

FEB 27 2025

FILED

CERTIFICATION

February 27, 2025

I, Eric Dunning, Director of Insurance of the State of Nebraska, do hereby certify that the attached is a full and correct copy of the Financial Examination Report of

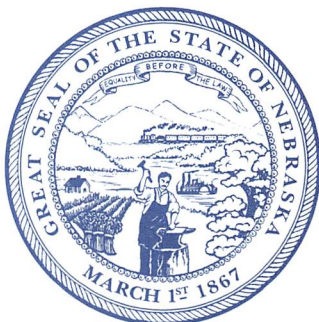
BESHP, INC.

AS OF

JANUARY 31, 2025

The report is now on file and forming a part of the records of this Department.

I hereto subscribe my name under the seal of my office at Lincoln, Nebraska.





DIRECTOR OF INSURANCE

CERTIFICATE OF ADOPTION

Notice of the proposed report for the financial examination of

BESHP, INC.

1600 S. 48TH STREET

LINCOLN, NE 68506

dated as of January 31, 2025, verified under oath by the examiner-in-charge on
February 21, 2025, and received by the company on February 26, 2025, has been adopted
without modification as the final report pursuant to Neb. Rev. Stat. § 44-5906(3) (a).

Dated this 27th day of February 2025.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

A handwritten signature in black ink that reads "Tadd R. Wegner". The signature is written in a cursive style with a large, stylized 'W'.

Tadd Wegner, CFE
Chief Financial Regulator

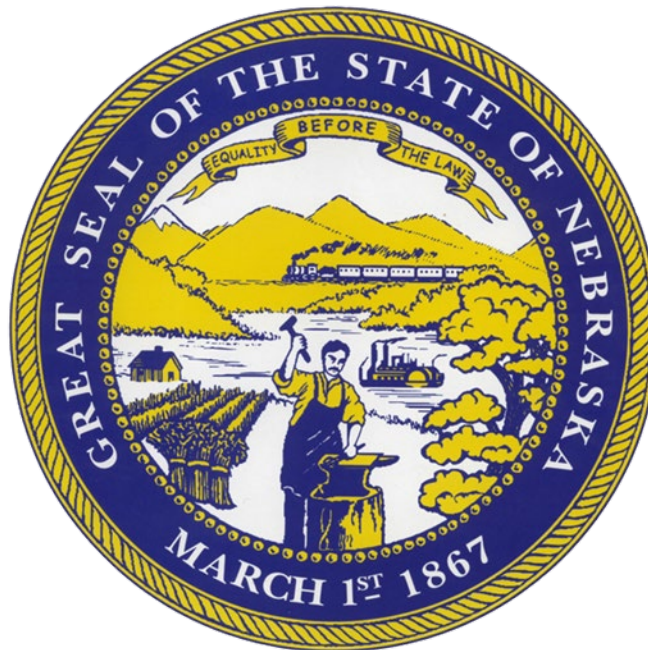
QUALIFYING EXAMINATION

OF

BESHP, INC.

as of

JANUARY 31, 2025



Lincoln, Nebraska
February 20, 2025

Honorable Eric Dunning
Director of Insurance
Nebraska Department of Insurance
1526 K Street, Suite 200
Lincoln, Nebraska 68508

Sir:

Pursuant to your instructions and statutory requirements, a qualifying examination has been made of the

BESHP, Inc.
1600 S. 48th Street
Lincoln, NE, 68506

(hereinafter also referred to as the “Company”) and the report of such examination is respectfully presented herein.

SCOPE OF EXAMINATION

The Company has made an application for a Certificate of Authority to transact the business of insurance as provided under Nebraska Revised Statute §44-32,105 (Health Maintenance Organization). In order to determine whether such authority should be granted, this examination has been conducted to ascertain if the Company has met the capital, surplus, and organizational requirements set forth by Nebraska Law.

HISTORY

The Articles of Incorporation of the Company were filed with the Secretary of State of the State of Nebraska on November 12, 2024, and approved by the Nebraska Department of Insurance on November 26, 2024.

The Articles of Incorporation were executed by the following Incorporator:

Name

Address

Rob Lafrentz

Sioux Falls, SD

CAPITAL STOCK

Article II of the Company's Articles of Incorporation states that, "the total number of shares that the Corporation is authorized to issue is one thousand (1,000) shares of common stock, with a par value of one cent (\$0.01) per share." At the date of the qualifying examination, the Company's total issued and outstanding common stock consisted of 1,000 shares that had been subscribed to and purchased equally by Bryan Enterprises, Inc. (Bryan) and Sanford Health Plan (Sanford) for a total purchase price of \$10. The Company's capital structure therefore consists of \$10 in common stock and 1,499,990 in paid-in and contributed surplus.

