

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

IN THE MATTER OF:)
)
Coordinated Care Corporation)
1099 North Meridian Street, Suite 400)
Indianapolis, IN 46204-1041)

Examination of: **Coordinated Care Corporation**


NOTICE OF ENTRY OF ORDER

Enclosed is the Final Order entered by Stephen W. Robertson, 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.

6/30/2017
Date


Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7016 2070 0001 1479 8841

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

IN THE MATTER OF:)
)
Coordinated Care Corporation)
1099 North Meridian Street, Suite 400)
Indianapolis, IN 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, 2013 through December 31, 2015.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter "Commissioner") by the Examiner on May 15, 2017.011

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 May 30, 2017 and was received by the Company on June 1, 2017.

On June 29, 2017, 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, 2015.
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 30th day of
June, 2017.



Stephen W. Robertson
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, 2015

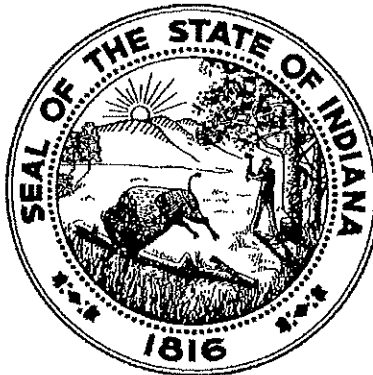


TABLE OF CONTENTS

SALUTATION.....	1
SCOPE OF EXAMINATION.....	2
HISTORY.....	2
CAPITAL AND SURPLUS.....	3
DIVIDENDS TO STOCKHOLDERS.....	3
TERRITORY AND PLAN OF OPERATION.....	3
GROWTH OF THE COMPANY.....	4
MANAGEMENT AND CONTROL.....	4
Directors.....	4
Officers.....	5
CONFLICT OF INTEREST.....	6
CORPORATE RECORDS.....	6
Articles of Incorporation.....	6
Bylaws.....	6
Minutes.....	6
AFFILIATED COMPANIES.....	6
Organizational Structure.....	6
Affiliated Agreements.....	6
FIDELITY BOND AND OTHER INSURANCE.....	7
PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS.....	8
SPECIAL AND STATUTORY DEPOSITS.....	8
REINSURANCE.....	8
ACCOUNTS AND RECORDS.....	9
FINANCIAL STATEMENTS.....	10
Assets.....	10
Liabilities, Capital and Surplus.....	11
Statement of Revenue and Expenses.....	12
Capital and Surplus Account Reconciliation.....	13
COMMENTS ON THE FINANCIAL STATEMENTS.....	14
OTHER SIGNIFICANT ISSUES.....	14
SUBSEQUENT EVENTS.....	14
AFFIDAVIT.....	15



STATE OF INDIANA

IDOI

ERIC HOLCOMB, Governor

Indiana Department of Insurance
311 W. Washington Street, Suite 300
Indianapolis, Indiana 46204-2787
Telephone: (317) 232-2385
Fax: (317) 232-5251
Stephen W. Robertson, Commissioner

May 15, 2017

Honorable Stephen W. Robertson, 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 3898, an examination has been made of the affairs and financial condition of:

Coordinated Care Corporation
1099 N. Meridian Street, Suite 400
Indianapolis, Indiana 46204-1041

hereinafter referred to as the "Company", or "CCCP", an Indiana domestic stock, health maintenance organization. The examination was conducted at the offices of Noble Consulting Services, Inc. (Noble), in Indianapolis, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2015, is hereby respectfully submitted.

ACCREDITED BY THE
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES (317) 232-2413 COMPANY COMPLIANCE (317) 233-0697 CONSUMER SERVICES (317) 232-2395 EXAMINATIONS/FINANCIAL SERVICES (317) 232-2390 MEDICAL MALPRACTICE (317) 232-2402 COMPANY RECORDS (317) 232-5692 STATE HEALTH INSURANCE PROGRAM 1-800-332-4674
1-800-622-4461

SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI), and covered the period from January 1, 2012 through December 31, 2012. The present risk-focused examination was conducted by Noble, and covered the period from January 1, 2013 through December 31, 2015, 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.

