STATE OF MISSOURI

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

ORDER

After full consideration and review of the report of the financial examination of HMO Missouri, Inc. for the period ended December 31, 2013, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, Chlora Lindley-Myers, Director, Missouri Department of Insurance, Financial Institutions and Professional Registration pursuant to section 374.205.3(3)(a), RSMo, adopt such examination report. After my consideration and review of such report, workpapers, and written submissions or rebuttals, I hereby incorporate by reference and deem the following parts of such report to be my findings and conclusions to accompany this order pursuant to section 374.205.3(4), RSMo: summary of significant events; subsequent events; company history; corporate records; management and control; fidelity bonds and other insurance; pensions, stock ownership and insurance plans; territory and plan of operation; growth of company; loss experience; reinsurance; accounts and records; statutory deposits; financial statements; examination changes, comments on financial statements; and summary of recommendations.

Based on such findings and conclusions, I hereby ORDER that the report of the Financial Examination of HMO Missouri, Inc. as of December 31, 2013, be and is hereby ADOPTED as filed and for HMO Missouri, Inc. to take the following action or actions, which I consider necessary to cure any violation of law, regulation or prior order of the Director revealed by such report: (1) account for its financial condition and affairs in a manner consistent with the Director's findings and conclusions.

So ordered, signed and official seal affixed this 24th day of April, 2017.

Chlora Lindley-Myers

Chlora Lindley-Myers, Director
Department of Insurance, Financial Institutions and Professional Registration

REPORT OF

FINANCIAL EXAMINATION

HMO MISSOURI, INC.

As of:

DECEMBER 31, 2013

FILED
MAY 4 2017
DIRECTOR OF INSURANCE,
FINANCIAL INSTITUTIONS &
PROFESSIONAL REGISTRATION

STATE OF MISSOURI
DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS
AND PROFESSIONAL REGISTRATION

JEFFERSON CITY, MISSOURI

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March 14, 2017
Saint Louis, MO

Honorable Chlora Lindley-Myers, Director
Missouri Department of Insurance, Financial
Institutions and Professional Registration
301 West High Street, Room 530
Jefferson City, Missouri 65101

Director Lindley-Myers:

In accordance with your financial examination warrant, a comprehensive financial examination has been made of the records, affairs and financial condition of

HMO Missouri, Inc.

hereinafter also referred to as the Company. The Company's main office is located at 1831 Chestnut Street, Saint Louis, MO 63101; phone number (314) 923-4444. Examination fieldwork began on January 14, 2014 and concluded on the above date.

SCOPE OF EXAMINATION

Period Covered

We have performed a multi-state examination of HMO Missouri, Inc. We performed our examination as part of a coordinated examination of Anthem, Inc. led by examiners from the State of Indiana. The last examination of the Company was completed as of December 31, 2012. This examination covers the period of January 1, 2013 through December 31, 2013. This examination also includes material transactions or events occurring subsequent to December 31, 2013.

Procedures

This examination was conducted as a full scope comprehensive examination. We conducted our examination 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 and identify prospective risks of the Company by obtaining information about the Company, including corporate governance, identifying and assessing inherent risks within the Company and evaluating systems controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with statutory accounting principles and Annual Statement instructions when applicable to domestic state regulations.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. Key activities identified were: Claims and Reserves; Investments;

Premiums and Underwriting; Other Assets (Health); Expenses; Taxes, Related Party; and, Capital and Surplus.

The examiners relied upon information and workpapers provided by the Company's independent auditor Deloitte & Touche LLP, for its audit covering the period from January 1, 2013 through December 31, 2013. Such reliance included taxes, internal control narratives and tests of internal controls.

SUMMARY OF SIGNIFICANT EVENTS

There were no significant events for the period January 1, 2013 through December 31, 2013. Subsequent to year-end 2013, the Company paid an extraordinary dividend. Also subsequent to year-end 2013, the Company's ultimate controlling entity changed its name, was the subject of a cyber-attack and initiated a merger. These events are detailed below.

SUBSEQUENT EVENTS

On November 19, 2014, the Company declared an extraordinary dividend of $20 million. The Department approved the dividend on December 24, 2014. The Company paid the dividend on December 26, 2014.

On December 1, 2014, WellPoint, Inc., the Company's ultimate controlling entity, changed its name to Anthem, Inc.

