



**EXAMINATION REPORT  
OF  
Longevity Health Plan of Florida, Inc.**

**NAIC Company Code: 16567**

**Palm Beach Gardens, Florida  
as of  
December 31, 2020**

**BY THE  
FLORIDA  
OFFICE OF INSURANCE REGULATION**

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May 26, 2022

David Altmaier  
Commissioner  
Office of Insurance Regulation  
State of Florida  
Tallahassee, Florida 32399-0326

Dear Commissioner:

Pursuant to your instructions, in compliance with Section 641.27, Florida Statutes, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (“the NAIC”), we have conducted an examination as of December 31, 2020, of the financial condition and corporate affairs of

**Longevity Health Plan of Florida, Inc.**  
11770 U.S. Highway One, Suite #E102  
Palm Beach Gardens, FL 33408

hereinafter referred to as “the Company.” Such report of examination is herewith respectfully submitted.

## SCOPE OF EXAMINATION

This examination covered the period of April 19, 2019, through December 31, 2020, and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“OIR”) on September 23, 2021. The fieldwork concluded as of May 26, 2022. This was the first financial condition examination of the Company by the OIR.

The examination was a single state examination conducted in accordance with the NAIC Financial Condition Examiners Handbook (“the Handbook”). The Handbook requires that the examination be planned and performed 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.

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 the NAIC Statements of Statutory Accounting Principles (“SSAP”). 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 information obtained from the examination of the records, accounts, files, and documents of or relative to the Company and other information as permitted by Sections 624.319 and 641.27(1), Florida Statutes. There may be other items identified during the examination that, due to their nature (for example, subjective conclusions or proprietary information), are not included within the examination report but separately communicated to other regulators and/or the Company.

## SUMMARY OF SIGNIFICANT FINDINGS

### Current Examination Findings

There were no significant findings as a result of this examination.

### Previous Examination Findings

There were no prior examination findings, as this is the Company's first full scope examination.

## COMPANY HISTORY

### General

The Company was incorporated in Florida on October 30, 2018, and commenced business on January 1, 2020. It was licensed by the OIR as a Health Maintenance Organization ("HMO") on April 19, 2019, in accordance with Part 1 of Chapter 641, Florida Statutes.

### Dividends

The Company did not declare or pay any dividends during the period under examination.

### Capital Stock and Capital Contributions

As of December 31, 2020, the Company's capitalization was as follows:

|  |           |
|--|-----------|
| Number of authorized common capital shares | 1,000,000 |
| Number of shares issued and outstanding    | 1,000,000 |
| Total common capital stock                 | \$10,000  |
| Par value per share                        | \$0.01    |

The Company was capitalized with an initial capital contribution in the amount of \$2,300,000 from Longevity Health Holdings of Florida, LLC during 2018, allocated between common capital stock of \$10,000 and gross paid in and contributed surplus of \$2,290,000. The Company received subsequent capital contributions of \$2,700,000 and \$755,393 from Longevity Health Holdings of Florida, LLC during 2020, and 2019, respectively.

## Surplus Notes

The Company did not have or issue any surplus notes during the period under examination.

## Acquisitions, Mergers, Disposals, Dissolutions

The Company had no acquisitions, mergers, disposals, or dissolutions during the period under examination.

## MANAGEMENT AND CONTROL

### Corporate Governance

In accordance with the Company's Bylaws, an annual shareholder meeting for the election of the Board of Directors ("Board") was held on September 15, 2020. Directors serving as of December 31, 2020, are shown below:

| <b>Directors</b> |                             |   |
|------------------|-----------------------------|---|
| <b>Name</b>      | <b>City, State</b>          | <b>Principal Occupation, Company Name</b>         |
| René Lerer (a)   | Palm Beach Gardens, Florida | President, Longevity Health Plan of Florida, Inc. |
| Brendan Rager    | Ponte Vedra Beach, Florida  | Secretary, Longevity Health Plan of Florida, Inc. |
| Leslie Granow    | Riviera Beach, Florida      | Treasurer, Longevity Health Plan of Florida, Inc. |

(a) Chairperson

In accordance with the Company's Bylaws, the Board appointed the following Senior Officers:

| <b>Senior Officers</b> |                             |   |
|------------------------|-----------------------------|---|
| <b>Name</b>            | <b>City, State</b>          | <b>Title</b>  |
| René Lerer             | Palm Beach Gardens, Florida | Chief Executive Officer, Longevity/LHP MSO                |
| Brendan Rager          | Ponte Vedra Beach, Florida  | Chief Administrative and Legal Officer, Longevity/LHP MSO |
| Leslie Granow          | Riviera Beach, Florida      | Chief Financial Officer, Longevity/LHP MSO                |

