



**EXAMINATION REPORT
OF
Cigna HealthCare of Florida, Inc.**

NAIC Company Code: 95136

**Tampa, Florida
as of
December 31, 2023**

**BY THE
FLORIDA
OFFICE OF INSURANCE REGULATION**

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June 4, 2025

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, 2023, of the financial condition and corporate affairs of

Cigna HealthCare of Florida, Inc.
2701 North Rocky Pointe Drive, Suite 800
Tampa, FL 33607

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, 2019, through December 31, 2023, and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“OIR”) on September 16, 2024. The fieldwork concluded as of June 4, 2025. The Company’s last full scope examination by representatives of OIR covered the period of January 1, 2014, through December 31, 2018.

The examination was a multi-state/coordinated 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 Connecticut. States that participated in this exam are as follows: Arizona, Colorado, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Maryland, Missouri, Montana, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, and Virginia.

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 related 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

The Company was unable to provide the required documentation to allow determination of whether fees charged between affiliates were fair and reasonable. This documentation is required to be maintained pursuant to Rule 69O-143.047(d), Florida Administrative Code and SSAP No. 25.

Previous Examination Findings

There were no significant findings of fact for the prior examination as of December 31, 2018.

COMPANY HISTORY

General

The Company was incorporated in Florida on February 10, 1981, and commenced business on February 22, 1981. It was licensed by OIR as a Health Maintenance Organization (“HMO”) on February 22, 1981, 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, 2023, 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	500
Total common capital stock	\$500
Par value per share	\$1

The Company did not receive any capital contributions during the period under examination.

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

Directors serving as of December 31, 2023, are shown below:

Board of Directors		
	City, State	Principal Occupation, Company Name
Kathleen M O'Neil	Bloomfield, CT	Accounting Senior Director, The Cigna Group
Peter McCauley M.D.	Chicago, IL	Medical Managing Director, The Cigna Group
Bruce Grimm	Bloomfield, CT	SVP Segment Lead, The Cigna Group

In accordance with the Company's Bylaws, the Board of Directors ("Board") appointed the following Senior Officers:

Senior Officers		
Name	City, State	Title
Bruce Grimm	Bloomfield, CT	President
Scott Ronald Lambert	Bloomfield, CT	Vice President/Treasurer
Geneva Brown ^(a)	Philadelphia, PA	Secretary
Rebecca Skripol	Bloomfield, CT	Vice President/Appointed Actuary
Glenn Michael Gerhard	Bloomfield, CT	Vice President
Morris Mirabella	Tampa, FL	Vice President
Kathleen M O'Neil	Bloomfield, CT	Vice President
Mark Paul Fleming ^(b)	Randolph, NJ	Vice President
Joanne Ruth Hart	Bloomfield, CT	Vice President
Timothy Sheridan	Bloomfield, CT	Vice President
Stephen Saathoff	Tampa, FL	Vice President

(a) Alicia Morrow replaced Geneva Brown effective January 1, 2024

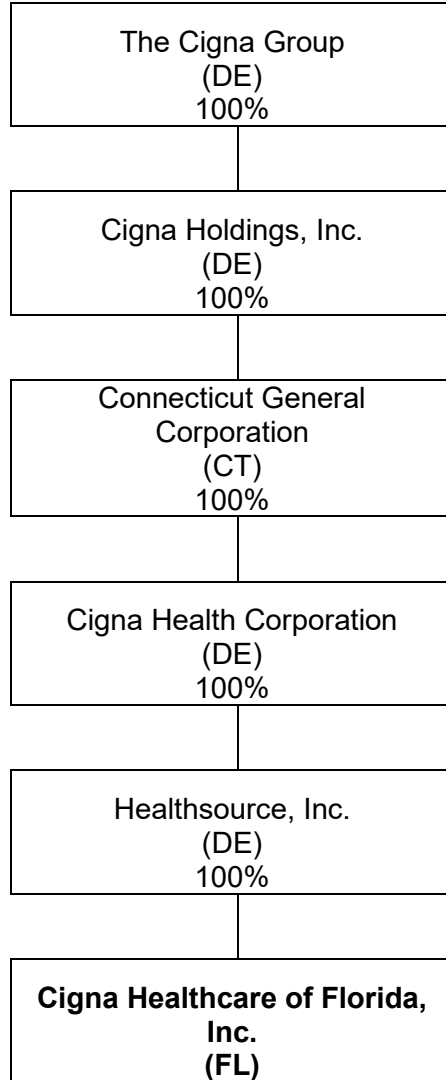
(b) Mark Paul Fleming resigned effective June 3, 2024

The Company has no entity level committees. Committees at The Cigna Group (“Cigna”) level include executive committee, audit committee, corporate governance committee, compliance committee, finance committee, and people resources committee.

