

**FORM A**

**STATEMENT  
REGARDING  
THE  
ACQUISITION OF CONTROL OF OR MERGER  
WITH A DOMESTIC INSURER**

**CareSource  
Michigan**

**BY**

**McLaren Health Plan,  
Inc.**

**Filed with the Office of Financial and Insurance Regulation  
State of Michigan ("OFIR")**

Dated: April 18, 2012

**Name, Title, address and telephone number of Individual to Whom Notices and  
Correspondence Concerning this Statement Should be Addressed:**

Kathy Kendall  
President & CEO  
McLaren Health Plan, Inc.  
G-3245 Beecher Rd.  
Flint MI 48532  
(810) 733-9700

**ITEM 1. METHOD OF ACQUISITION**

**State the name and address of the domestic insurer to which this application relates and a  
brief description of how control is to be acquired.**

**Background**

The name of the Domestic Insurer to which this Application relates is CareSource Michigan, a tax-exempt, non-profit corporation (the "Domestic Insurer") authorized by OFIR as a health maintenance organization ("HMO") pursuant to MCL 500.3501, *et seq.* and with offices located at 2900 West Road, Suite 201, East Lansing, Michigan, 48823. The Domestic Insurer is a nonprofit corporation incorporated in Michigan under the Michigan Non-Profit Corporation Act, at MCL 450.2101, *et. seq.* (the "Non-Profit Act"). The Domestic Insurer has no shareholders but is organized on a membership basis. The Domestic Insurer is currently controlled by its Member, CareSource Management Group Co., that exercises certain voting rights similar to those that would-be exercised by shareholders of a for-profit corporation.

The Domestic Insurer serves enrollees who are Medicare and/or Medicaid beneficiaries through contracts it has with state and federal regulators. With respect to the Medicaid managed care program, the Domestic Insurer has a qualified health plan contract with the State of Michigan, which contract is also known as the Michigan Department of Community Health Comprehensive Health Care Program (Alcona, Allegan, Alpena, Antrim, Berrien, Branch, Calhoun, Cass, Charlevoix, Cheboygan, Emmet, Genesee, Gladwin, Grand Traverse, Hillsdale, Iosco, Kalamazoo, Kent, Leelanau, Mason, Mecosta, Monroe, Montgomery, Muskegon, Newaygo, Ogemaw, Otsego, Ottawa, Presque Isle, St. Joseph, Van Buren) (the "Medicaid Contract"). With respect to the Medicare managed care program, the domestic Insurer has a contract with the Centers for Medicare and Medicaid Services to operate as a Special Needs Plan ("SNP"), which contract is also known as the Contract with Eligible Medicare Advantage (MA) Organization pursuant to Section 1851 of the Social Security Act for the Operation of a Medicare Advantage Coordinated Care Plan (the "Medicare Contract").

Applicant proposes two transactions that require OFIR approval, and therefore, OFIR has suggested that Applicant file only one (1) Form A describing the transactions. First, Applicant contemplates the transfer of all of the membership interests of CareSource Michigan from CareSource Management Group Co. to McLaren Health Plan, Inc. (the "Membership Interest Transfer"), as further described in this Item 1. When the Membership Interest Transfer is completed, Applicant will have complete control over CareSource Michigan and Applicant intends to merge McLaren Health Plan, Inc. with and into CareSource Michigan (the "Merger"). At the time of this anticipated Merger, CareSource Management Group Co. will not have any ownership interest in CareSource Michigan, and thus, will have no involvement in Applicant's Merger.

**Membership Interest Transfer from CareSource Management Group Co. to Applicant (McLaren Health Plan, Inc.)**

Control of the Domestic Insurer will be acquired by the Applicant pursuant to a Membership Interest Transfer Agreement, **Exhibit A** attached hereto (the "Transfer Agreement"), among CareSource Michigan, CareSource Management Group Co., an Ohio nonprofit, tax-exempt corporation and McLaren Health Plan, Inc., a Michigan nonprofit corporation authorized as an HMO pursuant to MCL 500.3501, *et seq.* Under the terms of the Transfer Agreement, at Closing, the Applicant will become the sole voting member of the Domestic Insurer, and the Domestic Insurer will become part of Applicant's holding company system.

