



**STATE OF TENNESSEE**  
**DEPARTMENT OF COMMERCE AND INSURANCE**

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**REPORT ON EXAMINATION**  
**OF**  
**CARITEN HEALTH PLAN INC.**  
**(NAIC # 95754)**  
**LOUISVILLE, KENTUCKY**

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**AS OF**  
**December 31, 2018**

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Louisville, Kentucky  
June 1, 2020

Honorable Hodgen M. Mainda  
Commissioner  
Tennessee Department of Commerce and Insurance  
500 James Robertson Parkway  
Nashville, Tennessee 37243

Dear Commissioner:

In accordance with your instructions and pursuant to Tennessee Code Annotated (“Tenn. Code Ann.”) § 56-1-408, a full-scope financial examination and a market conduct review, as of December 31, 2018, has been made of the condition and affairs of:

**CARITEN HEALTH PLAN INC.**  
NAIC # 95754  
500 West Main Street  
Louisville, KY 40202

hereinafter referred to as the “Company” and a report thereon is submitted as follows:

## **INTRODUCTION**

This examination was arranged by the Tennessee Department of Commerce and Insurance (TDCI or “Department”). The examination was conducted by duly authorized representatives of the Department.

## **SCOPE OF EXAMINATION**

The Department performed a multi-state examination of the Company. The last examination of the Company was made as of December 31, 2013. This examination covers the period January 1, 2014, through December 31, 2018, and includes any material transactions and/or events occurring subsequent to the examination date which were noted during the course of the examination.

The Company is part of Humana Inc., a holding company group (“Humana Group”), with the group’s Lead State being Wisconsin. Wisconsin did not perform an exam of their domestic company as of 2018. However, two (2) other states in the group, Arkansas and Texas, were performing examinations on companies domiciled in their state within the

Humana Group, as of December 31, 2018. The Department participated with these states as part of a coordinated group, with Arkansas as the facilitating state for the examination.

The examination was conducted in accordance with rules and procedures as prescribed by the statutes of the State of Tennessee, and in accordance with practices and procedures promulgated by the National Association of Insurance Commissioners (NAIC) *Financial Condition Examiners Handbook* ("Handbook"), as deemed appropriate. The examination sought to identify prospective risks by obtaining information about the Company, including its corporate governance. Significant inherent risks within the Company were reviewed and assessed. Controls, and mitigation for those significant risks, were also reviewed and assessed. The examination also included assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and management's compliance with statutory accounting principles and annual statement instructions.

All significant risks were reviewed when planning which key activities and accounts would be examined. The key activities included: Cash/Investments; Related Parties; Underwriting/Premiums; Medicare Advantage Pricing; Medicare Risk Adjustment; Reserves/Claims Handling; and Other.

Independent information technology specialists were utilized in the examination review of the Company's information technology general controls (ITGC).

A separate market conduct review was also performed concurrently with the financial examination. See "Market Conduct Activities" section of this report.

Independent actuarial specialists were utilized in the examination review of the Company's loss reserves.

The independent auditor's workpapers for the 2018 audit were reviewed and copies were incorporated into the examination, as deemed appropriate.

Humana Inc. maintains an Internal Audit (IA) staff which performs the IA function for all the companies within Humana Group. Examiners reviewed processes tested by IA and utilized IA's workpapers when deemed appropriate. In many cases additional test work was performed by examiners to support and verify IA's work.

## COMPLIANCE WITH PREVIOUS EXAMINATION FINDINGS

There were no comments or recommendations in the prior examination report.

## COMPANY HISTORY

The Company incorporated on September 13, 1994, under the name of PHP Health Plans, Inc. The Company is a wholly-owned subsidiary of PHP Companies, Inc. (PHP), a Tennessee for profit corporation. The Company commenced business on January 1, 1996, under the laws of the State of Tennessee to operate as a health maintenance organization (HMO). On November 20, 1996, the Company amended its charter to change its name to Cariten Health Plan Inc. The Department approved the amendment on November 27, 1996. A new Certificate of Authority reflecting the name change was issued to the Company on January 7, 1997. On October 30, 2008, PHP was acquired by Humana Inc., making Humana Inc. the Company's ultimate parent.

The Company is an HMO subject to regulation by the federal government, the State of Tennessee Agency for Health Care Administration, and the Department.