In February 2015, Anthem, Inc. (Anthem) was the subject of a sophisticated cyberattack. Personal information of Anthem subscribers and employees, including names, addresses, birthdates, social security numbers and income data, was accessed. Upon discovering the cyberattack, Anthem took action to remediate its security vulnerability, retaining a cyber-security firm to evaluate its systems and identify solutions. State and federal agencies, including state insurance regulators, state attorneys general, the Federal Bureau of Investigation and the Department of Health and Human Services Office of Civil Rights, undertook investigations of the security breach. Multiple civil actions were filed against Anthem relating to the security breach; some of these actions are still proceeding. Anthem incurred significant costs related to the security breach, approximately $260.5 million, which were expensed in the period in which they were incurred.

On July 23, 2015, Anthem entered into a merger agreement with Cigna Corporation (Cigna) under which Anthem would acquire all outstanding shares of Cigna. The estimated value of the transaction was $53 billion, based on the closing price of Anthem common stock on July 23, 2015. The merger agreement provided for a closing to occur by January 31, 2017, with an option to extend the closing to April 30, 2017, should additional time be required to secure regulatory approval. Under certain conditions, termination of the merger agreement requires Anthem to pay Cigna a termination fee of $1.85 billion.

On July 21, 2016, the U.S. Department of Justice, along with certain state attorneys general, filed a civil antitrust lawsuit seeking to block the proposed merger. A trial commenced on November 21, 2016.

On December 1, 2016, Anthem entered into a Regulatory Settlement Agreement (RSA) with the California Department of Insurance, the Indiana Department of Insurance, the Maine Bureau of

Insurance, the Department, the New Hampshire Insurance Department, the North Dakota Department of Insurance and the South Carolina Department of Insurance (collectively, Lead Regulators). The RSA resulted from a targeted market conduct and financial examination, led by the Indiana Department of Insurance, that reviewed the cyber security breach uncovered by Anthem in February 2015. The examination found that Anthem's cybersecurity prior to the breach was reasonable; the examination further found Anthem's response to the breach to be adequate. Based on their findings, Lead Regulators determined that administrative fines or penalties were not warranted. As part of the RSA, Anthem agreed to implement additional corrective measures estimated to cost $45 million. These costs will be expensed in the period in which they are incurred.

COMPANY HISTORY

General

HMO Missouri, Inc. incorporated on May 28, 1987 and began operating in January 1988 as a wholly-owned subsidiary of BlueCross and BlueShield of Missouri, Inc. (BCBSMO) The Company was licensed as an Individual Practice Association form of health plan pursuant to Chapter 354 RSMo (Health Services Corporations, Health Maintenance Organizations, Prepaid Dental Plans).

In 1994, BCBSMO reorganized. The reorganization included the formation and initial public offering of RightCHOICE Managed Care, Inc. (RightCHOICE). Following a settlement with the Department in 1998 related to the reorganization, BCBSMO was dissolved and its health maintenance organization business was assumed by the Company.

On January 31, 2002, RightCHOICE completed a merger agreement with WellPoint Health Networks, Inc. (WellPoint) and RWP Acquisition Corporation (RWP), a wholly-owned subsidiary of WellPoint. Under the terms of the merger agreement, RightCHOICE merged into RWP which became the surviving entity. RWP subsequently changed its name to RightCHOICE Managed Care, Inc. The Department had approved the acquisition on January 16, 2002.

On March 8, 2004, the Department approved the acquisition of WellPoint by Anthem, Inc., effective November 30, 2004. Anthem, Inc. changed its name to WellPoint, Inc. As a result of this transaction, the Company became an indirect subsidiary of WellPoint, Inc. On December 3, 2014, WellPoint, Inc. changed its name to Anthem, Inc.

Capital Stock and Paid-in Surplus

The Company is authorized to issue up to one hundred thousand (100,000) shares of common stock with a par value of $10.00 per share. At year-end 2013, thirty thousand (30,000) shares were issued and outstanding for a total of $300,000 in common capital stock. RightCHOICE owns all thirty thousand shares.

Dividends

In 2013, the Company paid a $35 million dividend to its RightCHOICE, its sole shareholder.

Acquisitions, Mergers and Major Corporate Events

There were no acquisitions, mergers or other major corporate events during the current examination period.

Surplus Debentures
The Company has not issued any surplus debentures.

