COMMONWEALTH OF MASSACHUSETTS

OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

DIVISION OF INSURANCE

REPORT OF EXAMINATION OF

HARVARD PILGRIM HEALTH CARE OF NEW ENGLAND, INC.

Canton, Massachusetts

As of December 31, 2024

NAIC GROUP CODE 4742

NAIC COMPANY CODE 96717

EMPLOYER ID NUMBER 04-2663394

HARVARD PILGRIM HEATH CARE OF NEW ENGLAND, INC.

TABLE OF CONTENTS

COMMONWEALTH OF MASSACHUSETTS
Office of Consumer Affairs and Business Regulation
DIVISION OF INSURANCE
One Federal Street, Suite 700 • Boston, MA 02110
(617) 521-7794 • (877) 563-4467 • www.mass.gov/doi

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MICHAEL T. CALJOUW
COMMISSIONER

May 28, 2026

The Honorable Michael T. Caljouw
Commissioner of Insurance
Commonwealth of Massachusetts
Division of Insurance
One Federal Street, Suite 700
Boston, MA 02110-2012

Honorable Commissioner:

Pursuant to your instructions and in accordance with Massachusetts General Laws, Chapter 176G, Section 10 and other applicable statutes, an examination has been made of the financial condition and affairs of

HARVARD PILGRIM HEATH CARE OF NEW ENGLAND, INC.

at its home office located at One Wellness Way, Canton, Massachusetts, 02021-1166. The following report thereon is respectfully submitted.

SCOPE OF EXAMINATION

Harvard Pilgrim Health Care of New England, Inc. ("Company" or "HPHC-NE") was last examined as of December 31, 2020, by the Massachusetts Division of Insurance ("Division"). The current examination was also conducted by the Division and covers the four-year period from January 1, 2021, through December 31, 2024, including any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination. This was a coordinated examination, in which Massachusetts was the lead and facilitating state, and Connecticut was the only participating state.

Concurrent with this examination, the following insurance affiliates in the Point32Health, Inc. ("Point32Health" or "Group") were also examined and separate Reports of Examination have been issued:

Harvard Pilgrim Health Care, Inc. ("HPHC")
HPHC Insurance Company ("HPIC")
Tufts Health Public Plans, Inc ("THPP")
Tufts Insurance Company ("TICO")
Tufts Associated Health Maintenance Organization, Inc ("TAHMO")

The examination was conducted in accordance with standards and procedures established by the National Association of Insurance Commissioners ("NAIC") Financial Condition (E) Committee and prescribed by the current NAIC Financial Condition Examiners Handbook ("Handbook"), the examination standards of the Division and with Massachusetts General Laws. 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 system controls and procedures used to mitigate those risks.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, as mentioned in Massachusetts General Laws, Chapter 176G, Section 10, 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.

The Company is audited annually by Ernst and Young ("EY"), an independent certified public accounting firm. The firm expressed unqualified opinions on the Company's financial statements for calendar years 2021 through 2024. A review and use of the Certified Public Accountants' work papers were made to the extent deemed appropriate and effective.

The INS Companies ("INS") was engaged by the Division to assist in the examination by performing certain examination procedures at the direction of and under the overall management of the Division's examination staff. The assistance included a review of accounting records, information systems, investments and actuarially determined loss and loss adjustment expense reserves, as well as other significant actuarial estimates.

SUMMARY OF SIGNIFICANT FINDINGS OF FACT

There were no significant findings identified during this examination nor during the prior examination as of December 31, 2020.

COMPANY HISTORY

HPHC-NE, a Massachusetts corporation, operates as a not-for-profit health plan, providing comprehensive health insurance, access to health care, and other related services primarily in New Hampshire to group, individuals and Medicare members through contracts with physicians, established primary care and multi-specialty physician groups, hospitals, and other health care providers. HPHC-NE also administers comprehensive health benefit plans for certain self-insured employer groups.

