

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

IN THE MATTER OF: )  
 )  
CIGNA HealthCare of Indiana Inc )  
900 Cottage Grove Road )  
Bloomfield, CT 06002 )

Examination of CIGNA HealthCare of Indiana Inc

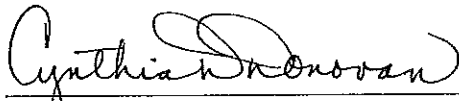
**NOTICE OF ENTRY OF ORDER**

Enclosed is the Final Order entered by Stephen W. Robertson, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of CIGNA HealthCare of Indiana Inc any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on May 7, 2013 has been adopted by the Commissioner.

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

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

7-1-2013  
Date

  
Cynthia D. Donovan  
Chief Financial Examiner

**CERTIFIED MAIL NUMBER: 9214 8901 0661 5400 0016 6295 12**

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900 Cottage Grove Road )  
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Examination of CIGNA HealthCare of Indiana Inc

### FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the CIGNA HealthCare of Indiana Inc (hereinafter "Company") for the time period January 1, 2009 through December 31, 2011.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter "Commissioner") by the Examiner on April 17, 2013.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on May 7, 2013 and was received by the Company on May 14, 2013

The Company did not file any objections.

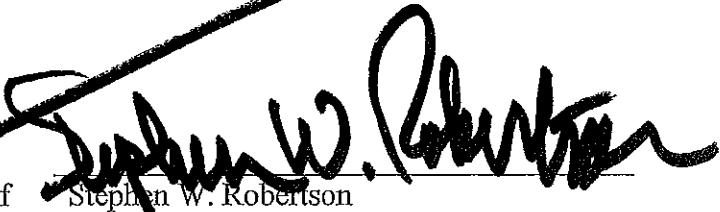
NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS**:

1. That the Verified Report of Examination is a true and accurate report of the financial condition and December 31, 2011
2. That the Examiner's Recommendations are reasonable and necessary in order for the CIGNA HealthCare of Indiana Inc to comply with the laws of the State of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

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

Signed and Sealed this 1 day of July, 2013.

  
Stephen W. Robertson  
Insurance Commissioner  
Indiana Department of Insurance

## ABOUT AFFIRMATIONS

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

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

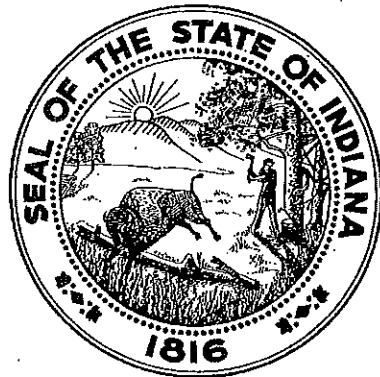
Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

**STATE OF INDIANA**  
**Department of Insurance**  
**REPORT OF EXAMINATION**  
**OF**

**CIGNA HEALTHCARE OF INDIANA, INC.**

NAIC Co. CODE 95525  
NAIC GROUP CODE 0901

As of  
December 31, 2011



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# STATE OF INDIANA

MICHAEL R. PENCE, Governor

# IDOI

**INDIANA DEPARTMENT OF INSURANCE**  
311 W. WASHINGTON STREET, SUITE 300  
INDIANAPOLIS, INDIANA 46204-2787  
TELEPHONE: (317) 232-2385  
FAX: (317) 232-5251

Stephen W. Robertson, Commissioner

April 17, 2013

Honorable Stephen W. Robertson, Commissioner  
Indiana Department of Insurance  
311 West Washington Street, Suite 300  
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 3728, an examination has been made of the affairs and financial condition of:

**Cigna HealthCare of Indiana, Inc.**  
900 Cottage Grove Road  
Bloomfield, CT 06002

hereinafter referred to as "Cigna," or "the Company," an Indiana health maintenance organization "HMO". The examination was conducted at the Noble Consulting Services, Inc. office in Indianapolis, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2011, is hereby respectfully submitted.