CORPORATE RECORDS

The Articles of Incorporation and the Bylaws were reviewed. There were no changes to the Articles of Incorporation or the Bylaws during the current examination period.

The minutes of the meetings of the shareholder and the board of directors were reviewed. The minutes appeared to properly support the approval of major corporate transactions and events for the period under examination.

MANAGEMENT AND CONTROL

Board of Directors
The management of the Company is vested in a board of nine (9) directors. Directors serving at December 31, 2013, were as follows:

Name	Affiliation
Carter Allen Beck Manchester, NH	Senior Vice President and Counsel WellPoint, Inc.
Ruth Meyer Hollenback St. Louis, MO	Vice President WellPoint, Inc.
Steven John Martenet St. Louis, MO	President Healthy Alliance Life Insurance Company
Catherine Irene Keleghan St. Louis, MO	Vice President and Counsel WellPoint, Inc.
Joseph Patrick Murray St. Charles, MO	Managing Associate General Counsel WellPoint, Inc.
Wayne Scott DeVeydt Indianapolis, IN	Executive Vice President and CFO WellPoint, Inc.
Kathleen Susan Keifer Indianapolis, IN	Vice President, Assistant Secretary & Counsel WellPoint, Inc.
Jay Harry Wagner Carmel, IN	Associate General Counsel WellPoint, Inc.
Dennis Albert Matheis St. Louis, MO	Vice President WellPoint, Inc.

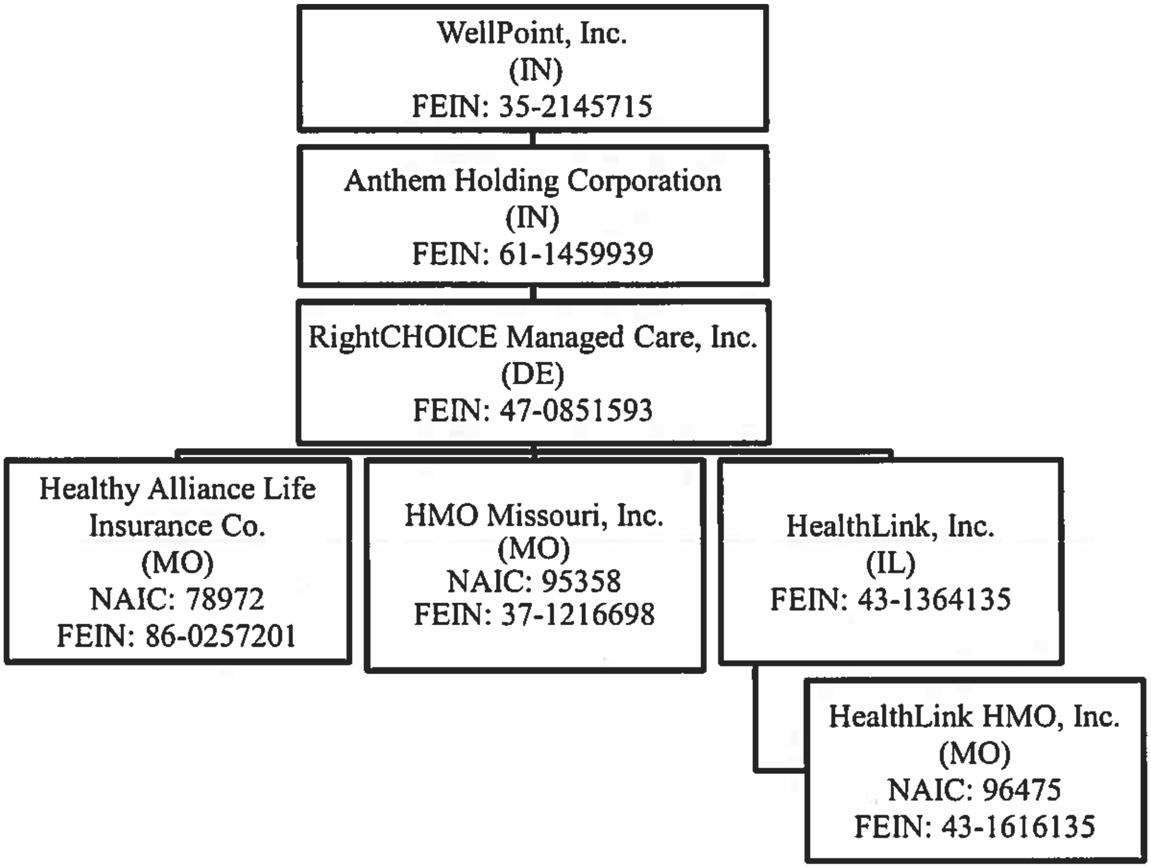
Officers
The officers of the Company serving and reported on the Jurat page of the Annual Statement at December 31, 2013, were as follows:

