



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

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**REPORT ON EXAMINATION**  
**OF**  
**CLEARRIVER HEALTH**  
**(NAIC # 15493)**  
**FEDERAL WAY, WASHINGTON**

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**AS OF**  
**DECEMBER 31, 2017**

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Federal Way, Washington  
March 29, 2019

Honorable Julie Mix McPeak  
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 market conduct review as of December 31, 2017, has been made of the condition and affairs of:

**CLEARRIVER HEALTH**  
NAIC # 15493  
33820 Weyerhaeuser Way S FL 2  
Federal Way, WA 98001

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

## **INTRODUCTION**

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

## **SCOPE OF EXAMINATION**

This examination covers the period from January 23, 2014, through December 31, 2017, and includes any material transactions and/or events occurring subsequent to the examination date and noted during the course of the examination.

The Company is a member of the Catholic Health Insurance (CHI) group. The State of Tennessee was a participating state in the 2017 coordinated examination of the group. The coordinated examination was led by the Arkansas Insurance Department (AID). Other participating states were Iowa, Nebraska, Ohio, and Washington.

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) in the *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, and by evaluating system controls and procedures used to mitigate those risks. 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 accounts and balances were considered when planning which key activities and accounts to examine. The key activities included: Investments; Revenues/Underwriting; Reserving; Claims Handling; Related Party; and Capital and Surplus/Expenses/Other.

During the course of the examination, the Company's business policies and practices, management and corporate matters, assets, liabilities, income, and disbursements were reviewed and evaluated. In addition, the examination included tests to provide reasonable assurance that the Company was in compliance with applicable laws, rules, and regulations. In planning and conducting the examination, the concepts of materiality and risk were considered, and the examination efforts were directed accordingly.

An information technology specialist from the firm of Lewis & Ellis, Inc. was utilized in the examination review of the Company’s information technology. An examination of the Company’s information technology general controls (ITGC) was conducted. The examination included a review of management and organizational controls, logical and physical security controls, system and program development controls, contingency planning controls, service provider controls, operations controls, processing controls, e-commerce controls, and network and internet controls.

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

The actuarial firm of Lewis & Ellis, Inc. was utilized in the examination review of the Company’s loss reserves.

The Company’s certified public accountant (CPA) 2016 audit workpapers were reviewed and copies were incorporated into the examination, as deemed appropriate. The

Company requested and received an exemption from performing audited financial statements in 2017 from the TDCI.

## **COMPLIANCE WITH PREVIOUS EXAMINATION FINDINGS**

An organizational examination was conducted as of January 23, 2014. There were no comments or recommendations noted during that examination. The Company began operations on January 1, 2015. This was the first full-scope examination of the Company.

## **COMPANY HISTORY**

On December 19, 2013, CRH was incorporated under the laws of Tennessee as a non-profit corporation to operate as a health maintenance organization (HMO). The Company is a mutual benefit corporation with QualChoice Health Plan Services, Inc. (QCHPS) being named the sole member.

The Company commenced writing business as a HMO on January 1, 2015, under a contract with the Centers for Medicare and Medicaid Services (CMS) to provide Medicare Advantage (MA) benefits to eligible individuals in the Company's service area.

Effective January 1, 2017, CHI decided to discontinue operations of CRH, and the Company ceased writing business.

The Company is directly owned by QCHPS, which is wholly-owned by QualChoice Health, Inc., whose ultimate parent is CHI. CHI is a non-profit organization domiciled in Colorado. See "Organizational Chart".

## **MANAGEMENT AND CONTROL**

### **MANAGEMENT**

#### **Directors**

The Company's Bylaws state that the business and affairs of the corporation shall be managed by a Board of Directors ("Board") who shall be elected by the Corporate Member ("Member") at an annual meeting held for that purpose and for such other business. Directors need not be residents of the State of Tennessee.

The Company's Bylaws state that the number of Directors shall consist of not less than three (3), as set forth from time-to-time by resolution of the Board. A majority of

Directors constitutes a quorum. Directors serve their full term, and thereafter, until a successor has been elected.

The following persons were serving as members of the Board, as of December 31, 2017:

<b><u>Name</u></b>	<b><u>Principal Occupation</u></b>
Mark Bjornson	Chairperson of the Board & Chief Executive Officer
Jennifer Boeff	Vice President, Customer Business Solutions, Catholic Health Initiatives
Charles Hanson	Chief Financial Officer, QCHPS
David Sorenson	Vice President, Underwriting Actuarial
Michael Stock	Chief Executive Officer, QualChoice Health, Inc., Commercial Line of Business

Effective June 12, 2018, David Sorenson and Michael Stock resigned from the Board. Gregory Moore and Randall Crow were appointed to replace the members.

