

**BEFORE THE STATE OF CONNECTICUT
INSURANCE DEPARTMENT**

IN THE MATTER OF:) **DOCKET NO.**
)
THE ACQUISITION OF) **EX 19-48**
WELLCARE HEALTH INSURANCE OF CONNECTICUT,)
INC. AND WELLCARE OF CONNECTICUT, INC.)
)
BY CENTENE CORPORATION

AFFIDAVIT OF CHRISTOPHER KOSTER ON BEHALF OF APPLICANT

I, Christopher Koster, hereby declare under penalty of perjury as follows:

I am Senior Vice President, Corporate Services, for Centene Corporation (“Centene”), a Delaware corporation. I present this Affidavit on behalf of Centene to show the evidence supporting the approval of the above-entitled action under Conn. Gen. Stat. § 38a-132(a). I am authorized to give this Affidavit by the powers vested in me under my duties on behalf of Centene.

I. Witness Identification

1. Please state, for the record, your full name, business address and by whom you are employed.

A: My name is Christopher Andrew Koster. I am an officer of Centene, a publicly traded Delaware corporation. My business address is 7700 Forsyth Boulevard, St. Louis, Missouri 63105.

2. What is your position at Centene?

A: I am Senior Vice President, Corporate Services, at Centene.

3. Please identify your responsibilities as Senior Vice President, Corporate Services.

A: My responsibilities in this role include a primary focus on regulatory governance within the Centene group and management of the regulatory aspects of proposed acquisitions (such as the proposed Merger Transaction). Previously, my responsibilities also included oversight of certain functions within compliance and internal auditing.

4. Please describe your career and educational background.

A: I have been with Centene since February 2017. Prior to that, I served as Attorney General of the State of Missouri from 2008 to 2016. I also served as a Missouri State Senator from 2004 until I was elected as Attorney General. Before that, I served as Prosecuting Attorney for Cass County, Missouri for ten years.

I received a B.A. from the University of Missouri-Columbia in 1987, a J.D. from the University of Missouri-Columbia School of Law in 1991 and an M.B.A. from Washington University in St. Louis in 2002.

5. Please explain for the record your purpose for providing this testimony here today.

A: I am providing testimony in support of the proposed acquisition of control of WellCare Health Insurance of Connecticut, Inc., a life and health insurance company domiciled in Connecticut, and WellCare of Connecticut, Inc., a health care center domiciled in Connecticut (which I will collectively refer to as the “Domestic Insurers”), by Centene. WellCare Health Insurance of Connecticut, Inc. is recently licensed in the State of Connecticut and has not yet commenced business operations. I understand that WellCare Health Insurance of Connecticut, Inc. has recently been approved by the Centers for Medicare & Medicaid Services (“CMS”) to provide Medicare Advantage plans for the 2020 plan year. WellCare of Connecticut, Inc. provides Medicare Advantage and dual-eligible special needs (or “D-SNP”) plans in Connecticut pursuant to contracts with the State of Connecticut and the federal government.

Each of Domestic Insurers is currently an indirect, wholly-owned subsidiary of WellCare Health Plans, Inc. (which I will refer to as “WellCare”). Following the consummation of the proposed “Merger Transaction,” Centene will directly own 100% of the issued and outstanding shares of capital stock of Post-Closing WellCare (as that term is defined in the Form A Statement), and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of each of the Domestic Insurers.

6. Have you been authorized by the Applicant to speak on its behalf at this hearing?

A: Yes, I am authorized to testify on behalf of the Applicant at this hearing.

7. Are you familiar with the proposed Merger Transaction and the Form A Statement which is the subject of this hearing?

A: Yes. I have been and continue to be fully and actively involved in all regulatory aspects of the proposed Merger Transaction, including the preparation and filing of the Form A Statement. In connection with the proposed Merger Transaction, I have reviewed and am familiar with the Form A Statement and the exhibits attached thereto filed by the Applicant with the Connecticut Insurance Department (which I will refer to as the “Department”) on May 7, 2019 and the supplemental filings and submissions made by the Applicant to the Department in

connection with such Form A Statement including the Amended and Restated Form A Statement, dated August 16, 2019, and the Applicant's pre-acquisition notification letter, dated May 7, 2019, requesting exemption from the pre-acquisition notification filing. The Department granted such exemption on May 31, 2019.

8. Does the Form A Statement accurately describe the proposed Merger Transaction?

A: Yes, the Form A Statement accurately describes the proposed Merger Transaction.

