



**EXAMINATION REPORT
OF
HealthSpring of Florida, Inc.**

NAIC Company Code: 11532

**Sunrise, 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

HealthSpring of Florida, Inc.
1571 Sawgrass Corporate Parkway
Sunrise, FL 33323

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, 2015, 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 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 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 June 12, 2001, and commenced business on August 1, 2002. It was licensed by OIR as a Health Maintenance Organization (“HMO”) on August 1, 2002, in accordance with Part 1 of Chapter 641, Florida Statutes.

Dividends

In accordance with section 641.365, Florida Statutes, the Company declared and paid dividends to its stockholder in 2021, 2020, and 2019, in the amounts of \$13,000,000, \$22,000,000 and \$26,100,000, respectively.

Capital Stock and Capital Contributions

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

Number of authorized common capital shares	1,000
Number of authorized preferred stock	0
Number of shares issued and outstanding	250
Total common capital stock	\$2.50
Par value per share	\$.01

The Company received capital contributions in 2023 and 2022, in the amounts of \$127,000,000 and \$15,000,000, respectively.

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:

Board of Directors		
Name	City, State	Principal Occupation, Company Name
Robert Walter Lee	Sunrise, FL	Business Finance Director, The Cigna Group
Stephen Benjamin Saathoff	Sunrise, FL	Medicare Advisor, Market President, The Cigna Group
Eric Alan Wurst, MD	Sunrise, FL	Medical Executive, The Cigna Group

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

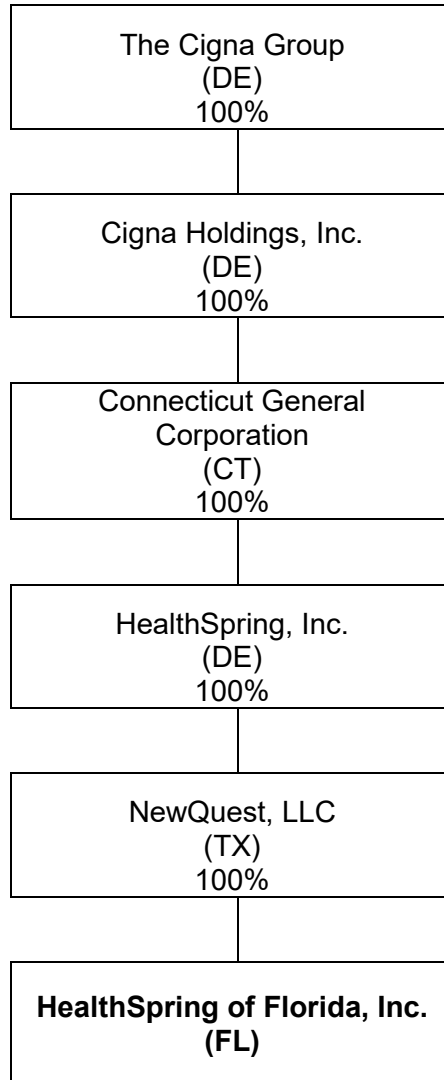
Senior Officers		
Name	City, State	Title
Stephen Benjamin Saathoff	Sunrise, FL	President
Gregory John Czar	Philadelphia, PA	Chief Financial Officer
Scott Ronald Lambert	Bloomfield, CT	Vice President, Treasurer
Louis John Crognale	Bloomfield, CT	Compliance Officer
Eric Alan Wurst, MD	Sunrise, FL	Corporate Medical Director
Geneva Campbell Brown	Philadelphia, PA	Corporate Secretary
Rebecca Ann Skripol	Bloomfield, CT	Appointed Actuary

The Company has no entity level committees. Committees at The Cigna Group 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.