MANAGEMENT

Shareholders

Article 2.2 of the Company's By-Laws states that, "unless Directors are elected by written consent in lieu of an annual meeting as provided in these By-Laws, an annual meeting of the Stockholders will be held on the second Tuesday in May of each year, if not a legal holiday, and if a legal holiday, then on the next secular day following, at 10:00 a.m. (Eastern Standard Time), or at such other date and time as may be designated from time to time by the Board and stated in the notice of the meeting or in a duly executed waiver of notice thereof."

Board of Directors

Article 6.2 of the Company's Shareholder Agreement states that, "the Board will initially be composed of six (6) Directors. Directors are appointed as follows: three (3) Directors will be appointed by Sanford, three (3) Directors will be appointed by Bryan." Article 6.2 continues to state, "each Director shall hold office until his successor shall have been elected and qualified or until the Director resigns, dies, becomes permanently disabled, experiences a bankruptcy or is removed."

Article 4.1 of the Company's By-Laws states that, "...the number of Directors to constitute the Board will be not less than two (2) and no more than twelve (12)."

On December 23, 2024, pursuant to the Company's Shareholder Agreement, the following individuals were designated to the Board of Directors:

<u>Name</u>	<u>Address</u>
Michael Dewerff	Lincoln, Nebraska
Brian Maude	Sioux Falls, South Dakota
Courtney Meyer	Sioux Falls, South Dakota
Nate Ovenden	Sioux Falls, South Dakota
Dr. Michael Sayers	Lincoln, Nebraska
Ben Sparks	Lincoln, Nebraska

Officers

Article 5.1 of the Company's By-Laws states that, "the Corporation will have a President, Treasurer and a Secretary and may also have the following Officers: a Chairman of the Board, one or more Vice Presidents, one or more Assistant Secretaries and one or more Assistant Treasurers..." Article 5.1 continues to state that, "the Board will elect a President, Treasurer, and a Secretary at its annual meeting."

In lieu of a meeting, a consent to action was taken by the Board of Directors of the Company, dated February 1, 2025, that the following individuals be appointed for the positions indicated:

<u>Name</u>	<u>Position</u>
Ben Sparks	President
Brian Maude	Treasurer
Courtney Meyer	Secretary

CORPORATE RECORDS

The Articles of Incorporation have been properly filed with the Secretary of State of the State of Nebraska. The original By-Laws and other pertinent documents pertaining to the incorporation of the Company have been filed with the Nebraska Department of Insurance. The consent to action taken by the Board of Directors was reviewed and appeared to be in order.

Pursuant to Nebraska Revised Statute §44-205.01(b), the Articles of Incorporation state that the registered office of the Company shall be located at 1600 S. 48th Street, Lincoln, Nebraska.

FINANCIAL STATEMENT

The following statements reflect the Company's financial condition as of January 31, 2025.

BALANCE SHEET **January 31, 2025**

Assets

Bonds	\$ 300,164
Cash and cash equivalents	1,198,814
Investment income due and accrued	<u>1,022</u>
Total assets	<u>\$1,500,000</u>

Liabilities, Capital and Surplus

Common stock	\$ 10
Gross paid-in and contributed surplus	<u>1,499,990</u>
Total capital and surplus	<u>\$1,500,000</u>
Total liabilities, capital and surplus	<u>\$1,500,000</u>

ASSETS

Bonds

\$ 300,164

The Company purchased a U.S. Treasury Note, which has a par value of \$300,000, to serve as the statutory deposit for the State of Nebraska. The book value of the bond was \$300,164. The deposit was verified by confirming the account with Union Bank & Trust, as well as the reviewing pledge receipt received by the Nebraska Department of Insurance.

Cash and cash equivalents

\$1,198,814

On January 28, 2025, the Company received \$750,000 from Sanford, and on January 30, 2025, the Company received \$750,000 from Bryan for the initial capitalization of the Company. As of January 31, 2025, the Company had a total of \$1,198,814 in its checking account at First Premier Bank. This asset was verified by confirming the account balance with the bank and by reviewing the funds transfer documentation.

Investment income due and accrued

\$ 1,022

When the Company purchased the bond to be held as the statutory deposit for the Nebraska Department of Insurance, the Company paid \$301,186. The book value of the bond is \$300,164. The difference of \$1,022 was paid to purchase accrued interest on the bond.

LIABILITIES, CAPITAL AND SURPLUS

Common stock

\$ 10

As noted above, the Company issued 1,000 shares, 500 each, to Bryan and Sanford at \$0.01 per share. This was verified by reviewing the Company's stock certificates.

Paid in and contributed surplus

\$1,499,990

Sanford and Bryan made equal cash contributions to the Company totaling \$1,499,990. The contributions were verified by reviewing the Company's bank statement for the cash account and the funds transfer documentation.

GENERAL COMMENTS

In accordance with Nebraska Revised Statute §44-208, "no domestic insurance company shall issue, cause, or allow to be issued any stock or stock subscriptions at any time upon which all expenses of distribution and sale, including promotion, commissions, and underwriting fees, exceed ten percent of the amount paid in money upon such stock or stock subscriptions."

