

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

IN THE MATTER OF:)
)
Cigna HealthCare of Indiana, Inc.)
One Penn Mark Plaza)
11595 N. Meridian Street)
Carmel, Indiana 46032)

Examination of: **Cigna HealthCare of Indiana, Inc.**

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Cigna HealthCare of Indiana, Inc. (hereinafter “Company”) for the time period January 1, 2023, through December 31, 2023.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter “Commissioner”) by the Examiner on May 21, 2025.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on May 27, 2025, and was received by the Company on June 6, 2025.

The Company did not file any objections.

NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS**:

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the Cigna HealthCare of Indiana, Inc. as of December 31, 2023.
2. That the Examiner’s Recommendations are reasonable and necessary in order for the Cigna HealthCare of Indiana, Inc. to comply with the laws of the State of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

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

IN THE MATTER OF:)

Cigna HealthCare of Indiana, Inc.)
One Penn Mark Plaza)
11595 N. Meridian Street)
Carmel, Indiana 46032)

Examination of: **Cigna HealthCare of 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 Cigna HealthCare of 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 Cigna HealthCare of 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.

June 30, 2025
Date


Jerry Ehlers
Examinations Manager

CERTIFIED MAIL NUMBER: 7004 1160 0000 3835 5816

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 30 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

CIGNA HEALTHCARE OF INDIANA, INC.

NAIC Co. CODE 95525
NAIC GROUP CODE 0901

As of

December 31, 2023

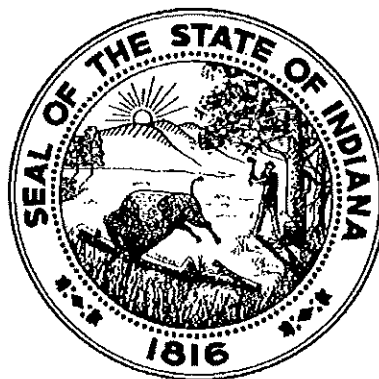


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STATE OF INDIANA

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/doi

May 21, 2025

Honorable Holly Williams 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 4225, an examination has been made of the affairs and financial condition of:

Cigna HealthCare of Indiana, Inc.
One Penn Mark Plaza
11595 N. Meridian Street
Carmel, Indiana 46032

hereinafter referred to as the "Company," or "CHC of IN," an Indiana domestic stock health maintenance organization (HMO). The examination was conducted remotely with assistance from the corporate office in Bloomfield, Connecticut.

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

SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) and covered the period from January 1, 2020 through December 31, 2022. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2023 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* (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.

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 is licensed as an HMO and commenced operations on September 21, 1986. The Company is a wholly-owned subsidiary of Healthsource, Inc. (Healthsource), which is a wholly-owned subsidiary of Cigna Health Corporation (CHC), which is an indirect wholly-owned subsidiary of Cigna Corporation. On February 13, 2023, the ultimate parent of the Company changed its corporate name from Cigna Corporation to "The Cigna Group."

The Company is domiciled in Indiana and offers traditional HMO coverage. The Company is not actively marketing its products.

CAPITAL AND SURPLUS

Healthsource owned 100% of the Company's issued and outstanding stock as of the examination date. There were 20,000 authorized shares of common stock with a par value of \$.01 per share and 10,000 shares issued and outstanding as of December 31, 2023.

DIVIDENDS TO STOCKHOLDERS

The Company paid no dividends during the examination period.

MANAGEMENT AND CONTROL

Directors

The Bylaws provide that the business affairs of the Company are to be managed by a Board of Directors (Board) consisting of no more than eight (8) directors. At least one (1) of the directors must be a resident of Indiana. The shareholders, at each annual meeting, elect the members of 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 Address</u>	<u>Principal Occupation</u>
Bruce Grimm Marlborough, Connecticut	Senior Vice President Segment Lead / U.S. Markets Cigna Healthcare
Peter McCauley, M.D. Chicago, Illinois	Medical Managing Director / Chief Health Office Cigna Healthcare
Kathleen O'Neil Glastonbury, Connecticut	Accounting Senior Director / Finance Cigna Healthcare

Effective April 21, 2023, Jacqueline Lee-McCord resigned as Director. Ms. McCord was the Indiana Resident Director. See the Subsequent Events section of this Report of Examination.

