

STATE OF INDIANA) BEFORE THE INDIANA
) SS:
COUNTY OF MARION) COMMISSIONER OF INSURANCE

IN THE MATTER OF:)

CareSource Indiana, Inc.)
230 North Main Street)
Dayton, Ohio 45402)

Examination of: **CareSource Indiana, Inc.**


NOTICE OF ENTRY OF ORDER

Enclosed is the Final Order entered by Holly W. Lambert, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of CareSource Indiana, Inc., any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on May 27, 2025, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of CareSource Indiana, Inc., shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

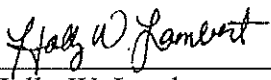
6/30/2025
Date


Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7004 1160 0000 3835 5830

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.
2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.
3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed this 30th day of
June, 2025.



Holly W. Lambert
Insurance Commissioner
Indiana Department of Insurance

ABOUT AFFIRMATIONS

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

STATE OF INDIANA
Department of Insurance
REPORT OF EXAMINATION
OF
CARESOURCE INDIANA INC.
NAIC Co. CODE 10142
NAIC GROUP CODE 03683

As of
December 31, 2023

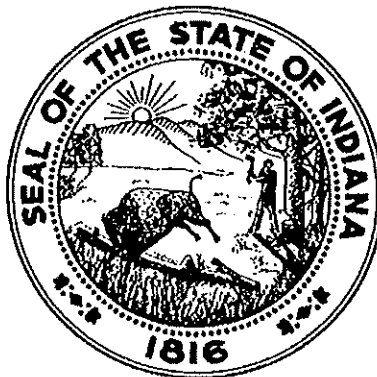


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STATE OF INDIANA

MIKE BRAUN, GOVERNOR

Indiana Department of Insurance

Holly W. Lambert, Commissioner
311 W. Washington Street, Suite 103
Indianapolis, Indiana 46204-2787
Telephone: 317-232-3520
Fax: 317-232-5251
Website: in.gov/idoi

May 29, 2025

Honorable Holly Lambert, Commissioner
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 4223, an examination has been made of the affairs and financial condition of:

CareSource Indiana, Inc.
230 North Main Street
Dayton, Ohio 45402

hereinafter referred to as the "Company," or "CSIN," an Indiana domestic health maintenance organization (HMO). The examination was conducted remotely with assistance from the corporate office staff in Dayton, Ohio.

The Report of Examination, reflecting the status of the Company as of December 31, 2023, is hereby respectfully submitted.

ACCREDITED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES 317-232-2389	COMPANY COMPLIANCE 317-232-3495	CONSUMER SERVICES 317-232-2395/1-800-622-4461	FINANCIAL SERVICES 317-232-2390	MEDICAL MALPRACTICE 317-232-5253	COMPANY RECORDS 317-232-2383	STATE HEALTH INSURANCE PROGRAM 1-800-452-4800
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SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) and covered the period from January 1, 2018, through December 31, 2020. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2021, through December 31, 2023, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted in accordance with the NAIC *Financial Condition Examiners Handbook* (the Handbook). The Handbook requires that we plan and perform the examination 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 examination of the state domestic insurance companies of the CareSource Management Group (CareSource or CSMG) was called by the Ohio Department of Insurance (ODI) in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. The ODI is the lead state regulator of CareSource. As such, the ODI is the exam facilitator responsible for coordinating the exam efforts in conjunction with the insurance departments from Georgia, Indiana, Kansas, Kentucky, North Carolina, Oklahoma, Tennessee, Texas and West Virginia served as participating states.

In addition to CSIN this examination includes the following U.S. domiciled statutory insurance entities: CareSource Ohio, Inc.; CareSource Georgia Company; CareSource Kansas LLC; CareSource Kentucky Company; CareSource Oklahoma Health Plan Company; CareSource North Carolina Company; CareSource Tennessee Company; CareSource Bayou Health LLC and CareSource West Virginia Company (collectively the Companies).

The actuarial specialists of Exam Resources were contracted by the ODI provided all actuarial services throughout the examination and conducted a review of the Company's actuarial-related risks as of December 31, 2023.

