



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

In Re: Proposed Acquisition of )  
FirstGuard Health Plan, Inc. ) Case No. 041013611C  
by Centene Corporation )

**FINDINGS OF FACT, CONCLUSIONS OF LAW  
AND ORDER**

Findings of Fact and Conclusions of Law.

Based on the competent and substantial evidence on the whole record, I, Scott B. Lakin, Director of Department of Insurance, State of Missouri ("Director"), find and conclude that:

1. On or about October 12, 2004, a Form A statement was filed with the Missouri Department of Insurance on behalf of Centene Corporation, a Delaware corporation (the Applicant), in connection with the proposed acquisition of a Missouri domestic insurer, FirstGuard Health Plan, Inc. (FirstGuard), a wholly owned subsidiary of Swope Community Enterprises, a Missouri non-profit corporation. A public hearing was held on November 10, 2004, as ordered by the Department on October 21, 2004. Sherry L. Doctorian appeared for Applicant. Mark Stahlhuth appeared for the Department's Division of Financial Regulation.
2. Applicant intends to acquire direct control of FirstGuard by purchasing one hundred percent (100%) of the issued and outstanding capital stock of FirstGuard. Applicant has agreed that after the acquisition it will maintain FirstGuard's capital and surplus at a level of no less than ten million dollars (\$10,000,000).
3. A preponderance of the evidence on the whole record fails to show that:

a. After the change of control of the Insurer by Applicant, FirstGuard will be unable to satisfy the requirements of the issuance of a license to write the lines of insurance for which it is presently licensed.

b. The effect of the acquisition of the control of FirstGuard would be to substantially lessen competition in this State, or tend to create a monopoly therein.

c. The financial condition of the Applicant is such as might jeopardize the financial stability of FirstGuard or prejudice the interests of its members.

d. Any plans or proposals Applicant has to liquidate FirstGuard, to sell its assets, or to consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management are unfair and unreasonable to members or policyholders of FirstGuard and contrary to the public interest.

e. The competence, experience and integrity of the Applicant's management are such that it would be contrary to the interests of the members of FirstGuard and of the public to permit the acquisition of control of FirstGuard by Applicant.

f. The acquisition of FirstGuard by the Applicant is likely to be hazardous or prejudicial to the insurance buying public, if within twelve (12) hours after such acquisition Applicant establishes and maintains the capital and surplus of FirstGuard at a minimum of ten million dollars (\$10,000,000).

### **ORDER**

Based on the foregoing findings and conclusions, the acquisition of control of FirstGuard Health Plan, Inc., by Centene Corp. as proposed in the Form A statement is hereby **APPROVED**, provided that within twelve (12) hours after such acquisition Applicant establishes and maintains the capital and surplus of FirstGuard Health Plan at a minimum of ten million dollars (\$10,000,000).

So ordered, signed and official seal affixed this \_\_\_\_\_ day of November, 2004.

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Scott B. Lakin, Director