

STATE OF INDIANA )  
 ) SS: BEFORE THE INDIANA  
COUNTY OF MARION ) COMMISSIONER OF INSURANCE

IN THE MATTER OF: )  
 )  
**Coordinated Care Corporation** )  
**550 N. Meridian Street, Suite 101** )  
**Indianapolis, Indiana 46204-1041** )

Examination of: **Coordinated Care Corporation**


**NOTICE OF ENTRY OF ORDER**

Enclosed is the Final Order entered by Amy L. Beard, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of Coordinated Care Corporation, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as amended by the Final Order, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of Coordinated Care Corporation, shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

June 26, 2023  
Date

  
Roy Eft  
Chief Financial Examiner

**CERTIFIED MAIL NUMBER: 7019 0700 0000 3590 2782**

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**550 N. Meridian Street, Suite 101** )  
**Indianapolis, Indiana 46204-1041** )

Examination of: **Coordinated Care Corporation**

### FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Coordinated Care Corporation (hereinafter “Company”) for the time period January 1, 2019 through December 31, 2021.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter “Commissioner”) by the Examiner on June 15, 2023

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on June 5, 2023» and was received by the Company on June 5, 2023

On June 5, 2023 pursuant to Ind. Code § 27-1-3.1-10, the Company filed a response to the Verified Report of Examination. The Commissioner has fully considered the Company’s response.

NOW THEREFORE, based on the Verified Report of Examination and the response filed by the Company, the Commissioner hereby FINDS as follows:

1. The suggested modifications to the Verified Report of Examination submitted by the Company are reasonable and shall be incorporated into the Verified Examination Report. A copy of the Verified Report of Examination, as amended, is attached hereto.

2. The Verified Report of Examination, as amended, is true and accurate report of the financial condition and affairs of the Company as of December 31, 2021
3. The Examiners' recommendations are reasonable and necessary in order for the Company to comply with the insurance laws of the state of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, as amended, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.
2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination, as amended. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.
3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed this 26 day of  
June, 2023.

  
\_\_\_\_\_  
Amy L. Beard  
Insurance Commissioner

## **ABOUT AFFIRMATIONS**

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

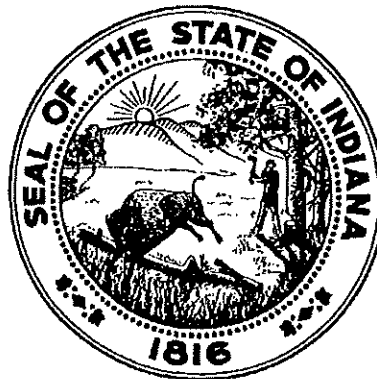
If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

**STATE OF INDIANA**  
**Department of Insurance**  
**REPORT OF EXAMINATION**  
**OF**  
**Coordinated Care Corporation**  
NAIC Co. CODE 95831  
NAIC GROUP CODE 1295

As of

December 31, 2021



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# STATE OF INDIANA

ERIC J. HOLCOMB, GOVERNOR

## Indiana Department of Insurance

Amy L. Beard, Commissioner  
311 W. Washington Street, Suite 103  
Indianapolis, Indiana 46204-2787  
Telephone: 317-232-2385  
Fax: 317-232-5251  
Website: [in.gov/idoi](http://in.gov/idoi)

June 15, 2023

Honorable Amy L. Beard, Commissioner  
Indiana Department of Insurance  
311 West Washington Street, Suite 300  
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 4113, an examination has been made of the affairs and financial condition of:

**Coordinated Care Corporation  
550 N. Meridian Street, Suite 101  
Indianapolis, Indiana 46204-1041**

hereinafter referred to as the "Company," or "CCC," an Indiana domestic stock, health maintenance organization (HMO). The examination was conducted remotely with assistance from the Company in Indianapolis, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2021, is hereby respectfully submitted.

