

Examination Warrant Number 21-00936-95044-R1  
21-00936-95056-R1  
21-00936-93688-R1  
21-00936-96660-R1

**Report of Examination of**  
**AmeriHealth HMO, Inc.**  
**Keystone Health Plan East, Inc.**  
**QCC Insurance Company**  
**Vista Health Plan, Inc.**  
**Philadelphia, Pennsylvania**  
**As of December 31, 2021**

For Informational Purposes Only

# Independence Health Group – Report 1 of 3 – Life & HMOs

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Harrisburg, Pennsylvania  
May 17, 2023

Honorable Diana L. Sherman, CPA, CFE (Fraud), CISA, CITP  
Acting Deputy Insurance Commissioner  
Commonwealth of Pennsylvania  
Insurance Department  
Harrisburg, Pennsylvania

Dear Madam:

In accordance with instructions contained in Examination Warrant Numbers 21-00936-95044-R1, 21-00936-95056-R1, 21-00936-93688-R1, and 21-00936-96660-R1, dated August 9, 2021, an examination was made of

**AmeriHealth HMO, Inc., NAIC Code: 95044**

a Pennsylvania domiciled, multi-state, Health Maintenance Organization (“HMO”), hereinafter referred to as “AH HMO” or “Company”.

**Keystone Health Plan East, Inc., NAIC Code: 95056**

a Pennsylvania domiciled, single-state HMO, hereinafter referred to as “KHPE” or “Company”.

**QCC Insurance Company, NAIC Code: 93688**

a Pennsylvania domiciled, multi-state, life and health insurance company hereinafter referred to as “QCC” or “Company”.

**Vista Health Plan, Inc., NAIC Code: 96660**

a Pennsylvania domiciled, single-state HMO, hereinafter referred to as “Vista” or “Company”.

AH HMO, KHPE, QCC and Vista are collectively references as the “Companies”.

A report of this examination is hereby respectfully submitted.

## SCOPE OF EXAMINATION

The Pennsylvania Insurance Department (“Department”) has performed an examination of the Companies, which were last examined as of December 31, 2016. This examination covered the five-year period from January 1, 2017 through December 31, 2021.

Work programs employed in the performance of this examination were designed to comply with the standards promulgated by the Department and the National Association of Insurance Commissioners (“NAIC”) *Financial Condition Examiners Handbook* (“Handbook”).

The Handbook requires that the Department plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Companies, evaluate system controls and procedures used to mitigate those risks, and review subsequent events. An examination also includes identifying and evaluating significant risks that could cause an insurer’s surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Companies 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 Companies’ financial statements.

This examination report includes significant findings of fact, in accordance with 40 P.S. § 323.5(a), and general information about the Companies 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 Companies.

For each year of the examination period, the certified public accounting firm of Deloitte & Touche LLP (“CPA”) has provided an unmodified opinion based on statutory accounting principles. Relevant work performed by the CPA, during its annual audit of the Companies, was reviewed during the examination and incorporated into the examination workpapers.

The following companies were examined at the same time during the above examination:

<b>Company</b>	<b>State of Domicile</b>	<b>NAIC Code</b>
Blue Cross Complete of Michigan LLC	Michigan	11557
CBHNP Services, Inc.	Pennsylvania	13630
AmeriHealth Caritas District of Columbia, Inc.	District of Columbia	15088
AmeriHealth Caritas Florida, Inc.	Florida	14378
AmeriHealth Caritas Louisiana, Inc.	Louisiana	14143
AmeriHealth Caritas New Hampshire, Inc.	New Hampshire	16496

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AmeriHealth Caritas North Carolina, Inc.	North Carolina	16539
AmeriHealth Caritas Ohio, Inc.	Ohio	16980
AmeriHealth Caritas Texas, Inc.	Texas	16451
AmeriHealth Insurance Company of New Jersey	New Jersey	60061
AmeriHealth Michigan, Inc.	Michigan	15104
Healthcare Delaware, Inc.	Delaware	95794
Independence Assurance Company	Pennsylvania	16053
Independence Hospital Indemnity Plan, Inc.	Pennsylvania	54704
Independence Insurance, Inc.	Delaware	60254
Inter-County Health Plan, Inc.	Pennsylvania	53252
Inter-County Hospitalization Plan, Inc.	Pennsylvania	54763

### HISTORY

AH HMO was incorporated on February 18, 1976, licensed by the Department on January 17, 1978 and commenced business on April 1, 1978.

AH HMO is currently authorized to transact business as an HMO as described in 40 P.S. § 1554.

KHPE was incorporated on March 27, 1986, licensed by the Department and commenced business on January 6, 1987.

KHPE is currently authorized to transact business as an HMO as described in 40 P.S. § 1554.

QCC was incorporated on May 13, 1981, licensed by the Department and commenced business on December 21, 1981.

QCC is currently authorized to transact those classes of insurance described in 40 P.S. § 382(a)(1) Life and Annuities and (a)(2) Accident and Health.

Vista was incorporated on December 18, 1985, licensed by the Department on September 12, 1986 and commenced business on November 1, 1986.

Vista is currently authorized to transact business as an HMO as described in 40 P.S. § 1554.

### MANAGEMENT AND CONTROL

#### CAPITALIZATION

As of December 31, 2021, AH HMO's total capital and surplus was \$38,138,776, consisting of 1,000 capital shares of issued and outstanding common stock with a par value of

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\$400 per share amounting to \$400,000; \$272,506,359 in gross paid in and contributed surplus; and (\$234,767,583) in unassigned funds (surplus).

As an HMO, AH HMO is required to maintain a minimum net worth equal to the greater of \$1,000,000 or an amount equal to the sum of three months uncovered health care expenditures as reported on the most recent financial statement filed with the Department, as per 31 Pa. Code § 301.121(b)(2). AH HMO has met these requirements throughout the examination period.

As of December 31, 2021, KHPE's total capital and surplus was \$605,135,036, consisting of 400,000 capital shares of issued and outstanding common stock with a par value of \$1 per share amounting to \$400,000; \$7,935,243 in gross paid in and contributed surplus; and \$596,799,793 in unassigned funds (surplus).

As an HMO, KHPE is required to maintain a minimum net worth equal to the greater of \$1,000,000 or an amount equal to the sum of three months uncovered health care expenditures as reported on the most recent financial statement filed with the Department, as per 31 Pa. Code § 301.121(b)(2). KHPE has met these requirements throughout the examination period.

As of December 31, 2021, QCC's total capital and surplus was \$569,923,414, consisting of 200,000 capital shares of issued and outstanding common stock with a par value of \$10 per share amounting to \$2,000,000; \$187,518,517 in gross paid in and contributed surplus; and \$380,404,897 in unassigned funds (surplus).

QCC's minimum capital and minimum surplus requirements for the types of business for which it is licensed, pursuant to 40 P.S. § 386, is \$1,100,000 in capital and \$550,000 in surplus. QCC has met all governing requirements throughout the examination period.

As of December 31, 2021, Vista's total capital and surplus was \$787,231,614, consisting of 1,641.5 capital shares of issued and outstanding common stock with a par value of \$0.01 per share amounting to \$17; \$726,214,993 in gross paid in and contributed surplus; and \$61,016,604 in unassigned funds (surplus).

As an HMO, Vista is required to maintain a minimum net worth equal to the greater of \$1,000,000 or an amount equal to the sum of three months uncovered health care expenditures as reported on the most recent financial statement filed with the Department, as per 31 Pa. Code § 301.121(b)(2). Vista has met these requirements throughout the examination period.

### STOCKHOLDERS

Independence Blue Cross, LLC ("IBC LLC") owns all issued and outstanding common stock of AH HMO, KHPE, and QCC.

IBC Medicaid Holdings, LLC ("IBC MH") owns all issued and outstanding common stock of Vista.

KHPE paid the following dividends to IBC LLC during the examination period:

<u>Year</u>	<u>Type</u>	<u>Amount</u>
2017	Extraordinary	\$ 90,000,000
2018	Ordinary	\$131,000,000

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2019	Ordinary	\$154,000,000
2020	Ordinary	\$212,000,000
2021	Ordinary	\$ 97,000,000

QCC paid the following dividends to IBC LLC during the examination period:

<u>Year</u>	<u>Type</u>	<u>Amount</u>
2017	Ordinary	\$ 40,000,000
2018	Ordinary	\$ 83,000,000
2019	Ordinary	\$193,000,000
2020	Ordinary	\$145,000,000
2021	Ordinary	\$105,000,000

The Companies reported all dividends to the Department in accordance with the requirements of 40 P.S. § 991.1405 or 40 P.S. § 1404(e). The Department approved the extraordinary dividends pursuant to 40 P.S. § 991.1405(b)(1) or 40 P.S. § 991.1405(a)(2)(i) during the examination period.

Vista received the following capital contributions from IBC MH during the examination period:

<u>Year</u>	<u>Amount</u>
2018	\$ 40,000,000
2019	\$211,000,000
2020	\$146,000,000
2021	\$ 77,000,000

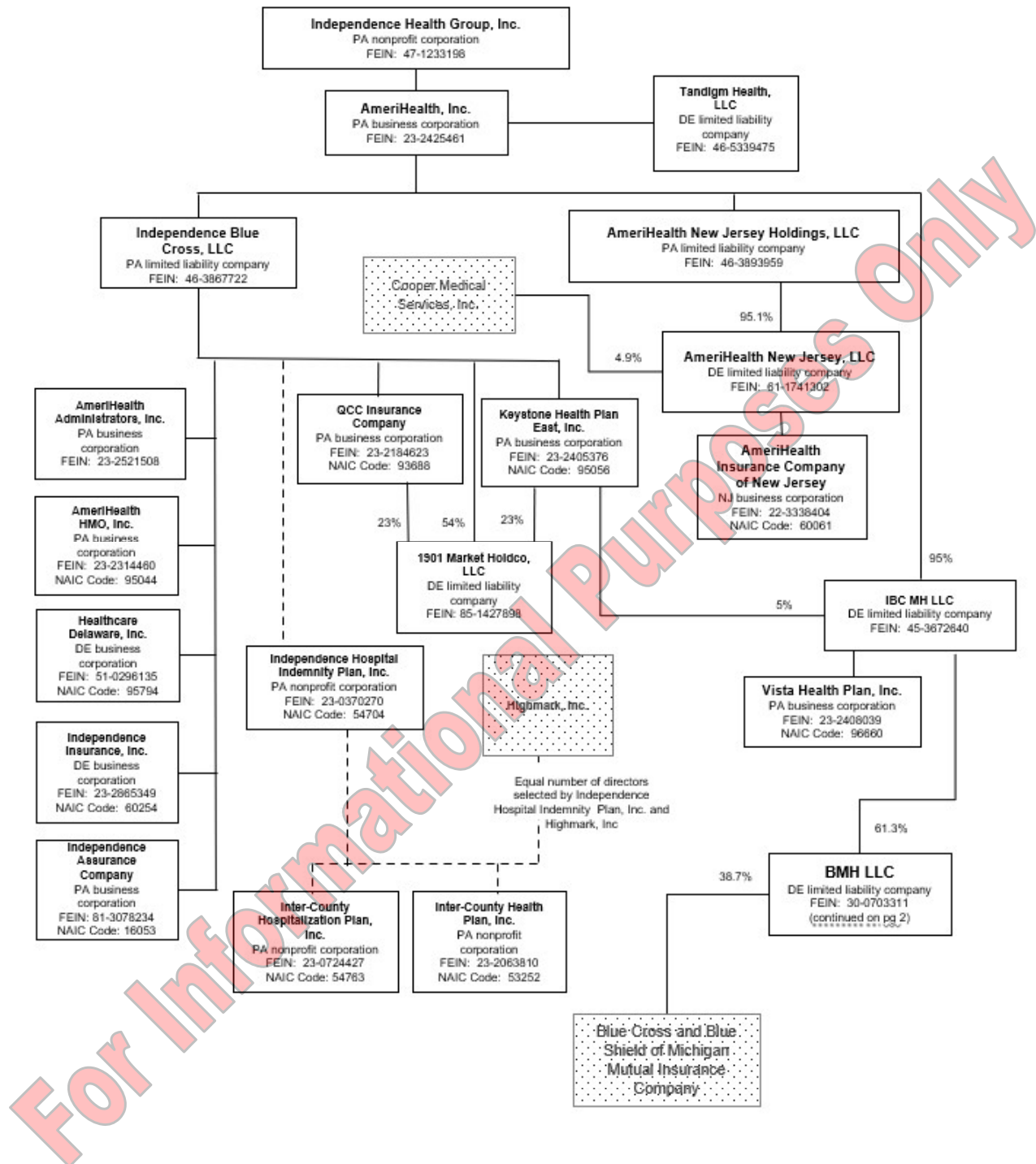
### INSURANCE HOLDING COMPANY SYSTEM

The Companies meet the requirements for filing an insurance holding company system annual registration statement (“Annual Registration Statement”), in accordance with 40 P.S. § 991.1404. For each year of the examination period, the Companies filed the required Annual Registration Statement by March 31.

Independence Health Group, Inc. (“IHG”), a Pennsylvania nonprofit corporation, is named as the ultimate controlling entity/person of its holding company system.

The organizational chart below depicts the direct and indirect ownership of companies within IHG’s holding company system as of December 31, 2021. The organizational chart does not depict all entities contained within the holding company system due to the size and complexity of the business operations within the holding company system. The holding company system consists of various insurance and non-insurance entities.

