

P.O. Box 690, Jefferson City, Mo. 65102-0690

IN RE:	The Proposed Acquisition of Alliance	)	
	For Community Health, LLC, d/b/a	)	Case No.060523216C
	Community CarePlus by Mercy Health Plans, Inc.	)	

## 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 Insurance, State of Missouri, (the "Director") find and conclude that:

- 1. On or about May 16, 2006, a Form A Registration Statement was filed with the Missouri Department of Insurance (the "Department") on behalf of Mercy Health Plans, Inc., a Missouri Corporation (the "Applicant"), in connection with the proposed acquisition of a membership interest in a cetain Missouri domestic insurer, namely, Alliance for Community Health, LLC, d/b/a Community CarePlus (the "Domestic Insurer"). On June 12, 2006, the Department held a public hearing pursuant to an order of notice of hearing. James F. Gunn and Charles S. Gilham appeared for the Applicant. Mark W. Stahlhuth appeared for the Department's Division of Financial Regulation.
- 2. According to the Form A, the Applicant will acquire fifty percent (50%) of the membership interests in the Domestic Insurer, thereby changing control of the Domestic Insurer from CCP Holdings, LLC, to the Applicant and CCP Holdings, LLC, jointly. The joint control of the Domestic Insurer is subject to the terms of a Definitive Agreement between the Applicant and CCP Holdings, LLC, Jerry Linder, Cristopher Cristea, and Edward Oswald.
- 3. Provided that the conditions in the Order are met, a preponderance of the evidence on the whole record fails to show that:

- A. After the acquisition of the Domestic Insurer by the Applicant, the Domestic Insurer will not be able to satisfy the requirements for the issuance of the license to write the lines of insurance for which it is presently licensed.
- B. The effect of the acquisition of the Domestic 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 Domestic Insurer or prejudice the interest of the policyholders of the Domestic Insurer.
- D. The Applicant's plans or proposals, if any, to liquidate the Domestic 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 Domestic 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 Domestic Insurer and of the public to permit the acquisition of the Domestic Insurer by the Applicant.
- F. The proposed acquisition of the Domestic 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 joint control of Alliance for Community Health, LLC, d/b/a Community CarePlus by Mercy Health Plans, Inc., (together with CCP Holdings, LLC) as proposed in the Revised Form A Statement is hereby **APPROVED WITH CONDITIONS**, as follows: (1) After the acquisition of joint control, the capital and surplus of Alliance for Community Health, LLC, d/b/a Community CarePlus will be maintained at no less than \$19,500,000 calculated pursuant to statutory accounting principles; and (2) Alliance for Community Health, LLC, d/b/a Community CarePlus will not contribute to the "Net Worth Adjustment" as that quoted term is defined in the Definitive Agreement.

So ordered, signed and official seal affixed	thisday of June, 2006.
W. DALE F	INKE, Director