In order to complete the Membership Interest Transfer, the Member will amend the Articles of Incorporation and Bylaws of the Domestic Insurer to designate the Applicant as a sole voting member of the Domestic Insurer. (The proposed amended Articles are attached as Exhibit A to **Exhibit A**, the Agreement.)

As consideration for the transfer of its Membership Interest, the Applicant shall pay to the Member (i) Twenty-Seven Million Dollars (\$27,000,000) (the "Transfer Payment"), immediately prior to the transfer of the Membership Interest (the "Closing"), and (ii) the net capital and surplus of the Domestic Insurer as provided for in the amount and at the times called for in the Transfer Agreement. After the Closing, the Member may receive additional funds if there is a remaining balance in the IBNR Reserve after the twenty-four

(24) month run-out of IBNR Liabilities. The description above is a summary of material terms and conditions of the Transfer Agreement and is qualified in its entirety by reference to the copy of the Transfer Agreement as attached hereto as **Exhibit A**.

**Applicant's Post-Closing Merger of Applicant into and with the Domestic Insurer**

Immediately following Closing, it is the intention of Applicant to complete the Merger, defined above and more fully discussed in Item 5. CareSource Management Group Co. will not be involved with or a party to the Merger.

**ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT**

- (a) **State the name and address of the applicant seeking to acquire control over the insurer.**

**Applicant:**

McLaren Health Plan, Inc.  
G-3245 Beecher Rd.  
Flint, MI 48532  
(810) 733-9700

- (b) **Describe the business intended to be done by the applicant and the applicant's subsidiaries.**

Applicant was incorporated in 1997 as for-profit stock corporation. Effective May 18, 2000, the original articles of incorporation, as amended, were restated and Applicant reorganized as a Michigan nonprofit membership corporation, whose sole member is McLaren Health Care Corporation ("MHCC"), a nonprofit corporation and holding company of various healthcare entities.

Applicant operates as an HMO. It is not licensed to write business in any other state. Applicant provides HMO coverage to Medicaid beneficiaries pursuant to a contract with the State as a Medicaid managed care health plan. As of January 1, 2006, Applicant also markets and administers commercial health care plans for groups and individuals by offering prepaid hospital and medical coverage in several counties in Michigan.

Applicant is the sole owner of three (3) Michigan corporate subsidiaries licensed or certified, respectively, as a third-party administrator, a Michigan health insurance company and a Michigan HMO (which currently has no members). These subsidiaries also arrange for or provide health coverage services to groups and individuals, whether through self-funded group or fully underwritten group and individual business. The Applicant and its subsidiaries have more than 150,000

members, and contract with more than 15,400 physicians and 65 hospitals. The Applicant offers a full range of preventive services, health and wellness programs, health screenings and educational materials. The Applicant partners with physicians, employers and community organizations to improve the health and well-being of Michigan communities.

The Applicant intends to continue the same business in the future. The transaction is consistent with the Applicant's current business plan, and the purposes for which it was organized, including engaging in "activities designed to promote the health of the public, and to otherwise promote social welfare . . ."

- (c) **Furnish a chart or listing clearly presenting the identities of the interrelationships among the Applicant and all affiliates of the Applicant, including the ultimate controlling person(s). No affiliate need be identified if its total assets are equal to or less than 1/2 of 1% of the total assets of the ultimate controlling person affiliated with the applicant. Indicate in such chart or listing the percentage of voting securities of each such person which is owned or controlled by the applicant or by any other such person. If control of any person is maintained other than by the ownership or control of voting securities, indicate the basis of such control. As to each person specified in such chart or listing indicate the type of organization (e.g., corporation, trust, partnership), primary business (e.g., holding company, insurance agency, manufacturer) and the state or other jurisdiction of domicile. If court proceedings involving a reorganization or liquidation are pending with respect to any such person, indicate which person and set forth the title of the court, nature of proceedings and the date when commenced.**

Please see the attached organizational chart. (**Exhibit B**).

