

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

IN THE MATTER OF:)
)
Cigna HealthCare of Indiana, Inc.)
11595 North Meridian Street)
Carmel, IN 46032)

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 June 14, 2018, 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.

July 11, 2018
Date


Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7016 2070 0001 1479 8650

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

IN THE MATTER OF:)
)
Cigna HealthCare of Indiana, Inc.)
11595 North Meridian Street)
Carmel, IN 46032)

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, 2014 through December 31, 2016.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter “Commissioner”) by the Examiner on March 27, 2018.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on June 14, 2018 and was received by the Company on June 19, 2018.

The Company did not file any objections.

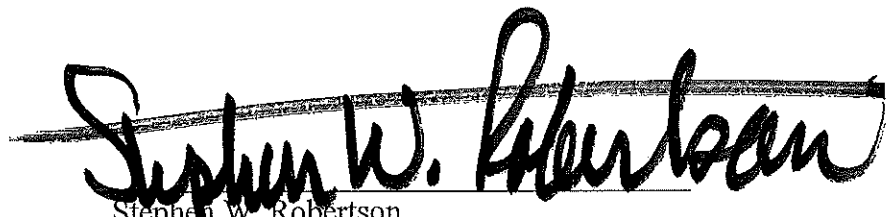
NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS**:

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the Cigna HealthCare of Indiana, Inc. as of December 31, 2016.
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 this 11 day of July, 2018.


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.

[Handwritten signature]

[Handwritten initials]

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, 2016

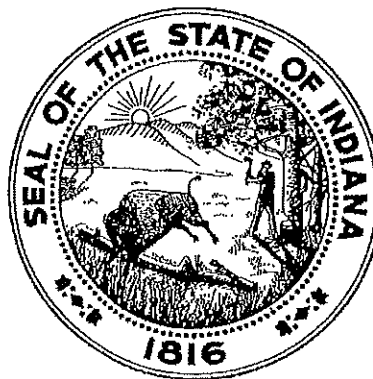


TABLE OF CONTENTS

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



STATE OF INDIANA

ERIC J. HOLCOMB, GOVERNOR

Indiana Department of Insurance

Stephen W. Robertson, Commissioner
311 W. Washington Street, Suite 103
Indianapolis, Indiana 46204-2787
Telephone: 317-232-2385
Fax: 317-232-5251
Website: in.gov/idoi

March 27, 2018

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 3961, an examination has been made of the affairs and financial condition of:

Cigna HealthCare of Indiana, Inc.
11595 North Meridian Street
Carmel, Indiana 46032

hereinafter referred to as the "Company", or "CHC-IN", 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, 2016, is hereby respectfully submitted.

ACCREDITED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES 317-232-2413	COMPANY COMPLIANCE 317-232-3495	CONSUMER SERVICES 317-232-2395/1-800-622-4461	FINANCIAL SERVICES 317-232-2390	MEDICAL MALPRACTICE 317-232-2402	COMPANY RECORDS 317-232-5692	STATE HEALTH INSURANCE PROGRAM 1-800-452-4800
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SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) and covered the period from January 1, 2012 through December 31, 2013. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2014 through December 31, 2016, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

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

The examination of the Indiana domestic insurance subsidiary of Cigna Corporation (Cigna) was called by the INDOI, in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. The INDOI served as the lead state on the examination and the Florida Office of Insurance Regulation served as a participant.

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

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

HISTORY

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

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

CAPITAL AND SURPLUS

The Company has 20,000 Class A shares authorized and 10,000 shares issued and outstanding. The par value is \$0.01 per share, and all outstanding shares are owned by Healthsource, Inc. The Company has no preferred stock outstanding.

DIVIDENDS TO STOCKHOLDERS

The Company paid no dividends during the examination period.

TERRITORY AND PLAN OF OPERATION

The Company is licensed to transact business exclusively in Indiana and offers only 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.

For the years ended December 31, 2016 and 2015, the Company had one (1) customer, from which it earned ninety-nine percent (99%) of total revenue, excluding investment income.