Michael Berman, FSA, MAAA, Merlinos & Associates, Inc., participated on the examination as the INDOI appointed actuarial specialist, and provided all actuarial services throughout the examination and conducted a review of the Company's actuarial related risks as of December 31, 2015.

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. 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 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 was organized in 1994 as a network model HMO. The Company is a wholly owned subsidiary of Centene Corporation (Centene), a Delaware stock corporation. Centene is a publicly traded company and a fully integrated multi-state government services managed care corporation headquartered in St. Louis, Missouri. The Company is a for-profit HMO licensed in Indiana and Washington. The Company changed its licensed name from Coordinated Care Corporation Indiana, Inc., to CCCI, effective December 19, 2011. The Office of Medicaid Policy and Planning (OMPP) awarded the Company a four (4) year contract for its Indiana Medicaid business, effective January 1, 2011. The term of this contract was extended through December 31, 2016.

The Washington Health Care Authority (HCA) awarded the Company a new contract to serve Washington Medicaid beneficiaries and comprehensive members in 2012. Effective January 1, 2015, the Company transitioned the contract with the HCA to serve Medicaid beneficiaries for an affiliated entity, Coordinated Care of Washington, Inc. (CCW).

In January 2014, the Company began providing health plan coverage to individuals in Indiana and Washington through the federally-facilitated and state-based Health Insurance Marketplace (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 this HIM business directly in Indiana.

CAPITAL AND SURPLUS

As of December 31, 2015, the Company had 1,000,000 shares of common stock authorized, of which 1,000 shares were issued and outstanding. The common stock has no par value. All outstanding shares were owned by Centene during the examination period. The Company reported capital stock totaling \$545,000 and gross paid-in and contributed surplus totaling \$41,700,000 as of December 31, 2015. The Company had no preferred stock outstanding.

In 2014, the Company received a capital contribution of \$20,000,000 from its parent, Centene.

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>
2015	\$ -	\$ -	\$ -
2014	3,500,000	3,500,000	-
2013	-	-	-
Total	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>	<u>\$ -</u>

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. 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.

TERRITORY AND PLAN OF OPERATION

The Company arranges for the delivery of healthcare services to Indiana and Washington Medicaid clients. The Company contracts with physicians and other providers of healthcare services pursuant to 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 served a total of 271,581 members in Indiana and 27,365 members in Washington as of December 31, 2015.

The Company received a four (4) year contract with OMPP for its Indiana Medicaid business, effective January 1, 2011. Under this contract, rates are capitated on a per member per month basis and vary depending on a member's county of residence and aid category. The term January 1, 2011 through December 31, 2014 was extended through December 31, 2016. It serves the Hoosier Healthwise population and the children enrolled in Indiana's Children's Health Insurance Program under the Hoosier Healthwise program. In 2011, the Company began operations in the Healthy Indiana Plan (HIP) program.

During 2014, the Company was awarded a four (4) year contract with two (2) possible one (1) year extensions to serve the ABD (Aged, Blind, and Disabled) population through Hoosier Care Connect which began April 1, 2015, with Care Select participants transitioning to the new program by July 1, 2015. During 2014, Indiana applied for and received a waiver for Medicaid expansion through HIP 2.0 which began offering coverage February 1, 2015.

Results for 2014 reflected participation in the state of Indiana OMPP Medical Assistance Program, the state of Washington Health Care Authority Apple Health Medicaid program, and the HIM. Results for 2015 reflect participation in the state of Indiana OMPP Medical Assistance Program and the HIM for Indiana and Washington enrollees. Managed care services are rendered in connection with the covered enrollees. The Company contracts directly with healthcare providers on fee-for-service, per diem, diagnostic rate grouping, and capitation bases.

GROWTH OF THE COMPANY

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

Year	Admitted Assets	Liabilities	Capital and Surplus	Total Revenues	Net Income
2015	\$ 306,640,070	\$ 222,967,877	\$ 83,672,193	\$ 811,808,036	\$ 15,304,331
2014	462,944,184	395,796,885	67,147,299	930,972,020	(3,109,544)
2013	188,270,372	131,172,951	57,097,421	569,967,437	4,858,900

Cash and invested assets at December 31, 2014 and 2015 were \$408.9 million and \$249.3 million, respectively. The decrease in cash and invested assets is primarily due to the transition of the Washington program to CCW and the maturity of invested assets held by that program. The transition to CCW accounts for the majority of the decrease in admitted assets and liabilities.