The information technology (IT) specialists of Risk & Regulatory Consulting provided a review of the CareSource's IT environment and general IT controls using the NAIC risk-focused examination approach.

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 Statutory Accounting Principles. 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 significant findings of fact, as mentioned in the Indiana Code (IC) 27-1-3.1-10 and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

HISTORY

The Company operates as a not-for-profit, domiciled in the state of Indiana, and is a wholly owned subsidiary of CareSource, a not-for-profit managed care organization operating primarily in Ohio. The Company is currently managed by CareSource Management Services LLC (CSMS), an affiliate of the Company through an Administrative Services Agreement. The Company qualifies as an Internal Revenue Code Section 501(c)(3) entity,

and as such, is exempt from federal income taxes, but is subject to the unrelated business income tax code.

The Company was incorporated on July 15, 2004, and commenced operations on January 1, 2005. During 2005, the Company entered into a contract with the Office of Medicaid Policy and Planning (OMPP) to provide financing and delivery of healthcare services to Medicaid beneficiaries throughout the state of Indiana. The contract with OMPP was terminated in the fourth quarter of 2006. In 2014, the Company was approved as a Qualified Health Plan and began offering a commercial insurance product to qualified individuals on Indiana's Federal Facilitated Exchange (FFE) Marketplace, Medicare and Medicaid business, with coverage effective January 1, 2015.

CAPITAL AND SURPLUS

As of December 31, 2023, the Company has no outstanding shares of stock. The Company entered into a \$20 million surplus note arrangement with its corporate parent, CareSource, effective September 30, 2020, to ensure capital requirements were maintained. The Company entered into a \$30 million surplus note arrangement with CareSource effective December 31, 2022. The surplus note, in the amount of \$30 million, was issued pursuant to Rule 144A, under the Securities Act of 1933, in the form of cash underwritten by CareSource. On December 23, 2023, the INDOI approved the repayment of the two (2) surplus notes and \$6.6 million in accumulated interest to CareSource.

DIVIDENDS TO-HOLDING COMPANY

The Company paid a total of \$18.4 million in dividends to CareSource during the examination period. On December 31, 2023 the Company paid an ordinary dividend of \$12.6 million and an extraordinary dividend of \$5.8 million to CareSource.

In accordance with IC 27-1-23-4(h), the payment of dividends to holding companies or affiliated insurers may not exceed the greater of 10% of the prior year's surplus or net income from operations of such insurer of the prior year. The Company paid an extraordinary dividend during the examination period with the prior approval of the INDOI. The other dividend paid during the examination period was ordinary in nature and did not require prior regulatory approval. In accordance with IC 27-1-23-1.5, the Company notified the INDOI of all declared dividends to the parent during the examination period.

MANAGEMENT AND CONTROL

Directors

The Company's Bylaws provide that the business affairs of the Company are to be managed by a Board of Directors (Board) consisting of no less than three (3) and no more than nine (9) directors. Pursuant to IC-27-1-7-11, at least one (1) of the directors must be a resident of Indiana. As an Indiana Public Benefit Corporation, there is not a requirement for an annual meeting to elect the members of the Board. The Company's sole member, CareSource, shall have the power to elect, remove or fill a vacancy on the Board.

The following is a listing of persons serving as directors as of December 31, 2023, and their principal occupations as of that date:

<u>Name and Location</u>	<u>Principal Occupation</u>
Erhardt H. Preitauer Kettering, Ohio	President and Chief Executive Officer CareSource
Lawrence R. Smart Dunedin, Florida	Chief Financial Officer CareSource
Steve W. Smitherman Noblesville, Indiana	President CareSource Indiana, Inc.

Officers

The Company's Bylaws state that the elected officers of the Company shall consist of a Chair, a President, a Treasurer, and a Secretary. The Board may appoint such assistant officers as it desires necessary to support and fulfill the duties of the officers, including but not limited to, an Assistant Treasurer and/or Assistant Secretary. Each of these officers is elected by the Board at each annual meeting and may be removed, with or without cause, by the Chair or the Board. Each officer shall hold office until his/her successor is duly elected and qualified, or until resignation, removal or death.

