REPORT ON EXAMINATION

OF

MVP HEALTH INSURANCE COMPANY

AS OF

DECEMBER 31, 2019

DATE OF REPORT	**OCTOBER 14, 2021**
EXAMINERS:	**JAMES B. MORRIS, CFE**
	JEFFREY USHER, CFE

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KATHY HOCHUL
Governor

ADRIENNE A. HARRIS
Acting Superintendent

October 14, 2021

Honorable Adrienne A. Harris
Acting Superintendent of Financial Services
Albany, New York 12257

Madam:

Pursuant to the requirements of the New York Insurance Law, and acting in accordance with the instructions contained in Appointment Number 32180, dated December 21, 2020 attached hereto, we have made an examination into the condition and affairs of MVP Health Insurance Company, a for-profit stock company licensed pursuant to the provisions of Article 42 of the New York Insurance Law, as of December 31, 2019. The following report is respectfully submitted.

The examination was conducted remotely due to the restrictions relating to the COVID-19 pandemic.

Wherever the designations "MVPHIC" or the "Company" appear herein, without qualification, they should be understood to indicate MVP Health Insurance Company.

Wherever the designation the "MVP Companies" appears herein, without qualification, it should be understood to indicate MVP Health Plan, Inc., MVP Health Insurance Company and MVP Health Services Corp., collectively.

Wherever the designation "MVP" appears herein, without qualification, it should be understood to indicate MVP Health Care, Inc., the ultimate parent of the MVP Companies.

Wherever the designation the "Department" appears herein, without qualification, it should be understood to indicate the New York Department of Financial Services.

A separate Medical Loss Ratio ("MLR") examination of MVPHIC was conducted as of December 31, 2019, to assess compliance with the requirements of Title 45 of the Code of Federal Regulations, Part 158, which implements Section 2718 of the Public Health Service Act. A separate report will be submitted.

Concurrent Financial and MLR examinations were made of MVP Health Plan, Inc. ("MVPHP"), a not-for-profit health maintenance organization ("HMO") certified pursuant to the provisions of Article 44 of the New York Public Health Law and MVP Health Services Corp. ("MVPHSC"), a not-for-profit corporation licensed pursuant to the provisions of Article 43 of the New York Insurance Law. These two companies are affiliates within the MVP holding company system as detailed herein. Separate reports have been submitted for each of the above entities.

1. SCOPE OF THE EXAMINATION

The prior examination of the Company was conducted as of December 31, 2016. This examination of the Company was a financial examination as defined in the National Association of Insurance Commissioners ("NAIC") *Financial Condition Examiners Handbook, 2020 Edition* (the "Handbook") and covered the three-year period January 1, 2017 through December 31, 2019. The examination was conducted observing the guidelines and procedures in the Handbook. Where deemed appropriate by the examiners, transactions occurring subsequent to December 31, 2019 were also reviewed.

The examination was conducted on a risk-focused basis in accordance with the provisions of the Handbook, which provides guidance for the establishment of an examination plan based on the examiners' assessment of risk in the Company's operations and utilizes that evaluation in formulating the nature and extent of the examination. The examiners planned and performed the examination to evaluate the Company's current financial condition, as well as to identify prospective risks that may threaten the future solvency of MVPHIC.

The examiners identified key processes, assessed the risks within those processes, and assessed the internal control systems and procedures used to mitigate those risks. The examination also included an assessment of the principles used and significant estimates made by management, an evaluation of the overall financial statement presentation, and determined management's compliance with the Department's statutes and guidelines, Statutory Accounting Principles, as adopted by the Department, and NAIC annual statement instructions.

Information concerning the Company's organizational structure, business approach, and control environment was utilized to develop the examination approach. The examination evaluated MVPHIC's risks and management activities in accordance with the NAIC's nine branded risk categories. These categories are as follows:

- Pricing / Underwriting
- Reserving
- Operational
- Strategic
- Credit
- Market
- Liquidity

- Legal
- Reputational

The examination also evaluated MVPHIC's critical risk categories in accordance with the NAIC's ten critical risk categories. These categories are as follows:

- Valuation / Impairment of Complex or Subjectively Valued Invested Assets
- Liquidity Considerations
- Appropriateness of Investment Portfolio and Strategy
- Appropriateness / Adequacy of Reinsurance Program
- Reinsurance Reporting and Collectability
- Underwriting and Pricing Strategy / Quality
- Reserve Data
- Reserve Adequacy
- Related Party / Holding Company Considerations
- Capital Management

The Company was audited annually during the years 2017 through 2019 by the accounting firm KPMG, LLP ("KPMG"). The Company received an unmodified opinion in each of those years. Certain audit work papers of KPMG were reviewed and relied upon in conjunction with this examination. A review was also made of the ultimate parent's corporate governance structure, which included its Internal Audit function and Enterprise Risk Management program, as they relate to the Company.