ACCREDITED BY THE  
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES  
(317) 232-2413

COMPANY COMPLIANCE  
(317) 233-0697

CONSUMER SERVICES  
(317) 232-2395  
In-State 1-800-622-4461

EXAMINATIONS / FINANCIAL SERVICES  
(317) 232-2390

MEDICAL MALPRACTICE  
(317) 232-2402

SECURITIES / COMPANY RECORDS  
(317) 232-1991

## SCOPE OF EXAMINATION

The Company was last examined by Noble Consulting Services, Inc. (Noble) on behalf of the Indiana Department of Insurance (INDOI) as of the period ending December 31, 2008. The present risk-focused examination was conducted by Noble and covered the period from January 1, 2009, through December 31, 2011.

Kirk Braunius, ASA, MAAA, and Michael Berman, FSA, MAAA both of Merlinos & Associates, LLC, were appointed by the INDOI to conduct a review of the Company's statutory reserves as of December 31, 2011. There was no adjustment resulting from this review.

A review of the information systems controls was conducted as part of the 2011 examination performed by the Georgia Department of Insurance. This review was relied upon for the information technology (IT) portion of the examination. The review did not result in any exceptions that would have a significant effect on the Annual Statement.

Noble conducted the risk-focused examination pursuant to and in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of Cigna by obtaining information about the Company including corporate governance, identifying and assessing inherent risks within Cigna, and evaluating system controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, and management's compliance with Statutory Accounting Principles and Annual Statement instructions, when applicable to domestic state regulations.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

## HISTORY

Cigna HealthCare of Indiana, Inc. is an HMO, which commenced operations on September 21, 1986. The Company is a wholly-owned subsidiary of Healthsource, Inc. (the Parent), which is a wholly-owned subsidiary of Cigna Health Corporation (CHC), which is an indirect wholly-owned subsidiary of Cigna Corporation.

The Company is domiciled in Indiana and provides a range of healthcare benefit services including basic physician and hospital services, outpatient services, emergency room treatment, mental health, and substance abuse treatments through Cigna Behavioral Health, Inc. (CBH).

## CAPITAL AND SURPLUS

The Company has 20,000 shares authorized and 10,000 shares issued and outstanding. The par value is \$0.01 per share. All shares are Class A shares and the Company has no preferred stock outstanding.



The Company paid the following extraordinary dividends to the Parent during the examination period.

<u>Year</u>	<u>Extraordinary Dividends</u>
2011	1,250,000
2010	1,000,000
2009	3,500,000
Total	<u>\$ 5,750,000</u>

### TERRITORY AND PLAN OF OPERATION

The Company is licensed to transact business exclusively in Indiana and only offers an HMO product. There is a continued focus on improving medical membership results and operational effectiveness. The Company recognizes that many employers still require access to traditional HMO coverage, and it has no plans to limit those offerings.

### GROWTH OF THE COMPANY

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

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Capital and Surplus</u>	<u>Total Revenues</u>	<u>Net Income</u>
2011	\$ 1,993,492	\$ 199,043	\$ 1,794,449	\$ 905,620	\$ 317,928
2010	2,853,312	101,506	2,751,806	727,096	512,157
2009	4,302,572	1,021,666	3,280,906	5,019,073	380,575

The decrease in assets and capital and surplus are primarily due to extraordinary dividends paid to the Parent each year under examination. This dividend represented a distribution of excess capital, rather than a distribution of earnings.

A shift in membership to products offered by other Cigna companies contributed to the reductions in liabilities and total revenues from 2009 to 2010. As a result of the decrease in membership, IBNR reserves for claims unpaid were released in addition to a reduction of net amounts due to affiliates.

### MANAGEMENT AND CONTROL

#### Directors

Per the Bylaws, the Board of Directors shall consist of no more than eight (8) members. The number of directors may be increased or decreased from time to time by amendment to the Bylaws, provided that no decrease shall have the effect of shortening the term of any incumbent director. The directors of the Company shall be elected each year at the annual meeting of the shareholders. The Company does not have a director that resides in the state of Indiana as required by IC 27-13-2-10. See the "Other Significant Issues" section of this report.