HPHC-NE was incorporated on November 16, 1978, and commenced operations as a health plan on October 1, 1980. HPHC-NE is a subsidiary of HPHC, a Massachusetts corporation, operating as a not-for-profit health plan.

On August 14, 2019, HPHC and Health Plans Holdings, Inc. ("HPHI") announced their intent to combine their respective nonprofit organizations. After the parties obtained required federal and state regulatory approvals, the combination became effective on January 1, 2021. As a result of the combination, HPHI became the direct corporate parent of HPHC. Effective July 1, 2021, HPHI was renamed Point32Health, Inc.

As of December 31, 2024, HPHC had the following wholly owned subsidiaries: HPHC-NE, Harvard Pilgrim Health Care Institute, LLC, and New HPHC Holding Corporation. HPHC-NE does not have any direct subsidiary.

In 2021, HPHC-NE received $40 million capital contributions from HPHC. Of the $40 million, the Company recorded $25 million receivable as of December 31, 2021, which was settled in cash on February 22, 2022, upon approval from the Division in accordance with SSAP No. 72.

On June 30, 2022, HPHC contributed bonds with a fair market value of $25 million to HPHC-NE.

In 2024, the Company received $50 million capital contributions from its parent, HPHC, $20 million of which was recorded as receivable as of December 31, 2024, per SSAP No. 72, upon receiving a non-disapproval letter from the Division.

MANAGEMENT AND CONTROL

Board of Directors Minutes

The minutes of meetings for the Point32Health Board of Directors ("Board") and its committees for the period under examination were read and they indicated that all meetings were held in accordance with the Company's bylaws and the laws of the Commonwealth of Massachusetts. Activities of the Committees were ratified at the meetings of the Board. The Company's Board never formally met during the period under examination, but would take action by unanimous written consent, which was treated as votes for all purposes as if the actions had been adopted at a meeting duly called and held in accordance with the bylaws. A copy of Consent shall be filed with the records of the Corporation.

Articles of Organization and Bylaws

The articles of organization of the Company were reviewed. No changes were noted during the examination period. The bylaws were amended and restated on April 22, 2022, due to an address change for the insurance company.

Board of Directors

The Board shall be composed of a number of Directors to be fixed each year by the member and designated at the annual meeting or at any special meeting in lieu thereof. Each Director shall serve until the next annual meeting or special meeting held in lieu thereof, and until his/her successor is chosen.

The members of the Board at December 31, 2024, are as follows:

Director	Title
Susan Kee	Chief Legal Officer Harvard Pilgrim Health Care, Inc.
Mark Porter	Treasurer Harvard Pilgrim Health Care, Inc.

At December 31, 2024, the number of directors comprising the Board was not in compliance with the Company's bylaws.

Committees of the Board of Directors

Per the bylaws, the Board may appoint one or more committees and delegate to any such committee or committees any or all of the powers of the Directors, except those which by law, the Articles of Organization or bylaws, the Board is prohibited from delegating. The bylaws identify eight standing Board committees: Audit and Compliance Committee, Governance Committee,

Finance Committee, Integration and Technology ("IT") Committee, Human Resources Committee, Executive Committee, Investment Committee and Quality and Healthcare Services Committee. Each standing committee is governed by a written Board approved Charter and maintains a work plan that aligns with oversight and reporting responsibilities delineated in the Charter. The duties of each committee are as described in its Charter or as otherwise directed by the Board. The Board may appoint and convene ad hoc committees.

As of December 31, 2024, the Company did not have its own Board committees but designated the duties and responsibilities to Point32Health's Board committees. The following are Board committees and their respective members of Point32Health:

Audit & Compliance	**Human Resources**	**Finance**	**Governance**
Gaurov Dayal, MD	Eileen Auen	Bertram Scott	Eileen Auen
MichaelMcColgan	Elizabeth Bierbower	Michael Shea	Bert Scott
Michael Shea	Michael McColgan	Greg Tranter	Greg Tranter
Todd Whitbeck	Hedy Veith Whitney	Todd Whitbeck	