The following is a list of key officers and their respective titles as of December 31, 2023:

<u>Name</u>	<u>Office</u>
Steve W. Smitherman	President
Lawrence R. Smart	Chief Financial Officer and Treasurer
Richard F. Topping	Secretary
Stephanie A. Williams	Assistant Treasurer

CONFLICT OF INTEREST

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that all directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of December 31, 2023.

Indiana Code 27-1-7-10(i) stipulates that every director, when elected, take and subscribe to an oath stating that he/she will faithfully, honestly, and diligently administer the affairs of the corporation and will not knowingly violate any of the laws applicable to such corporation. Given that the Company is a nonprofit corporation licensed as an HMO, the Company is not required to maintain compliance with IC 27-1-7-10(i).

CORPORATE RECORDS

Articles of Incorporation

There were no amendments made to the Articles of Incorporation during the examination period.

Bylaws

The Company amended its Bylaws in 2023, and the following bullet points are the significant changes made and approved by the Board. The Bylaws were amended on March 11, 2023, and became effective March 11, 2023. The amendment changed the following:

- Changed the number of directors on the Board from “three (3) to five (5)” to “not less than three (3) or more than nine (9).”
- Included that at least one (1) director on the Board shall be a resident of the state of Indiana pursuant to IC 27-1-7-11.
- Clarified that each director shall hold office for a term of one (1) year, or, if a director holds office by virtue of his/her position with the Corporation or its sole member or any of its affiliates, such director shall hold office during his/her tenure in such position. Each director shall hold office until either his/her successor is elected and qualified or his/her earlier resignation, removal from office, or death. The term of each director, if applicable, shall commence on January 1 and expire on December 31.
- Updated wording for officers with “The officers of this Corporation shall be a Chair, President, Treasurer, Secretary, and such other officers as the Board may deem necessary. One person may hold more than one officer position. With the exception of the Chair, who shall be designated by office, the officers shall be appointed by the Board at each annual meeting of the Board and may be removed, with or without cause, by the Chair of the Board. Each officer shall hold office until his/her successor is duly elected and qualified, or until resignation, removal or death.”
- Updated the wording for the duties of the officers to include a Chair, President, Treasurer, and Secretary.
- Added a new article noting “The following committees of the Corporation’s sole member shall have full authority as committees of the Corporation to act on behalf of the Corporation to the extent permitted by the applicable law: Audit Committee, Risk Committee, and Compensation Committee.”
- Several of the articles were renumbered and renamed to better describe the article.

Minutes

The Board and shareholders’ meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted.

The CareSource Board serves as the Company’s Audit Committee. The CareSource Board committee meeting minutes for the examination period, and through the fieldwork date, were reviewed for the following committees: Audit Committee, Compensation Committee, Governance and Nominating Committee, and Risk Committee.

AFFILIATED COMPANIES

Organizational Structure

The following abbreviated organizational chart shows the Company’s parent and subsidiaries as of December 31, 2023 that were included in this examination:

	NAIC Co. Code	Domiciliary State/Country
CareSource Management Group		
CareSource Ohio, Inc.	95201	OH
CareSource Holding III, LLC		OH
HAP Empowered Holding LLC		DE
HAP CareSource		MI
The CareSource Foundation		OH
CareSource Reinsurance LLC		MT
CareSource Real Estate Holdings LLC		OH
CareSource Kentucky Co.	15479	KY
CareSource Virginia Co.	15992	VA
CareSource Network Partners LLC		OH
CareSource Life Services Co.		OH
CareSource at Home LLC		OH
CareSource Indiana, Inc.	10142	IN
CareSource Georgia Co.	15710	GA
CareSource West Virginia Co.	15728	WV
CareSource Holding LLC		OH
CareSource Arkansas Health Plan Co.		AR
CareSource Management Services Holding LLC		DE
CareSource Management Services LLC		OH
CareSource Rx Innovations LLC		OH
Kids' CareAlliance Co.		OH
CareSource Oklahoma Holding LLC		DE
CareSource Oklahoma Health Plan Co.	17023	OK
CareSource Military & Veterans Holding LLC		DE
CareSource Military & Veterans Co.		OH
CareSource Iowa Co.		IA
CareSource Kansas LLC		KS
Gem City Reinsurance LLC		MT
GCRE Protected Cell No. 3 – CS LLC		MT
CareSource North Carolina Co.		NC
Columbus Organizational Holdings LLC		DE
Columbus Medical Services LLC		DE
Columbus Educational Services LLC		DE
Columbus Medical Services Inc.		MD
CareSource Tennessee Co.		TN
CareSource Florida Co.		FL
CareSource Holding II LLC		OH
CareSource Reinsurance II, LLC		MT

