



**LIMITED SCOPE EXAMINATION REPORT
OF
OSCAR INSURANCE COMPANY OF FLORIDA**

NAIC Company Code: 16854

**Plantation, Florida
as of
December 31, 2021**

**BY THE
FLORIDA
OFFICE OF INSURANCE REGULATION**

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February 29, 2024

Michael Yaworsky
Commissioner
Office of Insurance Regulation
State of Florida
Tallahassee, Florida 32399-0326

Dear Commissioner:

Pursuant to your instructions, in compliance with Section 624.316, Florida Statutes, Rule 69O-138.005, Florida Administrative Code, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (“NAIC”), we have conducted a limited scope examination of Reinsurance as of December 31, 2021, of:

Oscar Insurance Company of Florida
1200 South Pine Island Road
Plantation, FL 33324

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

SCOPE OF EXAMINATION

This was a limited scope examination of Oscar Insurance Company of Florida as directed by the Florida Office of Insurance Regulation (“OIR”). Representatives of the OIR last performed an examination of the Company as of December 31, 2020. To the extent applicable, the limited scope examination was conducted in accordance with the NAIC Financial Condition Examiners Handbook (“the Handbook”), the NAIC Accounting Practices and Procedures Manual and the Florida Administrative Code. This examination was limited to particular risk areas of operational process and the focus is less comprehensive than a full-scope examination. This report is for a limited-scope examination and is not intended to communicate all matters of importance for an understanding of the Company’s financial condition.

The fieldwork commenced on April 21, 2023, and concluded as of February 29, 2024. The limited scope examination included material events occurring subsequent to December 31, 2021, and noted during the course of the examination as they related to the foregoing areas within the limited scope of the examination detailed in the following paragraph.

This examination was conducted by Examination Resources, LLC and covered the risk transfer requirements of SSAP 61R and Appendix A-791.

REINSURANCE

A review of the December 31, 2020, examination Management Letter indicated that the Company’s 2020, 2021, and 2022, Quota Share Reinsurance Treaties failed to meet the risk transfer requirements of SSAP 61R and Appendix A-791. In an effort to comply with risk transfer requirements pursuant to SSAP 61R and Appendix A-791, the Company and its affiliates enhanced their documentation and renewal expense analysis for all in-force quota share treaties. However, AXA was not willing to make the appropriate changes in order for the Company to record the agreement using reinsurance accounting. As such, both parties agreed to mutually terminate the agreement effective December 31, 2022. During 2022, and 2023, the Company entered into a quota-share agreement with The Canada Life Assurance Company. 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 at December 31, 2021.

Reinsurance Ceded

The Company ceded risk on a quota share basis to The Canada Life Assurance Company under which the reinsurer assumes an agreed percentage of the underlying policies being reinsured and shares all premiums and incurred claims accordingly. All premiums and claims ceded under the Company's quota share arrangements are shared proportionally with the Company's reinsurer. To the extent ceded premiums exceed ceded claims and commissions and a specified margin, the Company receives an experience refund. Total reserves ceded for the quota share reinsurance agreements for the year ended December 31, 2021, was \$77,421,301.

The Company is party to a medical per person excess of loss reinsurance agreement with Odyssey Reinsurance Company. The Company uses the agreement to limit its losses and individual claims of enrolled members. Premiums for these reinsurance agreements are based on enrollment calculated on a per member, per month basis.

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of Oscar Insurance Company of Florida as of December 31, 2021, consistent with the insurance laws of the State of Florida.

The following individuals with the firm of Examination Resources, LLC participated in the examination: Scott R. Kalna, CFE, AMCM, Examiner-in-Charge; Steve Szypula, CPCU, AIE, ARe, CGFM, CPM, Reinsurance Specialist; and Rachelle Gowins, CFE, MCM, Examination Supervisor. Members of OIR who participated in the examination include Shantia Simmons, APIR, Examination Manager.

Respectfully submitted,



Scott R. Kalna, CFE, AMCM
Examiner-in-Charge
Examination Resources, LLC



Carolyn M. Morgan, APIR
Director
Life & Health Financial Oversight
Florida Office of Insurance Regulation
Date Signed: 12/3/24