ACCREDITED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES 317-232-2389	COMPANY COMPLIANCE 317-232-3495	CONSUMER SERVICES 317-232-2395/1-800-622-4461	FINANCIAL SERVICES 317-232-2390	MEDICAL MALPRACTICE 317-232-2402	COMPANY RECORDS 317-232-5692	STATE HEALTH INSURANCE PROGRAM 1-800-452-4800
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## SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) and covered the period from January 1, 2016 through December 31, 2018. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2019 through December 31, 2021, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

The examination of the Texas domestic insurance companies of Centene Corporation (Centene) was called by the Texas Department of Insurance (TDI) in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. The TDI served as the lead state on the examination, and the INDOI and the Florida Office of Insurance Regulation served as participants.

The INDOI contracted with Kirk Braunius, ASA, MAAA of Merlinos & Associates to provide all actuarial services for the group throughout the examination and conducted a review of the group's actuarial related risks as of December 31, 2021.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination, an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, as mentioned in the Indiana Code (IC) 27-1-3.1-10 and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

## HISTORY

The Company, d/b/a Managed Health Services (MHS), was organized in 1994 as a network model HMO. The Company is a wholly-owned subsidiary of Centene, a Delaware stock corporation. Centene is a publicly traded company and a fully integrated managed care corporation that provides government-sponsored services in multiple states and is headquartered in St. Louis, Missouri. The Company is a for-profit HMO licensed in Indiana and is approved to operate as a Qualified Health Plan on the state of Washington Health Insurance Marketplace (HIM).

In January 2014, the Company began providing health plan coverage to individuals in Indiana and Washington through the federally facilitated and state-based HIM and began serving Medicaid expansion enrollees in Washington. The HIM line of business continued in 2015. However, effective July 1, 2015, Indiana HIM business was assumed by affiliate Celtic Insurance Company (Celtic). Beginning January 1, 2016, Celtic writes the HIM business directly in Indiana. The Company continues to write Washington HIM business.



## CAPITAL AND SURPLUS

Centene owned 100% of the Company's issued and outstanding stock as of the examination date. There were 1,000,000 authorized shares of common stock, of which 1,000 shares were issued and outstanding. The common stock has no par value. The Company had no preferred stock outstanding.

## DIVIDENDS TO STOCKHOLDERS

The Company paid the following dividends to Centene during the examination period:

<u>Year</u>	<u>Total</u>	<u>Ordinary Dividends</u>	<u>Extraordinary Dividends</u>
2021	\$ -	\$ -	\$ -
2020	-	-	-
2019	<u>20,000,000</u>	<u>20,000,000</u>	-
Total	\$ 20,000,000	\$ 20,000,000	\$ -

In accordance with IC 27-1-23-4(h), the payment of dividends to holding companies or affiliated insurers may not exceed the greater of 10% of the prior year's surplus or the net income of such insurer of the prior year. The Company paid one (1) ordinary dividend during the examination period which did not require prior regulatory approval. In accordance with IC 27-1-23-1.5, the Company notified the INDOI of all declared dividends to the parent during the examination period.

The Company received capital contributions from Centene of \$101,000,000 in 2021 and \$5,000,000 in 2020.

## TERRITORY AND PLAN OF OPERATION

The Company arranges for the delivery of healthcare services to Indiana Medicaid and Medicare clients. The Company contracts with physicians and other providers of healthcare services pursuant to a discounted fee for services arrangements. An open referral network is provided by the Company, and members may go to any accredited Medicaid provider for services within the network. The Company has capitation and fee for service contracts with primary care providers. The capitated providers are at risk for the cost of medical care services provided to enrollees; however, the Company could be responsible for the provision of services to its enrollees should the capitated providers be unable to provide the contracted services.

The Company was awarded a contract from the Office of Medicaid Policy and Planning (OMPP) for its Indiana Medicaid business, effective January 1, 2017. A new contract was awarded in January, 2022. The Company serves Hoosier Care Connect, Healthy Indiana Plan 2.0, Hoosier Healthwise (HHW), the children enrolled in Indiana Children's Health Insurance Program under the HHW program, and a Medicare Advantage Prescription Drug Plan in Indiana.

The Company's contract with the Centers for Medicare and Medicaid Services (CMS) is renewable annually for successive one (1) year terms.

