



**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 Home State Health Plan for the period ended December 31, 2017, 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 findings, subsequent events, company history, management and control, territory and plan of operations, growth of company, loss experience, reinsurance, accounts and records, financial statements, analysis of examination changes, comments on the financial statements and summary of recommendations.

Based on such findings and conclusions, I hereby ORDER that the report of the financial examination of Home State Health Plan as of December 31, 2017 be and is hereby ADOPTED as filed and for Home State Health Plan 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) implement and verify compliance with each item mentioned in the Comments on the Financial Statement and/or Summary of Recommendations section of such report; and (2) 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 04<sup>th</sup> day of June, 2019.



*Chlora Lindley-Myers*

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

REPORT OF  
FINANCIAL EXAMINATION

# Home State Health Plan

As of:  
DECEMBER 31, 2017

**FILED**  
JUN 13 2019  
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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April 19, 2019  
St. Louis, MO

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

Director Lindley-Myers:

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

### **Home State Health Plan**

hereinafter referred to as "HSHP" or the "Company". The Company's home office is located at 16090 Swingley Ridge Road, Chesterfield, Missouri 63017; telephone number (314) 725-4477. Examination fieldwork began on April 10, 2018, and concluded on the above date.

## **SCOPE OF EXAMINATION**

### **Period Covered**

We have performed a single-state examination of Home State Health Plan. The last examination was completed as of December 31, 2015. This examination covers the period from January 1, 2016, through December 31, 2017, and also includes material transactions or events occurring subsequent to December 31, 2017.

### **Procedures**

This examination was conducted using guidelines set forth in the Financial Condition Examiners Handbook (Handbook) of the National Association of Insurance Commissioners (NAIC), except where practices, procedures and applicable regulations of the Department of Insurance, Financial Institutions and Professional Registration (Department or DIFP) or statutes of the state of Missouri prevailed. 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.

This examination was conducted as part of a coordinated examination of the Centene Corporation Group (NAIC Group Code #1295). The Texas Department of Insurance is the lead state regulator for the group. The coordinated examination included 17 participating states covering 34 legal entities.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This includes 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 is documented separately following the Company's financial statements. The following key activities were identified during the coordinated examination: Investments, Premium/Pricing, Claims Handling, Reserves, Capital and Surplus, Reinsurance, Related Party, Taxes and Expenses.

This examination report includes significant findings of fact and general information about the Company 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.

### **SUMMARY OF SIGNIFICANT FINDINGS**

HSHP has historically experienced poor operating results, posting sizable net underwriting losses and overall net losses each year from inception through the examination date. The Company's health benefits ratio (total hospital and medical expenses as a percentage of premium income) has remained very high, consistently approaching 100%. Capital contributions made by Centene Corporation have allowed Risk Based Capital to remain at acceptable levels.

### **SUBSEQUENT EVENTS**

HSHP's operating results improved considerably in 2018. The Company reported a net underwriting gain of \$447,302 and an overall net income of \$959,944 on the 2018 Annual Statement. Centene Corporation also made a capital contribution of \$31 million effective March 31, 2018. As a result, total capital and surplus increased from \$76.4 million to \$108.4 million in 2018.

HSHP expanded into the Medicare and Affordable Care Act (ACA) Exchange markets in 2018. A relatively small amount of Medicare business has been sold to date. The ACA Exchange business is written on the paper of an affiliate, Celtic Insurance Company. Although HSHP markets and services these policies, it does not carry underwriting risk on this business.

On March 27, 2019, Centene Corporation ("Centene"), Wellington Merger Sub I, Inc. ("Merger Sub I") and Wellington Merger Sub II, Inc. ("Merger Sub II"), entered into an Agreement and Plan of Merger (the "Merger Agreement") with WellCare Health Plans, Inc. ("WellCare"). Pursuant to the Merger Agreement, and subject to the terms and conditions thereof, Centene will acquire all of the outstanding shares of the WellCare through a series of transactions in which (i) Merger Sub I will merge with and into WellCare ("First Merger"), with WellCare surviving as a direct, wholly owned subsidiary of Centene and (ii) immediately after the effective time of the First Merger, WellCare will merge with and into Merger Sub II, with Merger Sub II continuing as the surviving

corporation. Subject to the terms and conditions set forth in the Merger Agreement, WellCare's stockholders will receive cash and shares of Centene. Completion of the transaction remains subject to certain closing conditions and regulatory approvals.