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>Surplus and Other Funds</u>	<u>Premium Income</u>	<u>Net Income</u>
2016	\$ 1,383,679	\$ 206,705	\$ 1,176,974	\$ 1,088,265	\$ (331,889)
2015	1,632,646	123,834	1,508,812	997,678	95,574
2014	1,659,229	217,687	1,441,542	972,820	(65,196)

The decrease in net admitted assets for 2016 was associated with the increase in benefit and loss related payments, which were offset by an increase in current federal income tax recoverable. The primary driver of the increase in the Company's liabilities as of year-end 2016 and the loss for the year was increased utilization for inpatient services, particularly one (1) catastrophic case reported in the fourth quarter of 2016.

As of December 31, 2016, the Company maintained the minimum surplus required by state laws and regulatory agencies of \$1 million.

MANAGEMENT AND CONTROL

Directors

The Bylaws provide that the business affairs of the Company are to be managed by a Board of Directors (Board) consisting of no more than eight (8) directors. At least one (1) of the directors must be a resident of Indiana. The shareholders, at each annual meeting, elect the members of the Board.

The following is a listing of persons serving as directors as of December 31, 2016, and their principal occupations as of that date:

Name and Address	Principal Occupation
Michael Crompton Bloomfield, Connecticut	Vice President Cigna HealthCare of Indiana, Inc.
Michael Phillips Chicago, Illinois	President Cigna HealthCare of Indiana, Inc.
Jacqueline Lee-McCord Carmel, Indiana	Provider Contracting Manager Cigna HealthCare of Indiana, Inc.

Officers

The Bylaws state that the elected officers of the Company shall consist of the President, the Vice President, the Treasurer, the Secretary, and such other officers as may be chosen by the Board. Each officer shall be elected by the affirmative vote of the Board at the annual meeting thereof and shall hold office until the next annual meeting of the Board or until his or her successor shall have been elected and qualified or until his or her death, resignation, or removal by the shareholders of the Company or failure to qualify to so serve.

The following is a list of key officers and their respective titles as of December 31, 2016:

Name	Office
Michael Phillips	President
Scott Lambert	Vice President and Treasurer
Michael Crompton	Vice President
Mark Fleming	Vice President
Thomas Garvey	Vice President
Glenn Gerhard	Vice President
Joanne Hart	Vice President
Aslam Khan, M.D., M.M.	Vice President
Matthew Morris	Vice President
Maureen Ryan	Vice President
Edward Stacey, Jr.	Vice President
Anna Krishtul	Secretary

CONFLICT OF INTEREST

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that all directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of December 31, 2016.

CORPORATE RECORDS

Articles of Incorporation

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

Bylaws

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

Minutes

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

IC 27-1-7-7(b) states an annual meeting of shareholders, members, or policyholders shall be held within five (5) months after the close of each fiscal year of the Company and at such time within that period as the Bylaws may provide. The Company's Bylaws do not specify the date or time the annual meeting of shareholders is to be held. For each year after the issuance of the most recent Report of Examination, the Company was in compliance with IC 27-1-7-7(b).

The Cigna Audit Committee meeting minutes for the examination period, and through the fieldwork date, were reviewed for significant actions.

AFFILIATED COMPANIES

Organizational Structure

The following abbreviated organizational chart shows the Company's upstream parent companies as of December 31, 2016:

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

Affiliated Agreements

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

Line of Credit Agreement

The Line of Credit Agreement is by and between CHC-IN and CHC. Under this agreement, CHC would loan funds to CHC-IN from time to time, to ensure that CHC-IN would be able to continue to meet its operational cash obligations while earning additional investment income. In 2016, there was no activity under this agreement and

CHC-IN paid no fees.

Guaranty Agreement

The Company has a Guaranty Agreement with CHC that provides for payment of funds in the event that CHC-IN does not meet such financial standards and requirements to ensure that CHC-IN will be able to continue to operate and pay its obligations. In 2016, there was no activity under this agreement and CHC-IN paid no fees.