Executive	**Integration & Technology**	**Quality and Healthcare Services**	**Investment**
Eileen Auen	Elizabeth Bierbower	Gaurov Dayal, MD	Bertram Scott
Michael McColgan	Raymond Pawlicki	Raymond Pawlicki	Michael Shea
Bertram Scott	Greg Shell	Michael Tarnoff, MD	Todd Whitbeck
Greg Tranter	Michael Tarnoff, MD	Hedy Veith Whitney	
Todd Whitbeck	Greg Tranter		
Hendy Veith Whitney			
Gaurov Dayal, MD			

In April 2023, Point32Helath's Board created an IT related Ad Hoc Committee but dissolved it in September of that same year. In February 2025, the Board formed the Turnaround Plan Ad Hoc Committee to oversee the results of the Company's financial condition.

Officers

The Company's officers consist of a President, Treasurer, and Clerk to serve for terms of one year or until their successors are elected and duly qualified. The Board may appoint such additional officers at any time the Directors deem appropriate. The President of the Member (HPHC), or his or her designee, shall, ex officio, be the President of the Corporation. The Clerk shall be a resident of Massachusetts unless the Corporation has a resident agent duly appointed for the purpose of service of process

The Officers of the Company at December 31, 2024, are as follows**:**

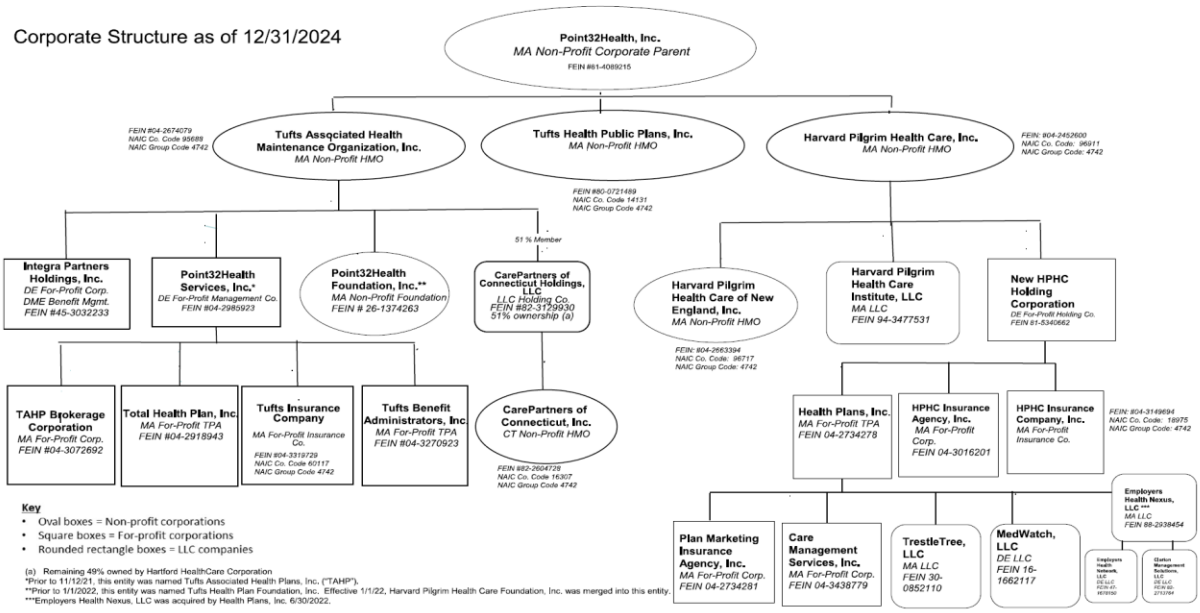
Officer	Title
Robert Scott Walker	President & Chief Financial Officer
Mark Porter	Treasurer
Susan Kee	Clerk/Secretary

Affiliated Companies

The Company is a member of a holding company system and is subject to the registration requirements of Massachusetts General Law, Chapter 176G, Section 28 and Regulation 211 CMR 7.00. Point32Health, Inc. is the "ultimate controlling person" of the holding company system.