The Bylaws allow that whenever a meeting or vote of the Member is required in connection with a corporate action, the meeting or vote does not have to be held as long as the Member provides a written consent for the proposed action.

### **Officers**

The Bylaws provide that the officers of the Company shall be a Chairperson of the Board, a Chief Executive Officer (CEO), a President, a Chief Financial Officer (CFO), a Secretary, and any such other officers as the Board or President may designate. The same individual may simultaneously hold more than one office in the corporation, except the offices of President and Secretary.

The following individuals were serving as officers of the Company, as of December 31, 2017:

<b><u>Name</u></b>	<b><u>Title</u></b>
Mark Bjornson	Chairperson of the Board & CEO
William Nathan Young, MD	Chief Medical Officer
Steven Schramm	President, CFO, & Treasurer
David Sorenson	Corporate Secretary
Sheila Nishimoto	Corporate Responsibility Officer

Effective April 11, 2018, Charles Hanson was elected to serve as the Treasurer. Subsequently, effective July 1, 2018, Steven Schramm was elected as the Treasurer to replace Charles Hanson.

Effective April 11, 2018, Jeremy Dressen was named as the Chief Operating Officer.

Effective July 1, 2018, David Sorenson resigned, and Randall Crow was elected to serve as Corporate Secretary.

### **Committees**

The Board may designate, establish, and charter any committees as it deems necessary. The Board designated an Executive Finance Committee, a Quality Improvement Committee, and a Compliance Committee.

Members of the Executive Finance Committee, as of December 31, 2017, were:

Mark Bjornson (Chair)  
Charles Hanson  
Michael Stock  
Steven Schramm  
William Nathan Young, MD

Members of the Quality Improvement Committee, as of December 31, 2017, were:

Yohini Kulkami-Sharma (Chair)  
Mark Dodge  
David Walsh  
William Nathan Young, MD  
Steven Schramm  
Kat Khachatourian  
Mark Johnson

Members of the Compliance Committee, as of December 31, 2017, were:

David Walsh (Chair)  
Mark Bjornson  
Charles Hanson  
Steven Schramm  
Kat Khachatourian  
Sheila Nishimoto  
Ted Scheunemann  
Robin Burke  
William Nathan Young, MD  
Mark Johnson  
Mark Dodge  
Alan Fong  
Jeremy Dressen  
Holly Stroud

**CONTROL**

CHI is an insurance holding company system as defined by Tenn. Code Ann. § 56-11-101(7), 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.* CRH files a holding company registration statement annually, as required by Tenn. Code Ann. § 56-11-105.

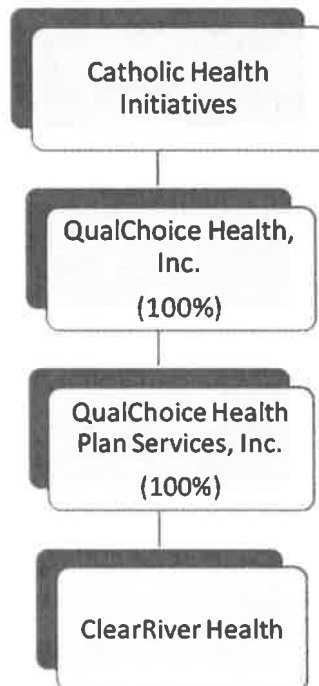
The following insurance companies are members of the CHI group, as of December 31, 2017:

<b>Company</b>	<b>State of Domicile</b>
QualChoice Life & Health Insurance Company, Inc.	Arkansas
QCA Health Plan, Inc.	Arkansas
QualChoice Advantage, Inc.	Arkansas
HarvestPlains Health of Iowa	Iowa
RiverLink Health of Kentucky	Kentucky
StableView Health	Kentucky
HeartlandPlains Health	Nebraska
RiverLink Health	Ohio
ClearRiver Health	Tennessee
SoundPath Health	Washington



### **Abbreviated Organizational Chart**

The following abbreviated organizational chart illustrates the Company's ownership structure:



### **DIVIDENDS**

CRH did not distribute any dividends during the examination period.