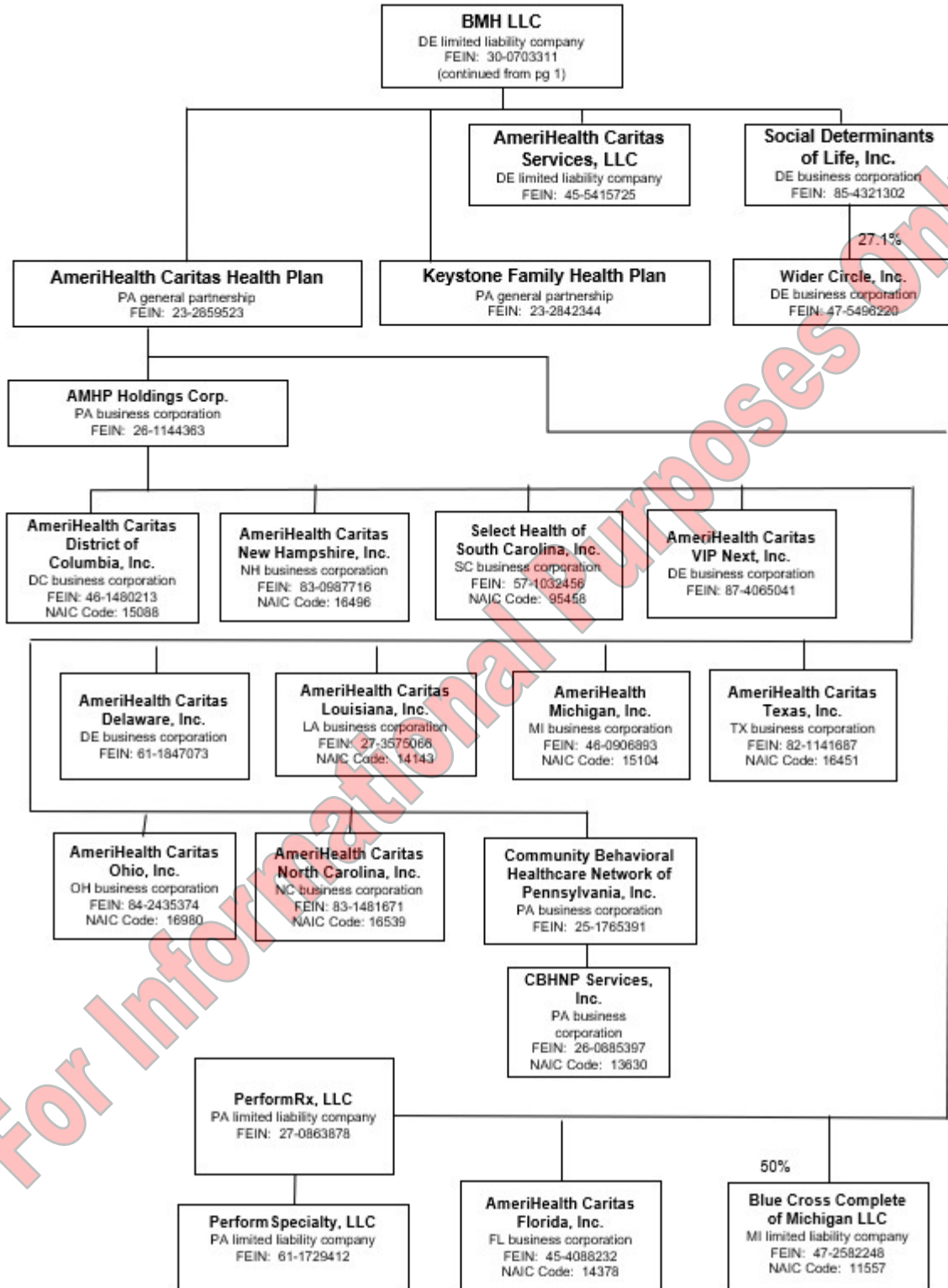
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Members of the holding company system include but are not limited to the following entities briefly described below:

IHG holds 100% of the controlling interest in AmeriHealth, Inc. (“AmeriHealth”), a Pennsylvania business corporation.

AmeriHealth holds 100% of the controlling interest in IBC LLC, a Pennsylvania limited liability company. AH HMO, KHPE, and QCC are wholly owned subsidiaries of IBC LLC.

AmeriHealth holds 95% of the controlling interest in IBC MH, a Delaware limited liability company. KHPE holds the remaining 5% of the controlling interest in IBC MH. Vista is wholly owned by IBC MH.

Based on insurance holding company procedures performed during the examination, it was determined that the requirements of 40 P.S. § 991.1404 and 40 P.S. § 991.1405 related the Annual Registration Statement filings and notifications of transactions and agreements within the holding company system were not being made timely and accurately.

*It is recommended that the Companies ensure all holding company filings are made timely and accurately in compliance with 40 P.S. § 991.1404 and 40 P.S. § 991.1405.*

### BOARD OF DIRECTORS

Management of the AH HMO is vested in its Board of Directors (“Board”), which was comprised of the following members as of December 31, 2021:

#### **Name and Address**

Brian Lobley  
Gladwyne, Pennsylvania

Juan A. Lopez, Jr.  
Merchantville, New Jersey

Richard L. Snyder, M.D.  
Berwyn, Pennsylvania

Michael W. Sullivan  
Philadelphia, Pennsylvania

#### **Principal Occupation**

Executive Vice President, Chief  
Operating Officer and  
President, Health Markets  
Independence Blue Cross, LLC

Executive Vice President, Chief Financial  
Officer and Treasurer  
Independence Blue Cross, LLC

Executive Vice President, Facilitated Health  
Network and Chief Medical Officer  
Independence Blue Cross, LLC

Senior Vice President, Commercial Markets  
and Chief Sales Officer  
Independence Blue Cross, LLC

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Paula J. Sunshine  
Merion, Pennsylvania

Senior Vice President and Chief Marketing  
Executive  
Independence Blue Cross, LLC

According to Article 4, Section 4.03(b) of its by-laws, directors of AH HMO are elected at the Annual Meeting of the Shareholder. Directors serve a term of one year and until a successor has been selected and qualified or until his or her death, resignation or removal.

Management of the KHPE is vested in its Board, which was comprised of the following members as of December 31, 2021:

<b>Name and Address</b>	<b>Principal Occupation</b>
-------------------------	-----------------------------

Gregory E. Deavens Philadelphia, Pennsylvania	President and Chief Executive Officer Independence Blue Cross, LLC
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Thomas A. Hutton Schwenksville, Pennsylvania	Executive Vice President, General Counsel and Corporate Secretary Independence Blue Cross, LLC
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Brian Loblely Gladwyne, Pennsylvania	Executive Vice President, Chief Operating Officer and President, Health Markets Independence Blue Cross, LLC
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Juan A. Lopez, Jr. Merchantville, New Jersey	Executive Vice President, Chief Financial Officer and Treasurer Independence Blue Cross, LLC
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Richard L. Snyder, M.D. Berwyn, Pennsylvania	Executive Vice President, Facilitated Health Network and Chief Medical Officer Independence Blue Cross, LLC
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According to Article 4, Section 4.03(b) of its by-laws, directors of KHPE are elected at the Annual Meeting of the Shareholder. Directors serve a term of one year and until a successor has been selected and qualified or until his or her death, resignation or removal.

Management of the QCC is vested in its Board, which was comprised of the following members as of December 31, 2021:

<b>Name and Address</b>	<b>Principal Occupation</b>
-------------------------	-----------------------------

Gregory E. Deavens Philadelphia, Pennsylvania	President and Chief Executive Officer Independence Blue Cross, LLC
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Thomas A. Hutton  
Schwenksville, Pennsylvania

Executive Vice President, General Counsel  
and Corporate Secretary  
Independence Blue Cross, LLC

Brian Lobley  
Gladwyne, Pennsylvania

Executive Vice President, Chief  
Operating Officer and  
President, Health Markets  
Independence Blue Cross, LLC

Juan A. Lopez, Jr.  
Merchantville, New Jersey

Executive Vice President, Chief Financial  
Officer and Treasurer  
Independence Blue Cross, LLC

Marcy F. Rost  
Lafayette Hill, Pennsylvania

Executive Vice President, Chief Strategy  
and Communications Officer  
Independence Blue Cross, LLC

Richard L. Snyder, M.D.  
Berwyn, Pennsylvania

Executive Vice President, Facilitated Health  
Network and Chief Medical Officer  
Independence Blue Cross, LLC

Michael R. Vennera  
Phoenixville, Pennsylvania

Senior Vice President and Chief  
Information Officer  
Independence Blue Cross, LLC

According to Article 4, Section 4.03(b) of its by-laws, directors of QCC are elected at the Annual Meeting of the Shareholder. Each director, other than the president of the corporation, holds office until the expiration of the term for which he or she was selected and until a successor has been selected and qualified or until his or her death, resignation or removal.

Management of the Vista is vested in its Board, which was comprised of the following members as of December 31, 2021:

### **Name and Address**

Brian Lobley  
Gladwyne, Pennsylvania

### **Principal Occupation**

Executive Vice President, Chief  
Operating Officer and  
President, Health Markets  
Independence Blue Cross, LLC

Juan A. Lopez, Jr.  
Merchantville, New Jersey

Executive Vice President, Chief Financial  
Officer and Treasurer  
Independence Blue Cross, LLC

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Richard L. Snyder, M.D.  
Berwyn, Pennsylvania

Executive Vice President, Facilitated Health  
Network and Chief Medical Officer  
Independence Blue Cross, LLC

According to Article 4, Section 4.03(b) of its by-laws, directors of Vista are elected at the Annual Meeting of the Shareholder. Directors serve a term of one year and until a successor has been selected and qualified or until his or her death, resignation or removal.

The membership in each of the Boards of AH HMO, KHPE, and Vista did not include the required number of subscribers as stipulated in each Companies' by-laws.

*It is recommended that AH HMO, KHPE and Vista include the required number of subscribers on their respective Boards to be in compliance with each Company's by-laws or amend the by-laws of each Company to reflect its current practices.*

### COMMITTEES

As of December 31, 2021, each of the Companies had no committees appointed by their respective Boards. The Companies rely on the committees appointed by their ultimate parent, IHG, to act of their behalf. Membership of these committees are as follows:

#### Audit and Risk Management

P. Edward Lovelidge, Chair  
Pedro A. Ramos, Esq.  
Yvette D. Bright  
John J. Griffin Jr.  
Denis P. O'Brien  
William R. Sasso, Esq.

#### Diversity, Equity and Inclusion

A. Bruce Crawley, Chair  
Patrick B. Gillespie  
Yvette D. Bright  
Joseph A. Frick  
Christina L. Jenkins, M.D.  
Pedro A. Ramos, Esq.  
Frank G. Spencer

#### Executive

Charles P. Pizzi, Chair  
A. Bruce Crawley  
Gregory E. Deavens  
Nicholas DeBenedictis  
Joseph A. Frick  
Thomas A. Leonard, Esq.  
P. Edward Lovelidge  
Charisse R. Lillie, Esq.  
William R. Sautter

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### Finance

Nicholas DeBenedictis, Chair  
J. William Mills, III  
Pasquale T. Deon  
Patrick B. Gillespie  
John J. Griffin Jr.  
Thomas A. Leonard, Esq.  
P. Edward Lovelidge  
Pedro A. Ramos, Esq.  
William R. Sautter

### Governance

Thomas A. Leonard, Esq., Chair  
Charisse R. Lillie, Esq.  
Denis P. O'Brien  
William R. Sautter

### Human Resources

William R. Sautter, Chair  
Patrick B. Gillespie  
Charisse R. Lillie, Esq.  
William R. Sasso, Esq.

### Strategic Initiatives

Joseph A. Frick, Chair  
Frank G. Spencer  
Yvette D. Bright  
Nicholas DeBenedictis  
Pasquale T. Deon  
Patrick B. Gillespie  
Christina L. Jenkins, M.D.  
Thomas A. Leonard, Esq.  
Charisse R. Lillie, Esq.  
J. William Mills, III  
William R. Sasso, Esq.  
William R. Sautter

## OFFICERS

As of December 31, 2021, the following officers were appointed and serving in accordance with the AM HMO's by-laws:

### **Name**

Michael W. Sullivan  
Juan A. Lopez, Jr.  
  
Lilton R. Taliaferro, Jr.  
Brian Lobley

### **Title**

President and Chief Executive Officer  
Executive Vice President, Chief  
Financial Officer and Treasurer  
Vice President and Corporate Secretary  
Chairman of the Board

As of December 31, 2021, the following officers were appointed and serving in accordance with the QCC's and KHPE's by-laws:

### **Name**

Gregory E. Deavens  
  
Juan A. Lopez, Jr.  
  
Thomas A. Hutton

### **Title**

President, Chief Executive Officer and  
Chairman of the Board  
Executive Vice President, Chief Financial  
Officer and Treasurer  
Executive Vice President, General Counsel  
and Corporate Secretary

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As of December 31, 2021, the following officers were appointed and serving in accordance with the Vista's by-laws:

<b>Name</b>	<b>Title</b>
Brian Lobley	President and Chief Executive Officer
Juan A. Lopez, Jr.	Executive Vice President, Chief Financial Officer and Treasurer
Lilton R. Taliaferro, Jr.	Secretary
Gregory E. Deavens	Chairman of the Board

### CORPORATE RECORDS

#### MINUTES

A compliance review of corporate minutes revealed the following:

- The Annual Meetings of each Company's stockholder were held in compliance with its by-laws.
- The stockholders of each Company elect directors at such meetings in compliance with each Company's by-laws.
- Quorums were present at all directors' meetings for each Company.
- The Companies' investment transactions are not approved quarterly by their respective Boards or a committee thereof.
- All directors attend Board meetings for their respective Company regularly.
- Each Company's Board of directors appointed officers annually.

*It is recommended that each Company's respective Board or a committee thereof comply with 40 P.S. § 504.1(b) by approving the Company's investment transactions on a quarterly basis.*

#### ARTICLES OF INCORPORATION

There were no changes to the Companies' Articles of Incorporation during the examination period.

#### BY-LAWS

There were no changes to the Companies' by-laws during the examination period.



