COMMONWEALTH OF MASSACHUSETTS

OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

DIVISION OF INSURANCE

REPORT OF EXAMINATION OF THE

TUFTS INSURANCE COMPANY

Canton, Massachusetts

As of December 31, 2024

NAIC GROUP CODE 4742

NAIC COMPANY CODE 60117

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TUFTS INSURANCE COMPANY

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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
1000 Washington Street, Suite 810
Boston, MA 02118-6200

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

TUFTS INSURANCE COMPANY

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

SCOPE OF EXAMINATION

Tufts Insurance Company ("TICO" 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 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, Inc. ("HPIC")
Harvard Pilgrim Health Care of New England ("HPHCNE")
Tufts Health Public Plans, Inc ("THPP")
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 the 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 ("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

TICO is a for profit Massachusetts insurance company and was originally licensed in 1996 in New Hampshire as a for-profit, accident & health carrier as a subsidiary of Tufts Health Plan of New England, Inc. which was subsequently placed in liquidation. In 2001, under the court approved Plan of Liquidation, all the outstanding TICO stock was conveyed to TAHMO Holdings, Inc.("THI").

During 2003, TICO re-domesticated to Massachusetts. Subsequently on September 1, 2008, under a restructure agreement, TICO became a subsidiary of Tufts Associated Health Plans, Inc. ("TAHP"). As of the restructuring date, TAHP became a wholly owned subsidiary of TAHMO, a not-for-profit corporation established for the purpose of arranging for the delivery of health care services, on a prepaid basis, to subscribing individuals and groups. Additionally, as part of the restructuring THI merged into TAHP.

On September 28, 2016, Tufts Health Plan, Inc. ("THPI"), an insurance holding company and the ultimate controlling person, was formed as a not-for-profit Massachusetts organization. Effective October 1, 2017, the Tufts Health Plan corporate family underwent another corporate restructuring where THPI became the sole corporate member of TAHMO. TAHMO continued as owner of TAHP and TICO remained a subsidiary of TAHP. On September 24, 2020, THPI was renamed as Health Plan Holdings, Inc. ("HPHI").

On August 14, 2019, HPHC and 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.

Upon the merger, TICO became a wholly owned subsidiary of Point32Health Services, Inc. (formerly known as TAHP), which is a wholly owned subsidiary of TAHMO.

As of the examination date, the Company has 100,000 shares authorized and 1,500 shares issued and outstanding. The shares have a par value of $2,000. At December 31, 2024, Common Stock was carried at $3 million.

In 2023, the Company paid $25 million to Point32Health, Inc. The amount was recorded as Surplus Adjustments.

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, due to an address change for the company.

Board of Directors

According to the bylaws, the Company's business shall be managed by a Board which may exercise all of the powers of the Company, except such as are conferred upon the shareholders by law, the articles of organization, or bylaws. The Board shall consist of not fewer than three and no more than fifteen Directors.

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

Director	Title
Robert Scott Walker	Chief Financial Officer Point32Health, Inc.
Susan Ahn Kee	Chief Legal Officer Point32Health, 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
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
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		
Gaurov Dayal, MD			
Hedy Veith Whitney			

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

According to the Company's bylaws, the officers shall be a Chief Executive Officer, a President, a Treasurer, and a Clerk, each of whom shall be elected by the Board; the Clerk shall be a resident of the Commonwealth of Massachusetts unless the Company has appointed a resident agent to receive service of process.

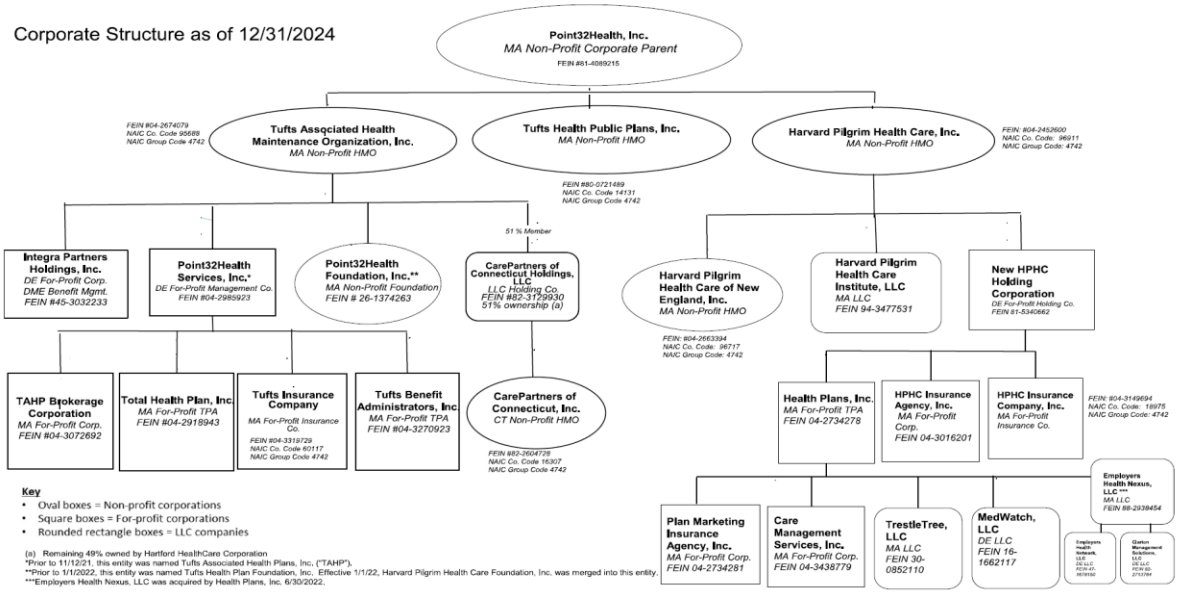
The officers of the Company as of December 31, 2024, were as follows:

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

Affiliated Companies

The Company is a member of a holding company system and is subject to the registration requirements of Massachusetts General Laws, Chapter 175 Section 206C. Point32Health, Inc. is the "ultimate controlling person" of the holding company system.

Organization Chart



Transactions and Agreements with Subsidiaries and Affiliates

Interaffiliate Agreement

This agreement is entered into between TAHMO, THPI, Tufts Health Plan of New England, Inc. ("TNE"), TBA, and TICO. The agreement effective date with respect to TAHMO and THPI is January 1, 1995, with respect to TNE is June 15, 1995, with respect to TBA is January 1, 1996, and with respect to TICO is as of the date of enrollment of its first member. According to the terms of the agreement, TAHMO and THPI are each Network Affiliates willing to make their respective Participating Providers available to Members of TNE, and vice versa. TAHMO, THPI, and TNE are each Network Affiliates willing to make their respective Participating Providers available to Members of TBA and TICO.

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 Services Agreement

Effective January 1, 2003, an Administrative Services Agreement was executed between TICO and TBA establishing TBA as the Administrator responsible for administrative services to self-insured employers, insurers and other entities legally responsible for payment of health benefits for individuals entitled to such health benefits. As the Administrator, TBA shall provide services related to this operation to include, but not limited to enrollment, premiums, claims, underwriting, member materials, marketing, accounting, and sales.

TAHMO entered into a similar agreement with TICO effective February 26, 2009, where TAHMO would provide administrative and management services required to administer the Medicare Supplement Plan and Medicare Prescription Drug Plan offered by TICO.

Guarantee Agreement

The Company entered into a Guaranty Agreement with TAHMO effective September 11, 2008, in which TAHMO guarantees the financial stability of TICO, in order for TICO to obtain a certificate of compliance from the Rhode Island Insurance Division.

TAHMO entered into a similar agreement with TICO effective February 18, 2015, when TICO desired to obtain a Certificate of Authority in the State of Florida. The agreement indicates that TAHMO will guarantee TICO's obligations pursuant to Florida Statutes Sections 624.4085(1)(q) and 624.408.

Unconditional Financial Guaranty Agreement

In 2014, TAHMO entered into an Unconditional Financial Guaranty Agreement with TICO, in which TAHMO absolutely and unconditionally guarantees to the Superintendent of Bureau of Insurance of Maine that if TICO fails to maintain capital and surplus at a level no less than the greater of regulatory action level risk-based capital or the minimum requirements for capital and surplus each in the amount of $1,500,000, TAHMO will automatically pay such sums or deposits to TICO.

Federal Tax Allocation Agreement

Effective September 1, 2008, a Federal Tax Allocation Agreement was entered into by and among Tufts Associated Health Plans ("TAHP" or "Parent"), TAHP Brokerage Corporation, THPI, TICO, and TBA, collectively the "Members". It is the intent and desire of the Member to establish a methodology and principles to be used for (a) allocating the consolidated Federal income tax liability (as determined under Treas. Reg.§ 1.1502-2) of the Affiliated Group among its Members; (b) reimbursing Parent for payment of such consolidated Federal income tax liability; (c) compensating any Member for use of its tax attributes *(e.g.,* losses, deductions, and credits) in arriving at such consolidated Federal income tax liability; and (d) allocating adjustments to the consolidated Federal income tax liability among its Members.

The First Amendment to the Federal Tax Allocation Agreement was effective as of April 15, 2016. Section 4(a)(iii) was deleted and replaced in its entirety. Payments shall be made no earlier than ten (10) days before and no later than ten (10) days after the date of filing the consolidated Federal income tax return for relevant taxable year. Section 4(c) Payments to Parent shall be made within ten (10) days of such assessment but shall be no earlier than ten (10) days before the date upon which the payment of Federal income tax is to be made to the IRS. Section 4 is revised with a new paragraph (d) Parent shall pay the appropriate Members any refunds of Federal income tax received from the IRS within ten (10) days of the receipt of such refund.