Name	Office
Steven John Martenet	President
Kathleen Susan Kiefer	Secretary
Robert David Kretschmer	Treasurer
Wayne Scott DeVeydt	Chief Financial Officer
Jennifer Lynn Forsythe	Assistant Secretary
Eric Kenneth Noble	Assistant Treasurer

Committees
There are no committees of the Board. WellPoint, Inc.'s audit committee serves as the Company's audit committee for Model Audit Rule purposes.

Holding Company, Subsidiaries and Affiliates
The Company is a member of an insurance holding company system as defined by Section 382.010 RSMo (Definitions). WellPoint, Inc. is designated as the ultimate controlling entity in the insurance holding company system. WellPoint, Inc. is a publicly held corporation headquartered in Indianapolis, Indiana. The common stock of WellPoint, Inc. is traded on the New York Stock Exchange under the symbol WLP. No one party owns 10% or more of the voting securities of WellPoint, Inc.

Organizational Chart
The following is an abridged organizational chart showing the insurance holding company system at December 31, 2013. All subsidiaries are wholly-owned unless otherwise noted.



Intercompany Agreements

Guarantee and Conversion Agreement

Parties: The Company and WellPoint, Inc. (WellPoint)

Effective: November 30, 2004

Terms: WellPoint guarantees the obligations of the Company. In the event that the Company ceases operations, WellPoint or one of its licensed affiliates will provide coverage to the Company's policyholders without consideration of health status. The Agreement remains in effect until terminated. The Department must be given thirty days prior written notice of termination.

Rate(s): There are no fees associated with this agreement.

Amended and Restated Master Administrative Service Agreement

Parties: WellPoint and its subsidiaries including the Company, Healthy Alliance Life Insurance Company (Healthy Alliance), and HealthLink HMO, Inc. (HealthLink)

Effective: January 1, 2003

Terms: RightCHOICE and its Missouri domestic insurance subsidiaries, including the Company, Healthy Alliance and HealthLink receive and provide administrative services to each other, as well as to WellPoint and its subsidiaries. Employees of RightCHOICE and

BlueCross of California provide administrative services on behalf of the Company.

Rate(s): The Agreement specifies that services are to be billed at direct and allocated costs incurred. Fees incurred during 2013 were $168.6 million.

Stop-Loss Coverage Agreement

Parties: The Company and Healthy Alliance

Effective: April 11, 2002

Terms: Healthy Alliance provides stop loss coverage to certain administrative services only (ASO) clients of the Company as required under the administrative services agreements between the Company and the plan sponsors.

Rate(s): The rates established for the stop loss coverage are calculated and based on the same underwriting principles utilized by the Healthy Alliance in establishing health insurance premium for similar products. There were no amounts incurred or earned by either company for 2013.

Out of Network Agreement

Parties: The Company and Healthy Alliance

Effective: January 15, 1997

Terms: Healthy Alliance provides out-of-network coverage to enrollees of the Company choosing an out-of-network or point-of service (POS) option. The Company pays Healthy Alliance a per member per month (PMPM) amount determined quarterly.

Rate(s): The PMPM payment is based upon historical claims experience. There were no amounts incurred or earned by either company for 2013.

Consolidated Federal Income Tax Agreement

Parties: WellPoint and its subsidiaries, including the Company, Healthy Alliance and HealthLink

Effective: December 31, 2005

Terms: This agreement establishes a method for allocating the consolidated tax liability of the affiliated group among its members, for reimbursing the parent for payment, for compensating any party for use of its tax losses or tax credits, and for allocating and paying any refund arising from a carryback of losses or tax credits. Payments are made no earlier than ten (10) days before, and no later than thirty (30) days after, the dates on which such payments would be due to the federal government if separate returns had been filed.

Rate(s): There are no rates associated with this agreement. Fees incurred during 2013 were $73.2 million.