Officers

The Bylaws state that the elected officers of the Company shall consist of the President, the Vice President, the Treasurer, the Secretary and such other officers as may be chosen by the Board. Each officer shall be elected by affirmative vote of the Board at the annual meeting thereof and shall hold office until the next annual meeting of the Board or until their successor shall have been elected and qualified or until their death, resignation, or removal by the shareholders of the Company or failure to qualify to so serve.

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

<u>Name</u>	<u>Office</u>
Bruce Grimm	Chairman and President
Alicia Morrow	Secretary
Scott Lambert	Treasurer and Vice President
Rebecca Skripol	Actuary and Vice President
Mark Fleming	Vice President
Glenn Gerhard	Vice President
Joanne Hart	Vice President
Aslam Khan, M.D., M.M.	Vice President
Kathleen O'Neil	Vice President
Timothy Sheridan	Vice President

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.

CORPORATE RECORDS

Articles of Incorporation

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

Bylaws

There were no amendments made to the Bylaws during the examination period.

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 Audit Committee of Connecticut General Corporation (CGC) acts on behalf of the Company. The CGC Audit Committee meeting minutes were reviewed for the examination period, and through the fieldwork date.

AFFILIATED COMPANIES

Organizational Structure

The following abbreviated organizational chart shows the Company's immediate parent and indirect parent holding companies as of December 31, 2023:

	<u>NAIC Co. Code</u>	<u>Domiciliary State/Country</u>
The Cigna Group		DE
Cigna Holding Company		DE
Cigna Holdings, Inc.		DE
Connecticut General Corporation		CT
Cigna Health Corporation		DE
Healthsource, Inc.		DE
Cigna HealthCare of Indiana, Inc.	95525	IN

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.

Line of Credit Agreement

The Line of Credit Agreement is by and between the Company and CHC. Under the Line of Credit Agreement, CHC would loan funds to the Company from time to time, to ensure that the Company would be able to meet its operational cash obligations while earning additional investment income. There was no liability associated with the Line of Credit Agreement as of December 31, 2023.

Guaranty Agreement

The Guaranty Agreement is by and between the Company and CHC. Under the Guaranty Agreement, CHC would provide funds in the event the Company does not meet the financial standards and requirements to ensure the Company will be able to continue to operate and pay its obligations. There were no funds distributed to the Company under the Guaranty Agreement as of December 31, 2023.

Management Services Agreement

The Management Services Agreement is by and between CHC and each of its subsidiaries or affiliates that are signatories thereto. Under the Management Services Agreement, CHC and certain affiliates provide management services to the Company. There were no administrative service fees paid in 2023 related to the Management Services Agreement.

Network Access Agreement

The Network Access Agreement is by and among the Connecticut General Life Insurance Company (CGLIC) and Cigna Health & Life Insurance. The Network Access Agreement allows CGLIC and the affiliated HMOs to access the Company's provider networks. There were no charges related to the Network Access Agreement in 2023.

Mental Health Services Agreement

The Mental Health Services Agreement is by and between Cigna Behavioral Health, Inc. (CBH) and CHC on behalf of their respective subsidiaries and affiliates, including the HMOs. Under the Mental Health Services Agreement, CBH provides mental health and substance abuse services to the enrollees of the HMOs. There were no charges related to the Mental Health Services Agreement in 2023.

Dental Consultation Agreement

The Dental Consultation Agreement is between Cigna Dental Health, Inc. (CDH) and the HMOs. Pursuant to the Dental Consultation Agreement, CDH provides dental consultations to the Company on selected dental cases. There were no charges related to the Dental Consultation Agreement in 2023.

Investment Advisory Agreement

The Company participates in an Investment Advisory Agreement pursuant to which Cigna Investments, Inc. serves as the Company's investment advisor. The expense related to the Investment Advisory Agreement was \$2,404 for 2023.