A review was made of the Company's compliance with the provisions of Insurance Regulation No. 118 (11 NYCRR 89), "Audited Financial Statements." This regulation is based on the Model Audit Rule ("MAR"), as established by the NAIC, and all references to MAR within this report may be interpreted as reference to Regulation No. 118 (11 NYCRR 89).

Additionally, as part of this examination and in accordance with the provisions of the Handbook, a review was made of MVPHIC's computer systems and operations that support

MVPHIC on a risk-focused basis. Compliance with the provisions of the Financial Services Regulation No. 500 (23 NYCRR 500) – “Cybersecurity Requirements for Financial Services Companies” was also assessed.

This report on examination is confined to financial statements and comments on those matters which involve departures from laws, regulations or rules, or which require explanation or description.

2. DESCRIPTION OF THE COMPANY

MVP Health Insurance Company is a New York State for-profit accident and health insurance company incorporated on April 24, 2000, pursuant to Article 42 of the New York Insurance Law, to write insurance business as defined under Section 1113(a)(3) of the New York Insurance Law.

The Company began operations by delivering health care services in the State of New York in July 2001. The Company received approval to operate as an accident and health insurer in the State of Vermont on May 14, 2002.

The Company issued 60,000 shares of $5.00 par value per share capital stock on December 14, 2000, for a sale price of $5.00 per share, resulting in a total consideration of $300,000. In addition, MVPHIC received a capital / surplus contribution of $3,700,000 from its parent at that time, MVPHIC Holding Corp. In early 2002, the Vermont Department of Financial Regulation required an additional infusion of capital in order to issue a license to the Company. Therefore, the Company increased its paid-in capital from $300,000 to $2,000,000 by the sale of an additional 340,000 shares of $5.00 par value per share common stock, which were issued on February 11,

2002. The shares were issued to its parent and the sole shareholder of the Company's outstanding stock, MVPHIC Holding Corp.

MVP submitted a letter dated December 14, 2017, to the Department requesting its approval for MVPHIC to redeem and retire shares of MVPHIC stock in an amount equal to $21.5 million, pursuant to a Plan of Stock Redemption and Retirement (the "Plan"). Pursuant to the Plan, MVPHIC would repurchase 342,958 shares of its stock from MVPRT Holdings, Inc. ("MVPRT"), for a purchase price of $21.5 million payable by MVPHIC to MVPRT. Upon consummation of the purchase price payment by MVPHIC to MVPRT, MVPHIC would immediately retire the shares as well as amend its corporate charter to provide that the authorized amount of capital stock of MVPHIC will be reduced to 57,042 shares of common stock at a par value of five dollars ($5.00) per share. Subsequently, MVPRT would transfer $21.5 million to MVPHSC. In support of this transfer, MVP stated there was a shift in the New York membership and annual premiums in products offered by MVPHIC to products offered by MVPHSC over the past few years. On December 31, 2017, the Department granted approval of the above referenced Plan.

The Company's authorized control level Risk-Based Capital ("RBC") was $775,656 as of December 31, 2019. Its total adjusted capital was $5,197,843 yielding an RBC ratio of 670.12% as of December 31, 2019. RBC decreased approximately 29% during the exam period primarily due to the reduction of capital and surplus associated with significant decreases in enrollment experienced by the Company over the last several years.

A. Corporate Governance

Pursuant to the Company's charter and by-laws, management of the Company is to be vested in a board of directors ("Board") consisting of at least eight members. As of the examination date, the Board consisted of eight members, as set forth below.

As of December 31, 2019, the Board and their principal business affiliations were as follows:

Name and Residence	Principal Business Affiliation
Karla Ann Austen Saratoga, NY	Chief Financial Officer, MVP Companies
Monice Barbero, Esq. Albany, NY	General Counsel, MVP Companies
Burt Danovitz, Ph.D. Clinton, NY	Self-employed, Danovitz Consulting
Dr. Richard Joseph D'Ascoli, M.D. Schenectady, NY	Retired
Christopher Del Vecchio Schenectady, NY	Chief Executive Officer, MVP Companies
Alan Paul Goldberg Albany, NY	Retired
Dr. David Spalding Pratt, M.D. Rexford, NY	Retired
William Reddy Rochester, NY	Retired

The Board met during each calendar year within the examination period in compliance with its charter and bylaws. A review of the Board's meeting minutes held during the examination period revealed that the meetings were generally well attended, with all members attending at least one-half of the meetings they were eligible to attend.

