



**EXAMINATION REPORT  
OF**

**Solis Health Plans Inc**

**NAIC Company Code: 16313**

**Spring Hill, Florida**

**as of**

**December 31, 2020**

**BY THE**

**FLORIDA**

**OFFICE OF INSURANCE REGULATION**

## TABLE OF CONTENTS

<b>LETTER OF TRANSMITTAL</b> .....	<b>1</b>
<b>SCOPE OF EXAMINATION</b> .....	<b>1</b>
<b>SUMMARY OF SIGNIFICANT FINDINGS</b> .....	<b>2</b>
CURRENT EXAMINATION FINDINGS .....	2
PREVIOUS EXAMINATION FINDINGS.....	2
<b>COMPANY HISTORY</b> .....	<b>2</b>
GENERAL .....	2
DIVIDENDS.....	2
CAPITAL STOCK AND CAPITAL CONTRIBUTIONS.....	3
SURPLUS NOTES .....	3
ACQUISITIONS, MERGERS, DISPOSALS, DISSOLUTIONS .....	3
<b>MANAGEMENT AND CONTROL</b> .....	<b>4</b>
CORPORATE GOVERNANCE.....	4
HOLDING COMPANY SYSTEM.....	5
<b>ORGANIZATION CHART</b> .....	<b>6</b>
OTC AND CALL CENTER AGREEMENT.....	7
MANAGED SERVICE ORGANIZATION (MSO) AGREEMENT .....	7
<b>ACCOUNTS AND RECORDS</b> .....	<b>7</b>
INDEPENDENT AUDITOR AGREEMENT .....	7
CORPORATE RECORDS REVIEW .....	8
<b>TERRITORY AND PLAN OF OPERATIONS</b> .....	<b>8</b>
<b>REINSURANCE</b> .....	<b>8</b>
REINSURANCE ASSUMED .....	8
REINSURANCE CEDED.....	8
<b>FINANCIAL STATEMENTS</b> .....	<b>9</b>
ASSETS .....	10
LIABILITIES, CAPITAL AND SURPLUS.....	11
STATEMENT OF REVENUE AND EXPENSES .....	12
RECONCILIATION OF CAPITAL AND SURPLUS .....	13
<b>COMMENTS ON FINANCIAL STATEMENT ITEMS</b> .....	<b>14</b>
LIABILITIES.....	14

CAPITAL AND SURPLUS .....	14
<b>SUBSEQUENT EVENTS.....</b>	<b>14</b>
<b>CONCLUSION .....</b>	<b>15</b>

May 11, 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

**Solis Health Plans Inc**  
9250 NW 36th Street, Suite 400  
Doral, Florida 33178

hereinafter referred to as the ("the Company.") Such report of examination is herewith respectfully submitted.

## **SCOPE OF EXAMINATION**

This examination covered the period of January 1, 2020 through December 31, 2020 and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“OIR”) on September 29, 2021. The fieldwork concluded as of May 11, 2022. The Company’s last full scope exam by representatives of the OIR covered the period of February 7, 2018 through December 31, 2019.

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. 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 material findings or exceptions noted during the examination as of December 31, 2020.

### **Previous Examination Findings**

There were no findings, exceptions, or corrective action to be taken by the Company for the examination as of December 31, 2019.

## **COMPANY HISTORY**

### **General**

The Company is a privately held, domestic for-profit stock corporation that was incorporated on November 23, 2015 and obtained its Certificate of Authority from the OIR on February 7, 2018 as a Health Maintenance Organization (“HMO”). The Company began operations in January 2019.

The Company, a wholly-owned subsidiary of Athena Health Care Holdings, LLC (“Athena”), is a Florida-domiciled HMO.

### **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	\$0
Par value per share	\$0

The Company received capital contributions of \$8,500,000 in 2020.

## Surplus Notes

Surplus Note No.	Date Issued	Note Holder	Interest Rate	Par Value (Face Amount of the Notes)
1	April 30, 2020	Athena Care Holdings, LLC	6% per annum	\$9,000,000

## Acquisitions, Mergers, Disposals, Dissolutions

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

## MANAGEMENT AND CONTROL

### Corporate Governance

The annual shareholder meeting for the election of Board of Directors (“Board”) was held in accordance with the Company’s Bylaws. 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>
Mace Wolf	Tucson, Arizona	Chief Executive Officer, Cognify
Robert Scott Stroud	Sarasota, Florida	Equity Attorney, Blalock Walters, P.A.
Daniel Echavarria	Miami, Florida	Managing Director, Ganolian Investments
Ralph Gustavo Villoldo	Miami, Florida	President, Professional Products Group
Daniel Hernandez	Miami, Florida	Chief Executive Officer, Solis Health Plans
Scott Daniel Smith	Sarasota, Florida	Retired