II. Procedural Matters

9. Did the Applicant send to the Domestic Insurers a copy of the Form A Statement?

A: Yes. The Applicant sent a copy of the Form A Statement to each of the Domestic Insurers, through its outside counsel, on May 6, 2019 via overnight courier.

10. Did the Applicant receive notice of the public hearing?

A: Yes. The Applicant received formal notice of the hearing from the Department on August 20, 2019.

11. Did the Domestic Insurers receive at least seven days' notice of the public hearing?

A: Yes. The Applicant provided notice of the public hearing to each of the Domestic Insurers, through its outside counsel, on September 3, 2019.

12. Was notice of the public hearing published?

A: Yes. Centene caused notice of the public hearing to be published in the *Hartford Courant* on August 22, 2019 and August 29, 2019.

13. Have there been any material changes with respect to the information provided or required in the Form A Statement since the Form A Statement was filed by the Applicant?

A: Other than the supplemental information provided to the Department prior to today's date, there have not been any material changes to the Form A Statement since the time it was filed by the Applicant.

III. The Applicant

14. Please identify the Applicant on the Form A Statement.

A: The Applicant in this proceeding is Centene.

15. Please provide an overview of the Applicant and its business activities.

A: Centene, a Fortune 100 company, 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 is one of the largest providers of Medicaid, Medicare Advantage and other government-sponsored and commercial programs in the country, serving more than 14 million members in 29 states while maintaining a local, decentralized approach.

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.

16. What is the Applicant's business in Connecticut?

A: Centene has two foreign-licensed subsidiaries licensed to write direct premium in Connecticut: Celtic Insurance Company, an accident and health insurance company domiciled in Illinois, and Health Net Life Insurance Company, a life and accident and health insurance company domiciled in California. The insurers only report premium in Connecticut for the Medicare Supplement line of business.

Centene does not have any insurers or managed care organizations domiciled in Connecticut. Forensic Health Services, LLC, an indirect, wholly-owned subsidiary of Centene, maintains four contracts with the State of Connecticut Judicial Branch, Court Support Services Division, under which it provides interventions, monitoring and support services to adult offenders referred by the probation department, bail commissioners and family services as part of the Judicial Branch's "Alternative in the Community" program.

Centene has approximately 120 employees in Connecticut, of which approximately 60 are associated with Forensic Health Services, LLC and the remainder are with various other business units.

17. What is the composition of the board of directors of the Applicant? Will this composition change following consummation of the proposed Merger Transaction?

A: Centene currently has nine members on its board of directors. Immediately after the closing, it is anticipated that Centene's board will be comprised of eleven members. In the Merger Agreement (as that term is defined in the Form A Statement), Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, currently serving on the WellCare board of directors, 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. These two individuals have not yet been identified.

In addition, 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. Both Mr. Burdick and Mr. Asher will be Executive Vice Presidents at Centene. Mr. Burdick will oversee the Markets and Products component of the combined business, which include Markets, Products (Medicaid, Marketplace, Medicare, LTSS and Duals), and Marketing/Brand. Mr. Asher will oversee some of the Specialty Services lines of business of the combined business, which include Envolve Benefit Options, PeopleCare and Pharmacy Solutions.

18. Have biographical affidavits and background reports been submitted for Centene's directors and executive officers?

A: Yes. NAIC biographical affidavits for Centene's current directors and executive officers were provided to the Department on May 7, 2019 along with the Form A Statement. In addition, background verification reports in respect of these biographical affidavits were provided directly to the Department by an NAIC-approved third-party verification service via overnight courier on May 22, 2019.

IV. Overview of the Proposed Merger Transaction

19. Please briefly state the method by which the Applicant proposes to acquire control of the Domestic Insurers?

A: The proposed acquisition of control of the Domestic Insurers would occur through a series of mergers. On March 26, 2019, Centene, WellCare and two newly formed, wholly-owned subsidiaries of Centene, which I will call "Merger Sub I" and "Merger Sub II", entered into a Merger Agreement. That Merger Agreement was provided to the Department along with the Form A Statement.

First, Merger Sub I will be merged with and into WellCare, with WellCare surviving as a wholly-owned subsidiary of Centene. Immediately thereafter, WellCare will be merged with and into Merger Sub II, with Merger Sub II surviving as a wholly-owned subsidiary of Centene and immediately changing its name to "WellCare Health Plans, Inc.," which, for ease of reference, I will refer to as "Post-Closing WellCare."