Liabilities consisted primarily of claims unpaid, aggregate health policy reserves, HIM cost sharing reduction and HIM risk adjustment. Aggregate health policy reserves at December 31, 2014 and 2015 were \$201.3 million and \$3.4 million, respectively. The decrease is related to the 2014 Washington Medicaid expansion risk mitigation accrual.

MANAGEMENT AND CONTROL

Directors

The Company is managed by a Board of Directors (Board). The Company’s Bylaws state the Board shall not be less than one (1) or more than ten (10) and shall be elected by the shareholder at the annual meeting.

The following is a listing of persons serving as directors at December 31, 2015, and their principal occupations as of that date:

Name and Address	Principal Occupation
Bennett Benito Desadier, MD Carmel, Indiana	Physician Private Practice
Marco Antonio Dominguez Indianapolis, Indiana	Director of Community Sales Finance Center Federal Credit Union
Daniel Jay Fathi, MD Tacoma, Washington	President and Chief Executive Officer Coordinated Care of Washington
Diane Marie Maas South Bend, Indiana	Vice President Beacon Health System
Stephen Curtis McCaffrey Indianapolis, Indiana	President and Chief Executive Officer Mental Health America of Indiana
Kevin Michael O'Toole Indianapolis, Indiana	President and Chief Executive Officer Coordinated Care Corporation
Reverend Rodric Kimberly Reid Indianapolis, Indiana	Pastor Uplift Cathedral Church
Patrick John Rooney St. Louis, Missouri	Senior Vice President Centene Corporation
Beth Anne Wrobel Valparaiso, Indiana	Chief Executive Officer HealthLinc

Officers

The Company's Bylaws state that the officers are elected by the Board and are to include a Chief Executive Officer, President, one (1) or more Vice Presidents, Secretary, and Treasurer. The officers do not need to be a member of the Board, and the same individual may hold more than one (1) office.

The following is a list of key officers and their respective titles as of December 31, 2015:

Name	Office
Kevin Michael O'Toole	President and Chief Executive Officer
Jeffrey Alan Schwaneke	Treasurer
John Madden Barth	Secretary
Barry Allan Smith	Assistant Treasurer
Keith Harvey Williamson	Assistant Secretary
Tricia Lynn Dinkelman	Vice President of Tax
Daniel Jay Fathi, MD	Vice President
Patrick John Rooney	Vice President
William Nelder Scheffel	Vice President

CONFLICT OF INTEREST

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that all 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, 2015.

CORPORATE RECORDS

Articles of Incorporation

There were no amendments made to the Articles of Incorporation during the examination period.

Bylaws

There were no amendments made to the Bylaws during the examination period.

Minutes

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

The Company's committee meeting minutes for the examination period, and through the fieldwork date, were reviewed for the following committees: Audit Committee, Senior Executive Quality Improvement Committee, Compliance Committee, and Compensation Committee.

AFFILIATED COMPANIES

Organizational Structure

The following abbreviated organizational chart shows the Company's parent and Indiana subsidiary as of December 31, 2015:

	<u>NAIC Co. Code</u>	<u>Domiciliary State</u>
Centene Corporation		
Coordinated Care Corporation d/b/a Managed Health Services	95831	IN

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 Agreement

Centene Management Company, LLC, (CMC) a wholly owned subsidiary of Centene, provides data, claims processing, case management, care coordination, and general management services to the Company. Services provided pursuant to this agreement during 2015 were \$97,299,763 for those services.

Service Agreements

Nursewise, LP, a wholly owned subsidiary of Centene, provides triage and outbound calling services to the Company. Services provided pursuant to this agreement during 2015 were \$2,050,733 for those services.

Nurse Response, Inc., a wholly owned subsidiary of Centene, provides triage and outbound calling services to the Company for its individual comprehensive insurance product line. Services provided pursuant to this agreement during 2015 were \$245,882 for those services.

Cenpatico Behavioral Health, LLC, a wholly owned subsidiary of Centene, provides behavioral health and speech therapy services to the Company. Services provided pursuant to this agreement during 2015 were \$39,395,192 for those services.