There are no court proceedings involving reorganization or liquidation pending with respect to the Applicant or its affiliated entities.

**ITEM 3.                                      IDENTITY AND BACKGROUND OF INDIVIDUALS  
ASSOCIATED WITH                                      THE APPLICANT**

**State the following with respect to 1) the applicant if she or he is an individual 2) if the applicant is not an individual, all persons who are, or who have been selected to be, directors, executive officers (or others who perform or will perform functions appropriate to those positions), or owners of 10% or more of the voting securities of the applicant, and, 3) in all instances where individuals will be the direct or indirect source of funding for the acquisition:**

- (a) Name and business address;
- (b) Present principal business activity, occupation or employment including position and office held and the name, principal business and address of any corporation or other organization in which such employment is carried on;
- (c) All occupations, positions, offices or employment during the last 5 years, giving the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on; if any such occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency, indicate such fact, the current status of such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection therewith.
- (d) Whether or not such person has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last 10 years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case. Whether or not such person has had any civil judgments against the person resulting in \$25,000 or more in civil fines or penalties or injunctive or other equitable relief.

See Exhibit C.

**Note:** The members of Applicant's Board of Directors and its corporate officers have provided updated Biographical Affidavits (all completed in the month of April, 2012); the board members have provided updated Oaths of Directors (all completed in the month of April, 2012); and all members of Applicant's Board of directors and its corporate officers have been fingerprinted within the twelve (12) month period preceding the date of filing this Form A with OFIR.

The attached updated Biographical Affidavits and Oaths of Directors are submitted (i) in support of this Form A application, and (ii) and for filing with OFIR as required by statute.

#### **ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION**

- (a) Describe the nature, source and amount of funds or other considerations used or to be used in effecting the merger or other

**acquisition of control. Describe any transaction where funds were or are to be obtained for such purpose, including any pledge of the insurer's stock or pledge of the stock of any of its subsidiaries or controlling affiliates. If any part of the same is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding or trading securities, furnish a description of the transaction, the names of the parties thereto, the relationship, if any, between the borrower and the lender, the amounts borrowed or to be borrowed and copies of all agreements, promissory notes and security arrangements relating thereto.**

As consideration for the transfer of Member's Membership Interest in the Domestic Insurer, the Applicant shall pay to the Member (i) Twenty-Seven Million Dollars (\$27,000,000) (the "Transfer Payment"), immediately prior to the transfer of the Membership Interest (the "Closing"), and (ii) the net capital and surplus of the Domestic Insurer as provided for in the amount and at the times called for in the Transfer Agreement. After the Closing, the Member may receive additional funds if there is a remaining balance in the IBNR Reserve after the twenty-four (24) month run-out of IBNR Liabilities. The description above is a summary of material terms and conditions of the Transfer Agreement and is qualified in its entirety by reference to the copy of the Transfer Agreement as attached hereto as Exhibit A. The total purchase consideration will be paid in cash at the Closing subject to post-closing adjustments. Applicant has sufficient capital and surplus to pay the total purchase consideration in cash and still continue to maintain appropriate operational liquidity and risk based capital levels.

- (b) Explain the criteria used in determining the nature and amount of such consideration.**

Applicant performed a comprehensive due diligence investigation and reviewed, among other things, the financial statements, operations and legal documents of Domestic Insurer. Applicant utilized widely accepted valuation techniques to obtain an indication of value for determining the amount of consideration and also took into account such additional factors and information as Applicant deemed relevant under the circumstances. As a result, the basis and terms of the Transfer Agreement, including the nature and amount of consideration, were determined by arm's length negotiations between the parties and their respective advisors.

- (c) If the source of the consideration is a loan made in the lender's ordinary course of business and if the applicant wishes the identity**

**of the lender to remain confidential, the applicant must specifically request that the identity be kept confidential.**

Not applicable.