The practical effect of the Merger Transaction will be to replace the public common stockholders of WellCare with Centene, with Post-Closing WellCare becoming a wholly-owned subsidiary of Centene. Centene will thereby indirectly own 100% of the issued and outstanding shares of capital stock of each of the Domestic Insurers. After the consummation of the Merger Transaction, Merger Sub I and Merger Sub II will no longer exist or function independently apart from Post-Closing WellCare.

20. Is the completion of the Merger Transaction subject to the satisfaction of closing conditions?

A: 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 adoption of the Merger Agreement by WellCare's stockholders, approval of the issuance of Centene common stock forming part of the Merger Consideration (as that term is defined in the Form A Statement) by Centene's stockholders, expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which I will refer to as the HSR Act, and required state insurance and health care regulatory approvals from applicable governmental authorities having been obtained, including the approval of the Form A Statement which is the subject of this hearing.

21. What is the Merger Consideration?

A: If the Merger Transaction is completed, each outstanding share of WellCare's common stock will (subject to certain restrictions) be converted into the right to receive 3.38 shares of Centene's common stock and \$120 in cash, without interest.

Based on the closing stock prices as of March 26, 2019, the Merger Transaction is valued on an enterprise value basis at approximately \$17.3 billion. The actual value to the WellCare stockholders will depend upon the closing stock prices at the time the Merger Transaction is completed.

22. Has the Merger Transaction been approved by the boards of directors of Centene and WellCare?

A: Yes, the Centene and WellCare boards of directors have unanimously approved the Merger Agreement and unanimously recommended that Centene's and WellCare's stockholders vote "FOR" each proposal.

23. Have the stockholders of Centene and WellCare provided their respective approvals?

A: Yes. On June 24, 2019, the respective stockholders of Centene and WellCare approved the transactions contemplated by the Merger Agreement. Specifically, Centene's stockholders approved the issuance of Centene common stock in connection with the Merger Transaction, with over 99% of the shares that voted at the special meeting voting in favor, and WellCare's stockholders approved the adoption of the Merger Agreement, with over 99% of the shares that voted at the special meeting voting in favor.

V. Benefits of the Proposed Merger Transaction

24. What is the reasoning behind the Merger Transaction?

A: Once 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.

25. How will the Merger Transaction affect members and government partners?

A: The Merger Transaction will deliver 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.

The merger of Centene and WellCare brings together two of the country's most experienced and advanced providers of government-sponsored healthcare services. The merger is grounded in the cultural alignment existing between these two companies. Both companies share a primary expertise in government-sponsored healthcare services, such as Medicaid and Medicare Advantage. Both companies emphasize local community involvement and locally-based management. Both companies bring compatible strengths (WellCare's expertise in Medicare Advantage; Centene's expertise in Medicaid and Marketplace) to the combined entity.

As a result of the combination, post-merger Centene will continue emphasizing its locally-based philosophy, while still achieving the scale necessary to advance the

company's national-class technological systems, medical management strategies, and value-based national contracts. For Connecticut-based members and providers, these advancements will, over time, result in (i) faster and more accurate claims processing and payment, (ii) improved health outcomes for individuals and populations, and (iii) contracting strategies that will partner payors and providers in transformative arrangements to financially reward providers for closer care of individual members. Centene's local leadership in a given community welcomes input from its state partners in determining how to address the needs in a particular local community. Following consummation of the Merger Transaction, as is Centene's practice throughout the country, Centene looks forward to engaging with the State of Connecticut on this topic.

26. How will the Merger Transaction affect local communities?

A: 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.

Centene and WellCare share a historic commitment to the communities in which they operate, emphasizing locally-based boards of directors, locally-based management and local branding in the Medicaid product line. The combined company will continue this philosophy and approach.

Additionally, both Centene and WellCare are recognized across the country for their civic and charitable contributions to the communities in which they work, as well as for their volunteerism and financial participation in local charitable causes. This commitment will continue under the management of post-closing Centene.

As a general matter, Centene's local leadership in a given community welcomes input from its state partners in determining how to address the needs in a particular local community. Following consummation of the Merger Transaction, as is Centene's practice throughout the country, Centene looks forward to engaging with the State of Connecticut on this topic.

VI. Merger Transaction Financing

27. How was the amount of Merger Consideration determined?

A: 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 and the representatives of WellCare 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.

