



**EXAMINATION REPORT
OF
Greater Health Trust**

**Miami, Florida
as of
June 30, 2023**

**BY THE
FLORIDA
OFFICE OF INSURANCE REGULATION**

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February 11, 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 624.44, Florida Statutes, Rule 69O-192.053, Florida Administrative Code, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (“NAIC”), we have conducted an examination as of June 30, 2023, of the financial condition and corporate affairs of

Greater Health Trust
1 SE 3rd Avenue, Suite 1410
Miami, FL 33132

hereinafter referred to as ‘the Company.’ Such report of examination is herewith respectfully submitted.

SCOPE OF EXAMINATION

This examination covered the period of June 22, 2021, through June 30, 2023, and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“OIR”) on October 2, 2023. The fieldwork concluded as of February 11, 2024. This is the first full scope exam by representatives of 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 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

This was the first financial examination of the Company. As such, there are no previous examination findings.

COMPANY HISTORY

General

The Company was licensed by the OIR as a multiple-employer welfare arrangement (“MEWA”) on July 22, 2021 in accordance with Section 624.437, Florida Statutes, and commenced business on September 1, 2021. The Company is a self-funded non-plan multiple-employer welfare arrangement that administers health and welfare benefits to employee groups who are members of the Greater Miami Chamber of Commerce. Activity is limited to nonaffiliated, comprehensive medical health benefits along with a small percentage of income driven by low-risk, cash-based investments.

Dividends

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

Capital Stock and Capital Contributions

The Company does not have capital stock. There were no additional capital contributions made outside of the initial funding of the Company.

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 Company does not have shareholders. Per the Trust Agreement, Trustees were appointed by the Greater Miami Chamber of Commerce and Trustees serving as of June 30, 2022, are shown below:

Trustees		
Name	City, State	Principal Occupation, Company Name
Alfred Sanchez, Chair	Miami, Florida	President & Chief Executive Officer Greater Miami Chamber of Commerce
Freddie Balsera	Coral Gables, Florida	Founder & Managing Partner Balsera Communications
Eddie Cora	Miami, Florida	President Miami-Dade County Fair & Exposition, Inc.

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

Senior Officers		
Name	City, State	Title
Alfred Sanchez	Miami, Florida	Chairperson
Freddie Balsera	Coral Gables, Florida	Secretary/Treasurer
Eddie Cora	Miami, Florida	Plan Administrator

The Company maintained an Audit Committee, as required by Section 624.424(8)(c), Florida Statutes.

Audit Committee		
Name	City, State	Title, Company Name
Alfred Sanchez	Miami, Florida	President & Chief Executive Officer Greater Miami Chamber of Commerce
Freddie Balsera	Coral Gables, Florida	Founder & Managing Partner Balsera Communications
Eddie Cora	Miami, Florida	President Miami-Dade County Fair & Exposition, Inc.

Holding Company System

The Company is not part of a holding company system.

AFFILIATED AGREEMENTS

The Company has no affiliated agreements.

ACCOUNTS AND RECORDS

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

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

Administrative Services Agreement

The Company is party to an administrative services agreement with AvMed, Inc., effective January 1, 2021, and most recently amended effective July 1, 2023. For a fee set forth in the contract, AvMed, Inc. agrees to furnish certain administrative services including (1) receiving and processing claims for benefits provided by the Company, (2) disbursing claim payments, and (3) performing financial and banking administration, network access, medical management, comprehensive account and member services, enrollment eligibility, underwriting services, actuarial services, and billing and collection services.

Independent Auditor Agreement

An independent certified public accountant (“CPA”), Maloney + Novotny LLC, audited the Company’s statutory basis financial statements annually for the years ended June 30, 2023 and June 30, 2022, in accordance with Section 624.424(8), Florida Statutes. Supporting work papers were prepared by the CPA firm as required by Rule 69O-137.002, Florida Administrative Code.

Plan Manager Agreement

The Company is party to a plan manager agreement with Consoliplex GHT, LLC (“Consoliplex”), the plan manager, effective January 1, 2021 and most recently amended effective July 1, 2023. Per the agreement, the plan manager, Consoliplex, will perform services necessary for day-to-day operations. Among the services included, are preparation and filing of financial statements required by OIR, oversee accounting services, assist the Company with some state and federal

reporting requirements, provide recommendations for service providers, recommendations for product design and distribution, and other daily operational services.