An affidavit signed by the Treasurer of the Company stating that none of the assets of the Company have been pledged or in any way impaired has been obtained. The signed affidavit also states that the known expenses unpaid pursuant to Nebraska Revised Statute §44-208 are estimated to be \$0, and that the expenses of the organization of the Company will not exceed ten (10) percent of the initial paid-in capital stock and surplus of the Company.

CONCLUSION

Capital, surplus, and organizational filing requirements have been met by the Company as required by the Nebraska Insurance Statutes. All items reviewed appeared properly stated. It is recommended that a Certificate of Authority be granted to this Company to transact the business of insurance as provided under Nebraska Revised Statute §44-32,105.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Isaak Russell', written in a cursive style.

Isaak Russell, CFE
Financial Examiner
Nebraska Department of Insurance

State of Nebraska,

County of Lancaster,

Isaak Russell, being duly sworn, states as follows:

1. I have authority to represent the Department of Insurance of the State of Nebraska in the examination of BESHP, INC.
2. The Department of Insurance of the State of Nebraska is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of BESHP, INC. was performed in a manner consistent with the standards and procedures required by the Department of Insurance of the State of Nebraska.

The affiant says nothing further.



Examiner-in-Charge's Signature

Subscribed and sworn before me by ISAAC Russell on this 21 day of FEBRUARY, 2025.



(SEAL)



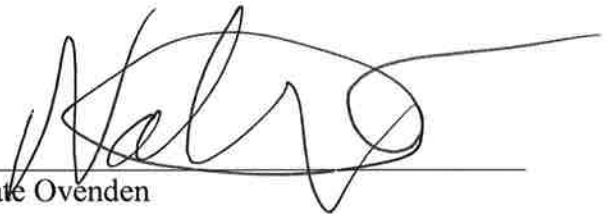
Notary Public

My commission expires 8-8-27 [date].

**Report of Examination Affidavit
BESHP, Inc.**

I, Nate Ovenden, the undersigned Director of BESHP, Inc., a Nebraska corporation, do hereby certify, and declare under penalty of perjury, that I received a copy of the Qualifying Examination Report of BESHP, Inc., as of January 31, 2025, issued by the Nebraska Department of Insurance.

Executed this 28 day of Feb, 2025.



Nate Ovenden

**Report of Examination Affidavit
BESHP, Inc.**

I, Brian Maude, the undersigned Director of BESHP, Inc., a Nebraska corporation, do hereby certify, and declare under penalty of perjury, that I received a copy of the Qualifying Examination Report of BESHP, Inc., as of January 31, 2025, issued by the Nebraska Department of Insurance.

Executed this 28th day of February, 2025.

A handwritten signature in dark ink, appearing to read 'Brian Maude', written over a horizontal line.

Brian Maude

**Report of Examination Affidavit
BESHP, Inc.**

I, Courtney Meyer, the undersigned Director of BESHP, Inc., a Nebraska corporation, do hereby certify, and declare under penalty of perjury, that I received a copy of the Qualifying Examination Report of BESHP, Inc., as of January 31, 2025, issued by the Nebraska Department of Insurance.

Executed this 28 day of Feb, 2025.



Courtney Meyer

**Report of Examination Affidavit
BESHP, Inc.**

I, Michael Dewerff, the undersigned Director of BESHP, Inc., a Nebraska corporation, do hereby certify, and declare under penalty of perjury, that I received a copy of the Qualifying Examination Report of BESHP, Inc., as of January 31, 2025, issued by the Nebraska Department of Insurance.

Executed this 25 day of Feb, 2025.

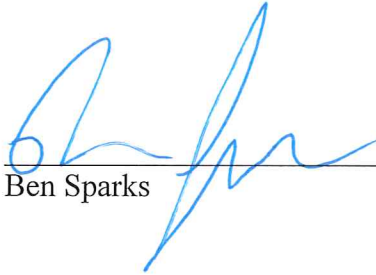


Michael Dewerff

**Report of Examination Affidavit
BESHP, Inc.**

I, Ben Sparks, the undersigned Director of BESHP, Inc., a Nebraska corporation, do hereby certify, and declare under penalty of perjury, that I received a copy of the Qualifying Examination Report of BESHP, Inc., as of January 31, 2025, issued by the Nebraska Department of Insurance.

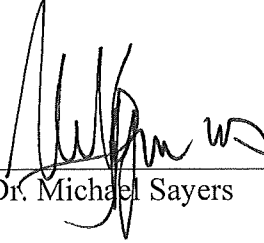
Executed this 28th day of February, 2025.


Ben Sparks

**Report of Examination Affidavit
BESHP, Inc.**

I, Dr. Michael Sayers, the undersigned Director of BESHP, Inc., a Nebraska corporation, do hereby certify, and declare under penalty of perjury, that I received a copy of the Qualifying Examination Report of BESHP, Inc., as of January 31, 2025, issued by the Nebraska Department of Insurance.

Executed this 6 day of March, 2025.



Dr. Michael Sayers