Management Services Agreement

The Management Services Agreement is by and between CHC and each of its subsidiaries or affiliates that are signatories thereto. Under this agreement, CHC and certain affiliates provide Management Services to the HMOs. In 2016, CHC-IN paid management fees in the total amount of \$120,803 under this agreement.

Network Access Agreement

The Network Access Agreement is by and between Connecticut General Life Insurance Companies (CGLIC) and certain subsidiaries of Cigna, including the HMOs. This agreement allows CGLIC and each of the HMOs to utilize the networks of participating providers maintained by its affiliated HMOs. Under this agreement, an HMO may also provide to or receive from other participants certain administrative services associated with network access. In 2016, there were no administrative fees paid under this agreement.

Mental Health Services Agreement

The Company has a Mental Health Services Agreement with CBH and CHC. Under this agreement, CBH provides mental health and substance abuse services to the enrollees of the HMOs. In 2016, CHC-IN paid fees in the total amount of \$16,340 under this agreement.

Mail Order Pharmacy Agreement

Tel-Drug, Inc., Tel-Drug of Pennsylvania, LLC, and its affiliates, and certain subsidiaries of CHC, including CHC-IN, have entered into a Mail Order Pharmacy Agreement. Under this agreement, Tel-Drug, Inc. and Tel-Drug of Pennsylvania, LLC, provide mail order pharmaceutical services. In 2016, there were no fees paid under this agreement.

Dental Consultation Agreement

The Company is a member of a Dental Consultation Agreement with Cigna Dental Health, Inc., where the latter provides consultations at the request of CHC-IN with respect to selected dental cases. In 2016, there were no fees paid under this agreement.

Investment Advisory Agreement

The Company is party to an Investment Advisory Agreement with its affiliate Cigna Investments, Inc., where Cigna Investments, Inc. acts as an advisor. In 2016, CHC-IN paid fees in the total amount of \$1,834 under this agreement.

Cigna Health Management Inc. Agreement

Cigna Health Management Inc. (Intracorp), CGLIC, and CHC on behalf of certain subsidiaries have entered into this agreement whereby 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 participating plans. In 2016, CHC-IN paid fees in the total amount of \$1,665 under this agreement.

Cigna Health Access Premium Billing Authorization Agreement

Between CGLIC and the HMOs, the Cigna Health Access Premium Billing Authorization Agreement states that HMOs offer group and individual standard service agreements providing "in-network" health care services, and CGLIC supplements the HMOs' service agreements by providing group insurance coverage for "out-of-network" health care services. In 2016, CHC-IN paid no fees under this agreement.

Fee Sharing Agreement

CHC-IN is a party to a Fee Sharing Agreement by and between the Cigna Corporation and certain affiliates. The United States Department of the Treasury requires the annual fee, imposed on each health insurer by Section 10905 of the Patient Protection and Affordable Care Act, to be remitted in the form of a single payment on behalf of all covered entities in the Cigna group. Under this agreement, the Cigna Corporation collects each insurer's portion of the Fee in order to pay the United States Department of the Treasury one single payment. The Cigna Corporation does not receive a fee from its subsidiaries for this service.

Reinsurance Agreement

CHC-IN maintains reinsurance coverage, including insolvency protection, with its affiliate Cigna Health and Life Insurance Company (CHLIC). CHC-IN pays a monthly premium based on an established rate per health plan member and in return they are reimbursed a percentage of costs in excess of deductibles for hospital and related services provided to individual health plan members. In 2016, CHC-IN paid premiums to CHLIC in the amount of \$11,040 and received \$10,879 in net recoveries.

Consolidated Tax Allocation Agreement

The Consolidated Tax Allocation Agreement is by and between the Cigna Corporation and certain of its subsidiaries. Under this agreement, tax payments are paid to the Cigna Corporation based on taxable income of each subsidiary. In the case of a taxable loss, Cigna Corporation will pay the subsidiary a refund based on the subsidiary's taxable loss, but only to the extent Cigna Corporation is able to utilize the loss in the consolidated tax return. There were no charges related to this agreement in 2016.

FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through a fidelity bond issued by National Union Fire Insurance Company of Pittsburgh, PA. The bond has a single loss coverage limit of \$10,000,000, with a \$2,500,000 deductible. The fidelity bond is adequate to meet the prescribed minimum coverage specified by the NAIC.

The Company had additional types of coverage in-force as of December 31, 2016, including but not limited to automobile liability, commercial general liability, professional liability, umbrella liability, and workers' compensation.

PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS

CHC-IN has no employees. Employees of CHLIC performed certain functions on behalf of the health plan.

CHLIC provides certain postretirement benefits to retired employees, spouses, and other eligible dependents through a plan sponsored by Cigna. CHLIC also participates in a capital accumulation 401(k) plan sponsored by Cigna in which employee contributions on a before-tax basis are supplemented by the Company's matching contributions. The Company has no legal obligation for benefits under these plans. CHLIC allocates amounts to the Company based on salary ratios and member months. The Company's expense credit for such benefits, included within general administrative expenses, was \$1,542 for 2016.

Cigna froze its primary domestic defined benefit pension plans effective July 1, 2009. As a result, pension expense is no longer allocated to the Company.

STATUTORY AND SPECIAL DEPOSITS

The Company reported one (1) special deposit for the benefit of all policyholders as of December 31, 2016. The deposit was held with the state of Indiana and had a book value of \$563,129, and a fair value of \$564,463.

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. CHC-IN's only reinsurance agreement is with an affiliate.

Effective January 1, 2013, the agreement was amended to change the reinsurer to CHLIC for claims incurred on January 1, 2013 and after. The agreement is administered by CHC. Under the provisions of the agreement, the Company is reimbursed a percentage of costs in excess of a deductible per hospital and related services provided to individual health plan members. The required deductible per individual commercial health plan member per calendar year was \$150,000 for the years ended December 31, 2016 and 2015.

ACCOUNTS AND RECORDS

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The trial balance prepared from the Company's general ledger for the year ended December 31, 2016, was agreed to the Annual Statement. The Annual Statements for the years ended December 31, 2014 through December 31, 2016, were agreed to each year's independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory.

CIGNA HEALTHCARE OF INDIANA, INC.

Assets

As of December 31, 2016

	<u>Per Examination*</u>
Bonds	\$ 563,129
Cash, cash equivalents and short-term investments	665,594
Subtotals, cash and invested assets	<u>1,228,723</u>
Investment income due and accrued	3,040
Premiums and considerations:	
Uncollected premiums and agents' balances in course of collection	1
Current federal and foreign income tax recoverable and interest thereon	150,679
Net deferred tax asset	<u>1,236</u>
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	<u>1,383,679</u>
Total	<u>\$ 1,383,679</u>

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

CIGNA HEALTHCARE OF INDIANA, INC.
 Liabilities, Surplus and Other Funds
 As of December 31, 2016

	Per Examination*
Claims unpaid	\$ 172,770
Unpaid claims adjustment expenses	2,134
Aggregate health policy reserves, including the liability of \$0 for medical loss ratio rebate per the Public Health Service Act	1,230
General expenses due or accrued	3,233
Ceded reinsurance premiums payable	871
Amounts withheld or retained for account of others	18
Amounts due to parent, subsidiaries and affiliates	24,330
Aggregate write-ins for other liabilities	2,119
Total liabilities	206,705
Common capital stock	100
Gross paid in and contributed surplus	26,748,244
Unassigned funds (surplus)	(25,571,370)
Total capital and surplus	1,176,974
Total liabilities, capital and surplus	\$ 1,383,679

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

CIGNA HEALTHCARE OF INDIANA, INC.
Statement of Revenue and Expenses
For the Year Ended December 31, 2016