## **COMPANY HISTORY**

### **General**

Home State Health Plan was incorporated on July 20, 2011, for the purposes of providing comprehensive managed care services to the Missouri market. The Company was organized as a network model Health Maintenance Organization (HMO) and is wholly owned by Healthy Missouri Holding, Inc., which is 95% owned by Centene Corporation.

The Company obtained its Certificate of Authority to operate in Missouri as an HMO on March 12, 2012, and began contracting with the MO HealthNet Division of the Missouri Department of Social Services to provide healthcare benefits and services to eligible members that same year.

In 2013, HSHP purchased approximately 5% of the stock of Health Plan Real Estate Holding, Inc. (HPREHI). The remaining shares of HPREHI are owned by other affiliates of Centene Corporation.

### **Dividends**

HSHP has not paid any dividends since inception.

### **Acquisitions, Mergers and Major Corporate Events**

As noted above, HSHP purchased approximately 5% of the stock of Health Plan Real Estate Holding, Inc. in 2013. There have not been any other acquisitions, mergers or other corporate events directly affecting the Company since inception.

## **MANAGEMENT AND CONTROL**

### **Board of Directors**

The management of the Company is vested in a Board of Directors, which per the Bylaws, will consist of not less than one or more than sixteen members. The Company had fifteen Directors serving at December 31, 2017, as follows:

<u>Name</u>	<u>Principal Occupation and Business Affiliation</u>
Shannon Bagley St. Louis, Missouri	Senior VP, Human Resources Centene Corporation
Ron Battelle St. Louis, Missouri	Retired Police Chief St. Louis County Police Department
Dr. David Brax Savannah, Missouri	Retired Superintendent Savannah R-III School District

Dr. Leslie Fields  
Kansas City, Missouri

Pediatric Hospitalist  
St. Luke's Health System

Alan Freeman  
St. Louis, Missouri

Chief Executive Officer  
Affinia Health Care

Frankie Freeman  
St. Louis, Missouri

Civil Rights Activist

Carlos Gomez  
Kansas City, Missouri

Chief Executive Officer  
Hispanic Chamber of Commerce

Nathan Landsbaum  
St. Louis, Missouri

President and Chief Executive Officer  
Home State Health Plan

Dr. Charles McGinty  
Joplin, Missouri

Self-Employed Dentist

Michael Neidorff  
St. Louis, Missouri

Chairman, President and Chief Executive Officer  
Centene Corporation

Dennis Pryor  
Salem, Missouri

Retired Hospital Administrator  
Salem Memorial District Hospital

Dr. Steven Pu  
Kennett, Missouri

Chief of Staff  
Twin Rivers Regional Medical Center

Dr. Mark Steele  
Kansas City, Missouri

Chief Medical Officer and Chief Operating Officer  
Truman Medical Centers

Dr. Paul Thomlinson  
Springfield, Missouri

Acting President and Chief Executive Officer  
Burrell Health Center

Dr. Jerome Williams  
St. Louis, Missouri

Internal Medicine Specialist  
Williams Clinic, Inc.

## **Officers**

The officers of the Company at December 31, 2017, were as follows:

<u>Name</u>	<u>Position</u>
Nathan Landsbaum	President and CEO
Ryan Littekin	Vice President, Finance
Keith Williamson	Secretary
Pamela Shipley	Vice President
Shannon Bagley	Vice President
Steven Jones	Vice President, Operations
Tricia Dinkelman	Vice President, Tax
Jeffrey Schwaneke	Treasurer

## **Committees**

The Bylaws grant the Board of Directors authority to establish one or more Advisory Committees. The Committees established as of December 31, 2017, were as follows:

Compliance Committee  
Credentialing Committee  
Quality Improvement Committee  
Utilization Management Committee

The Company does not have an audit committee. Pursuant to the Annual Financial Reporting Model Regulation (Model Audit Rule), HSHP has designated the audit committee of Centene Corporation to serve as its own audit committee.