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>
Daniel Hernandez	Miami, Florida	Chief Executive Officer
Juan Pablo de Cardenas	Miami, Florida	Chief Financial Officer
Jordi Alberto Cuervo	Miami, Florida	Chief Operating Officer
Tayron Antonio Perez	Hialeah, Florida	Interim Chief Technology Officer
Amelia Marie Biehler	Pembroke Pines, Florida	Interim Vice President of Compliance

The Company maintained an Audit Committee during the period under examination. The committee members were as follows:

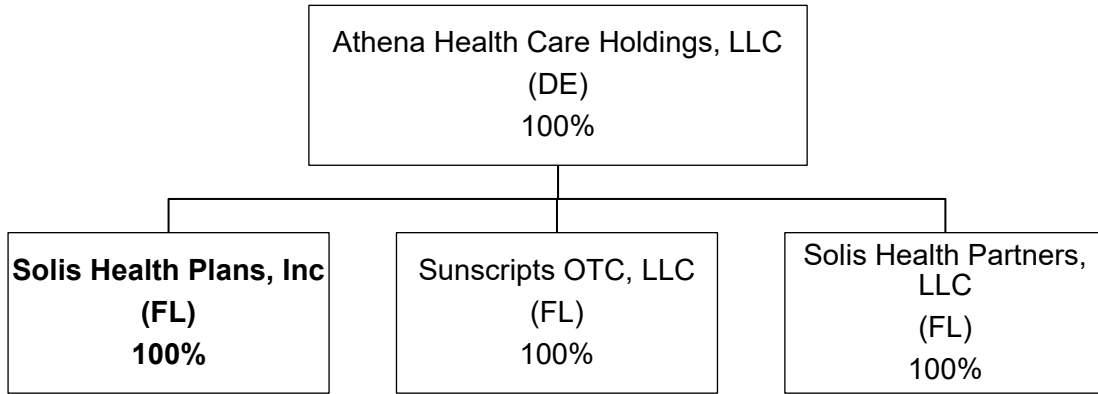
<b>Audit Committee</b>		
<b>Name</b>	<b>City, State</b>	<b>Title, Company Name</b>
Ralph Gustavo Villoldo	Miami, Florida	President, Professional Products Group
Robert Scott Stroud	Sarasota, Florida	Equity Attorney, Blalock Walters, P.A.
Daniel Hernandez	Miami, Florida	Chief Executive Officer, Solis Health Plans

### **Holding Company System**

An organizational chart as of December 31, 2020, reflecting the holding company system, is shown on the following page. Schedule Y of the Company's 2020 annual statement provided a list of all related companies of the holding company group.

**Solis Health Plans Inc  
Organization Chart**

**December 31, 2020**



## **Affiliate Agreements**

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

### **OTC and Call Center Agreement**

Effective October 19, 2018, the Company entered into an Over the Counter (“OTC”) Fulfillment and Call Center Agreement with SunScripts OTC, LLC (“SunScripts”). SunScripts will provide OTC Benefit and Call Center Services to the Company's benefit plan members. In return, SunScripts receives a reimbursement rate of the OTC benefit ordered per member/per month and a ten-dollar delivery fee for each order. The agreement is in effect for three years and will automatically renew for two year periods. For 2020, health benefit expenses incurred relating to this agreement were \$1,056,997, and the Company reported payables of \$91,830.

### **Managed Service Organization (MSO) Agreement**

Effective January 1, 2019, the Company entered into an MSO agreement with Solis Health Partners (“Partners”). Under the terms of this agreement, Partners receives a reimbursement rate per member per month. For 2020, benefits incurred relating to this agreement were \$89,615.

## **ACCOUNTS AND RECORDS**

The Company maintained its principal operational office in Doral, Florida.

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

### **Independent Auditor Agreement**

An independent CPA, Thomas Howell Ferguson, P.A., audited the Company's statutory basis financial statements annually for 2020, in accordance with Section 641.26(5), Florida Statutes. Supporting work papers were prepared by the CPA firm as required by Section 641.26(5), Florida Statutes.

## **Corporate Records Review**

The recorded minutes of the Shareholder, Board, and the Compliance, Audit, and Risk Committee were reviewed for the period under examination. The recorded minutes of the Board documented its meetings and approval of Company transactions and events in compliance with the Handbook adopted by Rule 69O-138.001, Florida Administrative Code, including the authorization of investments as required by Section 641.35(7), Florida Statutes.

## **TERRITORY AND PLAN OF OPERATIONS**

The Company was authorized to provide managed care services only in the State of Florida and is currently authorized to write as an HMO.

## **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**

The Company has one Reinsurance agreement with non-affiliate reinsurers, PartnerRe America Insurance Company ("PartnerRe America").

The Excess Loss agreement with PartnerRe America covers the Medicare Advantage and Dual Eligible members. The agreement was in effect from January 1, 2020 to January 1, 2021 and provided coverage for members at a rate of \$11.29 per member per month for Medicare Advantage and \$19.89 per member per month for Dual Eligible with a minimum annual premium of \$250,000. After the Company's retention (deductible) of \$175,000 per member, the reinsurer reimburses 90% or 50% of eligible services, based on the timing of claim receipt, up to the

maximum limit of \$5,000,000. For 2020, the Company reported \$267,414 in ceded premium and \$0 in ceded losses under this agreement.