In March 2011, the Company was issued a Certificate of Registration by the state of Washington. In 2012, the Company began operating under a new contract with the Washington Health Care Authority which serves Medicaid beneficiaries as well as comprehensive members. Effective January 2015, the Company no longer serves

Washington Medicaid beneficiaries as this contract transitioned to affiliate Coordinated Care of Washington, Inc. The only remaining business in Washington is exchange business.

<u>Premiums Earned (in Millions)</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
OMPP – Indiana Medicaid	\$ 1,790.8	\$ 1,587.8	\$ 1,456.9
CMS – Indiana Medicare	\$ 43.8	\$ 17.4	\$ 13.0
Washington – HIM and Medicaid	\$ 218.6	\$ 242.1	\$ 295.0
<i>Annual Statement Pg. 4 ln 2*</i>	\$ 2,053.2	\$ 1,847.4	\$ 1,764.8

*\*Adjusted for immaterial rounding differences*

### GROWTH OF THE COMPANY

The following table summarizes the financial results, of the Company during the examination period:

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Capital and Surplus</u>	<u>Total Revenues</u>	<u>Net Income</u>
2021	\$ 777,849,098	\$ 571,139,455	\$ 206,709,643	\$ 2,053,283,923	\$ (77,741,734)
2020	616,271,979	428,689,356	187,582,623	1,847,366,941	(34,193,663)
2019	504,774,339	298,921,156	205,853,183	1,764,842,367	22,522,340

*\*Adjusted for immaterial rounding differences*

The decrease in total capital and surplus in 2020 was associated with overall net losses which were attributed to lower utilization rates due to the COVID-19 pandemic. The Company’s parent provided a capital contribution in 2021 to assist with offsetting the increased losses in 2021 still stemming from lower utilization rates due to the pandemic.

### MANAGEMENT AND CONTROL

#### Directors

The Bylaws provide that the business affairs of the Company are to be managed by a Board of Directors (Board) consisting of Class A and Class B directors. The Board shall consist of at least three (3) Class A directors and may include such a number of Class B directors, if any, as may from time to time be determined by the shareholders. The actual number of directors at or above the minimum serving for each of Class A and Class B from time to time shall be determined by resolution of the Class A directors or by the shareholders; however, no decrease in the number of directors shall have the effect of shortening the term of any incumbent director. At least one (1) of the directors must be a resident of Indiana.

The following is a listing of persons serving as directors as of December 31, 2021, and their principal occupations as of that date:

Name and Address	Principal Occupation
Bennett Benito Desadier MD Carmel, Indiana	Physician Comprehensive OB/GYN, Inc.
Marco Antonio Dominguez Indianapolis, Indiana	Assistant Vice President, Community Relations & Outreach Financial Center First Credit Union
Thomas William Heniff MD Lebanon, Indiana	President Boone County Emergency Medicine
Suresh Kumar Lohano MD Washington, Indiana	Medical Director Daviness Community Hospitalist Program
Diane Marie Maas South Bend, Indiana	Chief Planning and Business Development Officer Beacon Health Systems
Stephen Curtis McCaffery Indianapolis, Indiana	President and Chief Executive Officer Mental Health America of Indiana
Charles Michael Miramonti MD Indianapolis, Indiana	Senior Medical Director Community Health
Kevin Michael O'Toole Indianapolis, Indiana	President and Chief Executive Officer Coordinated Care Corporation
Geoffrey Lawrence Petrie Indianapolis, Indiana	Assistant Vice President Texas Children's Health Plan
Rev. Rodric Kimberly Reid Indianapolis, Indiana	President Alliance for Northeast Unification
Janet Seabrook MD Gary, Indiana	Chief Executive Officer Community HealthNet, Inc.
LaQuia Annette Walker Vinson DDS Indianapolis, Indiana	Residency Program Director Indiana University-Purdue University, Indianapolis
John Joseph Wernert MD Louisville, Kentucky	Executive Medical Director Norton Medical Group
William Joseph Wilson Indianapolis, Indiana	Chief Financial Officer Managed Health Services
Beth Anne Wrobel Valparaiso, Indiana	Chief Executive Officer HealthLine

## Officers

The Company's Bylaws state that the officers of the Company may be elected or appointed by the Board or by a duly elected or appointed officer if authorized by the Board. Such duly elected or appointed officer may simultaneously hold more than one (1) office in the Company. The Board, at its first meeting after each annual meeting of shareholders, shall choose a President, a Secretary, and a Treasurer. Any two (2) or more offices may be held by the same person, and none of the officers need be a member of the Board. The Board may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board or by an officer authorized by the Board.

