

**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

**WISCONSIN COLLABORATIVE INSURANCE COMPANY**

by

**ADVOCATE AURORA HEALTH, INC.**

Dated February 2, 2018

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

*With a copy to:*

John Foley  
Aurora Health Care, Inc.  
750 West Virginia Street  
Milwaukee, Wisconsin 53204  
(414) 299-1849

Kevin G. Fitzgerald  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, Wisconsin 53202  
(414) 297-5841

## ITEM 1. INSURER AND METHOD OF ACQUISITION

The name and address of the Domestic Insurer to which this application (this “**Form A**”) relates is: Wisconsin Collaborative Insurance Company (“**WCIC**” or the “**Domestic Insurer**”), N17W24340 Riverwood Drive, Waukesha, Wisconsin 53188. 50% of WCIC is currently owned by Crossroads Acquisition Corp. (“**Anthem**”), and the other 50% is owned by Aurora Health Care, Inc. (“**Aurora**”)

The acquiring party in this transaction is Advocate Aurora Health, Inc. (“**AAH**” or the “**Applicant**”). The Applicant is a Delaware not-for-profit corporation.

The Applicant intends to acquire control of WCIC by becoming the sole member of Aurora pursuant to that certain Affiliation Agreement (the “**Affiliation Agreement**”) dated December 4, 2017, by and between Aurora and Advocate Health Care Network (“**Advocate**”). As the Applicant discussed with the Wisconsin Office of the Commissioner of Insurance (the “**Commissioner**”), a true and correct copy of the Affiliation Agreement will be made available to the Commissioner’s staff in a secure electronic data room in the near future.

Pursuant to the Affiliation Agreement, and subject to, among other things, the receipt of all required regulatory approvals, including the approval of this Form A by the Commissioner, the Applicant intends to become the sole member of each of Aurora and Advocate (the “**Affiliation**”). As a result of the Affiliation, the Applicant will acquire the power to control the voting shares of WCIC owned by Aurora (the “**Acquisition**”). The specific terms and conditions governing the Affiliation are set forth in the Affiliation Agreement. Certain material terms of the Affiliation Agreement that are relevant to the Acquisition are summarized as follows:

- Aurora and Advocate will affiliate and form an integrated delivery system with a focus on population health management and the provision of high-quality care in a cost effective manner through a seamless continuum of care model.
- On December 4, 2017, Aurora and Advocate caused AAH to be formed, to serve as the ultimate parent of each of Aurora and Advocate after the closing of the Affiliation (the “**Closing**”).
- At the Closing, Aurora and Advocate will amend their respective articles of incorporation to make AAH the sole member of Aurora and Advocate, thereby effecting the Affiliation.
- The Affiliation Agreement contains representations and warranties by the parties, and imposes certain covenants on the parties, in each case that are either customary for affiliations of this nature or otherwise suitable for this particular Affiliation.
- The Closing is subject to closing conditions that are either customary for affiliations of this nature or otherwise suitable for this particular Affiliation, including, without limitation, conditions relating to the receipt of regulatory approvals (including the

approval of this Form A), accuracy at the Closing of certain representations and warranties made by the parties in the Affiliation Agreement, compliance with pre-Closing covenants, the absence of any Material Adverse Effect (as that term is defined in the Affiliation Agreement), the receipt of certain material third-party consents, and the delivery of certain closing documentation.

- It is anticipated that the Closing will occur no later than three (3) business days following the day on which the last of the closing conditions is satisfied or waived, or on such other date thereafter as the parties may mutually agree in writing; in each case subject to the satisfaction or waiver of all conditions precedent set forth in the Affiliation Agreement, including the approval of this Form A by the Commissioner.

This statement is submitted for the purpose of obtaining the approval of the Commissioner pursuant to Section 611.72 of the Wisconsin Statutes and the applicable provisions of the Wisconsin Administrative Code.