The following were the principal committees and their members as of December 31, 2020. The first person listed for each committee is the chairperson.

| <b>Compliance Committee</b> |                             |                                     |
|-----------------------------|-----------------------------|-------------------------------------|
| <b>Name</b>                 | <b>City, State</b>          | <b>Title,<br/>Company Name</b>      |
| Jennifer Lacey              | Indian Rocks Beach, Florida | Chief Compliance Officer, Longevity |
| Judy Kohn                   | Lawrence, New York          | Chief Executive Officer, Longevity  |
| Heidi Wold                  | Fountain Hills, Arizona     | Chief Clinical Officer, Longevity   |
| Les Granow                  | Riviera Beach, Florida      | Chief Financial Officer, Longevity  |
| Ashok Sudarshan             | Brentwood, Tennessee        | Chief Operating Officer, Longevity  |

| <b>Operations Steering Committee</b> |                         |                                     |
|--------------------------------------|-------------------------|-------------------------------------|
| <b>Name</b>                          | <b>City, State</b>      | <b>Title,<br/>Company Name</b>      |
| Ashok Sudarshan                      | Brentwood, Tennessee    | Chief Operating Officer, Longevity  |
| Eileen Cole                          | Old Bridge, New Jersey  | Senior Project Manager, Longevity   |
| John Lloyd                           | Jersey City, New Jersey | Vice President, New York, Longevity |
| Jake Komin                           | Lakewood, New Jersey    | Market Leader, Longevity            |
| Judy Kohn                            | Lawrence, New York      | Chief Executive Officer, Longevity  |
| Heidi Wold                           | Fountain Hills, Arizona | Chief Clinical Officer, Longevity   |

| <b>IT Steering Committee</b> |                                |  |
|------------------------------|--------------------------------|--|
| <b>Name</b>                  | <b>City, State</b>             | <b>Title,<br/>Company Name</b>                               |
| Ashok Sudarshan              | Brentwood, Tennessee           | Chief Operating Officer, Longevity                           |
| Michael Colson               | East Amherst, New York         | Chief Information Officer, Longevity                         |
| Rene Lerer                   | Palm Beach Gardens,<br>Florida | Chief Executive Officer, Longevity                           |
| Les Granow                   | Riviera Beach, Florida         | Chief Financial Officer, Longevity                           |
| Heidi Wold                   | Fountain Hills, Arizona        | Chief Clinical Officer, Longevity                            |
| Celesta Clark                | Nicholasville, Kentucky        | Vice President of Clinical IT, Longevity                     |
| Brendan Rager                | Ponte Verde Beach, Florida     | Chief Legal Officer and Administrative<br>Officer, Longevity |
| Jennifer Lacey               | Indian Rocks Beach, Florida    | Chief Compliance Officer, Longevity                          |

### **Quality Improvement Committee**

The Company had a Quality Improvement Committee which consisted of nineteen members, representing Clinical, Compliance, Medical Directors, Operations, and Information Technology. Rene Lerer, the Company's Chief Executive Officer, was also one of these members.

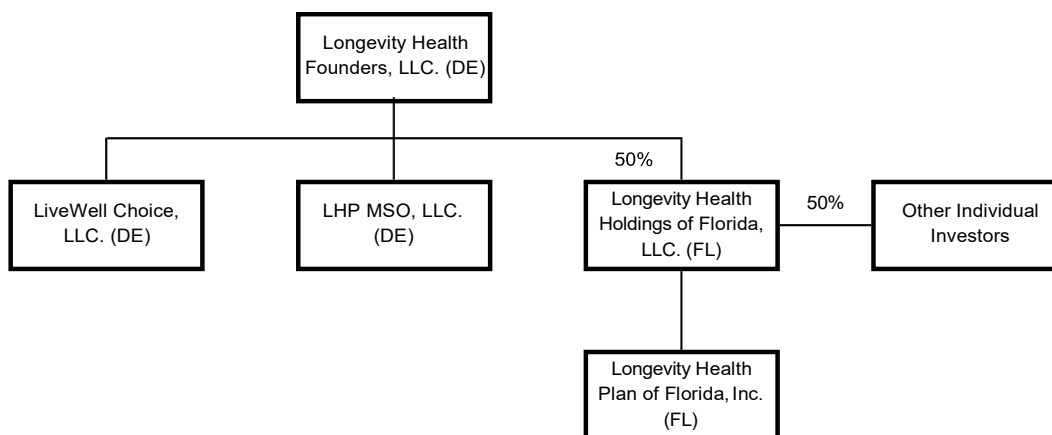
## Holding Company System

The Company is a member of a holding company system. A simplified organizational chart as of December 31, 2020, reflecting the holding company system, is shown below. Schedule Y of the Company's 2020 annual statement provided a list of all related companies of the holding company group