The following is a listing of persons serving as directors at December 31, 2011, and their principal occupations as of that date:

<u>Name and Address</u>	<u>Principal Occupation</u>
David Goldberg West Hartford, Connecticut	Financial Analysis Director Connecticut General Life Insurance Company
Sue A. Podbielski Glenview, Illinois	General Manager, Cigna HealthCare Middle Market Segment Connecticut General Life Insurance Company

Officers

The Company's Bylaws state that the principal officers of the Company shall be chosen by the Board of Directors and hold office until the next annual meeting of the Board, until his or her successor shall have been elected and qualified, or until his or her death, resignation, removal by the shareholders of the Company, or failure to qualify to so serve. Officers shall consist of a Chairman of the Board, President, Vice President, Treasurer, Secretary, and Assistant Officers. Any two (2) or more offices may be held by the same person, and for any reason that the Board of Directors may deem sufficient, they may transfer or delegate the powers or duties of any officers to any other officer or officers for such length of time as the Board of Directors may determine.

The following is a listing of the officers and their respective titles as of December 31, 2011:

<u>Name</u>	<u>Office</u>
Sue A. Podbielski	President
Shermona S. Mapp	Secretary
Scott R. Lambert	Treasurer, Vice President
Anthony C. Padilla	Assistant Secretary
Thomas J. Garvey	Vice President
Glenn M. Gerhard	Vice President
David Goldberg	Vice President
Kathleen M. Hockmuth	Vice President
Aslam M. Khan M.D., M.M.	Vice President
Barry R. McHale	Vice President
Robert D. Picnich	Vice President
David M. Porcello	Vice President
Maureen H. Ryan	Vice President
Timothy S. Sheridan	Vice President
Irene Sosnowski	Vice President
Edward V. Stacey, Jr.	Vice President

## CONFLICT OF INTEREST

The Company requires all employees, officers, and directors to complete an online Ethics and Integrity refresher course annually. Included in this training is an ethics affirmation, which employees are required to sign confirming their compliance with the Code of Conduct and disclosing any conflicts of interest. All officers and directors signed the ethics affirmation as of December 31, 2011.

## CORPORATE RECORDS

### Articles of Incorporation

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

### Bylaws

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

### Minutes

The minutes from the Board of Directors meetings were reviewed for the period under examination through the fieldwork date and significant actions taken during each meeting were noted.

## AFFILIATED COMPANIES

### Organizational Structure

An abbreviated organizational chart depicting the Company's relationship with other members of the holding company, as of December 31, 2011, is presented below:

	<u>NAIC Co.</u>	<u>Domiciliary</u>
	<u>Code</u>	<u>State</u>
Cigna Corporation		DE
Cigna Holdings, Inc.		DE
Connecticut General Corporation		CT
Cigna Health Corporation		DE
Healthsource, Inc.		DE
<b>Cigna HealthCare of Indiana, Inc.</b>	<b>95525</b>	<b>IN</b>

### Affiliated Agreements:

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

#### Line of Credit Agreement

The Line of Credit Agreement is between Cigna and CHC. Under this agreement, CHC loans funds to the Company from time to time to ensure that the Company will be able to continue to meet its operational cash obligations, while earning additional investment income. The Company paid \$3,042 in fees under this agreement in 2011.

#### Guaranty Agreement

The Guaranty Agreement between Cigna and CHC provides for payment of funds into the Company in the event the Company does not meet such financial standards and requirements to ensure that the Company will be able to continue to operate and pay its obligations. Effective August 9, 2011, the parties have executed an Amendment to the Guaranty Agreement in order to extend the term for two (2) years.

#### Management Services Agreement

The Management Services Agreement between CHC and each of its health plan subsidiaries or affiliates represents the primary services agreement for the Company. Under this agreement, services are provided in return for agreed upon fees. The services provided are comprehensive in nature and include sales and marketing, underwriting, premium billing and collection, claims processing and payment, membership services, legal, financial reporting, and actuarial and banking services. In addition, each health plan's fiscal stability, level of services, and quality of care are monitored. The Company paid \$61,323 in fees under this agreement in 2011.

