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

IN THE MATTER OF:)
)
PacifiCare Life and Health Insurance Company)
9800 Health Care Lane, MN006-W500)
Minnetonka, MN 55343)

Examination of: **PacifiCare Life and Health Insurance Company**

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 PacifiCare Life and Health Insurance Company, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as amended by the Final Order, 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 PacifiCare Life and Health Insurance Company, 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, 2026
Date

Jerry Ehlers
Examinations Manager

CERTIFIED MAIL NUMBER: 7004 1160 0000 3835 9968

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

IN THE MATTER OF:)
)
PacifiCare Life and Health Insurance Company)
9800 Health Care Lane, MN006-W500)
Minnetonka, MN 55343)

Examination of: **PacifiCare Life and Health Insurance Company**

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the PacifiCare Life and Health Insurance Company (hereinafter "Company") for the time period January 1, 2020 through December 31, 2024.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter "Commissioner") by the Examiner on May 11, 2026.

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 26, 2026, and was received by the Company on May 26, 2026.

On May 28, 2026, pursuant to Ind. Code § 27-1-3.1-10, the Company filed a response to the Verified Report of Examination. The Commissioner has fully considered the Company's response.

NOW THEREFORE, based on the Verified Report of Examination and the response filed by the Company, the Commissioner hereby FINDS as follows:

1. The suggested modifications to the Verified Report of Examination submitted by the Company are reasonable and shall be incorporated into the Verified Examination Report. A copy of the Verified Report of Examination, as amended, is attached hereto.

2. The Verified Report of Examination, as amended, is true and accurate report of the financial condition and affairs of the Company as of December 31, 2024.
3. The Examiners' recommendations are reasonable and necessary in order for the Company to comply with the insurance laws of the state of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

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, as amended, 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, as amended. 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, 2026.

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

PACIFICARE LIFE AND HEALTH INSURANCE COMPANY

NAIC CO. CODE 70785
NAIC GROUP CODE 0707

As of

December 31, 2024

TABLE OF CONTENTS

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 11, 2026

Honorable Holly W. 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 4239, an examination has been made of the affairs and financial condition of:

PacifiCare Life and Health Insurance Company
9800 Health Care Lane, MN006-W500
Minnetonka, MN 55343

hereinafter referred to as the "Company," or "PLHIC," an Indiana domestic life, accident, and health insurance company. The examination was conducted remotely with support from the corporate offices of the Company.

The Report of Examination, reflecting the status of the Company as of December 31, 2024, is hereby respectfully submitted.

SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) and covered the period from January 1, 2015, through December 31, 2019. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2020, through December 31, 2024, 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.

The examination of the state domestic insurance companies of UnitedHealth Group Incorporated (UHG) was called by the Connecticut Insurance Department (CTDOI) in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. The CTDOI served as the lead state on the examination, the North Carolina Insurance Department of Insurance served as the facilitating state, and the INDOI and examiners representing Colorado, Florida, Georgia, Illinois, Louisiana, Missouri, New York, Ohio, Oklahoma, Oregon, Texas, Washington, and Wisconsin served as participants.

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 an 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 was incorporated on March 1, 1967, under the laws of the state of Indiana, as a life, accident and health insurer. The Company commenced operations on September 1, 1967. Its statutory home office is in Indianapolis, Indiana. The Company is a wholly-owned subsidiary of United Health Care Services, Inc. (UHS). Its ultimate controlling entity is UHG. UHG is a publicly-traded holding company domiciled in the state of Delaware.

CAPITAL AND SURPLUS

The Company's direct parent, UHS, owns 100% of the issued and outstanding shares of common stock of the Company as of the examination date. There were 2,000 authorized shares of common stock with a par value of $2,000 per share and 1,500 shares issued and outstanding throughout the examination period. The Company has no preferred stock outstanding.

No capital contributions were made or received during the examination period.

DIVIDENDS TO STOCKHOLDERS

No dividends were paid 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 five (5) directors. Every director shall be a citizen of the United States or the Dominion of Canada and at least one (1) director must be a resident of Indiana. The shareholder elects the members of the Board at each annual meeting.