## **SERVICE AND OPERATING AGREEMENTS**

The Companies are party to various service and operating agreements, which include intercompany and related-party agreements. The following significant agreements were in place during the examination period:

### **Credit Agreement**

Effective July 1, 2014, the Companies as well as other IBC LLC affiliates entered into an amended and restated affiliate Credit Agreement with certain affiliates (both insurer and non-insurer). Pursuant to the Credit Agreement, the parties are authorized to enter into short-term loans with one another in order to cover short-term operating capital requirements in lieu of liquidating long term investments.

### **Master Services Agreements**

Effective July 1, 2014, the Companies as well as other IBC LLC affiliates entered into a master administrative services agreement with IBC and other affiliates. Pursuant to this agreement, IBC LLC provides the following services to its affiliates: executive and administrative services, legal, data processing, treasury, corporate secretarial, marketing, recordkeeping and reporting, purchasing, insurance, human resources and tax services.

Effective January 1, 2012, Independence Blue Cross entered into a Master Services Agreement with Highmark, Inc. ("Highmark") for the benefit of IBC's affiliates (including the Companies). Pursuant to this agreement and the included Statements of Work ("SOWs"), Highmark provides services to Independence Blue Cross related to benefits management (including claims, billing, provider, benefit setup, and member enrollment systems as well as related information technology general control process), processing services related to group enrollment, benefit set-up, provider demographic and rate implementation, claims receipt and adjudication processing, data center hosting and support, electronic data interchange, clearinghouse services, and preparation of billing services.

### **Treasury Service Agreement**

Effective July 1, 2014, the Companies as well as other IBC LLC affiliates entered into the First Amended Treasury Services Agreement with its ultimate parent, IHG, IBC LLC, and other affiliates. Pursuant to the agreement, IBC LLC manages the daily cash-flows of IHG and specified affiliates.

### **Administrative Service Agreement**

Effective December 1, 2018, QCC entered into an administrative services agreement with AmeriHealth Administrators, Inc. ("AHA"). Pursuant to this agreement, AHA provides QCC services to support QCC's employer-sponsored self-funded health benefits program. Effective January 1, 2020, this agreement was replaced by the First Amended and Restated Administrative Services Agreement. Effective January 1, 2021, the amended agreement was replaced with the Second Amended and Restated Administrative Services Agreement.



**Integrated Provider Entity Agreement**

Effective April 1, 2021, AH HMO, KHPE, and QCC, as well as certain other IBC LLC affiliates (including Inter-County Health Plan, Inc. and Inter-County Hospitalization Plan, Inc.) entered into an Integrated Provider Entity Agreement with affiliate Tandigm Health, LLC. Pursuant to the agreement, Tandigm Health, LLC provides integrated care delivery services to certain members enrolled in the preferred provider organization benefits programs offered by AH HMO, KHPE, and QCC.

**Integrated Delivery System Agreements**

Effective April 1, 2018, KHPE entered into an amended and restated full risk health services agreement with Tandigm Health, LLC (“Tandigm”). Pursuant to the agreement, Tandigm provides access and services related to its risk-bearing integrated delivery system (“IDS”). This agreement is amended annually to provide an update to the reimbursement terms, including clarifying certain provisions related to reimbursement methodology, reserves and financial assurance (such as a change in the capitation amounts allocated to Tandigm).

Effective April 2, 2013, Vista entered into an IDS Agreement for the HealthChoices program with affiliate AmeriHealth Caritas Health Plan (“ACHP”).

Effective April 2, 2013, Vista entered into an IDS Agreement for the HealthChoices program with affiliate Keystone Family Health Plan (“KFHP”).

Effective January 1, 2018, Vista entered into an IDS Agreement for the Community HealthChoices program with affiliate ACHP.

Effective January 1, 2019, Vista entered into an IDS Agreement for the Community HealthChoices program with affiliate KFHP.

Effective January 1, 2020, Vista entered into an IDS Agreement for the Medicare Advantage Dual Eligible Special Needs Plan (“SNP”) program with ACHP.

Effective January 1, 2020, Vista entered into an IDS Agreement for the Medicare Advantage Dual Eligible SNP program with KFHP.

**Marketing and Services Agreement**

Effective January 1, 2012, AH HMO and QCC, as well as other IBC LLC affiliates, entered into a Dental Product Agency, Marketing and Services Agreement (“UC Marketing Agreement”) with United Concordia Companies, Inc. (“UCCI”), United Concordia Life and Health Insurance Company (“UCLHIC”), United Concordia Dental Plans of Pennsylvania (“UCDPP”) and United Concordia Dental Plans, Inc (collectively referred to as “UC Companies”). Pursuant to this agreement, IBC LCC and its affiliates will distribute only United Concordia dental products and dental products designed and administered by UCCI which are directly issued and sold by an IBC LLC affiliate in Pennsylvania and New Jersey.

**Tax Sharing Agreement**

Effective July 1, 2014, the Companies as well as other IBC LLC affiliates entered into a Third Amended and Restated Tax Sharing Agreement ("TSA") with IHG. Pursuant to the TSA, each entity will pay IHG for its separate company tax liability, generally computed as if each Company had filed a separate federal income tax return. Each Company party to the TSA makes monthly payments to IHG for the payment of estimated taxes.

**REINSURANCE**

**CEDED**

AH HMO's ceded premium for 2021 was \$137,631,077 which is approximately (58.6%) of its Unassigned funds (surplus). As of December 31, 2021, the Company had \$20,474,460 outstanding recoverables due from its reinsurers.

KHPE's ceded premium for 2021 was \$1,853,883 which is approximately 0.3% of its Unassigned funds (surplus). As of December 31, 2021, the Company had \$26,997,023 outstanding recoverables due from its reinsurers.

QCC's ceded premium for 2021 was \$4,226,919 which is approximately 1.1% of its Unassigned funds (surplus). As of December 31, 2021, the Company had \$15,150,036 outstanding recoverables due from its reinsurers.

As of December 31, 2021, Vista is not party to any reinsurance contracts.

**United Concordia Dental Products**

Effective January 1, 2015, AH HMO, KHPE, and QCC each entered into a Group Dental Insurance First Dollar quota share reinsurance agreement with UCDPP. The term of the contract is continuous until the UC Marketing Agreement between the parties expires.

AH HMO's, KHPE's, and QCC's retention and the reinsurance limits are as follows:

Company's <u>Retention</u>	Reinsurance <u>Limits</u>	Type of business <u>Covered</u>
50%	None	Dental

Effective January 1, 2015, KHPE and QCC each entered into a Group Dental Insurance First Dollar quota share reinsurance agreement with UCLHIC. The term of the contract is continuous until the UC Marketing Agreement between the parties expires.

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KHPE's and QCC's retention and the reinsurance limits are as follows:

<u>Company's Retention</u>	<u>Reinsurance Limits</u>	<u>Type of business Covered</u>
50%	None	Dental

Effective January 1, 2017, QCC entered into a retrocession quota share reinsurance agreement with UCLHIC. The term of the contract is for the duration of the reinsurance by QCC of reinsured business defined by the agreement.

QCC's retention and the reinsurance limits are as follows:

<u>Company's Retention</u>	<u>Reinsurance Limits</u>	<u>Type of business Covered</u>
50%	None	Liabilities assumed from affiliates under named reinsurance agreements (AH HMO and AHICNJ)

### RELATED PARTY CONTRACTS

Effective May 1, 1996, AH HMO entered into an excess of loss reinsurance agreement with AmeriHealth Insurance Company of New Jersey ("AHICNJ"). The term of the contract is for one year and automatically renews for additional one-year terms until terminated.

The details of this contract are as follows:

<u>AH HMO's Retention</u>	<u>Reinsurance Limits</u>	<u>Type of business Covered</u>
0%	None	Point of Service Plans

Effective January 1, 2014, AH HMO entered into a quota share reinsurance agreement with AHICNJ. The term of the contract shall end on the later date of the date on which all included contracts have been nonrenewed, been cancelled, expired or other been terminated, and the date on which the last covered claim has been adjusted and paid or otherwise settled and any reinsurance payment due in respect of that covered claim under the agreement has been paid.

The details of this contract are as follows:

<u>AH HMO's Retention</u>	<u>Reinsurance Limits</u>	<u>Type of business Covered</u>
0%	None	HMO subscriber agreements in the State of New Jersey

Effective January 1, 2017, QCC entered into a quota share reinsurance agreement with AHICNJ. The term of the contract shall end on the later date of the date on which all included contracts have been nonrenewed, been cancelled, expired or other been terminated, and the date

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on which the last covered claim has been adjusted and paid or otherwise settled and any reinsurance payment due in respect of that covered claim under the agreement has been paid.

The details of this contract are as follows:

AHICNJ's	Reinsurance	Type of business
<u>Retention</u>	<u>Limits</u>	<u>Covered</u>
0%	None	Dental

Effective January 1, 2017, QCC entered into a quota share reinsurance agreement with AH HMO. The term of the contract shall end on the later date of the date on which all included contracts have been nonrenewed, been cancelled, expired or other been terminated, and the date on which the last covered claim has been adjusted and paid or otherwise settled and any reinsurance payment due in respect of that covered claim under the agreement has been paid.

The details of this contract are as follows:

AH HMO's	Reinsurance	Type of business
<u>Retention</u>	<u>Limits</u>	<u>Covered</u>
0%	None	Dental Policies in New Jersey

### **Group Retiree Health Solutions, Inc.**

Effective January 1, 2021, QCC along with UniCare Life & Health Insurance Company, a non-affiliated insurer, entered into a quota share reinsurance agreement with Group Retiree Health Solutions, Inc. ("GRHS"), an affiliate 50% owned by IBC LLC. The term of the contract is continuous until terminated.

The details of this contract are as follows:

GRHS's	Reinsurance	Type of business
<u>Retention</u>	<u>Limits</u>	<u>Covered</u>
0%	None	Employer Group Waiver Plan and Individual Medicare Advantage PPO Products

As of December 31, 2021, the Companies do not utilize a reinsurance intermediary.

All reinsurance contracts contain the proper insolvency and arbitration clauses. Additionally, all contracts transfer risk as outlined in SSAP No. 61R.

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### ASSUMED

#### United Concordia Dental Products

Effective January 1, 2012, QCC entered into separate quota share reinsurance agreements with UCDPP and UCLHIC. The term of the contract is continuous until the UC Marketing Agreement between the parties expires. Pursuant to these agreements, QCC assumes 50% of business defined in the UC Marketing Agreement sold within IBC LLC's service area.

The details of this contract are as follows:

<u>Reinsured's Retention</u>	<u>Reinsurance Limits</u>	<u>Type of business Covered</u>
50%	None	Dental

#### HM Life Insurance Company

QCC is party to two reinsurance contracts with HM Life Insurance Company ("HM Life") related to medical stop loss coverage purchased by self-insured group.

Effective January 1, 2004, QCC entered into a specific and aggregate medical stop loss quota share reinsurance agreement with HM Life. The term of the contract is continuous until cancelled by either party.

The contract relates to medical stop loss coverage managed by a specified third-party administrator. The details of this contract are as follows:

	<u>Reinsured's Retention</u>	<u>Reinsurance Limits</u>
Specific Excess of Loss	50%	\$2,000,000
Aggregate Excess of Loss	50%	\$1,000,000

Effective January 1, 2012, QCC entered into a specific and aggregate medical stop loss quota share reinsurance agreement with HM Life. The term of the contract is for ten years, with an automatic renewal for successive five-year terms. Effective January 1, 2019, the contract was amended to change the term to twelve years and to amend the administrative fee.

The details of this contract are as follows:

	<u>Reinsured's Retention</u>	<u>Reinsurance Limits</u>
Specific Stop Loss Quota Share	50%	\$5,000,000
Specific Stop Loss Excess	100% in excess of \$5,000,000	N/A
Aggregate Stop Loss	50%	\$5,000,000
Aggregate Stop Loss Excess	100% in excess of \$5,000,000	N/A

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AH HMO, KHPE and Vista did not assume any business during the examination period.

### TERRITORY AND PLAN OF OPERATIONS

AH HMO is licensed in the following jurisdictions: Delaware, New Jersey and Pennsylvania. AH HMO provides comprehensive healthcare benefits to groups and individuals.

AH HMO Line of Business	Direct and Assumed Premium	Ceded Premium	Net Premium	Percentage of Total
<b>December 31, 2021</b>				
Comprehensive (hospital and medical)	\$ 144,112,629	\$ 137,549,569	\$ 6,563,060	99.9%
Dental only	21,165	20,995	170	0.0%
Vision only	67,275	60,513	6,762	0.1%
Health subtotal	144,201,069	137,631,077	6,569,992	100.0%
Totals	\$ 144,201,069	\$ 137,631,077	\$ 6,569,992	100.0%

KHPE is licensed only in Pennsylvania. It is designated as an Individual Practice Association HMO, operating in the greater Philadelphia area. KHPE provides health insurance coverage for commercial and Medicare products, as well as for the Children's Health Insurance Program. It also provides third-party administrative services for self-funded groups.

KHPE is party to a Full Risk Global Capitation Agreement with Tandigm Health, LLC (“Tandigm”) a wholly-owned subsidiary of IHG that promotes high quality, affordable care to the region. Under the terms of the agreement, Tandigm operates as an IDS and assumes full financial risk for health care services provided by KHPE for its Commercial and Medicare Advantage members which utilize primary care physicians within the Tandigm network. KHPE continues to adjudicate claims on behalf of Tandigm as a third-party administrator. IHG guarantees Tandigm’s obligations associated with the full risk agreement with a maximum guarantee not to exceed \$50 million.

IHG and Highmark, an unrelated member of the Blue Cross and Blue Shield Association headquartered in western Pennsylvania, jointly market Major Medical, Comprehensive Major Medical, and Medigap benefits to certain customers. IHG subsidiaries purchase services from Highmark as it relates to the enterprise operating platform. Separate agreements also enhance existing relationships with Highmark in the area of national accounts, dental, vision and stop-loss products.

