

IN RE: Proposed Acquisition of:)
Missouri Care, L.C.)
By) Case No. 061204344C
Schaller Anderson Acquisition, Inc.)

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

Based on competent and substantial evidence on the whole record, I, Douglas M. Ommen, Director of the Department of Insurance, Financial Institutions and Professional Registration of the State of Missouri, find and conclude that:

1. On or about November 28, 2006, a Form A Registration Statement was filed with the Missouri Department of Insurance, Financial Institutions and Professional Registration (the “Department”) on behalf of Schaller Anderson Acquisition, Inc. (“Applicant”), in connection with the proposed acquisition of control of Missouri Care, L.C., a Missouri domestic health maintenance organization. On January 17, 2006, the Department held a public hearing. Ed Downey appeared for the Applicant. Mark W. Stahlhuth appeared for the Department’s Insurance Solvency and Company Regulation Division.
2. The Applicant will acquire control of the Insurers by acquiring substantially all the assets and liabilities of Missouri Care, L.C. d/b/a Missouri Care Health Plan.
3. A preponderance of the evidence on the whole record fails to show that:
 - A. After the acquisition of control of Missouri Care, L.C., by the Applicant, Missouri Care, L.C., 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 control of Missouri Care, L.C., 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 Missouri Care, L.C., or prejudice the interest of the policyholders of Missouri Care, L.C.

D. The Applicant's plans or proposals, if any, to liquidate Missouri Care, L.C., 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 Missouri Care, L.C., 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 Missouri Care, L.C., and of the public to permit the acquisition of Missouri Care, L.C., by the Applicant.

F. The proposed acquisition of Missouri Care, L.C., 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 control of Missouri Care, L.C., by Schaller Anderson Acquisition, Inc., as submitted in the Form A Statement is hereby APPROVED.

So ordered, signed and official seal affixed this _____ day of February, 2007.

DOUGLAS M. OMMEN, Director