



**EXAMINATION REPORT
OF
Centene Venture Company Florida**

NAIC Company Code: 16499

**Plantation, Florida
as of
December 31, 2022**

**BY THE
FLORIDA
OFFICE OF INSURANCE REGULATION**

TABLE OF CONTENTS

LETTER OF TRANSMITTAL	1
SCOPE OF EXAMINATION	1
SUMMARY OF SIGNIFICANT FINDINGS	2
CURRENT EXAMINATION FINDINGS.....	2
PREVIOUS EXAMINATION FINDINGS.....	2
COMPANY HISTORY	2
GENERAL.....	2
DIVIDENDS	2
CAPITAL STOCK AND CAPITAL CONTRIBUTIONS	2
SURPLUS NOTES	3
ACQUISITIONS, MERGERS, DISPOSALS, DISSOLUTIONS	3
MANAGEMENT AND CONTROL	3
CORPORATE GOVERNANCE	3
HOLDING COMPANY SYSTEM.....	5
AFFILIATED AGREEMENTS	6
TAX SHARING AGREEMENT	6
MANAGEMENT SERVICES AGREEMENT	6
MASTER SERVICES AGREEMENT	7
PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT	7
VISION MANAGEMENT SERVICES AGREEMENT.....	7
DENTAL BENEFITS MANAGEMENT SERVICES	7
SERVICES AGREEMENT	7
RADIOLOGY SERVICES MANAGEMENT AGREEMENT.....	7
ACCOUNTS AND RECORDS	8
CUSTODIAL AGREEMENT	8
INDEPENDENT AUDITOR AGREEMENT	8
CORPORATE RECORDS REVIEW.....	8
TERRITORY AND PLAN OF OPERATIONS	9
REINSURANCE	9
REINSURANCE ASSUMED	9
REINSURANCE CEDED.....	9
FINANCIAL STATEMENTS	10
ASSETS.....	11
LIABILITIES, CAPITAL AND SURPLUS.....	12
STATEMENT OF REVENUE AND EXPENSES	13
RECONCILIATION OF CAPITAL AND SURPLUS	15
COMMENTS ON FINANCIAL STATEMENT ITEMS	16
LIABILITIES	16

CAPITAL AND SURPLUS.....	16
CONCLUSION.....	17

June 7, 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 641.27, Florida Statutes, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (“NAIC”), we have conducted an examination as of December 31, 2022, of the financial condition and corporate affairs of

Centene Venture Company Florida

1200 South Pine Island Road
Plantation, Florida 33324

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

SCOPE OF EXAMINATION

This examination covered the period of January 1, 2022, through December 31, 2022, and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“OIR”) on September 20, 2023. The fieldwork concluded as of June 7, 2024. The Company’s last full scope exam by representatives of OIR covered the period of January 1, 2021, through December 31, 2021.

The examination was a multi-state/coordinated holding company group 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. The lead state for this exam was Texas. States that participated in this exam are as follows: Alabama, Arkansas, Arizona, California, Connecticut, Florida, Hawaii, Iowa, Illinois, Kansas, Kentucky, Louisiana, Maine, Michigan, Missouri, Mississippi, North Carolina, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Virginia, Vermont, Washington, and Wisconsin.

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 Section 624.319, 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 of fact as a result of this examination.

Previous Examination Findings

There were no significant findings of fact for the prior examination as of December 31, 2021.

COMPANY HISTORY

General

The Company was incorporated in Florida on November 7, 2018, and commenced business on January 1, 2020. It was licensed by OIR as a Health Maintenance Organization (“HMO”) on February 12, 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, 2022, the Company’s capitalization was as follows:

Number of authorized common capital shares	1,000
Number of authorized preferred stock	0
Number of shares issued and outstanding	1,000
Total common capital stock	\$1,000
Par value per share	\$1

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

The annual shareholder meeting for the election of Directors was held in accordance with the Company's Bylaws. Directors serving as of December 31, 2022, are:

Directors		
Name	City, State	Principal Occupation, Company Name
Kate Nicole Casso ^(a)	St. Louis, Missouri	Senior Vice President, Corporate Controller & Chief Accounting Officer, Centene Corporation
Richard Jong Youl Chong ^(b)	Edwardsville, Illinois	Senior Vice President, Business Operations, Centene Corporation
Adam Scott Durall ^(c)	Florissant, Missouri	Associate Vice President, Insurance and Value Based Products, Ascension Health Alliance
Kirk Fischer ^(d)	Atlantic Beach, Florida	Senior Vice President, Network Development and Contracting, Centene Corporation
Estrellita Redmon, MD ^(e)	Jacksonville, Florida	Chief Clinical Officer, Ascension Florida & Gulf Coast
Alan Richard Smith ^(f)	Lutz, Florida	Vice President Medical Director, Centene Corporation