KHPE Line of Business	Direct and Assumed Premium	Ceded Premium	Net Premium	Percentage of Total
<b>December 31, 2021</b>				
Comprehensive (hospital and medical)	\$ 1,823,895,865	\$ 1,499,672	\$ 1,822,396,193	62.3%
Dental only	766,562	329,876	436,686	0.0%
Vision only	570,343	0	570,343	0.0%
Title XVIII - Medicare	1,102,321,790	24,335	1,102,297,455	37.7%
Health subtotal	2,927,554,560	1,853,883	2,925,700,677	100.0%
Totals	\$ 2,927,554,560	\$ 1,853,883	\$ 2,925,700,677	100.0%

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QCC is licensed in the following jurisdictions: Arizona, Colorado, Delaware, District of Columbia, Florida, Georgia, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Mississippi, Montana, Nebraska, Nevada, New Mexico, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington, and West Virginia, and is a qualified reinsurer in Vermont. QCC currently only writes business in Pennsylvania. It offers PPO coverage through the “Personal Choice” product line in the five county Philadelphia Area.

QCC holds a 38.2% interest in International Plan Solutions, LLC (“IPS”). IPS holds a 34.0% investment in Highway to Health, Inc., which provides insurance placement and administrative services related to health insurance for students, scholars and trainees traveling and/or living abroad and for providers of trip protection insurance.

IHG and Highmark, an unrelated member of the Blue Cross and Blue Shield Association headquartered in western Pennsylvania, jointly market Major Medical, Comprehensive Major Medical, and Medigap benefits to certain customers. IHG subsidiaries purchase services from Highmark as it relates to the enterprise operating platform. Separate agreements also enhance existing relationships with Highmark in the area of national accounts, dental, vision and stop-loss products.

QCC Line of Business	Direct and Assumed Premium	Ceded Premium	Net Premium	Percentage of Total
<b>December 31, 2021</b>				
Comprehensive (hospital and medical)	\$ 1,967,722,017	\$ 1,105,270	\$ 1,966,616,747	84.0%
Medicare Supplement	13,225,725	0	13,225,725	0.6%
Dental only	39,525,846	3,121,649	36,404,197	1.6%
Vision only	7,164,465	0	7,164,465	0.3%
Title XVIII - Medicare	227,251,013	0	227,251,013	9.7%
Other health	90,747,555	0	90,747,555	3.8%
Health subtotal	2,345,636,621	4,226,919	2,341,409,702	100.0%
Totals	\$ 2,345,636,621	\$ 4,226,919	\$ 2,341,409,702	100.0%

Vista is licensed only in Pennsylvania. Vista maintains the risk-based contract with the Pennsylvania DHS to provide healthcare program services to eligible Medicaid participants of the HealthChoices and Community HealthChoices programs.

In addition, Vista maintains a risk-based contract with Centers for Medicare and Medicaid Services (“CMS”) to provide healthcare services, including Medicare prescription coverage, to eligible Medicare enrollees in the Commonwealth of Pennsylvania.

Vista subcontracts with IHG's majority-owned subsidiary, the AmeriHealth Caritas Family of Companies (“ACFC”), to provide such services to eligible participants. Under the terms of the current Pennsylvania agreements, the capitation payments received by Vista are remitted to ACFC while ACFC assumes risk and financial liability and responsibility for provision of such services to eligible members.



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Vista Line of Business	Direct and Assumed Premium	Ceded Premium	Net Premium	Percentage of Total
<b>December 31, 2021</b>				
Title XVIII - Medicare	\$ 264,155,913	\$ 0	\$ 264,155,913	2.4%
Title XIX - Medicaid	10,845,254,538	0	10,845,254,538	97.6%
Health subtotal	11,109,410,451	0	11,109,410,451	0.0%
Totals	\$11,109,410,451	\$ 0	\$11,109,410,451	100.0%

## SIGNIFICANT OPERATING TRENDS

The following table indicates the growth of AH HMO during the period covered by this examination:

AH HMO	2021	2020	2019	2018	2017
Admitted Assets	\$ 124,327,823	\$ 104,367,696	\$ 109,829,001	\$ 107,784,987	\$ 105,604,649
Liabilities	\$ 86,189,047	\$ 66,844,110	\$ 84,721,389	\$ 84,509,495	\$ 84,465,495
Capital and Surplus Funds	\$ 38,138,776	\$ 37,523,586	\$ 25,107,612	\$ 23,275,492	\$ 21,139,154
Net Premium Income	\$ 6,569,992	\$ 6,780,678	\$ 7,309,619	\$ 7,732,335	\$ 12,142,459
Benefits to Members	\$ 126,711,649	\$ 124,094,897	\$ 141,299,944	\$ 123,533,566	\$ 160,731,683
Net Investment Income	\$ 376,631	\$ 1,036,411	\$ 1,804,319	\$ 1,188,110	\$ 1,072,708
Net Income	\$ 1,201,212	\$ 1,113,387	\$ 2,684,463	\$ 1,007,921	\$ 989,225

The following table indicates the growth of KHPE during the period covered by this examination:

KHPE	2021	2020	2019	2018	2017
Admitted Assets	\$1,470,375,944	\$1,375,351,477	\$1,308,213,769	\$1,202,959,106	\$1,246,455,630
Liabilities	\$ 865,240,908	\$ 851,067,210	\$ 754,902,097	\$ 726,251,080	\$ 768,548,793
Capital and Surplus Funds	\$ 605,135,036	\$ 524,284,267	\$ 553,311,671	\$ 476,708,025	\$ 477,906,837
Net Premium Income	\$2,925,700,677	\$2,932,232,938	\$3,143,308,919	\$3,274,529,046	\$3,089,819,416
Benefits to Members	\$2,357,459,706	\$2,224,425,039	\$2,478,701,067	\$2,514,632,746	\$2,484,376,117
Net Investment Income	\$ 16,781,032	\$ 21,209,343	\$ 22,772,231	\$ 19,912,194	\$ 19,118,881
Net Income	\$ 132,609,711	\$ 97,968,093	\$ 212,723,002	\$ 154,491,567	\$ 131,324,473

The following table indicates the growth of QCC during the period covered by this examination:

QCC	2021	2020	2019	2018	2017
Admitted Assets	\$1,513,708,716	\$1,392,835,435	\$1,249,755,719	\$1,194,876,769	\$1,105,605,897
Liabilities	\$ 943,785,302	\$ 848,081,131	\$ 743,284,892	\$ 650,303,012	\$ 635,635,401
Capital and Surplus Funds	\$ 569,923,414	\$ 544,754,304	\$ 506,470,827	\$ 544,573,757	\$ 469,970,495
Net Premium Income	\$2,341,409,702	\$2,116,758,851	\$2,095,570,953	\$2,106,646,250	\$2,216,555,945
Benefits to Members	\$1,780,809,156	\$1,534,221,510	\$1,585,930,692	\$1,502,815,754	\$1,678,499,527
Net Investment Income	\$ 12,404,953	\$ 17,463,242	\$ 22,506,103	\$ 16,273,466	\$ 11,289,176
Net Income	\$ 130,956,330	\$ 105,824,895	\$ 145,794,765	\$ 193,180,122	\$ 83,224,143



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The following table indicates the growth of Vista during the period covered by this examination:

Vista	2021	2020	2019	2018	2017
Admitted Assets	\$ 2,215,387,144	\$1,729,199,124	\$1,529,753,054	\$ 982,831,688	\$ 880,428,508
Liabilities	\$ 1,428,155,530	\$1,024,415,475	\$ 982,678,597	\$ 655,164,172	\$ 597,724,117
Capital and Surplus Funds	\$ 787,231,614	\$ 704,783,651	\$ 547,074,456	\$ 327,667,517	\$ 282,704,391
Net Premium Income	\$11,109,410,451	\$9,788,556,653	\$7,716,220,499	\$5,009,813,319	\$4,379,086,217
Benefits to Members	\$10,805,665,120	\$9,390,382,748	\$7,524,348,673	\$4,718,714,353	\$4,257,860,197
Net Investment Income	\$ 12,321,580	\$ 10,778,976	\$ 9,432,797	\$ 7,187,701	\$ 5,385,295
Net Income	\$ 8,890,033	\$ 13,998,443	\$ 7,570,390	\$ 3,570,771	\$ 3,464,642

### PENDING LITIGATION

As a Blue Cross and Blue Shield licensee, IHG, and its subsidiaries and/or affiliates, are party to a class action antitrust lawsuit against the Blue Cross Blue Shield Association. The litigation includes complaints filed on behalf of subscribers and complaints filed on behalf of providers. A settlement has been reached with the subscribers, but appeals have been filed. The provider case is still in litigation with no settlement yet reached. The Companies note that opt-out lawsuits and the litigation involving the proposed provider class are being vigorously contested based on various meritorious defenses. As of the date of this examination report, the Companies advised that it is not possible to evaluate the likelihood of an unfavorable outcome.

### FINANCIAL STATEMENTS

The financial condition of the Companies, as of December 31, 2021, and the results of its operations for the five-year period under examination, are reflected in the following statements\*:

- Comparative Statement of Assets, Liabilities, Surplus and Other Funds;
- Comparative Statement of Income;
- Comparative Statement of Capital and Surplus;
- Comparative Statement of Cash Flow

\*Note: Some financials shown in this report may contain immaterial differences to those reported in the Companies' filed Annual Statements due to rounding errors.

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**Comparative Statement of Assets, Liabilities, Surplus and Other Funds  
As of December 31,**

AmeriHealth HMO, Inc.

	2021	2020	2019	2018	2017
Bonds	\$ 27,874,803	\$ 32,169,914	\$ 54,932,499	\$ 55,008,983	\$ 60,949,651
Common stocks	14,500	32,600	33,100	40,500	55,600
Cash, cash equivalents and short-term investments	64,924,942	45,477,009	26,502,073	12,014,284	4,072,464
Receivable for securities	0	100,000	0	0	0
Subtotal, cash and invested assets	92,814,245	77,779,523	81,467,672	67,063,767	65,077,715
Investment income due and accrued	134,199	136,031	266,608	202,185	196,376
Premiums and considerations	3,262,278	784,001	499,350	15,808,511	19,585,433
Amounts recoverable from reinsurers	20,474,460	17,582,190	21,249,292	10,619,410	10,756,656
Other amounts receivable under reinsurance contracts	1,952,606	2,911,344	2,686,276	2,423,957	3,219,026
Amounts receivable relating to uninsured plans	393,848	208,345	446,261	4,415,895	3,640,038
Current federal and foreign income tax recoverable and interest thereon	197,225	58,513	137,650	0	180,869
Receivable from parent, subsidiaries and affiliates	39,176	278,951	666,159	4,441,427	68
Health care and other amounts receivable	5,059,786	4,628,798	2,407,489	1,859,309	2,287,681
Aggregate write-ins for other than invested assets	0	0	2,244	950,526	660,787
<b>Total</b>	<b>\$ 124,327,823</b>	<b>\$ 104,367,696</b>	<b>\$ 109,829,001</b>	<b>\$ 107,784,987</b>	<b>\$ 105,604,649</b>
Claims unpaid	\$ 693,358	\$ 1,024,565	\$ 1,059,000	\$ 1,079,833	\$ 1,559,174
Accrued medical incentive pool and bonus amounts	291,182	262,687	45,583	57,403	40,556
Unpaid claims adjustment expenses	12,692	23,881	15,773	16,647	17,759
Aggregate health policy reserves	34,099,714	23,912,646	18,587,175	24,063,736	15,734,036
Premiums received in advance	2,315,281	3,346,080	6,341,575	5,180,332	3,186,935
General expenses due or accrued	6,728,555	5,164,370	2,593,248	2,344,053	5,814,427
Current federal and foreign income tax payable and interest thereon	0	0	0	214,829	0
Net deferred tax liability	4,137,011	4,019,887	909,603	573,936	636,625
Ceded reinsurance premiums payable	4,109,213	1,419,441	16,339,249	11,474,486	12,913,984
Amounts withheld or retained for the account of others	1,285,106	414,743	280,906	588,796	329,723
Amounts due to parent, subsidiaries and affiliates	14,666,718	6,625,115	17,634,787	16,047,934	18,175,926
Funds held under reinsurance treaties	17,242,375	19,947,042	18,929,551	20,734,614	24,358,311
Liability for amounts held under uninsured plans	592,470	647,088	1,984,939	2,132,896	1,698,039
Aggregate write-ins for other liabilities	15,372	36,565	0	0	0
<b>Total liabilities</b>	<b>86,189,047</b>	<b>66,844,110</b>	<b>84,721,389</b>	<b>84,509,495</b>	<b>84,465,495</b>
Aggregate write-ins for special surplus funds	0	0	3,143,157	0	4,125,000
Common capital stock	400,000	400,000	400,000	400,000	400,000
Gross paid in and contributed surplus	272,506,359	272,506,359	272,506,359	272,506,359	272,506,359
Unassigned funds (surplus)	(234,767,583)	(235,382,773)	(250,941,904)	(249,630,867)	(255,892,205)
<b>Total capital and surplus</b>	<b>38,138,776</b>	<b>37,523,586</b>	<b>25,107,612</b>	<b>23,275,492</b>	<b>21,139,154</b>
<b>Totals</b>	<b>\$ 124,327,823</b>	<b>\$ 104,367,696</b>	<b>\$ 109,829,001</b>	<b>\$ 107,784,987</b>	<b>\$ 105,604,649</b>

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**Comparative Statement of Assets, Liabilities, Surplus and Other Funds  
As of December 31,**

Keystone Health Plan East, Inc.