### **CORPORATE RECORDS**

The minutes of meetings of the Company's corporate member and Board were reviewed for the period under examination. The Board minutes were found to have necessary detail to sufficiently conclude that the Board was approving the Company's investment transactions, which was in compliance with the stipulations of its Charter and Tenn. Code Ann. § 56-3-0408(b)(1).

The NAIC *Annual Statement Instructions* require the Appointed Actuary to report to the Board or the Audit Committee each year on the items within the scope of the Actuarial Opinion. The Actuarial Opinion and the Actuarial Memorandum must be made available to the Board. The minutes should indicate the Appointed Actuary has presented such information to the Board or Audit Committee. The minutes did not indicate any reporting made by the Appointed Actuary to the Board or Audit Committee by any of the companies under the scope of the coordinated group examination. See "Comments and Recommendations" section in this report.

*NAIC Annual Statement Instructions* require the appointment of the actuary by the Board, or its equivalent, or by a committee of the Board, by December 31 of the calendar year for which the opinion is rendered. The minutes did not indicate an appointment of the actuary in 2015 by the Company. See “Comments and Recommendations” section in this report.

### **Charter**

The Charter in effect as of December 31, 2017, is the Company’s Charter in place at the inception of the Company that was adopted by the Board on January 17, 2014, and filed with the TDCI on December 3, 2013.

### **Bylaws**

The Bylaws of the Company, in effect as of December 31, 2017, are the Company’s Second Amended and Restated Bylaws that were adopted by the Board on April 21, 2016. The changes to the Bylaws were the result of changing the number of Board meetings from four (4) to two (2) annually.

The Bylaws provide for an annual corporate member meeting at which a Board is elected. Officers are elected by the Board. The Bylaws are such as are generally found in companies of this type and contain no unusual provisions. They provide for the regulation of the business and for the conduct of the affairs of the Company, the Board, and its corporate member.

## **AGREEMENTS WITH PARENT AND AFFILIATES**

The Company relies upon QCHPS and other affiliates under common control of its ultimate parent for support and operational functions under various agreements. The Company had two (2) affiliated agreements in effect, as of December 31, 2017.

### **Administrative Services Agreement - QCHPS**

The Company executed an Administrative Services Agreement with its immediate parent, Prominence Health Plan Services (currently known as QCHPS), effective March 1, 2014. The Administrative Services Agreement was amended and restated on January 1, 2016, changing the basis for which the fees for services are charged to CRH. The Administrative Services Agreement, as reinforced by the amendment, details the services provided by QCHPS to CRH, including substantially all of the management and administrative functions of the Company.

The Company complied with Tenn. Code Ann. § 56-11-106(a)(2), which requires the Form D submission with the TDCI prior to entering the Agreement. The Company filed Form D for the Agreement and for the Amended and Restated Agreement on January 7,

2015, and November 24, 2015, respectively. The Agreement was determined to satisfy the requirements of Tenn. Code Ann. § 56-11-106(a)(1).

### **Tax Sharing Agreement**

Effective September 1, 2017, the Company entered into a Tax Sharing Agreement with its ultimate parent, CHI, whereby the parties agreed to file a consolidated federal income tax return, and where appropriate, a state consolidated income tax return in accordance with federal and state income tax laws and regulations.

The Company complied with Tenn. Code Ann. § 56-11-106(a)(2), which requires the Form D submission with the TDCI prior to entering the Agreement. On June 20, 2016, the Company filed Form D for the Agreement. The Agreement was determined to satisfy the requirements of Tenn. Code Ann. § 56-11-106(a)(1). TDCI granted non-disapproval of the Agreement on September 21, 2017.

## **TERRITORY AND PLAN OF OPERATION**

### **Territory**

The Company's current Certificate of Authority was issued by the TDCI on April 29, 2014, and authorized the transaction of the business of a HMO in the State of Tennessee. The Company was not licensed to transact business in any other states.

### **2017 Schedule T – Premiums and Annuity Considerations**

<b><u>State or District</u></b>	<b><u>Medicare Title XVIII</u></b>
Tennessee	<u>\$266</u>
Totals	<u>\$266</u>

### **Plan of Operations**

The Company's sole line of business was Title XVIII Medicare. Effective January 1, 2017, CHI decided to discontinue operations of CRH and the Company ceased writing insurance business.

