



**EXAMINATION REPORT  
OF  
Freedom Health, Inc.**

**NAIC Company Code: 10119**

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

**BY THE  
FLORIDA  
OFFICE OF INSURANCE REGULATION**

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May 20, 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

Freedom Health, Inc.  
9250 W. Flagler Street, Suite 600  
Miami, FL 33174

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, 2020, through December 31, 2023, and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“OIR”) on August 16, 2024. The fieldwork concluded as of May 20, 2025. The Company’s last full scope exam by representatives of OIR covered the period of December 31, 2015, through December 31, 2019.

The examination was of a single-state Health Maintenance Organization (“HMO”), as part of a 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 Indiana Department of Insurance was the lead state for this examination. Participating states included Florida, Georgia, Kansas, Nevada, and New Mexico.

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**

The review of the Board meeting minutes for the years 2021 through 2023 found that no Board Chair had been elected during this period. The Company should ensure that the Chairperson for the Board of Directors is appointed as required by the Bylaws, and that such actions are documented in the meeting minutes.

### **Previous Examination Findings**

There were no significant findings of fact for the prior examination as of December 31, 2019.

## **COMPANY HISTORY**

### **General**

The Company was incorporated in Florida on February 27, 2004, and commenced business on September 1, 2005. It was licensed by OIR as an HMO on February 14, 2005, in accordance with Part 1 of Chapter 641, Florida Statutes.

On October 30, 2020, ATH Holding Company, LLC, ("ATH") contributed its shares to AMERIGROUP Corporation, an indirect, wholly owned subsidiary of Elevance Health, Inc. ("Elevance Health"). On July 27, 2023, the Company's immediate parent, AMERIGROUP Corporation, changed its name to WellPoint Corporation.

### **Dividends**

In accordance with section 641.365, Florida Statutes, the Company declared and paid dividends to its stockholder in 2023, 2022, 2021, and 2020, in the amounts of \$59,600,000, \$59,700,000, \$77,500,000, and \$61,500,000, respectively.

## Capital Stock and Capital Contributions

As of December 31, 2023, the Company's capitalization was as follows:

Number of authorized common capital shares	25,000,000
Number of authorized preferred stock	
Number of shares issued and outstanding	14,347,826
Total common capital stock	\$1,435
Par value per share	\$.0001

## 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, 2023, are shown below:

Directors		
Name	City, State	Principal Occupation, Company Name
Elena Paul Newman <sup>(a)</sup>	Tampa, Florida	President & Chief Executive Officer, Freedom Health, Inc.
Michelle Giovanni Turano	Lutz, Florida	Vice President Medicare Compliance, Elevance Health, Inc.
Ronald William Penczek	Indianapolis, Indiana	Chief Accounting Officer, Elevance Health, Inc.
Jennifer Ann Dewane	Indianapolis, Indiana	Vice President and Legal Counsel, Elevance Health, Inc.

(a) Ms. Newman served as Chair, but had not been appointed. Refer to Examination Findings.

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>
Elena Paul Newman	Tampa, Florida	President and Chief Executive Officer
Vincent Edward Scher	Fishers, Indiana	Treasurer
Kathleen Susan Kiefer	Indianapolis, Indiana	Secretary
Eric Kenneth Noble	Fishers, Indiana	Assistant Treasurer
Mark Sam Stern	Tampa, Florida	Medical Director

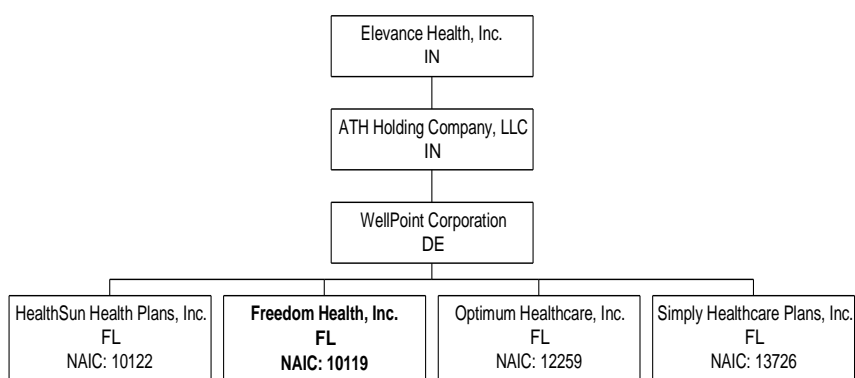
Elevance Health, the ultimate parent, maintains an Audit Committee that serves the subsidiaries as well as the parent. Audit Committee members as of December 31, 2023, were as follows:

<b>Audit Committee</b>		
<b>Name</b>	<b>City, State</b>	<b>Title, Company Name</b>
Lewis Hay, III, Chair	Juno Beach, Florida	Advisor Clayton, Dubilier & Rice, LLC
R. Kerry Clark	Cincinnati, Ohio	Former Chair and Chief Executive Officer Cardinal Health, Inc.
Deanna D. Strable	Des Moines, Iowa	Executive Vice President/Chief Financial Officer Principal Financial Group, Inc.
Antonio F. Neri	The Woodlands, Texas	President/Chief Executive Officer Hewlett Packard Enterprise Company
Susan D. DeVore	Charlotte, North Carolina	Chief Executive Officer Premier, Inc.