28. Were any valuation studies or fairness opinions received that demonstrate the fairness of the Merger Consideration?

A: Centene's board of directors received the respective opinions, dated March 26, 2019, of Allen & Company LLC and Barclays Capital Inc. that, as of such date and based on and subject to various assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken, the Merger Consideration to be paid by Centene pursuant to the Merger Agreement was fair, from a financial point of view, to Centene. WellCare's board of directors received the opinion, dated March 26, 2019, of Goldman Sachs & Co LLC that, as of such date and subject to the factors and assumptions set forth in its opinion, the Merger Consideration to be paid to the holders of WellCare common stock in the Merger Transaction was fair, from a financial point of view, to such stockholders.

29. Is the Merger Transaction conditioned upon receipt of financing by the Applicant?

A: No. The Merger Transaction is not subject to a financing condition, and therefore if all closing conditions are satisfied, the Applicant will be required to close regardless of the success or failure of any financing source.

30. Please describe the source of the Merger Consideration.

A: Centene expects to finance the cash component of the Merger Transaction through available cash on hand and the issuance of unsecured senior notes in a public offering registered under the Securities Act of 1933, with the Securities and Exchange Commission 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.

In addition to the cash payment, Centene may be assuming approximately \$1.95 billion in existing WellCare indebtedness, all or in part of which will remain outstanding following the closing of the Merger Transaction if it is not repurchased pursuant to a change of control offer under the terms of the indebtedness.

On April 23, 2019, Centene entered into a second amended and restated debt commitment letter, with Barclays Bank PLC and the other commitment parties. Pursuant to 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.

VII. Future Plans for the Domestic Insurers

31. Does the Applicant have any plans to cause the Domestic Insurers to declare any extraordinary dividend, to liquidate them, sell their assets, merge them with any other persons or materially change its corporate structure?

A: The Applicant 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. WellCare of Connecticut, Inc. will continue its operations as currently conducted, and WellCare Health Insurance of Connecticut, Inc. will conduct operations as described in its plan of operation filed as part of its licensing application recently approved by the Department, with no expected adverse effects to members or policyholders.

In addition, the Applicant has no present plans or proposals to rebrand the Domestic Insurers. After the Closing, the Domestic Insurers will continue to operate in a manner consistent with laws, regulations and the reporting requirements of all applicable regulatory agencies.

32. Please describe any intended changes to the executive officers and directors of the Domestic Insurers following the closing.

A: Each of WellCare Health Insurance of Connecticut, Inc. and WellCare of Connecticut, Inc. currently has three directors and six executive officers. Centene does not have any present plans to change the existing directors and executive officers of the Domestic Insurers. In addition, Centene does not have any present plans to change any "key person" roles at each of the Domestic Insurers other than the addition of Tricia Dinkelman as Vice President, Tax. If Centene proposes to make changes to the directors and executive officers of the Domestic Insurers in the future, 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.

33. Please describe any proposed changes to the directors and management of WellCare following the consummation of the Merger Transaction.

A: The structure of the board of directors and management of WellCare will change following the consummation of the Merger Transaction 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, Michael Neidorff (Centene's Chief Executive Officer), Jeffery Schwaneke (Centene's Chief Financial Officer and Treasurer) and myself. In addition, it is anticipated

that the same individuals will serve as Post-Closing WellCare's executive officers.

34. What are the Centene's plans with respect to Corporate Governance and Enterprise Risk Management ("ERM") as they relate to the Domestic Insurers? Are material cultural changes anticipated?

A: After the consummation of the Merger Transaction, since WellCare and each of its wholly-owned subsidiaries, including the Domestic Insurers, will be indirect, wholly-owned subsidiaries of Centene, Centene plans to fully integrate WellCare and the Domestic Insurers into Centene's Corporate Governance and Enterprise Risk Management ("ERM") framework. No material cultural changes are anticipated.

Centene's board of directors oversees execution of Centene's ERM framework with assistance provided by committees of the board of directors. This oversight is enabled by quarterly risk reporting from executive management. Such reports are designed to provide visibility into the identification, assessment, monitoring and management of critical risks, including strategic, operational, financial, compensation, regulatory, compliance, investment, information security and other risks. In addition, Centene's board of directors and its committees are informed of emerging risks and opportunities which could impact Centene's risk profile. This information is combined with other data to evaluate Centene's performance in relation to tolerance levels established in Centene's risk appetite framework on a quarterly basis. Management is responsible for executing day-to-day risk activities, and ensuring that ERM is integrated with strategic decision-making and financial budgeting processes.

