

AMENDMENT NO. 1 TO FORM A  
STATEMENT REGARDING THE ACQUISITION OF CONTROL  
OF OR MERGER WITH A DOMESTIC INSURER

Dentists Benefits Insurance Company

BY

The Dentists Insurance Company  
(Applicant)

Filed with the Department of Consumer and Business Services  
of the State of Oregon

October 7, 2016

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

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## AMENDMENT NO. 1 TO FORM A

### Item 1. INSURER AND METHOD OF ACQUISITION

#### *Item 1 is amended in the following manner:*

The Applicant filed a Form A Statement with the Oregon Department of Consumer and Business Services on July 11, 2016 (the "Original Form A"). All capitalized terms used in this Amendment No. 1 and not otherwise defined herein shall have the same meaning ascribed to them in the Original Form A.

As indicated in the Original Form A Statement, in addition to providing for the purchase by the Applicant of the DBIC Shares, the Stock Purchase Agreement also provides for the purchase of Moda's interest in NORDIC, an insurance company domiciled in the State of Washington. NORDIC is licensed to conduct business in Oregon. The current beneficial owners of NORDIC are Moda, which owns 75% of the outstanding common stock of NORDIC, and WSDA, which owns the remaining 25% of NORDIC's outstanding common stock. The Original Form A Statement and Stock Purchase Agreement provided for the purchase by the Applicant of Moda's 75% interest in NORDIC, with WSDA expected to retain its 25% interest in NORDIC.

It is now anticipated that, subject to the approval of the Washington Office of the Insurance Commissioner ("WA OIC"), NORDIC will redeem the common shares presently held by WSDA immediately prior to the Closing. As a result of this redemption, the Applicant's purchase of Moda's interest in NORDIC will result in the Applicant acquiring 100% of the issued and outstanding common stock of NORDIC. Immediately after the Closing, NORDIC will become the direct wholly-owned subsidiary of the Applicant and the indirect wholly-owned subsidiary of CDA.

To effect the transactions described above, the parties have or will enter into the following agreements:

1. ***Letter of Intent*** – A Letter of Intent has been entered into between Moda, WSDA, Moda Health Plan, TDIC and TDIC IS that provides for the redemption by NORDIC of all of the NORDIC outstanding common stock currently held by WSDA that comprises 25% of the total issued and outstanding shares of NORDIC.
2. ***Redemption Agreement*** – The parties are entering into a Redemption Agreement, as contemplated and described in the Letter of Intent, relating to the redemption by NORDIC of all of the NORDIC common stock currently held by WSDA.
3. ***Amendment to Stock Purchase Agreement*** – The parties are entering into an Amendment to the Stock Purchase Agreement to reflect the purchase by TDIC of all of NORDIC's outstanding common stock, rather than only the purchase of NORDIC's outstanding common stock currently held by Moda that represents 75% of NORDIC's total issued and outstanding shares.

A copy of the Letter of Intent is attached hereto as **Exhibit F** and incorporated herein by this reference. A copy of the Redemption Agreement, designated as **Exhibit G**, will be filed under separate cover as soon as it has been finalized. A copy of the Amendment to Stock Purchase Agreement, designated as **Exhibit A-1**, will be filed under separate cover as soon as it has been finalized.

Except as otherwise described herein, the information provided by the Applicant in Item 1 of the Original Form A remains unchanged.

**Item 2. IDENTITY AND BACKGROUND OF THE APPLICANT**

*Item 2 is amended in the following manner:*

An amended organizational chart showing the identities of and the interrelationships among the Applicant and its affiliates immediately following the Closing is attached hereto as **Amended Exhibit B-2** and incorporated herein by this reference.

Except as otherwise described herein, the information provided by the Applicant in Item 2 of the Original Form A remains unchanged.

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

The information provided by the Applicant in Item 3 of the Original Form A is unchanged and not amended.

**Item 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION**

*Item 4 is amended in the following manner:*

The Letter of Intent provides for the redemption by NORDIC of WSDA's 25% interest in NORDIC for \$4,597,213 (the "Redemption Amount"), payable in the form of an unsecured promissory note that will include a mandatory prepayment upon the closing of all transactions contemplated under the Stock Purchase Agreement. The Redemption Amount is subject to the same adjustments as is the Purchase Price described in the Stock Purchase Agreement.

