of WellCare's markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare's Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

## **ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT**

### **(a) Name and Business Address**

The name and current business address of the Applicant seeking to acquire control of the Domestic Insurers is as follows:

Centene Corporation  
7700 Forsyth Boulevard  
St. Louis, Missouri 63105

### **(b) Business Operations of the Applicant**

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through

locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene's health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems, resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard intends to file disclaimers of affiliation or control in respect of each of the Domestic Insurers with the Wisconsin Office of the Commissioner of Insurance ("OCI").

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic Insurers before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other

jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

**(a) Names and Business Addresses**

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification

of the information therein. Said verification service will report its findings directly to OCI upon completion of the verification process.

**(b) Present Activity**

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

**(c) Employment History**

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

**(d) Criminal Proceedings**

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted in a criminal proceeding (excluding traffic violations not involving death or injury) during the last ten years.

**ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION**

**(a) Consideration**

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the “Securities Act”), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the

election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the future based on prevailing market conditions and other financial factors. Centene will provide OCI with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into a second amended and restated debt commitment letter, dated as of April 23, 2019 (the “Commitment Letter”), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the “Financing” in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic Insurers or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic Insurers will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

**(b) Criteria Used in Determining Consideration**

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms’ length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) **Confidentiality of Lender's Information in the Ordinary Course of Business**

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

**ITEM 5. APPLICANT'S FUTURE PLANS FOR THE DOMESTIC INSURERS**

Centene has no present plans or proposals to cause the Domestic Insurers to declare any extraordinary dividend, to liquidate the Domestic Insurers, to sell the assets of the Domestic Insurers (other than in ordinary course), to merge the Domestic Insurers with any person or persons or to make any other material change in the Domestic Insurers' business operations, corporate structure or management. Immediately following the Closing, the Domestic Insurers will continue to maintain their separate corporate existence and will conduct operations as described in their plans of operation filed as part of their respective licensing applications recently approved by OCI. Three-year statutory financial projections of each of the Domestic Insurers reflecting such operations are attached as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add each of the Domestic Insurers as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic Insurers to the Tax Sharing Agreement will be filed with OCI under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic Insurers; however, Centene anticipates an ongoing review of the composition of the Domestic Insurers' management, including their respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to OCI as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic Insurers) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

## **ITEM 6. VOTING SECURITIES TO BE ACQUIRED**

WellCare currently beneficially owns indirectly 100% of the issued and outstanding voting securities of the Domestic Insurers and, as a result of the consummation of the Merger Transaction, the Applicant will indirectly own and control all of the shares of the Domestic Insurers' issued and outstanding capital stock and thereby become a controlling person of the Domestic Insurers.

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic Insurers or any of their controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

## **ITEM 7. OWNERSHIP OF VOTING SECURITIES**

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic Insurers or any of their respective controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic Insurers or any of their respective controlling persons, including WellCare.

## **ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC INSURERS**

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic Insurers or any of their respective controlling persons in which the Applicant, its affiliates or the Individuals 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.

## **ITEM 9. RECENT PURCHASES OF VOTING SECURITIES**

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic Insurers or any of their respective controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above,

and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

**ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE**

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic Insurers or any of their respective controlling persons during the twelve calendar months preceding the filing of this Form A.

**ITEM 11. AGREEMENTS WITH BROKER-DEALERS**

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic Insurers or any of their respective controlling persons for tender with regard to the Merger Transaction.

**ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS**

**(a) – (b)**

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic Insurers Before the Merger Transaction
B-4	Abbreviated Organizational Chart of the Domestic Insurers After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018
D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014

D-6	Unaudited Financial Statement of the Applicant for the Quarter ended March 31, 2019
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter
CE-3	Three-Year Financial Projections of each of the Domestic Insurers

(c) Tender Offer Documents and Certain Proposed Agreements

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic Insurers, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic Insurers by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic Insurers do not prepare annual reports to their respective stockholders.

**ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT**

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs and for so long as control exists. The Applicant acknowledges that the Applicant and all subsidiaries within its control in the insurance holding company system will provide information to the Commissioner upon request as necessary to evaluate enterprise risk to the Domestic Insurers.

**ITEM 14. SIGNATURE AND CERTIFICATION**

The signature and certification of the Applicant are set forth on the immediately following page.

*[remainder of page intentionally left blank]*

**ITEM 14. SIGNATURE AND CERTIFICATION**

**SIGNATURE**

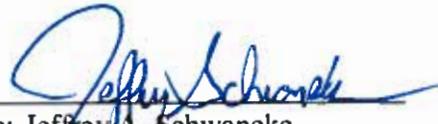
Pursuant to the requirements of ch. Ins 40, Wis. Adm. Code, Centene Corporation has caused this application to be duly signed on its behalf in the county of St. Louis and state of Missouri on the 30 day of April, 2019.

(SEAL)

CENTENE CORPORATION

By:   
Name: Keith H. Williamson  
Title: Executive Vice President,  
Secretary and General Counsel

Attest:

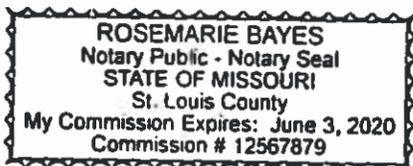
By:   
Name: Jeffrey A. Schwaneke  
Title: Executive Vice President,  
Chief Financial Officer and Treasurer

**CERTIFICATION**

The undersigned deposes and says that he has duly executed the attached application dated May 3, 2019, for and on behalf of Centene Corporation; that he is the Executive Vice President, Secretary and General Counsel of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

  
Name: Keith H. Williamson

Subscribed and sworn to this 30 day of April, 2019.



  
Notary Public

My commission expires on June 3, 2020