IN RE:	The Proposed Acquisition of:	)	
		)	
	Essence Inc.	)	Case No.06040721C
	By	)	
	EHC II, LLC	)	

## FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

Based on the competent and substantial evidence on the whole record, I, W. Dale Finke, Director of the Department of Insurance, Financial Institutions & Professional Registration, State of Missouri, ("Director") find and conclude that:

- 1. On or about July 18, 2006, a Form A Registration Statement was filed with the Missouri Department of Insurance (the "Department") on behalf of EHC II, LLC, a Missouri limited liability company ("Applicant"), in connection with the proposed acquisition of Essence Inc. (the "Insurer"), a wholly owned direct subsidiary of American Multispecialty Group, Inc., a Missouri corporation doing business as Esse Health. The Department held a public hearing on August 22, 2006, pursuant to an order of notice of hearing. Richard B. Walsh, Jr. appeared for the Applicant, the Insurer, Esse Health, Essence Healthcare L. P., and Essence Holding Company, LLC. Mark W. Stahlhuth appeared for the Department's Division of Financial Regulation. On August 28, 2006, the Department became the Department of Insurance, Financial Institutions & Professional Registration and the Division of Financial Regulation became the Insurance Solvency and Company Regulation Division.
- 2. According to the Form A, the Applicant will acquire control of the Insurer through the merger of Essence with and into Essence Healthcare L. P., a Missouri limited partnership, of which the Applicant is the general partner and Esse Health is the limited partner. Essence

Healthcare L. P., will be the survivor of the merger and will change its legal name to Essence, L.

- P. As the general partner of Essence Healthcare L. P., the Applicant will, by virtue of the merger, acquire control of the Insurer.
- 3. A preponderance of the evidence on the whole record fails to show that:
- A. After the acquisition of the Insurer by the Applicant, the Insurer will not be able to satisfy the requirements for the issuance of licenses to write the lines of insurance for which it is presently licensed.
- B. The effect of the merger or other acquisition of control of the Insurer will be to substantially lessen competition in insurance, or tend to create a monopoly in this state.
- C. The financial condition of the Applicant is such as might jeopardize the financial stability of the Insurer or prejudice the interest of the policyholders of the Insurer.
- D. The Applicant's plans or proposals, if any, to liquidate the Insurer, to sell its assets, to consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, is unfair or unreasonable to policyholders of the Insurer or contrary to the public interest.
- E. The competence, experience and integrity of the Applicant's management is such that it would be contrary to the interests of the policyholders of the Insurer and of the public to permit the acquisition of the Insurer by the Applicant.
- F. The proposed acquisition of the Insurer by the Applicant is likely to be hazardous or prejudicial to the insurance buying public.

## **ORDER**

Based on the foregoing findings and conclusions, the proposed acquisition of Essence Inc. by the EHC II, LLC, as proposed in the Form A Statement, is hereby **APPROVED.** 

So ordered, signed and official seal affixed this \_\_\_\_\_day of August, 2006.

W. DALE FINKE, Director	