

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 60503 OF 2008

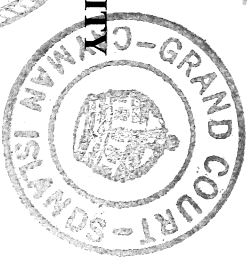
IN THE MATTER OF THE COMPANIES LAW (2007 REVISION)

AND

IN THE MATTER OF CLEVELAND CLINIC HEALTH SYSTEM COMMUNITY HOSPITAL INSURANCE PROGRAM

PETITION

To the Grand Court of the Cayman Islands



The humble Petition of Cleveland Clinic Health System Community Health Insurance Program (“CHIP”) of Marsh Management Services Cayman Ltd., Governor’s Square, Building 4, 2nd floor, 23 Lime Tree Bay Avenue, PO Box 1051, Grand Cayman KY1-1102, Cayman Islands shows that:

1. The object of this Petition is to seek the sanction of the Court for a Scheme of Arrangement (“the Scheme”) pursuant to Sections 86 and 87 of the Companies Law (2007 Revision) (“the Law”) between the above named CHIP and the sole shareholder of CHIP, The Cleveland Clinic Foundation (“CCF”), for the merger of CHIP with CCHS Indemnity Co., Ltd. (“CCHSICo”). CCF also owns the entire issued share capital of CCHSICo.
2. CCF, an Ohio non profit corporation, was founded in 1921 as a not-for profit group practice, integrating clinical and hospital care with research and physician education.

- CCF has more than 1,600 salaried physicians on staff, representing approximately 120 specialties and sub-specialties.
3. In addition to The Cleveland Clinic, CCF also operates an extensive system of community hospitals in the greater Cleveland area, namely, Fairview Hospital, Lakewood Hospital, Lutheran Hospital, Marymount Hospital, Euclid Hospital, Hillcrest Hospital, Huron Hospital, South Pointe Hospital and the Children's Hospital for Rehabilitation (the "Community Hospitals"). The Cleveland Clinic and the Community Hospitals comprise the Cleveland Clinic Health System ("CCHS").
 4. In 1997, CCF set up CCHSICO to insure the risks of the Cleveland Clinic and its employed physician group. CCHSICO is an exempted limited liability company that was incorporated under the Companies Law of the Cayman Islands on 23 December 1997 and commenced operations on 1 January 1998 under the terms of an unrestricted Class B Insurer's Licence pursuant to the Insurance Law (2008 Revision) of the Cayman Islands to insure the risks of the Cleveland Clinic and its employed physician group. The present authorised share capital of CCHSICO is US\$2,000,000 divided into 2,000,000 shares, each share having a par value of US\$1.00. 120,000 ordinary shares have been issued (all to CCF) and are fully paid. The registered office of CCHSICO is at the offices of Marsh Management Services Cayman Ltd., Governor's Square, Building 4, 2nd Floor, 23 Lime Tree Bay Avenue, PO Box 1051, Grand Cayman KY1-1102, Cayman Islands.
 5. It was subsequently determined that the risks of the Community Hospitals (and their employed physicians) were different from the risks of the main Cleveland Clinic campus facilities and its employed physician group, and the desire to separate these risks from the

- main risks of The Cleveland Clinic led to the formation of CHIP to provide insurance coverage to the Community Hospitals.
6. CHIP is an exempted limited liability company that was incorporated under the Companies Law of the Cayman Islands on 8 June 2004 and holds an unrestricted Class B Insurer's Licence under the Insurance Law (2008 Revision) of the Cayman Islands. The present authorised share capital of CHIP is US\$750,000 divided into 750,000 shares, each share having a par value of US\$1.00. 120,000 ordinary shares have been issued (all to CCF) and are fully paid. The registered office of CHIP is at the offices of Marsh Management Services Cayman Ltd., Governor's Square, Building 4, 2nd floor, 23 Lime Tree Bay Avenue, PO Box 1051, Grand Cayman KY1-1102, Cayman Islands.
7. As CCHS has become more integrated, the need to separate insurance programs for the Community Hospitals and the main campus at The Cleveland Clinic has lessened. It was determined that all insurance coverages provided by CHIP can also be provided by CCHSICO. Additionally, through consolidation of the insurance programs and simplification of the administration and management process, CCF, through CCHSICO, will be able to provide more efficient and cost effective insurance coverage to all of its insureds. CCF now wants to rationalise its captive insurance program within a single captive insurance company by merging the residual operations of the business and undertaking of CHIP ("CHIP Residual Operations") into CCHSICO, transferring all of CHIP's liabilities ("CHIP Liabilities") to CCHSICO and dissolving CHIP.
8. The proposed Scheme has the following features, *inter alia*:

- a) The merger will be implemented by a scheme of arrangement between CHIP and CCF pursuant to Sections 86 and 87 of the Law for a merger of CHIP with CCHSiCo.
- b) When the Scheme becomes effective (“Effective Date”), the CHIP Residual Operations will be merged into CCHSiCo. On the Effective Date and subject to the order of the Court, CCHSiCo shall, pursuant to section 87(1)(a) of the Law, assume the CHIP Liabilities, whether relating to a period before or after the Effective Date, and shall discharge the CHIP Liabilities in accordance with the relevant obligations relating thereto, and as from and including the Effective Date, CHIP shall have no continuing obligations in relation to any of the CHIP Liabilities.
- c) CHIP will become a dormant company and within 60 days after the Effective Date and subject to the Order of the Court, CHIP will be dissolved.

YOUR PETITIONER THEREFORE HUMBL Y PRAYS:

1. That the Scheme set out in the Affidavit in support to be filed herein be sanctioned by the Court so as to be binding on CHIP and its sole Shareholder, CCF;
2. Such other Orders as this Honourable Court deems fit.

AND your Petitioner will ever pray etc.

DATED the 24th day of October 2008

Sebara Harris

**SOLOMON HARRIS
ATTORNEYS-AT-LAW FOR THE
PETITIONER**

NOTE: This Petition is not intended to be served.

TIME ESTIMATE: The estimated length of the hearing of this Petition is 30 minutes.

NOTICE OF HEARING

This Petition having been presented to the Court on the day of October 2008 will be heard at the Court House, George Town, Grand Cayman on the day of 2008 in the forenoon/afternoon, or as soon thereafter as the Petition can be heard.

THIS PETITION is presented by **SOLOMON HARRIS** of 3rd Floor, FirstCaribbean House, P.O. Box 1990, Grand Cayman KY1-1104, Cayman Islands, Attorneys-at-law for and on behalf of the Petitioner whose address for service is that of its said Attorneys-at-law.