Nurtur Health, Inc., a wholly owned subsidiary of Centene, provides chronic pulmonary disease management services to the Company. Services provided pursuant to this agreement during 2015 were \$3,719,096 for those services.

Opticare Vision Company, Inc., a wholly owned subsidiary of Centene, provides vision management services to the Company. Services provided pursuant to this agreement during 2015 were \$11,444,168 for those services.

US Script Inc., a wholly owned subsidiary of Centene, provided the Company certain pharmacy services. Services provided pursuant to this agreement during 2015 were \$143,291,327 for those services.

US Medical Management, a wholly owned subsidiary of Centene, has a participating provider agreement with the Company for Hoosier HealthWise and HIP. Services provided pursuant to this agreement during 2015 were \$84,634 for those services.

Coordinated Care of Washington, a wholly owned subsidiary of Centene, has a network access agreement with the Company for Washington enrollees. Services provided pursuant to this agreement during 2015 were \$415,200 for those services.

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 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 90 days of the date Centene files its consolidated federal income tax return.

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 National Union Fire Insurance Company of Pittsburgh. The bond has blanket coverage with a limit of \$5,000,000, and a \$150,000 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 at December 31, 2015, including but not limited to: Automobile Liability, Commercial General Liability, Directors' and Officers' Liability, Employers' Liability, Excess Liability, and Workers Compensation.

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 special and statutory deposits at December 31, 2015:

<u>State</u>	<u>Book Value</u>	<u>Fair Value</u>
Deposits For the Benefit of All Policyholders:		
Indiana	\$ 524,833	\$ 524,877
Washington	160,000	160,000
Total Deposits	<u>\$ 684,833</u>	<u>\$ 684,877</u>

REINSURANCE

The need for reinsurance is limited to serve the statutory requirements of IC 27-13-16, which requires an HMO to have a plan for receivership that allows for the continuation of benefits after the date of receivership. The Company has a reinsurance agreement with PartnerRe America Insurance Company effective January 1, 2015 through January 1, 2016. The agreement has a deductible of \$200,000 per person and provides \$2.5 million of coverage per covered person. The Company ceded \$1,490,761 and \$1,597,912 in premiums for the Company's Medicaid business, and Comprehensive Major Medical business, respectively, during the year 2015.

Section 1341 of the Affordable Care Act established a transitional reinsurance program to stabilize premiums in the individual market inside and outside of the Marketplaces. The transitional reinsurance program will collect contributions from contributing entities to fund reinsurance payments to issuers of non-grandfathered reinsurance-eligible individual market plans, the administrative costs of operating the reinsurance program, and the General Fund of the U.S. Treasury for the 2014, 2015, and 2016 benefit years. The Company's transitional reinsurance agreement is with the U.S. Department of Human & Health Services. The Company ceded \$1,149,165 in premiums for the Company's Comprehensive Major Medical business during 2015.

As noted in the 2015 Annual Statement, Note 21A (extraordinary items), on July 1, 2015, the Company completed an assumption reinsurance agreement with affiliate Celtic Insurance Company. The Company ceded the in-force insurance contracts issued to individuals through the Indiana HIM from January 1, 2015 through June 30, 2015. The Company transferred \$15.4 million in cash and cash equivalents and \$1.7 million of other assets to Celtic Insurance Company with an aggregate value equal to the sum of one hundred percent of the estimated ceded policy liabilities, including, but not limited to, liabilities for benefits, surrenders, returns, and premium refunds.

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 balances prepared from the Company's general ledger for the years ended December 31, 2014 and December 31, 2015, were agreed to the respective Annual Statements. The Annual Statements for the years ended December 31, 2013 through December 31, 2015, were agreed to each year's independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory.