### Longevity Health Plan of Florida, Inc.

#### Simplified Organizational Chart

December 31, 2020



## AFFILIATED AND OTHER AGREEMENTS

The following agreements were in effect between the Company and its affiliates:

### Parental Guarantee

On March 14, 2019, a Parental Guarantee was executed by the Company's ultimate parent, Longevity Health Founders, LLC (LHF). Under the guarantee, LHF will infuse capital into the Company to maintain compliance with the minimum surplus requirements of Section 641.225, Florida Statutes.

## **Management Services Agreement**

The Company entered into a Management Services Agreement with LHP MSO, LLC, a Delaware limited liability company, effective on January 1, 2020, to provide certain management services to the Company. The agreement continues in force for a term of 30 years and will automatically renew for successive one (1) year periods, unless otherwise terminated within the guidelines of the agreement. Fees incurred under this agreement during 2020 amounted to \$1,466,754.

The Management Services Agreement between LHP MSO, LLC and the Company was inclusive of the services from LiveWell Choice LLC, an affiliate offering clinical staff to administer the Company's model of care. The structure entails a direct contractual arrangement between the Company to LHP MSO, LLC and an associated indirect relationship between the health plan and LiveWell Choice, LLC, via LHP MSO, LLC.

## **ACCOUNTS AND RECORDS**

The Company maintained its principal operational offices in Palm Beach Gardens, Florida.

The Company and non-affiliates had the following material agreements:

### **Custodial Agreement**

The Company does not have a custodial agreement. The Company solely had cash balances through its banking relationships.

### **Third-Party Administrator Agreement**

The Company had a Third-Party Administrator (TPA) Agreement with AllyAlign. The TPA was responsible for enrollment processing, call center support, appeals and grievances, claims administration, and other delegated functions. Fees incurred under this agreement during 2020 amounted to \$602,325.

## **Medicare Part D Pharmacy Benefit Management Services Agreement**

The Company had a Medicare Part D Pharmacy Benefit Management Services (PBM) Agreement with Navitus Health Solutions, LLC (Navitus) effective January 1, 2020. Navitus was brought to the Company by the former TPA, AllyAlign. The PBM provides eligible persons enrolled in the Medicare Part D Prescription Drug Program with medical benefits including benefits for prescription drugs and certain devices and supplies dispensed by pharmacists, and services in connection with the healthcare operations and payment of claims on behalf of the Company.

## **Independent Auditor Agreement**

An independent CPA, LBMC, PC audited the Company's statutory basis financial statements annually for the years 2019 and 2020, in accordance with Section 641.26(5), Florida Statutes. Supporting work papers were prepared by the CPA firm as required by Rule 69O-137.002, Florida Administrative Code.

## **Corporate Records Review**

The recorded minutes of the Shareholder, Board, and the Committees for Compliance, Operations Steering, Quality Improvement, and IT Steering were reviewed for the period under examination. The recorded minutes of the Board documented its meetings and approval of Company transactions and events.

## **TERRITORY AND PLAN OF OPERATIONS**

The Company was authorized to transact insurance in only the State of Florida on April 19, 2019. The Company primarily writes Medicare Advantage policies. The Company's initial service area consisted of the following counties: Broward, Miami-Dade, Palm Beach, Hillsborough, Pasco, Pinellas, Polk, Orange, and Seminole.

## **REINSURANCE**

The reinsurance agreements reviewed complied with NAIC standards with respect to the standard insolvency clause, arbitration clause, intermediary clause, transfer of risk, reporting, and settlement information deadlines.

### **Reinsurance Assumed**

The Company did not assume any reinsurance during the period of this examination.