Organization Chart

The following organizational chart illustrates the holding company system as of the examination date:



Transactions and Agreements with Subsidiaries and Affiliates

Guaranty and Indemnity Agreement

HPHC, HPHC-NE, and HPIC participate in a Guaranty and Indemnity agreement ("G&I Agreement"), effective December 17, 2001. Under the terms of the G&I Agreement, each entity hereby assumes liability for, guarantees the payment and performance of, and agrees to indemnify, protect, defend and save each other harmless from and against, and all liabilities, obligations, losses, debts, damages, payments, assessments, penalties, fines, costs and expenses, cause of

action, suits, claims, demands, proceedings and judgments, etc. The Company has no contingent liabilities related to the G&I Agreement as of December 31, 2024.

Management Services Agreements

Effective March 29, 2021, HPHC entered into a Management Services Agreement with the following affiliates: TAHMO, THPP, HPHC-NE, HPIC, Health Plans, Inc. ("HPI"), Tufts Associated Health Plans, Inc. ("TAHP"-now known as Point32Health Services, Inc.), Health Plan Holdings, Inc. ("HPHI"-now known as Point32Health, Inc.), Harvard Pilgrim Health Care Institute, LLC ("HPHCI"), Harvard Pilgrim Health Care Foundation ("HPHCF"), HPHC Insurance Agency, Inc. ("HPIA"), Total Health Plan, Inc. ("THPI"), Tufts Benefit Administrators, Inc. ("TBA"), TAHP Brokerage Corporation ("TAHPBC"), Tufts Health Plan Foundation, Inc. ("THPF"), and Integra Partners Holdings, Inc. ("IPH"), collectively refer to as "Service Recipients." According to the terms of the agreement, HPHC can provide Service Recipients with management, administrative, marketing and clerical services suitable to the operations of Service Recipients.

HPHC shall charge Service Recipients each month, as compensation for the administrative services provided under this agreement, a fee equal to the amount of direct and indirect costs of services incurred by HPHC on any Service Recipient's behalf, based on a defined fee allocation methodology that is consistent with the U.S. Transfer Pricing Regulations under Section 482 of the Code. Intercompany balances are settled monthly, following the close of the month.

This agreement was amended and restated on January 9, 2026.

Effective March 29, 2021, TAHP entered into a similar Management Services Agreement with the following affiliates: TAHMO, HPHC, THPP, HPHC-NE, and HPIC. This agreement was amended on April 27, 2022.

Effective March 11, 2025, TAHMO entered into First Amended and Restated Management Services Agreement with the following affiliates: Point32Health Services, Inc., HPHC, THPP, HPHC-NE, Point32Health, Inc., HPIC, Point32Health Foundation, IPH, HPIA, HPI, TBA, TAHPBC, and Total Health Plan, Inc. The term of this agreement is similar to the above Management Services Agreements.

Intercompany Reconciliation and Settlement Agreement

Effective March 29, 2021, the Intercompany Reconciliation and Settlement Agreement is entered into by and among Health Plan Holdings, Inc. ("HPHI") and the following affiliates: HPHC, HPHC-NE, HPIC, HPHCF, HPHCI, HPIA, New HPHC Holding Corporation, HPI, Medwatch, LLC, Trestle Tree, LLC, Plan Marketing Agency, Inc., Care Management Services, Inc., TAHMO, THPP, TAHP, THPI, TBA, TICO, TAHPBC, THPF, and IPH, collectively referred to as the "Companies." With respect to financial transactions between the Companies that are in the ordinary course of business or otherwise approved by the respective Companies, it is agreed that all such transactions between the Companies shall be reconciled at least quarterly, or in accordance with any agreements in place between them to the extent such agreements require reconciliation

more frequently than quarterly. The Companies further agree that in the event a reconciliation requires a settlement payment between any or all of the Companies, such payment shall be made within ninety (90) days of the reconciliation.