## MANAGEMENT AND CONTROL

### MANAGEMENT

#### Directors

The following persons were serving as directors, as of December 31, 2018:

<u>Name</u>	<u>Principal Occupation</u>
Bruce Dale Broussard	President and CEO of Humana Inc.
Brian Andrew Kane	Chief Financial Officer of Humana Inc.
Timothy Alan Wheatley	President, Retail Segment of Humana Inc.

#### Officers

The following were serving as officers, as of December 31, 2018:

<u>Name</u>	<u>Title</u>
Bruce Dale Broussard	President and CEO
Brian Andrew Kane	Chief Financial Officer
Joseph Christopher Ventura	SVP, Associate General Counsel & Corporate Secretary
Vanessa Marie Olson	Senior VP & Chief Actuary
Alan James Bailey	VP and Treasurer
Douglas Allen Edwards	Vice President

Douglas Edward Haaland	Regional President
Christopher Howal Hunter	Segment President, Group Business
Brian Phillip LeClaire	Chief Information Officer
Susan Lynn Mateja	Appointed Actuary
Steven Edward McCulley	SVP, Medicare
Sean Joseph O'Reilly	VP, Chief Compliance Officer
Timothy Patrick O'Rourke	SVP, Medicare Divisional Leader
William Mark Preston	VP, Investments
Richard Donald Remmers	SVP, Employer Group Sales
Donald Hank Robinson	SVP, Tax
George Renaudin II	SVP, Medicare East & Provider
Gilbert Alan Stewart	SVP, Medicare Divisional Leader
Timothy Alan Wheatley	Segment President, Retail
Ralph Martin Wilson	Vice-President
Cynthia Hillebrand Zipperle	SVP, Chief Accounting Officer & Controller

### **Committees**

The Company had a Quality Improvement Committee which consisted of all three (3) directors.

### **CONTROL**

The Company is a member of an insurance company holding system as defined by Tenn. Code Annotated § 56-11-101, and as such, is subject to the Insurance Holding Company System Act of 1986, set forth in Tenn. Code Ann. §§ 56-11-101, *et seq.* All outstanding shares of the Company are owned by the parent company, PHP. PHP is a wholly-owned subsidiary of Humana Inc., a holding company domiciled in Delaware and traded on the New York Stock Exchange (ticker symbol: HUM). The Company relies on Humana Inc. and other affiliates under common control of its ultimate parent for support and operational functions under various agreements.



**DIVIDENDS**

During the period of examination, the Company declared and paid ordinary and extraordinary dividends to its shareholders. The Company complied with the requirements of Tenn. Code Ann. §§ 56-11-105(e) and 56-11-106(b) by notifying the Department of declaration of said dividends.

The following table lists each dividend amount, whether the dividend was determined to be Ordinary (O) or Extraordinary (E), the date the Company notified the Department of the dividend, and the date the Company paid the dividend to Humana Inc.

<u>Year</u>	<u>Ordinary (O) or Extraordinary (E)</u>	<u>Notification Date</u>	<u>Paid Date</u>	<u>Dividend Amount</u>
2018	O	03/15/18	05/29/18	\$46,380,000
2017	O	04/28/17	06/15/17	\$43,650,000
2016	E	04/12/16	06/01/16	\$5,600,000
2016	O	04/12/16	06/01/16	\$14,400,000
2015	O	04/20/15	06/01/15	\$16,000,000
2014	O	04/8/14	05/08/14	<u>\$30,000,000</u>
Total paid during period of Exam				<u>\$156,030,000</u>

On March 15, 2018, the Company initially requested approval to make a \$73.62M extraordinary dividend payment to Humana, Inc. On March 28, 2018, the Company issued a revised dividend notification to the Department. The revised notification changed the Company's initial request from a \$73.62M extraordinary dividend to a \$73.62M extraordinary return of capital distribution, pursuant to Tenn. Code Ann. § 56-11-106(b). This resulted in a \$73.62M reduction in gross paid in and contributed surplus and a \$73.62M increase in unassigned funds (surplus). The Department approved this extraordinary distribution on May 7, 2018.

**CORPORATE RECORDS**

Minutes of the shareholders' and directors' meetings reflected adequate approval and support of the Company's transactions. The Board gave regular approval for all investment transactions as required by Tenn. Code Ann. § 56-3-408(b)(1).