#### Network Access Agreement

The Network Access Agreement effective January 1, 2001, is between Connecticut General Life Insurance Company (CGLIC) and certain subsidiaries of Cigna Corporation, including the HMOs. This agreement allows access to the networks of participating providers maintained by affiliated HMOs. An HMO may provide to or receive from other participants certain administrative services associated with network access. The duties of the HMO include maintaining a panel of participating providers who shall provide medical services to participate on the terms set forth in their service agreements. There were no fees paid under this agreement in 2011.

#### Mental Health Services Agreement

The Mental Health Service Agreement is between CBH and CHC on behalf of their respective subsidiaries and affiliates, including HMOs. CBH provides mental health and substance abuse services to the enrollees of the HMOs. Clinics shall be responsible for managing the services covered by the agreement for any enrollee. Both inpatient and outpatient care is covered. The Company paid \$14,128 in fees under this agreement in 2011.

#### Tel-Drug Agreement

The Tel-Drug Agreement is between CHC subsidiaries and affiliates including Tel-Drug, Inc. and Tel-Drug of Pennsylvania, LLC. Under this agreement, Tel-Drug, Inc. and Tel-Drug of Pennsylvania, LLC provide mail order pharmaceutical services. They are independent contractors, which maintain separate duly licensed and established mail-order pharmacies, each in different states. A management team is assigned to be available to Cigna's Bloomfield, Connecticut premises on a full-time basis and perform educational training meetings. There were no fees paid under this agreement in 2011.

#### Dental Consultation Agreement

The Dental Consultation Agreement is between Cigna Dental Health, Inc. and the HMOs. Per the agreement, Cigna Dental Health, Inc. provides dental consultations at the request of Cigna for selected dental cases relative to the services provided under the members' HMO contract. There were no fees paid under this agreement in 2011.

#### Investment Advisory Agreement

The Investment Advisory Agreement is between Cigna and Cigna Investments, Inc., in which Cigna Investments, Inc. is the investment adviser to the Company. The Company paid \$1,890 in fees under this agreement in 2011.

#### Intracorp Agreement

The Intracorp Agreement is between International Rehabilitation Associates, Inc. (Intracorp), CGLIC, and CHC on behalf of certain of its subsidiaries, including the Company. Intracorp provides consultative services with respect to utilization management, case management, demand management, disease management, care management, and any other consultative services in conjunction with the administration of such plans to the enrollees of the participating HMOs. The second amendment to this agreement was effective January 1, 2011, and was put in place to reflect the change in name of the Company and to add an affiliate. The Company paid \$1,489 in fees under this agreement in 2011.

#### Cigna Health Access Premium Billing Authorization Agreement

The Cigna Health Access Premium Billing Authorization Agreement is between CGLIC and the HMOs. The HMOs offer group and individual standard service agreements providing coverage of "in-network" health care services, and CGLIC supplements the HMOs' service agreements by providing group insurance coverage of "out-of-network" health care services. There were no fees paid under this agreement in 2011.

#### Amended and Restated Consolidated Federal Income Tax Agreement

The Amended and Restated Consolidated Federal Income Tax Agreement is between Cigna Corporation and certain of its subsidiaries. Per this agreement, tax payments are paid to Cigna Corporation based on the taxable income of the Company. In the case of a taxable loss, Cigna Corporation will pay the Company a refund based on the taxable loss, but only to the extent Cigna Corporation is able to utilize the loss in the consolidated tax return.

### **FIDELITY BOND AND OTHER INSURANCE**

The Company protects itself against loss from fraudulent or dishonest acts by its employees through a fidelity bond issued by National Union Fire Insurance Company of Pittsburgh. The bond has blanket coverage of \$1,000,000. The amount meets the prescribed minimum coverage specified by the NAIC.

The Company had additional types of coverage in-force at December 31, 2011, including, but not limited to, commercial general liability, automobile liability, umbrella liability, directors' and officers' liability, fiduciary liability, and workers' compensation.