The following is a list of key officers and their respective titles as of December 31, 2021:

<u>Name</u>	<u>Office</u>
Kevin Michael O'Toole	President and Chief Executive Officer
Geoffrey Lawrence Petrie	Secretary
James Edward Snyder III	Vice President and Treasurer
Christopher Andrew Koster	Assistant Secretary
Tricia Lynn Dinkelman	Vice President
Elizabeth Baier Johnson	Vice President

## **CONFLICT OF INTEREST**

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that not all of the directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of December 31, 2021. See the Other Significant Issues section of this Report of Examination.

## **CORPORATE RECORDS**

### Articles of Incorporation

There was one (1) amendment made to the Articles of Incorporation during the examination period effective December 22, 2021. It includes two (2) major changes:

1. The incorporator paragraph was removed.
2. Three (3) paragraphs were added: purpose, board of directors, and limitation of liability and indemnification of officers and directors.

### Bylaws

There was one (1) amendment made to the Bylaws during the examination period effective December 22, 2021. The changes made included removing the required positions of officers, the addition of Class A and B directors, and removing limits on the number of directors.

### Minutes

The Board and shareholders meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted.

Centene Audit Committee meeting minutes for the examination period, and through the fieldwork date, were reviewed.

### AFFILIATED COMPANIES

#### Organizational Structure

The following abbreviated organizational chart shows the Company’s parent, affiliate, and subsidiaries as of December 31, 2021:

	NAIC Co. Code	Domiciliary State/Country
Centene Corporation		DE
<b>Coordinated Care Corporation d/b/a Managed Health Services</b>	<b>95831</b>	<b>IN</b>
Next Door Neighbors, LLC (60%)		DE
Next Door Neighbors, Inc.		DE
<b>Centene Venture Company Indiana, Inc.</b>	<b>16773</b>	<b>IN</b>

#### Affiliated Agreements

The following affiliated agreements and transactions were disclosed as part of the Form B – Holding Company Registration Statement and were filed with the INDOI, as required, in accordance with IC 27-1-23-4.

##### *Management Agreements*

Centene Management Company, LLC (CMC), a wholly owned subsidiary of Centene, provided management services including program planning and development, management information systems, financial systems and services, claims administration, utilization review and other important functions to the Company. Medical and administrative expenses for the year ended December 31, 2021 were \$215.2 million.

##### *Service Agreements*

Involve PeopleCare, Inc., a wholly owned subsidiary of Centene, provided triage services and chronic pulmonary disease management services to the Company. Medical expenses for the year ended December 31, 2021 were \$0.6 million.

Involve Vision, Inc., a wholly owned subsidiary of Centene, provided vision management services to the Company. Medical expenses for the year ended December 31, 2021 were \$14.9 million.

Involve Pharmacy Solutions, Inc., a wholly owned subsidiary of Centene, provided pharmacy benefit management services to the Company. Medical and administrative expenses for the year ended December 31, 2021 were \$375.7 million.

Involve Dental, Inc., a wholly owned subsidiary of Centene, provided dental management services to the Company. Medical and administrative expenses for the year ended December 31, 2021 were \$60.5 million.

U.S. Medical Management, LLC, a wholly owned subsidiary of Centene, provided the Company covered services through its contracted physician groups and other healthcare providers and suppliers as part of a participating provider agreement. Medical and administrative expenses for the year ended December 31, 2021 were \$2.5 million.

*Tax Allocation Agreement*

Effective July 1, 1996, the Company became a party to the Tax Allocation Agreement with Centene. The method of allocation is made primarily on a separate company basis using the percentage method pursuant to the provisions of the Internal Revenue Code (as specified). This percentage method allocates a tax asset (i.e. intercompany receivable) for any benefit derived by the consolidated group for the member’s losses or credits that offset consolidated taxable income. In accordance with the tax sharing agreement, each member to the agreement shall pay to or receive from Centene the amount of the liability or benefit reported on each member’s proforma federal income tax return within ninety (90) days of the date Centene files its consolidated federal income tax return. The tax incurred amount for the year ended December 31, 2021 was (\$11.5 million).