(a) Removed effective January 5, 2024; replaced by Charlene Gerring Zein

(b) Removed effective January 5, 2024; replaced by Tamela Ivey Perdue

- (c) Resigned effective May 1, 2023
- (d) Resigned effective September 22, 2023
- (e) Resigned effective May 1, 2023
- (f) Removed effect January 5, 2024; replaced by Nathan Thomas Landsbaum

In accordance with the Company’s Bylaws, the Board of Directors (“Board”) appointed the following Senior Officers:

Senior Officers		
Name	City, State	Title
Janet Robey Alonzo ^(a)	Creve Coeur, Missouri	Secretary
Tricia Lynn Dinkelman	Waterloo, Illinois	Vice President of Tax
Charlie Willie Fields Jr. ^(b)	Chicago, Illinois	Assistant Secretary
Dr. Karle Haake ^(c)	Leawood, Kansas	Medical Director
Thomas Robert Lindquist ^(d)	Mount Pleasant, South Carolina	President
James Edward Snyder, III ^(e)	St. Louis, Missouri	Treasurer

- (a) Removed effective September 30, 2023; replaced by Kendra Louise Archer effective December 14, 2023 (removed January 5, 2024); replaced by Heather Urquides
- (b) Resigned and replaced by Charlene Gerring Zein effective January 5, 2024
- (c) Removed and replaced by Kevin Kearns effective January 5, 2024
- (d) Removed and replaced by Nathan Thomas Landsbaum effective January 5, 2024
- (e) Removed and replaced by Traci Lynn Fabrizi effective January 5, 2024

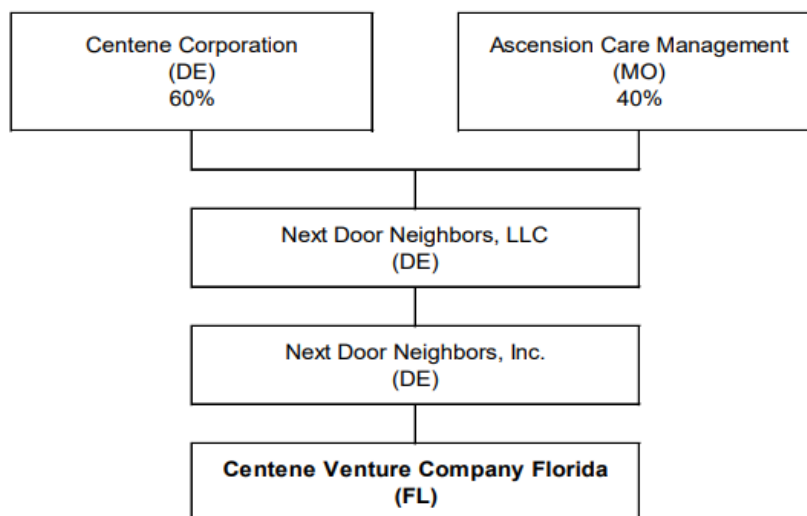
The Centene Corporation Board has several internal committees that also serve at the entity level. The Audit and Compliance Committee is the principal internal Board committee and the members as of December 31, 2022 are:

Audit and Compliance Committee		
Name	City, State	Title, Company Name
William Lewis Trubeck, Chair	Durango, Colorado	Retired Executive Vice President and Chief Financial Officer, H&R Block, Inc.
Jessica Landrus Blume	Sarasota, Florida	Retired Vice Chairman of Deloitte LLP
Christopher Jerome Coughlin	Bonita Springs, Florida	Retired Executive Vice President and Chief Financial Officer, Tyco International, Ltd.
Wayne Scott DeVeydt	Fishers, Indiana	Managing Director Bain Capital
Orlando Ayala-Lozano	Medina, Washington	Retired Chairman and Corporate Vice President of Emerging Business for Microsoft Corporation

Holding Company System

A simplified organizational chart as of December 31, 2022, reflecting the holding company system is shown below. Schedule Y of the Company's 2022 Annual Statement provided a list of all related companies of the holding company group.

