

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF
WELLCARE HEALTH INSURANCE COMPANY OF AMERICA

and

WELLCARE OF ARKANSAS, INC.

(collectively, the “Domestic Insurers”)

each, an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the “Applicant”)

Filed with the Insurance Department of the State of Arkansas

Dated: April 26, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

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This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Commissioner of the Arkansas Department of Insurance (the “Commissioner”) pursuant to the requirements of Ark. Code Ann. §§ 23-63-506 through 23-63-513 and 15 Ark. Code R. §§ 11 and Form A for the acquisition of control of WellCare Health Insurance Company of America and WellCare of Arkansas, Inc. by the Applicant.

Confidentiality Legend

This Form A contains confidential and/or proprietary information and strategies that are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-2 and CE-3, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to Ark. Code Ann. § 25-19-105(b)(9)(A) (exemption to freedom of information act to “files that if disclosed would give advantage to competitors”), Ark. Code Ann. § 4-75-601(4) (definition of trade secret), Ark. Code Ann. § 4-75-605 (preservation of secrecy of trade secrets), Ark. Code Ann. § 23-61-207 (confidentiality of ancillary information relating to examinations by the Commissioner) and any other applicable statutory or regulatory authority available to the Commissioner.

In addition, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the understanding that the confidentiality of such information contained therein will be safeguarded and such individuals will be protected from unwarranted invasions of personal privacy pursuant to Ark. Code Ann. § 23-61-207 and all other applicable provisions of law and any other applicable statutory or regulatory authority available to the Commissioner.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. DOMESTIC INSURERS AND METHOD OF ACQUISITION

(a) The Domestic Insurers

This Form A relates to the proposed acquisition of control of WellCare Health Insurance Company of America, a life and disability insurance company domiciled in Arkansas (“WHICA”), and WellCare of Arkansas, Inc., a health maintenance organization domiciled in Arkansas (“WCA” and, together with WHICA, the “Domestic Insurers”), by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The address, NAIC number and Federal Identification Number of each Domestic Insurer are as follows:

WellCare Health Insurance Company of America

Home Office: 124 West Capitol Avenue
Suite 1900
Little Rock, Arkansas 72201

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 16343

FEIN Number: 82-4247084

WellCare of Arkansas, Inc.

Home Office: 1001 N. University Drive
Suite 150
Little Rock, Arkansas 72207

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 16531

FEIN Number: 83-2797833

Each of the Domestic Insurers is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II” and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of each of the Domestic Insurers.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare’s and Centene’s respective businesses prior to the closing of the Merger Transaction (the “Closing”) and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare’s stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene’s stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock

Exchange (the “NYSE”), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-

quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare's Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene's growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.

- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.
- **Expanding National Footprint.** With the addition of WellCare's markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare's Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic Insurers is as follows:

Centene Corporation
7700 Forsyth Boulevard

(b) **Business Operations of the Applicant**

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene's health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems, resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard (1) has filed a disclaimer of affiliation or control in respect of WHICA with the Arkansas Department of Insurance (the "Department"), and (2) intends to file a disclaimer of affiliation or control in respect of WCA.

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to

the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic Insurers before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) Names and Business Addresses

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been

established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification of the information therein. Said verification service will report its findings directly to the Department upon completion of the verification process.

(b) Present Activity

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) Employment History

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) Criminal Proceedings

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Consideration

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the “Securities Act”), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the future based on prevailing market conditions and other financial factors. Centene will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into a second amended and restated debt commitment letter, dated as of April 23, 2019 (the "Commitment Letter"), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the "Financing" in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic Insurers or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic Insurers will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms' length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of

operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) **Confidentiality of Lender's Information in the Ordinary Course of Business**

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM 5. FUTURE PLANS OF THE DOMESTIC INSURERS

Centene has no present plans or proposals to cause the Domestic Insurers to declare any extraordinary dividend, to liquidate the Domestic Insurers, to sell the assets of the Domestic Insurers (other than in ordinary course), to merge the Domestic Insurers with any person or persons or to make any other material change in the Domestic Insurers' business operations, corporate structure or management. Immediately following the Closing, the Domestic Insurers will continue to maintain their separate corporate existence and (i) WHICA will continue its operations as currently conducted, and (ii) WCA will conduct operations as described in its plan of operation filed as part of its licensing application recently approved by the Department. Three-year statutory financial projections of each of the Domestic Insurers (as required by Item 12(a) of this Form A) reflecting continuation of current business plans or, with respect to WCA, the conduct of business as described in WCA's recently approved licensing application are attached as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add each of the Domestic Insurers as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic Insurers to the Tax Sharing Agreement will be filed with the Department under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic Insurers; however, Centene anticipates an ongoing review of the composition of the Domestic Insurers' management, including their respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic Insurers) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country,

and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

WHICA currently has 1,000,000 shares of common stock, par value ten dollars (\$10) per share, authorized, 80,000 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

WCA currently has 100 shares of common stock, par value one thousand dollars (\$1,000) per share, authorized, 100 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic Insurers. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic Insurers or any of their controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic Insurers or any of their respective controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic Insurers or any of their respective controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC INSURERS

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic Insurers or any of their respective controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic Insurers or any of their respective controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic Insurers or any of their respective controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic Insurers or any of their respective controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic Insurers Before the Merger Transaction
B-4	Abbreviated Organizational Chart of the Domestic Insurers After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018

D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
D-6	Unaudited Financial Statement of the Applicant for the Quarter ended March 31, 2019
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter
CE-3	Three-Year Financial Projections of each of the Domestic Insurers

(c) **Tender Offer Documents and Certain Proposed Agreements**

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic Insurers, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic Insurers by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic Insurers do not prepare annual reports to their respective stockholders.

ITEM 13. AGREEMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within 15 days after the end of the month in which the acquisition of control occurs.

ITEM 14. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant is set forth on the immediately following page.

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of Ark. Code Ann. §§ 23-63-506 — 23-63-513, Centene Corporation has caused this application to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 24th day of April, 2019.

(SEAL)

CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated April 26, 2019, for and on behalf of Centene Corporation; that he is the Executive Vice President, Secretary and General Counsel of such company and that he is authorized to execute and file the instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Keith H. Williamson

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF

WELLCARE OF ALABAMA, INC.

(the “Domestic HMO”)

an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the “Applicant”)

Filed with the Alabama Department of Insurance

Dated: May 1, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
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St. Louis, Missouri 63105
Telephone: (314) 505-6539
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This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Commissioner of Insurance of the State of Alabama (the “Commissioner”) pursuant to the requirements of Ala. Code § 27-29-3 and Ala. Admin. Code r. 482-1-055.10 and 482-1-055 Form A for the acquisition of control of WellCare of Alabama, Inc. by the Applicant.

Confidentiality Legend

This Form A, together with any items that may be submitted separately as amendments or supplements hereto, contains confidential and/or proprietary information, business plans and strategies that are trade secrets and are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-2 and CE-3, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including but not limited to, Ala. Code § 8-27-2, Ala. Code § 36-25A-1 *et seq.* and Ala. Code § 27-29-7, and any other applicable statutory or regulatory authority available to the Commissioner. All such information is provided with the express understanding that the confidentiality of such information will be safeguarded.

In addition, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the express understanding that the confidentiality of such information contained therein will be safeguarded and such individuals submitting NAIC biographical affidavits will be protected from unwarranted invasions of personal privacy pursuant to all applicable provisions of law, including but not limited to, Ala. Code § 36-12-40 *et seq.*, and any other applicable statutory or regulatory authority available to the Commissioner.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. THE DOMESTIC HMO AND METHOD OF ACQUISITION

(a) The Domestic HMO

This Form A relates to the proposed acquisition of control of WellCare of Alabama, Inc., a health maintenance organization domiciled in Alabama (the “Domestic HMO”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The address, NAIC number and Federal Identification Number of the Domestic HMO are as follows:

WellCare of Alabama, Inc.

Home Office: 7027 Old Madison Pike NW
Suite 108
Huntsville, Alabama 35806

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 16239

FEIN Number: 82-1301128

The Domestic HMO is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II”) and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of the Domestic HMO.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare's and Centene's respective businesses prior to the closing of the Merger Transaction (the "Closing") and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare's stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene's stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the "NYSE"), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare’s Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene’s growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.
- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social

determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.

- **Expanding National Footprint.** With the addition of WellCare’s markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare’s Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic HMO is as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105

(b) Business Operations of the Applicant

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene’s health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems,

resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 5% or more of the voting securities of Centene except for (i) The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018, (ii) Blackrock, Inc. ("Blackrock"), which held approximately 8.8% of Centene Common Stock as of December 31, 2018, (iii) T. Rowe Price Group, Inc. ("T. Rowe Price"), which held approximately 8.0% of Centene Common Stock as of December 31, 2018, and (iv) Capital World Investors, a division of Capital Research and Management Company ("Capital Research (World)"), which held approximately 5.8% of Centene Common Stock as of December 31, 2018. No person is projected to hold 5% or more of the outstanding Centene Common Stock immediately after the Closing except for (i) Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing, (ii) T. Rowe Price, which is projected to hold approximately 9.8% of Centene Common Stock immediately after the Closing, (iii) Blackrock, which is projected to hold approximately 5.2% of Centene Common Stock immediately after the Closing, and (iv) Capital Research (World), which is projected to hold approximately 5.1% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard has filed a disclaimer of affiliation or control in respect of the Domestic HMO with the Alabama Department of Insurance (the "Department"), and the Department has provided an order of exemption in respect of such disclaimer. Centene has been informed by T. Rowe Price that T. Rowe Price intends to file a disclaimer of affiliation or control in respect of the Domestic HMO with the Department. Centene has been informed by Blackrock that Blackrock has filed a disclaimer of affiliation or control in respect of the Domestic HMO with the Department, and the Department has provided an order of exemption in respect of such disclaimer.

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the

identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic HMO before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) Names and Business Addresses

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification of the information therein. Said verification service will report its findings directly to the Department upon completion of the verification process.

(b) Present Activity

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) Employment History

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) Criminal Proceedings

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Consideration

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the “Securities Act”), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this

indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the future based on prevailing market conditions and other financial factors. Centene will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into a second amended and restated debt commitment letter, dated as of April 23, 2019 (the “Commitment Letter”), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the “Financing” in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic HMO or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic HMO will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms’ length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations,

historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) **Confidentiality of Lender's Information in the Ordinary Course of Business**

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM 5. FUTURE PLANS OF THE DOMESTIC HMO

Centene has no present plans or proposals to cause the Domestic HMO to declare any extraordinary dividend, to liquidate the Domestic HMO, to sell the assets of the Domestic HMO (other than in ordinary course), to merge the Domestic HMO with any person or persons or to make any other material change in the Domestic HMO's business operations, corporate structure or management. Immediately following the Closing, the Domestic HMO will continue to maintain its separate corporate existence and will continue its operations as currently conducted. Three-year statutory financial projections of the Domestic HMO reflecting continuation of its current business plans are attached hereto as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add the Domestic HMO as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic HMO to the Tax Sharing Agreement will be filed with the Department under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic HMO; however, Centene anticipates an ongoing review of the composition of the Domestic HMO's management, including its directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic HMO) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

The Domestic HMO currently has 600,000 shares of common stock, par value one dollar (\$1.00) per share, authorized, issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic HMO. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic HMO or any of its controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC HMO

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic HMO or any of its controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic HMO or any of its controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic HMO or any of its controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic HMO or any of its controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic HMO Before the Merger Transaction
B-4	Abbreviated Organizational Chart of the Domestic HMO After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018
D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
D-6	Unaudited Financial Statement of the Applicant for the Quarter ended March 31, 2019
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018

F-2	Annual Report of the Applicant for 2017
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The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter
CE-3	Three-Year Financial Projections of the Domestic HMO

(c) Tender Offer Documents and Certain Proposed Agreements

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic HMO, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic HMO by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic HMO does not prepare annual reports to its stockholders.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

ITEM 14. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant is set forth on the immediately following page.

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

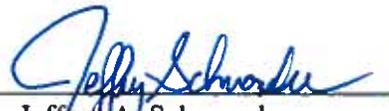
Pursuant to the requirements of Section 27-29-3, Code of Alabama 1975, Centene Corporation has caused this application to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 29th day of April, 2019.

(SEAL)

CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated May 1, 2019, for and on behalf of Centene Corporation; that he is the Executive Vice President, Secretary and General Counsel of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Keith H. Williamson

SECTION I – APPLICATION FORMS AND FEES

I-1 Acquisition Fees

Attached to this Section I-1 are the following:

- a copy of the invoice form OIR-C1-918 for payment of the application fee; and
- a copy of the check for the acquisition application fee in the amount of \$1,500.00 made payable to the Florida Department of Financial Services.

The original invoice and check for the acquisition application fee were mailed to the Florida Department of Financial Services, Bureau of Financial Services, P.O. Box 6100, Tallahassee, Florida 32314-6100 on April 19, 2019.

SECTION I – APPLICATION FORMS AND FEES

I-2 Fingerprint Process Fees

Attached to this Section I-2 are copies of the on-line payment confirmations for the processing of the paper fingerprint cards for each of the individuals identified in Exhibit H-1 to this Application (defined below). Each of such individuals has prepaid electronically for the processing of these fingerprint cards. The fingerprint cards will be mailed under separate cover to the Florida Office of Insurance Regulation (“OIR”), Company Admissions, as required in Section IV-4 of this Application.

SECTION II – LEGAL

II-1 Acquisition Statement

Proposed Transaction

This application (including all exhibits attached hereto, this “Application”) seeks the prior approval of the Commissioner of OIR pursuant to Florida Statutes 628.461 of the acquisition of control of WellCare Prescription Insurance, Inc., a life and health insurance company domiciled in Florida (“WPI”), and WellCare of Florida, Inc., a health maintenance organization domiciled in Florida (“WCF” and, together with WPI, the “Domestic Insurers”), by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The Domestic Insurers

The address, NAIC number and Federal Identification Number of each Domestic Insurer are as follows:

WellCare Prescription Insurance, Inc.

Address: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 10155

FEIN Number: 20-2383134

WellCare of Florida, Inc.

Address: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 95081

FEIN Number: 59-2583622

Each of the Domestic Insurers is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

The Applicant and Related Parties

The name and current business address of the Applicant seeking to acquire control of the Domestic Insurers is as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene's health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems, resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Application, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. We have been informed by Vanguard that Vanguard has filed disclaimers of control in respect of the Domestic Insurers with OIR, and OIR has provided its approval in respect of such disclaimers.

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene ("Merger Sub I"), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene ("Merger Sub II") and, together

with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of each of the Domestic Insurers.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare's and Centene's respective businesses prior to the closing of the Merger Transaction (the "Closing") and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare's stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene's stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the "NYSE"), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state

insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Application. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

Benefits of the Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare’s Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene’s growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.
- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work.

The combined company will enhance its already robust efforts to address the social determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.

- **Expanding National Footprint.** With the addition of WellCare's markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare's Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

SECTION II – LEGAL
II-2 Notification Statement

In compliance with Florida Statutes, Section 628.461(1)(a), the Applicant filed a Notification Statement through iApply in the form attached hereto as Exhibit B on March 29, 2019.

SECTION II – LEGAL

II-3 Statutory Statements

Sections 628.461(3)(b) through (g) of the Florida Statutes

(A) 628.461(3)(b): The source and amount of the funds or other consideration used, or to be used, in making the acquisition.

Consideration

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the “Securities Act”), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the future based on prevailing market conditions and other financial factors. Centene will provide OIR will any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into an amended and restated commitment letter, dated as of April 4, 2019, with Barclays Bank PLC and the other commitment parties party thereto (the “Commitment Letter”) pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is filed under separate cover as Exhibit C, and confidential treatment is requested for such

exhibit as set forth in the Trade Secret Affidavit that accompanies it. The financing contemplated by the Commitment Letter is referred to as the “Financing” in this Application.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic Insurers or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic Insurers will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms’ length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(B) 628.461(3)(c): Any plans or proposals that such persons may have made to liquidate such insurer, to sell any of its assets or merge or consolidate it with any person, or to make any other major change in its business or corporate structure or management; and any plans or proposals that such persons may have made to liquidate any controlling company of such insurer, to sell any of its assets or merge or consolidate it with any person, or to make any other major change in its business or corporate structure or management.

Centene has no present plans or proposals to cause the Domestic Insurers to declare any extraordinary dividend, to liquidate the Domestic Insurers, to sell the assets of the Domestic Insurers (other than in ordinary course), to merge the Domestic Insurers with any person or persons or to make any other material change in the Domestic Insurers’ business operations, corporate structure or management, other than as described below in this Section II-3(B). Immediately following the Closing, the Domestic Insurers will continue to maintain their separate corporate existence and will continue their operations as currently conducted.

Effective on the date of the Closing, Centene plans to add each Domestic Insurer as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (the “Tax Sharing Agreement”). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic Insurers to the Tax Sharing Agreement will be filed with OIR under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic Insurers; however, Centene anticipates an ongoing review of the composition of the Domestic Insurers' management, including their respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to OIR as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic Insurers) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

WCF (or the "Domestic HMO") conducts Medicaid business in the state of Florida. As of the date of this Application, Centene conducts Medicaid business in the state of Florida through a wholly owned subsidiary, Sunshine State Health Plan, Inc. (the "Centene Florida HMO"). Following the consummation of the Merger Transaction, it is anticipated that the respective operations of the Domestic HMO, on the one hand, and the Centene Florida HMO, on the other hand, will initially operate substantially independently; however, while integration planning is still ongoing, it is anticipated that the Medicaid operations of the Domestic HMO and the Centene Florida HMO will eventually be consolidated. The form and timing of any such consolidation have not yet been determined; however, it is anticipated that any such consolidation would only occur after an initial transitional period, which would enable the respective organizations time to fully analyze the impact of such consolidation and ensure a smooth transition and minimize disruption for members, providers, the State and other constituents. After such transitional period and consolidation, it is anticipated that Centene's Medicaid operations in Florida will be conducted through one (or related) managed care companies under one brand name utilizing the same or coordinating administrative systems and provider networks. Any such combination proposed to be made with respect to the Domestic HMO following the Closing would be implemented subject to and after all required regulatory approvals had been received (including from OIR), as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

(C) 628.461(3)(d): The number of shares or other securities that the person or affiliated person of such person proposes to acquire, the terms of the proposed acquisition, and the manner in which the securities are to be acquired.

WPI has 25,000,000 shares of \$1 par value common stock authorized of which 2,500,000 shares are issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

WCF has 10,000,000 shares of \$0.01 par value common stock authorized of which 5,275,312.5 shares are issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As described in Section II-1 of this Application, following the consummation of the Merger Transaction, the Applicant will own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare and, consequently, will indirectly own 100% of the issued and outstanding shares of capital stock of each of the Domestic Insurers. Other than as disclosed in this Application, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the individuals listed in Exhibit H-1 to this Application has any plans or proposals to acquire any voting securities issued by the Domestic Insurers or any of their controlling persons, including WellCare.

(D) 628.461(3)(e): Information as to any contract, arrangement, or understanding with any party with respect to any of the securities of the insurer or controlling company, including, but not limited to, information relating to the transfer of any of the securities, option arrangements, puts or calls, or the giving or withholding of proxies, which information names the party with whom the contract, arrangement, or understanding has been entered into and gives the details thereof.

Other than as disclosed in this Application, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic Insurers or any of their respective controlling persons in which the Applicant, its affiliates or the individuals identified in Exhibit H-1 to this Application 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.

(E) 628.461(3)(f)and (g): (f) Effective January 1, 2015, an agreement by the person required to file the statement that the person will provide the annual report specified in Section 628.801(2) if control exists and (g) Effective January 1, 2015, an acknowledgement by the person required to file the statement that the person and all subsidiaries within the person's control in the insurance holding company system will provide, as necessary, information to the office upon request to evaluate enterprise risk to the insurer.

The Applicant understands that upon consummation of the Merger Transaction that it will be the "ultimate controlling person" for purposes of providing the annual report specified in Section 628.801(2) of the Florida Statutes. The Applicant acknowledges that it and all subsidiaries within its control in its insurance holding company system will provide, as necessary, information to OIR upon request to evaluate enterprise risk to the Domestic Insurers.

SECTION II – LEGAL

II-4 Waiver of Public Hearing

A waiver from the Domestic Insurers and WellCare waiving a public hearing on this Application is attached as Exhibit D.

SECTION II – LEGAL

II-5 Organizational Charts

Attached as Exhibit E-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit E-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit E-3 and Exhibit E-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic Insurers before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (e.g., corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Application, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit E-1.

SECTION II – LEGAL

II-6 Tender or Exchange Offer Document

Other than as disclosed in this Application, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic Insurers, and there are no soliciting materials relating thereto.

SECTION II – LEGAL

II-7 Other Agreements

As described in Section II-3(A) of this Application, the Applicant expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. Additionally, the Commitment Letter has been put in place, with an aggregate principal amount of up to \$8.35 billion, to fund the Applicant in the event that the proceeds of the proposed debt offering by the Applicant or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. The Applicant may also be assuming approximately \$1.95 billion in existing WellCare indebtedness in addition to the payment of the Merger Consideration.

SECTION II – LEGAL

II-8 Consent and Agreement in Re Service of Process and Resolution Form

Executed Consent and Agreement in Re Service of Process and Resolution Forms will be submitted upon the request of OIR. There will be no changes to these forms as a result of the Merger Transaction.

SECTION III – FINANCIAL

III-1 Holding Company Registration Statement

An Insurance Holding Company System Annual Registration Statement on Form B for the year ended December 31, 2018 is currently on file with OIR for the Applicant's Florida-domiciled insurance subsidiaries.

More information can be found in the Annual Report on Form 10-K filed by Centene with the SEC on February 19, 2019.

SECTION III – FINANCIAL

III-2 Annual Statements

Attached as Exhibit F are the audited consolidated financial statements of the Applicant for the year ended December 31, 2018.

SECTION III – FINANCIAL

III-3 Quarterly Statements

The consolidated statements of income of the Applicant for the quarter ended March 31, 2019 will be provided under separate supplemental cover once it becomes available.

SECTION III – FINANCIAL

III-4 Plan of Operation

The Applicant's plans for the Domestic Insurers are described in Section II-3 of this Application in response to Section 628.461(3)(c). Labeled as Exhibit G-1 is a three-year plan of operation for the Domestic Insurers and labeled as Exhibit G-2 are three-year pro forma financial statements for each Domestic Insurer. Exhibit G-1 and Exhibit G-2 are filed under separate cover, and confidential treatment is requested for such exhibit as set forth in the Trade Secret Affidavit that accompanies it.

SECTION III – FINANCIAL

III-5 Previous Florida Business History of Acquiring Company

Centene has no history of withdrawing from Florida as a whole or in discontinuing a particular line of business in this state. Although outside the scope of this interrogatory, in the interest of full disclosure, we note that a subsidiary of Centene, Sunshine State Health Plan, provided notice to the Florida Agency for Health Care Administration of its intent to withdraw from the Medicaid market in two of the counties in the Reform area in 2010. The termination was without cause and included an orderly transition of members. Centene now serves those same two counties once again and has since 2014.

SECTION III – FINANCIAL

III-6 Confirmation of Funds

At the closing of the Merger Transaction, the Applicant will have funds sufficient to fund its payment obligations in connection with the Merger Transaction contemplated under the Merger Agreement. As further described in Section II-3(A) of this Application, the Applicant expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. Additionally, the Commitment Letter has been put in place, with an aggregate principal amount of up to \$8.35 billion, to fund the Applicant in the event that the proceeds of the proposed debt offering by the Applicant or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is filed under separate cover as Exhibit C, and confidential treatment is requested for such exhibit as set forth in the Trade Secret Affidavit that accompanies it.

SECTION IV – MANAGEMENT

IV-1 List of Directors and Executive Officers of the Applicant

Attached as Exhibit H-1 and Exhibit H-2 is a completed OIR-C1-1298 (Management Information Form) form for the Applicant for each of before and after giving effect to the Merger Transaction.

Attached as Exhibit H-3 and Exhibit H-4 is a completed OIR-C1-1298 (Management Information Form) form for WPI for each of before and after giving effect to the Merger Transaction.

Attached as Exhibit H-5 and Exhibit H-6 is a completed OIR-C1-1298 (Management Information Form) form for WCF for each of before and after giving effect to the Merger Transaction.

Attached as Exhibit H-7 and Exhibit H-8 is a completed OIR-C1-1298 (Management Information Form) form for The WellCare Management Group, Inc. for each of before and after giving effect to the Merger Transaction.

Attached as Exhibit H-9 and Exhibit H-10 is a completed OIR-C1-1298 (Management Information Form) form for WCG Health Management, Inc. for each of before and after giving effect to the Merger Transaction.

Attached as Exhibit H-11 and Exhibit H-12 is a completed OIR-C1-1298 (Management Information Form) form for Post-Closing WellCare for each of before and after giving effect to the Merger Transaction.

The structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene's Chief Executive Officer after the Closing. It is also

anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

SECTION IV – MANAGEMENT

IV-2 Biographical Affidavits

Attached to this Section IV-2 is a completed NAIC Form of Biographical Affidavit for each individual identified in Exhibit H-1 to this Application.

SECTION IV – MANAGEMENT

IV-3 Investigative Background Reports

Investigative Background Reports for each of the individuals identified in Section IV-1 of this Application either have been or will be requested and will be transmitted directly by the third-party verification service to OIR.

SECTION IV – MANAGEMENT

IV-4 Fingerprint Card

Paper fingerprint cards for each of the individuals identified in Section VI-1 of this Application will be mailed under separate cover to OIR, Company Admissions.

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF

WELLCARE OF GEORGIA, INC.,

(the "Domestic HMO")

an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the "Applicant")

Filed with the Georgia Office of Insurance and Safety Fire Commissioner

Dated: April 19, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

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This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Commissioner of Insurance of the State of Georgia (the “Commissioner”) pursuant to the requirements of O.C.G.A. § 33-13-3 and Ga. Comp. R. & Regs. R. 120-2-23 for the acquisition of control of WellCare of Georgia, Inc. by the Applicant.

Confidentiality Legend

This Form A contains confidential and/or proprietary information and strategies that are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-1 through CE-3, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to O.C.G.A. § 50-18-72, Ga. Comp. R. & Regs. R. 120-2-2-.25 and any other applicable statutory or regulatory authority available to the Commissioner.

