

# CERTIFICATION

April 28, 2014

I, Bruce R. Range, 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  
**HEARTLAND PLAINS HEALTH**

as of

March 26, 2014

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.



STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE

APR 28 2014

FILED

SI  
DEPART

*Bruce R. Range*  
\_\_\_\_\_  
DIRECTOR OF INSURANCE

SI  
DEPART

CERTIFICATE OF ADOPTION

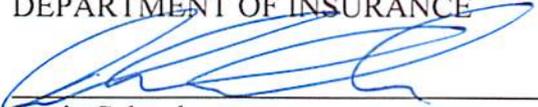
Take notice that the proposed report of the financial examination of

**Heartland Plains Health**

dated as of March 26, 2014, verified under oath by the examiner-in-charge on April 2, 2014, and received by the company on April 4, 2014, has been adopted without modification as the final report pursuant to Neb. Rev. Stat. § 44-5906(3)(a).

Dated this 17 day of April, 2014.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE

  
Justin Schrader  
Chief Financial Examiner

**QUALIFYING EXAMINATION**

**OF**

**HEARTLAND PLAINS HEALTH**

**LINCOLN, NEBRASKA**

**AS OF**

**MARCH 26, 2014**



Lincoln, Nebraska  
March 31, 2014

Honorable Bruce R. Ramage  
Director of Insurance  
Nebraska Department of Insurance  
941 "O" Street, Suite 400  
Lincoln, Nebraska 68508

Sir:

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

**Heartland Plains Health**

which has its Registered Office located at

6003 Old Cheney Road, Suite 300  
Lincoln, Nebraska 68516

with its Principal Executive Offices located at

198 Inverness Drive West  
Englewood, Colorado 80112

(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 originally filed with the Secretary of State of the State of Nebraska on December 17, 2013, and were subsequently amended and filed on January 27, 2014.

The Articles of Incorporation were executed by the following Incorporator:

<b><u>Name</u></b>	<b><u>Address</u></b>
Linda H. DuPuis, Esq.	198 Inverness Drive West Englewood, Colorado 80112

## **MANAGEMENT**

### **Corporate Member**

The By-Laws of the Company state that, “the sole member shall be CollabHealth Plan Services, Inc. (Corporate Member), a Colorado for-profit corporation.” The ultimate parent of the Company and the Corporate Member is Catholic Health Initiatives, which is a nonprofit Colorado corporation. The By-Laws provide that, “the time, place, and frequency of meetings of the Corporate Member and notice thereof shall be determined by the Corporate Member in accordance with the Nebraska Nonprofit Corporation Act. Annual and regular meetings of the Corporate Member may be held outside Nebraska. At the annual meeting of the Corporate Member, the President shall report on the activities and financial conditions of the Company, and the Corporate Member may appoint directors of the Company.”

### **Board of Directors**

The By-Laws provide that the affairs of the Company shall be conducted by a Board of Directors “that shall consist of no fewer than three members, with the exact

number to be determined from time to time by the Board. Each member of the Board shall serve a term of three years. No Director may serve on the Board for more than three consecutive terms. This limitation shall include any remaining term served by a Director who was appointed to fill a vacancy on the Board. Directors of the Company shall be appointed by the Corporate Member at the annual meeting of the Corporate Member. The presence of a majority of the Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board. Any action required or permitted by the Nebraska Nonprofit Corporation Act, the Articles, or these By-Laws, which is required to be or may be taken at a meeting of the Board either collectively or in counterparts, setting forth the action so taken, may be taken without a meeting if consent in writing, and is signed by all Directors.” The Board of Directors shall take no action in the absence of a quorum.

In lieu of a meeting, an action of written consent was taken by the sole incorporator of the Company, dated January 17, 2014, that the following persons be elected to the Board of Directors:

<b><u>Name</u></b>	<b><u>Address</u></b>
Mark F. Bjornson	3635 Bethel Heights Rd. NW Salem, Oregon 97304
Christine C. Mulheran	1530 Cavaletti Ct. Victoria, Minnesota 55386
Juan R. Serrano	4400 W. Spruce St. #230 Tampa, Florida 33607

The By-Laws also provide that, “the Board may, by resolution adopted by a majority of the Directors then in office, establish one or more committees, as needed or

required to conduct and transact the business of the Company.” No committees were noted to exist at the time of this examination.