Effective March 27, 2018, the Company approved Amended and Restated Bylaws. The prior bylaws were adopted December 12, 2007, and the Amended and Restated Bylaws updated and added some detail to the prior bylaws.



## **AGREEMENTS WITH AFFILIATES**

The Company had five (5) agreements with affiliated companies, as of December 31, 2018. The following are summaries of the agreements in effect:

### **Indemnity Agreement**

Effective October 31, 2008, the Company entered into an Indemnity Agreement with Humana Inc. Under the terms of the agreement, Humana Inc. agrees to indemnify the Company from all liability, loss, or damage the Company may suffer as a result of the Company's failure to perform its obligations arising under certificates of coverage issued and assumed by the Company in respect to the furnishing of health care services to its subscribers, should the Company become insolvent or otherwise financially incapable of furnishing such health care services. The agreement was approved by the Department on January 26, 2010.

### **Corporate Service Agreement**

Effective January 1, 2009, the Company entered into a Corporate Service Agreement with Humana Inc. Under the terms of the agreement, Humana Inc. provides executive management, human resources management, legal services, payroll services, trade accounts payable, medical claims, commissions, and certain other services to the Company. The agreement was amended May 14, 2009, June 1, 2009, January 1, 2011, and January 1, 2013. The agreement and the first two (2) amendments were approved by the Department on January 26, 2010. The last two amendments were approved by the Department on April 29, 2011, and August 9, 2013, respectively.

### **Service Center Service Agreement**

Effective January 1, 2011, the Company entered into a Service Center Service Agreement and amendment with Humana Inc. Under the terms of the agreement, Humana Inc. provides various services including but not limited to claims processing, customer service, front end operations, and billing and enrollment. Effective January 1, 2013, a second amendment was added. The agreement and the first amendment were approved by the Department on April 29, 2011. The second amendment was approved by the Department on August 9, 2013.

### **Marketing Service Agreement**

Effective January 1, 2011, the Company entered into a Medicare Risk Marketing Service Agreement with Humana MarketPoint (MPOINT). Under the terms of the agreement, MPOINT provides marketing services, including the provision of staff, systems, and related support to the Company, in order to market Medicare and commercial risk products. This agreement was amended January 1, 2011, and January 1, 2013. The

agreement and the first amendment were approved by the Department on April 29, 2011. The second amendment was approved by the Department on August 9, 2013.

**Tax Allocation Agreement**

Effective January 1, 2016, the Company entered into an Amended and Restated Tax Allocation Agreement with Humana Inc. Under the terms of the agreement, Humana, Inc. will file consolidated tax returns for all members of its affiliated group. The consolidated tax liability will be apportioned among the members of the affiliated group in accordance with the ratio which that portion of the consolidated tax liability attributable to each member of the group having tax liability bears to the consolidated tax liability, pursuant to Internal Revenue Code Section 1552(a)(1) and Regulation 1.1522-1(a)(2). This agreement was approved by the Department on November 10, 2016.

**TERRITORY AND PLAN OF OPERATION**

**TERRITORY**

As of December 31, 2018, the Company was licensed to transact business in the following eight (8) states:

Alabama	Arizona	Illinois	Kansas
Missouri	New Mexico	Tennessee	Texas

During the period of examination, the Company wrote business in the State of Tennessee.

**PLAN OF OPERATION**

The Company provides health and pharmacy insurance coverage to Medicare eligible individuals under a Medicare Advantage contract with the Centers for Medicare and Medicaid Services (CMS). The Company also provides vision and dental optional supplemental benefits (OSB) to Medicare eligible individuals.

## GROWTH OF COMPANY

The following exhibit depicts certain aspects of the growth and financial history of the Company for the period subject to this examination, as recorded in its annual statements as filed with the Department:

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Capital and Surplus</u>	<u>Net Earned Premiums</u>	<u>Net Income</u>
2018	\$454,580,664	\$250,995,347	\$203,585,317	\$1,403,098,579	\$100,229,132
2017	\$457,217,093	\$236,197,879	\$221,019,214	\$1,356,100,549	\$ 90,291,897
2016	\$300,360,584	\$126,328,286	\$174,032,298	\$1,283,282,936	\$ 44,701,606
2015	\$243,164,954	\$ 98,546,532	\$144,618,422	\$1,173,670,923	\$ 12,740,004
2014	\$258,433,848	\$ 96,259,741	\$162,174,097	\$1,094,093,424	\$ 12,187,721

## REINSURANCE

During the period of examination, the Company did not have any assumed or ceded reinsurance.