## 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, according to its annual statements as filed with the TDCI:

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Capital and Surplus</u>	<u>Revenues</u>
2017	\$5,368,013	\$106,754	\$5,261,259	\$266
2016	\$6,164,263	\$1,143,213	\$5,021,051	\$4,281,423
2015	\$7,219,004	\$1,579,128	\$5,639,877	\$1,963,766
2014	\$6,936,559	\$12,795	\$6,923,764	\$0

## LOSS EXPERIENCE

The numbers comprising the loss ratios for the Company's Medicare business for the years indicated were as follows:

<u>Year</u>	<u>Claims Payments</u>	<u>Claim Adjustment Expense Payments</u>	<u>Premiums Earned</u>	<u>Loss Experience Ratio</u>
2017	\$0	\$11,000	\$0	0.00%
2016	\$3,356,000	\$47,000	\$4,265,000	79.8%
2015	\$1,997,000	\$16,000	\$1,964,000	102.5%

## REINSURANCE AGREEMENTS

### Assumed Reinsurance

The Company assumed no reinsurance over the examination period.

### Ceded Reinsurance

Effective January 1, 2016, through December 31, 2016, the Company entered into an excess loss reinsurance agreement with RGA Reinsurance Company covering hospital, drug, and physician claim costs on a per member basis. Coverage is generally ninety percent (90%) of the cost of services, in excess of a \$100,000 per member limit, up to a maximum of \$5,000,000 per member per contract year. The Company would be liable for such risks only if the reinsurer failed to meet its obligation. Reinsurance expense was approximately \$134,000 and \$110,000 for the years ending December 31, 2016, and December 31, 2015, respectively.

### **Other Considerations**

The Company's reinsurance agreement was found to contain such language as recommended by the NAIC and as required for reinsurance credit pursuant to Tenn. Code Ann. § 56-2-207(a)(2). The agreement also appeared to effectuate proper transfer of risk in accordance with Statement of Statutory Accounting Principles (SSAP) No. 61 and NAIC guidelines.

## **LITIGATION AND CONTINGENT LIABILITIES**

The Company ceased writing business and terminated its contract with CMS, effective January 1, 2017, for the MA business. Thus, at January 1, 2017, the Company was solely focused on final claims processing. There was no litigation outside of the normal course of business reported by the Company. Legal inquiry through the examination fieldwork date revealed no undisclosed litigation that may have a material impact on the financial statements as of December 31, 2017.

At December 31, 2017, the only remaining liability reported by the Company is the final settlement due to CMS. Refer to "Subsequent Events" for additional information.

## **ACCOUNTS AND RECORDS**

Tenn. Comp. R. & Regs. 0780-01-65-.08(4) states that no partner or other person responsible for rendering a report by a CPA firm may act in that capacity for more than five (5) consecutive years. The Company's CPA was in compliance with this regulation.

The Company executed a custodial agreement with Bank of New York Mellon effective March 17, 2014. This agreement was found to be in compliance with NAIC Handbook guidelines and Tenn. Comp. R. & Regs. 0780-01-46-.02.

During the course of the examination, certain balances were tested and amounts were traced from the Company's trial balance to the annual statement. All of the Company's investment securities were confirmed with the custodian of such securities as of the date of this examination. All annual statements for the period under examination were reviewed for completeness and adequacy of disclosure. These test checks and reviews revealed no material discrepancies.

The Company's books and records are located in Federal Way, Washington.

## **MARKET CONDUCT ACTIVITIES**

In conjunction with this examination, a limited market conduct review was made of the Company, as of December 31, 2017. Because the Company exclusively wrote MA coverage, CMS standards supersede any state law or regulation in certain areas, including complaints, marketing, producer licensing, underwriting, policyholder service, and claims.

The Company's anti-fraud initiatives were examined to determine if they are reasonably calculated to prevent, detect, and prosecute fraudulent insurance acts. Company procedures and policies relating to privacy and the Health Insurance Portability and Accountability Act of 1996 (HIPAA) were reviewed to determine compliance with applicable statutes, rules, and regulations. The Company was found not in compliance with its own Complaint Policy in that the Company did not maintain a complete record of complaints. See "Comments and Recommendations" section in this report.

## **SUBSEQUENT EVENTS**

Effective January 1, 2017, CHI decided to discontinue operations of CRH and the Company ceased writing business.

On February 22, 2018, the Board approved and executed a Plan of Complete Liquidation and Dissolution ("Plan") of CRH. As of the effective date, the Board caused the Company to cease to carry on any business, except insofar as may be necessary for the purposes of winding up its affairs in accordance with the provisions of the Plan and the laws of Tennessee and to distribute the Company's asset in accordance with the terms of Tennessee statutes, the Articles of Incorporation and Bylaws of the Company, and the Plan.