In addition, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the understanding that the confidentiality of such information contained therein will be safeguarded and such individuals will be protected from unwarranted invasions of personal privacy pursuant to O.C.G.A. § 50-18-72(a)(20) and all other applicable provisions of law and any other applicable statutory or regulatory authority available to the Commissioner. The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. METHOD OF ACQUISITION

(a) The Domestic HMO

This Form A relates to the proposed acquisition of control of WellCare of Georgia, Inc., a health maintenance organization domiciled in Georgia (the “Domestic HMO”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The address, NAIC number and Federal Identification Number of the Domestic HMO are as follows:

WellCare of Georgia, Inc.

Home Office: 211 Perimeter Center
Parkway NW, Suite 800
Atlanta, Georgia 30346

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 10760

FEIN Number: 20-2103320

The Domestic HMO is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II”) and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of the Domestic HMO.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare's and Centene's respective businesses prior to the closing of the Merger Transaction (the "Closing") and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare's stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene's stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the "NYSE"), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare’s Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene’s growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.
- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.
- **Expanding National Footprint.** With the addition of WellCare’s markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in

Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.

- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare's Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic HMO is as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105

(b) Business Operations of the Applicant

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene's health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems, resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. We have been informed by Vanguard that Vanguard has filed a disclaimer of control in respect of the Domestic HMO with the Georgia Office of Insurance and Safety Fire Commissioner (the "Department"), and the Department has provided its approval in respect of such disclaimer.

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic HMO before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) Names and Business Addresses

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing Wellcare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification of the information therein. Said verification service will report its findings directly to the Department upon completion of the verification process required by Georgia law.

(b) Present Activity

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) **Employment History**

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) **Criminal Proceedings**

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) **Consideration**

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the "Securities Act"), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the

future based on prevailing market conditions and other financial factors. Centene will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into an amended and restated debt commitment letter, dated as of April 4, 2019 (the "Commitment Letter"), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the "Financing" in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic HMO or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic HMO will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms' length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) Confidentiality of Lender's Information in the Ordinary Course of Business

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM 5. FUTURE PLANS OF THE DOMESTIC HMO

Centene has no present plans or proposals to cause the Domestic HMO to declare any extraordinary dividend, to liquidate the Domestic HMO, to sell the assets of the Domestic HMO (other than in ordinary course), to merge the Domestic HMO with any person or persons

or to make any other material change in the Domestic HMO's business operations, corporate structure or management, other than as described below in this Item 5. Immediately following the Closing, the Domestic HMO will continue to maintain its separate corporate existence and will continue its operations as currently conducted. Three-year statutory financial projections of the Domestic HMO reflecting continuation of its current business plans are attached hereto as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add the Domestic HMO as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic HMO to the Tax Sharing Agreement will be filed with the Department under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic HMO; however, Centene anticipates an ongoing review of the composition of the Domestic HMO's management, including its respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic HMO) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

The Domestic HMO conducts Medicaid business in the State of Georgia. As of the date of this Form A, Centene conducts Medicaid business in the State of Georgia through Peach State Health Plan, Inc., a Georgia domestic health maintenance organization and wholly owned subsidiary of Centene (the "Centene Georgia HMO"). Following the consummation of the Merger Transaction, it is anticipated that the respective operations of the Domestic HMO, on the one hand, and the Centene Georgia HMO, on the other hand, will initially operate substantially independently; however, while integration planning is still ongoing, it is anticipated that the Medicaid operations of the Domestic HMO and the Centene Georgia HMO will eventually be consolidated. The form and timing of any such consolidation have not yet been determined; however, it is anticipated that any such consolidation would only occur after an initial transitional period, which would enable the respective organizations time to fully analyze the impact of such consolidation and ensure a smooth transition and minimize disruption for members, providers, the State of Georgia and other constituents. After such transitional period and consolidation, it is anticipated that Centene's Medicaid operations in Georgia will be conducted through one (or related) managed care companies under one brand name utilizing the same or coordinating administrative systems and provider networks. Any such combination proposed to be made with respect to the Domestic HMO following the Closing would be implemented subject to and after all required regulatory approvals had been received (including

from the Department), as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

The Domestic HMO currently has 5,000,000 shares of common stock, par value one dollar (\$1.00), authorized, issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic HMO. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic HMO or any of its controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC HMO

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic HMO or any of its controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic HMO or any of its controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic HMO or any of its controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic HMO or any of its controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:²

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic HMO Before the Merger Transaction
B-4	Abbreviated Organizational Chart of the Domestic HMO After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018

² It is expected that unaudited financial statements of the Applicant for the quarter ended March 31, 2019, will be available on or around April 23, 2019. Once available, the Applicant will promptly submit such quarterly financial statements to the Department on a supplemental basis.

D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter
CE-3	Three-Year Financial Projections of the Domestic HMO

(c) Tender Offer Documents and Certain Proposed Agreements

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic HMO, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic HMO by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic HMO does not prepare annual reports to its stockholders.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

ITEM 14. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant is set forth on the immediately following page.

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of O.C.G.A. Section 33-13-3 Centene Corporation has caused this application to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 13th day of April, 2019.

(SEAL)*

CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated April 19, 2019, for and on behalf of Centene Corporation; that he is the Executive Vice President, Secretary and General Counsel of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Keith H. Williamson

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF

HARMONY HEALTH PLAN, INC.

and

MERIDIAN HEALTH PLAN OF ILLINOIS, INC.

(collectively, the "Domestic HMOs")

each, an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the "Applicant")

Filed with the Illinois Department of Insurance

Dated: April 19, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
7700 Forsyth Blvd.,
St. Louis, Missouri 63105
Telephone: (314) 505-6539
Email: kwilliamson@centene.com

Todd E. Freed, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
Telephone: (212) 735-3714
Email: todd.freed@skadden.com

This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Director of Insurance of the State of Illinois (the “Director”) pursuant to the requirements of 215 ILCS 5/131.4 for the acquisition of control of Harmony Health Plan, Inc. and Meridian Health Plan of Illinois, Inc. by the Applicant.

Confidentiality Legend

This Form A contains confidential and/or proprietary information and strategies that are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-1 through CE-3, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to 5 ILCS 140/7(1)(g) and any other applicable statutory or regulatory authority available to the Director.

In addition, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the understanding that the confidentiality of such information contained therein will be safeguarded and such individuals will be protected from unwarranted invasions of personal privacy pursuant to 5 ILCS 140/7(1)(c) and all other applicable provisions of law and any other applicable statutory or regulatory authority available to the Director. The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. DOMESTIC HMOS AND METHOD OF ACQUISITION

(a) The Domestic HMOs

This Form A relates to the proposed acquisition of control of Harmony Health Plan, Inc., a health maintenance organization domiciled in Illinois (“HHP”), and Meridian Health Plan of Illinois, Inc. (“MHPI” and, together with HHP, the “Domestic HMOs”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The address, NAIC number and Federal Identification Number of each Domestic HMO are as follows:

Harmony Health Plan, Inc.

Home Office: 29 North Wacker Drive
Suite 300
Chicago, Illinois 60606-3203

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 11229

FEIN Number: 36-4050495

Meridian Health Plan of Illinois, Inc.

Home Office: 300 South Riverside Plaza
Suite 500
Chicago, Illinois 60606

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 13189

FEIN Number: 20-3209671

HHP is a direct, wholly owned subsidiary of Harmony Health Systems, Inc., a New Jersey corporation, which is, in turn, a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation (“WCMG”), which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation (“WCGHM”), which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

MHPI is a direct, wholly owned subsidiary of Caidan Holding Company, a Michigan corporation, which is, in turn, a direct, wholly owned subsidiary of WCMG, which is, in

turn, a direct, wholly owned subsidiary of WCGHM, which is, in turn, a direct, wholly owned subsidiary of WellCare.

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene ("Merger Sub I"), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene ("Merger Sub II" and, together with Merger Sub I, the "Merger Subs"),¹ and WellCare entered into an Agreement and Plan of Merger (the "Merger Agreement"). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the "First Merger"), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the "Surviving Corporation"), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the "Second Merger" and, together with the First Merger, the "Merger Transaction"), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the "Final Surviving Corporation"). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be "WellCare Health Plans, Inc." ("Post-Closing WellCare"). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of each of the Domestic HMOs.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare ("WellCare Common Stock") that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene ("Centene Common Stock") and \$120 in cash, without interest (collectively, the "Merger Consideration").

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare’s and Centene’s respective businesses prior to the closing of the Merger Transaction (the “Closing”) and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not

limited to: (i) adoption of the Merger Agreement by WellCare's stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene's stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the "NYSE"), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the "SEC") on March 27, 2019.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene's robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members

(including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare's Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene's growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.

- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.
- **Expanding National Footprint.** With the addition of WellCare's markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare's Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic HMOs is as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105

(b) **Business Operations of the Applicant**

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene's health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems, resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. We have been informed by Vanguard that Vanguard (1) has filed a disclaimer of control in respect of HHP with the Illinois Department of Insurance (the "Department"), and (2) intends to file a disclaimer of control in respect of MHPI.

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after

giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic HMOs before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) Names and Business Addresses

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing Wellcare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification of the information therein. Said verification service will report its findings directly to the Department upon completion of the verification process required by Illinois law.

(b) **Present Activity**

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) **Employment History**

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) **Criminal Proceedings**

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) **Consideration**

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the “Securities Act”), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this

indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the future based on prevailing market conditions and other financial factors. Centene will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into an amended and restated debt commitment letter, dated as of April 4, 2019 (the "Commitment Letter"), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the "Financing" in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic HMOs or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic HMOs will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms' length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations,

historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) **Confidentiality of Lender's Information in the Ordinary Course of Business**

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM 5. FUTURE PLANS FOR DOMESTIC HMOS

Centene has no present plans or proposals to cause the Domestic HMOs to declare any extraordinary dividend, to liquidate the Domestic HMOs, to sell the assets of the Domestic HMOs (other than in ordinary course), to merge the Domestic HMOs with any person or persons or to make any other material change in the Domestic HMOs' business operations, corporate structure or management, other than as described below in this Item 5. Immediately following the Closing, the Domestic HMOs will continue to maintain their separate corporate existence and will continue their operations as currently conducted. Three-year statutory financial projections of each of the Domestic HMOs reflecting continuation of their current business plans are attached hereto as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add each of the Domestic HMOs as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic HMOs to the Tax Sharing Agreement will be filed with the Department under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic HMOs; however, Centene anticipates an ongoing review of the composition of the Domestic HMOs' management, including their respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic HMOs) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

The Domestic HMOs conduct Medicaid business in the State of Illinois. As of the date of this Form A, Centene conducts Medicaid business in the State of Illinois through IlliniCare Health Plan, Inc., an Illinois domestic health maintenance organization and wholly owned subsidiary of Centene (the "Centene Illinois HMO"). Following the consummation of the Merger Transaction, it is anticipated that the respective operations of the Domestic HMOs, on the one hand, and the Centene Illinois HMO, on the other hand, will initially operate

substantially independently; however, while integration planning is still ongoing, it is anticipated that the Medicaid operations of the Domestic HMOs and the Centene Illinois HMO will eventually be consolidated. The form and timing of any such consolidation have not yet been determined; however, it is anticipated that any such consolidation would only occur after an initial transitional period, which would enable the respective organizations time to fully analyze the impact of such consolidation and ensure a smooth transition and minimize disruption for members, providers, the State of Illinois and other constituents. After such transitional period and consolidation, it is anticipated that Centene's Medicaid operations in Illinois will be conducted through one (or related) managed care companies under one brand name utilizing the same or coordinating administrative systems and provider networks. Any such combination proposed to be made with respect to the Domestic HMOs following the Closing would be implemented subject to and after all required regulatory approvals had been received (including from the Department), as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Centene looks forward to addressing any potential concerns that the Department and other regulatory authorities in the State of Illinois may have with the Merger Transaction and any related subsequent consolidation (including any impact these may have on members).

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES OR POLICYHOLDER PROXIES TO BE ACQUIRED OR CONTROLLED

HHP currently has 2,000,000 shares of common stock, par value one dollar (\$1.00) per share, authorized, 600,000 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

MHPI currently has 100,000 shares of common stock, par value one dollar (\$1.00) per share, authorized, 1,000 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic HMOs. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic HMOs or any of their controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES OR CONTROL OF POLICYHOLDER PROXIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic HMOs or any of their respective controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic HMOs or any of their respective controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OR POLICYHOLDER PROXIES OF THE DOMESTIC HMOs

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic HMOs or any of their respective controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT ACQUISITION OF VOTING SECURITIES OR POLICYHOLDER PROXIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic HMOs or any of their respective controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO ACQUIRE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic HMOs or any of their respective controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic HMOs or any of their respective controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:²

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of Domestic HMOs Before the Merger Transaction
B-4	Abbreviated Organizational Chart of Domestic HMOs After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018
D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017

² It is expected that unaudited financial statements of the Applicant for the quarter ended March 31, 2019, will be available on or around April 23, 2019. Once available, the Applicant will promptly submit such quarterly financial statements to the Department on a supplemental basis.

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter
CE-3	Three-Year Financial Projections of each of the Domestic HMOs

(c) Tender Offer Documents and Certain Proposed Agreements

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic HMOs, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic HMOs by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic HMOs do not prepare annual reports to their respective stockholders.

ITEM 13. LICENSING REQUIREMENTS

After the Closing, the Domestic HMOs will continue to satisfy the minimum capital and surplus and other requirements for licensing to write the lines of insurance for which they are presently licensed.

ITEM 14. EFFECT OF CHANGE OF CONTROL UPON COMPETITION

Market share analysis in Illinois will be discussed in a Form E (Pre-Acquisition Notification) to be filed with the Department under separate cover.

ITEM 15. FINANCIAL STABILITY

As of the year ended December 31, 2018, the Applicant had net admitted assets of approximately \$10.1 billion and total surplus of approximately \$4.2 billion on a statutory accounting basis. As of the year ended December 31, 2018, the Applicant and its subsidiaries had consolidated total assets of approximately \$30.9 billion and consolidated total stockholders' equity of approximately \$11.0 billion on a GAAP basis. Additional information regarding the

Applicant's financial condition can be found in the Applicant's financial statements attached hereto as Exhibit D-1 through Exhibit D-5.

As of the date of this Form A, the Applicant's senior debt rating and issuer credit rating was rated "Ba1" by Moody's Investor Services and "BB+" by S&P Global Ratings, respectively.

ITEM 16. REASONABLENESS OF THE TERMS

As stated in Item 4(b) above, the basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms' length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

ITEM 17. PLANS FOR MATERIAL CHANGE IN THE DOMESTIC HMOs

As stated in Item 5 above, Centene has no present plans or proposals to cause the Domestic HMOs to declare any extraordinary dividend, to liquidate the Domestic HMOs, to sell the assets of the Domestic HMOs (other than in ordinary course), to merge the Domestic HMOs with any person or persons or to make any other material change in the Domestic HMOs' business operations, corporate structure or management, other than as described in Item 5 above.

ITEM 18. QUALIFICATIONS OF THE MANAGING PERSONS

As stated in Item 5 above, Centene does not have any present plans to change the existing directors and executive officers of the Domestic HMOs; however, Centene anticipates an ongoing review of the composition of the Domestic HMOs' management, including their respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

ITEM 19. STATEMENT THAT ENTERPRISE RISK MANAGEMENT INFORMATION WILL BE PROVIDED

After the Closing, the Applicant agrees to provide the annual report specified in 215 ILCS 5/131.14b.

ITEM 20. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant is set forth on the immediately following page.

ITEM 20. SIGNATURE AND CERTIFICATION

SIGNATURE

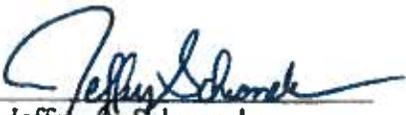
Pursuant to the requirements of Section 131.5 of the Illinois Insurance Code and 50 Ill. Adm. Code 651, Centene Corporation has caused this application to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 17th day of April, 2019.

(SEAL)*

CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

The undersigned deposes and says that he had duly executed the attached application dated April 19, 2019, for and on behalf of Centene Corporation; that he is the Executive Vice President, Secretary and General Counsel of that company, and that he is authorized to execute and file the application. Deponent further says that he is familiar with the application and the contents of the application, and that the facts in the application are true to the best of his knowledge, information and belief.


Name: Keith H. Williamson

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF
WELLCARE HEALTH INSURANCE COMPANY OF KENTUCKY, INC.

and

WELLCARE HEALTH PLANS OF KENTUCKY, INC.

(collectively, the “Domestic Insurers”)

each, an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the “Applicant”)

Filed with the Kentucky Department of Insurance

Dated: April 26, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
7700 Forsyth Blvd.,
St. Louis, Missouri 63105
Telephone: (314) 505-6539
Email: kwilliamson@centene.com

Todd E. Freed, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
Telephone: (212) 735-3714
Email: todd.freed@skadden.com

This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Commissioner of Insurance of the Commonwealth of Kentucky (the “Commissioner”) pursuant to the requirements of Ky. Rev. Stat. Ann. § 304.37-120 and 806 Ky. Admin. Regs. 37:010 for the acquisition of control of WellCare Health Insurance Company of Kentucky, Inc. and WellCare Health Plans of Kentucky, Inc. by the Applicant.

Confidentiality Legend

This Form A contains confidential and/or proprietary information and strategies that are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-2 and CE-3, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to Ky. Rev. Stat. Ann. § 304.2-150(3)(b), Ky. Rev. Stat. Ann. § 365.880 and Ky. Rev. Stat. Ann. § 304.37-050 and any other applicable statutory or regulatory authority available to the Commissioner.

In addition, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the understanding that the confidentiality of such information contained therein will be safeguarded and such individuals will be protected from unwarranted invasions of personal privacy pursuant to Ky. Rev. Stat. Ann. § 304.2-150(3)(b), Ky. Rev. Stat. Ann. § 61.878 and all other applicable provisions of law and any other applicable statutory or regulatory authority available to the Commissioner.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. DOMESTIC INSURERS AND METHOD OF ACQUISITION

(a) The Domestic Insurers

This Form A relates to the proposed acquisition of control of WellCare Health Insurance Company of Kentucky, Inc., a life and disability insurance company domiciled in Kentucky (“WHICKY”), and WellCare Health Plans of Kentucky, Inc., a health maintenance organization domiciled in Kentucky (“WHPK” and, together with WHICKY, the “Domestic Insurers”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The address, NAIC number and Federal Identification Number of each Domestic Insurer are as follows:

WellCare Health Insurance Company of Kentucky, Inc.

Home Office: 13551 Triton Park Blvd.
Suite 1800
Louisville, Kentucky 40223

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 64467

FEIN Number: 36-6069295

WellCare Health Plans of Kentucky, Inc.

Home Office: 13551 Triton Park Blvd.
Suite 1800
Louisville, Kentucky 40223

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 15510

FEIN Number: 47-0971481

Each of the Domestic Insurers is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II” and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of each of the Domestic Insurers.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare’s and Centene’s respective businesses prior to the closing of the Merger Transaction (the “Closing”) and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare’s stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene’s stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock

Exchange (the “NYSE”), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-

quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare's Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene's growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.

- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.
- **Expanding National Footprint.** With the addition of WellCare's markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare's Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic Insurers is as follows:

Centene Corporation
7700 Forsyth Boulevard

(b) **Business Operations of the Applicant**

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene's health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems, resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard has filed disclaimers of affiliation or control in respect of each of the Domestic Insurers with the Kentucky Department of Insurance (the "Department").

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to

the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic Insurers before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) Names and Business Addresses

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been

established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification of the information therein. Said verification service will report its findings directly to the Department upon completion of the verification process required by Kentucky law.

(b) Present Activity

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) Employment History

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) Criminal Proceedings

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Consideration

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the “Securities Act”), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the future based on prevailing market conditions and other financial factors. Centene will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into a second amended and restated debt commitment letter, dated as of April 23, 2019 (the "Commitment Letter"), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the "Financing" in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic Insurers or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic Insurers will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms' length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of

operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) **Confidentiality of Lender's Information in the Ordinary Course of Business**

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM 5. FUTURE PLANS OF THE DOMESTIC INSURERS

Centene has no present plans or proposals to cause the Domestic Insurers to declare any extraordinary dividend, to liquidate the Domestic Insurers, to sell the assets of the Domestic Insurers (other than in ordinary course), to merge the Domestic Insurers with any person or persons or to make any other material change in the Domestic Insurers' business operations, corporate structure or management. Immediately following the Closing, the Domestic Insurers will continue to maintain their separate corporate existence and will continue their operations as currently conducted. Three-year statutory financial projections of each of the Domestic Insurers reflecting continuation of their current business plans are attached hereto as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add each of the Domestic Insurers as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic Insurers to the Tax Sharing Agreement will be filed with the Department under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic Insurers; however, Centene anticipates an ongoing review of the composition of the Domestic Insurers' management, including their respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic Insurers) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

WHICKY currently has 3,000,000 shares of common stock, par value one dollar (\$1.00) per share, authorized, 2,500,000 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

WHPK currently has 2,000,000 shares of common stock, par value one dollar (\$1.00) per share, authorized, 1,000,000 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic Insurers. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic Insurers or any of their controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic Insurers or any of their respective controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic Insurers or any of their respective controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC INSURERS

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic Insurers or any of their respective controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic Insurers or any of their respective controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic Insurers or any of their respective controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic Insurers or any of their respective controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic Insurers Before the Merger Transaction
B-4	Abbreviated Organizational Chart of the Domestic Insurers After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018

D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
D-6	Unaudited Financial Statement of the Applicant for the Quarter ended March 31, 2019
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter
CE-3	Three-Year Financial Projections of each of the Domestic Insurers

(c) **Tender Offer Documents and Certain Proposed Agreements**

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic Insurers, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic Insurers by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic Insurers do not prepare annual reports to their respective stockholders.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

ITEM 14. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant is set forth on the immediately following page.

ITEM 13. SIGNATURE AND CERTIFICATION

SIGNATURE

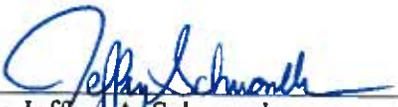
Pursuant to the requirements of KRS 304.24-390, 304.24-400, 304.24-415, 304.37-010 and KRS 304.37-120, as applicable, Centene Corporation has caused this application to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 24th day of April, 2019.

(SEAL)

CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated April 26, 2019, for and on behalf of Centene Corporation; that he is the Executive Vice President, Secretary and General Counsel of the company and that he is authorized to execute and file the instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Keith H. Williamson

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF

WELLCARE OF MAINE, INC.

(the “Domestic HMO”)

an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the “Applicant”)

Filed with the Bureau of Insurance of the State of Maine

Dated: May 1, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
7700 Forsyth Blvd.,
St. Louis, Missouri 63105
Telephone: (314) 505-6539
Email: kwilliamson@centene.com

Todd E. Freed, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
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Christopher E. Howard, Esq.
Pierce Atwood LLP
254 Commercial Street
Merrill’s Wharf
Portland, Maine 04101
Telephone: (207) 791-1335
Email: choward@pierceatwood.com

This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Superintendent of the Maine Bureau of Insurance (the “Superintendent”) pursuant to the requirements of Me. Rev. Stat. Ann. Tit. 24-A § 222 and 031 Me. Code R. Ch. 180 §§ 10 and Form A for the acquisition of control of WellCare of Maine, Inc. by the Applicant.

Confidentiality Legend

This Form A, together with any items that may be submitted separately as amendments or supplements hereto, contains confidential and/or proprietary information, business plans and strategies that are trade secrets and are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-2 and CE-3, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including but not limited to, Me. Rev. Stat. Ann. tit. 1 §§ 401-434, Me. Rev. Stat. Ann. tit. 10 §975-A(2) and Me. Rev. Stat. Ann. tit. 24-A § 222(13-A), and any other applicable statutory or regulatory authority available to the Superintendent. All such information is provided with the express understanding that the confidentiality of such information will be safeguarded.

In addition, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the express understanding that the confidentiality of such information contained therein will be safeguarded and such individuals submitting NAIC biographical affidavits will be protected from unwarranted invasions of personal privacy pursuant to all applicable provisions of law, including but not limited to, Me. Rev. Stat. Ann. tit. 24-A § 222(13-A) and Me. Rev. Stat. Ann. tit. 10 §975-A(2), and any other applicable statutory or regulatory authority available to the Superintendent.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. THE DOMESTIC HMO AND METHOD OF ACQUISITION

(a) The Domestic HMO

This Form A relates to the proposed acquisition of control of WellCare of Maine, Inc., a health maintenance organization domiciled in Maine (the “Domestic HMO”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The address, NAIC number and Federal Identification Number of the Domestic HMO are as follows:

WellCare of Maine, Inc.

Home Office: 110 Main Street, 5th Floor
Saco, Maine 04072

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 16344

FEIN Number: 82-3114517

The Domestic HMO is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II” and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of the Domestic HMO.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The

practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare's and Centene's respective businesses prior to the closing of the Merger Transaction (the "Closing") and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare's stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene's stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the "NYSE"), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the "SEC") on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene's robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare's Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene's growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.
- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.

- **Expanding National Footprint.** With the addition of WellCare’s markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare’s Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic HMO is as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105

(b) Business Operations of the Applicant

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene’s health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems, resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard intends to file a disclaimer of affiliation or control in respect of the Domestic HMO with the Maine Bureau of Insurance (the "BOI").

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic HMO before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) **Names and Business Addresses**

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual

named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification of the information therein. Said verification service will report its findings directly to the BOI upon completion of the verification process.

(b) Present Activity

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) Employment History

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) Criminal Proceedings

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted in a criminal proceeding (excluding minor traffic violations).

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Consideration

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the “Securities Act”), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the future based on prevailing market conditions and other financial factors. Centene will provide the BOI with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into a second amended and restated debt commitment letter, dated as of April 23, 2019 (the “Commitment Letter”), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds

of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the “Financing” in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic HMO or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic HMO will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms’ length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) Confidentiality of Lender’s Information in the Ordinary Course of Business

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

(d) Form E Market Share

The Applicant will be addressing competition and market share in a separate Form E filing.