## ACCOUNTS AND RECORDS

Independent audits were performed each year during the examination period with each audit resulting in an unqualified opinion.

Differences in various items were noted during the examination; however, none were determined to produce a material effect on surplus funds, as regards policyholders, either singularly or in aggregate.

The Company's books and records are located in Louisville, Kentucky.

## **MARKET CONDUCT ACTIVITIES**

Because the Company exclusively writes Medicare Advantage coverage, which is a federal program regulated by CMS, many CMS standards supersede any state law or regulation. As a result, the Company was not examined for compliance with state requirements in the following areas:

- Operations and Management Standards
- Marketing and Sales Standards
- Policyholder Service Standards
- Underwriting and Rating Standards
- Claims Handling Standards

The following market conduct areas of the Company were reviewed in conjunction with this examination as of December 31, 2018:

### **Complaint Handling Standards**

Company complaint data was examined for compliance. The Company maintains a complaint register in compliance with Tenn. Code Ann. § 56-8-104(11). The Company utilized the CMS Complaints Tracking Module in compliance with CMS regulations. No issues were noted.

### **Producer Licensing Standards**

Tenn. Code Ann. §§ 56-6-101, *et seq.*, requires the Company to sell their products and services through producers who are properly licensed and appointed by the Company. In the examination of producer licensing, a random sample of producers was selected, and their state issued licensures and appointments by the Company were verified. As a result of examination, it was noted that the Company had agents that were not properly appointed by the Company. This is not in compliance with Tenn. Code. Ann § 56-6-115. For additional details, see the “Comments and Recommendations” section later in this report.

## **SUBSEQUENT EVENTS**

On May 8, 2019, the Company paid a \$99.84 million extraordinary dividend to its ultimate parent, Humana, Inc. Prior notice of the dividend was sent by the Company, received by the Department on March 27, 2019, and approved by the Department on May 6, 2019.

On December 30, 2019, the Company paid a \$65 million extraordinary dividend to its ultimate parent, Humana, Inc. Prior notice of the dividend was sent by the Company to the Department on November 27, 2019 and approved by the Department on December 20, 2019.

On January 1, 2020, the Company was subject to an annual fee under section 9010 of the Patient Protection and Affordable Care Act. This annual fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of insurance for any United States health risk that was written during the preceding calendar year. The Company estimates its portion of the annual health insurance industry fee payable on September 30, 2020, to be \$30,757,645. This amount is reflected in special surplus. This assessment is expected to impact risk-based capital ratio positively by eighteen and sixth tenths percent (18.6%).

As of April 30, 2020, the COVID-19 virus has had significant adverse economic effects in the United States and globally. It is still unknown how much the Company will be affected.

## FINANCIAL STATEMENTS

There follows a statement of assets, liabilities, and a statement of revenue and expenses, as of December 31, 2018, together with a reconciliation of capital and surplus for the period under review, as reported by the Company in its 2018 annual statement.

### ASSETS

	<u>Assets</u>	<u>Non-Admitted Assets</u>	<u>Net Admitted Assets</u>
Bonds	\$284,566,270		\$284,566,270
Cash, cash equivalents and short-term investments	117,482,538		117,482,538
Receivables for securities	500,000		500,000
Investment income due and accrued	2,112,962		2,112,962
Premiums and considerations:			
Uncollected premiums and agents' balances in the course of collection	3,989,261	\$959,820	3,029,441
Accrued retrospective premiums and contracts subject to redetermination	22,053,527		22,053,527
Amounts receivable relating to uninsured plans	248,840		248,840
Net deferred tax asset	4,390,563		4,390,563
Health care receivable	20,276,957	80,434	20,196,523
Write-ins for other than invested assets:			
Provider contracts	10,335,427	10,335,427	0
Prepaid commissions	1,267,781	1,267,781	0
Deposits	1,696	1,696	0
Other write-ins	959	959	0
<b>Totals</b>	<b>\$467,226,781</b>	<b>\$12,646,117</b>	<b>\$454,580,664</b>

