



**DEPARTMENT OF INSURANCE, FINANCIAL  
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

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

**IN RE: Proposed Acquisition of:** )  
 )  
**MISSOURI MEDICARE SELECT, LLC** )  
 ) **Case No. 181019920F**  
**by** )  
 )  
**American Health Companies, Inc.,** )  
**American Health Holdings, Inc.,** )  
**American Health Advantage** )  
**of Missouri, LLC** )  
**JCT Family Limited Partnership, and** )  
**Lierman Investment Co., LLC** )

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

Based on competent and substantial evidence and review of the filings, I, Chlora Lindley-Myers, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration (“Director” of the “Department”), find and conclude that:

1. On or about October 9, 2018, American Health Advantage of Missouri, LLC, and its parent companies, American Health Companies, Inc., American Health Holdings, Inc., American Health Advantage of Missouri, LLC, JCT Family Limited Partnership, and Lierman Investment Co., LLC (collectively the “Applicants”), filed a completed Form A Statement (“Form A”) with the Department, in connection with the proposed acquisition

of Missouri Medicare Select, LLC (the “Domestic Insurer”) by American Health Advantage of Missouri, LLC.

2. The Applicants will acquire control of the Domestic Insurer pursuant to a Securities Purchase Agreement dated June 28, 2018, by and among the Applicants and the parent companies of the Domestic Insurer, whereby Applicants would acquire ownership in 100% of stock in the Domestic Insurer.
3. After a review of the Form A, and all the Exhibits, pursuant to § 382.060 RSMo, the Director fails to find that:
  - a. After the acquisition of the Domestic Insurer by the Applicants, the Domestic Insurer will be unable to satisfy the requirements for the issuance of a license to write the lines of business for which it is presently licensed.
  - b. The effect of the acquisition of the Domestic Insurer will be to substantially lessen competition in insurance or tend to create a monopoly in this State.
  - c. The financial condition of the Applicants is such as might jeopardize the financial stability of the Domestic Insurer or prejudice the interests of its policyholders.
  - d. The Applicants’ plans or proposals, if any, to liquidate the Domestic Insurer, or 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, are unfair or unreasonable to its policyholders or contrary to the public interest.
  - e. The competence, experience and integrity of the Applicants’ management are such that it would be contrary to the interests of policyholders of the Domestic Insurer and of the public to permit the acquisition of the Domestic Insurer by the Applicants.

- f. The proposed acquisition of the Domestic Insurer by the Applicants 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 Medicare Select, LLC by American Health Advantage of Missouri, LLC, and its parent companies, American Health Companies, Inc., American Health Holdings, Inc., American Health Advantage of Missouri, LLC, JCT Family Limited Partnership, and Lierman Investment Co., LLC, is hereby **APPROVED WITH CONDITIONS**, namely, subject to the terms and conditions of the Stipulation.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 27<sup>th</sup> DAY OF November, 2018.



*Chlora Lindley-Myers*

CHLORA LINDLEY-MYERS  
DIRECTOR

Department of Insurance, Financial Institutions and  
Professional Registration  
State of Missouri

**IN THE DEPARTMENT OF INSURANCE, FINANCIAL  
INSTITUTIONS AND PROFESSIONAL REGISTRATION  
STATE OF MISSOURI**

**IN RE: Proposed Acquisition of: )**  
**)**  
**MISSOURI MEDICARE SELECT, LLC )**  
**)**  
**by )**  
**)**  
**American Health Companies, Inc., )**  
**American Health Holdings, Inc., )**  
**American Health Advantage )**  
**of Missouri, LLC )**  
**JCT Family Limited Partnership, and )**  
**Lierman Investment Co., LLC )**

**STIPULATION**

It is hereby stipulated and agreed by the Division of Insurance Company Regulation (the "Division"), American Health Advantage of Missouri, LLC, and its parent companies, American Health Companies, Inc., American Health Holdings, Inc., American Health Advantage of Missouri, LLC, JCT Family Limited Partnership, and Lierman Investment Co., LLC ("Applicants"), as follows:

WHEREAS, the Division is a unit of the Missouri Department of Insurance, Financial Institutions and Professional Registration (the "Department"), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State in Missouri; and

WHEREAS, American Health Advantage of Missouri, LLC is a Missouri domestic corporation; and

WHEREAS, American Health Advantage of Missouri, LLC filed a completed Form A statement on or about October 9, 2018 seeking approval from the Director to acquire control of

Missouri Medicare Select, LLC (the “Domestic Insurer”), a Missouri domestic insurance company; and

WHEREAS, the Division and Applicants desire to ensure the protection of current and future Missouri Medicare Select, LLC policyholders; and

WHEREAS, the Division believes that certain additional benchmarks are necessary to protect the financial stability of Missouri Medicare Select, LLC, to avoid prejudicing the interest of Missouri Medicare Select’s policyholders, and to reduce the likelihood that the acquisition will be hazardous or prejudicial to the insurance buying public pursuant to Section 382.060.1(3) and (6), RSMo; and

WHEREAS, the Division and Applicants have agreed to certain additional stipulations to be followed by Applicants and Missouri Medicare Select, LLC post-acquisition, as follows:

A. **Scope of Agreement.** This Stipulation embodies the entire agreement and understanding of the signatories with respect to the subject matter contained herein. The signatories hereby declare and represent that no promise, inducement, or agreement not herein expressed has been made, and acknowledge that the terms and conditions of this agreement are contractual and not a mere recital.