	2021	2020	2019	2018	2017
Bonds	\$ 705,654,397	\$ 687,068,250	\$ 705,931,125	\$ 677,900,093	\$ 679,407,617
Preferred stocks	137,335,786	101,697,420	81,090,958	62,381,393	41,118,824
Common stocks	82,932,052	154,086,180	186,778,630	148,757,857	154,499,104
Cash, cash equivalents and short-term investments	51,820,529	105,074,386	56,960,819	71,842,107	64,189,581
Other invested assets	235,017,072	105,648,331	47,315,047	36,242,552	42,935,025
Receivable for securities	0	0	0	100,000	147,429
Subtotal, cash and invested assets	1,212,759,836	1,153,574,567	1,078,076,579	997,224,002	982,297,580
Investment income due and accrued	5,018,789	4,774,781	5,858,515	5,947,940	6,294,722
Premiums and considerations	62,737,824	71,497,526	100,163,416	74,972,247	67,571,980
Amounts recoverable from reinsurers	26,997,023	332,717	484,269	513,368	4,515,380
Amounts receivable relating to uninsured plans	57,260,521	49,762,852	56,984,758	34,754,188	48,108,986
Current federal and foreign income tax recoverable and interest thereon	0	0	0	6,175,543	43,749,579
Net deferred tax asset	11,621,349	7,890,174	2,598,589	7,021,929	0
Receivable from parent, subsidiaries and affiliates	1,974,588	5,543,034	14,128,841	33,393,766	44,503,323
Health care and other amounts receivable	82,330,180	81,797,645	48,618,673	42,846,097	46,377,566
Aggregate write-ins for other than invested assets	9,675,834	178,181	1,300,129	110,026	3,036,514
<b>Total</b>	<b>\$ 1,470,375,944</b>	<b>\$ 1,375,351,477</b>	<b>\$ 1,308,213,769</b>	<b>\$ 1,202,959,106</b>	<b>\$ 1,246,455,630</b>
Claims unpaid	\$ 163,904,303	\$ 198,992,574	\$ 202,159,079	\$ 207,287,943	\$ 217,210,742
Accrued medical incentive pool and bonus amounts	33,528,114	37,361,268	26,160,643	19,423,320	16,769,365
Unpaid claims adjustment expenses	2,592,691	4,002,931	3,587,339	3,308,061	1,866,317
Aggregate health policy reserves	89,161,322	129,048,273	149,700,861	155,004,206	152,380,431
Premiums received in advance	53,329,491	51,137,203	66,944,542	53,559,310	32,648,532
General expenses due or accrued	140,790,721	133,115,315	69,515,457	83,054,645	71,311,141
Current federal and foreign income tax payable and interest thereon	3,904,387	2,589,031	1,626,568	0	0
Net deferred tax liability	0	0	0	0	3,098,234
Amounts withheld or retained for the account of others	96,191,125	112,090,876	89,403,252	97,780,822	90,113,289
Rerrilliances and items not allocated	0	0	0	0	128
Borrowed money and interest thereon	89,538,542	89,525,151	0	0	0
Amounts due to parent, subsidiaries and affiliates	151,943,207	52,972,358	100,488,421	59,304,950	120,715,863
Payable for securities	1,160,870	0	0	0	0
Funds held under reinsurance treaties	468,491	504,207	710,856	782,646	760,457
Liability for amounts held under uninsured plans	38,727,283	39,709,512	44,605,079	46,745,177	61,674,296
Aggregate write-ins for other liabilities	361	18,511	0	0	0
<b>Total liabilities</b>	<b>865,240,908</b>	<b>851,067,210</b>	<b>754,902,097</b>	<b>726,251,080</b>	<b>768,548,793</b>
Aggregate write-ins for special surplus funds	0	0	59,957,343	0	66,722,000
Common capital stock	400,000	400,000	400,000	400,000	400,000
Gross paid in and contributed surplus	7,935,243	7,935,243	7,935,243	7,935,243	7,935,243
Unassigned funds (surplus)	596,799,793	515,949,024	485,019,085	468,372,782	402,849,594
<b>Total capital and surplus</b>	<b>605,135,036</b>	<b>524,284,267</b>	<b>553,311,671</b>	<b>476,708,025</b>	<b>477,906,837</b>
<b>Totals</b>	<b>\$ 1,470,375,944</b>	<b>\$ 1,375,351,477</b>	<b>\$ 1,308,213,768</b>	<b>\$ 1,202,959,105</b>	<b>\$ 1,246,455,630</b>

For Informational Purposes Only

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**Comparative Statement of Assets, Liabilities, Surplus and Other Funds  
As of December 31,**

**QCC Insurance Company**

	2021	2020	2019	2018	2017
Bonds	\$ 566,702,947	\$ 525,747,172	\$ 553,612,634	\$ 516,270,371	\$ 399,020,038
Common stocks	169,049,100	231,044,750	289,427,361	215,595,224	287,377,794
Cash, cash equivalents and short-term investments	183,377,367	138,332,155	19,737,226	88,361,699	37,857,611
Other invested assets	168,752,141	150,536,239	21,574,924	19,517,343	18,643,929
Receivable for securities	506,168	1,861,576	26,110	1,649,452	1,550,000
Subtotal, cash and invested assets	1,088,387,723	1,047,521,892	884,378,255	841,394,089	744,449,372
Investment income due and accrued	2,893,397	2,985,313	4,872,992	5,589,147	3,661,634
Premiums and considerations	74,973,774	62,779,769	79,658,809	103,687,404	82,879,199
Amounts recoverable from reinsurers	15,150,036	424,889	492,899	475,662	19,986,905
Other amounts receivable under reinsurance contracts	622,679	454,246	423,654	421,502	0
Amounts receivable relating to uninsured plans	186,912,763	133,431,364	179,852,008	134,486,322	174,269,109
Current federal and foreign income tax recoverable and interest thereon	0	0	3,621,179	0	26,384,947
Net deferred tax asset	3,220,688	0	0	4,564,762	0
Guaranty funds receivable or on deposit	16,324,724	26,952,261	27,534,342	30,099,754	5,704,506
Receivable from parent, subsidiaries and affiliates	30,733,311	3,906,515	12,605,796	33,628,997	4,692,313
Health care and other amounts receivable	80,307,773	101,314,610	45,314,981	28,082,434	38,285,231
Aggregate write-ins for other than invested assets	14,181,848	13,064,576	11,000,804	12,446,696	5,292,681
<b>Total</b>	<b>\$ 1,513,708,716</b>	<b>\$ 1,392,835,435</b>	<b>\$ 1,249,755,719</b>	<b>\$ 1,194,876,769</b>	<b>\$ 1,105,605,897</b>
Claims unpaid	\$ 206,732,292	\$ 200,694,834	\$ 184,175,949	\$ 196,507,600	\$ 210,432,168
Accrued medical incentive pool and bonus amounts	19,146,124	21,498,464	9,303,134	10,904,244	8,318,842
Unpaid claims adjustment expenses	3,218,292	3,926,151	3,049,119	2,581,795	1,819,801
Aggregate health policy reserves	132,544,358	123,804,528	125,080,255	59,981,960	31,335,520
Premiums received in advance	61,508,902	55,933,016	62,926,708	62,194,295	44,428,616
General expenses due or accrued	101,156,565	85,166,256	46,423,897	40,211,046	29,316,100
Current federal and foreign income tax payable and interest thereon	6,176,564	3,990,307	0	10,219,032	0
Net deferred tax liability	0	9,028,041	4,817,486	0	4,543,881
Amounts withheld or retained for the account of others	12,422,215	34,005,234	25,167,750	17,200,828	9,960,264
Borrowed money and interest thereon	89,538,542	89,525,151	0	0	0
Amounts due to parent, subsidiaries and affiliates	96,289,721	31,738,788	106,741,285	95,035,409	131,577,186
Payable for securities	3,530,663	2,827,139	3,427,431	2,173,506	10,220
Funds held under reinsurance treaties	29,248,299	10,847,622	10,932,010	10,825,158	14,693,242
Liability for amounts held under uninsured plans	180,015,109	173,280,863	161,239,868	142,468,139	149,199,561
Aggregate write-ins for other liabilities	2,257,656	1,814,737	0	0	0
<b>Total liabilities</b>	<b>943,785,302</b>	<b>848,081,131</b>	<b>743,284,892</b>	<b>650,303,012</b>	<b>635,635,401</b>
Aggregate write-ins for special surplus funds	0	0	39,929,690	0	41,218,000
Common capital stock	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Gross paid in and contributed surplus	187,518,517	187,518,517	187,518,517	187,518,517	187,518,517
Unassigned funds (surplus)	380,404,897	355,235,787	277,022,620	355,055,240	239,233,978
<b>Total capital and surplus</b>	<b>569,923,414</b>	<b>544,754,304</b>	<b>506,470,827</b>	<b>544,573,757</b>	<b>469,970,495</b>
<b>Totals</b>	<b>\$ 1,513,708,716</b>	<b>\$ 1,392,835,435</b>	<b>\$ 1,249,755,719</b>	<b>\$ 1,194,876,769</b>	<b>\$ 1,105,605,897</b>

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**Comparative Statement of Assets, Liabilities, Surplus and Other Funds  
As of December 31,**

Vista Health Plan, Inc.

	2021	2020	2019	2018	2017
Bonds	\$ 517,514,266	\$ 465,668,560	\$ 367,243,971	\$ 283,686,716	\$ 272,371,901
Common stocks	59,166,231	60,557,308	0	0	0
Cash, cash equivalents and short-term investments	584,891,535	325,758,154	462,146,292	171,921,339	279,811,210
Other invested assets	20,411,527	20,000,000	0	0	0
Receivable for securities	0	11,697	61,045	100,000	1,485,000
Subtotal, cash and invested assets	1,181,983,559	871,995,719	829,451,308	455,708,055	553,668,111
Investment income due and accrued	2,494,095	2,310,870	2,359,207	1,995,237	1,764,396
Premiums and considerations	1,027,448,285	853,419,699	690,872,277	524,945,656	322,130,141
Current federal and foreign income tax recoverable and interest thereon	0	447,871	0	180,768	163,166
Net deferred tax asset	105,000	0	0	0	0
Receivable from parent, subsidiaries and affiliates	2,012,467	698,224	1,206,275	1,972	133,573
Aggregate write-ins for other than invested assets	1,343,738	326,741	5,863,987	0	2,569,121
<b>Total</b>	<b>\$ 2,215,387,144</b>	<b>\$ 1,729,199,124</b>	<b>\$ 1,529,753,054</b>	<b>\$ 982,831,688</b>	<b>\$ 880,428,508</b>
General expenses due or accrued	\$ 84,385,583	\$ 77,809,678	\$ 55,474,860	\$ 48,411,747	\$ 32,153,523
Current federal and foreign income tax payable and interest thereon	35,403	0	212,984	0	0
Net deferred tax liability	0	0	445,890	223,516	272,564
Amounts due to parent, subsidiaries and affiliates	1,343,734,544	942,604,217	926,544,863	606,528,909	565,298,030
Payable for securities	0	4,001,580	0	0	0
<b>Total liabilities</b>	<b>1,428,155,530</b>	<b>1,024,415,475</b>	<b>982,678,597</b>	<b>655,164,172</b>	<b>597,724,117</b>
Aggregate write-ins for special surplus funds	0	0	88,063,600	0	80,606,000
Common capital stock	17	17	17	17	17
Gross paid in and contributed surplus	726,214,993	649,214,993	503,214,993	292,214,993	252,214,993
Unassigned funds (surplus)	61,016,604	55,568,641	(44,204,154)	35,452,507	(50,116,619)
<b>Total capital and surplus</b>	<b>787,231,614</b>	<b>704,783,651</b>	<b>547,074,456</b>	<b>327,667,517</b>	<b>282,704,391</b>
<b>Totals</b>	<b>\$ 2,215,387,144</b>	<b>\$ 1,729,199,126</b>	<b>\$ 1,529,753,053</b>	<b>\$ 982,831,689</b>	<b>\$ 880,428,508</b>

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**Comparative Statement of Income  
For the Year Ended December 31,**

AmeriHealth HMO, Inc.

	2021	2020	2019	2018	2017
Net premium income	\$ 6,569,992	\$ 6,780,678	\$ 7,309,619	\$ 7,732,335	\$ 12,142,459
Change in unearned premium reserves and reserve for rate credits	(100,000)	0	0	0	0
Total revenues	<u>6,469,992</u>	<u>6,780,678</u>	<u>7,309,619</u>	<u>7,732,335</u>	<u>12,142,459</u>
Hospital/medical benefits	98,328,633	94,207,971	105,814,341	91,321,546	120,489,992
Other professional services	490,527	612,110	1,114,213	1,502,062	1,655,792
Emergency room and out-of-area	4,616,749	4,607,062	5,372,680	5,206,449	7,161,925
Prescription drugs	21,599,887	22,829,526	28,702,944	24,637,135	29,658,509
Incentive pool, withhold adjustments and bonus amounts	1,675,853	1,838,228	295,766	866,374	1,765,465
Subtotal (hospital and medical)	<u>126,711,649</u>	<u>124,094,897</u>	<u>141,299,944</u>	<u>123,533,566</u>	<u>160,731,683</u>
Net reinsurance recoveries	<u>122,319,460</u>	<u>119,185,715</u>	<u>136,987,624</u>	<u>118,281,955</u>	<u>149,298,485</u>
Total hospital and medical	<u>4,392,189</u>	<u>4,909,182</u>	<u>4,312,320</u>	<u>5,251,611</u>	<u>11,433,198</u>
Claims adjustment expenses, including cost containment expenses	294,067	321,448	303,042	378,388	299,790
General administrative expenses	915,760	1,206,492	1,243,545	1,652,065	1,071,038
Total underwriting deductions	<u>5,602,016</u>	<u>6,437,122</u>	<u>5,858,907</u>	<u>7,282,064</u>	<u>12,804,026</u>
Net underwriting gain or (loss)	<u>867,976</u>	<u>343,556</u>	<u>1,450,712</u>	<u>450,271</u>	<u>(661,567)</u>
Net investment income earned	376,631	1,036,411	1,804,319	1,188,110	1,072,708
Net realized capital gains or (losses)	(100)	6,988	(1,512)	71,371	21,084
Net investment gains or (losses)	<u>376,531</u>	<u>1,043,399</u>	<u>1,802,807</u>	<u>1,259,481</u>	<u>1,093,792</u>
Net income or (loss) before federal income taxes	<u>1,244,507</u>	<u>1,386,955</u>	<u>3,253,519</u>	<u>1,709,752</u>	<u>432,225</u>
Federal income taxes incurred	43,295	273,568	569,056	701,831	(557,000)
Net income (loss)	<u>\$ 1,201,212</u>	<u>\$ 1,113,387</u>	<u>\$ 2,684,463</u>	<u>\$ 1,007,921</u>	<u>\$ 989,225</u>

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**Comparative Statement of Income  
For the Year Ended December 31,**

Keystone Health Plan East, Inc.