Cash Concentration Agreement

Parties: WellPoint and its subsidiaries, including the Company, Healthy Alliance and HealthLink

Effective: October 1, 2009

Terms: The Agreement establishes the designation of a Cash Manager; defined as "WellPoint or any Affiliate handling the receipt or disbursement of funds on behalf of one or more Affiliates." The Cash Manager accepts the receipt of premiums, administrative expense reimbursements and other revenue and makes benefit, payroll, general administrative expense and other accounts payable payments on behalf of Affiliates. Intercompany payables and receivables are established to record the transactions.

Rate(s): The Cash Manager is reimbursed for the direct and indirect costs and expenses, including overhead expenses, associated with the Agreement. All settlements are made within thirty (30) days of the transaction date. The offsetting of payables and receivables is allowed. If the parties are unable to settle within thirty (30) days, they may mutually agree to delay settlement until an agreed-upon date, but not later than ninety (90) days from the transaction date. Any receivables not settled within ninety (90) days of the due date are non-admitted, in accordance with SSAP No. 96. There were no amounts incurred or earned for 2013.

Master Services Agreement (MSA)

Parties: WellPoint, the Company, Healthy Alliance, HealthLink and Bloom Health Corporation (Bloom)

Effective: January 1, 2013

Terms: Bloom has developed a web-based software application that permits users to manage defined contribution tax-advantaged accounts, evaluate and select benefit options, and complete benefits transactions (Bloom Solution). Under the terms of the agreement, Bloom grants to WellPoint the right to use the Bloom Solution for the purposes of offering a private exchange for health insurance benefits on both a fully-insured and self-insured basis. Bloom will host and manage the Bloom Solution for WellPoint. The MSA also provides a framework under which WellPoint-owned Blue Cross Blue Shield licensees may contract with Bloom for the use of the Bloom Solution in their respective service areas by executing a joinder page mutually agreeable to the parties.

Rate(s): The basis for compensation is a volume-tiered administrative fee determined by multiplying the number of employees enrolled under the Bloom Solution by the per enrolled employee per month (PEPM) rate. Through July 1, 2013, WellPoint has agreed to pay a minimum monthly fee of $12,500 in lieu of the PEPM rate. There were no amounts incurred or earned for 2013.

FIDELITY BONDS AND OTHER INSURANCE

The Company is a named insured on a fidelity bond issued by National Union Fire Insurance Company of Pittsburgh, PA. The bond has a liability limit of $10 million, an aggregate limit of $20 million, and, a deductible of $1.5 million. This coverage meets the minimum amount of fidelity coverage recommended by the NAIC.

The Company is also a named insured on other policies obtained by WellPoint covering various aspects of its operations. The Company's insurance coverage appears to be adequate.

PENSIONS, STOCK OWNERSHIP AND INSURANCE PLANS

The Company has no employees. Services are provided by affiliates under an administrative services agreement. WellPoint employees are provided benefits including group health, vision and dental coverage, group life insurance, short- and long-term disability, a 401(K) plan, paid vacation and sick leave, an employee assistance plan, and tuition reimbursement. Employee benefits costs are included in intercompany charges from affiliates.

TERRITORY AND PLAN OF OPERATION

The Company is licensed in Missouri as a health maintenance organization (HMO) under Chapter 354 RSMo (Health Services Corporations, Health Maintenance Organizations, Prepaid Dental Plans). The Company is also licensed in Illinois. In 2013, the Company reported premium and enrollment data for Missouri only. The Company reported 32,986 members at year-end 2013.

The Company offers the following products to group, individual and senior members:

- BlueCHOICE HMO group coverage
- BlueCHOICE HMO individual coverage
- BlueCHOICE POS Plus. This product includes a primary care physician gatekeeper and allows members to seek treatment outside the network (with higher out-of-pocket costs).

As a Blue Cross Blue Shield licensee, the Company participates in the Federal Employee Program (FEP) and in the BlueCard Program. The FEP is a nationwide contract with the Federal Office of Personnel Management to provide health benefits coverage to federal employees and their dependents. The BlueCard Program is a nationwide program that allows members living or traveling in another Blue Cross Blue Shield plan area to access needed health care services through the local plan's providers.

GROWTH OF COMPANY

The Company's surplus has decreased since the prior examination. The chart below indicates the Company's growth over the past five years.