Affiliated Agreements

The following affiliated agreements and transactions were disclosed as part of the Form B – Holding Company Registration Statement and were filed with the INDOI, as required, in accordance with IC 27-1-23-4.

Service Agreements

Effective January 1, 2020, the Company entered into an Administrative Services Agreement with CSMS, whereby CSMS will provide the following services, but not limited to, program planning and development, provider contracting, claims administration, pharmacy benefit manager coordination, regulatory activity, underwriting/actuarial services, reserves, reinsurance, accounting and financial services, and information systems. The Company is charged a monthly administrative services fee. The administrative fee is based on annual revenue and ranges from 9.5% to 12.5% of annual net revenues. As of December 31, 2022, and 2023, the Company had incurred management fees payable to CSMS of \$113.6 million and \$134.3 million respectively.

Network Access Agreements

Effective April 22, 2016, the Company entered into a Network Access Agreement with CareSource Network Partners (CSNP), whereby CSNP shall make the Network available to the Company, and Network Providers shall make available to Covered Persons those usual and customary Covered Services that are offered within the scope of Network Providers' licensure and certification under applicable laws and based on qualifications determined by CareSource. Costs associated with this agreement shall be accounted for by CSMS through the Administrative Services Agreement between CareSource and CSMS.

Surplus Notes

On September 30, 2020, the Company entered into a Surplus Notes with CareSource totaling \$20 million. The note will accrue interest of 6.25% annually and shall be fixed for the term of the note. On December 31, 2022, the Company entered into an additional surplus note with CareSource totaling \$30 million. The note will accrue interest of 10.50% annually and shall be fixed for the term of the note. As of December 31, 2023, the Company repaid the entire \$50 million principal and \$6.6 million in accrued interest for the surplus notes with the approval from the Indiana Insurance Commissioner. There were no surplus notes outstanding as of December 31, 2023.

FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through a fidelity bond issued by Travelers Casualty and Surety Company of America Company. The insurance has a loss coverage limit of \$5 million with a \$100,000 deductible. The fidelity bond is adequate to meet the minimum coverage suggested by the NAIC.

The Company had additional types of coverage in-force as of December 31, 2023, including but not limited to auto, business travel accident, drone liability, general liability, property, pollution, umbrella/excess, and workers' compensation liability.

TERRITORY AND PLAN OF OPERATION

The Company is licensed to write business in the state of Indiana as an Health Maintenance Organization. The Company provides services to Indiana's Medicaid members through a Medicaid managed care contract with the Indiana Family & Social Services Administration. In 2014, the Company was approved as a Qualified Health Plan and began offering a commercial insurance product to qualified individuals on Indiana's Federally Facilitated Marketplace, with coverage effective January 1, 2015.

Effective January 1, 2017, the Company expanded its product offerings in Indiana to include Medicaid managed care, including Hoosier Healthwise (HHW) and Healthy Indiana Plan (HIP). HHW is the state of Indiana's health care program for children up to the age of nineteen (19) and pregnant women with low income. HIP covers Hoosiers

ages nineteen (19) to sixty-four (64) who meet specific income levels. Risk adjustment is a component of the Medicaid managed care rates and serves to mitigate any overages or deficiencies in capitation provided to the managed care providers. The Company is eligible to receive incremental revenue based on certain performance measures. The Company can earn up to 1.8% of total capitation revenue for its HHW and HIP businesses, if certain performance measures are met.