### **Reinsurance Ceded**

Effective January 1, 2020, the Company entered into an excess of loss reinsurance agreement with Partner Re, whereby Partner Re agreed to reimburse 90% of eligible expenses in excess of \$200,000 per member per agreement year, up to an unlimited amount per member agreement year. No claims exceeded the 2020 deductible for reimbursement by Partner Re.

## **FINANCIAL STATEMENTS**

The following includes the Company's statutory Statement of Assets, Liabilities, Capital and Surplus and statutory Statement of Revenue and Expenses, which includes an analysis of changes in the Capital and Surplus Account for the year ended December 31, 2020. The financial statements are based on the statutory financial statements filed by the Company with the OIR and present the financial condition of the Company for the period ending December 31, 2020. Due to rounding, column amounts may not add to the totals reflected in the Report. There were no examination adjustments to the amounts reported by the Company.

**Longevity Health Plan of Florida, Inc.**  
**Assets**  
**December 31, 2020**

|   | Per<br>Company |
|---|----------------|
| Cash, cash equivalents and short-term investments | \$3,755,348    |
| Subtotal cash and invested assets                 | 3,755,348      |
| Premiums and considerations                       |                |
| Uncollected premiums and agents' balances         | 47,251         |
| Amounts receivable relating to uninsured plans    | 745,106        |
| Health care and other amounts receivable          | 209,124        |
| Totals  | \$4,756,829    |

**Longevity Health Plan of Florida, Inc.**  
**Liabilities, Capital and Surplus**  
**December 31, 2020**

|  | Per<br>Company |
|--|----------------|
| Claims unpaid                                      | \$2,668,221    |
| Accrued medical incentive pool and bonus amounts   | 52,234         |
| Unpaid claims adjustment expenses                  | 20,240         |
| General expenses due or accrued                    | 6,488          |
| Amounts due to parent, subsidiaries and affiliates | 243,274        |
| Total liabilities                                  | \$2,990,457    |
| Common capital stock                               | 10,000         |
| Gross paid-in and contributed surplus              | 5,745,393      |
| Surplus notes                                      |                |
| Unassigned funds (surplus)                         | (3,989,021)    |
| Total capital and surplus                          | \$1,766,372    |
| Total liabilities, capital and surplus             | \$4,756,829    |

**Longevity Health Plan of Florida, Inc.**  
**Statement of Revenue and Expenses**  
**December 31, 2020**

|  | Per<br>Company |
|--|----------------|
| Net premium income   | \$11,080,348   |
| Total revenues   | \$11,080,348   |
| Hospital and Medical:  |                |
| Hospital/medical benefits  | 9,999,874      |
| Other professional services  | 479,062        |
| Emergency room and out-of-area   | 40,489         |
| Prescription drugs   | 686,979        |
| Aggregate write-ins for other hospital and medical                                     | 84,059         |
| Incentive pool, withhold adjustments and bonus amounts                                 | 52,234         |
| Subtotal   | \$11,342,697   |
| Total hospital and medical   | \$11,342,697   |
| Claims adjustment expenses   | 434,056        |
| General administrative expenses  | 1,756,732      |
| Total underwriting deductions  | \$13,533,485   |
| Net underwriting gain or (loss)  | \$(2,453,137)  |
| Net investment income earned   | 14,386         |
| Net investment gains ((losses)   | \$ 14,386      |
| Net income or (loss) after capital gains tax and before all other federal income taxes | \$(2,438,751)  |
| Net Income   | \$(2,438,751)  |

Statement of Revenue and Expenses (continued)

|   | Per Company |
|---|-------------|
| <b>Capital and Surplus Account</b>        |             |
| Capital and surplus prior reporting year  | \$1,598,118 |
| Net Income                                | (2,438,751) |
| Change in nonadmitted assets              | (92,995)    |
| Capital Changes:                          |             |
| Paid in                                   | 10,000      |
| Surplus adjustments:                      |             |
| Paid in                                   | 2,690,000   |
| Net change in capital and surplus         | \$168,254   |
| Capital and surplus end of reporting year | \$1,766,372 |

**Reconciliation of Capital and Surplus  
December 31, 2020**

No adjustments were made to surplus as regards policyholders as a result of this examination.

| <b>Capital/Surplus Change during Examination Period</b>  |              |              |              |
|--|--------------|--------------|--------------|
| Capital and Surplus at December 31, 2018 per Examination |              |              | \$ 2,305,244 |
|  | Increase     | Decrease     |              |
| Net Income   |              | \$ 3,901,270 |              |
| Change in nonadmitted assets                             |              | \$ 92,995    |              |
| Change in capital  | \$ 10,000    |              |              |
| Change in paid in surplus                                | \$ 3,445,393 |              |              |
| Net increase (or decrease)                               |              |              | \$ (538,872) |
| Capital and Surplus at December 31, 2020 per Examination |              |              | \$ 1,766,372 |

## **COMMENTS ON FINANCIAL STATEMENT ITEMS**

No adjustments were made to surplus as regards policyholders as a result of this examination.