## **Corporate Records**

The Articles of Incorporation and Bylaws of HSHP were reviewed. There were no amendments during the examination period.

The minutes of the shareholder and board of directors meetings were reviewed for the period under examination. The minutes appear to properly document and approve corporate events and transactions.

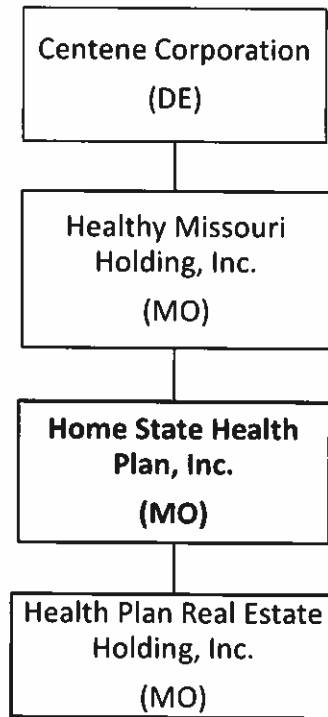
## **Holding Company, Subsidiaries and Affiliates**

The Company is a member of an insurance holding company system as defined by Chapter 382 RSMo (Insurance Holding Companies). Centene Corporation is the ultimate controlling entity within the holding company system. Centene Corporation directly and indirectly owned one life insurer and 33 health plans across the United States as of December 31, 2017.



**Organization Chart**

The following is an abridged organizational chart which depicts the structure of companies relating to Home State Health Plan as of December 31, 2017. All subsidiaries are wholly owned unless otherwise noted.



Notes: Centene Corporation owns 95% of Healthy Missouri Holding, Inc. The remaining 5% is owned by Missouri Community Health Access, LLC.

The other health plans in the Centene Corporation group are owned either directly by Centene Corporation or indirectly through various other holding companies.

HSHP owns approximately 5% of Health Plan Real Estate Holding, Inc. The remaining shares are owned by other affiliates of Centene Corporation.

**Affiliated Transactions**

The Company enters into various agreements with affiliates. The intercompany agreements in effect as of December 31, 2017, are discussed below.

**Management Agreement**

- Parties: HSHP and Centene Management Company (CMC)
- Effective: January 1, 2015
- Terms: CMC performs various management services including program planning and development, management information systems, financial systems and services, claims administration, provider and enrollee services and records,

utilization review and quality assurance. CMC also provides facilities and support services and hires, maintains and supervises all personnel on behalf of HSHP. HSHP pays a management fee to CMC equal to 11.5% of gross premiums.

### **Tax Allocation Agreement**

Parties: HSHP and Centene Corporation  
Effective: June 20, 2011  
Terms: This is a standard form of tax allocation agreement between Centene Corporation and its subsidiaries, including HSHP. Each company pays or receives taxes and tax credits on the same basis as if the company had filed a separate return.

### **Services Agreement**

Parties: HSHP and Envolve Vision, Inc. (Envolve Vision)  
Effective: July 1, 2012  
Terms: Envolve Vision agrees to provide or arrange for the provision of covered vision care services to HSHP's enrolled members. HSHP pays monthly fees to Envolve Vision on a per member per month basis.

### **Services Agreement**

Parties: HSHP and Envolve PeopleCare, Inc. (Envolve People Care)  
Effective: July 1, 2012  
Terms: Envolve PeopleCare agrees to provide services consisting primarily of utilizing professional registered nurses to provide health information and advice to HSHP enrolled members. HSHP pays monthly fees to Envolve PeopleCare on a per member per month basis.

### **Services Agreement**

Parties: HSHP and Envolve PeopleCare  
Effective: July 1, 2012  
Terms: Envolve PeopleCare agrees to provide disease management program services designed to improve the quality of life and/or health outcomes for HSHP enrollees with a chronic disease. HSHP pays monthly fees to Envolve PeopleCare on a per member per month basis.