Holding Company System

A simplified organizational chart as of December 31, 2023, reflecting the holding company system, follows. Schedule Y of the Company’s 2023 Annual Statement provided a list of all related companies of the holding company group.

**Cigna HealthCare of Florida, Inc.
Simplified Organizational Chart
December 31, 2023**



AFFILIATED AGREEMENTS

The following agreements were in effect between the Company and its affiliates as of the examination date:

Investment Advisory Agreement

Effective May 20, 2009, the Company entered into an Investment Advisory Agreement with Cigna Investments, Inc., whereby Cigna Investments, Inc. acted as the investment adviser of the Company's investment portfolio. Fees paid under this agreement were \$4,262 in 2023.

Amended and Restated Consolidated Federal Income Tax Agreement

On January 1, 1997, the Company entered into an Amended and Restated Consolidated Federal Income Tax Agreement, which stated that Cigna's indirectly wholly owned domestic subsidiary insurance companies had entered into a Consolidated Federal Income Tax Agreement ("Tax Agreement"), which became effective as of April 1, 1982. The Tax Agreement set forth the method of allocation of federal income taxes for Cigna and its wholly owned domestic subsidiaries, including insurance subsidiaries. It provided for immediate reimbursement to companies with net operating losses to the extent that their losses were used to reduce consolidated taxable income; while those companies with current taxable income as calculated under federal separate return provisions, were liable for payment determined as if they had each filed a separate return. Current credit was given for any foreign tax credit, operating loss or investment tax credit carryovers actually used in the current consolidated return.

Line of Credit Agreement

Effective September 30, 2021, the Company entered into a Line of Credit Agreement with CHC and certain Cigna Corporation subsidiaries, whereby CHC offered to loan funds to ensure the Company continued to meet its operational cash obligations and earn additional investment income. There is no liability under this agreement at December 31, 2023.

Management Services Agreement

The Management Services Agreement between CHC and certain Cigna Corporation subsidiaries, including the Company, provided management services through CHC to the Company and its affiliated HMOs. The agreement effective date was January 1, 1994, and latest amendment was effective July 1, 2012. The parties wished to amend the agreement to include payment of, and

other services in connection with the payment of, Medical Loss Ratio Rebates. In 2023, the Company paid \$199,034 in management fees.

Network Access Agreement

Effective June 12, 2001, the Network Access Agreement between Connecticut General Life Insurance Company (“CGLIC”) and certain Cigna Corporation subsidiaries, including the Company, allowed each of the HMOs to utilize the networks of Participating Providers maintained by its affiliated HMOs. No fees were paid in 2023 under this agreement.

Dental Consultation Agreement

Effective October 1, 2000, the Company entered into a Dental Consultation Agreement with Cigna Dental Health, Inc., whereby Cigna Dental Health, Inc. provided dental consultations at the request of the Company with respect to selected dental cases. No fees were paid in 2023 under this agreement.

Intercompany Service Agreement (Health Management)

There was a Health Management Agreement with Cigna Health Management, Inc. (formerly known as International Rehabilitation Associates, Inc.), CGLIC, and CHC and certain subsidiaries of Cigna Corporation, including the Company. Under this agreement, Cigna Health Management, Inc. provided consultative services with respect to utilization management, case management, demand management, disease management, and care management to the Company. This agreement was effective January 1, 2001, and later amended on January 1, 2004. The Company paid \$2,210 in fees in 2023 under this agreement.

Mental Health Services Agreement

The Mental Health Services Agreement was between Cigna Behavioral Health, Inc., CHC and certain subsidiaries of Cigna Corporation, including the Company. Cigna Behavioral Health, Inc. provided mental health and substance abuse services to the enrollees of the HMOs on behalf of their subsidiaries, including the Company. The effective date was January 1, 1990, and later amended with amendments one through nine, with the most recent amendment effective October 1, 2014.

Amended and Restated Investment Pooling Agreement

The Company became a party to the Amended and Restated Investment Pooling Agreement, by amendment, effective February 19, 2013. The most recent amendment to the Amended and Restated Investment Pooling Agreement was effective December 20, 2018. This agreement provided for participation in a pool of short-term investments to facilitate effective cash management. There were no fees separately assessed related to this agreement.

