COMMONWEALTH OF MASSACHUSETTS

OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

DIVISION OF INSURANCE

REPORT OF EXAMINATION OF

HPHC INSURANCE COMPANY, INC.

Canton, Massachusetts

As of December 31, 2024

NAIC GROUP CODE 4742

NAIC COMPANY CODE 18975

EMPLOYERS ID NUMBER 04-3149694

HPHC INSURANCE COMPANY, INC.

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COMMONWEALTH OF MASSACHUSETTS
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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 175, Section 4 and other applicable statutes, an examination has been made of the financial condition and affairs of

HPHC INSURANCE COMPANY, INC.

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

SCOPE OF EXAMINATION

HPHC Insurance Company, Inc. ("HPIC" or "Company") 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 Point32Health, Inc. ("Point32Health" or "Group") were also examined, and separate Reports of Examination have been issued:

Harvard Pilgrim Health Care, Inc. ("HPHC")
Harvard Pilgrim Health Care of New England, Inc. ("HPHC- NE")
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 175, Section 4, 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 LLP ("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

HPIC, a Massachusetts Corporation, is a wholly owned, for profit subsidiary of New HPHC Holding Corporation ("NEWCO"), a Delaware for-profit holding company, which is a wholly owned subsidiary of Harvard Pilgrim Health Care, Inc. ("HPHC") a Massachusetts not-for-profit corporation. The Company was incorporated on September 27, 1991, and commenced underwriting accident and health risks on January 1, 1992. The Company underwrites health benefit plans for groups and individuals in Connecticut, Maine, Massachusetts, New Hampshire, and Rhode Island (Individual Only) for Preferred Provider Organizations ("PPO") and Medicare Supplement, both the individual and similar group products. The Company also underwrites health risks related to out-of-network coverage for HPHC members.

Effective January 1, 2017, NEWCO was formed. The for-profit subsidiaries under NEWCO include: HPHC Insurance Agency, Inc., HPIC, and Health Plans, Inc. Health Plans, Inc. owns six subsidiaries: Plan Marketing Insurance Agency, Inc., Care Management Services, Inc., MedCost, LLC, TrestleTree, LLC, Medwatch, LLC, and Employers Health Nexus, LLC. HPHC owns 100% of shares of NEWCO's common stocks.

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.

The Company has authorized 50,000 shares with $50 par value of Common stock, and 21,340 shares are issued and outstanding. As of December 31, 2024, Common Stock was carried at $1,067,000.

On December 31, 2024, HPHC made a capital contribution of $36 million to HPIC. This receivable was fully admitted per guidance in SSAP 72 paragraph 8. On March 24, 2025, the Company received DOI Commissioner's letter of non-disapproval of the admitted asset treatment of capital contributions receivable as of December 31, 2024.

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

A review of the Articles of Organization of the Company was completed. There were no changes to the Articles of Organization during the examination period. The bylaws were amended and restated on April 28, 2022, to update the address for the insurance company.

Board of Directors

The bylaws state that the affairs of the Company shall be managed by the Board who shall have and may exercise all the powers of the Company. At the annual meeting of stockholders, such stockholders as have the right to vote for the election of Directors, shall fix the number of Directors at not less than three, and shall elect the number of Directors so fixed.

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

Director	Title
Robert Scott Walker	President and Chief Financial Officer Harvard Pilgrim Health Care, Inc.
Susan Ahn Kee	Chief Legal Officer 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 written annual 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
Michael McColgan	Elizabeth Bierbower	Michael Shea	Bertram 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
Gaurov Dayal, MD	Raymond Pawlicki	Raymond Pawlicki	Michael Shea
Michael McColgan	Greg Shell	Michael Tarnoff, MD	Todd Whitbeck
Bertram Scott	Michael Tarnoff, MD	Hedy Veith Whitney	
Greg Tranter	Greg Tranter		
Todd Whitbeck			
Hedy Veith Whitney			

In April 2023, Point32Health'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 bylaws indicated that the Company's officers consist of a President, Treasurer, Clerk and such other officers, if any, as the Directors may determine. The Clerk shall be a resident of the Commonwealth of Massachusetts unless the Company has appointed a resident agent to receive the service of process.