ITEM 5. FUTURE PLANS FOR THE DOMESTIC HMO

Centene has no present plans or proposals to cause the Domestic HMO to declare any extraordinary dividend, to liquidate the Domestic HMO, to sell the assets of the Domestic HMO (other than in ordinary course), to merge the Domestic HMO with any person or persons or to make any other material change in the Domestic HMO’s business operations, corporate structure or management. Immediately following the Closing, the Domestic HMO will continue to maintain its separate corporate existence and will continue its operations as currently conducted. Three-year statutory financial projections of the Domestic HMO reflecting

continuation of its current business plans are attached hereto as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add the Domestic HMO as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the “Tax Sharing Agreement”). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic HMO to the Tax Sharing Agreement will be filed with the BOI under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic HMO; however, Centene anticipates an ongoing review of the composition of the Domestic HMO’s management, including its directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the BOI as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene’s and WellCare’s respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic HMO) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene’s current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare’s home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

The Domestic HMO currently has 1,000 shares of common stock, par value one dollar (\$1.00) per share, authorized, issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic HMO. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant’s knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm’s-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant’s knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic HMO or any of its controlling persons, including WellCare,

except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC HMO

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic HMO or any of its controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic HMO or any of its controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic HMO or any of its controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic HMO or any of its controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic HMO Before the Merger Transaction
B-4	Abbreviated Organizational Chart of the Domestic HMO After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018
D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
D-6	Unaudited Financial Statement of the Applicant for the Quarter ended March 31, 2019
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter
CE-3	Three-Year Financial Projections of the Domestic HMO

(c) Tender Offer Documents and Certain Proposed Agreements

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic HMO, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic HMO by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic HMO does not prepare annual reports to its stockholders.

ITEM 13. AGREEMENT TO REPORT ENTERPRISE RISK

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within 15 days after the end of the month in which the acquisition of control occurs.

ITEM 14. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant is set forth on the immediately following page.

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

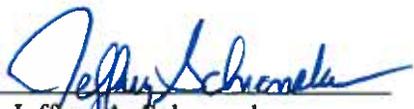
Pursuant to the requirements of 24-A M.R.S.A. § 222 and Bureau of Insurance Rule 180, Centene Corporation has caused this application to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 29th day of April, 2019.

(SEAL)

CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated May 1, 2019, for and on behalf of Centene Corporation; that he is the Executive Vice President, Secretary and General Counsel of the Applicant; and that he is authorized to execute and file this instrument.

Deponent further says that he is familiar with this instrument and the contents hereof, and that the facts herein set forth are true to the best of his knowledge, information, and belief.


Name: Keith H. Williamson

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF

MERIDIAN HEALTH PLAN OF MICHIGAN, INC.

(the “Domestic HMO”)

an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the “Applicant”)

Filed with the Michigan Department of Insurance and Financial Services

Dated: May 3, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
7700 Forsyth Blvd.,
St. Louis, Missouri 63105
Telephone: (314) 505-6539
Email: kwilliamson@centene.com

Todd E. Freed, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
Telephone: (212) 735-3714
Email: todd.freed@skadden.com

This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Director of the Michigan Department of Insurance and Financial Services (the “Director”) pursuant to the requirements of Mich. Comp. Laws §§ 500.1311 – 500.1312 and Order No. 18-075, dated November 19, 2018, for the acquisition of control of Meridian Health Plan of Michigan, Inc. by the Applicant.

Confidentiality Legend

This Form A, together with any items that may be submitted separately as amendments or supplements hereto, contains confidential and/or proprietary information, business plans and strategies that are trade secrets and are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-2 through CE-4, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including but not limited to Mich. Comp. Laws § 500.234(1), and any other applicable statutory or regulatory authority available to the Director. All such information is provided with the express understanding that the confidentiality of such information will be safeguarded.

In addition, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the express understanding that the confidentiality of such information contained therein will be safeguarded and such individuals submitting NAIC biographical affidavits will be protected from unwarranted invasions of personal privacy pursuant to all applicable provisions of law, including but not limited to Mich. Comp. Laws § 15.243(1)(a) and (w), and any other applicable statutory or regulatory authority available to the Director.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. METHOD OF ACQUISITION

(a) The Domestic HMO

This Form A relates to the proposed acquisition of control of Meridian Health Plan of Michigan, Inc., a health maintenance organization domiciled in Michigan (the “Domestic HMO”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The address, NAIC number and Federal Identification Number of the Domestic HMO are as follows:

Meridian Health Plan of Michigan, Inc.

Home Office: 1 Campus Martius, Suite 700
Detroit, Michigan 48226

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 52563

FEIN Number: 38-3253977

The Domestic HMO is a direct, wholly owned subsidiary of Caidan Holding Company, Inc., a Michigan corporation, which is, in turn, a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II” and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of the Domestic HMO.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare's and Centene's respective businesses prior to the closing of the Merger Transaction (the "Closing") and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare's stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene's stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the "NYSE"), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare’s Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene’s growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.
- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social

determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.

- **Expanding National Footprint.** With the addition of WellCare’s markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare’s Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic HMO is as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105

(b) Business Operations of the Applicant

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene’s health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems,

resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard intends to file a disclaimer of affiliation or control in respect of the Domestic HMO with the Michigan Department of Insurance and Financial Services (the "Department").

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic HMO before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) Names and Business Addresses

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification of the information therein. Said verification service will report its findings directly to the Department upon completion of the verification process.

(b) Present Activity

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) **Employment History**

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) **Criminal Proceedings**

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

(e) **Fingerprints**

Fingerprint cards for each of the Individuals are included with the NAIC Biographical Affidavits attached hereto as Exhibit CE-1 to the confidential supplement to this Form A.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) **Consideration**

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the "Securities Act"), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains

outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the future based on prevailing market conditions and other financial factors. Centene will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into a second amended and restated debt commitment letter, dated as of April 23, 2019 (the "Commitment Letter"), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the "Financing" in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic HMO or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic HMO will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms' length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) Confidentiality of Lender's Information in the Ordinary Course of Business

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM 5. FUTURE PLANS FOR DOMESTIC HMO

Centene has no present plans or proposals to cause the Domestic HMO to declare any extraordinary dividend, to liquidate the Domestic HMO, to sell the assets of the Domestic HMO (other than in ordinary course), to merge the Domestic HMO with any person or persons or to make any other material change in the Domestic HMO's business operations, corporate structure or management. Immediately following the Closing, the Domestic HMO will continue to (i) to maintain its separate corporate existence, (ii) conduct its operations as currently conducted, and (iii) maintain all records relating to its business and affairs in accordance with Mich. Comp. Laws § 5256. From time to time following the Closing, Centene will assess the advisability of causing the Domestic HMO to declare a dividend. Such determination and any declaration would be effected in compliance with all applicable statutory and regulatory requirements. Three-year statutory financial projections of the Domestic HMO and a three-year narrative plan of operations reflecting continuation of its current business plans are attached as Exhibits CE-3 and CE-4, respectively, to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add the Domestic HMO as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic HMO to the Tax Sharing Agreement will be filed with the Department under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic HMO; however, Centene anticipates an ongoing review of the composition of the Domestic HMO's management, including its directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic HMO) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

The Domestic HMO currently has 100,000 shares of common stock, par value forty-four dollars and seventy cents (\$44.70), authorized, 1,000 shares of common stock issued

and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic HMO. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic HMO or any of its controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC HMO

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic HMO or any of its controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic HMO or any of its controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons

has made any recommendations to purchase any voting securities of the Domestic HMO or any of its controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic HMO or any of its controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic HMO Before the Merger Transaction
B-4	Abbreviated Organizational Chart of the Domestic HMO After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018
D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
D-6	Unaudited Financial Statement of the Applicant for the Quarter ended March 31, 2019
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter
CE-3	Three-Year Financial Projections of the Domestic HMO
CE-4	Three-Year Narrative Plan of Operations

(c) Tender Offer Documents and Certain Proposed Agreements

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic HMO, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic HMO by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic HMO does not prepare annual reports to its stockholders.

ITEM 13. AGREEMENT REQUIREMENT FOR ENTERPRISE RISK MANAGEMENT

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

ITEM 14. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant are set forth on the immediately following page.

[Remainder of Page Intentionally Left Blank]

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of Section 1311 of the Ins. Code of 1956, as amended, Centene Corporation has caused this application to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 30 day of April, 2019.

(SEAL)

CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated May 3, 2019, for and on behalf of Centene Corporation; that he is the Executive Vice President, Secretary and General Counsel of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Keith H. Williamson

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF
WELLCARE OF MISSOURI HEALTH INSURANCE COMPANY, INC.,

and

MISSOURI CARE, INCORPORATED

(collectively, the "Domestic Insurers")

each, an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the "Applicant")

Filed with the Missouri Department of Insurance, Financial Institutions &
Professional Registration

Dated: April 19, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
7700 Forsyth Blvd.,
St. Louis, Missouri 63105
Telephone: (314) 505-6539
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Lewis Rice LLC
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This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Director of Insurance of the State of Missouri (the “Director”) pursuant to the requirements of Mo. Rev. Stat. §§ 382.040 through 382.060 and Mo. Code Regs. tit. 20, § 200-11.101 for the acquisition of control of WellCare of Missouri Health Insurance Company, Inc. and Missouri Care, Incorporated by the Applicant.

Confidentiality Legend

This Form A contains confidential and/or proprietary information and strategies that are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-1 through CE-3, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to Mo. Rev. Stat. § 610.021, Mo. Code Regs. tit. 20, § 10-2.400 and any other applicable statutory or regulatory authority available to the Director.

In addition, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the understanding that the confidentiality of such information contained therein will be safeguarded and such individuals will be protected from unwarranted invasions of personal privacy pursuant to Mo. Rev. Stat. § 610.035, Mo. Code Regs. tit. 20, § 10-2.400 and all other applicable provisions of law and any other applicable statutory or regulatory authority available to the Director.

The information contained in the debt commitment letter provided as Exhibit CE-2 and the three-year financial projections provided as Exhibit CE-3 is being submitted in confidence under separate cover and contains certain information that is proprietary and constitutes a “trade secret” under the Missouri Uniform Trade Secrets Act, Mo. Rev. Stat. § 417.450 et. seq.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. DOMESTIC INSURERS AND METHOD OF ACQUISITION

(a) The Domestic Insurers

This Form A relates to the proposed acquisition of control of WellCare of Missouri Health Insurance Company, Inc., a life and health insurance company domiciled in Missouri (“WMHIC”), and Missouri Care, Incorporated, a health maintenance organization domiciled in Missouri (“MCI” and, together with WMHIC, the “Domestic Insurers”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The address, NAIC number and Federal Identification Number of each Domestic Insurer are as follows:

WellCare of Missouri Health Insurance Company, Inc.

Home Office: 800 Market Street, 27th Floor
St. Louis, Missouri 63101

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 16512

FEIN Number: 83-3525830

Missouri Care, Incorporated

Home Office: 2404 Forum Blvd.
Columbia, Missouri 65203

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 12913

FEIN Number: 20-5862801

Each of the Domestic Insurers is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene ("Merger Sub I"), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene ("Merger Sub II") and, together with Merger Sub I, the "Merger Subs"),¹ and WellCare entered into an Agreement and Plan of Merger (the "Merger Agreement"). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the "First Merger"), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the "Surviving Corporation"), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the "Second Merger") and, together with the First Merger, the "Merger Transaction"), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the "Final Surviving Corporation"). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be "WellCare Health Plans, Inc." ("Post-Closing WellCare"). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of each of the Domestic Insurers.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare ("WellCare Common Stock") that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene ("Centene Common Stock") and \$120 in cash, without interest (collectively, the "Merger Consideration").

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined "fair value" of such shares.

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare’s and Centene’s respective businesses prior to the closing of the Merger Transaction (the “Closing”) and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare’s stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene’s stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the “NYSE”), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or

termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare’s Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene’s growing position in the Health Insurance Marketplace to new markets. The Merger

Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.

- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.
- **Expanding National Footprint.** With the addition of WellCare's markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare's Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic Insurers is as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105

(b) Business Operations of the Applicant

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and

social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene's health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems, resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard (1) has filed a disclaimer of affiliation or control under Mo. Rev. Stat. §382.170 in respect of MCI with the Missouri Department of Insurance (the "Department"), and the Department has provided its approval in respect of such disclaimer, and (2) intends to file a disclaimer of affiliation or control under Mo. Rev. Stat. §382.170 in respect of WMHIC.

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic Insurers before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other

such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) Names and Business Addresses

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing Wellcare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”).

(b) **Present Activity**

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) **Employment History**

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) **Criminal Proceedings**

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

(e) **Business Character Report**

A business character report on the Individuals will be provided to the Department directly by a third-party verification service for verification of the information contained in the NAIC Biographical Affidavits.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) **Consideration**

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the "Securities Act"), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a

change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the future based on prevailing market conditions and other financial factors. Centene will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into an amended and restated debt commitment letter, dated as of April 4, 2019 (the "Commitment Letter"), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the "Financing" in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic Insurers or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic Insurers will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) **Criteria Used in Determining Consideration**

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms' length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) **Confidentiality of Lender's Information in the Ordinary Course of Business**

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM 5. FUTURE PLANS OF THE DOMESTIC INSURERS

Centene has no present plans or proposals to cause the Domestic Insurers to declare any extraordinary dividend, to liquidate the Domestic Insurers, to sell the assets of the Domestic Insurers (other than in ordinary course), to merge the Domestic Insurers with any person or persons or to make any other material change in the Domestic Insurers' business operations, corporate structure or management, other than as described below in this Item 5. Immediately following the Closing, the Domestic Insurers will continue to maintain their separate corporate existence and will continue their operations as currently conducted. Three-year statutory financial projections of each of the Domestic Insurers reflecting continuation of their current business plans are attached hereto as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add each of the Domestic Insurers as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic Insurers to the Tax Sharing Agreement will be filed with the Department under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic Insurers; however, Centene anticipates an ongoing review of the composition of the Domestic Insurers' management, including their respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic Insurers) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

The Domestic Insurers conduct Medicaid business in the State of Missouri. As of the date of this Form A, Centene conducts Medicaid business in the State of Missouri through Home State Health Plan, Inc., a Missouri domestic health maintenance organization and wholly owned subsidiary of Centene (the "Centene Missouri HMO"). Following the consummation of the Merger Transaction, it is anticipated that the respective operations of the Domestic Insurers, on the one hand, and the Centene Missouri HMO, on the other hand, will initially operate substantially independently; however, while integration planning is still ongoing, it is anticipated that the Medicaid operations of the Domestic Insurers and the Centene Missouri HMO will

eventually be consolidated. The form and timing of any such consolidation have not yet been determined; however, it is anticipated that any such consolidation would only occur after an initial transitional period, which would enable the respective organizations time to fully analyze the impact of such consolidation and ensure a smooth transition and minimize disruption for members, providers, the State of Missouri and other constituents. After such transitional period and consolidation, it is anticipated that Centene's Medicaid operations in Missouri will be conducted through one (or related) managed care companies under one brand name utilizing the same or coordinating administrative systems and provider networks. Any such combination proposed to be made with respect to the Domestic Insurers following the Closing would be implemented subject to and after all required regulatory approvals had been received (including from the Department), as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Centene looks forward to addressing any potential concerns that the Department and other regulatory authorities in the State of Missouri may have with the Merger Transaction and any related subsequent consolidation (including any impact these may have on members).

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

WMHIA currently has 600 shares of common stock, par value one thousand dollars (\$1,000) per share, authorized, 600 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

MCI currently has 30,000 shares of common stock, par value one dollar (\$1.00) per share, authorized, 1,000 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic Insurers. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic Insurers or any of their controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic Insurers or any of their respective controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at

approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic Insurers or any of their respective controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC INSURERS

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic Insurers or any of their respective controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic Insurers or any of their respective controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic Insurers or any of their respective controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic Insurers or any of their respective controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:²

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of Domestic Insurers Before the Merger Transaction
B-4	Abbreviated Organizational Chart of Domestic Insurers After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018
D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits

² It is expected that unaudited financial statements of the Applicant for the quarter ended March 31, 2019, will be available on or around April 23, 2019. Once available, the Applicant will promptly submit such quarterly financial statements to the Department on a supplemental basis.

CE-2	Commitment Letter
CE-3	Three-Year Financial Projections of each of the Domestic Insurers

(c) Tender Offer Documents and Certain Proposed Agreements

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic Insurers, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic Insurers by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic Insurers do not prepare annual reports to their respective stockholders.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs. The Applicant further agrees to annually provide Form F as described in Mo. Rev. Stat. § 382.175 for so long as control exists. The Applicant further acknowledges that the Applicant and all subsidiaries within its control in the insurance holding company system shall provide information to the Director upon request as necessary to evaluate enterprise risk to the Domestic Insurers.

ITEM 14. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant is set forth on the immediately following page.

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of sections 382.040–382.060 of the Missouri Insurance Code, Centene Corporation has caused this application to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 17th day of April, 2019.

(SEAL)*

CENTENE CORPORATION

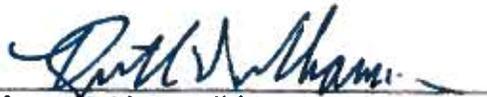
By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated April 19, 2019, for and on behalf of Centene Corporation; that he is the Executive Vice President, Secretary and General Counsel of Centene Corporation and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Keith H. Williamson

CHANGE NO. 1

TO

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF
WELLCARE OF MISSOURI HEALTH INSURANCE COMPANY, INC.,

and

MISSOURI CARE, INCORPORATED

(collectively, the "Domestic Insurers")

each, an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the "Applicant")

Filed with the Missouri Department of Insurance, Financial Institutions &
Professional Registration

Dated: May 23, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
7700 Forsyth Blvd.,
St. Louis, Missouri 63105
Telephone: (314) 505-6539
Email: kwilliamson@centene.com

Todd E. Freed, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
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Lynn A. Hinrichs, Esq.
Lewis Rice LLC
600 Washington Avenue, Suite 2500
St. Louis, Missouri 63101-1311
Telephone: (314) 444-1313
Email: lhinrichs@lewisrice.com

This Change No. 1 to Form A Statement (this “Change No. 1”) is submitted by Centene Corporation, a publicly traded Delaware corporation (the “Applicant”), in connection with the proposed acquisition of control of WellCare of Missouri Health Insurance Company, Inc., a life and health insurance company domiciled in Missouri (“WMHIC”), and Missouri Care, Incorporated, a health maintenance organization domiciled in Missouri (“MCI” and, together with WMHIC, the “Domestic Insurers”). This Change No. 1 supplements the Form A Statement Regarding the Acquisition of Control of the Domestic Insurers that was filed by the Applicant on April 19, 2019 (the “Form A”) with the Missouri Department of Insurance, Financial Institutions & Professional Registration (the “Department”), and includes only those items in which information is being supplemented. Except as expressly supplemented by this Change No. 1, the Form A is not hereby modified or changed in any respect. Capitalized terms used in this Change No. 1 have the same meanings as set forth in the Form A, except as otherwise expressly defined in this Change No. 1.

Confidentiality Legend

This Change No. 1 contains confidential and/or proprietary information, business plans and strategies that are trade secrets and are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibit CE-1, which is being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including but not limited to, Mo. Rev. Stat. § 610.021, Mo. Code Regs. tit. 20, § 10-2.400 and the Missouri Uniform Trade Secrets Act, Mo. Rev. Stat. § 417.450 *et. seq.*, and any other applicable statutory or regulatory authority available to the Department.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Change No. 1 designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. DOMESTIC INSURERS AND METHOD OF ACQUISITION

No change, other than the addition of the following paragraph at the end of clause (b) (Method of Acquisition) under “Merger Agreement”:

On April 22, 2019, each of Centene and WellCare filed a notice under the HSR Act. On May 22, 2019, Centene and WellCare each received a Request for Additional Information and Documentary Material from the Antitrust Division of the Department of Justice (the “Antitrust Division”) in connection with the Antitrust Division’s review of the transactions contemplated by the Merger Agreement. Issuance of the Request for Additional Information and Documentary Material extends the waiting period under the HSR Act until 30 days after both Centene and WellCare have substantially complied with the Request for Additional Information and Documentary Material or such later time as the parties may agree with the Antitrust Division, unless the waiting period is terminated earlier by the Antitrust Division.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

No change.

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

No change, other than replacing the second paragraph of clause (a) (Names and Business Addresses) with the following:

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. It is currently anticipated that Post-Closing WellCare’s board of directors will be comprised of three members. Immediately after the Closing, Michael F. Neidorff (Centene’s Chief Executive Officer), Jeffery A. Schwaneke (Centene’s Chief Financial Officer and Treasurer) and Christopher Koster (Centene’s Senior Vice President, Corporate Services) will serve as Post-Closing WellCare’s directors. In addition, it is anticipated that these three individuals will also serve as Post-Closing WellCare’s executive officers, with Mr. Neidorff serving as President and Chief Executive Officer, Mr. Schwaneke serving as Treasurer and Mr. Koster serving as Secretary.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

No change.

ITEM 5. FUTURE PLANS OF THE DOMESTIC INSURERS

Item 5 is deleted in its entirety and replaced with the following:

Centene has no present plans or proposals to cause the Domestic Insurers to declare any extraordinary dividend, to liquidate the Domestic Insurers, to sell the assets of the Domestic Insurers (other than in ordinary course), to merge the Domestic Insurers with any person or persons or to make any other material change in the Domestic Insurers' business operations, corporate structure or management, other than as described below in this Item 5 and in Exhibit CE-1 to the confidential supplement to this Change No. 1.

Effective on the date of the Closing, Centene plans to add each of the Domestic Insurers as parties to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic Insurers to the Tax Sharing Agreement will be filed with the Department under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic Insurers; however, Centene anticipates an ongoing review of the composition of the Domestic Insurers' management, including their respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

No change.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

No change.

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

No change.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

No change.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

No change.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

No change.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

No change.

**ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK
MANAGEMENT**

No change.

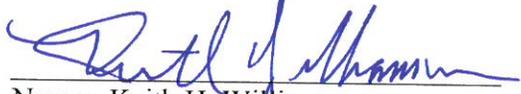
ITEM 14. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant are set forth on the immediately following page.

Pursuant to the requirements of Sections 382.040 – 382.060 of the Missouri Insurance Code, Centene Corporation has caused this Change No. 1 to Form A Statement to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 23 day of May, 2019.

(SEAL)*

CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Christopher R. Isaak
Title: Senior Vice President,
Corporate Controller and Chief Accounting Officer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Change No. 1 to Form A Statement dated May 23, 2019, for and on behalf of Centene Corporation; that he is the Executive Vice President, Secretary and General Counsel of Centene Corporation and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By: 
Name: Keith H. Williamson

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF

WELLCARE OF MISSISSIPPI, INC.

(the “Domestic HMO”)

an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the “Applicant”)

Filed with the Mississippi Insurance Department

Dated: April 26, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
7700 Forsyth Blvd.,
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Telephone: (314) 505-6539
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Jackson, Mississippi 39201
Telephone: (601) 949-4830
Email: rhouse@joneswalker.com

This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Commissioner of Insurance of the State of Mississippi (the “Commissioner”) pursuant to the requirements of Miss. Code Ann. § 83-6-24 and Miss. Admin. Code §§ 19-1-20.10 and 19-1-20.25 for the acquisition of control of WellCare of Mississippi, Inc. by the Applicant.

Confidentiality Legend

This Form A, together with any items that may be submitted separately as amendments or supplements hereto, contains confidential and/or proprietary information, business plans and strategies that are trade secrets and are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-2 and CE-3, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including but not limited to, Miss. Code Ann. §§ 25-61-9(1) and 79-23-1, and any other applicable statutory or regulatory authority available to the Commissioner. All such information is provided with the express understanding that the confidentiality of such information will be safeguarded.

In addition, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the express understanding that the confidentiality of such information contained therein will be safeguarded and such individuals submitting NAIC biographical affidavits will be protected from unwarranted invasions of personal privacy pursuant to all applicable provisions of law, including but not limited to, Miss. Code Ann. § 25-1-111, and any other applicable statutory or regulatory authority available to the Commissioner.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. THE DOMESTIC HMO AND METHOD OF ACQUISITION

(a) The Domestic HMO

This Form A relates to the proposed acquisition of control of WellCare of Mississippi, Inc., a health maintenance organization domiciled in Mississippi (the “Domestic HMO”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The address, NAIC number and Federal Identification Number of the Domestic HMO are as follows:

WellCare of Mississippi, Inc.

Home Office: 4780 I-55 North, Suite 450
Jackson, Mississippi 39211

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 16329

FEIN Number: 81-5442932

The Domestic HMO is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II” and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of the Domestic HMO.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare's and Centene's respective businesses prior to the closing of the Merger Transaction (the "Closing") and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare's stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene's stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the "NYSE"), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare’s Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene’s growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.
- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social

determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.

- **Expanding National Footprint.** With the addition of WellCare’s markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare’s Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic HMO is as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105

(b) Business Operations of the Applicant

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene’s health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems,

resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard has filed a disclaimer of affiliation or control in respect of the Domestic HMO with the Mississippi Insurance Department (the "Department"), and the Department has provided its approval in respect of such disclaimer.

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic HMO before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) Names and Business Addresses

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification of the information therein. Said verification service will report its findings directly to the Department upon completion of the verification process.

(b) Present Activity

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) **Employment History**

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) **Criminal Proceedings**

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) **Consideration**

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the “Securities Act”), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the

future based on prevailing market conditions and other financial factors. Centene will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into a second amended and restated debt commitment letter, dated as of April 23, 2019 (the “Commitment Letter”), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the “Financing” in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic HMO or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic HMO will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms’ length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) Confidentiality of Lender’s Information in the Ordinary Course of Business

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM 5. FUTURE PLANS OF THE DOMESTIC HMO

Centene has no present plans or proposals to cause the Domestic HMO to declare any extraordinary dividend, to liquidate the Domestic HMO, to sell the assets of the Domestic HMO (other than in ordinary course), to merge the Domestic HMO with any person or persons

or to make any other material change in the Domestic HMO's business operations, corporate structure or management. Immediately following the Closing, the Domestic HMO will continue to maintain its separate corporate existence and will continue its operations as currently conducted. Three-year statutory financial projections of the Domestic HMO reflecting continuation of its current business plans are attached hereto as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add the Domestic HMO as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic HMO to the Tax Sharing Agreement will be filed with the Department under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic HMO; however, Centene anticipates an ongoing review of the composition of the Domestic HMO's management, including its respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic HMO) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

The Domestic HMO currently has 1,000 shares of common stock, par value one dollar (\$1.00), authorized, 100 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic HMO. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic HMO or any of its controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC HMO

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic HMO or any of its controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT PURCHASERS OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic HMO or any of its controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic HMO or any of its controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic HMO or any of its controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic HMO Before the Merger Transaction
B-4	Abbreviated Organizational Chart of the Domestic HMO After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018
D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
D-6	Unaudited Financial Statement of the Applicant for the Quarter ended March 31, 2019
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter
CE-3	Three-Year Financial Projections of the Domestic HMO

(c) Tender Offer Documents and Certain Proposed Agreements

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic HMO, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic HMO by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic HMO does not prepare annual reports to its stockholders.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

ITEM 14. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant is set forth on the immediately following page.

