



E GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD OF 2025 ()

IN THE MATTER OF SECTIONS 86 AND 87 OF THE COMPANIES ACT (2025 REVISION)

**AND IN THE MATTER OF CENTRA PROFESSIONAL INDEMNITY (SPC), LTD., ADVOCATE
INSURANCE SPC AND AURORA LIABILITY ASSURANCE, LTD.**

PETITION

To: The Grand Court of the Cayman Islands

This humble petition (the ***Petition***) of Centra Professional Indemnity (SPC), Ltd. (***CPI***), Advocate Insurance SPC (***AISPC***) and Aurora Liability Assurance, Ltd. (***ALAL***), (collectively, ***the Petitioners***), all c/o Strategic Risk Solutions (Cayman) Limited, P.O. Box 1159, Caribbean Plaza, 2nd Floor, North Building, 878 West Bay Road, Grand Cayman, Cayman Islands shows that:

OBJECT OF PETITION

- 1 The Petitioners intend to promulgate a scheme of arrangement (the ***Scheme***) between it and the Petitioners' members (the ***Scheme Members***) for the amalgamation of CPI and AISPC with and into ALAL pursuant to sections 86 and 87 of the Companies Act (2025 Revision) (***Merger***).

- 2 The object of the Petition is to seek the sanction of this Honourable Court of the Scheme between the Petitioners and the Scheme Members pursuant to section 86 of the Companies Act. A copy of the draft Scheme is exhibited to the First Affirmation of Brett Jared Denton and has been sent to the Scheme Members.

INTRODUCTION*CPI*

- 3 CPI was incorporated as an exempted company on 14 November 1995 and converted to a Segregated Portfolio Company in April 2013. It holds a Class B(i) insurance licence under the Insurance Act 2010 (Cayman) (***Insurance Act***).
- 4 The present authorised share capital of CPI is US\$50,000 divided into 25,000 Ordinary Shares of US\$1.00 par value each and 25,000 Segregated Portfolio Shares of US\$1.00 par value each. No Segregated Portfolio Shares have been issued and there are currently no segregated portfolios with all business written in the Core. 17,000 Ordinary Shares have been issued to Navicent Health, Inc. and are fully paid. Navicent Health, Inc, is the sole shareholder.
- 5 There are no limitations on the business that CPI may carry on, save for any requirement to hold a license under the laws of the Cayman Islands, and to conduct its operations as an exempted company subject to the provisions of Section 174 of the Companies Act.

AISPC

- 6 AISPC was originally incorporated as an exempted company known as Ravenswood Health Care Insurance Corporation in 1988 and subsequently changed its name to Advocate Health Care Insurance Company. On 1 July 2002, AISPC converted to a Segregated Portfolio Company and changed its name to Advocate Insurance SPC. It holds a Class B(i) insurance licence under the Insurance Act.
- 7 The present authorised share capital of AISPC is US\$900,000 divided into 900,000 shares of US\$1.00 par value each. 120,000 of such authorised shares have been designated as Voting Ordinary Shares and are owned by Advocate Health and Hospitals Corporation and are fully paid. Advocate Health and Hospitals Corporation is the sole shareholder. AISPC has one segregated portfolio - Dreyer Segregated Portfolio. 100,000 of the authorised shares were designated as Preferred Non-Voting Shares and have been issued to Advocate Health and Hospitals Corporation in respect of the Dreyer Segregated Portfolio, and are fully paid.
- 8 AISPC's registered office is at Strategic Risk Solutions (Cayman) Limited, P.O. Box 1159, Caribbean Plaza, 2nd Floor, North Building, 878 West Bay Road, Grand Cayman KY1-1101, Cayman Islands. The Company is registered as a Segregated Portfolio Company.

- 9 There are no limitations on the business that AISPC may carry on, save for any requirement to hold a license under the laws of the Cayman Islands, and to conduct its operations as an exempted company subject to the provisions of Section 174 of the Companies Act.

ALAL

- 10 ALAL was formed as an exempted company in May 2003, and holds a Class B(i) insurance licence under the Insurance Act 2010.
- 11 The present authorised share capital of ALAL is US\$50,000 divided into 1,000,000 Ordinary Shares of US\$0.05 par value each. 120,000 of such authorised shares have been designated as Ordinary Voting Shares and are owned by Advocate Aurora Health, Inc. and are fully paid. Advocate Aurora Health, Inc. is the sole shareholder.
- 12 ALAL's registered office is at Strategic Risk Solutions (Cayman) Limited, P.O. Box 1159, Caribbean Plaza, 2nd Floor, North Building, 878 West Bay Road, Grand Cayman KY1-1101, Cayman Islands.
- 13 There are no limitations on the business that ALAL may carry on, save for any requirement to hold a license under the laws of the Cayman Islands, and to conduct its operations as an exempted company subject to the provisions of Section 174 of the Companies Act.