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

Per the Management Services Agreement, CHC provides substantially all services necessary to conduct the business of Cigna, including, but not limited to, the services described in the Management Services Agreement detailed above. As a result, Cigna does not directly have any employees to which pension, stock ownership, and insurance plans would be applicable.

#### **STATUTORY DEPOSITS**

The Company reported a statutory deposit for the State of Indiana for all policyholders with a book value of \$561,718 and a fair value of \$565,712 at December 31, 2011.

#### **REINSURANCE**

The need for reinsurance is limited to serve the statutory requirements of IC 27-13-16, which requires an HMO to have a plan for receivership that allows for the continuation of benefits after the date of receivership. Cigna's only reinsurance agreement is with its affiliate, CGLIC.

#### **ACCOUNTS AND RECORDS**

Cigna's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The trial balances prepared from the Company's general ledger for the years ended December 31, 2010, and December 31, 2011, were agreed to the respective Annual Statements with no material exceptions noted.

**CIGNA HEALTHCARE OF INDIANA, INC.**

**FINANCIAL STATEMENTS**

Assets

	As of December 31, 2011			
	<u>Per Annual Statement</u>	<u>Examination Adjustments</u>	<u>Per Examination</u>	<u>December 31, Prior Year</u>
<b>Assets:</b>				
Bonds	\$ 1,137,800	-	\$ 1,137,800	\$ 2,257,893
Cash, cash equivalents and short-term investments	847,361	-	847,361	404,454
<b>Subtotals, cash and invested assets</b>	<b>1,985,161</b>	<b>-</b>	<b>1,985,161</b>	<b>2,662,347</b>
Investment income due and accrued	6,223	-	6,223	19,092
Premiums and considerations:				
Uncollected premiums and agents' balances in the course of collection	-	-	-	779
Current federal and foreign income tax and interest thereon	-	-	-	171,094
Receivables from parent, subsidiaries and affiliates	2,108	-	2,108	-
<b>Total assets</b>	<b>\$ 1,993,492</b>	<b>\$ -</b>	<b>\$ 1,993,492</b>	<b>\$ 2,853,312</b>

**CIGNA HEALTHCARE OF INDIANA, INC.**

**FINANCIAL STATEMENTS**

**Liabilities, Capital and Surplus**

	As of December 31, 2011			
	<u>Per Annual Statement</u>	<u>Examination Adjustments</u>	<u>Per Examination</u>	<u>December 31, Prior Year</u>
<b>Liabilities:</b>				
Claims unpaid	\$ 85,000	\$ -	\$ 85,000	\$ 65,000
Unpaid claims adjustment expenses	1,582	-	1,582	2,115
Aggregate health policy reserves, including the liability for medical loss ratio rebate per the Public Health Service Act	710	-	710	530
Current federal and foreign income tax payable and interest thereon	27,461	-	27,461	-
Net deferred tax liability	41,539	-	41,539	17,188
Ceded reinsurance premiums payable	927	-	927	642
Amounts due to parent, subsidiaries and affiliates	-	-	-	8,229
Aggregate write-ins for other liabilities	41,824	-	41,824	7,802
<b>Total liabilities</b>	<u>199,043</u>	<u>-</u>	<u>199,043</u>	<u>101,506</u>
Common capital stock	100	-	100	100
Gross paid in and contributed surplus	26,748,244	-	26,748,244	26,748,244
Unassigned funds (surplus)	(24,953,895)	-	(24,953,895)	(23,996,538)
<b>Total capital and surplus</b>	<u>1,794,449</u>	<u>-</u>	<u>1,794,449</u>	<u>2,751,806</u>
<b>Total liabilities, capital and surplus</b>	<u>\$ 1,993,492</u>	<u>\$ -</u>	<u>\$ 1,993,492</u>	<u>\$ 2,853,312</u>