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

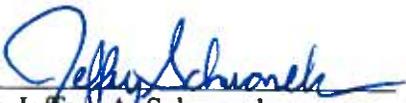
Pursuant to the requirements of Section 83-6-24 of the Act, Centene Corporation has caused this application to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 24~~th~~ day of April, 2019.

(SEAL)

CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated April 26, 2019, for and on behalf of Centene Corporation; that he is the Executive Vice President, Secretary and General Counsel of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.


Name: Keith H. Williamson

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF
WELLCARE HEALTH INSURANCE OF NORTH CAROLINA, INC.

and

WELLCARE OF NORTH CAROLINA, INC.

(collectively, the “Domestic Insurers”)

each, an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the “Applicant”)

Filed with the North Carolina Department of Insurance

Dated: April 26, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
7700 Forsyth Blvd.,
St. Louis, Missouri 63105
Telephone: (314) 505-6539
Email: kwilliamson@centene.com

Todd E. Freed, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
Telephone: (212) 735-3714
Email: todd.freed@skadden.com

This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Commissioner of Insurance of the State of North Carolina (the “Commissioner”) pursuant to the requirements of N.C. Gen. Stat. § 58-19-15 and 11 N.C. Admin. Code 11B.0217 and 11B.0218 for the acquisition of control of WellCare Health Insurance of North Carolina, Inc. and WellCare of North Carolina, Inc. by the Applicant.

Confidentiality Legend

This Form A contains confidential and/or proprietary information and strategies that are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-2 through CE-4, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to N.C. Gen. Stat. § 132-1.2(1) and any other applicable statutory or regulatory authority available to the Commissioner.

In addition, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the understanding that the confidentiality of such information contained therein will be safeguarded and such individuals will be protected from unwarranted invasions of personal privacy pursuant to N.C. Gen. Stat. § 132-1.10 and all other applicable provisions of law and any other applicable statutory or regulatory authority available to the Commissioner.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. DOMESTIC INSURERS AND METHOD OF ACQUISITION

(a) The Domestic Insurers

This Form A relates to the proposed acquisition of control of WellCare Health Insurance of North Carolina, Inc., a life and health insurance company domiciled in North Carolina (“WHINC”), and WellCare of North Carolina, Inc., a prepaid health plan domiciled in North Carolina (“WNC” and, together with WHINC, the “Domestic Insurers”), by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The address, NAIC number and Federal Identification Number of each Domestic Insurer are as follows:

WellCare Health Insurance of North Carolina, Inc.

Home Office: 8735 Henderson Road
Tampa, Florida 33634

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 16548

FEIN Number: 83-3493160

WellCare of North Carolina, Inc.

Home Office: 421 Fayetteville Street
Suite 1100
Raleigh, North Carolina 27601

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 16547

FEIN Number: 82-5488080

Each of the Domestic Insurers is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II” and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of each of the Domestic Insurers.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare’s and Centene’s respective businesses prior to the closing of the Merger Transaction (the “Closing”) and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare’s stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene’s stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the “NYSE”), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or

termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health

Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare's Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene's growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.

- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.
- **Expanding National Footprint.** With the addition of WellCare's markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare's Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic Insurers is as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105

(b) Business Operations of the Applicant

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene's health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems, resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard intends to file disclaimers of affiliation or control in respect of the Domestic Insurers with the North Carolina Department of Insurance (the "Department").

(c) Organizational Chart

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after

giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic Insurers before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) Names and Business Addresses

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification of the information therein. Said verification service will report its findings directly to the Department upon completion of the verification process.

(b) Present Activity

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) Employment History

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) Criminal Proceedings

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Consideration

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the “Securities Act”), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this

indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the future based on prevailing market conditions and other financial factors. Centene will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into a second amended and restated debt commitment letter, dated as of April 23, 2019 (the “Commitment Letter”), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the “Financing” in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic Insurers or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic Insurers will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Source of Funds to Satisfy Liability

The source of funds that will be used by Centene to satisfy any indebtedness incurred to finance the Merger Consideration are cash flows from its and its subsidiaries’ operations. Five-year cash flow projections for Centene are attached as Exhibit CE-4 to the confidential supplement to this Form A.

(c) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms’ length negotiations among the representatives of

Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

The board of directors of Centene has received an opinion from each of its financial advisors, Allen & Company LLC and Barclays Capital Inc., each dated March 26, 2019, to the effect that, as of that date and based on and subject to various assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken as set forth in such opinion, the merger consideration to be paid by Centene pursuant to the Merger Agreement was fair, from a financial point of view, to Centene.

(d) Confidentiality of Lender’s Information in the Ordinary Course of Business

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM 5. FUTURE PLANS OF THE DOMESTIC INSURERS

Centene has no present plans or proposals to cause the Domestic Insurers to declare any extraordinary dividend, to liquidate the Domestic Insurers, to sell the assets of the Domestic Insurers (other than in ordinary course), to merge the Domestic Insurers with any person or persons or to make any other material change in the Domestic Insurers’ business operations, corporate structure or management, other than as described below in this Item 5. Immediately following the Closing, the Domestic Insurers will continue to maintain their separate corporate existence and will conduct operations as described in their respective plans of operation filed as part of their respective licensing applications approved by the Department. A plan of operations, including five-year statutory financial projections of each of the Domestic Insurers, reflecting such operations is attached as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add each of the Domestic Insurers as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the “Tax Sharing Agreement”). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic Insurers to the Tax Sharing Agreement will be filed with the Department under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic Insurers; however, Centene anticipates an ongoing review of the composition of the Domestic Insurers’ management, including their respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic Insurers) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

WNC will conduct Medicaid business in the State of North Carolina. As of the date of this Form A, Centene conducts Medicaid business in the State of North Carolina through Carolina Complete Health, Inc., a North Carolina health maintenance organization and wholly owned subsidiary of Centene (the "Centene NC HMO"). After the Closing, it is anticipated that the Medicaid operations of WNC, on the one hand, and the Centene NC HMO, on the other hand, will operate independently under separate contractual arrangements with regulatory authorities.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

WHINC currently has 400 shares of common stock, par value one thousand dollars (\$1,000.00) per share, authorized, issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

WNC currently has 6000 shares of common stock, par value one thousand dollars (\$1,000.00) per share, authorized, of which 1000 shares are issued and outstanding, and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic Insurers. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic Insurers or any of their controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic Insurers or any of their respective controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at

approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic Insurers or any of their respective controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC INSURERS

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic Insurers or any of their respective controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic Insurers or any of their respective controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic Insurers or any of their respective controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic Insurers or any of their respective controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of Domestic Insurers Before the Merger Transaction
B-4	Abbreviated Organizational Chart of Domestic Insurers After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018
D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
D-6	Unaudited Financial Statement of the Applicant for the Quarter ended March 31, 2019
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017
G	Annual Report of the Applicant on Form 10-K for the Year ended December 31, 2018
H	Quarterly Report of the Applicant on Form 10-Q for the Quarter ended March 31, 2019

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits

CE-2	Commitment Letter
CE-3	Plan of Operations and Five-Year Financial Projections of each of the Domestic Insurers
CE-4	Five-Year Cash Flow Projections of the Applicant

(c) Tender Offer Documents and Certain Proposed Agreements

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic Insurers, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic Insurers by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic Insurers do not prepare annual reports to their respective stockholders.

ITEM 13. AGREEMENT REQUIREMENTS FOR ANNUAL REPORTS

The Applicant agrees to provide an annual report, as specified in G.S. 58-19-25, for so long as control by the Applicant exists.

ITEM 14. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs. The Applicant further acknowledges that the Applicant and all subsidiaries within its control in the insurance holding company system shall provide information to the Commissioner upon request as necessary to evaluate enterprise risk to the Domestic Insurers.

ITEM 15. FORM E

A pre-acquisition notification is being filed separately with the Commissioner on a Form E.

ITEM 16. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant is set forth on the immediately following page.

ITEM 16. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of North Carolina General Statute 58-19-15, Centene Corporation has caused this Statement to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 24th day of April, 2019.

(SEAL)

CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Statement dated the 26 day of April, 2019, for and on behalf of Centene Corporation, that he is the Executive Vice President, Secretary and General Counsel of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Keith H. Williamson

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF

WELLCARE OF NEBRASKA, INC.,

(the "Domestic HMO")

an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the "Applicant")

Filed with the Nebraska Department of Insurance

Dated: April 19, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
7700 Forsyth Blvd.,
St. Louis, Missouri 63105
Telephone: (314) 505-6539
Email: kwilliamson@centene.com

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Lawrence F. Harr, Esq.
Lamson Dugan & Murray LLP
10306 Regency Parkway Drive
Omaha, Nebraska 68114
Telephone: (402) 397-7300
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This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Director of Insurance of the State of Nebraska (the “Director”) pursuant to the requirements of Neb. Rev. Stat. § 44-2126 and 210 Neb. Admin. R. & Regs. 24-011 for the acquisition of control of WellCare of Nebraska, Inc. by the Applicant.

Confidentiality Legend

This Form A contains confidential and/or proprietary information and strategies that are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-1 through CE-3, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to Neb. Rev. Stat. § 84-712.05 and any other applicable statutory or regulatory authority available to the Director.

In addition, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the understanding that the confidentiality of such information contained therein will be safeguarded and such individuals will be protected from unwarranted invasions of personal privacy pursuant to Neb. Rev. Stat. § 84-712.05(17) and all other applicable provisions of law and any other applicable statutory or regulatory authority available to the Director. The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. HMO AND METHOD OF ACQUISITION

(a) The Domestic HMO

This Form A relates to the proposed acquisition of control of WellCare of Nebraska, Inc., a health maintenance organization domiciled in Nebraska (the “Domestic HMO”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The address, NAIC number and Federal Identification Number of the Domestic HMO are as follows:

WellCare of Nebraska, Inc.

Home Office: 8055 O Street, Suite 300
Lincoln, Nebraska 68510

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 15951

FEIN Number: 47-5456872

The Domestic HMO is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II”) and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of the Domestic HMO.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare's and Centene's respective businesses prior to the closing of the Merger Transaction (the "Closing") and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare's stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene's stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the "NYSE"), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare’s Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene’s growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.
- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.
- **Expanding National Footprint.** With the addition of WellCare’s markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in

Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.

- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare's Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic HMO is as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105

(b) Business Operations of the Applicant

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene's health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems, resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. We have been informed by Vanguard that Vanguard has filed a disclaimer of control in respect of the Domestic HMO with the Nebraska Department of Insurance (the "Department"), and the Department has provided its approval in respect of such disclaimer.

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic HMO before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) Names and Business Addresses

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an "Individual" and, collectively, as the "Individuals."

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing Wellcare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene's Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the "NAIC Biographical Affidavits"). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification of the information therein. Said verification service will report its findings directly to the Department upon completion of the verification process required by Nebraska law.

(b) Present Activity

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) **Employment History**

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) **Criminal Proceedings**

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) **Consideration**

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the "Securities Act"), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the

future based on prevailing market conditions and other financial factors. Centene will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into an amended and restated debt commitment letter, dated as of April 4, 2019 (the "Commitment Letter"), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the "Financing" in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic HMO or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic HMO will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms' length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) Confidentiality of Lender's Information in the Ordinary Course of Business

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM 5. FUTURE PLANS FOR DOMESTIC HMO

Centene has no present plans or proposals to cause the Domestic HMO to declare any extraordinary dividend, to liquidate the Domestic HMO, to sell the assets of the Domestic HMO (other than in ordinary course), to merge the Domestic HMO with any person or persons

or to make any other material change in the Domestic HMO's business operations, corporate structure or management, other than as described below in this Item 5. Immediately following the Closing, the Domestic HMO will continue to maintain its separate corporate existence and will continue its operations as currently conducted. Three-year statutory financial projections of the Domestic HMO reflecting continuation of its current business plans are attached hereto as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add the Domestic HMO as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic HMO to the Tax Sharing Agreement will be filed with the Department under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic HMO; however, Centene anticipates an ongoing review of the composition of the Domestic HMO's management, including its respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic HMO) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

The Domestic HMO conducts Medicaid business in the State of Nebraska. As of the date of this Form A, Centene conducts Medicaid business in the State of Nebraska through Nebraska Total Care, Inc., a Nebraska domestic health maintenance organization and wholly owned subsidiary of Centene (the "Centene Nebraska HMO"). The Applicant is currently exploring strategic options with respect to the operation of its Medicaid business after the Closing. Any such options would be discussed with the Nebraska Department of Health and Human Services, and implemented subject to and after all required regulatory approvals had been received (including from the Department), as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

The Domestic HMO currently has 1,000 shares of common stock, par value one dollar (\$1.00), authorized, of which 1,000 shares are issued and outstanding, and no shares of preferred stock outstanding. All such shares are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic HMO. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic HMO or any of its controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC HMO

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic HMO or any of its controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic HMO or any of its controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic HMO or any of its controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic HMO or any of its controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:²

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic HMO Before the Merger Transaction
B-4	Abbreviated Organizational Chart of the Domestic HMO After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018
D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017

² It is expected that unaudited financial statements of the Applicant for the quarter ended March 31, 2019, will be available on or around April 23, 2019. Once available, the Applicant will promptly submit such quarterly financial statements to the Department on a supplemental basis.

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter
CE-3	Three-Year Financial Projections of the Domestic HMO

(c) Tender Offer Documents and Certain Proposed Agreements

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic HMO, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic HMO by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic HMO does not prepare annual reports to its stockholders.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

ITEM 14. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant is set forth on the immediately following page.

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

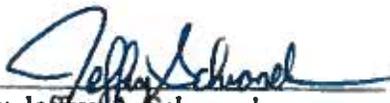
Pursuant to the requirements of § 44-2126 and 210 Neb. Admin. R. & Regs. 24, Centene Corporation has caused this application to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 17th day of April, 2019.

(SEAL)*

CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated April 19, 2019, for and on behalf of Centene Corporation, the Executive Vice President, Secretary and General Counsel of such company, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Keith H. Williamson

AMENDMENT NO. 1

TO

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF

WELLCARE OF NEBRASKA, INC.

(the "Domestic HMO")

an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the "Applicant")

Filed with the Nebraska Department of Insurance

Dated: May 30, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
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This Amendment No. 1 to Form A Statement (this "Amendment No. 1") is submitted by Centene Corporation, a publicly traded Delaware corporation (the "Applicant"), in connection with the proposed acquisition of control of WellCare of Nebraska, Inc., a health maintenance organization domiciled in Nebraska (the "Domestic HMO"). This Amendment No. 1 supplements the Form A Statement Regarding the Acquisition of Control of the Domestic HMO that was filed by the Applicant on April 19, 2019 (the "Form A") with the Nebraska Department of Insurance (the "Department"), and includes only those items in which information is being supplemented. Except as expressly supplemented by this Amendment No. 1, the Form A is not hereby modified or changed in any respect. Capitalized terms used in this Amendment No. 1 have the same meanings as set forth in the Form A, except as otherwise expressly defined in this Amendment No. 1.

Confidentiality Legend

This Amendment No. 1 contains confidential and/or proprietary information, business plans and strategies that are trade secrets and are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibit CE-1, which is being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including but not limited to, Neb. Rev. Stat. § 84-712.05, and any other applicable statutory or regulatory authority available to the Department.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Amendment No. 1 designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. HMO AND METHOD OF ACQUISITION

No change, other than the addition of the following paragraph at the end of clause (b) (Method of Acquisition) under “Merger Agreement”:

On April 22, 2019, each of Centene and WellCare filed a notice under the HSR Act. On May 22, 2019, Centene and WellCare each received a Request for Additional Information and Documentary Material from the Antitrust Division of the U.S. Department of Justice (the “Antitrust Division”) in connection with the Antitrust Division’s review of the transactions contemplated by the Merger Agreement. Issuance of the Request for Additional Information and Documentary Material extends the waiting period under the HSR Act until 30 days after both Centene and WellCare have substantially complied with the Request for Additional Information and Documentary Material or such later time as the parties may agree with the Antitrust Division, unless the waiting period is terminated earlier by the Antitrust Division.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

No change.

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

No change, other than replacing the second paragraph of clause (a) (Names and Business Addresses) with the following:

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. It is currently anticipated that Post-Closing WellCare’s board of directors will be comprised of three members. Immediately after the Closing, Michael F. Neidorff (Centene’s Chief Executive Officer), Jeffery A. Schwaneke (Centene’s Chief Financial Officer and Treasurer) and Christopher Koster (Centene’s Senior Vice President, Corporate Services) will serve as Post-Closing WellCare’s directors. In addition, it is anticipated that these three individuals will also serve as Post-Closing WellCare’s executive officers, with Mr. Neidorff serving as President and Chief Executive Officer, Mr. Schwaneke serving as Treasurer and Mr. Koster serving as Secretary.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

No change.

ITEM 5. FUTURE PLANS FOR DOMESTIC HMO

Item 5 is deleted in its entirety and replaced with the following:

Centene has no present plans or proposals to cause the Domestic HMO to declare any extraordinary dividend, to liquidate the Domestic HMO, to sell the assets of the Domestic

HMO (other than in ordinary course), to merge the Domestic HMO with any person or persons or to make any other material change in the Domestic HMO's business operations, corporate structure or management, other than as described below in this Item 5 and in Exhibit CE-1 to the confidential supplement to this Amendment No. 1.

Effective on the date of the Closing, Centene plans to add the Domestic HMO as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the addition of the Domestic HMO as a party to the Tax Sharing Agreement, dated May 24, 2019, was filed with the Department.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic HMO; however, Centene anticipates an ongoing review of the composition of the Domestic HMO's management, including its directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

No change.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

No change.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC HMO

No change.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

No change.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

No change.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

No change.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

No change.

**ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK
MANAGEMENT**

No change.

ITEM 14. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant are set forth on the immediately following page.

Pursuant to the requirements of § 44-2126 and 210 Neb. Admin. R. & Regs. 24, Centene Corporation has caused this Amendment No. 1 to Form A Statement to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 23rd day of May, 2019.

(SEAL)



CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Christopher R. Isaak
Title: Senior Vice President,
Corporate Controller and Chief Accounting Officer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Amendment No. 1 to Form A Statement dated May 30, 2019, for and on behalf of Centene Corporation, the Executive Vice President, Secretary and General Counsel of such company, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Keith H. Williamson

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF
WELLCARE HEALTH INSURANCE COMPANY OF NEW HAMPSHIRE, INC.

and

WELLCARE OF NEW HAMPSHIRE, INC.

(collectively, the “Domestic Insurers”)

each, an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the “Applicant”)

Filed with the Insurance Department of the State of New Hampshire

Dated: May 3, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
7700 Forsyth Blvd.,
St. Louis, Missouri 63105
Telephone: (314) 505-6539
Email: kwilliamson@centene.com

Todd E. Freed, Esq.
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Concord, New Hampshire 03301
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This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Insurance Commissioner of the State of New Hampshire (the “Commissioner”) pursuant to the requirements of RSA 401-B:3 and Rule Ins 1501.08 and Rule Ins 1501 Form A for the acquisition of control of WellCare Health Insurance Company of New Hampshire, Inc. and WellCare of New Hampshire, Inc. by the Applicant.

Confidentiality Legend

This Form A, together with any items that may be submitted separately as amendments or supplements hereto, contains confidential and/or proprietary information, business plans and strategies that are trade secrets and are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-2 and CE-3, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including but not limited to, RSA 91-A:5(IV) and RSA 401-B:8, and any other applicable statutory or regulatory authority available to the Commissioner. All such information is provided with the express understanding that the confidentiality of such information will be safeguarded.

In addition, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the express understanding that the confidentiality of such information contained therein will be safeguarded and such individuals submitting NAIC biographical affidavits will be protected from unwarranted invasions of personal privacy pursuant to all applicable provisions of law, including but not limited to, RSA 91-A:5(IV) and RSA 401-B:8, and any other applicable statutory or regulatory authority available to the Commissioner.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. DOMESTIC INSURERS AND METHOD OF ACQUISITION

(a) The Domestic Insurers

This Form A relates to the proposed acquisition of control of WellCare Health Insurance Company of New Hampshire, Inc., an accident and health insurance company domiciled in New Hampshire (“WHICNH”), and WellCare of New Hampshire, Inc., a health maintenance organization domiciled in New Hampshire (“WCNH” and, together with WHICNH, the “Domestic Insurers”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”). Each of the Domestic Insurers is recently licensed in the State of Wisconsin and has not yet commenced business operations.

The address, NAIC number and Federal Identification Number of each Domestic Insurer are as follows:

WellCare Health Insurance Company of New Hampshire, Inc.

Address: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 16516

FEIN Number: 83-3091673

WellCare of New Hampshire, Inc.

Address: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 16515

FEIN Number: 83-2914327

Each of the Domestic Insurers is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II”

and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of each of the Domestic Insurers.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare’s and Centene’s respective businesses prior to the closing of the Merger Transaction (the “Closing”) and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare’s stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene’s stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the “NYSE”), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each

party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare’s Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene’s

growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.

- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.
- **Expanding National Footprint.** With the addition of WellCare’s markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare’s Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic Insurers is as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105

(b) Business Operations of the Applicant

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through

locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene's health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems, resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard intends to file disclaimers of affiliation or control under RSA 401-B:4(XI) in respect of each of the Domestic Insurers with the New Hampshire Insurance Department (the "Department").

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic Insurers before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other

jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) Names and Business Addresses

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are provided as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification

of the information therein. Said verification service will report its findings directly to the Department upon completion of the verification process.

(b) Present Activity

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) Employment History

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) Criminal Proceedings

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Consideration

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the “Securities Act”), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the

election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the future based on prevailing market conditions and other financial factors. Centene will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into a second amended and restated debt commitment letter, dated as of April 23, 2019 (the “Commitment Letter”), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the “Financing” in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic Insurers or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic Insurers will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms’ length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) **Confidentiality of Lender's Information in the Ordinary Course of Business**

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM 5. FUTURE PLANS OF THE DOMESTIC INSURERS

Centene has no present plans or proposals to cause the Domestic Insurers to declare any extraordinary dividend, to liquidate the Domestic Insurers, to sell the assets of the Domestic Insurers (other than in ordinary course), to merge the Domestic Insurers with any person or persons or to make any other material change in the Domestic Insurers' business operations, corporate structure or management. Immediately following the Closing, the Domestic Insurers will continue to maintain their separate corporate existence and will conduct operations as described in their plans of operation filed as part of their respective licensing applications recently approved by the Department. A plan of operations for each of the Domestic Insurers, including three-year statutory financial projections, reflecting such operations is attached as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add each of the Domestic Insurers as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic Insurers to the Tax Sharing Agreement will be filed with the Department under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic Insurers; however, Centene anticipates an ongoing review of the composition of the Domestic Insurers' management, including their respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic Insurers) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

WHICNH currently has 100 shares of common stock, par value one dollar (\$1.00) per share, authorized, 100 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

WCNH currently has 100 shares of common stock, par value zero dollars (\$0.00) per share, authorized, 100 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic Insurers. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic Insurers or any of their controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic Insurers or any of their respective controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic Insurers or any of their respective controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC INSURERS

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic Insurers or any of their respective controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals

has purchased any voting securities of the Domestic Insurers or any of their respective controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic Insurers or any of their respective controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic Insurers or any of their respective controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic Insurers Before the Merger Transaction
B-4	Abbreviated Organizational Chart of the Domestic Insurers After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018
D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016

D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
D-6	Unaudited Financial Statement of the Applicant for the Quarter ended March 31, 2019
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter
CE-3	Three-Year Plan of Operations and Three-Year Financial Projections of each of the Domestic Insurers

(c) **Tender Offer Documents and Certain Proposed Agreements**

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic Insurers, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic Insurers by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic Insurers do not prepare annual reports to their respective stockholders.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

ITEM 14. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant is set forth on the immediately following page.

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of RSA 401-B:3, Centene Corporation has caused this application to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 30 day of April, 2019.

(SEAL)

CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated May 3, 2019, for and on behalf of Centene Corporation; that he is the Executive Vice President, Secretary and General Counsel of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Keith H. Williamson

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF

WELLCARE HEALTH PLANS OF NEW JERSEY, INC.

(the “Domestic HMO”)

an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the “Applicant”)

Filed with New Jersey Department of Banking and Insurance

Dated: May 3, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
7700 Forsyth Blvd.,
St. Louis, Missouri 63105
Telephone: (314) 505-6539
Email: kwilliamson@centene.com

Todd E. Freed, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
Telephone: (212) 735-3714
Email: todd.freed@skadden.com

This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Commissioner of the New Jersey Department of Banking and Insurance (the “Commissioner”) pursuant to the requirements of N.J. Stat. Ann. § 17:27A-2 and N.J. Admin. Code §§ 11:1-35.6 and 11:1-35 Exhibit A for the acquisition of control of WellCare Health Plans of New Jersey, Inc. by the Applicant.

Confidentiality Legend

This Form A, together with any items that may be submitted separately as amendments or supplements hereto, contains confidential and/or proprietary information, business plans and strategies that are trade secrets and are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-2 and CE-3, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including but not limited to, N.J. Stat. Ann. § 47:1A-1.1 *et seq.*, and any other applicable statutory or regulatory authority available to the Commissioner. All such information is provided with the express understanding that the confidentiality of such information will be safeguarded.

In addition, the information contained in the non-redacted NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the express understanding that the confidentiality of such information contained therein will be safeguarded and such individuals submitting NAIC biographical affidavits will be protected from unwarranted invasions of personal privacy pursuant to all applicable provisions of law, and any other applicable statutory or regulatory authority available to the Commissioner.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. THE DOMESTIC HMO AND METHOD OF ACQUISITION

(a) The Domestic HMO

This Form A relates to the proposed acquisition of control of WellCare Health Plans of New Jersey, Inc., a health maintenance organization domiciled in New Jersey (the “Domestic HMO”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The address, NAIC number and Federal Identification Number of the Domestic HMO are as follows:

WellCare Health Plans of New Jersey, Inc.

