STATE OF MISSOURI

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

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

IN RE:	The Proposed Acquisition of Preservation Life Insurance Company by PFHC Medical Management LLC	)))	Case No. 090910666C

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

Findings of Fact and Conclusions of Law

Based on the testimony and other evidence presented, I, John M. Huff, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration ("Director"), find and conclude that:

1. On or about August 28, 2009, PFHC Medical Management LLC ("Applicant") filed a Form A Statement with the Missouri Department of Insurance, Financial Institutions and Professional Registration (the "Department"), in connection with the proposed acquisition of Preservation Life Insurance Company ("Preservation Life"), a Missouri domestic insurance company. On November 19, 2009, the Department concluded a public hearing pursuant to an order of notice of hearing. Jonathan L. Downard appeared for the Applicant. Mark W. Stahlhuth appeared for the Department's Division of Insurance Company Regulation.

2. According to the Form A, the Applicant is a management service organization for a medium size multi-specialty physician's group that will purchase all corporate stock of Preservation Life.

3. A preponderance of the evidence on the whole record, including the business plan and materials in support thereof submitted by Applicant, fails to show that:

A. After the acquisition of Preservation Life by the Applicant, Preservation Life 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 acquisition of Preservation Life 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 Preservation Life or prejudice the interest of the policyholders of Preservation Life.

D. The Applicant's plans or proposals, if any, to liquidate Preservation Life, to sell its assets, to consolidate or merge Preservation Life 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 Preservation Life or contrary to the public interest. In making this finding (namely that the record fails to show that Applicant's plans or proposals are unfair or unreasonable), the undersigned is relying on representations in the business plan (exhibit 5) and exhibits that support such plan submitted by Applicant (e.g., exhibits 9, 10, 11, and 12), including but not limited to representations regarding its plans for the type of insurance business to be conducted by Preservation Life, the amount of Preservation Life's premiums to be written, Preservation Life's general application of underwriting standards, and the initial and subsequent amounts of Preservation Life's capital and surplus.

E. The competence, experience and integrity of the Applicant's management are such that it would be contrary to the interests of the policyholders of Preservation Life and of the public to permit the acquisition of Preservation Life by the Applicant.

F. The proposed acquisition of Preservation Life by the Applicant is likely to be hazardous or prejudicial to the insurance buying public. Again, in finding that the record fails to show that the proposed acquisition is likely to be hazardous or prejudicial to the insurance buying public, the undersigned is relying on Applicant's representations in its business plan (exhibit 5) and exhibits that support such plan submitted by Applicant (e.g., exhibits 9, 10, 11, and 12), including but not limited to representations regarding its plans for the type of insurance business to be conducted by Preservation Life, the amount of Preservation Life's premiums to be written, Preservation Life's general application of underwriting standards, and the initial and subsequent amounts of Preservation Life's capital and surplus.

ORDER

Based on the foregoing findings and conclusions, the proposed acquisition of Preservation Life Insurance Company by PFHC Medical Management LLC is hereby **APPROVED.**

Recommended by the hearing officer this 14th day of December, 2009.

Mary Erickson

So ordered, signed and official seal affixed this 21st day of DECEMBER, 2009.

John M. Huff, Director