**Officers**

According to the Bylaws, “the Officers of the Company shall consist of a Chairperson of the Board, a Chief Executive Officer, a President, a Chief Financial Officer, a Treasurer, a Secretary, and such other Officers as the Board or the President may from time to time determine. The Chief Executive Officer, the President, the Treasurer, the Secretary, and the Chairperson of the Board shall be elected by the Board in accordance with the provisions of this Article.” All other Officers of the Company shall be appointed by the President. The Chief Executive Officer, the President, the Treasurer, the Secretary, and the Chairperson of the Board shall be elected by the Board to serve at the pleasure of the Board. The election of the Officers elected by the Board shall require a majority vote of the Board. All officers appointed by the President shall serve at the pleasure of the President.”

In lieu of the first meeting of the Board of Directors of the Company, an action of unanimous written consent was taken by the Board, dated January 17, 2014, that the following persons be elected for the positions indicated:

<b><u>Name</u></b>	<b><u>Position</u></b>
Mark F. Bjornson	Chief Executive Officer
Christine C. Mulheran	President
Robert B. Peters	Chief Financial Officer
Linda H. DuPuis	Secretary
Steve C. Schramm	Treasurer

## **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 written consents in lieu of the meetings of the Incorporator and the Board of Directors were reviewed and appeared to be in order.

Pursuant to Nebraska Revised Statute 44-205.01(b), the Articles state that the registered office of the Company shall be located at 6003 Old Cheney Road, Suite 300, Lincoln, Nebraska 68516.

## **FINANCIAL STATEMENT**

The following statements reflect the Company's financial condition as of March 26, 2014:

### **BALANCE SHEET**

**March 26, 2014**

#### **Assets**

Bonds	\$ 305,000
Cash, cash equivalents, and short-term investments	<u>2,995,000</u>
Total Assets	<u>\$3,300,000</u>

#### **Liabilities, Capital and Surplus**

Accounts payable and accrued liabilities	<u>\$ 0</u>
Paid in capital	<u>\$3,300,000</u>
Total Liabilities, Capital and Surplus	<u>\$3,300,000</u>

**ASSETS**

**Bonds** **\$ 305,000**

On March 21, 2014, the Company purchased a U.S. Treasury Note, which has a par value of \$305,000, to serve as the statutory deposit. This asset was verified by confirming the account with the receiving bank.

**Cash, cash equivalents, and short-term investments** **\$2,995,000**

On March 20, 2014, the Company received \$2,995,000 cash from its parent for the initial capitalization of the Company. This asset was verified by confirming the account with the receiving bank and by review of the funds transfer verification.

**LIABILITIES, CAPITAL AND SURPLUS**

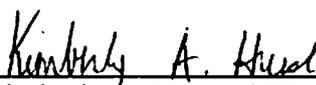
**Liabilities** **\$ 0**

The Company had no liabilities at the time of this examination.

## **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,

  
\_\_\_\_\_  
Kimberly A. Hurst, CFE  
Financial Examiner  
Nebraska Department of Insurance

State of Nebraska,

County of Lancaster,

Kimberly A. Hurst, being duly sworn, states as follows:

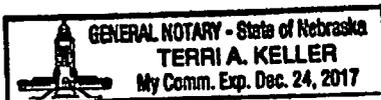
1. I have authority to represent the Department of Insurance of the State of Nebraska in the examination of Heartland Plains Health.
2. The Department of Insurance of the State of Nebraska is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of Heartland Plains Health 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.

Kimberly A Hurst  
Examiner-in-Charge's Signature

Subscribed and sworn before me by Kimberly A Hurst on this 2 day of April, 2014.

(SEAL)



TERRI A Keller  
Notary Public

My commission expires December 24, 2017 [date].