The following is a listing of persons serving as directors as of December 31, 2024, and their principal occupations as of that date:

Name and Location	Principal Occupation
Eric Vaughan Bachle Pittsboro, Indiana	Vice President, Sales Account Management, Employer and Individual, Eastern Region
Stephen Marion Cain Danville, California	Chief Executive Officer, Employer and Individual Western Region
Krista Marie Brinly Hensel Louisville, Kentucky	Chief Executive Officer, Community and State Central Region
Chi Uyen Ho Placentia, California	Senior Director of Finance, Employer and Individual
Gregory Scott Wright Santa Cruz, California	Chief Executive Officer, Medicare and Retirement Western Region

Officers

The Bylaws state that the elected officers of the Company shall consist of a President, one (1) or more Vice President, a Treasurer, a Secretary, and an Assistant Secretary. Each of these officers is elected by the Board.

The following is a list of elected officers and their respective titles as of December 31, 2024:

Name	Office
Stephen Marion Cain	President
Nyle Brent Cottington	Vice President
Marilyn Victoria Hirsch	Treasurer
Alexander McCarthy Miskella	Secretary
Heather Anastasia Lang	Assistant Secretary
Chi Uyen Ho	Chief Financial Officer

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, 2024.

OATH OF OFFICE

IC 27-1-7-10(i) stipulates that every director, when elected, shall take and subscribe to an oath stating that he or she will faithfully, honestly, and diligently administer the affairs of the Company and will not knowingly violate any of the laws applicable to such Company. It was determined that not all directors listed on the jurat page for the years under examination completed the Oath of Office. See Other Significant Issues section of this Report of Examination.

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 end of fieldwork. Significant actions taken during each meeting were noted. Shareholder and Board meetings were held throughout the examination period via written consent. A review of the Bylaws provided did not find authorization for shareholder or Board meetings to be conducted via written consent in lieu of a meeting. The shareholder and Board meetings were not held in accordance with the Bylaws for the years under examination. See Other Significant Issues section of this Report of Examination.

IC 27-1-7-7(b) states an annual meeting of shareholders, members, or policyholders shall be held within five (5) months after the close of each fiscal year of the Company and at such time within that period as the Bylaws may provide. For each year under review, the annual meeting of shareholders was held within five (5) months following the close of each fiscal year. The Company's Bylaws specify that the annual meeting of shareholders is to be held at 10:00 o'clock on the second Tuesday of March each year. The annual meeting of the shareholders was not held in accordance with the Bylaws for the years under examination. See Other Significant Issues section of this Report of Examination.

The meeting minutes for the Employer and Individual Audit Committee of United HealthCare Services, Inc. were reviewed as it had been designated as the Audit Committee for the Company.

AFFILIATED COMPANIES

Organizational Structure

The following abbreviated organizational chart shows the Company's parent and affiliates as of December 31, 2024, that were included in this examination:

	NAIC Co. Code	Domiciliary State
UnitedHealth Group, Inc.		DE
Golden Rule Financial Corporation		DE
USHEALTH Group, Inc.		DE
Freedom Life Insurance Company of America	62324	TX
Enterprise Life Insurance Company	89087	TX
National Foundation Life Insurance Company	98205	TX
United HealthCare Services, Inc.		MN
PacifiCare Life and Health Insurance Company	**70785**	**IN**
PacifiCare Life Assurance Company	84506	CO
UnitedHealthcare Benefits of Texas, Inc.	95174	TX
UnitedHealthcare of Oklahoma, Inc.	96903	OK
UnitedHealthcare of Oregon, Inc.	95893	OR
UnitedHealthcare of Washington, Inc.	48038	WA
Dental Benefit Providers, Inc.		DE
Specialty Benefits, LLC		DE
Solstice Benefits, Inc.	12341	FL
Solstice Administration Services, Inc.		FL
Solstice Healthplans of Ohio, Inc.	16878	OH
Solstice of Illinois, Inc.	16790	IL
Solstice Health Insurance Company	13971	NY
UnitedHealthcare, Inc.		DE
Neighborhood Health Partnership, Inc.	95123	FL
UnitedHealthcare of Georgia, Inc.	95850	GA
UnitedHealthcare of Louisiana, Inc.	95833	LA
New Orleans Regional Physician Hospital Organization, L.L.C.		LA
Peoples Health, Inc.	13607	LA
UnitedHealthcare of the Midwest, Inc.	96385	MO
UnitedHealthcare of North Carolina, Inc.	95103	NC
XL Health Corporation		MD
Care Improvement Plus of Texas Insurance Company	12558	TX
Care Improvement Plus Wisconsin Insurance Company	14041	WI

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.