Home Office: 550 Broad Street, Suite 1200
Newark, New Jersey 07102

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 13020

FEIN Number: 20-8017319

The Domestic HMO is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II” and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of the Domestic HMO.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare's and Centene's respective businesses prior to the closing of the Merger Transaction (the "Closing") and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare's stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene's stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the "NYSE"), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare’s Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene’s growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.
- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social

determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.

- **Expanding National Footprint.** With the addition of WellCare’s markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare’s Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic HMO is as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105

(b) Business Operations of the Applicant

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene’s health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems,

resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard has filed a disclaimer of affiliation or control in respect of the Domestic HMO with the New Jersey Department of Banking and Insurance (the "Department").

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic HMO before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) Names and Business Addresses

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). NAIC Biographical Affidavits for the Individuals with personal information redacted are attached hereto as Exhibit G. The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification of the information therein. Said verification service will report its findings directly to the Department upon completion of the verification process.

(b) Present Activity

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) **Employment History**

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) **Criminal Proceedings**

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) **Consideration**

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the “Securities Act”), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the

future based on prevailing market conditions and other financial factors. Centene will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into a second amended and restated debt commitment letter, dated as of April 23, 2019 (the “Commitment Letter”), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the “Financing” in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic HMO or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic HMO will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms’ length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) Confidentiality of Lender’s Information in the Ordinary Course of Business

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM 5. FUTURE PLANS OF DOMESTIC HMO

Centene has no present plans or proposals to cause the Domestic HMO to declare any extraordinary dividend, to liquidate the Domestic HMO, to sell the assets of the Domestic HMO (other than in ordinary course), to merge the Domestic HMO with any person or persons

or to make any other material change in the Domestic HMO's business operations, corporate structure or management. Immediately following the Closing, the Domestic HMO will continue to maintain its separate corporate existence and will continue its operations as currently conducted. Three-year statutory financial projections of the Domestic HMO reflecting continuation of its current business plans are attached hereto as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add the Domestic HMO as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic HMO to the Tax Sharing Agreement will be filed with the Department under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic HMO; however, Centene anticipates an ongoing review of the composition of the Domestic HMO's management, including its directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic HMO) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

The Domestic HMO currently has 1,000 shares of common stock, par value one cent (\$0.01) per share, authorized, issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic HMO. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic HMO or any of its controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC HMO

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic HMO or any of its controlling persons in which the Applicant, its affiliates or the Individuals 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 or the giving or withholding of proxies.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic HMO or any of its controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic HMO or any of its controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic HMO or any of its controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic HMO Before the Merger Transaction
B-4	Abbreviated Organizational Chart of the Domestic HMO After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018
D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
D-6	Unaudited Financial Statement of the Applicant for the Quarter ended March 31, 2019
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017
G	Redacted Biographical Affidavits

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter

CE-3	Three-Year Financial Projections of the Domestic HMO
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(c) Tender Offer Documents and Certain Proposed Agreements

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic HMO, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic HMO by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic HMO does not prepare annual reports to its stockholders.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by N.J. Admin. Code § 11:1-35 Exhibit F, incorporated herein by reference, within 15 days after the end of the month in which the acquisition of control occurs.

ITEM 14. ACKNOWLEDGEMENT OF PROVISION OF ENTERPRISE RISK MANAGEMENT

The Applicant agrees that it will provide the annual enterprise risk report, specified in N.J. Stat. Ann. 17:27A-3.k, so long as control exists. The Applicant also acknowledges that the Applicant and all subsidiaries within control of the insurance holding company system will provide information to the Commissioner upon request as necessary to evaluate enterprise risk to the Domestic HMO subject to N.J. Stat. Ann. 17:27A-1 *et seq.*

ITEM 15. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant is set forth on the immediately following page.

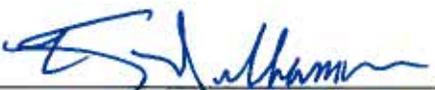
ITEM 15. SIGNATURE AND CERTIFICATION

SIGNATURE

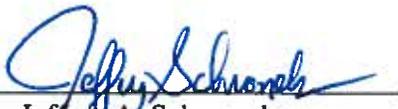
Pursuant to the requirements of N.J.S.A. 17:27A-2, Centene Corporation has caused this application to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 30 day of April, 2019.

(SEAL)

CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated May 3, 2019, for and on behalf of Centene Corporation; that he is the Executive Vice President, Secretary and General Counsel of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts set forth are true to the best of his knowledge, information and belief.


Name: Keith H. Williamson

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF

WELLCARE OF OHIO, INC.

(the "Domestic Insurer")

an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the "Applicant")

Filed with the Ohio Department of Insurance

Dated: May 3, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
7700 Forsyth Blvd.,
St. Louis, Missouri 63105
Telephone: (314) 505-6539
Email: kwilliamson@centene.com

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Skadden, Arps, Slate, Meagher & Flom LLP
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Columbus, Ohio 43215-6101
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Email: Alan.Berliner@ThompsonHine.com

This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Director of Insurance of the State of Ohio (the “Director”) pursuant to the requirements of Ohio Rev. Code § 3901.321 and Ohio Admin. Code 3901-3-01 for the acquisition of control of WellCare of Ohio, Inc. by the Applicant.

Confidentiality Legend

This Form A, together with any items that may be submitted separately as amendments or supplements hereto, contains confidential and/or proprietary information, business plans and strategies that are trade secrets and are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-2 through CE-4, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including but not limited to Ohio Rev. Code § 149.43(A)(1)(v), which prohibits the release of records where prohibited by state or federal law and has been recognized as an exemption from public disclosure in the Form A context by the Ohio Supreme Court (*State ex re. The Plain Dealer v. Ohio Dept. of Insurance*, 80 Ohio St.3d 513, 672 (1997)), and Ohio Rev. Code §§ 1333.61(D) and 1333.62, which define and protect “trade secrets,” and any other applicable statutory or regulatory authority available to the Director. All such information is provided with the express understanding that the confidentiality of such information will be safeguarded.

In addition, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the express understanding that the confidentiality of such information contained therein will be safeguarded and such individuals submitting NAIC biographical affidavits will be protected from unwarranted invasions of personal privacy pursuant to all applicable provisions of law, including but not limited to Ohio Rev. Code § 149.43(A)(1)(dd), which prohibits the release of certain personal information, as defined in Ohio Rev. Code § 149.45, and any other applicable statutory or regulatory authority available to the Director.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. DOMESTIC INSURER AND METHOD OF ACQUISITION

(a) The Domestic Insurer

This Form A relates to the proposed acquisition of control of WellCare of Ohio, Inc., a health insuring corporation domiciled in Ohio (the “Domestic Insurer”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The address, NAIC number and Federal Identification Number of the Domestic Insurer are as follows:

WellCare of Ohio, Inc.

Home Office: 8735 Henderson Road
Tampa, Florida 33634

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 12749

FEIN Number: 20-3562146

The Domestic Insurer is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II” and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of the Domestic Insurer.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare's and Centene's respective businesses prior to the closing of the Merger Transaction (the "Closing") and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare's stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene's stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the "NYSE"), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare’s Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene’s growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.
- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social

determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.

- **Expanding National Footprint.** With the addition of WellCare’s markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare’s Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic Insurer is as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105

(b) Business Operations of the Applicant

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene’s health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems,

resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard has filed a disclaimer of affiliation or control in respect of the Domestic Insurer with the Ohio Department of Insurance (the "Department").

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic Insurer before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) Names and Business Addresses

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification of the information therein. Said verification service will report its findings directly to the Department upon completion of the verification process.

(b) Present Activity

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) **Employment History**

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) **Criminal Proceedings**

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) **Consideration**

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the “Securities Act”), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the

future based on prevailing market conditions and other financial factors. Centene will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into a second amended and restated debt commitment letter, dated as of April 23, 2019 (the “Commitment Letter”), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the “Financing” in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic Insurer or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic Insurer will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms’ length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

ITEM 5. FUTURE PLANS OF DOMESTIC INSURER

(a) Plans or Proposals for the Domestic Insurer

Centene has no present plans or proposals to cause the Domestic Insurer to declare any extraordinary dividend, to liquidate the Domestic Insurer, to sell the assets of the Domestic Insurer (other than in ordinary course), to merge or reorganize the Domestic Insurer with any person or persons, to enter into any rental, leasing, service or financial, or other arrangements with the Domestic Insurer, or to make any other material change in the Domestic Insurer’s business operations, corporate structure or management, other than as described below

in this Item 5. Immediately following the Closing, the Domestic Insurer will continue to maintain its separate corporate existence and will continue its operations as currently conducted. From time to time following the Closing, the Applicant will assess the advisability of causing the Domestic Insurer to declare a dividend. Such determination and any declaration would be effected in compliance with all applicable statutory and regulatory requirements.

Centene has no current plans to change the name of the Domestic Insurer or relocate its home office or its corporate records. In addition, Centene has no current plans or proposals to make any changes in the Domestic Insurer's reinsurance coverage or reinsurers.

The financial projections of the Domestic Insurer attached as Exhibit CE-3 to the confidential supplement to this Form A reflect, among other things, the amount of premiums anticipated to be written or reinsured by the Domestic Insurer for three years following the Closing.

Effective on the date of the Closing, Centene plans to add the Domestic Insurer as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic Insurer to the Tax Sharing Agreement will be filed with the Department under separate cover.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic Insurer) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

(b) Directors and Executive Officers of the Domestic Insurer

Centene does not have any present plans to change the existing directors and executive officers of the Domestic Insurer; however, Centene anticipates an ongoing review of the composition of the Domestic Insurer's management, including its directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

Except as set forth herein, Centene has no commitments to or agreements or understandings with the present directors and officers of the Domestic Insurer. In addition, there are no contemplated or actual contracts, commitments, agreements or understandings for

employment, consultation, advice, management or services between Centene, on the one hand, and any of the present directors and officers of the Domestic Insurer, on the other hand.

(c) **Pro Forma Balance Sheets and Income Statements of the Domestic Insurer**

Pro forma balance sheets and income statements of the Domestic Insurer, prepared in accordance with statutory accounting principles, for three years following the Closing are attached as Exhibit CE-3 to the confidential supplement to this Form A.

(d) **Post-Closing Holding Company**

A pro forma balance sheet and income statement showing the effect of the Merger Transaction on Centene, prepared on a consolidated and Centene-only basis, are attached as Exhibit CE-4 to the confidential supplement to this Form A. Centene is not an insurer. The pro forma financial statements of Centene are prepared in accordance with generally accepted accounting principles.

(e) **Premiums Written**

The amount of direct premiums written by the Domestic Insurer and its affiliates in Ohio for the calendar year 2018 was \$31,974,306.

The amount of direct premiums written by the underwriting companies in the Applicant's insurance holding company group in Ohio for the calendar year 2018 was \$2,573,173,301.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

The Domestic Insurer currently has 1,500 shares of common stock, par value one dollar (\$1.00) per share, authorized, issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic Insurer. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic Insurer or any of its controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic Insurer or any of its controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and

Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic Insurer or any of its controlling persons, including WellCare.

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

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic Insurer or any of its controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic Insurer or any of its controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic Insurer or any of its controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic Insurer or any of its controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(A) – (C)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic Insurer Before the Merger Transaction
B-4	Abbreviated Organizational Chart of the Domestic Insurer After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018
D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
D-6	Unaudited Financial Statement of the Applicant for the Quarter ended March 31, 2019
E	Certified Resolution Adopted by the Applicant's Board of Directors Approving the Merger Transaction

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter
CE-3	Three-Year Pro Forma Balance Sheets and Income Statements of the Domestic Insurer
CE-4	A Pro Forma Balance Sheet and Income Statement Showing the Effect of the Merger Transaction on a Consolidated and Applicant-Only Basis

ITEM 13. CORPORATE AUTHORITY

A certified copy of the resolutions of the Applicant's board of directors approving the Merger Transaction is attached hereto as Exhibit E.

The shareholders of the Applicant are not entitled to vote on the Merger Transaction.

ITEM 14. NOTICE TO DOMESTIC INSURER

A copy of this Form A has been sent to the Domestic Insurer.

ITEM A. ENTERPRISE RISK REPORTING OBLIGATIONS

The Applicant agrees that, following approval of this Form A by the Director and the Closing, the Applicant will provide the annual registration required by Ohio Rev. Code § 3901.33(K) for so long as the Applicant has control of the Domestic Insurer.

ITEM 15. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant are set forth on the immediately following page.

ITEM 15. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of section 3901.321 of the Revised Code, Centene Corporation has caused this application to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 30 day of April, 2019.

(SEAL)

CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

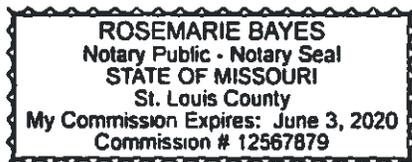
CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated May 3, 2019, for and on behalf of Centene Corporation, and that he is authorized to execute and file such instrument. Deponent further says that he is the Executive Vice President, secretary and General Counsel of such company and that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Keith H. Williamson

State of Missouri
County of St. Louis

The foregoing instrument was acknowledged before me this 30 day of April, 2019.




Notary Public

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF

WELLCARE OF OKLAHOMA, INC.

(the “Domestic HMO”)

an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the “Applicant”)

Filed with the Insurance Commissioner for the State of Oklahoma

Dated: April 26, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
7700 Forsyth Blvd.,
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This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Commissioner of Insurance of the State of Oklahoma (the “Commissioner”) pursuant to the requirements of Okla. Stat. tit. 36 § 1633 and Okla. Admin. Code § 365:25-7-28 for the acquisition of control of WellCare of Oklahoma, Inc. by the Applicant.

Confidentiality Legend

This Form A contains confidential and/or proprietary information and strategies that are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-2 and CE-3, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to Okla. Stat. tit. 78 §§ 85-95 and Okla. Stat. tit. 51§ 24A.1, which exempts trade secrets and commercial or financial information obtained from a person which is of a privileged or confidential nature, and Okla. Stat. tit. 36 § 1640, as well as any other applicable statutory or regulatory authority available to the Commissioner.

In addition, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the understanding that the confidentiality of such information contained therein will be safeguarded and such individuals will be protected from unwarranted invasions of personal privacy pursuant to Okla. Stat. tit. 51 § 24A.7(D) and all other applicable provisions of law and any other applicable statutory or regulatory authority available to the Commissioner.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. DOMESTIC HMO AND METHOD OF ACQUISITION

(a) The Domestic HMO

This Form A relates to the proposed acquisition of control of WellCare of Oklahoma, Inc., a health maintenance organization domiciled in Oklahoma (the “Domestic HMO”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The address, NAIC number and Federal Identification Number of the Domestic HMO are as follows:

WellCare of Oklahoma, Inc.

Address: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 16117

FEIN Number: 81-3299281

The Domestic HMO is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II” and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving”).

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of the Domestic HMO.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of

WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare's and Centene's respective businesses prior to the closing of the Merger Transaction (the "Closing") and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare's stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene's stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the "NYSE"), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the "SEC") on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene's robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare's Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene's growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.
- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.

- **Expanding National Footprint.** With the addition of WellCare’s markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare’s Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic HMO is as follows:

Centene Corporation
 7700 Forsyth Boulevard
 St. Louis, Missouri 63105

(b) Business Operations of the Applicant

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene’s health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems, resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard has filed a disclaimer of affiliation or control in respect of the Domestic HMO with the Oklahoma Insurance Department (the "Department").

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic HMO before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) **Names and Business Addresses**

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual

named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification of the information therein. Said verification service will report its findings directly to the Department upon completion of the verification process required by Oklahoma law.

(b) Present Activity

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) Employment History

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) Criminal History

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted of any felony or of a misdemeanor involving moral turpitude, dishonesty or breach of trust during his or her lifetime.

(e) Criminal Proceedings

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Consideration

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the “Securities Act”), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the future based on prevailing market conditions and other financial factors. Centene will provide

the Department will any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into a second amended and restated debt commitment letter, dated as of April 23, 2019 (the “Commitment Letter”), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the “Financing” in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic HMO or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic HMO will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms’ length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) Confidentiality of Lender’s Information in the Ordinary Course of Business

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM 5. FUTURE PLANS OF THE DOMESTIC HMO

Centene has no present plans or proposals to cause the Domestic HMO to declare any extraordinary dividend, to liquidate the Domestic HMO, to sell the assets of the Domestic HMO (other than in ordinary course), to merge the Domestic HMO with any person or persons or to make any other material change in the Domestic HMO’s business operations, corporate

structure or management. Immediately following the Closing, the Domestic HMO will continue to maintain its separate corporate existence and will continue its operations as currently conducted. Three-year statutory financial projections of the Domestic HMO reflecting continuation of its current business plans are attached hereto as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add the Domestic HMO as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the “Tax Sharing Agreement”). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic HMO to the Tax Sharing Agreement will be filed with the Department under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic HMO; however, Centene anticipates an ongoing review of the composition of the Domestic HMO’s management, including its respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene’s and WellCare’s respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic HMO) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene’s current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare’s home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

The Domestic HMO currently has 1,000 shares of common stock, par value one dollar (\$1.00) per share, authorized, 100 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic HMO. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant’s knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm’s-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic HMO or any of its controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC HMO

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic HMO or any of its controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic HMO or any of its controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic HMO or any of its controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic HMO or any of its controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic HMO Before the Merger Transaction
B-4	Abbreviated Organizational Chart of the Domestic HMO After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018
D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
D-6	Unaudited Financial Statement of the Applicant for the Quarter ended March 31, 2019
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter
CE-3	Three-Year Financial Projections of the Domestic HMO

(c) **Tender Offer Documents and Certain Proposed Agreements**

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic HMO, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic HMO by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic HMO does not prepare annual reports to its stockholders.

ITEM 13. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant is set forth on the immediately following page.

ITEM 13. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of Section 1633 of the Act, Centene Corporation has caused this application to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 24th day of April, 2019.

(SEAL)

CENTENE CORPORATION

By: [Signature]
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: [Signature]
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

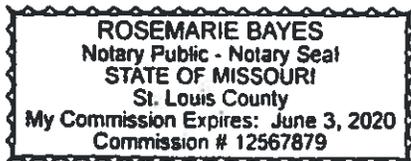
CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated April 26, 2019, for and on behalf of Centene Corporation; that he is the Executive Vice President, Secretary and General Counsel of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

[Signature]
Name: Keith H. Williamson

After being first duly sworn, by and before me, a Notary Public in and for the State of Missouri, appeared Keith Williamson and Jeffrey A. Schwaneke known to me to be the same individuals who signed and attested the document herein.

[Signature]
Notary Public



FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF
WELLCARE OF SOUTH CAROLINA, INC.

(the “Domestic HMO”)

an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the “Applicant”)

Filed with the South Carolina Department of Insurance

Dated: April 26, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
7700 Forsyth Blvd.,
St. Louis, Missouri 63105
Telephone: (314) 505-6539
Email: kwilliamson@centene.com

Todd E. Freed, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
Telephone: (212) 735-3714
Email: todd.freed@skadden.com

This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Director of Insurance of the State of South Carolina (the “Director”) pursuant to the requirements of S.C. Code Ann. §§ 38-21-60 and 38-21-70 and S.C. Code Ann. Regs. 69-14 s VII and 69-14 Form A for the acquisition of control of WellCare of South Carolina, Inc. by the Applicant.

Confidentiality Legend

This Form A contains confidential and/or proprietary information and strategies that are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-2 through CE-3, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to S.C. Code Ann. § 30-4-40(a) and any other applicable statutory or regulatory authority available to the Director.

In addition, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the understanding that the confidentiality of such information contained therein will be safeguarded and such individuals will be protected from unwarranted invasions of personal privacy pursuant to S.C. Code Ann. § 30-4-40(a)(2) and all other applicable provisions of law and any other applicable statutory or regulatory authority available to the Director.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. DOMESTIC HMO AND METHOD OF ACQUISITION

(a) The Domestic HMO

This Form A relates to the proposed acquisition of control of WellCare of South Carolina, Inc., a health maintenance organization domiciled in South Carolina (the “Domestic HMO”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The address, NAIC number and Federal Identification Number of the Domestic HMO are as follows:

WellCare of South Carolina, Inc.

Home Office: 200 Center Point Circle
Suite 180
Columbia, South Carolina 29210

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 11775

FEIN Number: 32-0062883

The Domestic HMO is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II”) and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of the Domestic HMO.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare's and Centene's respective businesses prior to the closing of the Merger Transaction (the "Closing") and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare's stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene's stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the "NYSE"), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare’s Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene’s growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.
- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social

determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.

- **Expanding National Footprint.** With the addition of WellCare’s markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare’s Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic HMO is as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105

(b) Business Operations of the Applicant

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene’s health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems,

resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard has filed a disclaimer of control in respect of the Domestic HMO with the South Carolina Department of Insurance (the "Department").

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic HMO before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) Names and Business Addresses

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing Wellcare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification of the information therein. Said verification service will report its findings directly to the Department upon completion of the verification process required by South Carolina law.

(b) Present Activity

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) **Employment History**

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) **Criminal Proceedings**

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) **Consideration**

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the "Securities Act"), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the

future based on prevailing market conditions and other financial factors. Centene will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into a second amended and restated debt commitment letter, dated as of April 23, 2019 (the “Commitment Letter”), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the “Financing” in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic HMO or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic HMO will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms’ length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) Confidentiality of Lender’s Information in the Ordinary Course of Business

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM 5. FUTURE PLANS OF THE DOMESTIC HMO

Centene has no present plans or proposals to cause the Domestic HMO to declare any extraordinary dividend, to liquidate the Domestic HMO, to sell the assets of the Domestic HMO (other than in ordinary course), to merge the Domestic HMO with any person or persons

or to make any other material change in the Domestic HMO's business operations, corporate structure or management, other than as described below in this Item 5. Immediately following the Closing, the Domestic HMO will continue to maintain its separate corporate existence and will continue its operations as currently conducted. Three-year statutory financial projections of the Domestic HMO reflecting continuation of its current business plans are attached hereto as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add the Domestic HMO as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic HMO to the Tax Sharing Agreement will be filed with the Department under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic HMO; however, Centene anticipates an ongoing review of the composition of the Domestic HMO's management, including its respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic HMO) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

The Domestic HMO conducts Medicaid business in the State of South Carolina. As of the date of this Form A, Centene conducts Medicaid business in the State of South Carolina through Absolute Total Care, Inc., a South Carolina domestic health maintenance organization and wholly owned subsidiary of Centene (the "Centene SC HMO"). Following the consummation of the Merger Transaction, it is anticipated that the respective operations of the Domestic HMO, on the one hand, and the Centene SC HMO, on the other hand, will initially operate substantially independently; however, while integration planning is still ongoing, it is anticipated that the Medicaid operations of the Domestic HMO and the Centene SC HMO will eventually be consolidated. The form and timing of any such consolidation have not yet been determined; however, it is anticipated that any such consolidation would only occur after an initial transitional period, which would enable the respective organizations time to fully analyze the impact of such consolidation and ensure a smooth transition and minimize disruption for members, providers, the State of South Carolina and other constituents. After such transitional period and consolidation, it is anticipated that Centene's Medicaid operations in South Carolina will be conducted through one (or related) managed care companies under one brand name utilizing the same or coordinating administrative systems and provider networks. Any such combination proposed to be made with respect to the Domestic HMO following the Closing would be implemented subject to and after all required regulatory approvals had been received

(including from the Department), as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

The Domestic HMO currently has 100,000 shares of common stock, with no par value per share, authorized, 11,000 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic HMO. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic HMO or any of its controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDING WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC HMO

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic HMO or any of its controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic HMO or any of its controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic HMO or any of its controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic HMO or any of its controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic HMO Before the Merger Transaction
B-4	Abbreviated Organizational Chart of the Domestic HMO After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018
D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015

D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
D-6	Unaudited Financial Statements of the Applicant for the Quarter ended March 31, 2019
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter
CE-3	Three-Year Financial Projections of the Domestic HMO

(c) **Tender Offer Documents and Certain Proposed Agreements**

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic HMO, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic HMO by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic HMO does not prepare annual reports to its stockholders.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

ITEM 14. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant is set forth on the immediately following page.

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

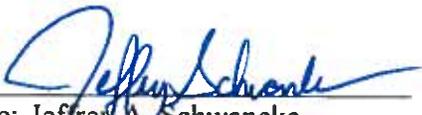
Pursuant to the requirements of South Carolina Code Sections 38-21-60 and 38-21-70 , Centene Corporation has caused this application to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 24th day of April, 2019.

(SEAL)

CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated April 26, 2019, for and on behalf of Centene Corporation; that he is the Executive Vice President, Secretary and General Counsel of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Keith H. Williamson

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF
WELLCARE HEALTH INSURANCE OF TENNESSEE, INC.

and

WELLCARE HEALTH PLANS OF TENNESSEE, INC.

(collectively, the “Domestic Insurers”)

each, an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the “Applicant”)

Filed with the Tennessee Department of Commerce & Insurance

Dated: May 1, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
7700 Forsyth Blvd.,
St. Louis, Missouri 63105
Telephone: (314) 505-6539
Email: kwilliamson@centene.com

Todd E. Freed, Esq.
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This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Commissioner of Insurance of the State of Tennessee (the “Commissioner”) pursuant to the requirements of Tenn. Code Ann. § 56-11-103 and Tenn. Comp. R. & Regs. 0780-1-67.08 and 0780-1-67 Form A for the acquisition of control of WellCare Health Insurance of Tennessee, Inc. and WellCare Health Plans of Tennessee, Inc. by the Applicant.

Confidentiality Legend

This Form A, together with any items that may be submitted separately as amendments or supplements hereto, contains confidential and/or proprietary information, business plans and strategies that are trade secrets and are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-2 and CE-3, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including but not limited to, Tenn. Code Ann. § 10-7-503 *et seq.*, and any other applicable statutory or regulatory authority available to the Commissioner. All such information is provided with the express understanding that the confidentiality of such information will be safeguarded.

