



**EXAMINATION REPORT
OF
Simply Healthcare Plans, Inc.**

NAIC Company Code: 13726

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

**BY THE
FLORIDA
OFFICE OF INSURANCE REGULATION**

TABLE OF CONTENTS

LETTER OF TRANSMITTAL	-
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	3
SURPLUS NOTES	3
ACQUISITIONS, MERGERS, DISPOSALS, DISSOLUTIONS	3
MANAGEMENT AND CONTROL.....	3
CORPORATE GOVERNANCE	3
HOLDING COMPANY SYSTEM.....	5
SIMPLIFIED ORGANIZATIONAL CHART.....	5
AFFILIATED AGREEMENTS	5
CONSOLIDATED FEDERAL INCOME TAX ALLOCATION AGREEMENT	5
MASTER ADMINISTRATIVE SERVICES AGREEMENT.....	6
ACCOUNTS AND RECORDS	6
CUSTODIAL AGREEMENT	6
INDEPENDENT AUDITOR AGREEMENT	6
CORPORATE RECORDS REVIEW	7
TERRITORY AND PLAN OF OPERATIONS.....	7
REINSURANCE.....	7
REINSURANCE ASSUMED	7
REINSURANCE CEDED.....	7
FINANCIAL STATEMENTS.....	8
ASSETS.....	9
LIABILITIES, CAPITAL AND SURPLUS.....	10
STATEMENT OF REVENUE AND EXPENSES	11
STATEMENT OF REVENUE AND EXPENSES CONTINUED	12
RECONCILIATION OF CAPITAL AND SURPLUS	12
COMMENTS ON FINANCIAL STATEMENT ITEMS.....	13
LIABILITIES.....	13
CAPITAL AND SURPLUS.....	13
SUBSEQUENT EVENTS.....	14
CONCLUSION.....	15

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

Simply Health Plans, Inc.
9250 W. Flagler Street, Suite 600
Miami, Florida 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, 2021, through December 31, 2023, and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“OIR”) on August 16, 2024, to January 28, 2025. The fieldwork concluded as of May 20, 2025. The Company’s last full scope exam by representatives of OIR covered the period of January 1, 2016, through December 31, 2020.

The examination was a single 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 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

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, 2020.

COMPANY HISTORY

General

The Company was incorporated in Florida on September 10, 2009, and commenced business on January 7, 2010. It was licensed by OIR as a Health Maintenance Organization (“HMO”) on January 7, 2010, in accordance with Part 1 of Chapter 641, Florida Statutes.

On October 26, 2017, the Office approved the merger of Better Health, Inc., AMERIGROUP Florida, Inc., and the Company. The Company emerged as the surviving entity. ATH Holding Company, LLC, a direct subsidiary of Elevance Health, Inc. contributed the Company’s capital stock to AMERIGROUP Corporation, making the Company a wholly owned subsidiary of AMERIGROUP Corporation. On July 27, 2023, 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, and 2022, in the amounts of \$50,000,000 and \$65,000,000, respectively.

Capital Stock and Capital Contributions

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

Number of authorized common capital shares	10,000,000
Number of authorized preferred stock	
Number of shares issued and outstanding	5,700
Total common capital stock	\$57.00
Par value per share	\$0.01

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
Ronald William Penczek	Zionsville, Indiana	Senior Vice President and Chief Accounting Officer Elevance Health, Inc.
Jennifer Ann Dewane	Indianapolis, Indiana	Vice President and Legal Counsel Elevance Health, Inc.

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

Senior Officers		
Name	City, State	Title
Dana Michelle Gryniuk	Pinecrest, Florida	Acting President/Chief Executive Officer
Vincent Edward Scher	Fishers, Indiana	Treasurer
Kathleen Susan Kiefer	Indianapolis, Indiana	Secretary
Eric (Rick) Kenneth Noble	Fishers, Indiana	Assistant Treasurer
Adrienne McFadden	Tampa, Florida	Chief Medical Officer
Randy Carl Stoker	Sunrise, Florida	Assistant Secretary

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:

Audit Committee		
Name	City, State	Title, Company Name
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.



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, 2015. Fees incurred under the agreement during 2023 amounted to \$18.1 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 (FMV) 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 Master Administrative Services Agreement and FMV during 2023 amounted to \$433.0 million.

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices in Miami, 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 March 14, 2019. 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, and 2021, 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 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. At year-end 2023, the Company was authorized to write Medicare business in the following Florida counties: Broward, Clay, Duval, Hernando, Hillsborough, Miami-Dade, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, and Seminole. The Company contracts with the Center for Medicare and Medicaid Services (CMS) to provide health care services to Medicare enrollees through a network of health care providers.