BUSINESS OF THE PETIONERS

- 14 Advocate Health is one of the largest non-profit integrated health systems in the United States created when Advocate Aurora Health and Atrium Health merged on 2 December 2022. Advocate Aurora Health was itself the product of a prior merger between Advocate Health Care and Aurora Health Care in 2017. Headquartered in Charlotte, North Carolina, Advocate Health has a combined footprint across six US states: Alabama, Georgia, Illinois, North Carolina, South Carolina and Wisconsin and maintains a strong organisational presence in Chicago and Milwaukee.
- 15 Through its various mergers and joint ventures, Advocate Health, now directly or indirectly owns or controls CPI, AISPC and ALAL, all of which are licensed captive insurance companies domiciled in the Cayman Islands providing professional liability, general liability and certain other insurance coverages to Advocate Health group companies and affiliates. Now that the shareholders of the Companies are all part of the same corporate group, it has been proposed

that the Companies be consolidated to take advantage of the cost savings from the economies of scale and the simplified administrative and management structure which results.

CURRENT CAPTIVE OPERATIONS

- 16 CPI is directly owned by Navicent Health, Inc. which in turn is owned by AH Georgia, Inc. AH Georgia, Inc is owned by The Charlotte-Mecklenburg Hospital Authority, which is affiliated with and controlled by Atrium Health, Inc (see Organisational Chart at Appendix G of the draft Scheme). There are currently no segregated portfolios, and all business is written out of the Core. CPI writes certain professional and general liability insurance as well as workers compensation, cyber and certain other coverages for its parent and group affiliates.
- 17 AISPC was originally incorporated as an exempted company known as Ravenswood Health Care Insurance Corporation in 1988 and subsequently changed its name to Advocate Health Care Insurance Company. On 1 July 2002, AISPC converted to a Segregated Portfolio Company and changed its name to Advocate Insurance SPC. It holds a Class B(i) insurance licence under the Insurance Act. AISPC is directly owned by Advocate Health and Hospitals Corporation, which owns all ordinary (Core) shares and all non-voting SP Shares in the Dryer Segregated Portfolio. Advocate Health and Hospitals Corporation is owned by Advocate Health Care Network, which in turn is owned by Advocate Aurora Health, Inc. (see Organisational Chart at Appendix H of the draft Scheme). The AISPC Core writes certain professional and general liability insurance for its parent and group affiliates. The Dryer Segregated Portfolio writes certain professional liability risks for employed or affiliated physicians.
- 18 ALAL was formed as an exempted company in May 2003, and holds a Class B(i) insurance licence under the Insurance Act. ALAL is directly owned by Advocate Aurora Health, Inc. (see Organizational Chart at Appendix H of the draft Scheme), and writes certain professional and general liability insurance as well as managed care, errors and omissions, pharmacy, physician professional liability and other coverages for its parent and group affiliates.

PURPOSE OF THE SCHEME OF ARRANGEMENT

- 19 The purpose of the Scheme of Arrangement is to consummate the Merger, which has been unanimously approved by the boards of directors of each of the petitioning companies. It has been proposed that the Scheme Companies be consolidated to take advantage of the cost savings from the economies of scale and the simplified administrative and management structure which will result.

- 20 Since there is no likely opposition and all of the companies are in agreement, the Petitioners are desirous for an abridged timetable for the Merger (as set out in section 25 below), subject always to the availability of the Court.
- 21 The Merger will be achieved by the steps summarised below.
- 22 The Merger will be implemented by a scheme of arrangement of CPI and AISPC with and into ALAL under sections 86 and 87 of the Act, as set out in the draft Scheme. The draft Scheme provides for the following steps:
- (a) the transfer to ALAL of the CPI Residual Operations and the AISPC Residual Operations (as defined in the Scheme) and the assumption by ALAL of all CPI Liabilities and the AISPC Liabilities (also as defined in the Scheme);
 - (b) all legal proceedings in the Cayman Islands and elsewhere issued by or against CPI and AISPC to be continued by or against ALAL; and
 - (c) the dissolution of CPI and AISPC.
- 23 The Scheme is conditional upon:
- (a) approval of the Merger upon the terms and conditions of the Scheme by resolution of the board of directors of CPI, AISPC and ALAL; on 15 October 2025 the respective boards of directors of CPI, AISPC and ALAL approved the terms of the Merger between the companies by way of the Scheme;
 - (b) approval by CIMA of the Merger and dissolution of CPI and AISPC;
 - (c) there occurring no event or there becoming apparent to the Companies no fact which would or would be likely to impose any material limitation, delay or restriction on the Merger or its implementation. The directors of each of the Companies are, as of the date of this Petition, not aware of any such events or facts; and
 - (d) approval of the shareholder(s) of each company by the passing of a resolution at the relevant Court Meeting. The resolution must be approved by an authorised representative of the shareholders, present and voting, either in person or by proxy.