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

### **(a) The Applicant**

The name and address of the Applicant is as follows:

Advocate Aurora Health, Inc.  
c/o Aurora Health Care, Inc.  
750 W. Virginia Street  
Milwaukee, WI 53204

### **(b) The Applicant's Business Operations**

The Applicant is a newly-formed Delaware not-for-profit corporation formed in connection with the affiliation of Aurora and Advocate. No person or persons possess any rights to control the business or operations of the Applicant. The Applicant will be governed by a Board of Directors, which will, at and after the Closing, consist of fourteen (14) individual directors. The Board of Directors will be selected as follows: six (6) directors will be appointed by each of Aurora and Advocate, and the remaining two (2) board positions will be filled by the CEO of Aurora and the CEO of Advocate, who will serve as co-CEOs of AAH.

The Applicant is a not-for-profit corporation that will have no active business other than serving as the corporate member of both Advocate and Aurora. Advocate and Aurora are not-for-profit health care systems known for their track record on clinical quality and outcomes. After the Affiliation, Advocate and Aurora will continue to operate their existing health care facilities and employ their existing physicians and other health care professionals. Aurora and Advocate believe that enhanced scale, expanded access, greater efficiencies and a shared commitment to transform the care delivery model are key drivers for the Affiliation.

(c) **Organization Chart**

At present, the Applicant has no affiliates; at the Closing, it will become the corporate member of both Aurora and Advocate. The chart attached hereto as **Exhibit 5** lists the identities of, and inter-relationships among, the Applicant and all affiliates of the Applicant as of the Closing. Such chart indicates the percentage of ownership interests, type of organization, and state or other jurisdiction of domicile of each person that will be owned or controlled by the Applicant or by any such person. There are no court proceedings involving a reorganization or liquidation pending with respect to any such person.

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

**Identity of Officers, Directors and Owners**

The Affiliation Agreement provides for the persons identified below to be named directors and officers of the Applicant. The Affiliation Agreement also provides for additional officers and directors to be named and appointed after the Closing; the Applicant will promptly provide names and biographical affidavits for such persons as they are identified.

**AAH Directors**

<b>Name</b>	<b>Title</b>
Nick W. Turkal, M.D.	Director and Co-CEO
James H. Skogsbergh	Director and Co-CEO
Joanne Disch	Director
Michele Richardson	Director

**AAH Officers**

<b>Name</b>	<b>Title</b>
Nick W. Turkal, M.D.	Co-CEO
James H. Skogsbergh	Co-CEO

**Biographical Affidavits and Authority for Release of Information**

Biographical Affidavits and completed releases for the individuals identified above, as required by the Commissioner, will be provided under separate cover as soon as they are completed.

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

- (a) Because AAH, Aurora and Advocate are not-for-profit, non-stock corporations, no cash consideration will be paid with respect to the Affiliation or the Acquisition. The consideration for the Acquisition consists of the Affiliation and the other consideration set forth in the Affiliation Agreement.
- (b) The terms of the Affiliation Agreement are the result of arm's length negotiations between the parties. Aurora and Advocate were represented by independent legal and financial advisors in the negotiations between the parties.

#### **ITEM 5. FUTURE PLANS OF INSURER**

Except as described elsewhere in this Form A, the Applicant has no current plans or proposals to cause WCIC to declare an extraordinary dividend, to liquidate WCIC, to sell any of WCIC's assets, to merge WCIC with any person or persons or to make any other material change in WCIC's business operations, corporate structure or management.

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

As a result of the Acquisition, the Applicant will indirectly acquire 50% of the issued and outstanding shares of the common stock of WCIC, which will consist of 750,000 shares of Series A Common Stock and 750,000 shares of Series B Common Stock as of the Closing. The terms and conditions of the Acquisition are set forth in the Affiliation Agreement. The terms and conditions of the Affiliation Agreement were arrived at through arm's length negotiations between Aurora and Advocate.

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

Other than as set forth in the Affiliation Agreement, neither the Applicant nor any of its affiliates or any of the persons listed in Item 3 has a beneficial interest in, or the right to acquire a beneficial interest in, the voting securities of WCIC.

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

The Affiliation Agreement reflects the current agreement between AAH, Advocate and Aurora in relation to the Acquisition. Additionally, in its capacity as shareholder of WCIC, Aurora is party to a Shareholder Agreement with Anthem dated April 13, 2016 (the "**WCIC Shareholder Agreement**"). The WCIC Shareholder Agreement imposes certain duties and obligations on Aurora and Anthem as shareholders of WCIC. The Acquisition will not result in any changes to the WCIC Shareholder Agreement and the Applicant will, by virtue of its control of Aurora, be bound by the terms of the WCIC Shareholder Agreement.