Administrative Network Services Agreement

As of the examination date, an Administrative Network Services Agreement was made and entered into by Integra Partners, LLC ("Integra") and the following Point32Health, Inc. companies: THPP, TAHMO, THPI, TBA, and HPHC-NE, collectively referred to as "Plan". Pursuant to the terms of the agreement, Plan arranges for the provision of health services to members and Integra is engaged in the business of administering a network of DMEPOS providers in Plans' service area.

TERRITORY AND PLAN OF OPERATION

The Company operates as a health plan providing comprehensive health benefit plans, access to health care and other related services to group, individual and Medicare members through contracts with physicians, established primary care and multi-specialty physician groups, hospitals, and other health care providers. The Company also administers comprehensive health benefit plans for certain self-insured employer groups.

The Company is licensed in Massachusetts, New Hampshire, and Rhode Island. In 2024, the Company reported total direct written premiums of $459.5 million, of which $447.9 million premiums were written in New Hampshire.

Treatment of Policyholders – Market Conduct

During the course of the examination, a general review was made of the manner in which the Company conducts its business practices and fulfills its contractual obligations to members and claimants. This review was limited in nature and was substantially narrower than a full scope market conduct examination. No significant adverse practices were identified.

REINSURANCE

Reinsurance Assumed

The Company did not assume any business from either affiliate or unaffiliated entities as of the examination date.

Reinsurance Ceded

Effective January 1, 2021, the Company began participating in the New Hampshire Individual Health Plan Benefit Association.

FINANCIAL STATEMENTS

The following financial exhibits are based on the statutory financial statements prepared by management and filed by the Company with the Division and present the financial condition of the Company for the period ending December 31, 2024. The financial statements are the responsibility of Company management.

Statement of Assets, Liabilities, Capital and Surplus as of December 31, 2024

Statement of Income for the Year Ended December 31, 2024

Reconciliation of Capital and Surplus for Each Year in the Four-Year Period Ended December 31, 2024

Statement of Assets, Liabilities, Capital and Surplus
As of December 31, 2024

	Per Annual Statement
Assets	
Bonds	$92,928,624
Cash, cash equivalents and short-term investments	2,632,231
Receivables for securities	23,191
Subtotals, cash and invested assets	95,584,045
Investment income due and accrued	695,086
Premiums and considerations:	
Uncollected premiums and agents' balances	6,903,651
Accrued retrospective premium and contracts subject to redetermination	3,988,117
Reinsurance:	
Amounts recoverable from reinsurers	3,896,470
Amounts receivable relating to uninsured plans	4,174,642
Receivables from parent, subsidiaries, and affiliates	15,043,089
Health care and other amounts receivable	16,475,200
Total assets	$146,760,299
Liabilities	
Claims unpaid	$44,024,400
Accrued medical incentive pool and bonus amounts	7,501,870
Unpaid claims adjustment expenses	502,437
Aggregate health policy reserves	27,848,897
Premiums received in advance	7,566,661
General expenses due or accrued	2,795,228
Amounts due to parent, subsidiaries and affiliates	334,759
Liability for amounts held under uninsured plans	3,207,898
Total liabilities	$93,782,150
Capital and Surplus	
Gross paid in and contributed surplus	$130,000,000
Unassigned funds (surplus)	(77,021,851)
Total capital and surplus	$52,978,149
Total liabilities, capital and surplus	$146,760,299

Statement of Income
For the Year Ended December 31, 2024

	Per Annual Statement
Member Months	602,994
Net premium income	$459,497,812
Change in unearned premium reserves and reserve for rate credits	(135,710)
Total revenues	459,362,102
Deductions:	
Hospital/medical benefits	326,739,476
Other professional services	5,915,834
Outside referrals	12,245,720
Emergency room and out-of-area	5,183,654
Prescription drugs	66,025,929
Aggregate write-ins for other hospital and medical	6,461,058
Incentive pool, withhold adjustment and bonus amounts	3,966,030
Subtotal	426,537,701
Net reinsurance recoveries	4,107,810
Total hospital and medical	422,429,891
Claims adjustment expenses	15,445,727
General administrative expenses	63,680,685
Increase in reserves for life and accident and health contracts	5,667,000
Total underwriting deductions	507,223,303
Net underwriting loss	(47,861,201)
Net investment income earned	3,220,598
Net realized capital loss less capital gains tax	(23,891)
Net investment gain	3,196,707
Net loss, after capital gains tax and before all other federal income taxes	(44,664,493)
Federal and foreign income taxes incurred	-
Net loss	($44,664,493)