(in 000s)	2009	2010	2011	2012	2013
Total Assets	$ 135,236	$ 126,700	$ 101,279	$ 115,885	$ 71,214
Net Premiums Earned	329,534	273,367	242,759	184,263	169,061
Underwriting Gain	28,340	26,404	25,845	18,794	12,566
Net Income	20,030	18,320	18,348	13,630	9,135
Capital and Surplus	$ 75,745	$ 78,666	$ 50,178	$ 65,458	$ 39,290
Premiums : Surplus	4.4	3.5	4.8	2.8	4.3

LOSS EXPERIENCE

The Company posted an underwriting gain during the current examination period. The exhibit below represents the Company's underwriting results for the past five years.

(in 000s)	2009	2010	2011	2012	2013
Total Premiums Earned	$ 329,534	$ 273,367	$ 242,759	$ 184,263	$ 169,061
Total Hospital and Medical Expenses	(270,660)	(221,104)	(196,176)	(148,658)	(140,977)
Total Administrative Expenses	(30,534)	(25,859)	(20,738)	(16,812)	(15,518)
Net Underwriting Gain	$ 28,340	$ 26,404	$ 25,845	$ 18,793	$ 12,566

REINSURANCE

General

The Company did not report any reinsurance assumed or ceded during the current examination period.

ACCOUNTS AND RECORDS

Independent Accountants

The Company's 2013 financial statements were audited by the certified public accounting firm of Ernst & Young, LLP. The 2013 audit workpapers were reviewed and used in the course of the examination as deemed appropriate.

Actuarial Opinion

On May 31, 2013, the Company appointed a WellPoint employee, JoAnn Struckmeyer, FSA, MAAA, to review and certify the claims-related reserves and other actuarial items. Ms. Struckmeyer found the claims-related reserves and other actuarial items to be adequate.

Consulting Actuary

As part of the coordinated examination, Indiana retained Insurance and Actuarial Services (IAAS) to review year-end 2013 unpaid claims liabilities, actuarial reserves and related actuarial items. IAAS concluded that the unpaid claims liability established by the Company at year-end

2013 was within their range of reasonable estimates. IAAS further concluded that the methods and assumptions used in developing the reserves were appropriate for the type of risks written.

Information Systems
As part of the coordinated examination, Indiana retained Noble Consulting Services, Inc. (Noble) to review WellPoint's information technology control environment. Noble evaluated the information technology general controls (ITGCs) for financially significant systems supporting key functional activities as generally effective.

STATUTORY DEPOSITS

Deposits with the State of Missouri
The funds on deposit with the Department as of December 31, 2013, had sufficient value to meet the deposit requirement for the state of Missouri per Section 354.410 RSMo (Certificate issued, when—annual deposit requirements):

Type of Security	Par Value	Fair Value	Book Value
US Treasury Bond	$324,000	$310,305	$326,804

Deposits with Other States
The Company also has funds on deposit with the state of Illinois, in which it is licensed. The funds on deposit as of December 31, 2013, were as follows:

Type of Security	Par Value	Fair Value	Book Value
Federal Home Loan Mortgage Corporation	$ 280,000	$ 305,192	$ 306,426
Federal Home Loan Mortgage Corporation	150,000	154,386	150,424
Federal Home Loan Mortgage Corporation	210,000	206,283	212,735
Totals	$ 640,000	$ 665,861	$ 669,585

FINANCIAL STATEMENTS

The following financial statements, with supporting exhibits, present the financial condition of the Company as of December 31, 2013, and the results of operations for the year then ended. Any examination adjustments to the amounts reported in the financial statements and/or comments regarding such are made in the "Comments on Financial Statements," which follow the financial statements.

There may have been additional differences found in the course of this examination, which are not shown in the "Comments on Financial Statements." These differences were determined to be immaterial in relation to the financial statements, and therefore were only communicated to the Company and noted in the workpapers for each individual Annual Statement item.