Except for the Affiliation Agreement and the WCIC Shareholder Agreement, there are no contracts, arrangements or understandings directly or indirectly related to any voting securities of WCIC to which the Applicant, its affiliates, or any person listed in Item 3 is

a party, 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**

There have been no direct or indirect purchases of any voting securities of WCIC by the Applicant, its affiliates or any person listed in Item 3 during the twelve calendar months preceding the filing of this Form A.

**ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE**

Except for the Affiliation Agreement, neither the Applicant, its affiliates or any person listed in Item 3, or to the knowledge of the Applicant, any other person based upon interviews or at the suggestion of the Applicant, its affiliates or any person listed in Item 3, has made any recommendations to others to acquire any shares of the voting securities of WCIC during the twelve calendar months preceding the filing of this Form A.

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

There are no agreements, contracts or understandings with any broker-dealer as to the solicitation of voting securities of WCIC for tender.

**ITEM 12. FINANCIAL STATEMENTS**

Because the Applicant is a newly-formed entity, it has neither audited nor unaudited financial statements. As described above, the Applicant's only business will be serving as the sole member of Aurora and Advocate. In order to provide the Commissioner with a view into the financial position of the Applicant after the closing of the Affiliation, audited financial statements for both Aurora and Advocate for the preceding five fiscal years, in addition to similar information covering the period from the end of Aurora's and Advocate's last fiscal year are attached to this Form A as **Exhibit 12**, as noted below.

<b>Financial Statements</b>	<b>Exhibit</b>
Aurora's Previous Five (5) Fiscal Years Financial Statements	12-A
Aurora's Q3 2017 Financial Statement	12-B
Advocate's Previous Five (5) Fiscal Years Financial Statements	12-C
Advocate's Q3 2017 Financial Statement	12-D

Three-year financial projections for WCIC are being prepared and will be provided to the Commissioner under separate cover as soon as they are available.

**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 days after the end of the month in which the acquisition of control occurs.

**ITEM 14. SIGNATURE AND CERTIFICATION**

Pursuant to the requirements of ch. Ins 40, Wis. Adm. Code, Advocate Aurora Health, Inc. has caused this application to be duly signed on its behalf in the city of Milwaukee and state of Wisconsin on this 2nd day of February, 2018.

Advocate Aurora Health, Inc.

Attest:

By: Nick W Turkal MD  
Nick W. Turkal, M.D.

Susan R. Taylor  
[NAME]

Its: Authorized Representative



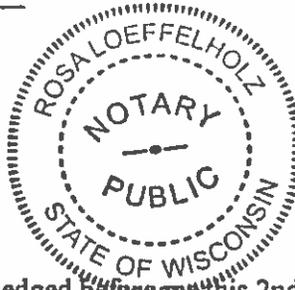
**Certification**

The undersigned deposes and says that he has duly executed the attached application dated February 2, 2018, for and on behalf of Advocate Aurora Health, Inc., and that he is the Authorized Representative 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/her knowledge, information and belief.

Nick W Turkal MD  
(Signature)

Nick W. Turkal, M.D.  
(Printed Name)

State of Wisconsin)  
) SS  
County of Milwaukee



The foregoing instrument was acknowledged before me this 2nd day of February, 2018.

Rosa Loeffelholz  
(Signature)

Rosa Loeffelholz  
(Printed Name)

## LIST OF EXHIBITS

<b>Exhibit 5:</b>	Organization Chart of Advocate Aurora Health, Inc. (as of the Closing)
<b>Exhibit 12:</b>	Financial Statements of the Applicant
<i>Exhibit 12-A</i>	Aurora's Previous Five (5) Fiscal Years Financial Statements
<i>Exhibit 12-B</i>	Aurora's Q3 2017 Financial Statement
<i>Exhibit 12-C</i>	Advocate's Previous Five (5) Fiscal Years Financial Statements
<i>Exhibit 12-D</i>	Advocate's Q3 2017 Financial Statement