Cigna Health Management Inc. (Intracorp) Agreement

The Intracorp Agreement is by and between Cigna Health Management Inc. (d/b/a Intracorp), CGLIC and CHC on behalf of the Company and other certain subsidiaries. Pursuant to the Intracorp Agreement, Intracorp provides consultative services with respect to utilization management, case management, demand management, disease management, care management and any other consultative services in conjunction with the administration of such plans to the enrollees of participating plans. The expense related to the Intracorp Agreement was \$34 in 2023.

Pharmacy Benefits Services Agreement

The Pharmacy Benefits Services Agreement is by and between Express Scripts and various affiliates, including the Company. Pursuant to the Pharmacy Benefits Services Agreement, Express Scripts will provide Pharmacy Benefit Manager services to the Company. There were no charges related to the Pharmacy Benefit Services Agreement for 2023.

Master Health System Agreement

Effective May 1, 2020, the Company entered into a Master Health System Agreement for its Commercial plans with eviCore and various affiliates. Under the Master Health System Agreement, eviCore arranges for the provision of certain covered services either by itself or through its established panel of represented providers and performs system services, including certain utilization management and administrative services, as defined in the Master Health System Agreement. Charges for services are based on the compensation models described in the referenced Master Health Service Agreement. There were no charges related to the Master Health System Agreement in 2023.

MDLive Services Agreement

The Company is party to the MDLive 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. There were no charges related to the MDLive Services Agreement in 2023.

State Tax Sharing Agreement

The Company is party to Cigna's Consolidated State Tax Sharing Agreement (the State TSA). The State TSA sets forth the method of allocation of Cigna's state income taxes for state and local returns filed on a consolidated, combined or unitary basis to its wholly-owned domestic subsidiaries, including the Company. There were no charges related to the State TSA in 2023.

Consolidated Tax Allocation Agreement

The Company participates in the Amended and Restated Consolidated Federal Income Tax Agreement by and between The Cigna Group and its subsidiaries, in order to facilitate the filing of a consolidated federal income tax return as an affiliated group under The Cigna Group. Pursuant to the Consolidated Tax Allocation Agreement, payments are made to Cigna Corp based on the taxable income of the Company. In the case of a taxable loss, The Cigna Group pays the Company a refund to the extent The Cigna Group is able to utilize that loss in the consolidated return. There were no charges related to the Consolidated Tax Allocation Agreement in 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 National Union Fire Insurance Company of Pittsburgh, PA. The bond has a single loss coverage limit of \$15 million with a \$2.5 million single loss deductible. The fidelity bond is adequate to meet the prescribed minimum coverage specified by the NAIC.

The Company had additional types of coverage in-force as of December 31, 2023, including but not limited to business interruption coverage, commercial automobile liability, commercial general liability, cyber liability, errors and omissions coverage, medical professional liability, network security and privacy liability, public liability, umbrella liability, and workers' compensation liability.

TERRITORY AND PLAN OF OPERATION

The Company is licensed to transact business exclusively in Indiana and offers traditional HMO coverage in the over-50 market and a point-of-service product with an affiliate, Connecticut Health and Life Insurance Company (CHLIC). The Company's product portfolio remains available, but it is not being actively marketed. As of December 31, 2023, the Company had only one (1) customer contributing 100% of its net premium income.

REINSURANCE

The need for reinsurance is limited to serve the statutory requirements of IC 27-13-19, which requires an HMO to have a plan for receivership that allows for the continuation of benefits after the date of receivership. The Company's only reinsurance agreement is with an affiliate, CGLIC.

Effective January 1, 1994, the Company entered into the CGLIC Reinsurance Agreement with CGLIC. Effective January 1, 2013, the Agreement was amended to change the reinsurer to CHLIC for claims incurred on January 1, 2013 and after. The Agreement is administered by CHC. Under the provisions of the Agreement, the Company pays a monthly premium based on an established rate per commercial health plan member. In return for premiums paid, the Company is reimbursed a percentage of costs in excess of a deductible for hospital and related services provided to individual health plan members. The required deductible per individual commercial health plan member per calendar year was \$150,000 for the year ended December 31, 2023.