Centene Venture Company Florida Simplified Organizational Chart December 31, 2022



AFFILIATED AGREEMENTS

The following agreements were in effect between the Company and its affiliates at December 31, 2022:

Tax Sharing Agreement

The Company is party to a tax sharing agreement, with an effective date of December 31, 2019. The Company's income is included in the consolidated federal income tax return of Next Door Neighbors, Inc. ("NDNI"), Centene Venture Company Alabama Health Plan, Inc., Centene Venture Company Florida, Centene Venture Company Illinois, Centene Venture Company Indiana, Inc., Centene Venture Company Kansas, and Centene Venture Company Tennessee. The method allocates a tax asset (i.e., inter-company receivable) for any benefit derived by the consolidated group for the member's losses or credits that offset consolidated taxable income. Each member shall pay to NDNI or receive from the NDNI the amount of tax liability or benefit within ninety (90) days of the date NDNI files its consolidated federal income tax return.

Management Services Agreement

The Company entered into a Management Services Agreement with Centene Management Company, LLC ("CMC") and Next Door Neighbors, LLC ("NDNL") on January 1, 2020. Administrative services provided under the agreement include program planning and development, management information systems, financial systems and services, claims administration, utilization review, and other important functions. The agreement continues in force for a term of five (5) years and will automatically renew for successive one (1) year periods unless otherwise terminated within the guidelines of the agreement. Fees for services under the agreement shall be charged at actual cost. Fees incurred under this agreement during 2022 were \$926,834 to CMC and \$1,418,041 to NDNL.

Master Services Agreement

The Company entered into a Master Services Agreement with Envolve PeopleCare, Inc. on January 1, 2020. Services provided under the agreement include nurse-line triage, and life and health management services. No fees were incurred under this agreement during 2022.

Pharmacy Benefit Management Services Agreement

The Company entered into a Pharmacy Benefit Management Services Agreement with Envolve Pharmacy Solutions on January 1, 2020. Fees incurred under this agreement during 2022 were \$5,101,365.

Vision Management Services Agreement

The Company entered into a Vision Management Services Agreement with Envolve Vision of Florida, Inc. on January 1, 2020. Fees incurred under this agreement during 2022 were \$77,174.

Dental Benefits Management Services

The Company entered into a Dental Benefits Management Services Agreement with Envolve Dental of Florida, Inc., effective January 1, 2020. Fees incurred under this agreement during 2022 were \$629,216.

Services Agreement

The Company entered into a Services Agreement with RMED, LLC dba Visiting Physician Association, a wholly owned subsidiary of U.S. Medical Management LLC on January 6, 2020. Services provided under the agreement included in-home health services. No fees were incurred under this agreement during 2022.

Radiology Services Management Agreement

The Company entered into a Radiology Services Management Agreement, effective January 1, 2018, with National Imaging Associates, Inc. for radiology services. Fees incurred under this agreement during 2022 were \$66,538.

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices in Saint Louis, Missouri.

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

Custodial Agreement

The Company maintained a custodial agreement with U.S. Bank National Association executed on September 30, 2020. The agreement complied with Rule 69O-191.090, Florida Administrative Code.

Independent Auditor Agreement

An independent CPA, KPMG LLP, audited the Company's statutory basis financial statements for 2021 and 2022, in accordance with Section 641.26(5), Florida Statutes. Supporting workpapers were prepared by the CPA firm as required by Section 641.26(5), Florida Statutes.

Corporate Records Review

The recorded minutes of the Shareholders, Board, and Audit and Compliance 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 wrote Medicare Advantage and Medicare Advantage Part D plans. These plans were offered in Baker, Clay, Duval, Escambia, Nassau, Santa Rosa, St. Johns, and Walton counties.

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 had one excess of loss reinsurance agreement with an affiliated reinsurer, Bankers Reserve Life Insurance Company of Wisconsin. The agreement covers the Medicare Advantage members at a rate of \$1.09 per member per month. After the Company's retention (deductible) of \$250,000 per member, the reinsurer reimburses 90 percent of covered expenses up to their maximum limit of \$3,000,000. For 2022, the Company ceded \$27,569 in premium and reported \$2,417 in ceded premium payable under the terms of the 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, 2022. 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, 2022. 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.