**HealthSpring 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:

Amended and Restated Consolidated Federal Income Tax Agreement

The Company entered into an Amended and Restated Consolidated Federal Income Tax Agreement, effective January 31, 2012, by amendment, which stated that Cigna's indirectly wholly owned domestic subsidiary insurance companies had entered into a Consolidated Federal Income Tax Agreement ("Tax Agreement"). The original agreement, effective April 1, 1982, was amended and restated, effective as of January 1, 1997. The Tax Agreement sets 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. However, current credit was given for any foreign tax credit, operating loss or investment tax credit carryovers actually used in the current consolidated return.

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.

Management Agreement

Effective October 1, 2007, and amended on January 1, 2010, the Company contracted for managerial, administrative, and financial support services through an administrative service contract based on a percentage of premium revenue with NewQuest Management of Florida, LLC. Fees incurred under this agreement during 2023 amounted to \$63,513,182.

Intercompany Services Agreement

Effective January 1, 2014, the Company was party to the Intercompany Services Agreement by and among Connecticut General Life Insurance Company ("CGLIC"), Cigna Health Corporation

on behalf of its health plan subsidiaries, and Cigna Health Management, Inc. for the provision of administrative services from Cigna Health Management, Inc. including the Health Information Line service for which the Company paid a capitated fee of \$.06 per member per month for claims related to such service.

Agreement for Provision of Mental Health and/or Substance Abuse Services

Effective January 1, 1990, the Company was party to an agreement with Cigna Behavioral Health, Inc. ("CBH") which provided an after-hours behavioral health line service to the Company's Medicare Advantage members, for a fixed per member per month fee in the amount of \$.06. There were no amounts paid in 2023 under this agreement.

Investment Advisory Agreement

Effective January 1, 2012, the Company contracted with Cigna Investments, Inc. ("CII") for investment advisory services. The Company and CII were indirect subsidiaries of Cigna Holdings, Inc., which was a direct wholly owned subsidiary of Cigna. The Company paid \$87,855 for the investment advisory services in 2023.

Amended and Restated Investment Pooling Agreement

The Company became party to the Amended and Restated Investment Pooling Agreement, by amendment, effective May 1, 2012. 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.

Network Access Agreement

Effective January 1, 2014, the Company was party to the Network Access Agreement, as amended, entered into among health plan subsidiaries of Cigna Corporation and CGLIC. The purpose of the agreement was to allow parties to access provider networks of CGLIC and other health plan affiliates that were also a party to the agreement. There were no fees paid in 2023 under this agreement.

Line of Credit Agreement

Effective January 31, 2012, the Company entered into a Line of Credit Agreement with Cigna Corporation, under which the Company agreed to loan up to \$30,000,000. This agreement

required payment to the Company on demand for the aggregate of unpaid principal and interest on any loans to Cigna Corporation. This agreement allowed termination by either party with thirty days prior written notice. The Company did not loan any funds to Cigna Corporation during the examination period.

Effective January 31, 2012, the Company entered into a Line of Credit Agreement with Cigna Holdings, Inc. under which Cigna Holdings, Inc. agreed to loan up to \$30,000,000. This agreement requires payment by the Company for the aggregate of unpaid principal and interest on any loans to Cigna Holdings, Inc. on demand. This agreement allowed termination by either party with thirty days prior written notice. The Company paid an immaterial amount of interest in 2021 and 2022. There is no outstanding balance owed by the Company as of December 31, 2023.

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. ESI is an indirect subsidiary of Cigna.

Master Health System Agreement (Medicare Advantage)

The Company is party to a Master Health System Agreement (“the Master Services Agreement”) with eviCore healthcare MSI, LLC (“eviCore”). Under the terms of the Master Services Agreement, eviCore provides medical benefits management to the Company and certain affiliates. Services include utilization review (including pre-certifications), medical necessity determinations and appeals, site of service review, proprietary claims editing and bundling, network access and other network solutions, member engagement, claims processing, claims payment, care coordination, case management, quality management, benefit determinations and other benefit services, complaints/grievances, the reporting of data on services rendered, and other ancillary services the parties may agree upon.