35. Have Centene and WellCare begun the integration process? Are obstacles or impediments foreseen?

A: The HSR Act and federal antitrust laws prohibit merging parties from integrating their operations until the HSR waiting period has expired and the transaction has closed. While the parties have begun integration planning activities, it is still early in the process. Details regarding bringing together the two organizations and the cost reductions associated with IT, financial and operating system integration (among other things) have not yet been determined.

Centene does not anticipate any obstacles or impediments to a successful integration. Centene has developed considerable experience and expertise in the area of business integrations. Although integration planning is in the early stages, and implementation of integration activities must wait until closing, an integration governance structure has been established under the guidance of an Executive Steering Committee comprised of top executive leaders of both Centene and WellCare. Additionally, Centene has retained a nationally-recognized third-party integration consulting team to provide expertise and personnel support throughout the integration process.

36. Are WellCare employment levels in Connecticut anticipated to decrease as a result of the Merger Transaction?

A: No. Centene does not currently anticipate a decrease in employment levels in the State of Connecticut after the consummation of the Merger Transaction.

VIII. Statutory Criteria

37. Pursuant to the laws of the State of Connecticut, the Commissioner of the Connecticut Insurance Department shall approve any merger or other acquisition of control unless, after a public hearing, he finds that such merger or acquisition of control would result in one or more of six adverse consequences, as set forth in Conn. Gen. Stat. § 38a-132(a)(1)-(6). The following questions relate to those criteria. Will the Merger Transaction result in any of these adverse consequences or violate any of these standards?

A: No, the Merger Transaction will not result in any such consequences or violations, and there are no circumstances as described in those statutory provisions that would cause the Commissioner to disapprove the proposed acquisition of control of the Domestic Insurers. Therefore, I respectfully submit that the proposed acquisition of control of the Domestic Insurers should be approved by the Commissioner.

38. First, following the consummation of the Merger Transaction, will each of the Domestic Insurers be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed?

A: Yes, following the consummation of the Merger Transaction, each of the Domestic Insurers will be able to continue to satisfy the requirements for the issuance of a license to write the business for which it is presently licensed. WellCare Health Insurance of Connecticut, Inc. is currently licensed as a life and health insurance company, and WellCare of Connecticut, Inc. is currently licensed as a health care center. As demonstrated through their respective licenses, each of the Domestic Insurers satisfies the minimum requirements for licensure as a life and health insurance company and a health care center, respectively, under Connecticut insurance law.

Following the consummation of the Merger Transaction, the Applicant intends to continue the business of the Domestic Insurers without any material change to their business operations, and has no intention of causing the Domestic Insurers to take any action that would inhibit their ability to satisfy the requirements for licensure under Connecticut insurance law.

39. Second, will the Merger Transaction substantially lessen competition in insurance in Connecticut or tend to create a monopoly in Connecticut?

A: No. As demonstrated by the Department's decision on May 31, 2019 to grant the Applicant's request for exemption from the pre-acquisition notification filing, the

Merger Transaction will not substantially lessen competition in insurance in Connecticut or tend to create a monopoly in Connecticut. *See* Conn. Gen. Stat. § 38a-131(b)(4)(B). None of the subsidiaries of Centene or of WellCare licensed to write direct written premium in Connecticut wrote such direct premium in the same lines of business in the past five years. Therefore, the immediate result of the Merger Transaction with respect to market share in Connecticut will not result in any increase in share or concentration in any reported line of business, and in all such reported lines of business, the Merger Transaction meets the pre-acquisition notification exemption standards set forth in Conn. Gen. Stat. § 38a-131(b)(4)(B).

40. Third, is the financial condition of the Applicant such that it might jeopardize the financial stability of the Domestic Insurers or prejudice the interests of their respective policyholders?

A: No. The historical consolidated financial statements of the Applicant filed with the Form A Statement clearly demonstrate that the Applicant's financial condition will not jeopardize the financial stability of the Domestic Insurers or prejudice the interest of their respective policyholders.

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.

Therefore, to the contrary, as demonstrated by the historical consolidated financial statements of the Applicant filed with the Form A Statement, the Applicant's financial condition and resources will strengthen the financial stability of WellCare's subsidiaries, including the Domestic Insurers, and will enhance the interests of the Domestic Insurers' respective policyholders.

41. Fourth, does the Applicant have any plans or proposals to liquidate the Domestic Insurers, to sell their assets or to consolidate or merge them with any person or to make any other material change in their respective business or corporate structure or management that would be unfair and unreasonable to policyholders of each of the Domestic Insurers and not in the public interest?