The Company expanded its operations statewide in Indiana in 2021. The target market for the FFE products were members under 250% of the federal poverty level and those who were previously uninsured. As a required condition of participating in the FFE, the Company offered members plans along three (3) metal tiers – Gold, Silver, and Bronze.

On January 10, 2022, the Company received the Medicaid contract award from the state of Indiana beginning on January 1, 2023. The term of the contract shall be for a period of 4 years from the date of contract execution. There may be two (2) one-year renewals for a total of six (6) years at the state's option. Effective January 1, 2021, the Company began providing health insurance coverage for individuals signing up for Medicare Advantage (MA) and under a DSNP but discontinued MA coverage effective January 1, 2022. The DSNP program was discontinued effective December 31, 2023.

REINSURANCE

The Company does not have any direct reinsurance agreements between related parties. The Company maintains a reinsurance agreement for all lines of business with unrelated third party, Partner Re. CareSource Reinsurance LLC (CSRE), a related party, assumes a portion of the risk from Partner Re; however, no premiums are paid directly by the Company to CSRE, nor are any claims reimbursements received directly from CSRE.

Ceded Reinsurance

The Company engages in reinsurance transactions as part of its overall underwriting and risk-management strategy. The Company's reinsurance program includes ceded coverages that limit the amount of individual claims to a fixed amount or percentage. As of December 31, 2023, the Company ceded reinsurance as follows:

The Company entered into a Medical Excess Loss Reinsurance Agreement with Partner Re American Insurance Company effective January 1, 2023. This contract indemnifies the Company in respect to the liability that may accrue as a result of claims incurred under the Company's policies providing medical benefits to covered persons and classified by the Company as HIP, HHW, and DSNP business. Under the terms of the Agreement, the reinsurer shall be liable for the Ultimate Net Loss in excess of the Company's retentions of \$0.2 million for HIP and HHW or \$0.5 million for DSNP. The limit of liability of the Reinsurer shall be \$4.8 million for HIP and HHW or \$4.5 million for DSNP for each covered person.

There were no issues noted in the review of the Company's reinsurance program that would preclude taking of reserve credits.

Assumed Reinsurance

No business was assumed by the Company during the examination period.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the company with the INDOI and present the financial condition of the company for the period ending December 31, 2023. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

CARESOURCE INDIANA, INC.

Assets

As of December 31, 2023

	<u>Per Company</u>
Bonds	\$ 234,815,734
Stocks:	
Common stocks	441,800
Cash, cash equivalents and short-term investments	<u>174,626,173</u>
Subtotals, cash and invested assets	409,883,707
Investment income due and accrued	1,915,380
Premiums and considerations:	
Uncollected premiums and agents' balances in course of collection	821,982
Accrued retrospective premiums and contracts subject to redetermination	66,012
Reinsurance:	
Amounts recoverable from reinsurers	2,305,971
Amounts receivable relating to uninsured plans	596,268
Healthcare and other amounts receivable	20,381,507
Aggregate write-ins for other than invested assets	<u>75,590</u>
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	436,046,417
Total	<u>\$ 436,046,417</u>

CARESOURCE INDIANA, INC.
Liabilities, Capital and Surplus
As of December 31, 2023

	<u>Per Company</u>
Claims unpaid	\$ 94,027,322
Accrued medical incentive pool and bonus amounts	3,639,330
Unpaid claims adjustment expenses	1,218,554
Aggregate health policy reserves	93,899,404
Premiums received in advance	68,729,979
General expenses due or accrued	7,398,000
Amounts due to parent, subsidiaries and affiliates	<u>5,938,384</u>
Total liabilities	274,850,973
 Gross paid in and contributed surplus	 41,505,227
Unassigned funds (surplus)	<u>119,690,217</u>
Surplus as regards policyholders	<u>161,195,444</u>
Total liabilities, capital and surplus	<u>\$ 436,046,417</u>

CARESOURCE INDIANA, INC.
Statement of Revenue and Expenses
For the Year Ended December 31, 2023