Corporate Records Review

The recorded minutes of the Board of Trustees' meeting minutes were reviewed for the period under examination. The recorded minutes of the Board documented its meetings and approval of Trust 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 625.304, Florida Statutes.

TERRITORY AND PLAN OF OPERATIONS

The Company is a Florida domiciled trust organized under Section 501(c)(9) of the Internal Revenue Code as a not-for-profit Voluntary Employee Beneficiary Association by the Greater Miami Chambers of Commerce by a Trust Agreement. The Company is currently authorized to administer health and welfare benefits to employee groups who are members of the Greater Miami Chamber of Commerce. The Company is only licensed in the state of Florida.

REINSURANCE

The reinsurance agreement 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 maintains one excess of loss reinsurance agreement with AvMed, Inc., initially effective January 1, 2021 through June 30, 2022. The policy is renewed annually on July 1, beginning with July 1, 2022 through June 30, 2023. Through the agreement, the Company cedes ninety percent of its business to AvMed, Inc.

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 June 30, 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 June 30, 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.

Greater Health Trust
Assets
June 30, 2023

	Per Company
Bonds	537,892
Cash, cash equivalents and short-term investments	98,083
Subtotal cash and invested assets	635,975
Investment income due and accrued	919
Premiums and considerations	
Uncollected premiums and agents' balances	338,058
Amounts recoverable from reinsurer	1,053,368
Other amounts receivable under reinsurance contracts	355,710
Totals	2,384,030

Greater Health Trust
Liabilities, Capital and Surplus
June 30, 2023

	Per Company
Claims unpaid	129,517
Unpaid claims adjustment expenses	4,006
General expenses due or accrued	56,435
Ceded reinsurance premiums payable	1,778,658
Total liabilities	1,968,616
Gross paid-in and contributed surplus	700,000
Unassigned funds (surplus)	(284,585)
Total capital and surplus	415,415
Total liabilities, capital and surplus	2,384,031

Greater Health Trust
Statement of Revenue and Expenses
June 30, 2023

	Per Company
Net premium income	967,715
Total revenues	967,715
Hospital and Medical:	
Hospital/medical benefits	10,017,692
Emergency room and out-of-area	216,729
Prescription drugs	2,615,133
Subtotal	12,849,554
Less:	
Net reinsurance recoveries	11,751,793
Total hospital and medical	1,097,761
Claims adjustment expenses	47,154
General administrative expenses	81,289
Total underwriting deductions	1,226,204
Net underwriting gain or (loss)	(258,489)
Net investment income earned	(4,294)
Net investment gains (losses)	(4,294)
Net income or (loss) after capital gains tax and before all other federal income taxes	(262,783)
Net Income	(262,783)

Greater Health Trust
Statement of Revenue and Expenses (continued)
June 30, 2023

	Per Company
Capital and Surplus Account	
Capital and surplus, prior reporting year	696,996
Net Income	(262,783)
Change in nonadmitted assets	(18,799)
Net change in capital and surplus	(281,582)
Capital and surplus, end of reporting year	415,414

Greater Health Trust
Reconciliation of Capital and Surplus
June 30, 2023

Capital/Surplus Change during Examination Period			
Beginning surplus (first examination)			-
	Increase	Decrease	
Loss in surplus		265,787	
Change in nonadmitted assets		18,799	
Change in paid in surplus	700,000		
Net increase (or decrease)			415,414
Capital and Surplus at June 30, 2023, per Examination			415,414

COMMENTS ON FINANCIAL STATEMENT ITEMS

Losses and Loss Adjustment Expenses

Eric D. Johnson, Chief Actuary, AvMed, appointed by the Board, rendered an opinion that the amounts carried in the balance sheet as of June 30, 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 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 \$415,414 exceeded the minimum of ten percent of liabilities, \$196,862, required by Section 624.408(1)(d), Florida Statutes.

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of Greater Health Trust as of June 30, 2023, consistent with the insurance laws of the State of Florida.

The following individuals with the firm of INS Regulatory Insurance Services, Inc. participated in the examination: Renee Hanshaw, CPA, CFE, Examiner-in-Charge; Kelly Willison, CPA, CFE, CFE (Fraud), Examination Manager; LeAnne West, Participating Examiner; Dave Gordon, CISA, CFE (Fraud), CDFE, IT Specialist; Alex Albertini, IT 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.

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: 6/28/24