In addition, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the express understanding that the confidentiality of such information contained therein will be safeguarded and such individuals submitting NAIC biographical affidavits will be protected from unwarranted invasions of personal privacy pursuant to all applicable provisions of law, including but not limited to, Tenn. Code Ann. § 10-7-503 *et seq.*, and any other applicable statutory or regulatory authority available to the Commissioner.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. METHOD OF ACQUISITION

(a) The Domestic Insurers

This Form A relates to the proposed acquisition of control of WellCare Health Insurance of Tennessee, Inc., an accident and health insurance company domiciled in Tennessee (“WHIT”), and WellCare Health Plans of Tennessee, Inc., a health maintenance organization domiciled in Tennessee (“MHPT” and, together with WHIT, the “Domestic Insurers”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The address, NAIC number and Federal Identification Number of each Domestic Insurer are as follows:

WellCare Health Insurance of Tennessee, Inc.

Home Office: 7100 Commerce Way
Suite 285
Brentwood, Tennessee 37027-2888

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 16532

FEIN Number: 83-2276159

WellCare Health Plans of Tennessee, Inc.

Home Office: 8735 Henderson Road
Tampa, Florida 33634

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 16533

FEIN Number: 45-5154364

Each of the Domestic Insurers is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II” and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of each of the Domestic Insurers.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare’s and Centene’s respective businesses prior to the closing of the Merger Transaction (the “Closing”) and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare’s stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene’s stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the “NYSE”), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or

termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health

Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare's Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene's growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.

- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.
- **Expanding National Footprint.** With the addition of WellCare's markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare's Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic Insurers is as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105

(b) Business Operations of the Applicant

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene's health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems, resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard intends to file disclaimers of affiliation or control in respect of each of the Domestic Insurers with the Tennessee Department of Commerce & Insurance (the "Department").

(c) Organizational Chart

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after

giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic Insurers before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) Names and Business Addresses

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification of the information therein. Said verification service will report its findings directly to the Department upon completion of the verification process required by Tennessee law.

(b) Present Activity

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) Employment History

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) Criminal Proceedings

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Consideration

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the “Securities Act”), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this

indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the future based on prevailing market conditions and other financial factors. Centene will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into a second amended and restated debt commitment letter, dated as of April 23, 2019 (the “Commitment Letter”), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the “Financing” in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic Insurers or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic Insurers will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms’ length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations,

historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) **Confidentiality of Lender's Information in the Ordinary Course of Business**

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM 5. FUTURE PLANS OF THE DOMESTIC INSURERS

Centene has no present plans or proposals to cause the Domestic Insurers to declare any extraordinary dividend, to liquidate the Domestic Insurers, to sell the assets of the Domestic Insurers (other than in ordinary course), to merge the Domestic Insurers with any person or persons or to make any other material change in the Domestic Insurers' business operations, corporate structure or management. Immediately following the Closing, the Domestic Insurers will continue to maintain their separate corporate existence and will conduct operations as described in their plans of operation filed as part of their respective licensing applications recently approved by the Department. Three-year statutory financial projections of each of the Domestic Insurers reflecting such operations are attached as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add each of the Domestic Insurers as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic Insurers to the Tax Sharing Agreement will be filed with the Department under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic Insurers; however, Centene anticipates an ongoing review of the composition of the Domestic Insurers' management, including their respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic Insurers) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

WHIT currently has 1,000,000 shares of common stock, par value five dollars (\$5.00) per share, authorized, 200,000 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

MHPT currently has 1,500,000 shares of common stock, par value one dollar (\$1.00) per share, authorized, 100 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic Insurers. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic Insurers or any of their controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic Insurers or any of their respective controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic Insurers or any of their respective controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC INSURERS

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic Insurers or any of their respective controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic Insurers or any of their respective controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic Insurers or any of their respective controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic Insurers or any of their respective controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic Insurers Before the Merger Transaction
B-4	Abbreviated Organizational Chart of the Domestic Insurers After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018

D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
D-6	Unaudited Financial Statement of the Applicant for the Quarter ended March 31, 2019
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter
CE-3	Three-Year Financial Projections of each of the Domestic Insurers

(c) Tender Offer Documents and Certain Proposed Agreements

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic Insurers, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic Insurers by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic Insurers do not prepare annual reports to their respective stockholders.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

ITEM 14. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant is set forth on the immediately following page.

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of Tenn. Code Ann. § 56-11-103, Centene Corporation has caused this application to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 21st day of April, 2019.

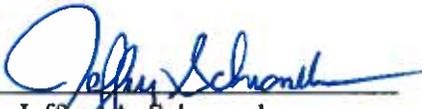
(SEAL)



CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated May 1, 2019, for and on behalf of Centene Corporation; that he is the Executive Vice President, Secretary and General Counsel of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Keith H. Williamson

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF

WELLCARE NATIONAL HEALTH INSURANCE COMPANY,

WELLCARE OF TEXAS, INC.,

SELECTCARE OF TEXAS, INC.

and

SELECTCARE HEALTH PLANS, INC.

(collectively, the “Domestic Insurers”)

each, an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the “Applicant”)

Filed with the Texas Department of Insurance

Dated: May 3, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

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ITEM (a). STATEMENT REGARDING THE ACQUISITION OR CHANGE OF CONTROL OF THE DOMESTIC INSURERS

This Form A Statement (including all exhibits attached hereto, this "Form A") seeks the prior approval of the Commissioner of Insurance of the State of Texas (the "Commissioner") pursuant to the requirements of Tex. Ins. Code §§ 823.154 and 823.157 and 28 Tex. Admin. Code §§ 7.205 and 7.209 for the acquisition of control of WellCare National Health Insurance Company, WellCare of Texas, Inc., SelectCare of Texas, Inc. and SelectCare Health Plans, Inc. by the Applicant.

The Applicant will separately submit the confidential supplemental information, necessary to evaluate enterprise risk to the Domestic Insurers under Tex. Ins. Code § 823.201(e) (the "Confidential Supplement").

ITEM (b). DOMESTIC INSURERS AND METHOD OF ACQUISITION

(1) State the name of the acquiring persons (Applicants), the date the Form A is filed, and the name, title, address, and telephone number of the individual to whom notices and correspondence concerning this statement should be addressed.

See cover page of this Form A.

(2) State the name and address of the domestic insurer to which this Form A relates and a brief description of how control is to be acquired.

The Domestic Insurers

This Form A relates to the proposed acquisition of control of WellCare National Health Insurance Company, a life and health insurance company domiciled in Texas (“WNHIC”), WellCare of Texas, Inc., a health maintenance organization domiciled in Texas (“WCT”), SelectCare of Texas, Inc., a health maintenance organization domiciled in Texas (“SCT”), and SelectCare Health Plans, Inc., a health maintenance organization domiciled in Texas (“SCHP” and, together with WNHIC, WCT and SCT, the “Domestic Insurers”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The address, NAIC number and Federal Employer Identification Number (“FEIN”) of each Domestic Insurer are as follows:

WellCare National Health Insurance Company

Home Office: 8735 Henderson Road
Tampa, Florida 33634

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 16342

FEIN: 82-5127096

WellCare of Texas, Inc.

Home Office: 4888 Loop Central Drive
Suite 300
Houston, Texas 77081

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 12964

FEIN: 20-8058761

SelectCare of Texas, Inc.

Home Office: 4888 Loop Central Drive
Suite 300
Houston, Texas 77081

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 10096

FEIN: 62-1819658

SelectCare Health Plans, Inc.

Home Office: 4888 Loop Central Drive
Suite 300
Houston, Texas 77081

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 10768

FEIN: 74-3141949

Each of WNHIC and WCT is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation (“WMG”), which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation (“WCG Health Management”), which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”). Each of SCHP and SCT is a direct, wholly owned subsidiary of Heritage Health Systems, Inc., a Texas corporation, which is, in turn, a direct, wholly owned subsidiary of Universal American Holdings, LLC, a Delaware limited liability company, which is, in turn, a direct, wholly owned subsidiary of Universal American Corp., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WMG, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, which is, in turn, a direct, wholly owned subsidiary of WellCare.

Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger

Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II” and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A to the Confidential Supplement and incorporated herein by reference.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of each of the Domestic Insurers.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare’s and Centene’s respective businesses prior to the closing of the Merger Transaction (the “Closing”) and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare’s stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene’s stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the “NYSE”), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject

to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare’s Medicare Advantage and

Medicare Prescription Drug Plans. It will also benefit from leveraging Centene's growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.

- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.
- **Expanding National Footprint.** With the addition of WellCare's markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare's Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM (c). IDENTITY AND BACKGROUND OF THE APPLICANT

(1) State the name and address of the Applicant seeking to acquire control over the insurers.

The name and current business address of the Applicant seeking to acquire control of the Domestic Insurers is as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105

(2) If the Applicant is not an individual, state the nature of its business operations for the past five years or for such lesser period as the person and any predecessors have been in existence and fully describe any business the person intends to commence.

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene's health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems, resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard has filed disclaimers of affiliation or control in respect of WCT, SCT and SCHP with the Texas Department of Insurance (the "Department"), and that Vanguard intends to file a disclaimer of affiliation or control in respect of WNHIC with the Department.

ITEM (d). IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT

Identity and background of individuals associated with the Applicant. Furnish only the information requested under Texas Insurance Code § 823.201(b) for the Applicant if the person is an individual, or for all persons who are directors, executive officers, or direct or indirect owners of 10 percent or more of the voting securities of the Applicant if the Applicant is not an individual.

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C to the Confidential Supplement. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit G to the Confidential Supplement (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification of the information therein. Said verification service will report its findings directly to the Department upon completion of the verification process.

Fingerprints for Individuals required to submit fingerprints are included with such Individuals' NAIC Biographical Affidavits.

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM (e). NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(1) Describe the nature, source, and amount of funds or other consideration used or to be used in effecting the merger or other acquisition of control. If any part 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, the relationship, if any, between the borrower and the lender, and the amounts borrowed or to be borrowed.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the "Securities Act"), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains

outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the future based on prevailing market conditions and other financial factors. Centene will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into a second amended and restated debt commitment letter, dated as of April 23, 2019 (the "Commitment Letter"), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit H to the Confidential Supplement. The financing contemplated by the Commitment Letter is referred to as the "Financing" in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic Insurers or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic Insurers will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms' length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(2) 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 of the lender be kept confidential and not include the identity of the lender with the information required by this section.

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM (f). FUTURE PLANS FOR THE DOMESTIC INSURERS

(1) Describe any plans or proposals which the Applicant may have or may contemplate making to cause the insurer to pay dividends or make other distributions, liquidate the insurer, sell any of its assets, merge or consolidate it with any person or persons, make any other material change in its business operations or corporate structure or management, or cause the insurer to enter into material agreements, arrangements, or transactions of any kind with any party.

Centene has no present plans or proposals to cause the Domestic Insurers to declare any extraordinary dividend, to liquidate the Domestic Insurers, to sell the assets of the Domestic Insurers (other than in ordinary course), to merge the Domestic Insurers with any person or persons or to make any other material change in the Domestic Insurers' business operations, corporate structure or management. Immediately following the Closing, the Domestic Insurers will continue to maintain their separate corporate existence and will continue their operations as currently conducted. Three-year statutory financial projections of each of the Domestic Insurers reflecting continuation of their current business plans are attached hereto as Exhibit I to the Confidential Supplement.

Effective on the date of the Closing, Centene plans to add each of the Domestic Insurers as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic Insurers to the Tax Sharing Agreement will be filed with the Department under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic Insurers; however, Centene anticipates an ongoing review of the composition of the Domestic Insurers' management, including their respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic Insurers) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented

subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

(2) Describe any other arrangement or agreement, oral or written, entered into by any acquiring party or any of its affiliates and the domestic insurer during the immediately preceding 12 months.

There are no other arrangements or agreements, oral or written, entered into by the Applicant or any of its affiliates, on the one hand, and the Domestic Insurers, on the other hand, during the immediately preceding twelve months.

ITEM (g). VOTING SECURITIES TO BE ACQUIRED

State the number of shares of the insurer's voting securities and the amount or number of shares convertible into voting securities which the Applicant, its affiliates, and any person listed in subsection (d) of this section plan to acquire, and terms of the offer, request, invitation, agreement, or acquisition.

WNHIC currently has 1,400,000 shares of common stock, par value one dollar (\$1.00) per share, authorized, 700,000 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

WCT currently has 1,000 shares of common stock, par value one cent (\$0.01) per share, authorized, 1,000 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

SCT currently has 10,000 shares of common stock, no par value per share, authorized, 1,000 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

SCHP currently has 2,000,000 shares, par value one dollar (\$1.00) per share, authorized, 600,000 shares of common stock issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic Insurers. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic Insurers or any of their controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM (h). 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 subsection (d) of this section.

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic Insurers or any of their respective controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic Insurers or any of their respective controlling persons, including WellCare.

ITEM (i). CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC INSURERS

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 persons listed in subsection (d) of this section 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, guarantees of profits, division of losses or profits, or the giving or withholding of proxies.

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic Insurers in which the Applicant, its affiliates or any persons listed in subsection (d) of this section 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, guarantees of profits, division of losses or profits, or the giving or withholding of proxies.

ITEM (j). RECENT PURCHASES OF VOTING SECURITIES

Describe any purchases of any voting securities of the insurer by the Applicant, any of its affiliates, or any person listed in subsection (d) of this section during the 12 calendar months preceding the filing of this Statement. Include in the description the dates of purchase, names of the purchases, and consideration paid or agreed to be paid. State whether any shares so purchased are hypothecated.

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic Insurers or any of their respective controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a

third party investment fund which holds WellCare Common Stock as described in subsection (h) of this section, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM (k). RECENT RECOMMENDATIONS TO PURCHASE

Provide a copy of any written, or a confirmed description of any oral, recommendations to purchase any voting security of the insurer made by the Applicant, any of its affiliates, or any person listed in subsection (d) of this section, or by anyone based on interviews with or at the suggestion of the Applicant, any of its affiliates, or any person listed in subsection (d) of this section during the 12 calendar months preceding the filing of this Statement.

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic Insurers or any of their respective controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM (l). AGREEMENTS WITH BROKER-DEALERS

Provide a copy of any written, or a confirmed description of any oral, agreement, arrangement, or understanding made with any broker-dealer as to the 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.

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic Insurers or any of their respective controlling persons for tender with regard to the Merger Transaction.

ITEM (m). FINANCIAL STATEMENTS AND EXHIBITS

(1) Under this subsection provide only a list of the financial statements, financial projections, and exhibits submitted under subsection (w) of this section.

Financial statements and exhibits submitted under subsection (w) pursuant to Texas Insurance Code §§ 823.011(a)(1), 823.201(d) and 823.351 (in the Confidential Supplement) are as follows:

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic Insurers Before the Merger Transaction

B-4	Abbreviated Organizational Chart of the Domestic Insurers After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018
D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
D-6	Unaudited Financial Statement of the Applicant for the Quarter ended March 31, 2019 (with certification)
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017
G	Biographical Affidavits
H	Commitment Letter
I	Three-Year Financial Projections of each of the Domestic Insurers
J	Three-Year Financial Projections of the Applicant

(2) The financial statements must include the annual financial statements of the Applicant for the preceding three fiscal years (or for such lesser period as the Applicant and any predecessors have been in existence), and similar unaudited financial information as of a date not earlier than 120 days prior to the filing of the statement, accompanied by affidavit or certification of the chief financial officer of the Applicant that the unaudited financial statement is true and correct, as of its date, and that there has been no material change in financial condition, as defined by the Act, from the date of the financial statement to the date of the affidavit or certification. The statements may be prepared on either an individual basis, or, unless the commissioner otherwise requires, on a consolidated basis if the consolidated statements are prepared in the usual course of business. A link to where the information is located can be provided as an alternative to hard copy or electronic attachments with the Form A. This only pertains to files that already have been filed with the department, the National Association of Insurance Commissioners, or another regulatory agency that can be accessed electronically.

(3) Unless exempted by the commissioner, the annual financial statements of the Applicant must be made in accord with generally accepted auditing standards and accompanied by the certificate of an independent certified public accountant that the statements present fairly the financial position of the Applicant and the results of its operations for the year then ended, inconformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the certificate is not available, then the financial statement must be sworn to by the Applicant as correctly reflecting its financial condition, and in that case, the commissioner at the commissioner's discretion may require the financial statement to be certified by an independent public accountant.

(4) If the Applicant is an insurer which is actively engaged in the business of insurance and licensed to do business in this state, it may provide financial statements which conform to the annual statements of the insurer filed with the insurance department of the insurer's domiciliary state and which are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of the domiciliary state.

(2)-(4) Financial Statements:

The audited financial statements of the Applicant for fiscal years ended December 31, 2018, 2017, 2016, 2015 and 2014 are attached to the Confidential Supplement as Exhibits D-1 through D-5, respectively, and attached to the Confidential Supplement as Exhibit D-6 is the unaudited quarterly financial statement of the Applicant for the quarter ended March 31, 2019.

(5) 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.

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic Insurers, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic Insurers by the Applicant.

Attached to the Confidential Supplement as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached to the Confidential Supplement as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic Insurers do not prepare annual reports to their respective stockholders.

ITEM (n). ENTERPRISE RISK MANAGEMENT

Applicant agrees to provide, to the best of its knowledge and belief, the information required by the Enterprise Risk Report, Form F, under Tex. Ins. Code § 823.0595, as applicable, within 15 days after the end of the month in which the acquisition of control occurs.

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F under Tex. Ins. Code § 823.0595, as applicable, within fifteen (15) days after the end of the month in which the acquisition of control occurs.

ITEM (o). NOTICE REGARDING *DIVESTITURE OF CONTROL* UNDER TEX. INS. CODE § 823.154

(1) Provide the name of the domestic insurer and divesting person (applicant), the date the application is filed, and the name, title, address, and telephone number of the individual to whom notices and correspondence concerning this statement should be addressed.

(2) Provide notice that applicant is divesting control of the above-named insurance companies and describe how control is being divested and include the percentage of control being divested.

(3) Describe and state the name of the person in control of the insurer before and after the divestiture of control.

(4) Supplemental information required under Tex. Ins. Code § 823.201(e) to evaluate the enterprise risk to the insurer must be submitted separately under subsection (y) of this section.

(1) – (4) Not applicable.

ITEM (p). SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant is set forth on the immediately following page.

ITEM (p). SIGNATURE AND CERTIFICATION

SIGNATURE

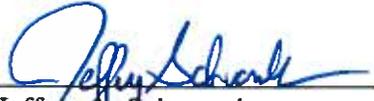
Pursuant to the requirements of Insurance Code Chapter 823, Centene Corporation has caused this application to be signed on its behalf in the County of St. Louis and State of Missouri on the 30 day of April, 2019.

(SEAL)

CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

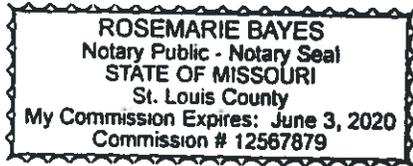
CERTIFICATION

THE STATE OF MISSOURI
COUNTY OF ST. LOUIS

Before me, the undersigned authority, on this day personally appeared Keith H. Williamson, known to me to be the Executive Vice President, Secretary and General Counsel of Centene Corporation, who, after being placed on his oath, stated that he has read the preceding application and that the answers, exhibits and attachments forming it are true and correct as to any factual statements contained.


Name: Keith H. Williamson

Sworn to and subscribed before me on April 30, 2019, to certify which witness my hand and seal of office.




Notary Public in and for
Missouri, County, St. Louis

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF

WELLCARE HEALTH PLANS OF VERMONT, INC.

(the “Domestic HMO”)

an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the “Applicant”)

Filed with the Insurance Division of the Vermont Department of Financial Regulation

Dated: May 1, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
7700 Forsyth Blvd.,
St. Louis, Missouri 63105
Telephone: (314) 505-6539
Email: kwilliamson@centene.com

Todd E. Freed, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
Telephone: (212) 735-3714
Email: todd.freed@skadden.com

Peter J. McDougall, Esq.
Paul Frank + Collins P.C.
One Church Street
Burlington, Vermont 05401
Telephone: (802) 658-2311
Email: pmcdougall@pfclaw.com

This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Commissioner of the Vermont Department of Financial Regulation (the “Commissioner”) pursuant to the requirements of 8 V.S.A. §3683 and Regulation 71-2 (Revised) for the acquisition of control of WellCare Health Plans of Vermont, Inc. by the Applicant.

Confidentiality Legend

This Form A, together with any items that may be submitted separately as amendments or supplements hereto, contains confidential and/or proprietary information, business plans and strategies that are trade secrets and are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-2 and CE-3, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including but not limited to 1 V.S.A. § 317(c)(9), and any other applicable statutory or regulatory authority available to the Commissioner. All such information is provided with the express understanding that the confidentiality of such information will be safeguarded.

In addition, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain sensitive and personal information related to individuals that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the express understanding that the confidentiality of such information contained therein will be safeguarded and such individuals submitting NAIC biographical affidavits will be protected from unwarranted invasions of personal privacy pursuant to all applicable provisions of law, including but not limited to 1 V.S.A. § 317(c)(7), and any other applicable statutory or regulatory authority available to the Commissioner. The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. THE DOMESTIC HMO AND METHOD OF ACQUISITION

(a) The Domestic HMO

This Form A relates to the proposed acquisition of control of WellCare Health Plans of Vermont, Inc., a health maintenance organization domiciled in Vermont (the “Domestic HMO”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”).

The address, NAIC number and Federal Identification Number of the Domestic HMO are as follows:

WellCare Health Plans of Vermont, Inc.

Home Office: 8735 Henderson Road
Tampa, Florida 33634

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

NAIC Number: 16514

FEIN Number: 83-2126269

The Domestic HMO is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II”) and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of the Domestic HMO.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare's and Centene's respective businesses prior to the closing of the Merger Transaction (the "Closing") and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare's stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene's stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the "NYSE"), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare’s Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene’s growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.
- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social

determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.

- **Expanding National Footprint.** With the addition of WellCare’s markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare’s Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic HMO is as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105

(b) Business Operations of the Applicant

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene’s health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems,

resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing. Centene is not a depository institution or an affiliate of a depository institution.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard intends to file a disclaimer of affiliation or control in respect of the Domestic HMO with the Vermont Department of Financial Regulation (the "Department").

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic HMO before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) Names and Business Addresses

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification of the information therein. Said verification service will report its findings directly to the Department upon completion of the verification process.

(b) Present Activity

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) **Employment History**

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) **Criminal Proceedings**

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) **Consideration**

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the “Securities Act”), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the

future based on prevailing market conditions and other financial factors. Centene will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into a second amended and restated debt commitment letter, dated as of April 23, 2019 (the “Commitment Letter”), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the “Financing” in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic HMO or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic HMO will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms’ length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) Confidentiality of Lender’s Information in the Ordinary Course of Business

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM 5. FUTURE PLANS OF THE DOMESTIC HMO

Centene has no present plans or proposals to cause the Domestic HMO to declare any extraordinary dividend, to liquidate the Domestic HMO, to sell the assets of the Domestic HMO (other than in ordinary course), to merge the Domestic HMO with any person or persons

or to make any other material change in the Domestic HMO's business operations, corporate structure or management. Immediately following the Closing, the Domestic HMO will continue to maintain its separate corporate existence and will continue its operations as currently conducted. Three-year statutory financial projections of the Domestic HMO reflecting continuation of its current business plans are attached hereto as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add the Domestic HMO as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic HMO to the Tax Sharing Agreement will be filed with the Department under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic HMO; however, Centene anticipates an ongoing review of the composition of the Domestic HMO's management, including its directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to the Department as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic HMO) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

The Domestic HMO currently has 1,000 shares of common stock, par value one dollar (\$1.00) per share, authorized, issued and outstanding and no shares of preferred stock outstanding. All such shares of common stock are indirectly held by WellCare.

As a result of the consummation of the Merger Transaction, the Applicant will become a controlling person of the Domestic HMO. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic HMO or any of its controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic HMO or any of its controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC HMO

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic HMO or any of its controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic HMO or any of its controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above, and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic HMO or any of its controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic HMO or any of its controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic HMO Before the Merger Transaction
B-4	Abbreviated Organizational Chart of the Domestic HMO After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018
D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014
D-6	Unaudited Financial Statement of the Applicant for the Quarter ended March 31, 2019
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter
CE-3	Three-Year Financial Projections of the Domestic HMO

(c) Tender Offer Documents and Certain Proposed Agreements

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic HMO, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic HMO by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic HMO does not prepare annual reports to its stockholders.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

ITEM 14. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant is set forth on the immediately following page.

[Remainder of Page Intentionally Left Blank]

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of 8 V.S.A. §3683 and Regulation 71-2 (Revised), Centene Corporation has caused this application to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 29th day of April, 2019.

(SEAL)



CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated May 1, 2019, for and on behalf of Centene Corporation; that he is the Executive Vice President, Secretary and General Counsel of such company, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Keith H. Williamson

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF
WELLCARE HEALTH INSURANCE COMPANY OF WASHINGTON, INC.

and

WELLCARE OF WASHINGTON, INC.

(collectively, the “Domestic Insurers”)

each, an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the “Applicant”)

Filed with the Washington State Office of the Insurance Commissioner

Dated: May 1, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
7700 Forsyth Blvd.,
St. Louis, Missouri 63105
Telephone: (314) 505-6539
Email: kwilliamson@centene.com

Todd E. Freed, Esq.
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This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Commissioner of Insurance of the State of Washington (the “Commissioner”) pursuant to the requirements of Wash. Rev. Code § 48.31B.015 and Wash. Admin. Code §§ 284-18-360 and 284-18-910 for the acquisition of control of WellCare Health Insurance Company of Washington, Inc. and WellCare of Washington, Inc. by the Applicant.

Confidentiality Legend

This Form A, together with any items that may be submitted separately as amendments or supplements hereto, contains confidential and/or proprietary information, business plans and strategies that are trade secrets and are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Accordingly, the Applicant respectfully requests that Exhibits CE-2 and CE-3, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including but not limited to, Wash. Rev. Code § 19.108.010 *et seq.* and Wash. Rev. Code §42.56.001 *et seq.*, and any other applicable statutory or regulatory authority available to the Commissioner. All such information is provided with the express understanding that the confidentiality of such information will be safeguarded.