### **Liabilities**

#### **Losses and Loss Adjustment Expenses**

Kelly S. Backes, FSA, MAAA, Principal and Consulting Actuary, Milliman, appointed by the Board, rendered an opinion that the amounts carried in the balance sheet as of December 31, 2020, made a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its policies and agreements.

The OIR consulting actuary, Peggy Hermann, Health Actuary, of The INS Companies, reviewed the loss and loss adjustment expense work papers provided by the Company and she was in concurrence with this opinion.

#### **Capital and Surplus**

The amount of capital and surplus reported by the Company of \$1,766,322, exceeded the minimum of \$1,500,000 required by Section 641.225, Florida Statutes.

## **SUBSEQUENT EVENTS**

During 2021, the Company received capital contributions totaling \$ 2,000,000 from Longevity Health Holdings of Florida, LLC.

Effective January 1, 2021, and 2022, the Company entered into an excess of loss reinsurance agreement with Odyssey Re, whereby Odyssey Re agreed to reimburse 90% of eligible expenses in excess of \$250,000 per member per agreement year, up to an unlimited amount per member agreement year.

On March 5, 2021, and January 7, 2022, pursuant to Paragraph 8 of Consent Order No. 243474-19-CO date April 19, 2019, Longevity Health Plan of Florida, Inc., filed service area expansion requests with the OIR to expand its Medicare Advantage service area into additional Florida counties. The expansion requests were approved by the OIR.

On March 19, 2021, LHP MSO, LLC entered into a service agreement with Tampa-based, HealthAxis Healthops, LLC., to provide claims and benefit administration services, commencing on January 1, 2022.

On June 30, 2021, LHP MSO, LLC entered into a service agreement with Express Scripts, Inc., to provide pharmacy benefit management and administration services, commencing on January 1, 2022.

On February 18, 2022, A Form A filing was submitted for the indirect acquisition of a minority share of the Company by two investors, Halle LHP Holdings, LLC and TCII Long, L.P. The application is under review by the OIR.

### **COVID-19**

The COVID-19 pandemic has continued to develop throughout 2021 and 2022, with significant uncertainty remaining regarding the full effect of COVID-19 on the U.S. and global insurance and reinsurance industry. The OIR has been in communication with the Company regarding the impact of COVID-19 on its business operations and financial position. The OIR continues to closely monitor the impact of the pandemic on the Company and will take necessary action if a solvency concern arises.

## CONCLUSION

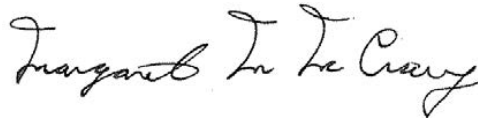
The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of Longevity Health Plan of Florida, Inc. as of December 31, 2020, consistent with the insurance laws of the State of Florida.

The following individuals from the firm of The INS Companies participated in the examination: Joseph F. Evans, CFE, MCM, Examiner-in-Charge, and Dawn Harlow, CFE, CPA, CGMA, Financial Regulation Senior Examiner, and Kelly Willison, CPA, CFE, CFE (Fraud), Financial Regulation Senior Manager. Members of the OIR who participated in the examination include Marshay Spencer, APIR, Examination Manager, and Mary Gitari, Financial Control Analyst, Participating Examiner. Additionally, Peggy Hermann, F.S.A., M.A.A.A., Health Actuary, Jesse Jordan, IT Examiner, and Dave Gordon, CISA, CFE (Fraud), CDFE, Senior IT Manager, of The INS Companies, are recognized for participation in the examination.

Respectfully submitted,



Joseph Evans, CFE  
Examiner-in-Charge  
The INS Companies



Margaret M. McCrary, CFE, CPA, MBA  
Chief Financial Examiner  
Life & Health Financial Oversight  
Florida Office of Insurance Regulation



Carolyn M. Morgan, APIR  
Director  
Life & Health Financial Oversight  
Florida Office of Insurance Regulation