On March 23, 2018, QCHPS entered into a parental guaranty whereby QCHPS unconditionally guarantees that CRH shall maintain the minimum capital and surplus amount as required by TDCI until such time as: (a) the TDCI approves the Company's surrender of its Certificate of Authority; (b) the TDCI approves the Company's request for the release of the Company's statutory security deposit; and (c) all liabilities and obligations of the Company have been satisfied. QCHPS agreed to monitor the Company's capital and surplus on a monthly basis. Upon written demand of the TDCI, QCHPS agrees that it will deliver sufficient funds and other assets to the TDCI to meet the Company's obligations under this guaranty. The guaranty is effective upon the Department's approval of the Company's Plan.

On August 22, 2018, QCHPS, the Company's sole member, approved and adopted the Plan, and authorized the Board to direct appropriate officers of the Company to execute the Plan.

On August 22, 2018, Articles of Dissolution and Articles of Termination were executed. The dissolution package has been filed with the TDCI and is currently being reviewed.

## FINANCIAL STATEMENTS

There follows a statement of assets, liabilities, and a statement of revenue and expenses as of December 31, 2017, together with a reconciliation of capital and surplus for the period under review, as reported by the Company in its 2017 Annual Statement.

	<u>Assets</u>	<u>Non-Admitted Assets</u>	<u>Net Admitted Assets</u>
Bonds	\$4,888,243		\$4,888,243
Cash and short-term investments	350,928		350,928
Investment income due or accrued	20,597		20,597
Premiums and considerations:			
Accrued retrospective premium	30,507		30,507
Current federal income tax recoverable	18,725	\$127	18,598
Net deferred tax asset	731	91	640
Healthcare and other receivables	<u>177,235</u>	<u>118,735</u>	<u>58,500</u>
<b>Totals</b>	<u>\$5,486,966</u>	<u>\$118,953</u>	<u>\$5,368,013</u>

### LIABILITIES, CAPITAL, AND SURPLUS

Liability for amounts held under uninsured plans		\$106,754
Total Liabilities		\$106,754
Gross paid in and contributed surplus	\$6,900,000	
Unassigned funds (surplus)	<u>(1,638,741)</u>	
Total Capital and Surplus		<u>5,261,259</u>
<b>Totals</b>		<u>\$5,368,013</u>



## STATEMENT OF REVENUE AND EXPENSES

<b>Member Months</b>		<u>0</u>
Net premium income		<u>\$266</u>
Total Revenues		<u>\$266</u>
<b>Hospital and Medical:</b>		
Hospital/medical benefits	(\$270,488)	
Other professional services	(29)	
Prescription drugs	<u>(3,056)</u>	
Total Hospital and Medical		(\$273,573)
Net reinsurance recoveries	<u>\$9,600</u>	
Total Hospital and Medical		(\$283,173)
General administrative expenses	<u>\$23,376</u>	
Total Underwriting Deductions		<u>(\$259,797)</u>
Net Underwriting Gain (Loss)		\$260,063
<b>Investment Income:</b>		
Net investment income earned	\$80,180	
Net realized capital gain (loss)	<u>(17,452)</u>	
Net Investment Gain		\$62,728
<b>Other Income:</b>		
Net gain (loss) from agents' or premium balances charged off	<u>(\$2,412)</u>	
Total Other Income		<u>(\$2,412)</u>
Net income or (loss) after capital gains tax and before all other federal income taxes		<u>\$320,379</u>
Federal income taxes incurred		126
<b>Net Income</b>		<u>\$320,253</u>

**CAPITAL AND SURPLUS ACCOUNT**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Capital and Surplus					
December 31, previous year	\$5,021,050	\$5,639,877	\$6,923,764	\$0	\$0
Net income or (loss)	320,253	(666,509)	(1,283,887)	23,764	0
Change in net deferred income tax	731	0	0	0	0
Change in non-admitted assets	(80,775)	(38,178)	0	0	0
Surplus adjustments: paid in	0	0	0	6,900,000	0
Net change in capital and surplus for the year	240,208	(618,826)	(1,283,887)	6,923,764	0
Capital and Surplus					
December 31, current year	\$5,261,259	\$5,021,050	\$5,639,877	\$6,923,764	\$0

## ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS

Total Capital and Surplus

\$5,261,259

Total capital and surplus, as established by this examination, is the same as what was reported by the Company in its 2017 annual statement. There were no changes made to any asset or liability items as a result of our examination performed as of December 31, 2017.