In addition, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All such NAIC biographical affidavits are being provided with the express understanding that the confidentiality of such information contained therein will be safeguarded and such individuals submitting NAIC biographical affidavits will be protected from unwarranted invasions of personal privacy pursuant to all applicable provisions of law, including but not limited to, Wash. Rev. Code § 42.56.230, and any other applicable statutory or regulatory authority available to the Commissioner.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. DOMESTIC INSURERS AND METHOD OF ACQUISITION

(a) The Domestic Insurers

This Form A relates to the proposed acquisition of control of WellCare Health Insurance Company of Washington, Inc., an accident and health insurance company domiciled in Washington (“WHICW”), and WellCare of Washington, Inc., a health maintenance organization domiciled in Washington (“WCW” and, together with WHICW, the “Domestic Insurers”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”). Each of the Domestic Insurers is recently licensed in the State of Washington and has not yet commenced business operations.

The address, WAOIC number and Federal Identification Number of each Domestic Insurer are as follows:

WellCare Health Insurance Company of Washington, Inc.

Home Office: 711 Capital Way S
Suite 204
Olympia, Washington 98501

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

WAOIC Number: 501338

FEIN Number: 83-3166908

WellCare of Washington, Inc.

Home Office: 711 Capital Way S
Suite 204
Olympia, Washington 98501

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

WAOIC Number: 501337

FEIN Number: 83-2069308

Each of the Domestic Insurers is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II” and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of each of the Domestic Insurers.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare’s and Centene’s respective businesses prior to the closing of the Merger Transaction (the “Closing”) and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare’s stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene’s stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock

Exchange (the “NYSE”), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-

quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare's Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene's growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.

- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.
- **Expanding National Footprint.** With the addition of WellCare's markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare's Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic Insurers is as follows:

Centene Corporation
7700 Forsyth Boulevard

(b) **Business Operations of the Applicant**

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene's health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems, resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard intends to file disclaimers of affiliation or control in respect of each of the Domestic Insurers with the Washington State Office of the Insurance Commissioner ("OIC").

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to

the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic Insurers before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) Names and Business Addresses

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been

established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification of the information therein. Said verification service will report its findings directly to OIC upon completion of the verification process required by Washington law.

(b) Present Activity

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) Employment History

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) Criminal Proceedings

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Consideration

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the “Securities Act”), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the future based on prevailing market conditions and other financial factors. Centene will provide OIC with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into a second amended and restated debt commitment letter, dated as of April 23, 2019 (the "Commitment Letter"), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the "Financing" in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic Insurers or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic Insurers will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms' length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of

operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) **Confidentiality of Lender's Information in the Ordinary Course of Business**

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM 5. FUTURE PLANS OF THE DOMESTIC INSURERS

Centene has no present plans or proposals to cause the Domestic Insurers to declare any extraordinary dividend, to liquidate the Domestic Insurers, to sell the assets of the Domestic Insurers (other than in ordinary course), to merge the Domestic Insurers with any person or persons or to make any other material change in the Domestic Insurers' business operations, corporate structure or management. Immediately following the Closing, the Domestic Insurers will continue to maintain their separate corporate existence and will conduct operations as described in their plans of operation filed as part of their respective licensing applications recently approved by OIC. Three-year statutory financial projections of each of the Domestic Insurers reflecting such operations are attached as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add each of the Domestic Insurers as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic Insurers to the Tax Sharing Agreement will be filed with OIC under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic Insurers; however, Centene anticipates an ongoing review of the composition of the Domestic Insurers' management, including their respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to OIC as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic Insurers) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

WellCare currently beneficially owns indirectly 100% of the issued and outstanding voting securities of the Domestic Insurers and, as a result of the consummation of the Merger Transaction, the Applicant will indirectly own and control all of the shares of the Domestic Insurers' issued and outstanding capital stock and thereby become a controlling person of the Domestic Insurers.

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic Insurers or any of their controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic Insurers or any of their respective controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic Insurers or any of their respective controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC INSURERS

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic Insurers or any of their respective controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic Insurers or any of their respective controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above,

and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic Insurers or any of their respective controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic Insurers or any of their respective controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic Insurers Before the Merger Transaction
B-4	Abbreviated Organizational Chart of the Domestic Insurers After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018
D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014

D-6	Unaudited Financial Statement of the Applicant for the Quarter ended March 31, 2019
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter
CE-3	Three-Year Financial Projections of each of the Domestic Insurers

(c) Tender Offer Documents and Certain Proposed Agreements

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic Insurers, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic Insurers by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic Insurers do not prepare annual reports to their respective stockholders.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) business days after the end of the month in which the acquisition of control occurs.

ITEM 14. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant is set forth on the immediately following page.

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

Under the requirements of RCW 48.31B.015, Centene Corporation has caused this application to be duly signed on its behalf in the County of St. Louis and State of Missouri on the 29th day of April, 2019.

(SEAL)

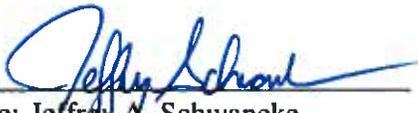
CENTENE CORPORATION

By: 

Name: Keith H. Williamson

Title: Executive Vice President,
Secretary and General Counsel

Attest:

By: 

Name: Jeffrey A. Schwaneke

Title: Executive Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated May 1, 2019, for and on behalf of Centene Corporation; that he is an Executive Vice President, Secretary and General Counsel of such company and that he is authorized to execute and file the instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Keith H. Williamson

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF
WELLCARE HEALTH INSURANCE COMPANY OF WISCONSIN, INC.

and

WELLCARE HEALTH PLANS OF WISCONSIN, INC.

(collectively, the “Domestic Insurers”)

each, an indirect subsidiary of

WELLCARE HEALTH PLANS, INC.

by

CENTENE CORPORATION

(the “Applicant”)

Filed with the Wisconsin Office of the Commissioner of Insurance

Dated: May 3, 2019

Name, Title, Address and Telephone Number of Individuals to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Keith H. Williamson, Esq.
Centene Corporation
7700 Forsyth Blvd.,
St. Louis, Missouri 63105
Telephone: (314) 505-6539
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Madison, Wisconsin 53703-3095
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This Form A Statement (including all exhibits attached hereto, this “Form A”) seeks the prior approval of the Commissioner of Insurance of the State of Wisconsin (the “Commissioner”) pursuant to Wis. Stat. § 611.72(2) and Wis. Admin. Code § Ins 40.02 for the acquisition of control of WellCare Health Insurance Company of Wisconsin, Inc. and WellCare Health Plans of Wisconsin, Inc. by the Applicant.

Confidentiality Legend

This Form A, together with any items that may be submitted separately as amendments or supplements hereto, contains confidential and/or proprietary information, business plans and strategies that are trade secrets and are not otherwise available to the public and that, if disclosed, could cause substantial injury to the competitive position of the Applicant. Pursuant to Wis. Admin. Code § Ins 40.05, such information is required under Wis. Stat. § 601.42; therefore, the Commissioner may withhold this information from public disclosure under Wis. Stat. § 601.465(1m)(a) and Wis. Admin. Code § Ins 6.13(3), and, moreover, because the information is not public, it is presumed under Wis. Stat. § 601.465(1n)(a), notwithstanding the public records law, that it is proprietary and confidential and that the potential for harm and competitive disadvantage if it is made public by the Commissioner outweighs the public interest in the disclosure of the information. Accordingly, the Applicant respectfully requests that Exhibits CE-1, CE-2 and CE-3, which are being submitted under separate cover, be afforded confidential treatment and be excepted from disclosure pursuant to all applicable provisions of law, including but not limited to the provisions referenced above, and any other applicable statutory or regulatory authority available to the Commissioner. All such information is provided with the express understanding that the confidentiality of such information will be safeguarded.

Exhibits CE-2 and CE-3 also include “trade secrets” as defined under Wis. Stat. § 134.90(1)(c) because information in the exhibits “derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use [and] is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.” A trade secret is exempt from the public records law under Wis. Stat. § 19.36(5) and Wis. Admin. Code § Ins 6.13(2). Accordingly, the Applicant respectfully requests that the Commissioner afford Exhibits CE-2 and CE-3 confidential treatment and except them from disclosure pursuant to this authority.

Finally, the information contained in the NAIC biographical affidavits provided as Exhibit CE-1 is also being submitted in confidence under separate cover and contains certain information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. The public value of this personal information is outweighed by the privacy interests of persons submitting these affidavits, and the public interest in encouraging qualified people to serve in these capacities, *see* the Wisconsin Attorney General’s March 2018 *Wisconsin Public Records Law Compliance Guide*, pp. 36-39, and, in particular, home information and the social security number of an employee provided by an employer are exempt from the public records law. *Id.* at p. 23, *citing* Wis. Stat. § 19.36(10)(a). Therefore, these exhibits are being provided with the understanding that the confidentiality of such information contained therein will be safeguarded and such individuals submitting NAIC biographical affidavits will be protected from unwarranted invasions of personal privacy pursuant to all provisions of law including, but not limited to, the

referenced authority and any other applicable statutory or regulatory authority available to the Commissioner.

The Applicant also requests that it be notified in advance if any person requests access to any portion of this Form A designated as confidential so that it has the opportunity to prevent or limit such disclosure.

ITEM 1. DOMESTIC INSURERS AND METHOD OF ACQUISITION

(a) The Domestic Insurers

This Form A relates to the proposed acquisition of control of WellCare Health Insurance Company of Wisconsin, Inc., an accident and health insurance company domiciled in Wisconsin (“WHICW”), and WellCare Health Plans of Wisconsin, Inc., a health maintenance organization domiciled in Wisconsin (“WHPW” and, together with WHICW, the “Domestic Insurers”) by Centene Corporation, a publicly traded Delaware corporation (the “Applicant” or “Centene”). Each of the Domestic Insurers is recently licensed in the State of Wisconsin and has not yet commenced business operations.

The address and Federal Employer Identification Number (“FEIN”) of each Domestic Insurer are as follows:

WellCare Health Insurance Company of Wisconsin, Inc.

Home Office: 301 S Bedford St
Madison, Wisconsin 53703

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

FEIN: 83-3310218

WellCare Health Plans of Wisconsin, Inc.

Home Office: 301 S Bedford St
Madison, Wisconsin 53703

Administrative Office: 8735 Henderson Road
Tampa, Florida 33634

FEIN: 82-3169616

Each of the Domestic Insurers is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc., a publicly traded Delaware corporation (“WellCare”).

(b) Method of Acquisition

Merger Agreement

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene (“Merger Sub I”), Wellington Merger

Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (“Merger Sub II” and, together with Merger Sub I, the “Merger Subs”),¹ and WellCare entered into an Agreement and Plan of Merger (the “Merger Agreement”). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A and incorporated herein by reference.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the “First Merger”), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the “Surviving Corporation”), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger Transaction”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the “Final Surviving Corporation”). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be “WellCare Health Plans, Inc.” (“Post-Closing WellCare”). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of each of the Domestic Insurers.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare (“WellCare Common Stock”) that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene (“Centene Common Stock”) and \$120 in cash, without interest (collectively, the “Merger Consideration”).

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange therefor. Shares of WellCare Common Stock that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law will be automatically canceled and cease to exist and each holder thereof will cease to have any rights with respect thereto except the right to receive an amount in cash equal to the judicially determined “fair value” of such shares.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare’s and Centene’s respective businesses prior to the closing of the Merger Transaction (the “Closing”) and efforts of the parties to cause the Merger Transaction to be completed.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare’s stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene’s stockholders, (iii) approval for listing of such Centene Common Stock on the New York Stock Exchange (the “NYSE”), (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject

to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Form A. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene’s robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company would be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare’s Medicare Advantage and

Medicare Prescription Drug Plans. It will also benefit from leveraging Centene's growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.

- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.
- **Expanding National Footprint.** With the addition of WellCare's markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare's Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Business Address

The name and current business address of the Applicant seeking to acquire control of the Domestic Insurers is as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105

(b) Business Operations of the Applicant

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through

locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene's health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective management of routine, severe and chronic health problems, resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Form A, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. Centene has been informed by Vanguard that Vanguard intends to file disclaimers of affiliation or control in respect of each of the Domestic Insurers with the Wisconsin Office of the Commissioner of Insurance ("OCI").

(c) **Organizational Chart**

Attached as Exhibit B-1 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit B-2 is an organizational chart presenting the identities of, and interrelationships among, the Applicant and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit B-3 and Exhibit B-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Domestic Insurers before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other

jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Form A, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit B-1.

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

(a) Names and Business Addresses

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit C. Each individual named in the foregoing referenced list is referred to herein as an “Individual” and, collectively, as the “Individuals.”

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals, and biographical information to the extent required, on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors, and biographical information to the extent required, on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information, and biographical information to the extent required, on a supplemental basis.

Biographical affidavits on the form adopted by the National Association of Insurance Commissioners completed by the Individuals are attached hereto as Exhibit CE-1 to the confidential supplement to this Form A (the “NAIC Biographical Affidavits”). The NAIC Biographical Affidavits will also be provided to a third-party verification service for verification

of the information therein. Said verification service will report its findings directly to OCI upon completion of the verification process.

(b) Present Activity

The 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, for the Individuals filing NAIC Biographical Affidavits are stated in the NAIC Biographical Affidavits.

(c) Employment History

The material occupations, positions, offices or employment during the last five years, including 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, for the Individuals filing NAIC Biographical Affidavits are included in the NAIC Biographical Affidavits. Except as may be set forth in the NAIC Biographical Affidavits, no such occupation, position, office or employment listed in the NAIC Biographical Affidavits required licensing by, or registration with, any Federal, state or municipal governmental agency.

(d) Criminal Proceedings

To the knowledge of the Applicant, no Individual filing an NAIC Biographical Affidavit has ever been convicted in a criminal proceeding (excluding traffic violations not involving death or injury) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Consideration

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion.

Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the “Securities Act”), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the

election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the future based on prevailing market conditions and other financial factors. Centene will provide OCI with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into a second amended and restated debt commitment letter, dated as of April 23, 2019 (the “Commitment Letter”), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit CE-2 to the confidential supplement to this Form A. The financing contemplated by the Commitment Letter is referred to as the “Financing” in this Form A.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of the Domestic Insurers or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earliest of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The stock and assets of the Domestic Insurers will not be pledged or hypothecated as part of the funding of the Merger Consideration by Centene.

(b) Criteria Used in Determining Consideration

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms’ length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

(c) **Confidentiality of Lender's Information in the Ordinary Course of Business**

Confidential treatment of the identity of the lenders named in the Commitment Letter (other than Barclays Bank PLC) is being sought.

ITEM 5. APPLICANT'S FUTURE PLANS FOR THE DOMESTIC INSURERS

Centene has no present plans or proposals to cause the Domestic Insurers to declare any extraordinary dividend, to liquidate the Domestic Insurers, to sell the assets of the Domestic Insurers (other than in ordinary course), to merge the Domestic Insurers with any person or persons or to make any other material change in the Domestic Insurers' business operations, corporate structure or management. Immediately following the Closing, the Domestic Insurers will continue to maintain their separate corporate existence and will conduct operations as described in their plans of operation filed as part of their respective licensing applications recently approved by OCI. Three-year statutory financial projections of each of the Domestic Insurers reflecting such operations are attached as Exhibit CE-3 to the confidential supplement to this Form A.

Effective on the date of the Closing, Centene plans to add each of the Domestic Insurers as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein (as amended, the "Tax Sharing Agreement"). A Form D (Prior Notice of a Transaction) in respect of the joinder of the Domestic Insurers to the Tax Sharing Agreement will be filed with OCI under separate cover.

Centene does not have any present plans to change the existing directors and executive officers of the Domestic Insurers; however, Centene anticipates an ongoing review of the composition of the Domestic Insurers' management, including their respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to OCI as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Domestic Insurers) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

WellCare currently beneficially owns indirectly 100% of the issued and outstanding voting securities of the Domestic Insurers and, as a result of the consummation of the Merger Transaction, the Applicant will indirectly own and control all of the shares of the Domestic Insurers' issued and outstanding capital stock and thereby become a controlling person of the Domestic Insurers.

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals has any plans or proposals to acquire any voting securities issued by the Domestic Insurers or any of their controlling persons, including WellCare.

The terms and conditions of the Merger Agreement were determined by arm's-length negotiation among the parties.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals holds of record or beneficially owns any voting securities of the Domestic Insurers or any of their respective controlling persons, including WellCare, except for (i) an investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock (Centene's subsidiary's percentage ownership of WellCare Common Stock through such investment fund is valued at approximately \$75,000, and Centene's subsidiary holds no voting rights in respect thereof) and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee. Other than as disclosed in this Form A, neither the Applicant, its affiliates nor, to the Applicant's knowledge, any of the Individuals have any right to acquire any voting securities issued by the Domestic Insurers or any of their respective controlling persons, including WellCare.

ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE DOMESTIC INSURERS

Other than as disclosed in this Form A, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic Insurers or any of their respective controlling persons in which the Applicant, its affiliates or the Individuals 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.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

During the last twelve calendar months preceding the filing of this Form A, neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals has purchased any voting securities of the Domestic Insurers or any of their respective controlling persons, except for (i) the investment by a wholly owned subsidiary of Centene in a third party investment fund which holds WellCare Common Stock as described in Item 7 above,

and (ii) three shares of WellCare Common Stock owned by a trust of which a director of Centene is a co-trustee.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Neither the Applicant, its affiliates nor, to the knowledge of the Applicant, any of the Individuals, nor anyone based upon interviews or at the suggestion of the foregoing persons has made any recommendations to purchase any voting securities of the Domestic Insurers or any of their respective controlling persons during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Except as disclosed in the Merger Agreement, there are no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of the Domestic Insurers or any of their respective controlling persons for tender with regard to the Merger Transaction.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) – (b)

The following is a list of the exhibits and financial statements to this Form A which are attached hereto:

<u>Exhibit</u>	<u>Description</u>
A	Merger Agreement
B-1	Organizational Chart of the Applicant Before the Merger Transaction
B-2	Organizational Chart of the Applicant After the Merger Transaction
B-3	Abbreviated Organizational Chart of the Domestic Insurers Before the Merger Transaction
B-4	Abbreviated Organizational Chart of the Domestic Insurers After the Merger Transaction
C	Current Directors and Executive Officers of the Applicant
D-1	Audited Financial Statement of the Applicant for the Year ended December 31, 2018
D-2	Audited Financial Statement of the Applicant for the Year ended December 31, 2017
D-3	Audited Financial Statement of the Applicant for the Year ended December 31, 2016
D-4	Audited Financial Statement of the Applicant for the Year ended December 31, 2015
D-5	Audited Financial Statement of the Applicant for the Year ended December 31, 2014

D-6	Unaudited Financial Statement of the Applicant for the Quarter ended March 31, 2019
E-1	Annual Report of WellCare for 2018
E-2	Annual Report of WellCare for 2017
F-1	Annual Report of the Applicant for 2018
F-2	Annual Report of the Applicant for 2017

The following is a list of the exhibits and financial statements to this Form A to be filed as a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
CE-1	Biographical Affidavits
CE-2	Commitment Letter
CE-3	Three-Year Financial Projections of each of the Domestic Insurers

(c) Tender Offer Documents and Certain Proposed Agreements

Other than as disclosed in this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic Insurers, and there are no soliciting materials relating thereto.

There are no proposed employment, consultation, advisory or management contracts concerning the Domestic Insurers by the Applicant.

Attached as Exhibit E-1 and Exhibit E-2, respectively, are the annual reports issued to the stockholders of WellCare for the last two fiscal years for which such reports are currently available, 2018 and 2017. Attached as Exhibit F-1 and Exhibit F-2, respectively, are the annual reports issued to the stockholders of the Applicant for the last two fiscal years for which such reports are currently available, 2018 and 2017. The Domestic Insurers do not prepare annual reports to their respective stockholders.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs and for so long as control exists. The Applicant acknowledges that the Applicant and all subsidiaries within its control in the insurance holding company system will provide information to the Commissioner upon request as necessary to evaluate enterprise risk to the Domestic Insurers.

ITEM 14. SIGNATURE AND CERTIFICATION

The signature and certification of the Applicant are set forth on the immediately following page.

[remainder of page intentionally left blank]

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

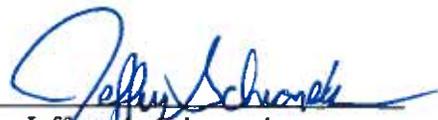
Pursuant to the requirements of ch. Ins 40, Wis. Adm. Code, Centene Corporation has caused this application to be duly signed on its behalf in the county of St. Louis and state of Missouri on the 30 day of April, 2019.

(SEAL)

CENTENE CORPORATION

By: 
Name: Keith H. Williamson
Title: Executive Vice President,
Secretary and General Counsel

Attest:

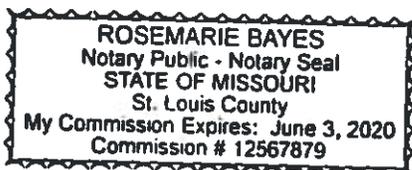
By: 
Name: Jeffrey A. Schwaneke
Title: Executive Vice President,
Chief Financial Officer and Treasurer

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated May 3, 2019, for and on behalf of Centene Corporation; that he is the Executive Vice President, Secretary and General Counsel of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.


Name: Keith H. Williamson

Subscribed and sworn to this 30 day of April, 2019.




Notary Public

My commission expires on June 3, 2020

Notice of Material Modification

Pursuant to

Health and Safety Code Sec. 1352(b)

1. Name of applicant: Easy Choice Health Plan, Inc.
2. Department of Managed Health Care File Number 933-0457
3. The fee for filing this application will be forwarded upon receipt of the billing therefore from the Director of the Department of Managed Health Care, pursuant to Health and Safety Code Section 1352(d) or pursuant to Section 1399.73 if this application involves a conversion or restructuring.
4. Pursuant to Subdivision (b) of Section 1352 of the Health and Safety Code, applicant requests approval of the material modification of its plan and/or operations, within the time specified below:
(Check appropriate box)
 - Within the 20 business-day period provided in Section 1352(b).
 - Applicant extends the time for action upon this notice by the Director until _____.
 - Applicant requests accelerated approval by the Director for the following reasons: _____.
5. Conversion or Restructuring. If this application involves a conversion or restructuring, the applicant shall fully disclose information which describes the proposed transaction and demonstrates how the charitable trust requirements of Section 1399.72(c) of the Act will be satisfied. In addition, the applicant shall submit a copy of all of its original and amended articles of incorporation and bylaws, and a report as described in Section 1399.70(a) of the Act. If this application involves a restructuring, the applicant shall also submit a public benefit program as described in Section 1399.71(b) of the Act.
6. Exempt Restructuring Transaction. If this application involves a transaction or transactions described in Section 1399.71(e) of the Act, the applicant shall fully disclose information which describes the transaction or transactions and demonstrates how the applicable conditions of exemption of Section 1399.71(e) of the Act will be satisfied.
7. Nonprofit Mutual Benefit Health Care Service Plans.
 - a. Assets subject to a charitable trust obligation. If this application involves a conversion or restructuring of a nonprofit mutual benefit health care service plan with any or all of its assets subject to a charitable trust obligation, the applicant shall submit information pursuant to Item 5 or Item 6 above and, if applicant believes that partial assets subject to a charitable trust obligation, the applicant shall fully disclose information which: (i) describes why less than all of its assets are not subject to any charitable trust obligation, (ii) explains whether any charitable trust obligation terminated for any assets previously held subject to a charitable trust obligation, and (iii) demonstrates how every noncharitable trust obligation will be satisfied.
 - b. Assets not subject to a charitable trust obligation. An applicant that is a nonprofit mutual benefit health care service plan must comply with Item 7.a. above unless it has established that none of its assets are subject to a charitable trust obligation. If the applicant believes that this application involves a conversion or restructuring of a nonprofit mutual benefit health care service plan with no assets subject to any charitable trust obligation, the applicant shall submit a copy of all its original and amended articles of incorporation and bylaws and fully disclose information which: (i) describes the proposed transaction, (ii) describes why all its assets are not subject to any charitable trust obligation, (iii) explains whether any charitable trust obligation terminated for any assets previously held subject to a charitable trust obligation, and (iv) demonstrates how every noncharitable trust obligation will be satisfied.

Date: 04/26/19

Signed: 

Signature of Authorized Officer

Title: Vice President and Secretary

Notice of Material Modification

Pursuant to

Health and Safety Code Sec. 1352(b)

1. Name of applicant: WellCare Prescription Insurance, Inc.
2. Department of Managed Health Care File Number 933-0469
3. The fee for filing this application will be forwarded upon receipt of the billing therefore from the Director of the Department of Managed Health Care, pursuant to Health and Safety Code Section 1352(d) or pursuant to Section 1399.73 if this application involves a conversion or restructuring.
4. Pursuant to Subdivision (b) of Section 1352 of the Health and Safety Code, applicant requests approval of the material modification of its plan and/or operations, within the time specified below:
(Check appropriate box)
 - Within the 20 business-day period provided in Section 1352(b).
 - Applicant extends the time for action upon this notice by the Director until _____.
 - Applicant requests accelerated approval by the Director for the following reasons: _____.
5. Conversion or Restructuring. If this application involves a conversion or restructuring, the applicant shall fully disclose information which describes the proposed transaction and demonstrates how the charitable trust requirements of Section 1399.72(c) of the Act will be satisfied. In addition, the applicant shall submit a copy of all of its original and amended articles of incorporation and bylaws, and a report as described in Section 1399.70(a) of the Act. If this application involves a restructuring, the applicant shall also submit a public benefit program as described in Section 1399.71(b) of the Act.
6. Exempt Restructuring Transaction. If this application involves a transaction or transactions described in Section 1399.71(e) of the Act, the applicant shall fully disclose information which describes the transaction or transactions and demonstrates how the applicable conditions of exemption of Section 1399.71(e) of the Act will be satisfied.
7. Nonprofit Mutual Benefit Health Care Service Plans.
 - a. Assets subject to a charitable trust obligation. If this application involves a conversion or restructuring of a nonprofit mutual benefit health care service plan with any or all of its assets subject to a charitable trust obligation, the applicant shall submit information pursuant to Item 5 or Item 6 above and, if applicant believes that partial assets subject to a charitable trust obligation, the applicant shall fully disclose information which: (i) describes why less than all of its assets are not subject to any charitable trust obligation, (ii) explains whether any charitable trust obligation terminated for any assets previously held subject to a charitable trust obligation, and (iii) demonstrates how every noncharitable trust obligation will be satisfied.
 - b. Assets not subject to a charitable trust obligation. An applicant that is a nonprofit mutual benefit health care service plan must comply with Item 7.a. above unless it has established that none of its assets are subject to a charitable trust obligation. If the applicant believes that this application involves a conversion or restructuring of a nonprofit mutual benefit health care service plan with no assets subject to any charitable trust obligation, the applicant shall submit a copy of all its original and amended articles of incorporation and bylaws and fully disclose information which: (i) describes the proposed transaction, (ii) describes why all its assets are not subject to any charitable trust obligation, (iii) explains whether any charitable trust obligation terminated for any assets previously held subject to a charitable trust obligation, and (iv) demonstrates how every noncharitable trust obligation will be satisfied.