### **Services Agreement**

Parties: HSHP and Cenpatico Behavioral Health, LLC (Cenpatico)  
Effective: July 1, 2012  
Terms: Cenpatico agrees to provide for covered behavioral health services and substance abuse treatment programs to HSHP members. HSHP pays monthly fees to Cenpatico on a per member per month basis.

### **Services Agreement**

Parties: HSHP and US Medical Management, LLC (USMM)  
Effective: March 1, 2014  
Terms: USMM agrees to utilize duly licensed physicians and other healthcare professionals to provide healthcare services to HSHP enrolled members. HSHP pays monthly fees to USMM based on the number of claims submitted.

### **Dental Services Agreement**

Parties: HSHP and Dental Health & Wellness, Inc. (DHW)  
Effective: February 1, 2014  
Terms: DHW agrees to provide covered dental services to HSHP members. HSHP pays monthly fees to DHW on a per member per month basis.

## **TERRITORY AND PLAN OF OPERATIONS**

HSHP is a managed care organization (MCO) that received its Certificate of Authority from the State of Missouri in 2012 to operate as a Health Maintenance Organization (HMO) under Chapter 354 RSMo (Health Service Corporations, Health Maintenance Organizations and Prepaid Dental Plans). HSHP is only licensed in Missouri and as of December 31, 2017, its only product was Medicaid business provided to eligible low-income individuals in Missouri through government subsidized programs.

Medicaid benefits and services provided by HSHP are administered through contracts with MO HealthNet, a Division of the Missouri Department of Social Services. The Missouri Medicaid system consists of two programs, the Managed Care (MC) Program, which covers low-income parents/caretakers, children and refugees and the Fee-For-Service Program, which covers people with disabilities, seniors, blind/visually impaired, and women with breast or cervical cancer. HSHP only participates in the MC Program.

Missouri expanded the MC Program into a statewide system in May 2017 that includes all Missouri counties. Previously, the program only operated in 54 counties. Three MCOs, including HSHP, were awarded statewide contracts effective May 1, 2017, through June 30, 2018, with the potential to renew annually for a total duration of up to five years.

Eligible enrollees are allowed to select one of the three available MCOs in which they will enroll. If an MCO is not chosen, one is automatically assigned by MO HealthNet. Each of the MCOs is paid a monthly capitation payment for each enrollee they serve. The rates paid to the MCO's are set by the MO HealthNet Contract and are based on both region and program category. The Company contracts directly with healthcare providers in its network on various bases including fee-for-service, per diem, diagnostic rate grouping, percent of charge and capitation.

HSHP expanded into the Medicare and Affordable Care Act (ACA) Exchange markets in 2018. A relatively small amount of Medicare business has been sold to date. The ACA Exchange business is written on the paper of an affiliate, Celtic Insurance Company. Although HSHP markets and services these policies, it does not carry underwriting risk on this business.

### GROWTH OF COMPANY

The table below shows various indicators of HSHP's growth over the past three years.

	2015	2016	2017
Member Months	982,990	1,221,100	2,616,454
Net Premium Income	\$ 266,589,892	\$ 344,414,577	\$ 729,275,764
Admitted Assets	86,389,347	102,331,248	195,532,370
Gross Paid-in and Contributed Surplus	88,288,000	110,288,000	179,188,000
Unassigned Funds	(58,810,052)	(66,896,066)	(117,644,522)
Total Capital and Surplus	34,291,236	43,421,934	76,448,225

Premium income and admitted assets increased dramatically in 2017. This was due to the expansion of the service territories covered under the MO HealthNet Managed Care contract, which became effective in May 2017. Capital and surplus continued to increase due to financial support from Centene Corporation.

### LOSS EXPERIENCE

The following exhibit illustrates the Company's underwriting results for each of the last three years.