A: No. The Applicant has no current plans or proposals to liquidate the Domestic Insurers, to sell their assets or to consolidate or merge them with any person or to make any other material change in their respective business operations, corporate structure or management.

42. Fifth, please discuss whether the competence, experience and integrity of the persons who will control the operations of the Domestic Insurers after closing will in

any way not be in the interest of policyholders of the Domestic Insurers or the public.

A: The Applicant has no current plans or proposals to make any changes to the directors and executive officers of the Domestic Insurers. The three directors of each of the Domestic Insurers are (1) Andrew Lynn Asher, (2) Andrew W. Clifton and (3) Michael Troy Meyer. The six executive officers of each of the Domestic Insurers are (1) Andrew W. Clifton, (2) Richard Charles Fisher, (3) Michael Warren Haber, (4) Goran Jankovic, (5) Michael Troy Meyer and (6) Tammy Lynn Meyer. I have reviewed the biographical affidavits for all of these individuals and, based on such review, I can confirm that all of these directors and executive officers of the Domestic Insurers are highly competent individuals with extensive experience and high integrity.

With respect to the Applicant, the nine directors of Centene are (1) Orlando Ayala, (2) Jessica L. Blume, (3) Robert K. Ditmore, (4) Fred H. Eppinger, (5) Richard A. Gephardt, (6) John R. Roberts, (7) David L. Steward, (8) Tommy G. Thompson and (9) Michael F. Neidorff. The eight executive officers of Centene are (1) Michael F. Neidorff, (2) Christopher D. Bowers, (3) Mark J. Brooks, (4) Brandy Burkhalter, (5) Jesse N. Hunter, (6) Christopher R. Isaak, (7) Jeffrey A. Schwaneke and (8) Keith H. Williamson. I believe all of these directors and executive officers of the Applicant are very well experienced and competent based on their history with the companies they serve and their prior work experience. Further evidence is reflected in the biographical information for the directors and executive officers of the Applicant that were submitted to the Department as part of the Form A Statement.

I know some of these individuals personally, and I have reviewed the biographical affidavits for all of these individuals. Based on my personal knowledge and my review, I can confirm that all of these directors and executive officers are not only highly competent and experienced, but individuals of the highest moral integrity.

For these reasons, the competence, experience and integrity of the persons who will control the operations of the Domestic Insurers after the closing will in no way be adverse to the policyholders of the Domestic Insurers or the interest of the public.

43. Sixth, will the Merger Transaction likely be hazardous or prejudicial to those buying insurance?

A: No. The Merger Transaction will not be hazardous or prejudicial to those buying insurance. To the contrary, the Merger Transaction will have a positive effect on the insurance buying public.

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.

In addition, the Applicant has significant experience in the insurance and health care sectors, and the directors and executive officers of Centene are individuals of tremendous competence, experience and integrity. Moreover, the Domestic Insurers will be managed by a financially strong organization, as evidenced by the historical financial statements of the Applicant submitted with the Form A Statement. Further, the Applicant has no plans to cause the Domestic Insurers to undergo any material changes to their organization or operations that could be hazardous to the interests of their members or the public.

In sum, there is no evidence that the Merger Transaction is likely to be hazardous or prejudicial to those buying insurance.

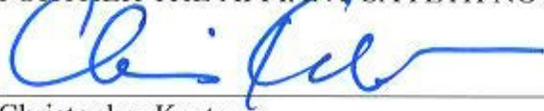
IX. Closing Remarks

44. Is there anything else that you would like to add at this time?

A: Yes. I would like to thank Commissioner Mais, Deputy Commissioner Hershman, Ms. Belfi, Mr. Kosky, Ms. Reed and the other Department Staff for their prompt attention to this matter and for their diligence in reviewing the Form A Statement. Based on the record established and the filing of the Form A Statement, it is the Applicant's position that the proposed acquisition of control of the Domestic Insurers satisfies all of the applicable standards of review for approval under Conn. Gen. Stat. § 38a-132(a) and that the Commissioner has a sufficient and robust record for the issuance of an approval order with respect to the proposed acquisition of control as set forth in the Form A Statement.

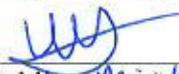
I state under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

FURTHER THE AFFIANT SAYETH NOT



Christopher Koster
Senior Vice President, Corporate Services,
Centene Corporation

SUBSCRIBED and SWORN to before
me this 8th day of September, 2019.


Notary Public Michael R. Smith

My Commission expires: 08-07-2022