Date: 04/26/19

Signed: 

Signature of Authorized Officer

Title: Vice President and Secretary



94 Solaris Avenue
Camana Bay
PO Box 1348
Grand Cayman KY1-1108
Cayman Islands
T +1 345 949 4123
F +1 345 949 4647
mourant.com

By hand and email

Cayman Islands Monetary Authority
PO Box 10052
80 Shedden Road
Elizabethan Square
George Town
Grand Cayman KY1-1001
Cayman Islands

Attention: Ruwan Jayasekera, Insurance Supervision Division

With a copy to:

Directors
Comprehensive Reinsurance, Ltd.
c/o Marsh Management Services Cayman Ltd.
PO Box 1051
Building 4, 2nd Floor, Governor's Square
23 Lime Tree Bay Avenue
Grand Cayman KY1-1102
Cayman Islands

Our ref: 8041738/75392236/5

May 3, 2019

Dear Mr Jayasekera

SECTION 12(1) APPLICATION – INDIRECT CHANGE OF OWNERSHIP

We act for Centene Corporation ("Centene"), a Delaware corporation whose shares are publicly traded on the New York Stock Exchange (the "NYSE"). This application ("Application") is submitted pursuant to section 12(1) of the Insurance Law, 2010 (as amended) (the "Insurance Law") in connection with Centene's proposed indirect acquisition of control of the following licensed Class B(i) Insurer (the "Licensee"):

- Comprehensive Reinsurance, Ltd. (license number 2576)

The Licensee is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare Health Plans, Inc. ("WellCare"), a Delaware corporation whose shares are also traded on the NYSE.

Centene has instructed us to (a) notify the Cayman Islands Monetary Authority ("CIMA") of the Merger Transaction (as described below) and (b) request CIMA's approval of Centene's proposed indirect acquisition of control of the Licensee under section 12(1) of the Law, in each case on behalf of Centene and the Licensee.

Centene currently indirectly owns a Cayman Islands exempted company named Health Net Life Reinsurance Company which is a licensed Class B Insurer.

An index of the exhibits to this Application is attached hereto as Exhibit A.

Merger Agreement and Merger Transaction

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene ("Merger Sub I"), Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene ("Merger Sub II" and, together with Merger Sub I, the "Merger Subs"),¹ and WellCare entered into an Agreement and Plan of Merger (the "Merger Agreement"). A copy of the Merger Agreement (excluding the exhibits, schedules and annexes thereto) is attached hereto as Exhibit B and incorporated herein by reference.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the "First Merger"), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the "Surviving Corporation"), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the "Second Merger" and, together with the First Merger, the "Merger Transaction"), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene (the "Final Surviving Corporation"). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be "WellCare Health Plans, Inc." ("Post-Closing WellCare"). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of the Licensee.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare ("WellCare Common Stock") that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene ("Centene Common Stock") and \$120 in cash, without interest (collectively, the "Merger Consideration").

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

In addition, the structure of the board of directors and management of WellCare will change as of the closing of the Merger Transaction (the "Closing") to be more reflective of an intermediate holding company. In furtherance thereof, it is expected that none of the current directors on the board of directors of WellCare will be directors of Post-Closing WellCare.

¹ Each of Merger Sub I and Merger Sub II was formed as an acquisition vehicle for the purpose of effecting the First Merger and the Second Merger, respectively.

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene Common Stock and WellCare Common Stock as of March 26, 2019.

The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions, including but not limited to: (i) adoption of the Merger Agreement by WellCare's stockholders, (ii) approval of the issuance of Centene Common Stock forming part of the Merger Consideration by Centene's stockholders, (iii) approval for listing of such Centene Common Stock on the NYSE, (iv) there being no law or order (whether preliminary, temporary or permanent) enacted or issued by a government authority of competent jurisdiction prohibiting the Merger Transaction or issuance of Centene Common Stock in the First Merger, (v) expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (vi) the effectiveness of an SEC registration statement with respect to Centene Common Stock to be issued as part of the Merger Consideration, (vii) subject to specified materiality standards, the accuracy of the representations and warranties of each party, (viii) compliance by each party in all material respects with its covenants, and (ix) required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of this Application. The completion of the Merger Transaction is not conditioned on receipt of financing by Centene.

The foregoing summary of the terms of the Merger Agreement is qualified in its entirety by the terms and conditions of the Merger Agreement.

Additional information about the Merger Agreement can be found in the Current Report on Form 8-K filed by Centene with the U.S. Securities and Exchange Commission (the "SEC") on March 27, 2019.

On April 22, 2019, Centene and WellCare filed a notice under the HSR Act. The initial 30-day waiting period expires on May 22, 2019 at 11:59 pm unless either (a) early termination is granted in which case the approval will be obtained at the time of the grant; or (b) the waiting period is extended pursuant to a request for additional information.

Benefits of Merger Transaction

If consummated, the Merger Transaction will create a premier healthcare enterprise focused on government-sponsored healthcare programs and a leader in Medicaid, Medicare and the Health Insurance Marketplace.

Centene and WellCare are two high-performing companies with decades of experience serving a broad range of states and large government programs. Together, the combined company will have meaningful product diversification and the opportunity to better serve members, help them achieve better health outcomes and drive growth. WellCare brings to Centene a high-quality Medicare platform and further extends Centene's robust Medicaid offerings. The combination will enable the combined company to provide access to more comprehensive and differentiated solutions across more markets with a continued focus on affordable, high-quality, culturally-sensitive healthcare services. The enterprise would have approximately 22 million members across all 50 states in the U.S.

The strategic and financial benefits of the Merger Transaction include the following:

- **Delivering Significant Benefits to Members and Government Partners Through Increased Scale and More Diversified Services.** The combined company will be the leader in government-sponsored healthcare with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members. It will offer affordable and high-quality products to its more than 12 million Medicaid

and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program. The combined company will operate 31 NCQA accredited health plans across the country and will have increased exposure to government-sponsored healthcare solutions through WellCare's Medicare Advantage and Medicare Prescription Drug Plans. It will also benefit from leveraging Centene's growing position in the Health Insurance Marketplace to new markets. The Merger Transaction creates a company with the size and scale to better serve members through enhanced healthcare programs, expanded capabilities and increased investment in technology.

- **Sharing a Commitment to Local Communities.** Centene and WellCare share strong commitments to the communities in which their employees and members live and work. The combined company will enhance its already robust efforts to address the social determinants of health such as food insecurity, housing instability, homelessness, unemployment, lack of access to transportation and other non-medical barriers to health.
- **Expanding National Footprint.** With the addition of WellCare's markets, and its healthcare plans in Hawaii, Kentucky, and New Jersey, and enhanced presence in Michigan, the combined company will operate nationally, while maintaining a local approach. The combination will also create new opportunities for Centene to provide health solutions and innovative programs across a wider footprint for the benefit of all stakeholders.
- **Delivering Shareholder Value and Earnings Accretion.** The Merger Transaction is expected to generate adjusted diluted earnings per share accretion of approximately mid-single digits in year two following closing, with long-term growth opportunities and cost reduction across markets and products. The Merger Transaction is expected to be slightly dilutive to adjusted earnings per share in year one.
- **Achieving Cost Synergies.** The combination is expected to generate approximately \$500 million of annual net cost synergies by year two, driven primarily by the ability to capitalize on economies of scale in pharmacy and other medical cost management, leveraging WellCare's Medicare capabilities across markets, optimizing capabilities in IT systems and process management, as well as increased efficiencies in general and administrative expenses.

Identity and Background of Centene

Name and Business Address

The legal name and current business address of the person seeking to acquire control of the Licensee are as follows:

Centene Corporation
7700 Forsyth Boulevard
St. Louis, Missouri 63105
United States of America

Business Operations

Centene is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene provides member-focused services through locally based staff by assisting in accessing care, coordinating referrals to related health and social services and addressing member concerns and questions. Centene also provides education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services. Centene believes its local approach, including member and provider services, enables it to provide accessible, quality, culturally-sensitive healthcare coverage to the communities in which it operates. Centene's health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate, medically necessary services and effective

management of routine, severe and chronic health problems, resulting in better health outcomes. Centene combines its decentralized local approach for care with a centralized infrastructure of support functions such as finance, information systems and claims processing.

Centene operates two primary business segments: Managed Care and Specialty Services. Its Managed Care segment provides health plan coverage to individuals through government subsidized and commercial programs. Centene's Specialty Services segment includes companies offering diversified healthcare services and products to its Managed Care segment and other external customers. For the year ended December 31, 2018, Centene's Managed Care and Specialty Services segments accounted for 95% and 5%, respectively, of its total external revenues. Centene's membership totaled 14.0 million as of December 31, 2018. For the year ended December 31, 2018, Centene's total revenues and net earnings attributable to Centene were \$60.1 billion and \$900 million, respectively, and total cash flow from operations was \$1.2 billion.

Centene's initial health plan commenced operations in Wisconsin in 1984. Centene was organized in Wisconsin in 1993 as a holding company for its initial health plan and reincorporated in Delaware in 2001. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this Application, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.07% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing.

Organizational Charts

Attached as Exhibit C-1 is an organizational chart presenting the identities of, and interrelationships among, Centene and its subsidiaries and affiliates before giving effect to the Merger Transaction, and attached as Exhibit C-2 is an organizational chart presenting the identities of, and interrelationships among, Centene and its subsidiaries and affiliates after giving effect to the Merger Transaction. Attached as Exhibit C-3 and Exhibit C-4, respectively, are abbreviated organizational charts depicting the ownership structure of the Licensee before and after giving effect to the Merger Transaction. The organizational charts indicate the percentage of voting securities of each entity owned or controlled by the Applicant or any other such persons, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile or incorporation, as applicable. Unless otherwise indicated on such charts or in this Application, each entity is a corporation and control is maintained by the ownership or control of all outstanding voting securities. There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities depicted in the organizational chart attached hereto as Exhibit C-1.

Financial Statements

Copies of the audited financial statements of Centene for the year ended December 31, 2018 are attached hereto as Exhibit D-1.

Copies of the unaudited financial statements of Centene for the quarter ended March 31, 2019 are attached hereto as Exhibit D-2.

Identity and Background of Individuals associated with the Transacting Entities

A list setting forth the names and business addresses of the directors and executive officers of Centene on the date hereof is attached hereto as Exhibit E.

As mentioned above, the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare.

As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide the names and business addresses of such individuals on a supplemental basis.

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide the names and business addresses of such proposed directors on a supplemental basis.

It is anticipated that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene's Chief Executive Officer after the Closing. It is also anticipated that Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As of the date hereof, these new positions have not been created. As soon as such positions have been established, Centene will provide such information on a supplemental basis.

Future Plans

Centene has no present plans or proposals to cause the Licensee to declare any extraordinary dividend, to liquidate the Licensee, to sell the assets of the Licensee (other than in ordinary course), to merge the Licensee with any person or persons or to make any other material change in the Licensee's business operations, corporate structure or management. Immediately following the Closing, the Licensee will continue to maintain its separate corporate existence and will continue its operations as currently conducted. In addition, immediately following the Closing, the Licensee's margin of solvency and capital will remain in excess of the minimum requirement of \$300,000.

Effective on the date of the Closing, Centene plans to add the Licensee as a party to the Tax Sharing Agreement, dated as of December 31, 2002, by and among Centene and each of its wholly owned subsidiaries named therein.

Centene does not have any present plans to change the existing directors and executive officers of the Licensee; however, Centene anticipates an ongoing review of the composition of the Licensee's management, including their respective directors and executive officers. If Centene proposes to make changes as a result of such review, they would be communicated to CIMA as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

After the Closing, as part of the ongoing integration of the operations of Centene's and WellCare's respective health businesses, Centene may choose, from time to time, to (i) combine the operations of two or more of its subsidiaries (including the Licensee) through a merger or other mechanism if such subsidiaries operate in the same state or other geographic area or (ii) terminate existing intercompany agreements within the WellCare group and enter into new intercompany agreements. Any such transactions would be implemented subject to required insurance regulatory approvals, as appropriate and as required by law, and would be effected in compliance with all applicable statutory and regulatory requirements.

Following the Closing, the combined company will be headquartered in St. Louis, Missouri, the location of Centene's current headquarters, with operations throughout the country, and will continue to support substantial operations in WellCare's home state of Florida, consistent with the size of the business, as part of its commitment to a strong local approach.

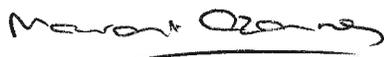
Conclusion

On behalf of Centene and the Licensee, we request CIMA's approval of Centene's proposed indirect acquisition of control of the Licensee under section 12(1) of the Law. In accordance with schedule 2 of the Monetary Authority (Fees) Regulations (2018 Revision), we enclose a cheque for CI\$1,000.

We respectfully request review of this Application such that CIMA may give the approval mentioned above on or before 7 June 2019. Each of Centene and the Licensee will cooperate fully and make itself available to answer any questions arising from CIMA's review of this Application.

In the interim, should you have any questions or require further information, please do not hesitate to contact Nathaniel Luker (E: nathaniel.luker@mourant.com; T: +1 345 814 9236) or Neal Lomax (E: neal.lomax@mourant.com; T: +1 345 814 9131).

Yours sincerely

A handwritten signature in black ink, appearing to read "Mourant Ozannes", with a horizontal line underneath the name.

Mourant Ozannes



May 2, 2019

VIA HAND DELIVERY

Mr. Jonathan Bick
Director, Division of Health Plan Contracting and Oversight
Office of Health Insurance Programs
New York State Department of Health
One Commerce Plaza
Room 1609
Albany, New York 12210

Re: Proposed Acquisition of WellCare of New York, Inc. by Centene Corporation

Dear Mr. Bick:

WellCare Health Plans, Inc. ("WellCare") and Centene Corporation ("Centene") are pleased to submit this request for approval of the proposed acquisition of control of WellCare of New York, Inc. ("WCNY") by Centene. We believe that combining our strong operations in New York will allow us to strengthen our partnerships with the New York State Department of Health, our members, and our providers, while maintaining Fidelis Care as a statewide government programs managed care plan.

WellCare and Centene recognize that the proposed transaction will need to meet certain Department of Health and New York Medicaid program requirements. We are committed to working with the Department to address those issues to ensure that the transition process minimizes member disruption and offers a seamless network of providers. Both WellCare and Centene have recently received the Department's approval of the acquisition of New York managed care plans, and our teams are well-positioned to navigate the approval process.

Pursuant to the requirements of 10 NYCRR § 98-1.9, we submit the following information:

Description of the Transaction

WCNY is a direct, wholly-owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly-owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly-owned subsidiary of WellCare, a publicly traded Delaware corporation.

On March 26, 2019, Centene, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly-owned subsidiary of Centene ("Merger Sub I"), Wellington Merger Sub II, Inc., a Delaware corporation and wholly-owned subsidiary of Centene ("Merger Sub II" and, together with Merger Sub I, the "Merger Subs"), and WellCare entered into an Agreement and Plan of Merger (the "Merger Agreement"). A copy of the Merger Agreement (excluding exhibits, schedules and annexes thereto) is attached hereto as Exhibit A.

The Merger Agreement provides that, subject to the terms and conditions set forth therein, (i) Merger Sub I will be merged with and into WellCare (the "First Merger"), with WellCare surviving the First Merger as a wholly-owned subsidiary of Centene (the "Surviving Corporation"), and (ii) immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the "Second Merger" and, together with the First Merger, the "Merger Transaction"), with Merger Sub II surviving the Second Merger as a wholly-owned subsidiary of Centene (the "Final Surviving Corporation"). Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be "WellCare Health Plans, Inc." ("Post-Closing WellCare"). Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of WCNY.

Attached hereto are the following organization charts:

Exhibit B-1: Abbreviated pre-closing organizational chart for WellCare;

Exhibit B-2: Abbreviated pre-closing organizational chart for Centene; and

Exhibit B-3: Abbreviated post-closing organizational chart for the combined company.

At the effective time of the First Merger, each share of common stock, par value \$0.01 per share, of WellCare ("WellCare Common Stock") that is issued and outstanding immediately prior to the effective time of the First Merger (excluding shares held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) and any shares that are outstanding immediately prior to the effective time of the First Merger and that are held by any person who is entitled to demand and properly demands appraisal of such shares pursuant to Delaware law) will be converted into the right to receive 3.38 validly issued, fully paid and nonassessable shares of common stock, par value \$0.001 per share, of Centene ("Centene Common Stock") and \$120 in cash, without interest (collectively, the "Merger Consideration").

Shares of WellCare Common Stock held by Centene, Merger Sub I, Merger Sub II or WellCare (including shares held as treasury stock) immediately prior to the effective time of the First Merger will be automatically canceled and cease to exist and no consideration will be delivered in exchange.

As of the effective time of the First Merger, each WellCare restricted stock unit (“RSU”) held by a WellCare director and each other RSU granted in 2017 or earlier will be converted into the right to receive Merger Consideration. Each other RSU will be converted into a Centene restricted stock unit with an equivalent fair market value to the WellCare RSU. Each WellCare performance-based restricted stock unit (“PSU”) granted in 2017 or earlier will vest at the actual level of performance and be converted into the right to receive Merger Consideration. Each other outstanding PSU will be converted into a Centene time-based restricted stock unit with an equivalent fair market value to the WellCare PSU (with PSUs subject to total shareholder return performance criteria granted in or following 2018 and each other PSU granted in 2018 converting at the actual performance through the effective time of the First Merger, and for each other PSU granted in or following 2019 converting at the target level of performance).

Immediately after the First Merger, the Second Merger will be consummated. In the Second Merger, the Surviving Corporation will be merged with and into Merger Sub II, with Merger Sub II surviving and immediately changing its name to WellCare Health Plans, Inc. The practical effect of the Merger Transaction will be to replace the public common shareholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II, acquisition vehicles formed for the purpose of effecting the Merger Transaction, will no longer exist or function independently apart from Post-Closing WellCare.

Officers and Directors

The parties contemplate that the structure of the board of directors and management of WellCare will change as of the Closing to be more reflective of an intermediate holding company. Centene has not yet determined the specific composition of the directors and executive officers of Post-Closing WellCare. As soon as such composition has been determined, and the individuals who will serve as directors and executive officers of Post-Closing WellCare have been identified, Centene will provide character and competence forms (“C&C Forms”) to the Department (unless the Department otherwise waives the requirement to submit such forms with respect to any such individual).

In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, serving on the WellCare board of directors immediately prior to the effective time of the First Merger, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. As of the date hereof, these two individuals have not been identified. As soon as such individuals have been identified, Centene will provide C&C Forms for such proposed directors (unless the Department otherwise waives the requirement to submit such forms with respect to any such individual).

The parties anticipate that Michael F. Neidorff will continue to serve as Chairman of the Board of Directors of Centene and as Centene’s Chief Executive Officer after the Closing. The parties also anticipate that Kenneth A. Burdick, the current Chief Executive Officer of

Mr. Jonathan Bick

May 2, 2019

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WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. As soon as such positions have been established, Centene will provide such information to the Department. Mr. Neidorff, Mr. Burdick and Mr. Asher have each been subject to recent character and competence reviews by the Department but are prepared to submit any additional information required by the Department in connection with this request for approval.

With the exception of the changes identified above, the Centene board of directors and executive officers will remain unchanged. Such directors and executive officers underwent a character and competence review in 2018 in connection with Centene's acquisition of Fidelis.

Nature, Source and Amount of Consideration

The Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion, based on closing stock prices as of March 26, 2019. The cash component of such total amount is equal to approximately \$6.06 billion. Centene expects to finance the cash component of the Merger Consideration through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, as amended (the "Securities Act"), with the SEC or in an offering pursuant to Rule 144A under the Securities Act or other private placement yielding up to \$8.35 billion in aggregate gross cash proceeds. The Closing is not subject to a financing condition.

In addition to the payment of the Merger Consideration, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness. All or part of this indebtedness will remain outstanding following the Closing if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness. Centene intends to seek a waiver of such change of control offer prior to the Closing and, if not successful, will be required to repurchase all or part of such indebtedness at 101% of its aggregate principal amount at the election of the holders thereof. Assuming all of the existing WellCare indebtedness remains outstanding, the pro forma debt-to-capital ratio of Centene is expected to be approximately 40% at the Closing, declining to a targeted debt-to-capital ratio in the mid-to-upper 30% range within 12 to 18 months following the Closing.

As is customary in transactions of this nature, the ultimate nature and mix of any public or private debt offering has not been decided at this time and will be determined in the future based on prevailing market conditions and other financial factors. Centene will provide the Department with any relevant updates regarding the nature and mix of any public or private debt offering as such information becomes available.

Centene entered into an amended and restated debt commitment letter, dated as of April 4, 2019 (the "Commitment Letter"), by and among Centene, Barclays Bank PLC and the other commitment parties thereto pursuant to which, and subject to the terms and conditions of the Commitment Letter, certain lenders have committed to provide Centene with an aggregate principal amount of up to \$8.35 billion in bridge financing in the event that proceeds of the

Mr. Jonathan Bick

May 2, 2019

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proposed debt offering by Centene or other funds sufficient to pay the Merger Consideration are not available prior to the consummation of the Merger Transaction. A copy of the Commitment Letter is attached hereto as Exhibit C.¹ The financing contemplated by the Commitment Letter is referred to as the “Financing” in this request for approval.

The Financing is subject to customary conditions and will be unsecured. In particular, no assets or stock of WCNY or of any person controlled by WellCare will be pledged or otherwise offered as security for the Financing. The Financing commitments will terminate on the date that is the earlier of (a) consummation of the Merger Transaction (with or without use of the Financing commitments), (b) the termination of the Merger Agreement in accordance with its terms, and (c) one business day after the Outside Date (as defined in the Merger Agreement).

The basis and terms of the Merger Agreement, including the nature and amount of consideration, were determined through arms’ length negotiations among the representatives of Centene, on the one hand, and the representatives of WellCare, on the other hand, and their respective legal and other advisors. Following substantial due diligence by Centene, the amount and type of consideration was determined by taking into account the consideration paid in other recent acquisitions of similar types of businesses, as well as the financial position and results of operations of the entities to be acquired, including the past and present business operations, historical and potential earnings, financial condition and prospects, assets and liabilities and such other factors and information as Centene considered relevant under the circumstances.

The audited financial statements of Centene for the fiscal year ending December 31, 2018 is attached hereto as Exhibit D.

Conditions to Closing

Each of Centene, the Merger Subs and WellCare has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including covenants regarding the conduct of WellCare’s and Centene’s respective businesses prior to the closing of the Merger Transaction (the “Closing”) and efforts of the parties to cause the Merger Transaction to be completed. The completion of the Merger Transaction is subject to the satisfaction or, to the extent permitted by applicable law, waiver of customary closing conditions set forth in the Merger Agreement. The parties expect to complete the Merger Transaction in the first half of 2020.

¹ Centene hereby requests that the Commitment Letter be kept confidential pursuant to N.Y. Pub. Off. Law § 87(20)(d) as it contains confidential and proprietary information that is not otherwise available to the public that, if disclosed, could cause substantial injury to the captive position of Centene.

Mr. Jonathan Bick

May 2, 2019

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Controlling Persons

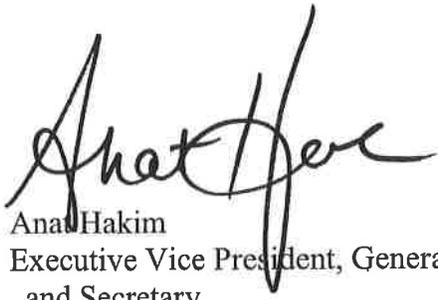
Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC." As of the date of this letter, no filings made with the SEC show a person holding 10% or more of the voting securities of Centene except for The Vanguard Group, Inc. ("Vanguard"), which held approximately 10.06% of Centene Common Stock as of December 31, 2018. No person is projected to hold 10% or more of the outstanding Centene Common Stock immediately after the Closing except for Vanguard, which is projected to hold approximately 10.0% of Centene Common Stock immediately after the Closing. We have been informed by Vanguard that Vanguard intends to file a disclaimer of control of WCNY.

Government Programs Objectives

WellCare and Centene recognize that the proposed acquisition will unite two significant managed care plans – WCNY and Fidelis Care – under the Centene holding company system. Centene is working to develop a post-closing structure that complies with New York regulatory requirements and leverages the strengths of both plans. We have developed a preliminary approach on combining the New York operations but welcome the opportunity to discuss this with the Department. Our goal is to limit any disruption to consumers, providers or other key stakeholders and to ensure that the resulting managed care plan continues the strong track records both plans have.

We look forward to working with the Department. Please let us know if we can provide further information to facilitate your review.

[Signature Page Follows]



Anat Hakim
Executive Vice President, General Counsel
and Secretary
WellCare Health Plans, Inc.

Sincerely,



Christopher Koster
Senior Vice President for Corporate
Services
Centene Corporation

May 3, 2019

VIA OVERNIGHT DELIVERY AND ELECTRONIC MAIL

Mr. Jonathan Bick
Director, Division of Health Plan Contracting and Oversight
Office of Health Insurance Programs
New York State Department of Health
One Commerce Plaza, Room 1609
Albany, New York 12210

Re: Acquisition of WellCare of New York, Inc. by Centene Corporation


Dear Mr. Bick:

I am writing to you on behalf of Centene Corporation (“Centene”) and WellCare Health Plans, Inc. (“WellCare”) in connection with the acquisition of WellCare of New York, Inc. (“WCNY”), by Centene.

In furtherance of the May 2, 2019 joint filing from Centene and WellCare, the purpose of this letter is to provide you with a list of New York State Government Programs for which WCNY holds Contracts/Agreements:

Medicaid Managed Care
Child Health Plus
Essential Plan

Managed Long-Term Care
Medicaid Advantage
Dual Special Needs Plans (D-SNPs)

The parties understand that the Department’s change of control review process will include review or approval required pursuant to WCNY’s Contracts/Agreements of each of the programs listed above. We look forward to working with you on this application.

Very truly yours,

GREENBERG TRAUIG, LLP



Harold Iselin

HNI/NTC/hkm

cc: Chris Koster, Centene Corporation
Anat Hakim, WellCare Health Plans, Inc.
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