## 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.

### Freedom Health, Inc. Simplified Organizational Chart December 31, 2023



## AFFILIATED AGREEMENTS

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

### Consolidated Federal Income Tax Allocation Agreement

The Company is a party to a Consolidated Federal Income Tax Allocation Agreement among Elevance Health and its subsidiaries. Under the agreement, federal income taxes, including the corporate alternative minimum tax, are based upon separate income tax return calculations with credit for net losses that can be used on a consolidated basis. Pursuant to the agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future losses it may incur. Net losses carried forward as an offset to taxable income are also subject to recoupment. Intercompany tax balances are settled based on Internal Revenue Service due dates. The agreement became effective for the tax year ending December 31, 2018. Fees incurred under the agreement during 2023 amounted to \$16.8 million.

## **Master Administrative Services Agreement**

The Company entered into a Master Administrative Services Agreement with Elevance Health and its subsidiaries effective July 1, 2018. Under the agreement, various administrative, management, and support services are provided to or by the Company. The costs related to these services are allocated in an amount equal to the direct and indirect expenses incurred in providing the services. Cost allocations are based on various utilization statistics.

The Company was also a party to the Fair Market Value Services Attachment to the master administrative services agreement effective July 1, 2018. Expenses related to certain services including behavioral health, palliative care, utilization management, payment integrity services, subrogation services, and health and wellness programs were allocated in an amount equal to the fair market value of the services provided. Cost allocations were based on various utilization statistics. Fees incurred under the agreement during 2023 amounted to \$96.3 million.

## **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, N.A. executed on January 3, 2018. The agreement complied with Rule 69O-143.042, Florida Administrative Code.

### **Independent Auditor Agreement**

An independent CPA, Ernst & Young, LLP, audited the Company's statutory basis financial statements annually for the years 2023, 2022, 2021, and 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 and the Board were reviewed for the period under examination. The recorded minutes 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 in the State of Florida. At year-end 2023, the Company was authorized to write Medicare business in the following Florida counties: Brevard, Broward, Charlotte, Citrus, Collier, Hernando, Hillsborough, Indian Rivers, Lake, Lee, Manatee, Marion, Martin, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Saint Lucie, Sarasota, Seminole, Sumter, and Volusia. The Company contracts with the Center for Medicare and Medicaid Services to provide health care services to Medicare enrollees through a network of health care providers.

## **REINSURANCE**

### **Reinsurance Assumed**

The Company did not assume any reinsurance during the period of this examination.

### **Reinsurance Ceded**

The Company did not cede any reinsurance during the period of this examination.

## 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, 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.

### Freedom Health, Inc. Assets December 31, 2023

	Per Company
Bonds	341,594,210
Cash, cash equivalents and short-term investments	1,821,037
Securities lending reinvested collateral assets	24,098,688
Subtotal cash and invested assets	367,513,935
Investment income due and accrued	2,925,847
Premiums and considerations:	
Accrued retrospective premiums	19,301,785
Amounts receivable relating to uninsured plans	5,157,389
Current federal and foreign income tax recoverable and interest thereon	2,804,945
Health care and other amounts receivable	15,815,257
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	413,519,158
Totals	413,519,158

**Freedom Health, Inc.**  
**Liabilities, Capital and Surplus**  
**December 31, 2023**

	Per Company
Claims unpaid	77,237,534
Accrued medical incentive pool and bonus amounts	90,287,835
Unpaid claims adjustment expenses	2,127,774
Aggregate health policy reserves	19,199,097
Premiums received in advance	725,266
General expenses due or accrued	4,223,405
Net deferred tax liability	1,548,583
Amounts due to parent, subsidiaries, and affiliates	61,736,959
Payable for securities lending	24,098,688
Liability for amounts held under uninsured plans	4,600,686
Aggregate write-ins for other liabilities	546,631
<b>Total liabilities</b>	<b>286,332,458</b>
Common capital stock	1,435
Gross paid-in and contributed surplus	20,313,105
Unassigned funds (surplus)	106,872,160
<b>Total capital and surplus</b>	<b>127,186,700</b>
<b>Total liabilities, capital and surplus</b>	<b>413,519,158</b>