	2021	2020	2019	2018	2017
Net premium income	\$ 2,925,700,677	\$ 2,932,232,938	\$ 3,143,308,919	\$ 3,274,529,046	\$ 3,089,819,416
Change in unearned premium reserves and reserve for rate credits	(900,000)	0	0	0	0
Total revenues	2,924,800,677	2,932,232,938	3,143,308,919	3,274,529,046	3,089,819,416
Hospital/medical benefits	1,299,422,385	1,193,617,565	1,366,642,682	1,395,165,091	1,311,903,661
Other professional services	836,736,670	780,594,034	836,270,743	855,357,971	810,985,936
Prescription drugs	188,191,324	196,923,249	240,518,021	234,239,762	332,920,589
Incentive pool, withhold adjustments and bonus amounts	33,109,327	53,290,191	35,269,621	29,869,922	28,565,931
Subtotal (hospital and medical)	2,357,459,706	2,224,425,039	2,478,701,067	2,514,632,746	2,484,376,117
Net reinsurance recoveries	29,850,241	606,204	1,255,109	967,227	5,823,739
Total hospital and medical	2,327,609,465	2,223,818,835	2,477,445,958	2,513,665,519	2,478,552,378
Claims adjustment expenses, including cost containment expenses	85,672,039	95,996,999	99,851,982	95,072,119	88,708,011
General administrative expenses	378,854,028	499,440,328	365,974,665	490,463,594	387,526,524
Total underwriting deductions	2,792,135,532	2,819,256,162	2,943,272,605	3,099,201,232	2,954,786,913
Net underwriting gain or (loss)	132,665,145	112,976,776	200,036,314	175,327,814	135,032,503
Net investment income earned	16,781,032	21,209,343	22,772,231	19,912,194	19,118,881
Net realized capital gains or (losses)	19,309,034	27,335,865	35,218,175	48,154,499	8,138,868
Net investment gains or (losses)	36,090,066	48,545,208	57,990,406	38,066,693	27,257,749
Net income or (loss) before federal income taxes	168,755,211	161,521,984	258,026,720	213,394,507	162,290,252
Federal income taxes incurred	36,145,500	63,553,891	45,303,718	58,902,940	30,965,779
Net income (loss)	\$ 132,609,711	\$ 97,968,093	\$ 212,723,002	\$ 154,491,567	\$ 131,324,473

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**Comparative Statement of Income  
For the Year Ended December 31,**

**QCC Insurance Company**

	2021	2020	2019	2018	2017
Net premium income	\$ 2,341,409,702	\$ 2,116,758,851	\$ 2,095,570,953	\$ 2,106,646,250	\$ 2,216,555,945
Change in unearned premium reserves and reserve for rate credits	12,460,100	0	0	0	0
Total revenues	<u>2,353,869,802</u>	<u>2,116,758,851</u>	<u>2,095,570,953</u>	<u>2,106,646,250</u>	<u>2,216,555,945</u>
Hospital/medical benefits	1,405,852,492	1,173,613,494	1,204,399,770	1,160,438,158	1,315,804,649
Other professional services	7,281,791	6,288,378	14,624,050	13,781,418	19,946,730
Prescription drugs	350,641,639	328,519,336	356,144,061	316,036,911	329,350,581
Incentive pool, withhold adjustments and bonus amounts	17,033,234	25,800,302	10,762,811	12,559,267	13,397,567
Subtotal (hospital and medical)	1,780,809,156	1,534,221,510	1,585,930,692	1,502,815,754	1,678,499,527
Net reinsurance recoveries	(114,778,720)	(69,589,389)	(63,703,724)	(54,158,890)	(62,329,177)
Total hospital and medical	<u>1,895,587,876</u>	<u>1,603,810,899</u>	<u>1,649,634,416</u>	<u>1,556,974,644</u>	<u>1,740,828,704</u>
Non-health claims	0	0	3,894,369	4,445,529	3,036,659
Claims adjustment expenses, including cost containment expenses	85,517,210	102,597,140	71,231,024	68,422,916	81,016,485
General administrative expenses	251,215,860	304,856,794	263,100,353	265,679,559	316,382,122
Increase in reserves for life accident and health contracts	11,600,000	0	0	0	0
Total underwriting deductions	<u>2,243,920,946</u>	<u>2,011,264,833</u>	<u>1,987,860,162</u>	<u>1,895,522,648</u>	<u>2,141,263,970</u>
Net underwriting gain or (loss)	<u>109,948,856</u>	<u>105,494,018</u>	<u>107,710,791</u>	<u>211,123,602</u>	<u>75,291,975</u>
Net investment income earned	12,404,953	17,463,242	22,506,103	16,273,466	11,289,176
Net realized capital gains or (losses)	43,470,227	28,938,013	44,393,236	21,325,385	10,509,992
Net investment gains or (losses)	<u>55,875,180</u>	<u>46,401,255</u>	<u>66,899,339</u>	<u>37,598,851</u>	<u>21,799,168</u>
Net income or (loss) before federal income taxes	165,824,036	151,895,273	174,610,130	248,722,453	97,091,143
Federal income taxes incurred	34,867,706	46,070,378	28,815,365	55,542,331	13,867,000
Net income (loss)	<u>\$ 130,956,330</u>	<u>\$ 105,824,895</u>	<u>\$ 145,794,765</u>	<u>\$ 193,180,122</u>	<u>\$ 83,224,143</u>

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**Comparative Statement of Income  
For the Year Ended December 31,**

Vista Health Plan, Inc.

	2021	2020	2019	2018	2017
Net premium income	\$11,109,410,451	\$ 9,788,556,653	\$ 7,716,220,499	\$ 5,009,813,319	\$ 4,379,086,217
Total revenues	11,109,410,451	9,788,556,653	7,716,220,499	5,009,813,319	4,379,086,217
Hospital/medical benefits	10,805,665,120	9,390,382,748	7,524,348,673	4,718,714,353	4,257,860,197
Subtotal (hospital and medical)	10,805,665,120	9,390,382,748	7,524,348,673	4,718,714,353	4,257,860,197
Total hospital and medical	10,805,665,120	9,390,382,748	7,524,348,673	4,718,714,353	4,257,860,197
General administrative expenses	305,549,422	377,550,996	192,427,705	271,358,274	121,609,066
Total underwriting deductions	11,111,214,542	9,767,933,744	7,716,776,378	4,990,072,627	4,379,469,263
Net underwriting gain or (loss)	(1,804,091)	20,622,909	(555,879)	19,740,692	(383,046)
Net investment income earned	12,321,580	10,778,976	9,432,797	7,187,701	5,385,295
Net realized capital gains or (losses)	375,405	8,844,690	615,010	(75,224)	119,227
Net investment gains or (losses)	12,696,985	19,623,666	10,047,807	7,112,477	5,504,522
Net income or (loss) before federal income taxes	10,892,894	40,246,575	9,491,928	26,853,169	5,121,476
Federal income taxes incurred	2,002,861	26,248,132	1,921,538	23,282,398	1,656,834
Net income (loss)	\$ 8,890,033	\$ 13,998,443	\$ 7,570,390	\$ 3,570,771	\$ 3,464,642

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**Comparative Statement of Capital and Surplus  
For the Year Ended December 31,**

AmeriHealth HMO, Inc.

	2021	2020	2019	2018	2017
Capital and surplus, December 31, previous year	\$ 37,523,586	\$ 25,107,612	\$ 23,275,492	\$ 21,139,154	\$ 18,566,658
Net income or (loss)	1,201,212	1,113,387	2,684,463	1,007,921	989,225
Change in net unrealized capital gains and (losses)	0	0	0	761	(761)
Change in net deferred income tax	(117,126)	(3,110,285)	(335,667)	62,689	(1,494,737)
Change in nonadmitted assets	(468,896)	14,412,872	(516,676)	1,064,967	3,078,769
Net change in capital and surplus	615,190	12,415,974	1,832,120	2,136,338	2,572,496
Capital and surplus, December 31, current year	<u>\$ 38,138,776</u>	<u>\$ 37,523,586</u>	<u>\$ 25,107,612</u>	<u>\$ 23,275,492</u>	<u>\$ 21,139,154</u>

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**Comparative Statement of Capital and Surplus  
For the Year Ended December 31,**

Keystone Health Plan East, Inc.

	2021	2020	2019	2018	2017
Capital and surplus, December 31, previous year	\$ 524,284,267	\$ 553,311,671	\$ 476,708,025	\$ 477,906,837	\$ 397,513,888
Net income or (loss)	132,609,711	97,968,093	212,723,002	154,491,567	131,324,473
Change in net unrealized capital gains and (losses)	42,091,704	12,225,033	8,487,771	(20,078,684)	17,801,849
Change in net unrealized foreign exchange capital gain or (loss)	(268,848)	1,304,798	981,883	0	0
Change in net deferred income tax	7,003,064	9,035,616	(4,303,203)	7,002,094	(37,304,269)
Change in nonadmitted assets	(3,584,862)	62,439,056	12,714,193	(11,613,789)	58,570,896
Dividends to stockholders	(97,000,000)	(212,000,000)	(154,000,000)	(131,000,000)	(90,000,000)
Net change in capital and surplus	80,850,769	(29,027,404)	76,603,646	(1,198,812)	80,392,949
Capital and surplus, December 31, current year	\$ 605,135,036	\$ 524,284,267	\$ 553,311,671	\$ 476,708,025	\$ 477,906,837

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**Comparative Statement of Capital and Surplus  
For the Year Ended December 31,**

**QCC Insurance Company**

	2021	2020	2019	2018	2017
Capital and surplus, December 31, previous year	\$ 544,754,304	\$ 506,470,827	\$ 544,573,757	\$ 469,970,495	\$ 401,048,066
Net income or (loss)	130,956,330	105,824,895	145,794,765	193,180,122	83,224,143
Change in net unrealized capital gains and (losses)	(5,059,366)	30,765,372	15,854,417	(31,927,638)	31,368,230
Change in net deferred income tax	10,903,835	3,967,582	(5,143,031)	935,266	(18,517,397)
Change in nonadmitted assets	(6,631,689)	42,725,628	(1,609,081)	(4,584,488)	12,847,453
Dividends to stockholders	(105,000,000)	(145,000,000)	(193,000,000)	(83,000,000)	(40,000,000)
Net change in capital and surplus	25,169,110	38,283,477	(38,102,930)	74,603,262	68,922,429
Capital and surplus, December 31, current year	<u>\$ 569,923,414</u>	<u>\$ 544,754,304</u>	<u>\$ 506,470,827</u>	<u>\$ 544,573,757</u>	<u>\$ 469,970,495</u>

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**Comparative Statement of Capital and Surplus  
For the Year Ended December 31,**

Vista Health Plan, Inc.

	2021	2020	2019	2018	2017
Capital and surplus, December 31, previous year	\$ 704,783,651	\$ 547,074,456	\$ 327,667,517	\$ 282,704,391	\$ 278,482,058
Net income or (loss)	8,890,033	13,998,443	7,570,390	3,570,771	3,464,642
Change in net unrealized capital gains and (losses)	(2,802,185)	(2,160,759)	836,549	1,182,355	757,691
Change in net deferred income tax	156,640	183,286	0	210,000	0
Change in nonadmitted assets	(796,525)	(311,775)	0	0	0
Surplus adjustments:					
Paid in	77,000,000	146,000,000	211,000,000	40,000,000	0
Net change in capital and surplus	82,447,963	157,709,195	219,406,939	44,963,126	4,222,333
Capital and surplus, December 31, current year	\$ 787,231,614	\$ 704,783,651	\$ 547,074,456	\$ 327,667,517	\$ 282,704,391

For Informational Purposes Only

**Comparative Statement of Cash Flow  
For the Year Ended December 31,**

AmeriHealth HMO, Inc.

	2021	2020	2019	2018	2017
<b>Cash from Operations</b>					
Premiums collected net of reinsurance	\$ 16,425,328	\$ 8,131,871	\$ 22,991,178	\$ 20,699,741	\$ (10,967,700)
Net investment income	492,995	1,216,763	1,733,670	1,206,396	1,146,084
Total	16,918,323	9,348,634	24,724,848	21,906,137	(9,821,616)
Benefit and loss related payments	8,270,944	2,833,154	15,997,963	4,386,520	(14,034,417)
Commissions, expenses paid and aggregate write-ins for deductions	(1,113,800)	137,601	(3,377,003)	5,256,995	7,013,095
Federal and foreign income taxes paid (recovered)	182,500	198,042	923,855	325,105	(1,219,907)
Total deductions	7,339,644	3,168,797	13,544,815	9,968,620	(8,241,229)
Net cash from operations	9,578,679	6,179,837	11,180,033	11,937,517	(1,580,387)
<b>Cash from Investments</b>					
Proceeds from investments sold, matured or repaid:					
Bonds	21,519,460	37,015,070	23,243,613	26,078,917	35,436,992
Stocks	18,600	500	17,900	25,600	0
Miscellaneous proceeds	0	3	0	0	0
Total investment proceeds	21,538,060	37,015,573	23,261,513	26,104,517	35,436,992
Cost of investments acquired (long-term only):					
Bonds	17,223,862	14,403,427	23,160,195	20,078,139	16,406,286
Stocks	500	0	10,500	10,500	55,600
Total investments acquired	17,224,362	14,403,427	23,170,695	20,088,639	16,461,886
Net cash from investments	4,313,698	22,612,146	90,818	6,015,878	18,975,106
<b>Cash from Financing and Miscellaneous Sources</b>					
Cash provided (applied):					
Other cash provided or (applied)	5,555,556	(9,817,047)	3,216,938	(10,011,575)	(18,266,755)
Net cash from financing and miscellaneous sources	5,555,556	(9,817,047)	3,216,938	(10,011,575)	(18,266,755)
<b>Reconciliation of cash and short-term investments</b>					
Net change in cash and short-term investments	19,447,933	18,974,936	14,487,789	7,941,820	(872,036)
Cash and short-term investments:					
Beginning of the year	45,477,009	26,502,073	12,014,284	4,072,464	4,944,500
End of the year	\$ 64,924,942	\$ 45,477,009	\$ 26,502,073	\$ 12,014,284	\$ 4,072,464

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## Comparative Statement of Cash Flow For the Year Ended December 31,

Keystone Health Plan East, Inc.