**CIGNA HEALTHCARE OF INDIANA, INC.**

**FINANCIAL STATEMENTS**

**Statement of Revenue and Expenses**

	As of December 31, 2011			
	Per Annual Statement	Examination Adjustments	Per Examination	December 31, Prior Year
Member Months	1,554	-	1,554	1,480
Net premium income	\$ 905,620	\$ -	\$ 905,620	\$ 727,096
<b>Total revenues</b>	<b>905,620</b>	<b>-</b>	<b>905,620</b>	<b>727,096</b>
<b>Hospital and Medical:</b>				
Hospital/medical benefits	363,522	-	363,522	412,648
Other professional services	20,151	-	20,151	19,616
Outside referrals	39,863	-	39,863	38,761
Emergency room and out-of-area	33,446	-	33,446	31,267
Prescription drugs	59,174	-	59,174	60,101
<b>Subtotal</b>	<b>516,156</b>	<b>-</b>	<b>516,156</b>	<b>562,393</b>
<b>Total hospital and medical</b>	<b>516,156</b>	<b>-</b>	<b>516,156</b>	<b>562,393</b>
Claims adjustment expenses	14,068	-	14,068	13,309
General administrative expenses	88,654	-	88,654	28,119
Increase in reserves for life and accident and health contracts	180	-	180	(1,610)
<b>Total underwriting deductions</b>	<b>619,058</b>	<b>-</b>	<b>619,058</b>	<b>602,211</b>
<b>Net underwriting gain or (loss)</b>	<b>286,562</b>	<b>-</b>	<b>286,562</b>	<b>124,885</b>
Net investment income earned	48,020	-	48,020	105,840
Net realized capital gains (losses) less capital gains tax	104,303	-	104,303	90,601
<b>Net investment gains (losses)</b>	<b>152,323</b>	<b>-</b>	<b>152,323</b>	<b>196,441</b>
Net income or (loss) after capital gains tax and before all other federal income taxes	438,885	-	438,885	321,326
Federal and foreign income taxes incurred	120,957	-	120,957	(190,831)
<b>Net income (loss)</b>	<b>\$ 317,928</b>	<b>\$ -</b>	<b>\$ 317,928</b>	<b>\$ 512,157</b>

**CIGNA HEALTHCARE OF INDIANA, INC.**

**FINANCIAL STATEMENTS**

**Reconciliation of Capital and Surplus**

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Capital and Surplus Account:</b>			
Capital and surplus prior reporting year	\$ 2,751,806	\$ 3,280,906	\$ 6,377,322
Net income or (loss)	317,928	512,157	380,575
Change in net deferred income tax	(24,351)	(257,607)	(6,451)
Change in nonadmitted assets	(934)	216,350	29,460
Dividends to stockholders	(1,250,000)	(1,000,000)	(3,500,000)
Net change in capital and surplus	<u>(957,357)</u>	<u>(529,100)</u>	<u>(3,096,416)</u>
Capital and surplus end of reporting year	<u>\$ 1,794,449</u>	<u>\$ 2,751,806</u>	<u>\$ 3,280,906</u>

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

There were no recommended adjustments to surplus as of December 31, 2011, based on the results of this examination.

### **OTHER SIGNIFICANT ISSUES**

The Company does not have a director that resides in the state of Indiana as specified by IC 27-13-2-10. Compliance with IC 27-13-2-10 is required and the Company should notify the INDOI once compliance is attained.

### **SUBSEQUENT EVENTS**

There were no events subsequent to the examination date and prior to the completion of fieldwork that were considered material events requiring disclosure in the Report of Examination.


**AFFIDAVIT**

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that she, in coordination with staff assistance from Noble Consulting Services, Inc. and actuarial assistance from Merlinos & Associates, Inc., performed an examination of **Cigna HealthCare of Indiana, Inc.** as of December 31, 2011.

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

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

The attached report of examination is a true and complete report of the conditions of **Cigna HealthCare of Indiana, Inc.** as of December 31, 2011, as determined by the undersigned.



\_\_\_\_\_  
Lisa A. Warrum, CPA, CFE  
Noble Consulting Services, Inc.

State of:  
County of:

On this 29 day of April, 2013, before me personally appeared, Lisa A. Warrum, to sign this document.

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

My commiss



  
\_\_\_\_\_  
Notary Public