COORDINATED CARE CORPORATION
Assets
As of December 31, 2015

	Per Examination*
Bonds	\$ 98,256,972
Stocks:	
Common stocks	7,305,174
Cash, cash equivalents and short-term investments	136,083,542
Other invested assets	7,654,815
Subtotals, cash and invested assets	249,300,503
Investment income due and accrued	695,267
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	32,790,525
Reinsurance:	
Amounts recoverable from reinsurers	4,597,228
Other amounts receivable under reinsurance contracts	568,025
Net deferred tax asset	4,446,723
Receivables from parent, subsidiaries and affiliates	4,238,797
Health care and other amounts receivable	188,679
Aggregate write-ins for other-than-invested assets	9,814,323
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	306,640,070
Totals	\$ 306,640,070

* 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, 2015

	Per Examination*
Claims unpaid	\$ 102,657,891
Accrued medical incentive pool and bonus amounts	3,122,518
Unpaid claims adjustment expenses	1,285,111
Aggregate health policy reserves, including the liability for medical loss ratio rebate per the Public Health Service Act	3,387,021
Premiums received in advance	33,759,968
General expenses due or accrued	10,835,686
Current federal and foreign income tax payable and interest thereon	5,829,749
Ceded reinsurance premiums payable	974,659
Aggregate write-ins for other liabilities	61,115,274
Total liabilities	222,967,877
Aggregate write-ins for special surplus funds	14,274,516
Common capital stock	545,000
Gross paid in and contributed surplus	41,700,000
Unassigned funds (surplus)	27,152,677
Total capital and surplus	83,672,193
Total liabilities, capital and surplus	\$ 306,640,070

* 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, 2015

	Per Examination*
Member Months	3,226,350
Net premium income	\$ 811,808,036
Total revenues	811,808,036
Hospital and Medical:	
Hospital/medical benefits	414,653,714
Other professional services	65,992,379
Emergency room and out-of-area	52,046,006
Prescription drugs	138,924,944
Incentive pool, withhold adjustments and bonus amounts	(2,468,150)
Subtotal	669,148,893
Less:	
Net reinsurance recoveries	6,606,978
Total hospital and medical	662,541,915
Claims adjustment expenses, including cost containment expenses	23,252,235
General administrative expenses	92,312,558
Total underwriting deductions	778,106,708
Net underwriting gain or (loss)	33,701,328
Net investment income earned	2,685,453
Net realized capital gains (losses) less capital gains tax	119,727
Net investment gains (losses)	2,805,180
Net gain or (loss) from agents' or premium balances charged off	(862,783)
Net income or (loss) after capital gains tax and before all other federal income taxes	35,643,725
Federal and foreign income taxes incurred	20,339,394
Net income (loss)	\$ 15,304,331

* 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

	2015	2014	2013
Surplus as regards policyholders, December 31 prior year	\$ 67,147,299	\$ 57,097,421	\$ 50,956,546
Net income	15,304,331	(3,109,544)	4,858,900
Change in net unrealized capital gains or (losses) less capital gains tax	179,787	632,023	74,496
Change in net deferred income tax	2,330,968	(3,007,994)	1,726,065
Change in nonadmitted assets	(1,290,191)	(964,607)	(518,586)
Surplus adjustments:			
Paid in	-	20,000,000	-
Dividends to stockholders	-	(3,500,000)	-
Change in surplus as regards policyholders for the year*	<u>16,524,895</u>	<u>10,049,878</u>	<u>6,140,875</u>
Surplus as regards policyholders, December 31 current year*	<u>\$ 83,672,193</u>	<u>\$ 67,147,299</u>	<u>\$ 57,097,421</u>

*The balance includes immaterial rounding differences.

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2015, based on the results of this examination.

OTHER SIGNIFICANT ISSUES

There were no other significant issues as of December 31, 2015, based on the results of this examination.

SUBSEQUENT EVENTS

During 2016, the Company received a capital contribution of \$18 million, from its parent.

AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that he, in coordination with staff assistance from Noble Consulting Services, Inc., and actuarial assistance from Merlino & Associates, Inc., hereinafter collectively referred to as the "Examiners", performed an examination of Coordinated Care Corporation, as of December 31, 2015.

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 condition of Coordinated Care Corporation as of December 31, 2015, as determined by the undersigned.

Brad Neff
Brad Neff, CFE
Noble Consulting Services, Inc.


Under the supervision of,

Jerry Ehlers
Jerry Ehlers, CFE
Examinations Manager
Indiana Department of Insurance

State of: Indiana
County of: Marion

On this 15th day of May, 2017, before me personally appeared, Brad Neff and Jerry Ehlers, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires _____
 _____
Notary Public