**FIDELITY BOND AND OTHER INSURANCE**

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through a fidelity bond issued by Great American Insurance Company. The bond has a single loss coverage limit of \$5,000,000 million with a \$500,000 deductible. The fidelity bond is adequate to meet the prescribed minimum coverage specified by the NAIC.

The Company had additional types of coverage in-force as of December 31, 2021, including but not limited to automobile liability, commercial general liability, employers’ liability, errors & omission, managed care liability, personal injury, umbrella liability, and workers’ compensation liability.

**PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS**

The Company has no direct employees; therefore, there was no employee pension. All personnel necessary to conduct business operations of the Company are provided to the Company by CMC, under the aforementioned Management Agreement.

**SPECIAL AND STATUTORY DEPOSITS**

The Company reported the following deposits, as of December 31, 2021:

<u>State</u>	<u>Book Value</u>	<u>Fair Value</u>
For All Policyholders:		
Indiana	\$ 525,539	\$ 527,789
Washington	160,002	160,002
Total Deposits	<u>\$ 685,541</u>	<u>\$ 687,791</u>

## **REINSURANCE**

### **Ceded Reinsurance**

#### *HMO Specific Excess Loss Reinsurance*

The Company entered into an HMO Specific Excess Loss Reinsurance Agreement with PartnerRe America Insurance Company effective January 1, 2021 through December 31, 2021. The agreement provides coverage on Medicaid related lines of business with a deductible of \$500,000 per covered person and provides \$3,000,000 of coverage per covered person. The Company ceded \$2,346,202 in premiums during 2021 under this agreement.

## **ACCOUNTS AND RECORDS**

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The trial balance prepared from the Company's general ledger for the year ended December 31, 2021 was agreed to the respective Annual Statement. The Annual Statement for the year ended December 31, 2021 was agreed to the independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory.

## FINANCIAL STATEMENTS

### COORDINATED CARE CORPORATION

#### Assets

As of December 31, 2021

	<u>Per Examination*</u>
Bonds	\$ 341,514,160
Stocks:	
Common stocks	8,722,413
Cash, cash equivalents and short-term investments	289,292,233
Other invested assets	12,236,056
Subtotals, cash and invested assets	<u>651,764,862</u>
Investment income due and accrued	2,405,438
Premiums and considerations:	
Uncollected premiums and agents' balances in course of collection	32,046,230
Accrued retrospective premiums	3,243,595
Reinsurance:	
Amounts recoverable from reinsurers	1,219,192
Other amounts receivable under reinsurance contracts	1,857,290
Amounts receivable relating to uninsured plans	1,726,721
Current federal and foreign income tax recoverable and interest thereon	405,806
Net deferred tax asset	7,368,948
Receivables from parent, subsidiaries and affiliates	54,714,293
Health care and other amounts receivable	6,485,855
Aggregate write-ins for other than invested assets	14,610,868
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	<u>777,849,098</u>
Total	<u>\$ 777,849,098</u>

\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.



COORDINATED CARE CORPORATION  
Liabilities, Capital and Surplus  
As of December 31, 2021

	Per Examination*
Claims unpaid	\$ 161,193,437
Accrued medical incentive pool and bonus amounts	4,416,611
Unpaid claims adjustment expenses	1,832,654
Aggregate health policy reserves	294,247,097
Premiums received in advance	24,282,783
General expenses due or accrued	84,674,156
Liability for amounts held under uninsured plans	492,717
Total liabilities	571,139,455
Common capital stock	545,000
Gross paid in and contributed surplus	217,700,000
Unassigned funds (surplus)	(11,535,357)
Total capital and surplus	206,709,643
Total liabilities, capital and surplus	\$ 777,849,098

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\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

COORDINATED CARE CORPORATION  
Statement of Revenue and Expenses  
For the Year Ended December 31, 2021