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

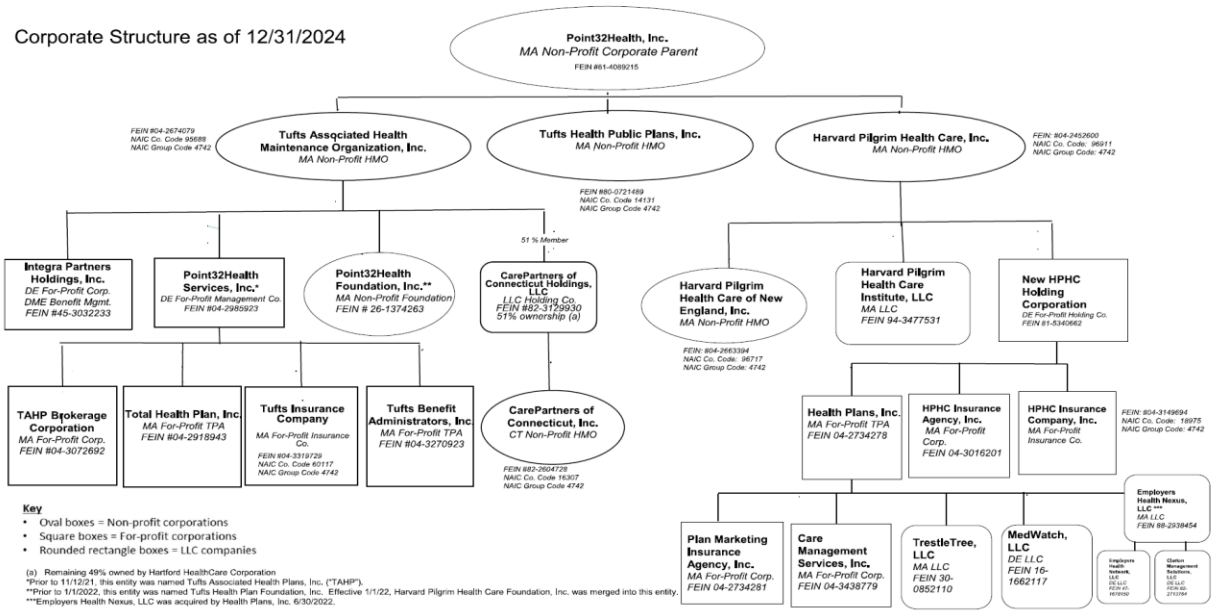
Officer	Title
Robert Scott Walker	President & Chief Financial Officer
Joseph Frank Oldakowski	Treasurer
Thomas Fitzgerald Maloney ESQ	Clerk & Secretary

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 Agreement

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.

Effective March 29, 2021, TAHP entered into a similar Management Services Agreement with the following affiliates: TAHMO, HPHC, THPP, HPHC-NE, and HPIC.

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.

Master Services Agreement

The Company entered into the Master Services Agreement with Health Plans, Inc. ("HPI"), effective February 5, 2019. According to the terms of the agreement, HPIC, through contracts with hospitals, physicians, ancillary and other providers of health care services, maintains a network of providers that is available to HPI's customers and members. In addition, HPIC authorized certain employees of HPI to execute certain contracts in connection with self-funded arrangements and provide certain services to self-funded plans and self-insured members on HPIC's behalf. The agreement further requires that HPIC's network of providers be available to certain of the self-funded plans and self-insured members. Fees paid in relation to this agreement were $3,390,896 as of December 31, 2024.

Intercompany Loan Agreement

This intercompany loan agreement was entered into as of July 25, 2023, between HPIC ("Lender") and HPHC ("Borrower"). The loans shall not exceed at any one time an aggregate outstanding principal amount of $30 million plus accrued interest.

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, Treste Tree, LLC, Plan Marketing Agency, Inc., Care Management Services, Inc., TAHMO, THPP, TAHP, THPI, TBA, TICO, TAHPBC, THPF, and IPH, collectively refer 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. The examination did not reveal any issue with this reconciliation terms.

Tax Sharing Agreement

Effective January 1, 2019, New HPHC Holding Corporation, the parent company, entered into a Tax Sharing Agreement with the following subsidiaries: HPI, HPHC Insurance Agency, Inc., , HPIC, Marketing Insurance Agency, Inc., and Care Management Services, Inc. Each subsidiary agrees to the filing of a consolidated income tax return for any taxable year for which a consolidated return can be filed. In addition to the subsidiary's tax liability, each subsidiary agrees to reimburse the parent company for their proportional share of any reasonable out-of-pocket expenses incurred by the parent company in preparing consolidated tax returns.

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 currently licensed in five states; Connecticut, Maine, Massachusetts, New Hampshire, and Rhode Island. The Company reported $654.9 million in direct written premiums. $449.2 million of direct written premiums were written in Massachusetts.

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

During the examination period, the Company assumed through either quota share or specific stop loss reinsurance contracts from the following non-affiliated entities: UnitedHealthcare Ins Co of CT, UnitedHealthcare Ins Co of NY, Symetra Life Insurance Co, Inc., and ReliaStar Life Insurance Company. Total assumed premiums were $46,942,936 as of December 31, 2024.