Medicare and Medicaid Pharmacy Benefit Services Agreement

The Company is party to a Medicare and Medicaid Pharmacy Benefit Services Agreement (“PBSA”) with Express Scripts, Inc. (“ESI”), which sets forth the terms and conditions under which ESI will provide pharmacy benefit manager (“PBM”) services to Company. The PBM services provided by ESI under the PBSA include, but are not limited to, manufacturer revenue services, formulary administration and development services, pharmacy network contracting and network administration services, including home delivery pharmacy and specialty pharmacy services, claims processing services, Cigna account management services, care management and clinical services, information technology products and services, training services, reports, and transition out services. The services performed under the PBSA relate solely to the Medicare and Medicaid health plans offered by the Company.

Pharmacy Benefit Services Agreement

Effective July 1, 2019, the Company was party to a Pharmacy Benefit Services Agreement with ESI. Under the agreements, ESI made the following pharmacy benefit management services available to the Company: manufacturer revenue services, formulary development, pharmacy network contracting, claims processing, care management, and clinical services. There were no fees paid under this agreement in 2023.

Health System Agreement

Effective January 1, 2020, the Company became a party to a Health System Agreement with eviCore healthcare MSI, LLC (“eviCore”). Under the Agreement, eviCore will arrange for the provision of the gene therapy drugs through its network of contracted specialty pharmacies and facilities. No fees were paid under this agreement in 2023.

Master Health System Agreement

Effective May 1, 2020, the Company entered into a Master Health System Agreement for its Commercial plans with eviCore and various affiliates. Under the agreement eviCore arranges for the provision of certain covered services either by itself or through its established panel of represented providers and performs system services, including certain utilization management and administrative services, as defined in the agreement. Charges for services are based on the compensation models described in the referenced agreement. There were no fees paid under this agreement in 2023.

State Tax Sharing Agreement

The Company is party to the Cigna Group's State Tax Sharing Agreement, effective December 31, 2021, in which the agreement sets forth the method of allocation of Cigna's state income taxes for state or local returns filed on a consolidated, combined or unitary basis to its wholly owned domestic subsidiaries, including the Company.

MDLive Services Agreement

The Company is party to the MDLive Services Agreement with MDLive, Inc. ("MDL"), which sets forth the terms and conditions under which MDL will provide telehealth services to the Company. The services provided under the MDLive Services Agreement include, but are not limited to, implementation support of telehealth services, account management, reporting, marketing support, call center access, information technology services, application programming interface, cyber insurance, eligibility processing, coordination of information and response related to complaints of MDL services, regulatory compliance and other ancillary services as agreed upon. No fees were paid in 2023 under this agreement.

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices in Tampa, Florida.

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

Custodial Agreement

The Company maintained a custodial agreement with JPMorgan Chase Bank, National Association executed on July 5, 1990. The Company was added to the agreement by addendum

in November 1997. The agreement complied with Rule 69O-143.042, Florida Administrative Code.

Independent Auditor Agreement

An independent Certified Public Accountant (“CPA”), PricewaterhouseCoopers (“PwC”) audited the Company’s statutory basis financial statements annually for the years 2023, 2022, 2021, 2020, and 2019, 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 meeting minutes of the Shareholders and Board were reviewed for the period under examination. The recorded minutes documented 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 in the State of Florida. The Company offers employer medical plans and individual and family medical plans in 16 counties in Florida. As of December 31, 2023, the Company reported 339 members.

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, 1994, the Company, as well as other Cigna subsidiaries, entered into an amended and restated aggregate stop loss reinsurance agreement with CGLIC. Effective January 1, 2013, the agreement was amended to change the reinsurer to Cigna Health and Life Insurance Company (“CHLIC”) for all claims incurred on or after January 1, 2013. The Company paid a monthly premium based on an established rate per health plan member and in return, the Company is reimbursed eighty percent (80%) of costs in excess of a deductible for 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 year ended December 31, 2023. The Company’s retention is 20% once the deductible is met.

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 a Reconciliation of Capital and Surplus Account for the year ended December 31, 2023. 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, 2023. 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.