## COMMENTS AND RECOMMENDATIONS

The following list presents a summary of comments noted in this report:

### Comments

1. The Company was found not in compliance with its own Complaint Policy in that the Company did not maintain a complete record of complaints received since the date of its last examination. The record shall include the total number of complaints, their classification by line of insurance, the nature of each complaint, the disposition of each complaint, and the time it took to process each complaint. The Company did not have any logs for the third and fourth quarters in 2015 and the logs in the first and second quarter of 2015 did not include all required information. No records were kept for 2016.
2. NAIC *Annual Statement Instructions* require the Appointed Actuary to report to the Board or the Audit Committee each year on the items within the scope of the Actuarial Opinion. The Actuarial Opinion and the Actuarial Memorandum must be made available to the Board. The minutes should indicate the Appointed Actuary has presented such information to the Board or Audit Committee. The minutes did not indicate any reporting made by the Appointed Actuary to the Board or Audit Committee by any of the companies under the scope of the examination.
3. NAIC *Annual Statement Instructions* require the appointment of the actuary by the Board, or its equivalent, or by a committee of the Board, by December 31 of the calendar year for which the opinion is rendered. The minutes did not indicate an appointment of the actuary in 2015 by the Company.

### Recommendations

There were no recommendations as a result of this examination.

## CONCLUSION

The customary insurance examination practices 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 ClearRiver Health.

In such manner, it was found that, as of December 31, 2017, the Company had admitted assets of \$5,368,013 and liabilities, exclusive of capital and surplus, of \$106,754. Thus, there existed for the additional protection of the policyholders, the amount of \$5,261,259 in the form of contributed surplus and unassigned funds. Tenn. Code Ann. §§ 56-32-112(a)(2) requires an insurer of this Company's type to maintain a minimum net worth of \$1,500,000. For this examination, as of December 31, 2017, the Company maintained net worth in excess of the amount required pursuant to 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, Jessica Lynch, Participating Examiner of the contracting firm Lewis & Ellis, Inc., participated in the work of this examination.

Respectfully submitted,



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Katerina Bolbas, CFE, CIA, MCM  
Examiner-in-Charge  
Lewis & Ellis, Inc.  
Representing the State of Tennessee



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A. Jay Uselton, CFE  
Department Designee  
Tennessee Department of Commerce and Insurance

**AFFIDAVIT**

The undersigned deposes and says that she has duly executed the attached examination report of ClearRiver Health located in Federal Way, Washington, dated March 29, 2019, and made as of December 31, 2017, on behalf of the Tennessee Department of Commerce and Insurance. Deponent further says she is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of her knowledge, information, and belief.



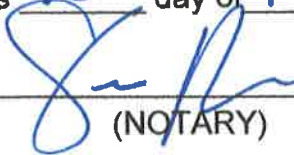
Katerina Bolbas, CFE, CIA, MCM  
Examiner-in-Charge  
Lewis & Ellis, Inc.  
Representing the State of Tennessee

State Illinois

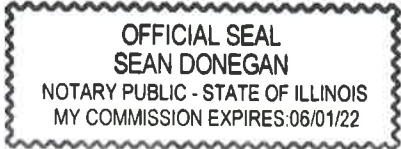
County McHenry

Subscribed to and sworn before me

this 30th day of May, 2019


  
\_\_\_\_\_  
(NOTARY)

My Commission Expires: 6/1/22



**AFFIDAVIT**

The undersigned deposes and says that he has duly executed the attached examination report of ClearRiver Health located in Federal Way, Washington, dated March 29, 2019, and made as of December 31, 2017, 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.

  
A. Jay Uselton, CFE  
Department Designee  
State of Tennessee

State Tennessee  
County Davidson

Subscribed to and sworn before me

this 31<sup>st</sup> day of May, 2019

Mindy C. Walker  
(NOTARY)

My Commission Expires: 7.6.2020



# **EXHIBIT B**

June 6, 2019

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 – ClearRiver Health**

Dear Ms. Little:

We hereby acknowledge receipt of the final Report of Examination for **ClearRiver Health**, made as of December 31, 2017.

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

Sincerely,



David W. Walsh  
VP, Corporate Responsibility Officer