Reconciliation of Capital and Surplus
For Each Year in the Four-Year Period Ended December 31, 2024

	2024	2023	2022	2021
Capital and surplus, December 31 prior year	$49,890,095	$63,943,715	$62,805,879	$56,380,685
Net loss	(44,664,493)	(18,140,998)	(22,037,552)	(32,241,518)
Change in nonadmitted assets	(2,247,452)	4,087,377	(1,824,612)	(1,333,288)
Surplus Paid in	50,000,000	-	25,000,000	40,000,000
Dividends to stockholders	-	-	-	-
Net change in capital and surplus for the year	3,088,055	(14,053,621)	1,137,836	6,425,194
Capital and surplus, December 31 current year	$52,978,149	$49,890,095	$63,943,715	$62,805,879

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE EXAMINATION

There have been no changes made to the financial statements as a result of the examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

As a result of the examination, no adverse findings or changes to the financial statements were identified.

The Company uses estimates for determining its claims incurred but not yet reported which are based on historical claim payment patterns, healthcare trends and membership and includes a provision for adverse changes in claim frequency and severity. Amounts incurred related to prior years may vary from previously estimated liabilities as the claims are ultimately settled.

INS Health Actuaries prepared independent estimates of the unpaid claim liabilities ("UCL") as of December 31, 2024. For December 31, 2024, completion factors for the projection of ultimate claims were developed using historical payment patterns and actuarial judgment. Estimates were developed by subtracting the claims paid-to-date from the actuarial incurred estimates. The actuarial estimates, as determined by INS Health Actuaries, indicate that HPHC-NE's UCL is reasonable as of December 31, 2024. The Company's premium deficiency reserve calculation was also reviewed and found to be reasonable as of December 31, 2024.

SUBSEQUENT EVENTS

Effective March 11, 2025, the First Amended and Restated Management Services Agreement was put in place between TAHMO and its affiliates, including the Company.

Effective January 9, 2026, the First Amended and Restated Management Services Agreement was put in place between HPHC and its affiliates, including the Company.

The Company received $20 million in cash on March 20, 2025, from HPHC. The $20 million was part of the $50 million total capital contributions recorded as of December 31, 2024.

Subsequent to the examination date, in 2025, Patrick Francis Gilligan was added to the Board, bringing the Company into compliance with its bylaws.

The following individuals serve on the Board of Directors as of December 31, 2025:

Director	Title
Patrick Francis Gilligan	President & Chief Executive Officer Point32Health, Inc.
Mark Otis Porter	Chief Accounting Officer & Treasurer Point32Health, Inc.
Susan Ahn Kee	Chief Legal Officer Point32Health, Inc.

In 2025, Patrick Francis Gilligan and Glenn MacFarlane replaced Robert Scott Walker as President/Chief Executive Officer, and Chief Financial Officer, respectively.

On January 5, 2026, the Board appointed Michael Marrone as the new Chief Financial Officer, replacing Glenn MacFarlane who was appointed to a different position within the holding company.

SUMMARY OF RECOMMENDATIONS

There were no significant recommendations noted in this report.

SIGNATURE PAGE

Acknowledgement is made of the cooperation and courtesies extended by the officers and employees of the Company during the examination.

The INS Companies provided assistance in the review of information technology, actuarial reserve, and financial examination of the Company.

R. J. Ciaramella, Jr.

Raffaele J. Ciaramella, Jr., CFE
Supervising Examiner
Commonwealth of Massachusetts
Division of Insurance