ASSETS

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	$ 36,303,427	$ -	$ 36,303,427
Cash and short-term investments	13,777,397	-	13,777,397
Investment income due and accrued	233,992	-	233,992
Uncollected premiums	3,671,678	13,589	3,658,089
Deferred premiums	5,380,892	-	5,380,892
Amounts receivable relating to uninsured plans	149,998	111	149,887
Net deferred tax asset	1,161,714	37,841	1,123,873
Receivables from parent, subsidiaries and affiliates	128,546	-	128,546
Health care and other amounts receivable	2,851,595	1,872,985	978,610
FEP assets held by agents	9,479,047	-	9,479,047
Prepaid expenses	18,138	18,138	-
Totals	$ 73,156,424	$ 1,942,664	$ 71,213,760

LIABILITIES, CAPITAL AND SURPLUS

Claims unpaid	$ 13,327,443
Accrued medical incentive pool and bonus amounts	12,830
Unpaid claims adjustment expenses	437,477
Aggregate health policy reserves	10,963,061
Aggregate health claim reserves	142,871
Premiums received in advance	692,613
General expenses due or accrued	1,273,652
Current federal and foreign income tax payable	609,239
Amounts withheld or retained for the account of others	1,267,641
Remittances and items not allocated	197,526
Amounts due to parent, subsidiaries and affiliates	2,344,488
Liability for amounts held under uninsured plans	13,674
Escheatable funds	272,355
Other liabilities	278,547
Accrued retroactive premium	89,976
Total Liabilities	$ 31,923,393
Common capital stock	$ 300,000
Unassigned funds (surplus)	38,990,367
Total Capital and Surplus	$ 39,290,367
Total Liabilities, Capital and Surplus	$ 71,213,760

STATEMENT OF OPERATIONS

Member months	427,261
Net premium income	$ 153,562,329
Change in unearned premium reserves and reserve for rate credits	15,498,692
Total revenues	$ 169,061,021
Hospital/medical benefits	95,015,989
Other professional services	6,192,474
Emergency room and out-of-area	10,692,095
Prescription drugs	28,996,214
Incentive pool, withhold adjustments and bonus amounts	80,582
Total hospital and medical	$ 140,977,354
Claims adjustment expenses	6,316,014
General administrative expenses	9,201,689
Total underwriting deductions	$ 156,495,057
Net underwriting gain	12,565,964
Net investment income earned	1,287,045
Net realized capital gains	79,557
Net investment gains	$ 1,366,602
Other income	8,302
Pre-tax income	$ 13,940,868
Federal and foreign income taxes incurred	4,805,506
Net income	$ 9,135,362

RECONCILIATION OF SURPLUS

Capital and surplus, prior year	$ 65,457,631
Net income	9,135,362
Change in net deferred income tax	200,962
Change in nonadmitted assets	(503,587)
Dividends to stockholders	(35,000,000)
Net change in capital and surplus	$ (26,167,263)
Capital and surplus, current year	$ 39,290,367

EXAMINATION CHANGES

There were no changes to the financial statements resulting from the examination.

COMMENTS ON FINANCIAL STATEMENTS

There were no comments on the financial statements resulting from the examination.

SUMMARY OF RECOMMENDATIONS

ACKNOWLEDGMENT

The assistance and cooperation extended by the officers and staff of HMO Missouri, Inc. during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Andy Balas, CFE, AES, CPA; Doug Daniels, CFE, CPA; and, Amy Snyder, CFE, CPA, MA, CGMA; examiners for the Department, participated in this examination.

VERIFICATION

State of Missouri)
) ss
County of St. Louis)

I, Thomas J. Cunningham, on my oath swear that to the best of my knowledge and belief the above examination report is true and accurate and is comprised of only facts appearing upon the books, records or other documents of the Company, its agents or other persons examined or as ascertained from the testimony of its officers or agents or other persons examined concerning its affairs and such conclusions and recommendations as the examiners find reasonably warranted from the facts.

Thomas Cunningham, CFE, CPA
Examiner-in-Charge
Missouri Department of Insurance,
Financial Institutions and Professional Registration

Sworn to and subscribed before me this 9 day of MARCH

My commission expires:
12/14/2019

Notary Public

ANDREA L. GILES
Notary Public - Notary Seal
State of Missouri
Commissioned for St. Louis City
My Commission Expires: December 14, 2019
Commission Number: 15889311

SUPERVISION

The examination process has been monitored and supervised by the undersigned. The examination report and supporting workpapers have been reviewed and approved. Compliance with NAIC procedures and guidelines as contained in the Financial Condition Examiners Handbook has been confirmed.

Michael Shadowens, CFE
Assistant Chief Financial Examiner, St. Louis
Missouri Department of Insurance, Financial Institutions and Professional Registration