Unlimited Medical Excess of Loss Reinsurance Contract

Effective as of July 1, 2019, the Company entered into an Unlimited Medical Excess of Loss Reinsurance Contract with THPP. Pursuant to the terms of the contract, TICO agrees to indemnify THPP in respect of the liability that may accrue to THPP as a result of Loss Incurred, each Covered Person, under Plans classified by THPP as Rhode Island Medicaid Plans. THPP is responsible for 100% of its Ultimate Net Loss in respect of Losses Incurred for each Covered Person that does not exceed THPP's retention of $2,000,000. TICO shall be liable in respect of Losses Incurred, each Covered Person, for the Ultimate Net Loss over and above the Company's Retention of the Ultimate Net Loss in respect of Losses Incurred, each Covered Person.

TERRITORY AND PLAN OF OPERATION

The Company's lines of business include Comprehensive, Medicare Supplement, and Other Health. Primary products within Comprehensive line of business included Advantage Preferred Provider Option ("APPO") and PPO Carelink. In addition to the Medicare Supplement product, the Other Health line of business consists of Medicare Part D prescription drug coverage ("PDP") which includes wrap coverage.

The Company was licensed in twenty-one states, but the Company was only actively writing in two of these licensed states, Massachusetts and Rhode Island. The Company reported total direct written premiums of $212.5 million, of which $204.9 million of 2024 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

Effective as of July 1, 2019, the Company entered into an Unlimited Medical Excess of Loss Reinsurance Contract with THPP. Pursuant to the terms of the contract, TICO agrees to indemnify THPP in respect of the liability that may accrue to THPP as a result of Loss Incurred, each Covered Person, under Plans classified by THPP as Rhode Island Medicaid Plans. THPP is responsible for 100% of its Ultimate Net Loss in respect of Losses Incurred for each Covered Person that does not exceed THPP's retention of $2,000,000. TICO shall be liable in respect of Losses Incurred, each Covered Person, for the Ultimate Net Loss over and above the Company's Retention of the Ultimate Net Loss in respect of Losses Incurred, each Covered Person. See also Transactions and Agreements with Subsidiaries and Affiliates section.

Reinsurance Ceded

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

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

Assets	Per Annual Statement
Bonds	$7,532,248
Common stocks	8,129,362
Cash, cash equivalents and short-term investments	2,264,933
Subtotals, cash and invested assets	17,926,544
Investment income due and accrued	43,268
Premiums and considerations:	
Uncollected Premiums and agents balances	463,661
Amounts receivable relating to uninsured plans	9,455,053
Receivables from parent, subsidiaries and affiliates	23,947,463
Health care and other amounts receivable	9,861,254
Total assets	$61,697,243
Liabilities	
Claims unpaid	$15,385,948
Unpaid claims adjustment expenses	427,694
Aggregate health policy reserves	10,247,233
Premiums received in advance	665,253
General expenses due or accrued	1,114,505
Amounts due to parent, subsidiaries and affiliates	3,341,280
Liability for amounts held under uninsured plans	57,531
Total liabilities	$31,239,444
Capital and Surplus	
Common capital stock	$3,000,000
Gross paid in and contributed surplus	127,500,000
Unassigned funds (surplus)	(100,042,201)
Total capital and surplus	$30,457,799
Total liabilities, capital and surplus	$61,697,243

Statement of Income
For the Year Ended December 31, 2024

	Per Annual Statement
Member Months	499,935
Net premium income	$212,558,834
Change in unearned premium reserves and reserve for rate credits	(695,157)
Total revenues	211,863,677
Deductions:	
Hospital/medical benefits	90,321,563
Other professional services	7,442,143
Emergency room and out-of-area	34,050,454
Prescription drugs	51,915,750
Aggregate write-ins for other hospital and medical	1,374,010
Incentive pool, withhold adjustment and bonus amounts	750,157
Subtotal	185,854,077
Net reinsurance recoveries	-
Total hospital and medical	185,854,077
Claims adjustment expenses	17,393,261
General administrative expenses	36,079,663
Increase in reserves for life and accident and health contracts	9,539,000
Total underwriting deductions	248,866,001
Net underwriting loss	(37,002,324)
Net investment income earned	1,559,817
Net realized capital loss less capital gains tax	(644,624)
Net investment gain	915,193
Aggregate write-ins for other income or expenses	-
Net loss, after capital gains tax and before all other federal income taxes	(36,087,131)
Federal and foreign income taxes incurred	(3,545,411)
Net loss	($32,541,720)

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	$62,504,019	$86,058,475	$76,838,407	$69,677,169
Net income (loss)	(32,541,720)	(2,487,992)	13,269,361	7,208,686
Change in net unrealized capital gains (losses)	679,514	794,966	(2,987,601)	(870,406)
Change in nonadmitted assets	(184,014)	3,138,570	(1,061,692)	822,958
Surplus Paid in	-	(25,000,000)	-	-
Net change in capital and surplus for the year	(32,046,220)	(23,554,456)	9,220,068	7,161,238
Capital and surplus, December 31 current year	$30,457,799	$62,504,019	$86,058,475	$76,838,407

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 TICO'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

Subsequent to the examination date, in 2025, the Company appointed Patrick Francis Gilligan and Mark Otis Porter as the new Directors, replacing Robert Scott Walker who is no longer with the Company. The appointment of Mr. Gilligan and Mr. Porter to the Board brought 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 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.

In 2025, the Company paid an $18 million dividend to Point32Health, Inc.

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