	2015	2016	2017
Net Premium Income	\$ 266,589,892	\$ 344,414,577	\$ 729,275,764
Hospital and Medical	252,796,578	325,091,282	708,175,946
Net Underwriting Gain	(20,848,081)	(20,033,799)	(50,952,610)
Net Income	(15,593,918)	(12,866,912)	(34,895,076)
Health Benefits Ratio	94.8%	94.4%	97.1%
RBC Ratio	341.2%	341.7%	323.4%

HSHP has experienced poor operating results, posting sizable net underwriting losses and overall net losses for each year since inception. This trend has continued through the current examination period. The Company's health benefits ratio (total hospital and medical expenses as a percentage of premium income) has remained very high, consistently approaching 100%. Capital contributions made by Centene Corporation have allowed RBC to remain at acceptable levels.

Centene Corporation has illustrated a strong commitment to supporting HSHP to date. However, it is recommended that the Company work with its parent to obtain a Capital Maintenance Agreement (CMA) from Centene to guarantee that surplus and RBC will continue to be maintained at appropriate levels in the future. Although this CMA is not a requirement, it would provide additional assurance to DIFP, MO HealthNet and the membership that HSHP will remain financially viable.

## **REINSURANCE**

### **General**

Premiums written by the Company during the past three years were as follows:

	2015	2016	2017
Direct Premiums	\$ 273,451,159	\$ 358,249,637	\$ 739,049,063
Reinsurance Assumed	0	0	0
Reinsurance Ceded	6,861,267	13,835,060	9,773,299
Net Premiums	<u>\$ 266,589,892</u>	<u>\$ 344,414,577</u>	<u>\$ 729,275,764</u>

### **Assumed**

The Company did not assume any reinsurance during the examination period.

### **Ceded**

HSHP has an excess of loss reinsurance agreement with PartnerRe America Insurance Company (PartnerRe).

Under the terms of the 2017 agreement, Partner Re agrees to reinsure hospital losses in excess of \$300,000 with a maximum payable of \$3 million per member. The agreement also contains an experience refund which would provide a refund of premiums to HSHP to limit PartnerRe's Medical Loss Ratio to 88%, if certain minimum premium and renewal provisions are also met.

## **ACCOUNTS AND RECORDS**

### **Independent Auditor**

The Company's financial statements are audited annually by the accounting firm KPMG LLP. The workpapers and reports of the most recent independent audit were reviewed for this examination. These workpapers and reports were used in the course of this examination as deemed appropriate.

**Independent Actuaries**

Reserves and related actuarial accounts reported in the financial statements were reviewed and certified for the Company by Deana K. Bell, FSA, MAAA, of Milliman, Inc.

**FINANCIAL STATEMENTS**

The following financial statements are based on the statutory financial statements filed by the Company and present the financial condition of the Company for the period ending December 31, 2017. 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.

There may have been additional differences found in the course of this examination that 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	Non-Admitted Assets	Net Admitted Assets
Bonds	\$ 28,031,409	\$ 0	\$ 28,031,409
Common stocks	2,737,832	0	2,737,832
Cash and short-term investments	25,676,046	0	25,676,046
Investment income due and accrued	204,043	0	204,043
Uncollected premiums	111,288,984	0	111,288,984
Amounts recoverable from reinsurers	4,773,513	0	4,773,513
Other amounts receivable under reins.	10,159,155	0	10,159,155
Receivables from affiliates	12,452,974	0	12,452,974
Health care receivables	1,490,970	1,490,970	0
Prepays	13,500	13,500	0
State income tax receivable	208,414	0	208,414
<b>TOTAL ASSETS</b>	<b>\$ 197,036,840</b>	<b>\$ 1,504,470</b>	<b>\$ 195,532,370</b>

## LIABILITIES, SURPLUS AND OTHER FUNDS

Claims unpaid	\$ 100,790,216
Accrued medical incentive pool and bonus amounts	563,307
Unpaid claims adjustment expenses	1,159,000
Aggregate health policy reserves	12,432,902
Premiums received in advance	36
General expenses due or accrued	216,804
Current federal income tax payable	3,233,418
State income tax payable	688,462
<b>TOTAL LIABILITIES</b>	<b>\$ 119,084,145</b>
Health insurer fee	14,874,747
Common capital stock	30,000
Gross paid in and contributed surplus	179,188,000
Unassigned funds (surplus)	(117,644,522)
<b>SURPLUS AS REGARDS POLICYHOLDERS</b>	<b>\$ 76,448,225</b>
<b>TOTAL LIABILITIES AND SURPLUS</b>	<b>\$ 195,532,370</b>