The Company is also authorized to write Medicaid business in Florida. The Company serves members in Florida's Statewide Medicaid Managed Care Managed Medical Assistance (MMA) and Long-Term Care (LTC) programs, as well as members enrolled in Florida Healthy Kids. At year-end 2023, Florida Healthy Kids served members state-wide. The MMA program served members in 8 of Florida's 11 regions covering 37 counties. The LTC program served members in 5 regions covering 14 counties.

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.

Simply Health Plans, Inc.
Assets
December 31, 2023

	Per Company
Bonds	862,369,340
Cash, cash equivalents and short-term investments	50,636,472
Other invested assets	30,286,760
Securities lending reinvested collateral assets	45,613,273
Subtotal cash and invested assets	988,905,845
Investment income due and accrued	7,525,602
Premiums and considerations:	
Uncollected premiums	33,661,052
Accrued retrospective premiums	23,296,324
Amounts receivable relating to uninsured plans	33,487,947
Current federal and foreign income tax recoverable and interest thereon	12,834,786
Net deferred tax asset	18,218,330
Receivables from parent, subsidiaries and affiliates	
Health care and other amounts receivable	8,935,927
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	1,126,865,813
Totals	1,126,865,813

Simply Health Plans, Inc.
Liabilities, Capital and Surplus
December 31, 2023

	Per Company
Claims unpaid	347,039,029
Accrued medical incentive pool and bonus amounts	81,755,694
Unpaid claims adjustment expenses	9,952,824
Aggregate health policy reserves	47,057,995
Aggregate health claim reserves	4,607,127
General expenses due or accrued	4,596,362
Amounts withheld or retained for the account of others	1,328,457
Remittances and items not allocated	2,528,264
Amounts due to parent, subsidiaries and affiliates	72,201,726
Payable for securities lending	45,613,273
Liability for amounts held under uninsured plans	4,062,872
Aggregate write-ins for other liabilities	37,562,278
Total liabilities	658,305,901
Common capital stock	57
Gross paid-in and contributed surplus	113,728,486
Unassigned funds (surplus)	354,831,369
Total capital and surplus	468,559,912
Total liabilities, capital and surplus	1,126,865,813

Simply Health Plans, Inc.
Statement of Revenue and Expenses
December 31, 2023

	Per Company
Net premium income	4,952,136,137
Change in unearned premium reserves and reserve for rate credits	55,698,156
Total revenues	5,007,834,293
Hospital and Medical:	
Hospital/medical benefits	1,945,080,204
Other professional services	846,891,508
Emergency room and out-of-area	546,597,845
Prescription drugs	842,536,377
Incentive pool, withhold adjustments and bonus amounts	201,129,818
Subtotal	4,382,235,752
Total hospital and medical	4,382,235,752
Claims adjustment expenses	266,163,453
General administrative expenses	244,647,330
Total underwriting deductions	4,893,046,535
Net underwriting gain or (loss)	114,787,758
Net investment income earned	44,533,021
Net realized capital gains (losses) less capital gains tax	(1,612,348)
Net investment gains (losses)	42,920,673
Net gain or (loss) from agents' or premium balances charged off	(186,561)
Aggregate write-ins for other income or expenses	1,916,347
Net income or (loss) after capital gains tax and before all other federal income taxes	159,438,217
Federal and foreign income taxes incurred	20,241,370
Net Income (loss)	139,196,847

Statement of Revenue and Expenses continued

	Per Company
Capital and Surplus Account	
Capital and surplus, prior reporting year	414,305,459
Net Income	139,196,847
Change in net unrealized capital gains (losses) less capital gains tax	(82,787)
Change in net deferred income tax	(8,517,479)
Change in nonadmitted assets	(26,342,128)
Dividends to stockholders	(50,000,000)
Net change in capital and surplus	54,254,453
Capital and surplus, end of reporting year	468,559,912

**Simply Health Plans, Inc.
Reconciliation of Capital and Surplus
December 31, 2023**

Capital/Surplus Change during Examination Period			
Capital and Surplus at December 31, 2020, per Examination			264,912,278
	Increase	Decrease	
Net income or (loss)	461,744,176		461,744,176
Change in net unrealized capital gain (loss)	3,451,408	(82,787)	3,368,621
Change in net deferred income tax	27,400,402	(8,517,479)	18,882,923
Change in nonadmitted assets		(165,348,086)	(165,348,086)
Dividends to stockholders		(115,000,000)	(115,000,000)
Net increase (or decrease)			203,647,634
Capital and Surplus at December 31, 2023, per Examination			468,559,912

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

COMMENTS ON FINANCIAL STATEMENT ITEMS

Liabilities

Losses and Loss Adjustment Expenses

Renee H. Smith, ASA, MAAA, Actuarial Director, Elevance Health, 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, 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 \$468,559,912 exceeded the minimum of \$99,042,723 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 (FCA) 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.

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: 7/17/25