	2021	2020	2019	2018	2017
<b>Cash from Operations</b>					
Premiums collected net of reinsurance	\$ 2,898,349,969	\$ 2,993,083,138	\$ 3,133,207,581	\$ 3,287,647,170	\$ 3,228,509,001
Net investment income	23,111,328	27,969,032	28,353,233	28,190,093	24,795,305
Total	2,921,461,297	3,021,052,170	3,161,560,814	3,315,837,263	3,254,304,306
Benefit and loss related payments	2,396,566,217	2,248,787,011	2,480,629,757	2,514,616,782	2,451,625,239
Commissions, expenses paid and aggregate write-ins for deductions	477,512,423	531,709,108	503,780,287	574,372,730	452,982,614
Federal and foreign income taxes paid (recovered)	40,396,307	68,525,690	42,709,908	26,176,422	106,821,910
Total deductions	2,914,474,947	2,849,021,809	3,027,119,952	3,115,165,934	3,011,429,763
Net cash from operations	6,986,350	172,030,361	134,440,862	200,671,329	242,874,543
<b>Cash from Investments</b>					
Proceeds from investments sold, matured or repaid:					
Bonds	208,916,866	287,257,603	316,992,757	260,934,627	279,364,319
Stocks	149,885,056	187,016,491	135,128,460	68,858,356	69,409,261
Other invested assets	4,121,449	397,274	42,349,033	0	46,475,834
Net gain or (loss) on cash, cash equivalents and short term investments	410,578	61,064	257,813	549,781	64,249
Miscellaneous proceeds	0	0	0	424	0
Total investment proceeds	363,333,949	474,732,432	494,728,063	330,343,188	395,313,663
Cost of investments acquired (long-term only):					
Bonds	216,014,281	254,588,921	331,608,833	252,531,699	288,016,494
Stocks	56,641,946	155,360,337	167,739,993	96,921,848	119,116,454
Other invested assets	137,422,849	49,680,000	42,613,077	249,784	0
Miscellaneous applications	0	0	0	295	1
Total investments acquired	410,079,076	459,629,258	541,961,903	349,703,626	407,132,949
Net cash from investments	(46,745,127)	15,103,174	(47,233,840)	(19,360,438)	(11,819,286)
<b>Cash from Financing and Miscellaneous Sources</b>					
Cash provided (applied):					
Borrowed funds	13,391	89,525,151	0	0	(199,149,870)
Dividends to stockholders	97,000,000	212,000,000	154,000,000	131,000,000	90,000,000
Other cash provided or (applied)	83,491,529	(16,545,119)	51,911,690	(42,658,365)	91,223,820
Net cash from financing and miscellaneous sources	(13,495,080)	(139,019,968)	(102,088,310)	(173,658,365)	(197,926,050)
<b>Reconciliation of cash and short-term investments:</b>					
Net change in cash and short-term investments	(53,253,857)	48,113,567	(14,881,288)	7,652,526	33,129,207
Cash and short-term investments:					
Beginning of the year	105,074,386	56,960,819	71,842,107	64,189,581	31,060,374
End of the year	\$ 51,820,529	\$ 105,074,386	\$ 56,960,819	\$ 71,842,107	\$ 64,189,581

For Informational Purposes

**Comparative Statement of Cash Flow  
For the Year Ended December 31,**

QCC Insurance Company	2021	2020	2019	2018	2017
<b>Cash from Operations</b>					
Premiums collected net of reinsurance	\$ 2,356,714,762	\$ 2,164,419,226	\$ 2,186,133,098	\$ 2,130,677,518	\$ 2,279,227,306
Net investment income	14,940,267	21,311,910	24,954,833	16,394,439	13,664,728
Total	<u>2,371,655,029</u>	<u>2,185,731,136</u>	<u>2,211,087,931</u>	<u>2,147,071,957</u>	<u>2,292,892,034</u>
Benefit and loss related payments	1,924,981,020	1,621,342,698	1,663,929,202	1,532,503,793	1,669,049,572
Commissions, expenses paid and aggregate write-ins for deductions	361,361,534	310,916,290	352,855,498	318,875,629	418,383,277
Federal and foreign income taxes paid (recovered)	44,299,572	46,348,922	44,657,843	24,272,871	60,289,450
Total deductions	<u>2,330,642,126</u>	<u>1,978,607,910</u>	<u>2,061,442,543</u>	<u>1,875,652,293</u>	<u>2,147,722,299</u>
Net cash from operations	<u>41,012,903</u>	<u>207,123,226</u>	<u>149,645,388</u>	<u>271,419,664</u>	<u>145,169,735</u>
<b>Cash from Investments</b>					
Proceeds from investments sold, matured or repaid:					
Bonds	133,890,006	270,596,680	176,508,038	81,119,255	128,530,452
Stocks	158,078,622	302,712,242	275,413,304	274,971,124	245,962,698
Other invested assets	3,917,044	368,302	50,000	0	0
Net gain or (loss) on cash, cash equivalents and short term investments	91	246	(12)	(8,198)	(129)
Miscellaneous proceeds	2	0	3,280	2,743	0
Total investment proceeds	<u>295,885,765</u>	<u>573,677,470</u>	<u>451,974,610</u>	<u>356,084,924</u>	<u>374,513,021</u>
Cost of investments acquired (long-term only):					
Bonds	173,567,852	243,246,058	205,421,976	203,430,129	140,966,363
Stocks	154,584,755	175,955,487	291,974,184	212,455,217	240,093,311
Other invested assets	20,000,000	125,880,000	38,200	0	0
Total investments acquired	<u>348,152,607</u>	<u>545,081,545</u>	<u>497,434,360</u>	<u>415,885,346</u>	<u>381,059,674</u>
Net cash from investments	<u>(52,266,842)</u>	<u>28,595,925</u>	<u>(45,459,750)</u>	<u>(59,800,422)</u>	<u>(6,546,653)</u>
<b>Cash from Financing and Miscellaneous Sources</b>					
Cash provided (applied):					
Borrowed funds	13,391	89,525,151	0	0	(160,137,634)
Dividends to stockholders	1,413,723	145,000,000	193,000,000	83,000,000	40,000,000
Other cash provided or (applied)	57,699,483	(61,649,373)	20,189,889	(78,115,154)	76,252,529
Net cash from financing and miscellaneous sources	<u>56,299,151</u>	<u>(117,124,222)</u>	<u>(172,810,111)</u>	<u>(161,115,154)</u>	<u>(123,885,105)</u>
<b>Reconciliation of cash and short-term investments</b>					
Net change in cash and short-term investments	45,045,212	118,594,929	(68,624,473)	50,504,088	14,737,977
Cash and short-term investments:					
Beginning of the year	138,332,155	19,737,226	88,361,699	37,857,611	23,119,634
End of the year	<u>\$ 183,377,367</u>	<u>\$ 138,332,155</u>	<u>\$ 19,737,226</u>	<u>\$ 88,361,699</u>	<u>\$ 37,857,611</u>

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**Comparative Statement of Cash Flow  
For the Year Ended December 31,**

Vista Health Plan, Inc.

	2021	2020	2019	2018	2017
<b>Cash from Operations</b>					
Premiums collected net of reinsurance	\$ 10,935,381,865	\$ 9,626,009,231	\$ 7,550,293,878	\$ 4,806,997,804	\$ 4,062,961,277
Net investment income	14,764,860	12,625,446	9,509,784	8,017,099	6,569,467
Total	10,950,146,725	9,638,634,677	7,559,803,662	4,815,014,903	4,069,530,744
Benefit and loss related payments	10,805,665,119	9,390,382,748	7,524,348,673	4,718,714,353	4,257,860,197
Commissions, expenses paid and aggregate write-ins for deductions	300,138,783	349,745,124	191,212,777	252,551,329	235,636,656
Federal and foreign income taxes paid (recovered)	1,620,000	28,950,000	1,696,993	23,300,000	1,740,000
Total deductions	11,107,423,902	9,769,077,872	7,717,258,443	4,994,565,682	4,495,236,853
Net cash from operations	(157,277,177)	(130,443,195)	(157,454,781)	(179,550,779)	(425,706,109)
<b>Cash from Investments</b>					
Proceeds from investments sold, matured or repaid:					
Bonds	178,756,767	289,703,977	97,541,673	61,623,075	120,583,308
Net gain or (loss) on cash, cash equivalents and short term investments	369	(1,210)	686	(11,019)	38
Miscellaneous proceeds	0	1	1	0	0
Total investment proceeds	178,757,136	289,702,768	97,542,360	61,612,056	120,583,346
Cost of investments acquired (long-term only):					
Bonds	236,599,422	378,049,964	179,674,277	71,313,627	121,398,109
Stocks	2,563,240	60,165,151	0	0	0
Other invested assets	0	20,000,000	0	0	0
Miscellaneous applications	0	0	1	0	0
Total investments acquired	239,162,662	458,215,115	179,674,278	71,313,627	121,398,109
Net cash from investments	(60,405,526)	(168,512,347)	(82,131,918)	(9,701,571)	(614,763)
<b>Cash from Financing and Miscellaneous Sources</b>					
Cash provided (applied):					
Capital and paid in surplus, less treasury stock	77,000,000	146,000,000	211,000,000	40,000,000	0
Other cash provided or (applied)	399,816,084	16,567,404	318,811,652	41,362,479	(49,010,630)
Net cash from financing and miscellaneous sources	476,816,084	162,567,404	529,811,652	81,362,479	(49,010,630)
<b>Reconciliation of cash and short-term investments:</b>					
Net change in cash and short-term investments	259,133,381	(136,388,138)	290,224,953	(107,889,871)	(475,531,502)
Cash and short-term investments:					
Beginning of the year	325,758,154	462,146,292	171,921,339	279,811,210	755,342,712
End of the year	\$ 584,891,535	\$ 325,758,154	\$ 462,146,292	\$ 171,921,339	\$ 279,811,210

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## SUMMARY OF EXAMINATION CHANGES

There were no examination changes to the preceding financial statements as filed with regulatory authorities over the review period.

## NOTES TO FINANCIAL ITEMS

### ASSETS

#### INVESTMENTS

As of December 31, 2021, AH HMO's invested assets were distributed as follows:

	Amount	Percentage
Bonds	\$ 27,874,803	30.0%
Common stocks	14,500	0.0%
Cash	2,016,606	2.2%
Cash equivalents	53,236,215	57.4%
Short-term investments	9,672,121	10.4%
Totals	<u>\$ 92,814,245</u>	<u>100.0%</u>

AH HMO's bond and short-term investment portfolio had the following quality and maturity profiles:

NAIC Designation	Amount	Percentage
1 - highest quality	\$ 32,101,421	85.5%
2 - high quality	5,445,503	14.5%
Totals	<u>\$ 37,546,924</u>	<u>100.0%</u>

Years to Maturity	Amount	Percentage
1 year or less	\$ 25,642,621	68.3%
2 to 5 years	10,924,998	29.1%
6 to 10 years	754,879	2.0%
11 to 20 years	224,426	0.6%
Totals	<u>\$ 37,546,924</u>	<u>100.0%</u>

As of December 31, 2021, total cash and investments make up 74.7% of AH HMO's total admitted assets. AH HMO maintained 100% of its bond portfolio in NAIC-1 (highest quality) and NAIC-2 (high quality) securities. Approximately 99.4% of AH HMO's bond portfolio has maturity dates of 10 years or less.

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As of December 31, 2021, KHPE's invested assets were distributed as follows:

	Amount	Percentage
Bonds	\$ 705,654,397	58.2%
Preferred stocks	137,335,786	11.3%
Common stocks	82,932,052	6.8%
Cash	9,353,964	0.8%
Cash equivalents	42,466,565	3.5%
Other invested assets	235,017,072	19.4%
Totals	<u>\$ 1,212,759,836</u>	<u>100.0%</u>

KHPE's bond and short-term investment portfolio had the following quality and maturity profiles:

NAIC Designation	Amount	Percentage
1 - highest quality	\$ 463,657,353	65.7%
2 - high quality	173,943,966	24.7%
3 - medium quality	35,472,294	5.0%
4 - low quality	30,157,631	4.3%
5 - lower quality	2,423,153	0.3%
Totals	<u>\$ 705,654,397</u>	<u>100.0%</u>

Years to Maturity	Amount	Percentage
1 year or less	\$ 77,027,403	10.9%
2 to 5 years	335,249,164	47.6%
6 to 10 years	267,548,147	37.9%
11 to 20 years	15,104,551	2.1%
over 20 years	10,725,132	1.5%
Totals	<u>\$ 705,654,397</u>	<u>100.0%</u>

As of December 31, 2021, total cash and investments make up 82.5% of KHPE's total admitted assets. KHPE maintained 90.4% of its bond portfolio in NAIC-1 (highest quality) and NAIC-2 (high quality) securities. Approximately 96.4% of KHPE's bond portfolio has maturity dates of 10 years or less.