MDL Affiliate Services Agreement

The Company is party to the MDL 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.

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices in Nashville, Tennessee.

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 August 6, 2012. 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 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 in the State of Florida. The Company offers Medicare Advantage products in 32 counties in Florida. As of December 31, 2023, the Company reported 28,539 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

The Company ceded risks on a quota share basis to an unaffiliated reinsurer, EyeMed Insurance Company, through an agreement effective January 1, 2022. Premiums paid to the reinsurer under this agreement were \$984,442 in 2023.

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.

HealthSpring of Florida, Inc.
Assets
December 31, 2023

	Per Company
Bonds	65,751,435
Cash, cash equivalents and short-term investments	96,820,002
Other invested assets	485,739
Receivables for securities	25,000
Subtotal cash and invested assets	163,082,176
Investment income due and accrued	723,928
Premiums and considerations	
Uncollected premiums and agents' balances	27,331
Accrued retrospective premiums	685,826
Amounts receivable relating to uninsured plans	2,611,726
Current federal and foreign income taxes recoverable	4,022,406
Receivables from parent, subsidiaries and affiliates	17,000,000
Health care and other amounts receivable	11,559,875
Aggregate write-ins for other-than-invested assets	18,037
Totals	199,731,305

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

	Per Company
Claims unpaid	30,997,829
Accrued medical incentive pool and bonus amount	1,861,777
Unpaid claims adjustment expenses	556,510
Aggregate health policy reserves	40,657,850
Premiums received in advance	3
Amounts due to parent, subsidiaries and affiliates	7,674,189
Aggregate write-ins for other liabilities	76,866,980
Total liabilities	158,615,138
Common capital stock	3
Gross paid-in and contributed surplus	151,008,319
Unassigned funds (surplus)	(109,892,155)
Total capital and surplus	41,116,167
Total liabilities, capital and surplus	199,731,305

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

	Per Company
Net premium income	328,641,747
Aggregate write-ins for other health care related revenues	8,218,032
Total revenues	336,859,779
Hospital and Medical:	
Hospital/medical benefits	266,033,120
Other professional services	15,959,118
Outside referrals	150,504
Emergency room and out-of-area	6,858,228
Prescription drugs	18,152,250
Incentive pool, withhold adjustments and bonus amounts	(2,845,185)
Subtotal	304,308,035
Less:	
Total hospital and medical	304,308,035
Claims adjustment expenses	31,532,324
General administrative expenses	34,509,716
Increase in reserves for life and accident and health contracts	40,657,850
Total underwriting deductions	411,007,925
Net underwriting gain or (loss)	(74,148,146)
Net investment income earned	4,949,247
Net investment gains (losses)	4,949,247
Net loss from agents' or premium balances charged off	(179,534)
Net income or (loss) after capital gains tax and before all other federal income taxes	(69,378,433)
Federal and foreign income taxes incurred	(6,533,710)
Net Income (loss)	(62,844,723)

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

	Per Company
Capital and Surplus Account	
Capital and surplus, prior reporting year	20,006,394
Net Income	(62,844,723)
Change in net unrealized capital gains (losses) less capital gains tax	1,074
Change in nonadmitted assets	(43,046,578)
Surplus adjustments:	
Paid in	127,000,000
Net change in capital and surplus	21,109,773
Capital and surplus, end of reporting year	41,116,167

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

Capital/Surplus Change during Examination Period			
Capital and Surplus at December 31, 2018, per Examination			85,477,054
	Increase	Decrease	
Net income (loss)		77,552,037	
Change in net unrealized capital gain (loss)	81,389		
Change in net deferred income tax		774,446	
Change in nonadmitted assets		47,015,793	
Dividends to stockholders		61,100,000	
Change in paid in surplus	142,000,000		
Net increase (or decrease)			(44,360,887)
Capital and Surplus at December 31, 2023, per Examination			41,116,167

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 \$41,116,167 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 HealthSpring 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