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.

CIGNA HEALTHCARE OF INDIANA, INC.

Assets

As of December 31, 2023

	<u>Per Company</u>
Bonds	\$ 560,475
Cash, cash equivalents and short-term investments	1,186,597
Subtotals, cash and invested assets	1,747,072
Investment income due and accrued	2,129
Uncollected premiums and agents' balances	<u>695</u>
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	<u>1,749,896</u>
Totals	<u>\$ 1,749,896</u>

CIGNA HEALTHCARE OF INDIANA, INC.
Liabilities, Capital and Surplus
As of December 31, 2023

	<u>Per Company</u>
Claims unpaid	\$ 1,980
Unpaid claims adjustment expenses	32
Aggregate health policy reserves	20
General expenses due or accrued	244
Current federal and foreign income tax payable and interest thereon	17,863
Net deferred tax liability	41
Ceded reinsurance premiums payable	80
Amounts due to parent, subsidiaries and affiliates	984
Total liabilities	<u>21,244</u>
Common capital stock	100
Gross paid in and contributed surplus	26,848,244
Unassigned funds (surplus)	<u>(25,119,692)</u>
Total capital and surplus	<u>1,728,652</u>
Total liabilities, capital and surplus	<u><u>\$ 1,749,896</u></u>

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

Member Months	<u>Per Company</u> 67
UNDERWRITING INCOME	
Net premium income	\$ 17,858
DEDUCTIONS	
Hospital and Medical:	
Hospital/medical benefits	(7,055)
Other professional services	(10,731)
Outside referrals	651
Prescription drugs	276
Incentive Pool	24
Total hospital and medical	<u>(16,835)</u>
Claims adjustment expenses	(22)
General administrative expenses	7,935
Increase in reserves for life and accident and health contracts	(10)
Total underwriting deductions	<u>(8,932)</u>
Net underwriting gain or (loss)	26,790
INVESTMENT INCOME	
Net investment gains (losses)	58,374
OTHER INCOME	
Net gain or (loss) from agents' or premium balances charged off	(7)
Net income or (loss) after capital gains tax and before all other federal income taxes	85,157
Federal and foreign income taxes incurred	17,864
Net income (loss)	<u>\$ 67,293</u>

CIGNA HEALTHCARE OF INDIANA, INC.
Capital and Surplus Account Reconciliation

	<u>2023</u>
Capital and surplus prior reporting year	\$ 1,661,390
Net income or (loss)	67,293
Change in net deferred income tax	<u>(31)</u>
Net change in capital and surplus	67,262
Capital and surplus end of reporting period	<u>\$ 1,728,652</u>

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 as of December 31, 2023 based on the results of this examination.

SUBSEQUENT EVENTS

Effective April 21, 2023, Jacqueline Lee-McCord resigned as Director. Ms. McCord was the Indiana Resident Director.

Effective January 19, 2024, Timoth Freeland was elected to the Board by the sole shareholder. Mr. Freeland is a resident of Indiana in compliance with Indiana Code 27-13-2-10(b).


AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that she, in coordination with staff assistance from Noble Consulting Services, Inc., performed an examination of Cigna HealthCare of 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.

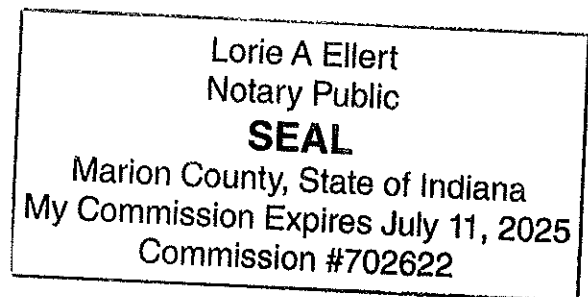
The attached Report of Examination is a true and complete report of the condition of Cigna HealthCare of Indiana, Inc. as of December 31, 2023, as determined by the undersigned.


Daniel Schnepf, CFE
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, 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