## STATEMENT OF REVENUE AND EXPENSES

<b>Net Premium Income</b>		<b>\$ 729,275,764</b>
Hospital and Medical:		
Hospital/medical benefits	\$ 412,748,358	
Other professional services	84,324,548	
Emergency room and out-of-area	99,480,680	
Hospital assessment	116,764,361	
Incentive pool, withhold adj. and bonus amounts	696,955	
Less: Net reinsurance recoveries	<u>(5,838,956)</u>	
<b>Total hospital and medical</b>		<b>\$ 708,175,946</b>
Claims adjustment expenses		9,954,417
General administrative expenses		57,710,104
Increase in reserves for life and A&H contracts		<u>4,387,907</u>
<b>Total underwriting deductions</b>		<b>\$ 780,228,374</b>
<b>Net underwriting gain/(loss)</b>		<b>\$ (50,952,610)</b>
Investment Income:		
Net investment income earned	\$ 657,021	
Net realized capital gains	<u>293</u>	
<b>Net investment gain (loss)</b>		<b>\$ 657,314</b>
<b>Net income/(loss) before federal income taxes</b>		<b>\$ (50,295,296)</b>
Federal income taxes incurred		<u>(15,400,220)</u>
<b>Net income (loss)</b>		<b>\$ (34,895,076)</b>



## RECONCILIATION OF SURPLUS

Changes from December 31, 2014 to December 31, 2017

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Capital and surplus, prior year	\$ 22,568,236	\$ 34,291,236	\$ 43,421,935
Net income or (loss)	(15,593,918)	(12,866,912)	(34,895,076)
Change in net unrealized capital gains	50,345	29,549	60,848
Change in nonadmitted assets	(108,527)	(31,938)	(1,039,482)
Surplus adjustments: Paid in	<u>27,375,000</u>	<u>22,000,000</u>	<u>68,900,000</u>
Change in capital and surplus	<u>11,722,900</u>	<u>9,130,699</u>	<u>33,026,290</u>
<b>Capital and surplus, current year</b>	<b><u>\$ 34,291,136</u></b>	<b><u>\$ 43,421,935</u></b>	<b><u>\$ 76,448,225</u></b>

## ANALYSIS OF EXAMINATION CHANGES

No adjustments or reclassifications were made as a result of the examination.

## COMMENTS ON FINANCIAL STATEMENTS

There are no comments on the financial statements.

## SUMMARY OF RECOMMENDATIONS

### Loss Experience

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It is recommended that the Company work with its parent to obtain a Capital Maintenance Agreement (CMA) from Centene Corporation to guarantee that surplus and RBC will continue to be maintained at appropriate levels in the future. Although this CMA is not a requirement, it would provide additional assurance to DIFP, MO HealthNet and the membership that HSHP will remain financially viable.

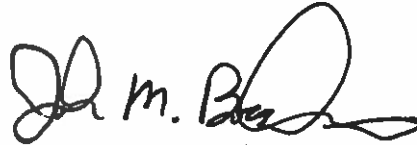
**ACKNOWLEDGEMENT**

The assistance and cooperation extended by the officers and employees of Home State Health Plan during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Andy Balas, AES, CFE, CPA, Richard Hayes, CFE, and Scott Reeves, CPA, CFE; examiners for the Missouri Department of Insurance, Financial Institutions and Professional Registration participated in this examination.

**VERIFICATION**

State of Missouri )  
                                  )  
County of St. Louis)

I, John Boczkiewicz, 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.



John M. Boczkiewicz, CFE, CPA  
Examiner-in-Charge  
Missouri Department of Insurance, Financial  
Institutions and Professional Registration

Sworn to and subscribed before me this 24<sup>th</sup> day of April, 2019

My commission expires:  
Dec. 03, 2021

  
Notary Public

LANETTE A. MISHLER-KOHLER  
My Commission Expires  
December 3, 2021  
Franklin County  
Commission #13482277

## **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  
Missouri Department of Insurance, Financial  
Institutions and Professional Registration