**ITEM 5. FUTURE PLANS FOR INSURER**

- (a) Describe any plans or proposals which the applicant may have for the insurer to declare a dividend, (whether or not extraordinary), to liquidate the insurer, to sell its assets, to merge it with any person or persons, or to make any other material change in its business operations or corporate structure or management.**

After the Membership Interest Transfer transaction between CareSource Management Group Co. and Applicant closes, Applicant plans to immediately complete the Merger transaction whereby Applicant will merge with the Domestic Insurer subsequent to the Closing, with the Domestic Insurer being the surviving entity ("Surviving HMO"). Subsequent to the Merger, Applicant will surrender its certificate of authority to OFIR. The Surviving HMO will remain a Michigan nonprofit corporation and HMO and will be a wholly owned subsidiary of MHCC on a membership basis.

The current members of Domestic Insurer's board of directors and corporate officers will resign (with written resignations to be presented to Applicant at Closing) and will be replaced with the individuals currently serving as the corporate officers and board members for Applicant, one-third of that board having been elected by enrollees as required by Chapter 35 of the Michigan Insurance Code. (Please refer to **Exhibit C** for the names and biographical information of the board members and corporate officers.) The Applicant anticipates that the name of the Surviving HMO will be changed to McLaren Health Plan, Inc. immediately following completion of the Membership Interest Transfer transaction and the Merger transaction.

Domestic Insurer does not currently employ any individuals. Its staff consists of individuals employed by its sole Member (CareSource Management Group Co.) that, in turn, provides services to Domestic Insurer. During the period of time between execution of the Transfer Agreement and Closing, Applicant will be interviewing those individuals to determine to what extent they may fill new positions to be created by the Transaction or currently open positions with Applicant. Applicant intends to assume the lease of the offices currently used by Domestic Insurer in East Lansing, Michigan, and intends to use the location as additional office space for the Surviving

HMO. However, the principal place of business of the Surviving HMO will be Applicant's current offices located at G-3245 Beecher Rd., Flint, Michigan.

It is Applicant's current intention to replace the corporate policies and procedures of the Surviving HMO with Applicant's current corporate policies and procedures; however, Applicant is reviewing Domestic Insurer's policies and procedures and final decisions as to which policies and procedures to adopt will be based on best business practices. Applicant will, however, replace Domestic Insurer's existing programs and policies with respect to Quality Assurance, Quality Improvement, Member Complaints and Grievances, Enrollee Clinical Records and Health Professional Credentialing with those of Applicant. Applicant's programs have been reviewed and approved by OFIR, MDCH and, for the Medicaid line of business, NCQA.

The existing provider contracts with both Domestic Insurer and Applicant will survive the proposed Membership Interest Transfer transaction and the proposed Merger transaction, so that the intended result is that the provider network of the Surviving HMO will consist of the sum of the current provider networks of Applicant and Domestic Insurer. After extensive due diligence, Applicant is of the belief that none of those provider agreements include provisions that result in termination as a result of a change in ownership of Domestic Insurer. (By operation of law, the Merger transaction itself does not require either Domestic Insurer or Applicant to assign or seek permission to assign its provider agreements to the Surviving HMO.) Although the vast majority of those provider agreements include provisions allowing the providers to terminate upon sixty to ninety days notice for any or no cause, Applicant has developed a comprehensive communication plan to inform stakeholders of the Membership Interest Transfer transaction and the Merger transaction to assure a seamless operational transition.

- (b) Provide a 5 year business plan which describes the types of business to be written by the insurer, marketing plan, projected direct, assumed, ceded, and net written premiums by line, pro-forma statutory balance sheets and income statements. Also, describe proposed changes to the insurer's reinsurance program (if any), amount, timing, and type of capital contributions (if any), proposed changes to the insurer's executive officers and directors, and compliance plan with the "books and records in Michigan" requirement of Section 5256.**