Cigna HealthCare of Florida, Inc.
Assets
December 31, 2023

	Per Company
Bonds	2,155,949
Cash, cash equivalents and short-term investments	693,862
Subtotal cash and invested assets	2,849,811
Investment income due and accrued	16,582
Net deferred tax asset	18,509
Health care and other amounts receivable	47,886
Totals	2,932,788

Cigna HealthCare of Florida, Inc.
Liabilities, Capital and Surplus
December 31, 2023

	Per Company
Claims unpaid	449,762
Unpaid claims adjustment expenses	4,864
Aggregate health policy reserves	22,850
General expenses due or accrued	34,704
Current federal and foreign income tax payable	24,321
Ceded reinsurance premiums payable	6,960
Amounts due to parent, subsidiaries and affiliates	60,262
Total liabilities	603,723
Common capital stock	500
Gross paid-in and contributed surplus	15,070,135
Unassigned funds (surplus)	(12,741,570)
Total capital and surplus	2,329,065
Total liabilities, capital and surplus	2,932,788

Cigna HealthCare of Florida, Inc.
Statement of Revenue and Expenses
December 31, 2023

	Per Company
Net premium income	2,524,800
Total revenues	2,524,800
Hospital and Medical:	
Hospital/medical benefits	1,301,663
Other professional services	175,712
Outside referrals	44,358
Emergency room and out-of-area	45,538
Prescription drugs	422,783
Incentive pool, withhold adjustments and bonus amts.	17,887
Subtotal	2,007,941
Less:	
Total hospital and medical	2,007,941
Claims adjustment expenses	26,746
General administrative expenses	461,268
Increase in reserves for life and health accident contracts	(170,030)
Total underwriting deductions	2,325,925
Net underwriting gain or (loss)	198,875
Net investment income earned	67,498
Net investment gains (losses)	67,498
Net gain or (loss) from agents' or premium balances charged off	(71)
Net income or (loss) after capital gains tax and before all other federal income taxes	266,302
Federal and foreign income taxes incurred	24,320
Net Income	241,982

Cigna HealthCare of Florida, Inc.
Statement of Revenue and Expenses (continued)
December 31, 2023

	Per Company
Capital and Surplus Account	
Capital and surplus, prior reporting year	2,077,747
Net Income	241,982
Change in net deferred income tax	6,101
Change in nonadmitted assets	3,235
Net change in capital and surplus	251,318
Capital and surplus, end of reporting year	2,329,065

Cigna HealthCare of Florida, Inc.
Reconciliation of Capital and Surplus
December 31, 2023

Capital/Surplus Change during Examination Period			
Capital and Surplus at December 31, 2019, per Examination			2,910,181
	Increase	Decrease	
Net loss		750,232	
Change in net deferred income tax	12,490		
Change in nonadmitted assets		41,817	
Aggregate write-ins for gains in surplus	198,443		
Net increase (or decrease)			(581,116)
Capital and Surplus at December 31, 2023, per Examination			2,329,065

COMMENTS ON FINANCIAL STATEMENT ITEMS

Liabilities

Losses and Loss Adjustment Expenses

Rebecca A. Skripol, Company Actuary, appointed by the Board, rendered an opinion that the amounts carried in the balance sheet as of December 31, 2023, 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 testing of loss reserves performed by the lead state's consulting actuaries is in concurrence with this opinion.

Capital and Surplus

The amount of capital and surplus reported by the Company of \$2,329,065 exceeded the minimum of \$1,500,000 required by section 641.225, Florida Statutes.

SUMMARY OF RECOMMENDATIONS

It is recommended that the Company maintain, for review, the accounting information necessary to support the reasonableness of charges or fees for affiliated transactions, as required by Rule 69O-143.047(d), Florida Administrative Code, and SSAP No. 25.

CONCLUSION

The insurance examination practices and procedures, as promulgated by the NAIC, have been followed in ascertaining the financial condition of Cigna Healthcare of Florida, Inc. as of December 31, 2023, 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; Malis Rasmussen, CFE, Examination Manager; Margaret Hermann, FSA, MAAA, Actuarial Specialist; David Gordon, CISA, CFE (Fraud), CDFE, IT Specialist; and Jesse Jordan, IT Specialist. Members of OIR who participated in the examination include Shantia Simmons, APIR, Examination Oversight Supervisor.

Respectfully submitted,



Renee Hanshaw, CPA, CFE
Examiner-in-Charge
INS Regulatory Insurance Services, Inc.
Representing the Florida Office of Insurance
Regulation



Carolyn M. Morgan, APIR
Director
Life & Health Financial Oversight
Florida Office of Insurance Regulation
Date Signed: 9/30/25