As of December 31, 2021, QCC's invested assets were distributed as follows:

	Amount	Percentage
Bonds	\$ 566,702,947	52.1%
Common stocks	169,049,100	15.5%
Cash	46,724,285	4.3%
Cash equivalents	136,653,082	12.6%
Other invested assets	168,752,141	15.5%
Receivable for securities	506,168	0.0%
Totals	<u>\$ 1,088,387,723</u>	<u>100.0%</u>

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QCC's bond and short-term investment portfolio had the following quality and maturity profiles:

<b>NAIC Designation</b>	<b>Amount</b>	<b>Percentage</b>
1 - highest quality	\$ 397,651,029	70.0%
2 - high quality	52,089,429	9.2%
3 - medium quality	57,773,813	10.2%
4 - low quality	60,788,618	10.6%
Totals	<u>\$ 568,302,889</u>	<u>100.0%</u>

<b>Years to Maturity</b>	<b>Amount</b>	<b>Percentage</b>
1 year or less	\$ 54,524,300	9.6%
2 to 5 years	260,586,915	45.9%
6 to 10 years	203,400,461	35.8%
11 to 20 years	32,045,820	5.6%
over 20 years	17,745,393	3.1%
Totals	<u>\$ 568,302,889</u>	<u>100.0%</u>

As of December 31, 2021, total cash and investments make up 71.9% of QCC's total admitted assets. QCC maintained 79.2% of its bond portfolio in NAIC-1 (highest quality) and NAIC-2 (high quality) securities. Approximately 91.3% of QCC's bond portfolio has maturity dates of 10 years or less.

As of December 31, 2021, Vista's invested assets were distributed as follows:

	<b>Amount</b>	<b>Percentage</b>
Bonds	\$ 517,514,266	43.8%
Common stocks	59,166,231	5.0%
Cash	50,390,609	4.3%
Cash equivalents	525,054,121	44.4%
Short-term investments	9,446,805	0.8%
Other invested assets	20,411,527	1.7%
Totals	<u>\$ 1,181,983,559</u>	<u>100.0%</u>

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Vista's bond and short-term investment portfolio had the following quality and maturity profiles:

<b>NAIC Designation</b>	<b>Amount</b>	<b>Percentage</b>
1 - highest quality	\$ 392,148,432	74.3%
2 - high quality	131,169,323	24.9%
3 - medium quality	4,192,995	0.8%
4 - low quality	100,297	0.0%
Totals	<u>\$ 527,611,047</u>	<u>100.0%</u>

<b>Years to Maturity</b>	<b>Amount</b>	<b>Percentage</b>
1 year or less	\$ 70,503,705	13.5%
2 to 5 years	240,832,321	45.6%
6 to 10 years	154,080,906	29.2%
11 to 20 years	39,284,345	7.4%
over 20 years	22,909,770	4.3%
Totals	<u>\$ 527,611,047</u>	<u>100.0%</u>

As of December 31, 2021, total cash and investments make up 53.4% of Vista's total admitted assets. Vista maintained 99.2% of its bond portfolio in NAIC-1 (highest quality) and NAIC-2 (high quality) securities. Approximately 88.3% of Vista's bond portfolio has maturity dates of 10 years or less.

The Companies each entered into a custodial agreement with U.S. Bank National Association. The agreements are not in compliance with 31 Pa. Code § 148a.3.

***It is recommended that each Company hold its investments under a written custodial agreement with all terms and conditions as required by 31 Pa. Code § 148a.3.***

The Companies each have a written investment policy as required by 40 P.S. § 504.1(c). The investment policies are reviewed and approved on an annual basis by the Companies' respective Boards. The Companies were following their investment policies at December 31, 2021.

## LIABILITIES

### POLICYHOLDER AND CLAIM RESERVES

AH HMO reported the following reserve amount on its December 31, 2021 Annual Statement: Claims Unpaid \$693,358; Accrued Medical Incentive Pool and Bonus Amounts \$291,182; Unpaid Claims Adjustment Expenses \$12,692; and Aggregate Health Policy Reserves \$34,099,714.

KHPE reported the following reserve amount on its December 31, 2021 Annual Statement: Claims Unpaid \$163,904,303; Accrued Medical Incentive Pool and Bonus Amounts \$33,528,114; Unpaid Claims Adjustment Expenses \$2,592,691; and Aggregate Health Policy Reserves \$89,161,322.

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QCC reported the following reserve amount on its December 31, 2021 Annual Statement: Claims Unpaid \$206,732,292; Accrued Medical Incentive Pool and Bonus Amounts \$19,146,124; Unpaid Claims Adjustment Expenses \$3,218,292; and Aggregate Health Policy Reserves \$132,544,358.

Vista did not report any reserve amount on its December 31, 2021 Annual Statement.

Stephen Tenaglio, FSA, MAAA, Senior Actuary, Capital and Planning employed by IBC, was appointed actuary (“AA”) of the Companies in 2018, 2019, 2020, and 2021.

Kathryn A. Galarneau, FSA, MAAA, Senior Vice President, Chief Actuary and Underwriting Officer employed by IBC, was AA of the Companies in 2017.

The AA issued Statements of Actuarial Opinion for each of the Companies concluding the amounts carried in the balance sheets identified above:

- are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles;
- are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared;
- meet the requirements of the laws of the Insurance Laws and regulations of the state of Pennsylvania; and are at least as great as the minimum aggregate amounts required by any state in which the organization is licensed;
- make a good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements;
- are computed on the basis of assumptions and methods consistent with those used in computing the corresponding items in the annual statement of the preceding year-end; and include appropriate provision for all actuarial items that ought to be established.

For the examination team to gain an adequate comfort level with the reserve estimates for the Companies, the Department utilized the actuarial staff from INS Consultants, Inc. (“INS Actuaries”), who were engaged by the Department to assist with a risk-focused review of the Companies’ reserving and pricing processes. Certain risks within these processes required detailed examination procedures.

Based upon the procedures performed and results obtained, the examination team obtained evidence to support the conclusion that loss reserves and actuarial liabilities for the Companies are reasonably stated as of December 31, 2021.

### SUBSEQUENT EVENTS

#### Transactions

On February 24, 2022, KHPE made a capital contribution of \$15 million to its affiliate, IBC Foundation.

On March 30, 2022, KHPE made a capital contribution of \$1.35 million to its subsidiary, IBC MH.

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On March 30, 2022, Vista received a capital contribution of \$27 million from its parent, IBC MH.

On June 29, 2022, KHPE made a capital contribution of \$1.6 million to its subsidiary, IBC MH.

On June 29, 2022, Vista received a capital contribution of \$32 million from its parent, IBC MH.

On September 29, 2022, KHPE made a capital contribution of \$1.25 million to its subsidiary, IBC MH.

On September 29, 2022, Vista received a capital contribution of \$25 million from its parent, IBC MH.

On November 30, 2022, the Department approved QCC to pay an extraordinary dividend up to \$130 million to its parent, IBC LLC pursuant with 40 P.S. s 991.1405(b) and 31 PA Code s 25.22. QCC paid an extraordinary dividend of \$65 million on December 5, 2022.

On November 30, 2022, the Department approved KHPE to pay an extraordinary dividend of \$132 million to its parent, IBC LLC pursuant with 40 P.S. s 991.1405(b) and 31 PA Code s 25.22. KHPE paid extraordinary dividends of \$65 million and \$67 million on December 5, 2022 and December 7, 2022, respectively.

On December 29, 2022, KHPE made a capital contribution of \$1.25 million to its subsidiary, IBC MH.

On December 29, 2022, Vista received a capital contribution of \$25 million from its parent, IBC MH.

On March 30, 2023, KHPE made a capital contribution of \$1 million to its subsidiary, IBC MH.

On March 30, 2023, Vista received a capital contribution of \$20 million from its parent, IBC MH.

### **Change in Board of Directors**

As of March 16, 2023, Stephen P. Fera and Susan Larkin were elected directors by AH HMO's Shareholder to fill vacancies created by the departures of Brian Lobley and Paula J. Sunshine from AH HMO's Board of Directors.

As of April 18, 2023, Michael R. Vennera was elected director by KHPE's Shareholder to fill the vacancy created by the departure of Brian Lobley from KHPE's Board.

As of April 18, 2023, Crystal E. Ashby and Stephen P. Fera were elected directors by QCC's Shareholder to fill vacancies created by the departures of Brian Lobley and Marcia F. Rost from QCC's Board of Directors.

As of July 28, 2022, Stephen P. Fera was elected director by Vista's Shareholder to fill the vacancy created by the departure of Brian Lobley from Vista's Board.



## COVID - 19

The Department is monitoring the impact of the COVID-19 global pandemic. The Department recognizes that COVID-19 could have a significant financial and operational impact on all of its domestic insurers, including the Companies. As such, the Department will continue to monitor and share information with the Companies as appropriate related to COVID-19 developments.

## RECOMMENDATIONS

### PRIOR EXAMINATION

The prior examination report for QCC contained the following recommendations:

1. It is recommended that the Company comply with its by-laws and 15 PA C.S.A. § 3131 by electing the required number of directors to its board.

*QCC has complied with this recommendation.*

2. It is recommended that the Company enter into a properly executed written authorization as required by 40 P.S. § 321.3 when using the services of any reinsurance intermediary.

*QCC has complied with this recommendation.*

The prior examination reports for AH HMO, KHPE and Vista contained the following recommendation:

1. It is recommended that the Company includes the required number of subscribers on its Board of Directors to be in compliance with 40 P.S. § 1557 and its by-laws.

*AH HMO, KHPE and Vista have not complied with this recommendation so it will be reiterated in the Current Examination.*

### CURRENT EXAMINATION

As a result of the current examination, the following recommendations are being made:

1. *It is recommended that the Companies ensure all future holding company filings are made timely and accurately in compliance with 40 P.S. § 991.1404 and 40 P.S. § 991.1405 (See “Insurance Holding Company System”, page 8).*
2. *It is recommended that AH HMO, KHPE and Vista include the required number of subscribers on their respective Boards to be in compliance with each Company’s by-laws or amend the by-laws of each Company to reflect its current practices (See “Board of Directors”, page 11).*
3. *It is recommended that each Company’s respective Board or a committee thereof comply with 40 P.S. § 504.1(b) by approving the Company’s investment transactions on a quarterly basis (See “Minutes”, page 13).*

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4. *It is recommended that each Company hold its investments under a written custodial agreement with all terms and conditions as required by 31 Pa. Code § 148a.3* (See “Investments”, page 43).

### CONCLUSION

As a result of this examination, the financial condition of AmeriHealth HMO, Inc., as of December 31, 2021, was determined to be as follows:

	Amount	Percentage
Admitted assets	\$ 124,327,823	100.0 %
Liabilities	\$ 86,189,047	69.3 %
Capital and Surplus	38,138,776	30.7 %
Total liabilities, capital and surplus	\$ 124,327,823	100.0 %

Since the previous examination, made as of December 31, 2016, the AH HMO’s assets decreased by \$37,716,943, its liabilities decreased by \$57,289,061, and its surplus increased by \$19,572,118.

As a result of this examination, the financial condition of Keystone Health Plan East, Inc., as of December 31, 2021, was determined to be as follows:

	Amount	Percentage
Admitted assets	\$ 1,470,375,944	100.0 %
Liabilities	\$ 865,240,908	58.8 %
Capital and Surplus	605,135,036	41.2 %
Total liabilities, capital and surplus	\$ 1,470,375,944	100.0 %

Since the previous examination, made as of December 31, 2016, the KHPE’s assets increased by \$248,926,176, its liabilities increased by \$41,305,028, and its surplus increased by \$207,621,148.

As a result of this examination, the financial condition of QCC Insurance Company, as of December 31, 2021, was determined to be as follows:

	Amount	Percentage
Admitted assets	\$ 1,513,708,716	100.0 %
Liabilities	\$ 943,785,302	62.3 %
Capital and Surplus	569,923,414	37.7 %
Total liabilities, capital and surplus	\$ 1,513,708,716	100.0 %

Since the previous examination, made as of December 31, 2016, the QCC’s assets increased by \$356,081,931, its liabilities increased by \$187,206,583, and its surplus increased by \$168,875,348.

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As a result of this examination, the financial condition of Vista Health Plan, Inc., as of December 31, 2021, was determined to be as follows:

	<b>Amount</b>	<b>Percentage</b>
Admitted assets	\$ 2,215,387,144	100.0 %
Liabilities	<u>\$ 1,428,155,530</u>	<u>64.5 %</u>
Capital and Surplus	787,231,614	35.5 %
Total liabilities, capital and surplus	<u><u>\$ 2,215,387,144</u></u>	<u><u>100.0 %</u></u>

Since the previous examination, made as of December 31, 2016, the Vista's assets increased by \$1,057,373,254, its liabilities increased by \$548,623,698, and its surplus increased by \$508,749,556.

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This examination was conducted by Alexis Welsh and Charles Albert of the Department, various examination, information technology and actuarial staff led by Peggy Hermann, FSA, MAAA from The INS Companies under the primary oversight of George Lentini, CISA, Carl Badean, CFE (Fraud), and Don Gaskill, CFE with the latter and Elizabeth McGarry, CFE of the Department in charge.

Respectfully submitted,

*Shannon Hopkins*  
Shannon Hopkins (Jun 29, 2023 11:12 EDT)

Shannon Hopkins, CFE  
Acting Director and Examination Manager  
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*Don Gaskill*  
Don Gaskill (Jun 29, 2023 09:02 EDT)

Don Gaskill, CFE  
Examiner-in-Charge

*Elizabeth McGarry*

Elizabeth McGarry, CFE  
Examiner-in-Charge

The CFE designation has been conferred by an organization not affiliated with the federal or any state government. However the CFE designation is the only designation recognized by the NAIC for the purposes of directing statutory Association examinations of insurance companies.

# IHG HMO and Life Report - Final - 062923

Final Audit Report

2023-06-29

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