	<u>Per Company</u>
Member Months	2,899,858
Net premium income	<u>\$ 1,200,374,041</u>
Total revenues	1,200,374,041
Hospital and Medical:	
Hospital/medical expenses	755,448,368
Other professional services	28,854,294
Prescription drugs	187,764,443
Incentive pool, withhold adjustments and bonus amounts	2,974,164
Subtotal	<u>\$ 975,041,269</u>
Less:	
Net reinsurance recoveries	23,678,281
Total hospital and medical	951,362,988
Claims adjustment expenses	17,418,054
General administrative expenses	140,098,845
Total underwriting deductions	<u>\$1,108,879,887</u>
Net underwriting gain or (loss)	91,494,154
Net investment income earned	11,244,047
Net realized capital gains (losses)	<u>(326,561)</u>
Net investment gains (losses)	10,917,486
Net income or (loss) after capital gains tax and before all other federal income taxes	102,411,640
Federal and foreign income taxes incurred	<u>-</u>
Net income (loss)	<u><u>\$ 102,411,640</u></u>

CARESOURCE INDIANA, INC.
Reconciliation of Capital and Surplus Account

	2023	2022	2021
Surplus as regards policyholders, December 31 prior year	\$ 126,186,367	\$109,142,946	\$ 81,521,300
Net income	102,411,640	(12,468,850)	27,345,833
Change in surplus notes	(50,000,000)	30,000,000	-
Change in nonadmitted assets	1,039,496	(487,729)	275,808
Surplus adjustments:			
Transferred from capital	(18,442,056)	-	-
Aggregate write-ins for gains or (losses) to surplus	-	-	5
Change in surplus as regards policyholders for the year	<u>35,009,080</u>	<u>17,043,421</u>	<u>27,621,646</u>
Surplus as regards policyholders, December 31 current year*	<u>\$161,195,444</u>	<u>\$126,186,367</u>	<u>\$109,142,946</u>

* The amounts include immaterial rounding differences

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2023, based on the results of this examination.

OTHER SIGNIFICANT ISSUES

There were no significant issues requiring disclosure in this Report on Examination.

SUBSEQUENT EVENTS

The Company made an ordinary distribution to CareSource in the amount of \$25 million on December 27, 2024

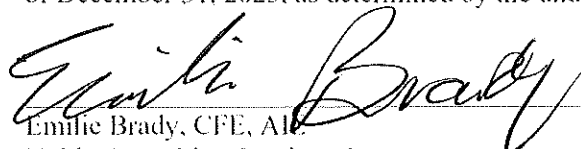
AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that they, in coordination with staff assistance from Noble Consulting Services, Inc., performed an examination of CareSource Indiana, Inc. as of December 31, 2023.


The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

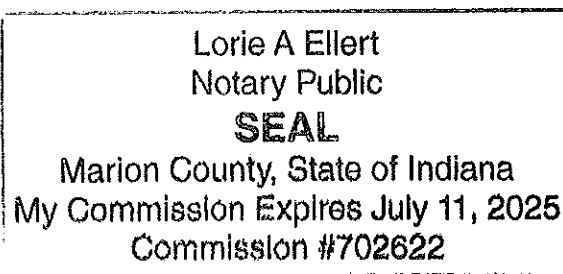
This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standards and no audit opinion is expressed on the financial statements contained in this report.

The attached Report of Examination is a true and complete report of the condition of CareSource Indiana, Inc. as of December 31, 2023, as determined by the undersigned.


Emilie Brady, CFE, AIC
Noble Consulting Services, Inc.

Under the Supervision of:


Jerry Ehlers, CFE, AES
Examinations Manager
Indiana Department of Insurance

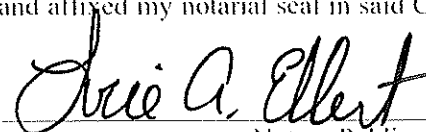


State of: Indiana
County of: Marion

On this 23rd day of June, 2025, before me personally appeared, Emilie Brady and Jerry Ehlers, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires:

July 11, 2025 
Notary Public