Reinsurance Ceded

During the examination period, the Company ceded through either quota share or specific stop loss reinsurance contracts to the following non-affiliated entities: UnitedHealthcare Ins Co of CT, UnitedHealthcare Ins Co of NY, UnitedHealthcare Ins Co, and Navigators Insurance Co. Total ceded premiums were $69,805,295 as of December 31, 2024.

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	$71,702,783
Common stocks	114,030,316
Cash, cash equivalents and short-term investments	(16,480,121)
Receivables for securities	99,759
Aggregate write-ins for invested assets- Restricted Investments	3,690,051
Subtotals, cash and invested assets	173,042,789
Investment income due and accrued	484,014
Premiums and considerations:	
Uncollected premiums and agents' balances	14,674,878
Accrued retrospective premium and contracts subject to redetermination	6,781,387
Reinsurance:	
Amounts recoverable from reinsurers	20,404,928
Amounts receivable relating to uninsured plans	10,459,573
Current federal and foreign income tax recoverable and interest thereon	8,511,732
Guaranty funds receivable or on deposit	58,896
Receivables from parent, subsidiaries, and affiliates	71,383,185
Health care and other amounts receivable	15,240,676
Aggregate write-ins for other than invested assets	173,686
Total assets	$321,215,744
Liabilities	
Claims unpaid	$76,296,029
Accrued medical incentive pool and bonus amounts	1,239,352
Unpaid claims adjustment expenses	729,420
Aggregate health policy reserves	79,768,583
Premiums received in advance	13,579,534
General expenses due or accrued	23,227,475
Ceded reinsurance premiums payable	22,298,153
Amounts due to parent, subsidiaries and affiliates	13,743,526
Payable for securities	86,136
Liability for amounts held under uninsured plans	4,014,286
Total liabilities	234,982,494
Capital and Surplus	
Common capital stock	1,067,000
Gross paid in and contributed surplus	198,334,000
Unassigned funds (surplus)	(113,167,750)
Total capital and surplus	$86,233,250
Total liabilities, capital and surplus	$321,215,744

Statement of Income
For the Year Ended December 31, 2024

	Per Annual Statement
Member Months	1,596,987
Net premium income	$632,046,694
Change in unearned premium reserves and reserve for rate credits	(1,613,418)
Total revenues	630,433,276
Deductions:	
Hospital/medical benefits	469,013,040
Other professional services	8,742,364
Outside referrals	4,894,758
Emergency room and out-of-area	7,102,273
Prescription drugs	86,793,886
Aggregate write-ins for other hospital and medical	7,521,865
Incentive pool, withhold adjustment and bonus amounts	3,339,722
Subtotal	587,407,908
Net reinsurance recoveries	21,685,020
Total hospital and medical	565,722,888
Claims adjustment expenses	25,147,645
General administrative expenses	82,141,249
Increase in reserves for life and accident and health contracts	42,219,017
Total underwriting deductions	715,230,799
Net underwriting loss	(84,797,523)
Net investment income earned	7,644,357
Net realized capital gains less capital gains tax	1,737,871
Net investment gain	9,382,228
Aggregate write-ins for other income or expenses	(6,073)
Net loss, after capital gains tax and before all other federal income taxes	(75,421,367)
Federal and foreign income taxes incurred	(4,299,767
Net loss	($71,121,600)

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	$118,060,024	$114,059,723	$142,429,105	$136,257,002
Net income (loss)	(71,121,600)	(7,813,394)	(1,267,030)	7,741,377
Change in net unrealized capital gains (losses)	6,217,094	12,915,409	(27,005,977)	(1,194,323)
Change in net deferred income tax	-	(11,308,019)	5,896,620	1,382,708
Change in nonadmitted assets	(2,922,268)	10,206,305	(5,992,995)	(1,757,659)
Surplus Paid in	36,000,000	-	-	-
Net change in capital and surplus for the year	(31,826,774)	4,000,301	(28,369,382)	6,172,103
Capital and surplus, December 31 current year	$86,233,250	$118,060,024	$114,059,723	$142,429,105

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 HPIC'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

The Company received $10 million in cash on February 19, 2025, and another $26 million in cash on March 20, 2025, from HPHC.

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

Subsequent to the examination date, in 2025, the Company received another $40 million of capital contributions from HPHC.

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 & CEO Point32Health, Inc.
Mark Otis Porter	Chief Accounting Officer Point32Health, Inc.
Susan Ahn Kee	Chief Legal Officer Point32Health, Inc.

In addition, in 2025, the Company replaced all its principal officers.

The following officers were appointed in 2025:

Officer	Title
Patrick Francis Gilligan	President
Glenn MacFarlane	Chief Financial Officer
Ronald Richard Bose	Treasurer
Christopher James Walsh ESQ	Clerk & Secretary

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 recommendations made by the examination team for improvements in process, activities and/or controls that should be 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