

In the Matter of the Acquisition of Control of
WellCare Health Plans, Inc., WellCare Health
Insurance Company of Wisconsin, Inc., and WellCare
Health Plans of Wisconsin, Inc.
by Centene Corporation,

PROPOSED DECISION

Petitioner.

Case No. 19-C43297

Amy J. Malm, Hearing Examiner, Presiding

APPEARANCES

For the Office of the
Commissioner of Insurance: Michael Mancusi-Ungaro, Insurance Financial Examiner –
Advanced
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For the Petitioner:

Present in person

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Present by telephone

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Christopher Koster,
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For the Seller:

Present in person

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Present by telephone

Michael Polen
Vice President, Medicare and Operations
WellCare Health Plans, Inc.
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PRELIMINARY

Pursuant to a Notice of Hearing dated September 4, 2019, a hearing was held on or about 10:00 AM C.D.S.T. on September 24, 2019, 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) Centene Corporation (the "Petitioner") is a diversified insurance operation located at 7700 Forsyth Blvd., St. Louis, MO 63105.
- (2) WellCare Health Insurance Company of Wisconsin, Inc. is a Wisconsin domestic insurance company organized under Chapter 611 of the Wisconsin Statutes. WellCare Health Plans of Wisconsin, Inc. is a Wisconsin domestic insurance company licensed under Chapter 613 of the Wisconsin Statutes. Both operations are located at 8735 Henderson Road, Tampa, FL 33634. Together, WellCare Health Insurance Company of Wisconsin, Inc. and WellCare Health Plans of Wisconsin, Inc. are the "Domestic Insurers".
- (3) The Petitioners filed with the Office of the Commissioner of Insurance (the "Commissioner") an application for approval of its acquisition of control of the Domestic Insurers. (the "plan").
- (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 interest of the insureds of the Domestic Insurers.
- (7) After the acquisition of control, Centene Corporation and the Domestic Insurers will be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which they are 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 Centene Corporation is not likely to jeopardize the financial stability of the Domestic Insurers, or to prejudice the interests of its Wisconsin policyholders.

(10) There are no plans or proposals to liquidate the Domestic Insurers., or sell their assets, or to consolidate or merge it with any person or make any other material change in their respective business or corporate structures or management other than as described in the plan.

(11) The competence and integrity of the persons who will control the Domestic Insurers are such that it will be in the interest of the policyholders and the public to permit the acquisition of control.

(12) The notice of termination provided in the Plan for the following intercompany agreements is sufficient to fulfill the notice requirements contained in Wisconsin Administrative Code Section 40.02(2) as to those terminations specifically: a) That certain Tax Sharing Agreements between WellCare Health Insurance Company of Wisconsin, Inc. and WellCare Health Plans of Wisconsin, Inc. and WellCare Health Plans, Inc. will be terminated and replaced by Tax Allocation Agreements between WellCare Health Insurance Company of Wisconsin, Inc., WellCare Health Plans of Wisconsin, Inc. and Centene Corporation.

PROPOSED CONCLUSION OF LAW

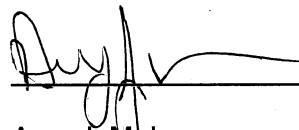
(13) The proposed findings of fact set forth above establish that the requirements of s. 611.72 and Wis. Stat., and ch. Ins 40, Wis. Adm. Code, have been satisfied and approval of the plan should be granted.

PROPOSED ORDER

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

(14) The Petitioners' request for approval of the plan for acquisition of control should be approved.

Dated at Madison, Wisconsin, this 24th day of September, 2019.



Amy J. Malm
Hearing Examiner