B. **Conditions.** Applicants agree to comply with the following conditions regarding the operation of Missouri Medicare Select, LLC post-acquisition:

1. No Directors or Officers of AmMed serving between 2008 and 2010 shall be permitted to serve as a Director or Officer of American Health Advantage of Missouri, LLC or Missouri Medicare Select, LLC, at any time post-acquisition, without prior approval of the Division.

2. If any Third Party Verification (TPV) should reveal any information or discrepancy which would deem any Officer or Director to be incompetent, untrustworthy, or financially irresponsible in their appointed capacity, then said Officer or Director shall be deemed unacceptable to serve as an Officer or Director of American Health Advantage of Missouri, LLC or Missouri Medicare Select, LLC, at the Division's sole discretion.

3. Applicants shall file Form D filings as they relate to Missouri Medicare Select, LLC. This requirement specifically applies, but is not limited to, the JCT Family Limited Partnership and Lierman Investment Co., LLC.

4. Applicants shall file financial statements with the Form B filings, on an annual basis. Consolidated audited financial statements are required for American Health Companies, Inc., American Health Holdings, Inc., and American Health Advantage of Missouri, LLC. Unaudited financial statements may be submitted, at the Division's sole discretion, for the JCT Family Limited Partnership and Lierman Investment Co., LLC.

5. Applicants shall submit to financial examination by the Division, at any time such examination is requested by the Division, as directed by the Division.

C. **Compliance.** Compliance with the above conditions shall be monitored by the Division through review of financial statements and other required filings made by Applicants, as well as any other available information.

D. **Initial Effect of Noncompliance.** In the event that the Division determines Applicants or Missouri Medicare Select, LLC has failed to comply with one or more of the conditions listed herein, or in the event that Applicants or Missouri Medicare Select, LLC self-reports noncompliance with one or more of the conditions, Applicants and Missouri Medicare Select, LLC shall remedy the noncompliance within sixty (60) calendar days after the

notification of noncompliance from the Division or the self-reporting of noncompliance.

**E. Effect of Continued Noncompliance.** In the event that Applicants or Missouri Medicare Select, LLC has failed to remedy the noncompliance within sixty (60) calendar days after the notification of noncompliance from the Division or the self-reporting of noncompliance, Applicants agree to take action necessary to cause Missouri Medicare Select, LLC to cease the writing of any new insurance business for so long as Missouri Medicare Select, LLC remains in noncompliance with one or more of the above conditions. Applicants agree that the failure by Missouri Medicare Select, LLC to cease the writing of any new insurance business under these circumstances is sufficient grounds for a finding that further transaction of business would be hazardous to the insurer's policyholders, creditors, or general public, pursuant to Section 375.539.2(20), RSMo.

**F. Effect of Subsequent Transaction.** In the event that Applicants cease to exist as a corporate entity or cease to possess control with a 10% or greater ownership interest in Missouri Medicare Select, LLC following a subsequent transaction approved by the Director, Applicants' duties and obligations under this Stipulation shall terminate as of the effective date of any event whereby Applicants cease to exist as a corporate entity or cease to possess control with a 10% or more ownership interest in Missouri Medicare Select, LLC.

**G. Modification.** No modifications or changes to this Stipulation shall be effective unless made in writing and agreed to by all signatories to the Stipulation.

**H. Governing Law.** This Stipulation shall be governed and construed in accordance with the laws of the State of Missouri.

**I. Authority.** The signatories below represent, acknowledge, and warrant that they are authorized to sign this Stipulation.

J. **Effect of Stipulation.** This Stipulation shall not become effective until entry of a Final Order by the Director of the Department of Insurance, Financial Institutions and Professional Registration approving this Stipulation.

K. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation, and the signatories consent to the issuance of such Order. The signatories anticipate such approval would be included in an Order approving the proposed acquisition of Missouri Medicare Select, LLC by Applicants.

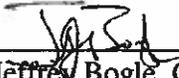
DATED: 11/27/18

  
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John Rehagen, Director  
Division of Insurance Company Regulation

DATED: 11/27/18

  
\_\_\_\_\_  
J. Danielle McAfee, Legal Counsel  
Division of Insurance Company Regulation

DATED: 11-21-18

  
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Jeffrey Bogle, Chief Financial Officer  
American Health Companies, Inc.