Centene Venture Company Florida
Assets
December 31, 2022

	Per Company
Bonds	11,182,362
Cash, cash equivalents and short-term investments	6,388,764
Subtotal cash and invested assets	17,571,126
Investment income due and accrued	51,622
Premiums and considerations	
Uncollected premiums and agents' balances	80,239
Accrued retrospective premiums and contracts subject to redetermination	1,476,777
Amounts receivable relating to uninsured plans	805,810
Current federal and foreign income taxes recoverable and interest thereon	440
State income tax receivable	131,785
Totals	20,117,800

**Centene Venture Company Florida
Liabilities, Capital and Surplus
December 31, 2022**

	Per Company
Claims unpaid	4,049,510
Accrued medical incentive pool and bonus amounts	490,702
Unpaid claims adjustment expenses	37,658
Aggregate health policy reserves	320,741
Premiums received in advance	420
General expenses due or accrued	297,458
Ceded reinsurance premiums payable	2,417
Amounts due to parent, subsidiaries and affiliates	6,579,131
Liability for amounts held under uninsured plans	195,411
Total liabilities	11,973,448
Common capital stock	1,000
Gross paid-in and contributed surplus	27,299,000
Unassigned funds (surplus)	(19,155,648)
Total capital and surplus	8,144,352
Total liabilities, capital and surplus	20,117,800

**Centene Venture Company Florida
Statement of Revenue and Expenses
December 31, 2022**

	Per Company
Net premium income	24,981,281
Total revenues	24,981,281
Hospital and Medical:	
Hospital/medical benefits	17,291,623
Other professional services	1,053,721
Emergency room and out-of-area	810,766
Prescription drugs	1,748,326
Incentive pool, without adjustments and bonus amounts	374,114
Subtotal	21,278,550
Less:	
Net reinsurance recoveries	48,196
Total hospital and medical	21,230,354
Claims adjustment expenses	244,443
General administrative expenses	4,270,325
Increase in reserves for life and accident and health contracts	(5,100,935)
Total underwriting deductions	20,644,187
Net underwriting gain or (loss)	4,337,094
Net investment income earned	271,739
Net realized capital gains (losses) less capital gains tax	14
Net investment gains (losses)	271,753
Net gain or (loss) from agents' or premium balances charged off	(9,057)
Net income or (loss) after capital gains tax and before all other federal income taxes	4,599,790
Federal and foreign income taxes incurred	(5)
Net Income (loss)	4,599,795

Statement of Revenue and Expenses (continued):

	Per Company
Capital and Surplus Account	
Capital and surplus, prior reporting year	4,003,352
Net Income	4,599,795
Change in nonadmitted assets	(458,795)
Net change in capital and surplus	4,141,000
Capital and surplus, end of reporting year	8,144,352

**Centene Venture Company Florida
Reconciliation of Capital and Surplus
December 31, 2022**

Capital/Surplus Change during Examination Period			
Capital and Surplus at December 31, 2021, per Examination			4,003,352
	Increase	Decrease	
Net income or (loss)	4,599,795		
Change in nonadmitted assets		458,795	
Net increase (or decrease)			4,141,000
Capital and Surplus at December 31, 2022, per Examination			8,144,352

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

COMMENTS ON FINANCIAL STATEMENT ITEMS

Liabilities

Losses and Loss Adjustment Expenses

Michael Schooley, ASA, MAAA, consulting actuary with the firm Comprehensive Health Management, Inc., appointed by the Board, rendered an opinion that the amounts carried in the balance sheet as of December 31, 2022, 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, Margaret Hermann, FSA, MAAA of INS Consultants, Inc., 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 \$8,144,352 exceeded the minimum of \$1,500,000 required by Section 641.225, Florida Statutes.

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of Centene Venture Company Florida as of December 31, 2022, consistent with the insurance laws of the State of Florida.

The following individuals with the firm of The INS Companies participated in the examination: Renee Hanshaw, CPA, CFE, Examiner-in-Charge; Cecilee Houdek, CPA, CFE, MCM, Examination Manager; LeAnne West, Participating Examiner; and Margaret Hermann, FSA, MAAA, Examination Actuary. Members of the OIR who participated in the examination include Alicia Thompkins-Perryman, CFE(Fraud), APIR, Examination Manager, and Margaret McCrary, CFE, CPA, MBA, Chief Financial Examiner Life and Health Financial Oversight.

Respectfully submitted,



Renee Hanshaw, CPA, CFE
Examiner-in-Charge
The INS Companies
Representing the Florida Office of Insurance
Regulation



Carolyn M. Morgan, APIR
Director
Life & Health Financial Oversight
Florida Office of Insurance Regulation
Date Signed: 7/3/24