	<u>Per Examination*</u>
Member Months	4,440,578
Net premium income	<u>\$ 2,053,283,923</u>
Total revenues	<u>2,053,283,923</u>
<b>Hospital and Medical:</b>	
Hospital/medical benefits	1,304,327,504
Other professional services	110,054,850
Emergency room and out-of-area	126,574,432
Prescription drugs	349,844,353
Incentive pool, withhold adjustments and bonus amounts	4,198,645
Subtotal	<u>1,894,999,784</u>
<b>Less:</b>	
Net reinsurance recoveries	1,402,439
Total hospital and medical	<u>1,893,597,345</u>
Claims adjustment expenses, including cost containment expenses	18,211,809
General administrative expenses	203,244,012
Increase in reserves for life and accident and health contracts	36,393,100
Total underwriting deductions	<u>2,151,446,266</u>
Net underwriting gain or (loss)	<u>(98,162,343)</u>
<b>Investment Income</b>	
Net investment income earned	9,457,362
Net realized capital gains (losses) less capital gains tax	<u>(85,650)</u>
Net investment gains (losses)	9,371,712
<b>Other Income</b>	
Net gain or (loss) from agents' or premium balances charged off	(220,337)
Aggregate write-ins for other income or expenses	<u>(160,320)</u>
Net income or (loss) after capital gains tax and before all other federal income taxes	(89,171,288)
Federal and foreign income taxes incurred	<u>(11,429,554)</u>
Net income (loss)	<u>\$ (77,741,734)</u>

\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

COORDINATED CARE CORPORATION  
Capital and Surplus Account Reconciliation

	2021	2020	2019
Capital and surplus prior reporting year	\$ 187,582,623	\$ 205,853,183	\$ 203,581,579
Net income or (loss)	(77,741,734)	(34,193,663)	22,522,340
Change in net unrealized capital gains or (losses) less capital gains tax	301,802	(1,259,971)	589,618
Change in net deferred income tax	(876,951)	4,582,813	(3,077,612)
Change in nonadmitted assets	(3,556,096)	3,958,031	2,237,258
Surplus adjustments:			
Paid in	101,000,000	5,000,000	-
Dividends to stockholders	-	-	(20,000,000)
Aggregate write-ins for gains and losses in surplus	-	3,642,230	-
Net change in capital and surplus	<u>19,127,020</u>	<u>(18,270,560)</u>	<u>2,271,604</u>
Capital and surplus end of reporting year	<u>\$ 206,709,643</u>	<u>\$ 187,582,623</u>	<u>\$ 205,853,183</u>

### **COMMENTS ON THE FINANCIAL STATEMENTS**

There were no recommended adjustments to the financial statements as of December 31, 2021, based on the results of this examination.

### **OTHER SIGNIFICANT ISSUES**

Directors and officers are required to review and sign Conflict of Interest statements annually. The Company was unable to provide copies of the signed conflict of interest statements for a majority of the directors for each of the years under examination. All officers and directors should review and sign Conflict of Interest statements on an annual basis in accordance with Company policy and the Company should maintain records of the signed statements.

### **SUBSEQUENT EVENTS**

There were no events subsequent to the examination date and prior to the completion of field work which were considered material events requiring disclosure in this Report of Examination.

**AFFIDAVIT**

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that they, in coordination with staff assistance from Noble Consulting Services, Inc., and actuarial assistance from Merlino & Associates, Inc., performed an examination of Coordinated Care Corporation, as of December 31, 2021.

The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standards and no audit opinion is expressed on the financial statements contained in this report.

The attached Report of Examination is a true and complete report of the condition of the Coordinated Care Corporation as of December 31, 2021, as determined by the undersigned.

Julie K. Smith  
Julie K. Smith, CFE  
Noble Consulting Services, Inc.

On this 16<sup>th</sup> day of June, 2023, before me personally appeared, Julie K. Smith, to sign this document. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My commission expires: October 12, 2026 [Signature]  
Notary Public



Under the Supervision of:

[Signature]  
Jerry Ehlers, CFE, AES  
Examinations Manager  
Indiana Department of Insurance

On this 20<sup>th</sup> day of June, 2023, before me personally appeared, Jerry Ehlers, to sign this document. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My commission expires: 2-16-2028 [Signature]  
Notary Public