The Amendment to the Stock Purchase Agreement will adjust the Purchase Price proportionally to reflect the Redemption Amount and the adjustments thereto.

Except as otherwise described herein, the information provided by the Applicant in Item 4 of the Original Form A remains unchanged.

**Item 5. FUTURE PLANS OF INSURER**

***Item 5 is amended in the following manner:***

The Business Plan, filed as Exhibit D to the Original Form A, indicates that the executive officers and directors of DBIC will be individuals who are either executive officers or directors of the Applicant or executive officers or trustees of CDA and for which biographical affidavits are attached as an exhibit to the Form A. The Applicant now anticipates that, in addition to these individuals, it is possible that the Applicant will invite one or more individuals presently serving on the current DBIC Board of Directors to serve on the newly formed DBIC Board of Directors after the Closing. When any such individuals have been selected by the Applicant, the Applicant will inform the Department of their identity.

Amended three-year financial statement projections for the Applicant designated as **Amended Exhibit D-2** contain confidential and proprietary information of the Applicant and will be filed confidentially under separate cover.

Except as otherwise described herein, the information provided by the Applicant in Item 5 of the Original Form A (including information included in Exhibit D) remains unchanged.

**Item 6. VOTING SECURITIES TO BE ACQUIRED**

The information provided by the Applicant in Item 6 of the Original Form A is unchanged and not amended.

**Item 7. OWNERSHIP OF VOTING SECURITIES**

The information provided by the Applicant in Item 7 of the Original Form A is unchanged and not amended.

**Item 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER**

The information provided by the Applicant in Item 8 of the Original Form A is unchanged and not amended.

**Item 9. RECENT PURCHASES OF VOTING SECURITIES**

The information provided by the Applicant in Item 9 of the Original Form A is unchanged and not amended.

**Item 10. RECENT RECOMMENDATIONS TO PURCHASE**

The information provided by the Applicant in Item 10 of the Original Form A is unchanged and not amended.

**Item 11. AGREEMENTS WITH BROKER-DEALERS**

The information provided by the Applicant in Item 11 of the Original Form A is unchanged and not amended.

**Item 12. FINANCIAL STATEMENTS AND EXHIBITS**

Attached hereto (except as otherwise noted) are the following additional or amended Exhibits:

Exhibit A-1: Amendment to Stock Purchase Agreement (to be filed under separate cover)

Amended Exhibit B-2: Amended Post-Closing Organizational Chart (replaces Exhibit B-2 as filed with Original Form A)

Amended Exhibit D-2:

Amended Three-Year Financial Statement Projections for Applicant  
(Confidential; to be filed under separate cover)

Exhibit F: Letter of Intent

Exhibit G: Redemption Agreement (to be filed under separate cover)

Except as otherwise described herein, the information provided by the Applicant in Item 12 of the Original Form A remains unchanged.

**Item 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT**

The information provided by the Applicant in Item 13 of the Original Form A is unchanged and not amended.

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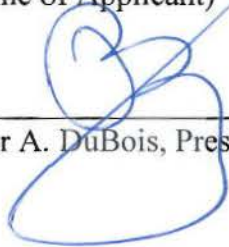
**Item 14. SIGNATURE AND CERTIFICATION**

**SIGNATURE**

Under the requirements of ORS 732.517 to 732.592, The Dentists Insurance Company has caused this Amendment No. 1 to the application to be duly signed on its behalf in the City of Sacramento and State of California on the 7<sup>th</sup> day of October, 2016.

THE DENTISTS INSURANCE COMPANY  
(Name of Applicant)

Attest: \_\_\_\_\_  
Peter A. DuBois, President & CEO



**CERTIFICATION**

The undersigned deposes and says that he has duly executed the attached Amendment No. 1 to the application dated October 7, 2016, for and on behalf of The Dentists Insurance Company, that he is the CFO 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.

  
\_\_\_\_\_  
Kevin Roach, CFO