

In the Matter of the Acquisition of Control
of Dean Health Plan, Inc. and Dean Health Insurance, Inc.
by Medica Holding Company

PROPOSED DECISION

Petitioners.

Case No. 21-C44214

Amy J. Malm, Hearing Examiner, Presiding

APPEARANCES

For the Office of the Commissioner of Insurance:

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PRELIMINARY

Pursuant to a Notice of Hearing dated November 4, 2021, a hearing was held by teleconference on or about 9:00 a.m. on November 16, 2021, to determine whether the Petitioners' application for approval of the plan for acquisition of control should be granted. Based on the record, the Hearing Examiner makes the following:

PROPOSED FINDINGS OF FACT

- (1) Medica Holding Company, 401 Carlson Parkway, Minnetonka, MN 55305, is a tax-exempt 501(c)(4) organization (the Petitioner).
- (2) Dean Health Insurance, Inc., 1277 Deming Way, Madison, Wisconsin 53717, is a Wisconsin stock insurance company. Dean Health Plan, Inc., 1277 Deming Way, Madison, Wisconsin 53717 is a for-profit stock insurance company, licensed in Wisconsin as a health maintenance organization.
- (3) The Petitioner filed with the Office of the Commissioner of Insurance an application for approval of the acquisition of Dean Health Insurance, Inc. and Dean Health Plan, Inc.
- (4) The Petitioner was served with a Notice of Hearing.
- (5) The Petitioner fulfilled the filing requirements of s. Ins 40.02, Wis. Adm. Code.
- (6) The plan will not violate the law or be contrary to the interests of the insureds of Dean Health Insurance, Inc. and Dean Health Plan, Inc.
- (7) After the acquisition of control, Dean Health Insurance, Inc. and Dean Health Plan, Inc. will be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which each is presently licensed.
- (8) The effect of the acquisition of control will not be to create a monopoly or substantially to lessen competition in any type or line of insurance in Wisconsin.
- (9) The financial condition of Medica Holding Company is not likely to jeopardize the financial stability of Dean Health Insurance, Inc. and Dean Health Plan, Inc. or to prejudice the interests of its Wisconsin policyholders.
- (10) There are no plans or proposals to liquidate the domestic insurers, Dean Health Insurance, Inc. and Dean Health Plan, Inc., to sell its assets (other than investment portfolio transactions in the ordinary course of business), or to consolidate or merge it with any person or make any other material change in its business or corporate structure other than as described in the plan.

(11) The competence and integrity of the persons who will control the operation of the domestic insurers, Dean Health Insurance, Inc. and Dean Health Plan, Inc., are such that it will be in the interest of the policyholders and the public to permit the acquisition of control.

PROPOSED CONCLUSION OF LAW

(12) The proposed findings of fact set forth above establish that the requirements of s. 611.72 and ch. 227 and 617, Wis. Stat., and ch. Ins 40, Wis. Adm. Code, have been satisfied and approval of the plan should be granted.

PROPOSED ORDER

NOW, THEREFORE, based upon the findings of fact and conclusion of law, I hereby recommend that:

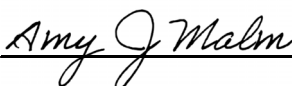
(13) The Petitioner shall, within ten (10) business days after closing, provide executed copies of the following agreements submitted with the Form D filing, that accompanied the Form A:

- (a) Capitation Agreement
- (b) Administrative Services Agreement – Medica
- (c) Administrative Services Agreement – SSM Health
- (d) Lease Agreement

(14) The Petitioner shall provide biographical affidavits for individuals who are appointed to the vacant Board of Directors positions within ten (10) days after appointment.

(15) Subject to paragraphs (13) and (14), the Petitioners' request for approval of the plan for acquisition of control should be approved.

Dated at Madison, Wisconsin, this 16th day of November, 2021.



Amy J. Malm
Hearing Examiner