**Freedom Health, Inc.**  
**Statement of Revenue and Expenses**  
**December 31, 2023**

	Per Company
Net premium income	1,275,499,157
Change in unearned premium reserves and reserve for rate credits	13,499,298
Total revenues	1,288,998,455
Hospital and Medical:	
Hospital/medical benefits	708,299,311
Other professional services	33,433,605
Emergency room and out-of-area	9,364,912
Prescription drugs	71,470,611
Incentive pool, withhold adjustments and bonus amounts	254,830,228
Aggregate write-ins for other hospital and medical	
Subtotal	1,077,398,667
Total hospital and medical	1,077,398,667
Claims adjustment expenses	54,431,340
General administrative expenses	67,389,504
Total underwriting deductions	1,199,219,511
Net underwriting gain or (loss)	89,778,944
Net investment income earned	13,289,361
Net realized capital gains (losses) less capital gains tax	(2,053,565)
Net investment gains (losses)	11,235,796
Net income or (loss) after capital gains tax and before all other federal income taxes	101,014,740
Federal and foreign income taxes incurred	17,275,525
Net Income	83,739,215

### Statement of Revenue and Expenses continued

	Per Company
<b>Capital and Surplus Account</b>	
Capital and surplus, prior reporting year	110,161,541
Net Income	83,739,215
Change in net unrealized capital gains (losses) less capital gains tax	91,750
Change in net deferred income tax	(3,431,453)
Change in nonadmitted assets	(3,774,353)
Dividends to stockholders	(59,600,000)
Net change in capital and surplus	17,025,159
Capital and surplus, end of reporting year	127,186,700

### Freedom Health, Inc. Reconciliation of Capital and Surplus December 31, 2023

<b>Capital/Surplus Change during Examination Period</b>			
Capital and Surplus at December 31, 2019, per Examination			101,679,858
	Increase	Decrease	
Net income or (loss)	280,633,081		280,633,081
Change in net unrealized capital gain (loss)	267,694	(79,795)	187,899
Change in net deferred income tax		(6,853,818)	(6,853,818)
Change in nonadmitted assets	13,614,033	(3,774,353)	9,839,680
Dividends to stockholders		(258,300,000)	(258,300,000)
Net increase (or decrease)			25,506,842
Capital and Surplus at December 31, 2023, per Examination			127,186,700

No adjustments were made to surplus as a result of this examination.

## **COMMENTS ON FINANCIAL STATEMENT ITEMS**

### **Liabilities**

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

Claudia Ellis, ASA, MAAA, Director and Actuary II, Elevance Health, Inc., 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, Michael Berman, FSA, MAAA, Senior Director of Davies North America, 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 \$127,186,700 exceeded the minimum of \$28,633,246 required by section 641.225, Florida Statutes.

## **SUBSEQUENT EVENTS**

On May 1, 2025, the United States Department of Justice filed a complaint under the False Claims Act against Elevance Health, two other large health insurers and three large insurance brokerage organizations. The complaint alleges that, from 2016 through at least 2021, the insurers paid hundreds of millions of dollars in illegal kickbacks to the brokers in exchange for enrolling members in the insurers' Medicare Advantage plans. The case, captioned United States ex rel. Shea v. eHealth, et al, was filed in federal court in Boston, Massachusetts. The ultimate outcome of this filing cannot presently be determined.

## **SUMMARY OF RECOMMENDATIONS**

The Company should ensure that the Chairperson of the Board of Directors is elected or appointed as required by the Bylaws and that such actions are documented in the meeting minutes.

## CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of Freedom Health, Inc. as of December 31, 2023, consistent with the insurance laws of the State of Florida.

The following individuals with the firm of Noble Consulting Services, Inc. participated in the examination: Thomas J. Cunningham, CFE, CPA, Examiner-in-Charge; and Chelle Atkins, CIE, MCM, Participating Examiner. Members of OIR who participated in the examination include Alicia Thompkins-Perryman, CFE(Fraud), APIR, Examination Manager and Otonye Dago, APIR, Participating Examiner. Additionally, Michael Berman, FSA, MAAA of Davies North America and Stefan Obereichholz-Bangert, AES, CISA, CISM, CDPSE, IT Specialist of Noble Consulting Services, Inc. are recognized for participation in the examination.

Respectfully submitted,



Thomas J. Cunningham, CFE, CPA  
Examiner-in-Charge  
Noble Consulting Services, Inc.



Carolyn M. Morgan, Director  
Life & Health Financial Oversight Florida  
Office of Insurance Regulation

Date Signed: 10/16/25