

MARYLAND INSURANCE *
COMMISSIONER *
200 ST. PAUL PLACE, SUITE 2700 *
BALTIMORE, MARYLAND 21202 *

V. *

EVERGREEN HEALTH, *
INC. *
NAIC #15090 *
3000 FALLS ROAD *
BALTIMORE, MD 21211 *

CASE NO: MIA-2017-07-041

* * * * *

ORDER

This Order is issued pursuant to §§ 2-204, 9-101, 9-102 and 9-103 of the Insurance Article.

1. Evergreen Health, Inc. ("Evergreen Health") is licensed as a health maintenance organization ("HMO") in the State of Maryland. Evergreen Health was issued a Certificate of Authority on March 28, 2013.
2. As an HMO, Evergreen Health is required to maintain capital surplus in compliance with Maryland law. See Md. Code Ann. Health Gen. Art. § 19-710(d). Section 9-102(a) of the Insurance Article, Annotated Code of Maryland, sets forth the factors that the Maryland Insurance Commissioner ("Commissioner") may review when considering whether the continued operation of an authorized insurer, including an HMO, would be hazardous to policyholders or creditors or the general public.
3. Pursuant to §9-102(a), the Commissioner has determined that Evergreen Health is in a financially hazardous condition based on the Commissioner's review of Evergreen Health's financial statements, the Commissioner's own examination of the company's financial affairs and after extensive discussions with the company. See e.g. Md. Code Ann. Ins. Art. § 9-102(a)(16) and (20).
4. In order to improve the financial condition of the company, Evergreen Health filed an application with the MIA on May 1, 2017 for the conversion of Evergreen Health from a nonprofit entity to a for-profit entity in connection with the acquisition of Evergreen Health by JARS Health Investments, LLC, Anne Arundel Health System,

Inc., and LBH Evergreen Holdings, LLC. (the "conversion/acquisition" transaction). After a public hearing on the matter, the Commissioner approved the conversion/acquisition on June 14, 2017. At the time of the approval, the expected date of closing for the transaction was June 30, 2017. The expected date of closing was subsequently extended to a date no later than July 31, 2017.

5. On July 24, 2017, the investors informed the MIA that they were terminating the process of acquiring the company. Therefore, in order to protect the public, the Commissioner is immediately instituting the following controls on the company.

NOW, THEREFORE, IT IS HEREBY ORDERED this 25th day of July, 2017 that:

- A. Effective immediately, Evergreen Health shall not make *any* disbursement, payment, or transfer of assets without the prior approval of the Commissioner.
- B. Effective immediately, Evergreen Health shall cease from offering or issuing any new large or small group health insurance policies and renewing any existing large or small group health insurance policies without the prior approval of the Commissioner.

signature on original

ALFRED W. REDMER, JR.

Insurance Commissioner for the State of Maryland

RIGHT TO REQUEST A HEARING

Pursuant to § 2-210 of the Insurance Article and COMAR 31.02.01.03, a person aggrieved by this Order may request a hearing on this Order. This request must be in writing and be received by the Commissioner within thirty (30) days of the date of the letter accompanying this Order.

Pursuant to § 2-212 of the Insurance Article, however, the Order shall be stayed pending a hearing only if a demand for hearing is received by the Commissioner within ten (10) days after the Order is issued.

The request for hearing must be made in writing. The request must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, ATTN: Hearing and Appeals Coordinator. Failure to request a hearing timely or to appear at a scheduled hearing will result in a waiver of your rights to contest this Order and the Order shall be final on its effective date.