Administrative Services Agreement
The Company was a party to an Administrative Services Agreement with Dental Benefit Providers, Inc., (DBP) (f/k/a PacifiCare Dental and Vision Administrators) which became effective January 1, 1999. Pursuant to the Agreement, DBP provides administrative services to PLHIC for insured group dental and vision products. During the calendar year ending December 31, 2024, PLHIC paid $253 thousand for the services described in this

Agreement.

Promissory Note Agreement
The Company was a party to a Promissory Note Agreement with UHS which became effective January 1, 2023. The maximum amount that may be borrowed by the Company from UHS under this Note is not to exceed, in any year, the lesser of 3% of the Company's admitted assets or 25% of surplus as regards policyholders each as of the prior year end. No amounts were outstanding under the Note as of December 31, 2024. The total amount of interest paid on borrowings throughout the year was $833.

Private Short-term Investment Pool Agreement
UHS maintains a short-term investment pool in which affiliated companies may participate. The Company's portion of the pool at year-end 2024 was $1.9 million and is included in cash equivalents in the financial statements.

Tax Sharing Agreement
The Company was a party to a Tax Sharing Agreement which became effective December 20, 2005, and was amended March 1, 2019. The Tax Sharing Agreement establishes a formal method for the allocation and payment of federal, state, and local income tax liabilities related to the consolidated federal tax returns of UHG and its subsidiaries filed each year. For 2024, the Company's tax liability under the Agreement was $1.5 million.

FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through a crime policy issued by Beazley Insurance Company, Inc. The crime policy is adequate to meet the minimum coverage suggested by the NAIC.

The Company had additional types of coverage in-force as of December 31, 2024, including but not limited to commercial general liability, managed care professional liability (errors and omissions), and umbrella liability.

TERRITORY AND PLAN OF OPERATION

PLHIC is licensed to sell life, accident, and health insurance in twenty-two (22) states. The Company provides Medicare Supplement and vision insurance coverage. The Company no longer issues new policies.

The Company's largest states, by total Direct Premium Written as of December 31, 2024, are California ($4.2 million or 54.1%), Washington ($1.2 million or 15.2%), and Wisconsin ($.9 million or 10.9%). These states accounted for 80.1% of total writings in 2024.

REINSURANCE

The Company does not have any material reinsurance agreements in place as of December 31, 2024.

FINANCIAL STATEMENTS

The following 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, 2024. 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.

PACIFICARE LIFE AND HEALTH INSURANCE COMPANY
Assets
As of December 31, 2024

	Per Company
Bonds	$ 189,103,253
Cash, cash equivalents and short-term investments	15,603,862
Subtotals, cash and invested assets	204,707,115
Investment income due and accrued	907,986
Premiums and considerations:	
Uncollected premiums and agents' balances in course of collection	241,593
Reinsurance:	
Amounts recoverable from reinsurers	1,717
Current federal and foreign income tax recoverable and interest thereon	110,933
Net deferred tax asset	3,280
Guaranty funds receivable or on deposit	31,159
Receivables from parent, subsidiaries and affiliates	232,461
Aggregate write-ins for other than invested assets	21,651
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	206,257,895
Totals	$ 206,257,895

PACIFICARE LIFE AND HEALTH INSURANCE COMPANY
Liabilities, Capital and Surplus
As of December 31, 2024

	Per Company
Claims unpaid	$ 1,050,901
Unpaid claims adjustment expenses	34,172
Aggregate health policy reserves	205,836
Aggregate life policy reserves	36,801
Aggregate health claim reserves	7,623
General expenses due or accrued	176,394
Remittances and items not allocated	153,978
Aggregate write-ins for liabilities	156,287
Total liabilities	1,821,992
Common capital stock	3,000,000
Gross paid in and contributed surplus	18,057,274
Unassigned funds (surplus)	183,378,629
Total capital and surplus	204,435,903
Total liabilities, capital and surplus	$ 206,257,895

PACIFICARE LIFE AND HEALTH INSURANCE COMPANY
Statement of Revenue and Expenses
For the Year Ended December 31, 2024