**LIABILITIES, SURPLUS, AND OTHER FUNDS**

Claims unpaid		\$141,468,210
Accrued medical incentive pool and bonus amounts		29,799,197
Unpaid claims adjustment expenses		642,385
Aggregate health policy reserves		14,608,383
Premiums received in advance		1,169,268
General expenses due or accrued		1,875,910
Current federal income tax payable		7,098,803
Remittance and items not allocated		430,320
Amounts due to parent, subsidiaries and affiliates		38,224,267
Liability for amounts held under uninsured plans		15,378,586
Aggregate write-ins for other liabilities		<u>300,018</u>
<b>Total Liabilities</b>		<b>\$250,995,347</b>
Common capital stock	\$100,000	
Gross paid in and contributed surplus	37,594,528	
Unassigned funds (surplus)	<u>165,890,789</u>	
<b>Total Capital and Surplus</b>		<b><u>203,585,317</u></b>
<b>Totals</b>		<b><u>\$454,580,664</u></b>

**STATEMENT OF REVENUE AND EXPENSES**

Member Months		<u>1,412,255</u>
Net premium income		<u>\$1,403,098,579</u>
Total Revenues		<u>1,403,098,579</u>
<b>Hospital and Medical:</b>		
Hospital/medical benefits	\$938,233,559	
Other professional services	33,434,486	
Emergency room and out-of-area	40,987,046	
Prescription drugs	69,459,878	
Incentive pool, withhold adjustments and bonus amounts	<u>26,306,070</u>	
<b>Total Hospital and Medical</b>		1,108,421,039
Claims adjustment expenses, including cost containment	42,664,151	
General administrative expenses	<u>130,840,639</u>	
<b>Total Claim and Administrative Expenses</b>		<u>173,504,790</u>
<b>Total Underwriting Deductions</b>		<u>1,281,925,829</u>
<b>Net Underwriting Gain</b>		121,172,750
<b>Investment Income:</b>		
Net investment income earned	10,053,135	
Net realized capital gains	<u>386,710</u>	
<b>Net Investment Gain</b>		10,439,845
<b>Other Income:</b>		
Aggregate write-ins for other income or expense	<u>37</u>	
<b>Total Other Income</b>		<u>37</u>
Net income or (loss) after capital gains tax and before all other federal income taxes		131,612,632
Federal income taxes incurred		<u>31,383,500</u>
<b>Net Income</b>		<u>\$100,229,132</u>



**CAPITAL AND SURPLUS ACCOUNT**

	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Capital and Surplus					
December 31, previous year	\$221,019,214	\$174,032,298	\$144,618,422	\$162,174,097	\$178,781,654
Net income or (loss)	\$100,229,132	\$90,291,897	\$44,701,606	\$12,740,004	\$12,187,721
Change in net unrealized capital gains or (losses)	(372,223)	(104,397)	17,759	(6,033)	4,930
Change in net deferred income tax	(1,532,652)	(4,782,678)	(528,009)	6,795,269	748,995
Change in non-admitted assets	4,241,846	5,232,094	5,222,520	(21,084,915)	450,797
Surplus adjustments:					
Paid in	(73,620,000)	0	0	0	0
Dividends to stockholders	(46,380,000)	(43,650,000)	(20,000,000)	(16,000,000)	(30,000,000)
Aggregate write-ins for gains and losses in surplus	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in capital and surplus for the year	<u>(17,433,897)</u>	<u>46,986,916</u>	<u>29,413,876</u>	<u>(17,555,675)</u>	<u>(16,607,557)</u>
Capital and Surplus					
December 31, current year	<u>\$203,585,317</u>	<u>\$221,019,214</u>	<u>\$174,032,298</u>	<u>\$144,618,422</u>	<u>\$162,174,097</u>

## **ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS**

### **Total Capital and Surplus**

**\$203,585,317**

Total capital and surplus, as established by this examination, is the same as what was reported by the Company in its 2018 annual statement. There were no changes made to any asset or liability items as a result of our examination performed as of December 31, 2018.

Tenn. Code Ann. § 56-32-112(a)(2) requires an insurer of this Company's type, HMO, to establish and maintain minimum net worth equal to the greater of (1) \$1,500,000 or (2) an amount totaling four percent (4%) of the first \$150 million of annual premium revenue earned plus one and five tenths percent (1.5%) of the amount earned in excess of \$150 million for the most recent annual statement filed with the Commissioner. The Company's premium revenue per documentation obtained from their 2018 Annual Statement totaled \$1,403,098,579. Therefore, based upon Tenn. Code Ann. § 56-32-112(a)(2), the Company's minimum statutory net worth requirement was \$24,796,479 as of December 31, 2018. For this examination as of December 31, 2018, the Company maintains capital and surplus sufficient to satisfy those requirements.