SCHEME MEMBERS

24 The “Scheme Members” who will be entitled to vote in respect of the Scheme are the respective shareholders of each of CPI, AISPC and ALAL as at the date of the relevant Court Meeting. For the avoidance of doubt:

- (a) at the Court Meeting of CPI, Navicent Health, Inc. is entitled to vote being the sole shareholder of CPI;
- (b) at the Court Meeting of AISPC, Advocate Health and Hospitals Corporation is entitled to vote being the sole shareholder of AISPC; and
- (c) at the Court Meeting of ALAL, Advocate Aurora Health, Inc. is entitled to vote being the sole shareholder of ALAL.

PROPOSED TIMETABLE

25 Section 7 of the draft Explanatory Statement provides the following proposed timetable for the principal events in relation to the Court Meetings and the application to the Petitioners’ application for sanction of the Scheme:

Explanatory Statement to be distributed to the Scheme Members	15 October 2025
Latest date for return of forms of proxy for Court Meetings	4pm Cayman Islands time on 28 October 2025
Court Meetings	29 October 2025
Court hearing of petition to sanction the Scheme	On or about 19 November 2025
Earliest Effective Date of the Scheme	20 November 2025

ORDERS AND DIRECTIONS

26 The Scheme Companies intend to make an application for, among other things, orders and directions:

- (a) That the relevant members entitled to vote at each Court Meeting are those as referred to and detailed at paragraph 24 above.
- (b) That each of CPI, AISPC and ALAL be at liberty to convene a single meeting of the Scheme Members (i.e. the Court Meetings) for the purpose of allowing the Scheme Members to consider and, if thought fit, approve the Scheme, with or without modification, addition or condition approved or imposed by this Honourable Court, the Scheme.
- (c) The Court Meetings shall be held on 29 October 2025 at the offices of Strategic Risk Solutions (Cayman) Limited (***Strategic Risk Solutions***), which is the registered office for the three Scheme Companies.
- (d) The Chairperson – who shall be a representative from Strategic Risk Solutions – shall be permitted to fix the time for determining who is entitled to vote and the latest time to receive a proxy form as 4pm on 28 October 2025.
- (e) Prior to the Court Meetings, notice of the Court Meetings (which will include the explanatory statement and the scheme documents) shall be circulated to the shareholders.
- (f) Within 7 days of the Court Meetings, the chairperson will file an affidavit verifying that notice of the Court Meetings was duly sent and setting out the results of the Court Meetings.
- (g) The sanction hearing be listed for 19 November 2025.

27 The Scheme Companies acknowledge that the proposed timetable for providing notice and between the Court Meetings and the sanction hearing is condensed. However, no prejudice should arise from the shortened timetable. The directors and shareholders of each Scheme Company are aligned in their support of the Scheme and share a common objective of completing the internal restructuring as quickly and efficiently as possible. There are no dissenting stakeholders, and no opposition to the Scheme is anticipated.

COURT MEETINGS

28 It is proposed that the Scheme Members be summoned to meetings (the Court Meetings) to be held as follows:

- (a) CPI Court Meeting at 9am on 29 October 2025 at Strategic Risk Solutions' office in the Cayman Islands;
- (b) AISPC Court Meeting at 9.30am on 29 October 2025 at Strategic Risk Solutions' office in the Cayman Islands; and
- (c) ALAL Court Meeting at 10am on 29 October 2025 at Strategic Risk Solutions' office in the Cayman Islands.

29 The resolutions proposed for approval at the Court Meetings are intended to be as follows:

"1. THAT this Court Meeting approves without modification the arrangement proposed between the Company and its members for the merger transaction to be effected by scheme or arrangement."

YOUR PETITIONERS THEREFORE HUMBLY PRAY THAT:

- 1 The Scheme be approved at the Court Meetings to be convened and held at the direction of this Honourable Court be sanctioned by this Honourable Court pursuant to section 86(2) of the Companies Act so as to be binding on the Company and the Scheme Members;
- 2 All the property, assets and rights of CPI and AISPC vest in and become the property, assets and rights of ALAL;
- 3 The liabilities and obligations of CPI and AISPC become liabilities and obligations of and enforceable against ALAL;
- 4 Proceedings against CPI and AISPC be continued by or against ALAL;
- 5 CPI and AISPC be dissolved without being wound up;

6 this end, all necessary inquiries may be made and directions may be made and given;

7 Such further or other relief may be granted as this Honourable Court sees fit.

Harney Westwood & Riegels (Cayman) LLP

Harney Westwood & Riegels (Cayman) LLP
Attorneys-at-law for the Petitioner

THIS PETITION was presented by Harney Westwood & Riegels (Cayman) LLP, Attorneys-at-Law for the Petitioners, whose address for service is 3rd Floor, Harbour Place, 103 South Church Street, PO Box 11088, Grand Cayman KY1-1008, Cayman Islands (Ref: BPH/CDM/067605.0001).

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Court, George Town, Grand Cayman, Cayman Islands on _____ at _____ am/pm.

Any correspondence or communication with the Court relating to the hearing of this Petition should be addressed to the Registrar of the Financial Service Division of the Grand Court at PO Box 495, George Town, Grand Cayman KY-1106, Cayman Islands; Tel: 3459494296