	Per Company
Member months	498,633
Net premium income	$ 7,805,954
Change in unearned premium reserves and reserve for rate credits	3,779
Total revenues	7,809,733
Hospital and Medical:	
Hospital/Medical benefits	5,190,148
Other professional services	1,666,673
Aggregate write-ins for other hospital and medical	(15,001)
Subtotal	6,841,820
Less:	
Net reinsurance recoveries	(9,067)
Total hospital and medical	6,850,887
Non-health claims (net)	25,000
Claims adjustment expenses	113,768
General administrative expenses	1,743,704
Increase in reserves for life and accident and health contracts	(44,506)
Total underwriting deductions	8,688,853
Net underwriting gain or (loss)	(879,120)
Net investment income earned	6,429,841
Net realized capital gains (losses)	1,284,711
Net investment gains (losses)	7,714,552
Net gain or (loss) from agents' or premium balances charged off	16,122
Aggregate write-ins for other income or expenses	(100)
Net income after capital gain tax and before all other federal income taxes	6,851,454
Federal and foreign income taxes incurred	1,122,561
Net income	$ 5,728,893

PACIFICARE LIFE AND HEALTH INSURANCE COMPANY
Reconciliation of Capital and Surplus Account

	2024	2023	2022	2021	2020
Surplus as regards policyholders, December 31 prior year	$198,706,517	$195,983,109	$194,769,120	$191,958,689	$185,982,689
Net income	5,728,893	2,723,289	1,214,472	2,811,348	3,878,418
Change in net deferred income tax	493	119	(483)	(917)	55,560
Aggregate write-ins for gains and losses in surplus	-	-	-	-	2,042,022
Change in surplus as regards policyholders for the year	5,729,386	2,723,408	1,213,989	2,810,431	5,976,000
Surplus as regards policyholders, December 31 current year	$204,435,903	$198,706,517	$195,983,109	$194,769,120	$191,958,689

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2024, based on the results of this examination.

OTHER SIGNIFICANT ISSUES

Oath of Office
IC 27-1-7-10(i) stipulates that every director, when elected, shall take and subscribe to an oath stating that he or she will faithfully, honestly, and diligently administer the affairs of the Company and will not knowingly violate any of the laws applicable to such Company. During the period under examination, it was determined that this requirement was not met. It is recommended that the Company take steps to ensure that every director subscribes to an oath in accordance with IC 27-1-7-10(i).

Corporate Records
Minutes
Shareholder and Board meetings were held throughout the examination period via written consent. A review of the Bylaws provided did not find authorization for shareholder or Board meetings to be conducted via written consent in lieu of a meeting. The shareholder and Board meetings were not held in accordance with the Bylaws for the years under examination. It is recommended that the Company conduct shareholder and Board meetings in accordance with the Bylaws.

The Company's Bylaws specify that the annual meeting of shareholders is to be held at 10:00 o'clock on the second Tuesday of March each year. The annual meeting of the shareholders was not held in accordance with the Bylaws for the years under examination. It is recommended that the Company take steps to ensure that the annual meeting of the shareholders occurs in compliance with the Bylaws.

SUBSEQUENT EVENTS

There were no events subsequent to the examination date and prior to the completion of field work which were considered material events requiring disclosure in this Report of Examination.

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., and actuarial assistance from Risk & Regulatory Consulting, performed an examination of PacifiCare Life and Health Insurance Company, as of December 31, 2024.

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 the PacifiCare Life and Health Insurance Company as of December 31, 2024, as determined by the undersigned.

Mark Murphy

Mark Murphy, CFE
Noble Consulting Services, Inc.

State of: Connecticut
County of: Hartford

On this 11th day of May, 2026, before me personally appeared, Mark Murphy, to sign this document.

IN WITNESS WHEROF, 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: 03/31/2030

Notary Public

AFFIDAVIT

The attached Report of Examination is a true and complete report of the condition of the PacifiCare Life and Health Insurance Company as of December 31, 2024, as determined by the undersigned.

Under the Supervision of:

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

State of: Indiana
County of: Marion

On this 11th day of June, 2026, 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 20, 2033

Lorie A. Ellert
Notary Public

LORIE A ELLERT
Notary Public
Marion County - State of Indiana
Commission Number NP0764698
My Commission Expires Jul 20, 2033