## **COMMENTS AND RECOMMENDATIONS**

### **Recommendations**

1. As noted in the "Producer Licensing Standards" section of this report, the Company had agents that were not properly appointed to represent the Company. This is not in compliance with Tenn. Code. Ann § 56-6-115. It is recommended that the Company develop procedures to ensure that all agents who submit applications to the Company are properly appointed.

## CONCLUSION


Rules and procedures as prescribed by the statutes of the State of Tennessee, and guidance from the NAIC Handbook, as deemed appropriate, have been followed in connection with the verification and valuation of assets and the determination of liabilities of Cariten Health Plan Inc.

In such manner, it was found that as of December 31, 2018, the Company had admitted assets of \$454,580,664 and liabilities, exclusive of surplus, of \$250,995,347. Thus, there existed for the additional protection of the policyholders, the amount of \$203,585,317 in the form of common capital stock, gross paid in and contributed surplus, and unassigned funds (surplus). Tenn. Code Ann. § 56-32-112(a)(2) requires an insurer of this Company's type to maintain a minimum statutory net worth of \$24,796,479. For this examination, as of December 31, 2018, the Company maintains capital and surplus sufficient to satisfy the requirements of Tenn. Code Ann. § 56-32-112(a)(2).

The courteous cooperation of the officers and employees of the Company, extended during the course of the examination, is hereby acknowledged.

In addition to the undersigned, Jay Uselton, CFE; James T. Pearce, Jr.; Nneka LaBon; Leah Shepard; Rhonda Bowling-Black, CFE, ARe, MCM; and Shelli Isiminger, MCM, FLMI, AIE, AIRC, ACS; Insurance Examiners for the State of Tennessee participated on the examination. Adrienne Sulaiman, CPA, CFE, FLMI, MHP and Jessica Lynch, CFE, specialists with the contracting firm Lewis & Ellis, Inc., participated on the examination. Lindsey Pittman, CPA, CFE, CISA, MCM, specialist with the contracting firm Lewis & Ellis, Inc., participated in the Information Systems review of this examination. Contracted specialists David Dillon, FSA, MAAA and Traci Hughes, ASA, MAAA, specialists with the contracting firm Lewis & Ellis, Inc., participated in the actuarial review of this examination.

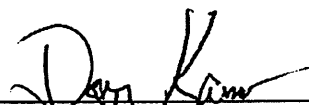
Respectfully submitted,



Don Karnes, CFE  
Examiner-in-Charge  
State of Tennessee

# AFFIDAVIT

The undersigned deposes and says he has duly executed the attached examination report of Cariten Health Plan Inc., located in Louisville, Kentucky, dated June 1, 2020, and made as of December 31, 2018, on behalf of the Tennessee Department of Commerce and Insurance. Deponent further says he is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of his knowledge, information, and belief.



Don Karnes, CFE  
Examiner-in-Charge  
State of Tennessee

State Tennessee

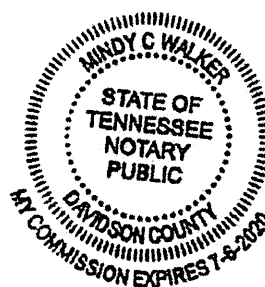
County Davidson

Subscribed to and sworn before me

this 21<sup>st</sup> day of June, 2020

Mindy C. Walker  
(NOTARY)

My Commission Expires: 7.6.2020



# **EXHIBIT B**

# Humana

June 29, 2020

E. Joy Little  
Director of Financial Examinations/Chief Examiner  
Tennessee Department of Commerce and Insurance  
500 James Robertson Parkway  
Nashville, TN 37243-1135

**RE: Report of Examination – Cariten Health Plan Inc.**

Dear Ms. Little:

We hereby acknowledge receipt of the final Report of Examination Cariten Health Plan Inc., made as of December 31, 2018.

By signing below, we indicate acceptance of the report, as transmitted, and without rebuttal.

Sincerely,



**Bruce Broussard**  
President, Cariten Health Plan Inc.