- Please see **Exhibit D** for projected financials including pro-forma statutory balance sheets and income statements.
- Applicant plans to merge with the Domestic Insurer subsequent to the closing, with the Domestic Insurer being the surviving entity ("Surviving HMO"). Subsequent to the Merger transaction, Applicant will surrender its Certificate of Authority to OFIR. The Surviving HMO will remain a Michigan nonprofit corporation and an HMO that is a wholly owned subsidiary of MHCC on a membership basis.
- The Surviving HMO will continue the operations of the Applicant and the Domestic Insurer (including operating under the Medicaid Contracts and the Medicare Contract in specified counties of Michigan and issuing contracts to groups and individuals to provide commercial HMO and POS coverage in the OFIR-approved service areas).
- The Applicant intends to retain the reinsurance program currently in force at Applicant, with modifications based upon additional business lines.
- The current members of Domestic Insurer's board of directors and corporate officers will resign (with written resignations to be presented to Applicant at Closing) and will be replaced with the individuals currently serving as the corporate officers and board members for Applicant, one-third of that board having been elected by enrollees; these are the individuals that will serve as board members and corporate officers of the Surviving HMO. (Please refer to **Exhibit C** for the names and biographical information of the board members and corporate officers.)
- The Applicant intends that the compliance plan of the Surviving HMO will be modified to incorporate best practices from each entity's existing compliance plans.
- The books and records of the Surviving HMO will be maintained in Michigan at the principal place of business of the Surviving HMO, G3235 Beecher Road, Flint, Michigan, 48532.
- No capital contributions are anticipated at this time.
- The Applicant's marketing plan is specific to the commercial business it conducts, since marketing to the Managed Medicaid enrollees is prohibited. The Surviving HMO will achieve, or exceed, Applicant's currently stated enrollment goals by effectively gaining market share

when opening new markets. Expansion into the new counties that CareSource Michigan currently serves for Managed Medicaid business provides an opportunity for Applicant to invite our new “provider partners” to participate with our commercial lines of business. This has been an effective strategy for Applicant in other parts of the state where Applicant received OFIR service area approval to conduct Medicaid business. Applicant’s/Surviving HMO’s market penetration will be achieved by maximizing all product and network strengths of the Surviving HMO to deliver fully integrated health care solutions – whether it is through fully-insured products, self-funded services through its subsidiary, or a combination.

#### **ITEM 6. VOTING SECURITIES TO BE ACQUIRED**

**State the number of shares of the insurer’s voting securities which the applicant, its affiliates and any person listed in Item 3 plan to acquire, and the terms of the offer, request, invitation, agreement or acquisition, and a statement as to the method by which the fairness of the proposal was arrived at.**

Applicant intends to acquire 100% of the membership interests in the Domestic Insurer. The persons listed in Item 3 will not acquire any membership interest in the Domestic Insurer. The terms of the transfer of the membership interest and the basis for such are outlined in the attached Transfer Agreement. **(Exhibit A)**. Applicant performed a comprehensive due diligence investigation and reviewed, among other things, the financial statements, operations and legal documents of the Domestic Insurer. Applicant utilized widely accepted valuation techniques to obtain an indication of value for determining the amount of consideration and also took into account such additional factors and information as Applicant deemed relevant under the circumstances. As a result, the basis and terms of the Transfer Agreement, including the nature and amount of consideration, were determined by arm’s length negotiations between the parties and their respective advisors.

#### **ITEM 7. OWNERSHIP OF VOTING SECURITIES**

**State the amount of each class of any voting security of the insurer which is beneficially owned or concerning which there is a right to acquire beneficial ownership by the applicant, its affiliates or any person listed in Item 3.**

None.

**ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS  
WITH RESPECT TO VOTING SECURITIES OF THE INSURER**

Give a full description of any contracts, arrangements or understandings with respect to any voting security of the insurer in which the applicant, its affiliates or any person listed in Item 3 is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. Such description shall identify the persons with whom the contracts, arrangements or understanding have been entered into.

None except for rights of Applicant to acquire the sole membership interest in and to Domestic Insurer, as provided in the Transfer Agreement. (Exhibit A).

**ITEM 9. RECENT PURCHASES OF VOTING SECURITIES**

Describe any purchases of any voting securities of the insurer by the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this statement. Include in the description the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid therefor. State whether any shares so purchased are hypothecated.

There have been no prior purchases of the voting securities of the Domestic Insurer by the Applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this Form A.

**ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE**

Describe any recommendations to purchase any voting security of the insurer made by the applicant, its affiliates or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this statement.

There have been no recommendations made by the Applicant, its affiliates or any person listed in Item 3 to purchase any voting security of the Domestic Insurer during the 12 calendar months preceding the filing of this Statement.

**ITEM 11. AGREEMENTS WITH BROKER-DEALERS**

Describe the terms of any agreement, contract or understanding made with any broker-dealer as to solicitation of voting securities of the insurer for tender and the

**amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.**

There are no agreements, arrangements or understandings made by the Applicant or any of its affiliates with any broker-dealer as to the solicitation of voting securities of the Domestic Insurer.

## **ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS**

- (a) **Financial statements and exhibits shall be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.**

**Exhibit A**      Membership Interest Transfer Agreement

**Exhibit B**      Organizational Chart

**Exhibit C**      A listing of Applicant's executive officers and directors and biographical affidavits for those individuals

**Exhibit D**      Projected financials including pro-forma statutory balance sheets and income statements

- (b) **The financial statements shall include the audited annual financial statements of the persons (both corporate and individual) identified in Item 2(c), including individuals who are applying to be the ultimate controlling persons, for the preceding 5 fiscal years (or for such lesser period as such applicant and its affiliates and any predecessors thereof shall have been in existence), and similar information covering the period from the end of such person's last fiscal year as of a date not earlier than 90 days prior to the filing of the statement. The statements may be prepared on either an individual basis, or, unless the Commissioner otherwise requires, on a consolidated basis if consolidated statements are prepared in the usual course of business. The consolidated financial statements shall include the consolidating work sheets.**

**The annual financial statements of the applicant corporate entity shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial positions of the applicant and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the applicant is an insurer which is actively engaged in the business of insurance, the financial statements need**

not be certified, provided they are based on the Annual Statement of the person filed with the insurance department of the person's domiciliary state and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of the state.

<b><u>Exhibit E</u></b>	Applicant's audited financial statements 2010
<b><u>Exhibit F</u></b>	Applicant's audited financial statements 2009
<b><u>Exhibit G</u></b>	Applicant's audited financial statements 2008
<b><u>Exhibit H</u></b>	Applicant's audited financial statements 2007
<b><u>Exhibit I</u></b>	Applicant's audited financial statements 2006

**Note:** Applicant's audited financial statements for 2011 will be provided by April 30, 2012.

- (c) File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory, managing general agent, controlling producer, or management contracts concerning the insurer, annual reports and proxy statements to the stockholders of the insurer and the applicant for the last two fiscal years, and any additional documents or papers required Form A forms and instructions Section 4 and 6.

The Domestic Insurer is privately held and has not issued any equity securities of any kind or nature.

Other than as set forth in the Transfer Agreement (**Exhibit A**), there are no tender offers for, requests or invitations for, tenders of, exchange offer for, and agreements to acquire or exchange any voting membership interest of the insurer.

The Applicant is a nonprofit corporation and, as such, no annual reports or proxy statements have been issued to the sole member of the Applicant.

The Domestic Insurer is a nonprofit corporation and, as such, no annual reports or proxy statements have been issued to the sole member of the Domestic Insurer.

**ITEM 13. SIGNATURE AND CERTIFICATION**

**SIGNATURE:**

Pursuant to the requirements of Section 1311 of the Insurance Code of 1956, as amended, McLaren Health Plan, Inc. has caused this application to be duly signed on its behalf in the City of Flint and State of Michigan on the 18<sup>th</sup> day of April, 2012.

**McLaren Health Plan, Inc.**

By: Kathy Kendall  
Kathy Kendall, President and CEO

Attest: Carol Sh

Title: Assistant Treasurer

**CERTIFICATION:**

The undersigned deposes and says that she has duly executed the attached application dated April 18, 2012, for and on behalf of McLaren Health Plan, Inc.; that she is the President and CEO of such company and that she is authorized to execute and file such instrument. Deponent further says that she is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of her knowledge, information and belief.

Kathy Kendall  
Kathy Kendall, President and CEO