

In the Matter of the Acquisition of Control of
Physicians Plus Insurance Corporation

PROPOSED DECISION

by

Iowa Health System d/b/a UnityPoint Health

Case No. 13-C35798

Petitioner.

Rebecca L. Easland, Hearing Examiner, Presiding

APPEARANCES

For the Office of the

Commissioner of Insurance:

Present in person

Kristin Forsberg, Licensing Specialist

Richard Wicka, Legal Supervisor

Diane Dambach, Market Regulation Supervisor

Richard Hinkel, Financial Examinations Supervisor

125 South Webster Street

Madison, Wisconsin 53703

For the Petitioner:

Present in person

Dennis Drake, Vice President, General Counsel and Compliance
Officer

Ashley Dose, Attorney

representing:

Iowa Health System (d/b/a UnityPoint Health)

1776 West Lakes Parkway

Suite 400

West Des Moines, IA 50266

William Toman

Gregory Everts

Cristina Choi

Margaret Utterback

Quarles & Brady LLP (External Legal Counsel)

33 East Main Street, Suite 900

Madison, WI 53703

For the Wisconsin Insurer:

Present in person

Kerra Guffey, Chief Information Officer

Tom Luddy, Vice President and Chief Sales and Marketing Officer

Eileen Mallow, Compliance Manager and Privacy Officer

representing:

Physicians Plus Insurance Corporation

2650 Novation Parkway

Madison, WI 53713

For Affiliate of Insurer: Present in person
James Woodward, President and CEO
Geoffrey Priest, Medical Director

representing:

Meriter Health Services, Inc.
202 S Park Street
Madison, WI 53715

PRELIMINARY

Pursuant to a Notice of Hearing dated December 3, 2013, a hearing was held at 9:05 a.m. on December 18, 2013, to determine whether the Petitioner's 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) Iowa Health System d/b/a UnityPoint Health, located at 1776 West Lakes Parkway, Suite 400, West Des Moines, IA 50266, is a nonstock corporation domiciled in the State of Iowa (the "Petitioner").

(2) Physicians Plus Insurance Corporation ("PPIC"), located at 2650 Novation Parkway, Madison, WI, 53713, is a Wisconsin domestic stock insurance company.

(3) The Petitioner filed with the Office of the Commissioner of Insurance ("Commissioner") an application for approval of the acquisition of control of Physicians Plus Insurance Corporation (the "Form A").

(4) The Petitioner stated in its November 22, 2013 response letter (Hearing Exhibit 4.2): "UnityPoint Health and PPIC do not plan to change the name of PPIC or to require PPIC to use the UnityPoint Health trade name. Therefore, the parties do not anticipate a problem with the "distinguishability" requirements [set-forth in s. 180.0401 (2), Wis. Stat.]" Further, Petitioner stated during the December 18, 2013 hearing that if it decided to market PPIC's affiliation with UnityPoint branded entities it would do so pursuant to the conditions listed as conditions subsequent in this order.

(5) The Petitioner was served with a Notice of Hearing.

(6) The Petitioner fulfilled the filing requirements of s. Ins 40.02, Wis. Adm. Code.

(7) The Plan will not violate the law or be contrary to the interest of the insureds of Physicians Plus Insurance Corporation.

(8) After the acquisition of control, Physicians Plus Insurance Corporation will be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed.

(9) The effect of the acquisition of control will not be to create a monopoly or to substantially lessen competition in any type or line of insurance in Wisconsin.

(10) The financial condition of the Petitioner is not likely to jeopardize the financial stability of Physicians Plus Insurance Corporation, or to prejudice the interests of its Wisconsin policyholders.

(11) The Petitioner has no plans or proposals to liquidate Physicians Plus Insurance Corporation, sell its assets, consolidate or merge it with any person or make any other material change in its business, corporate structure, or management, other than as described in this Form A.

(12) The competence and integrity of the persons who will control the operation of Physicians Plus Insurance Corporation are such that it will be in the interest of the policyholders and the public to permit the acquisition of control.

(13) No interested parties objected during the hearing; however, Unity Health Plans Insurance Corporation ("Unity") provided written opposition prior to the hearing.

PROPOSED CONCLUSION OF LAW

(14) The proposed findings of fact set forth above establish that the requirements of s. 611.72 and chs. 227 and 617, 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:

(15) The Petitioners' request for approval of the plan for acquisition of control should be approved, subject to the following conditions subsequent:

- a) If PPIC uses the UnityPoint or UnityPoint Health tradename(s) and trademark(s) to reference its affiliation with UnityPoint Health in its marketing materials, PPIC will include a reasonable notice that PPIC is an affiliate of Iowa Health System, which does business as UnityPoint Health.
- b) If PPIC uses the UnityPoint or UnityPoint Health tradename(s) and trademark(s) to reference its providers in its marketing materials, PPIC will include a reasonable notice that (1) the provider is an affiliate of Iowa Health System, which does business as UnityPoint

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Health, or (2) UnityPoint Health is not an affiliate of Unity Health Plans Insurance Corporation.

- c) Nothing in these conditions subsequent will preclude OCI from ordering further remedies to cure any potential consumer confusion.

Dated at Madison, Wisconsin, this 30th day of December, 2013.



Rebecca L. Easland
Hearing Examiner