## **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 Florida OIR of Insurance Regulation 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 this Report. There were no examination adjustments to the amounts reported by the Company.

**Solis Health Plans Inc**  
**Assets**  
**December 31, 2020**

	Per Company
Cash, cash equivalents and short-term investments	\$4,986,111
Subtotal cash and invested assets	\$4,986,111
Accrued retrospective premiums and contracts subject to redetermination	630,846
Amounts receivable relating to uninsured plans	22,190
Health care and other amounts receivable	410,077
Aggregate write-in for other than invested assets	8,500,000
<b>Totals</b>	<b>\$14,549,224</b>

**Solis Health Plans Inc**  
**Liabilities, Capital and Surplus**  
**December 31, 2020**

	Per Company
Claims unpaid	\$1,938,725
Unpaid claims adjustment expenses	37,697
Aggregate health claim reserves	6,921,666
Premiums received in advance	160,357
General expenses due or accrued	1,301,049
Amounts due to parent, subsidiaries and affiliates	91,830
Liability for amounts held under uninsured plans	736,520
Total liabilities	\$11,187,844
Gross paid-in and contributed surplus	39,167,997
Surplus notes	9,000,000
Unassigned funds (surplus)	(44,806,617)
Total capital and surplus	\$3,361,380
Total liabilities, capital and surplus	\$14,549,224

**Solis Health Plans Inc**  
**Statement of Revenue and Expenses**  
**December 31, 2020**

	Per Company
Net premium income	\$25,265,870
Total revenues	\$25,265,870
Hospital/medical benefits	15,146,975
Other professional services	1,827,756
Prescription drugs	4,646,923
Subtotal	\$21,621,654
Net reinsurance recoveries	125,003
Total hospital and medical	\$21,496,651
Claims adjustment expenses	(5,491)
General administrative expenses	12,803,290
Increase in reserves for life and accident and health contracts	(259,894)
Total underwriting deductions	\$34,034,556
Net underwriting gain or (loss)	\$(8,768,686)
Net investment income earned	8,874
Net investment gains (losses)	8,874
Net income or (loss) after capital gains tax and before all other federal income taxes	(8,759,812)
Net Income	\$(8,759,812)
<b>Capital and Surplus Account</b>	
Capital and surplus prior reporting year	\$4,349,108
Net Income	(8,759,812)
Change in nonadmitted assets	(727,916)
Capital Changes:	
Paid in	8,500,000
Net change in capital and surplus	\$(987,728)
Capital and surplus end of reporting year	\$3,361,380

**Solis Health Plans Inc**  
**Reconciliation of Capital and Surplus**  
**December 31, 2020**

<b>Capital/Surplus Change during Examination Period</b>			
Capital and Surplus at December 31, 2019, per Examination			\$4,349,108
	Increase	Decrease	
Loss in surplus		\$8,759,812	
Change in non-admitted assets		\$727,916	
Change in paid in surplus	\$8,500,000		
Net increase (or decrease)			\$(987,728)
Capital and Surplus at December 31, 2020 per Examination			\$3,361,380

## **COMMENTS ON FINANCIAL STATEMENT ITEMS**

### **Liabilities**

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

Kelsey L. Stevens, FSA, MAAA, Director Senior Consulting Actuary of Wakely Consulting Group, LLC, 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, Jay C. Miniati, FSA, MAAA of Jay Miniati Actuarial Services, reviewed the loss and loss adjustment expense work papers provided by the Company, and he was in concurrence with this opinion.

#### **Capital and Surplus**

The amount of capital and surplus reported by the Company of \$3,361,380 exceeded the minimum of \$1,500,000 required by Section 641.225, Florida Statutes.

## **SUBSEQUENT EVENTS**

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

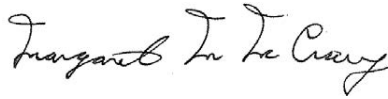
The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of Solis Health Plans Inc as of December 31, 2020, consistent with the insurance laws of the State of Florida.

The following individuals with the firm of Highland Clark, LLC participated in the examination: Tracy D. Gates CISA, CFE, Examiner-in-Charge and IT Specialist; Sheri L. Kenney CFE, MCM, Examination Supervisor; Lori G. Lewter, CISA, Participating Examiner and IT Specialist; Aleksandreja H. Kulits, Participating Examiner; and Travis. R. Harrison, CPA, CPCU, Participating Examiner. Members of the OIR who participated in the examination include Margaret M. McCrary, CPA, CFE, MBA, Chief Financial Examiner and Examination Manager. Additionally, Jay C. Miniati, FSA, MAAA of Jay Miniati Actuarial Services is also recognized for participation in the examination.

Respectfully submitted,



Tracy D. Gates CISA, CFE  
Examiner-in-Charge  
Highland Clark, LLC



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