	Per Examination*
Member Months	1,394
UNDERWRITING INCOME	
Net premium income	\$ 1,088,265
DEDUCTIONS	
Hospital and Medical:	
Hospital/medical benefits	1,226,794
Other professional services	21,862
Outside referrals	24,787
Emergency room and out-of-area	46,952
Prescription drugs	84,612
Incentive pool, withhold adjustments and bonus amounts	30
Subtotal	1,405,037
Less:	
Net reinsurance recoveries	10,879
Total hospital and medical	1,394,158
Claims adjustment expenses	18,707
General administrative expenses	166,045
Increase in reserves for life and accident and health contracts	450
Total underwriting deductions	1,579,360
Net underwriting gain or (loss)	(491,095)
INVESTMENT INCOME	
Net investment income earned	8,530
Net realized capital gains (losses) less capital gains tax	(1)
Net investment gain (losses)	8,529
OTHER INCOME	
Net income or (loss) after capital gains tax and before all other federal income taxes	(482,566)
Federal and foreign income taxes incurred	(150,677)
Net income (loss)	\$ (331,889)

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

CIGNA HEALTHCARE OF INDIANA, INC.
Capital and Surplus Account Reconciliation

	2016	2015	2014
Capital and surplus prior reporting year	\$ 1,508,812	\$ 1,441,542	\$ 1,463,221
Net income or (loss)	(331,889)	95,574	(65,196)
Change in net deferred income tax	1,005	(28,304)	43,517
Change in nonadmitted assets	(954)	0	0
Net change in capital and surplus	<u>(331,838)</u>	<u>67,270</u>	<u>(21,679)</u>
Capital and surplus end of reporting year	<u>\$ 1,176,974</u>	<u>\$ 1,508,812</u>	<u>\$ 1,441,542</u>

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2016, based on the results of this examination.

OTHER SIGNIFICANT ISSUES

There were no other significant issues as a December 31, 2016, based on the results of this examination.

SUBSEQUENT EVENTS

Effective August 9, 2017, CHC-IN and CHC executed an amendment to the Guaranty Agreement in order to extend the term for two (2) years.

On July 23, 2015, Cigna entered into a definitive agreement to engage in a series of transactions to merge Cigna with Anthem, Inc., (Anthem) subject to certain terms, conditions, and customary operating covenants with Anthem continuing as the surviving company. In December 2015, Cigna shareholders approved the merger with Anthem and Anthem shareholders voted to approve the issuance of shares of Anthem common stock according to the merger agreement. On February 14, 2017, Cigna delivered a notice to Anthem terminating the merger agreement and filed suit in the Chancery Court seeking declaratory judgment that Cigna's termination of the merger agreement is lawful and Anthem does not have the right to extend the merger agreement termination date. On February 15, 2017, the Chancery Court issued a temporary order enjoining Cigna from terminating the merger. The merger was terminated May 12, 2017.

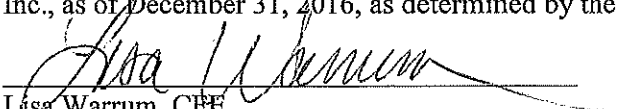
AFFIDAVIT

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 Merlino & Associates, Inc., performed an examination of Cigna HealthCare of Indiana, Inc., as of December 31, 2016.

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

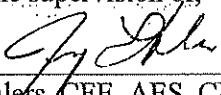
This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing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

The attached Report of Examination is a true and complete report of condition of Cigna HealthCare of Indiana, Inc., as of December 31, 2016, as determined by the undersigned.



Lisa Warrum, CFE
Noble Consulting Services, Inc.

State of: Indiana
County of: Marion

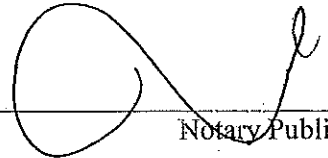
Under the supervision of,


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

State of: Indiana
County of: Marion

On this 27 day of March, 2018, before me personally appeared, Lisa 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 commission expires: July 4, 2019 

Notary Public