The principal officers of the Company as of December 31, 2019, were as follows:

Name	Title
Christopher Del Vecchio*	President and Chief Executive Officer
Monice Barbero, Esq.	Secretary
Karla Ann Austen	Treasurer and Chief Financial Officer

*On September 1, 2019, President Christopher Del Vecchio assumed the position of Chief Executive Officer upon the retirement of Denise V. Gonick, Esq.

Enterprise Risk Management

The Company is required to be compliant with Insurance Regulation No. 203 (11 NYCRR 82) as it relates to Enterprise Risk Management ("ERM") and Own Risk and Solvency Assessment ("ORSA"). The Company has a formal ERM framework with defined risk appetites and tolerances for proactively addressing and mitigating risks, including prospective business risks. Exhibit M of the Handbook (*Understanding the Corporate Governance Structure*) was utilized by the examiners as guidance for assessing corporate governance. Overall, it was determined that MVPHIC's Board and key executives maintain an effective control environment.

MVP also established multiple management committees that oversee various aspects of its operations, such as the Enterprise Risk Management Committee, Corporate Compliance Committee, and Quality Improvement Committee and its subcommittees. Each of these committees were implemented and are monitored by executive management of MVP in accordance with their charters/governing documents. These management committee charters/governing documents reflect the Committees' respective purposes.

In October 2019, a Board level committee, the Compliance and Risk Oversight Committee (the "CROC") replaced the Cybersecurity Committee and assumed, in addition to oversight of cybersecurity, certain oversight responsibilities previously held by other Board committees, such as Enterprise Risk Management, and Corporate Compliance, as well as a new oversight responsibility, vendor management. The CROC is responsible for risk and controls and monitoring and reporting on the MVP Companies' overall ERM program.

Additionally, MVP has established a Government Affairs Department to address emerging policy issues within the health insurance industry and those facing MVP and all of its affiliates. As issues are identified, MVP establishes leadership teams to gain an understanding of the potential impact to the MVP Companies. These leadership teams are developed to provide recommendations to the members of the executive team which have the responsibility for MVP's strategy relative to emerging issues.

Information Technology ("IT")

MVP and its subsidiaries have more than 485,000 members across New York and Vermont. MVP manages and maintains a set of computerized application systems to support the Company's business processes. In addition, the Company has a contract for recovery services for its primary facility.

The examination encompassed a review of the controls for financially significant applications, systems and infrastructure. The IT portion of the examination was performed in accordance with the Handbook and utilized applicable procedures found in Exhibit C – *Evaluation of Controls in Information Technology* – of the Handbook.

Controls for financially significant applications, systems, and underlying infrastructure in each of the NAIC Exhibit C Information Technology Work Program areas listed below represent the framework for the scope of this examination. The following control areas were reviewed:

- Align, Plan and Organize;
- Build, Acquire and Implement;
- Deliver, Service and Support; and
- Monitor, Evaluate, and Assess.

Overall, the IT examination team concluded that MVP's IT General Controls ("ITGC's") are "Effective," resulting in the conclusion that ITGC's are reliable for the purposes of this financial examination. IT review conclusions were based on inquiry, observation, inspection of documentation, independent research and a review of third-party workpapers.

The IT examination team assessed MVP's compliance with the provisions of the Financial Services Regulation No. 500 (23 NYCRR 500) - Cybersecurity Requirements for Financial Services Companies. It was concluded that MVP was compliant with the sections of the Cybersecurity Regulation that were in effect during the examination period. This conclusion was based on a review of the responses provided by MVP to the Department's Cybersecurity letter, review of prior third-party control assessments, inspection of documentation, observation, and management interviews.

Internal Audit Department

MVP, the ultimate parent, established an Internal Audit Department ("IAD") function, which is independent of management, to serve all the subsidiaries and affiliates within its holding company system, including MVPHIC. The IAD reports to the Audit Committee ("AC") of the

MVP Board of Directors, which is comprised entirely of members independent of MVP's and MVPHIC's internal management.

The IAD assists all levels of management by reviewing and testing financial and operational controls and processes established by management to ensure compliance with laws, regulations and policies. The scope of the IAD program is coordinated with KPMG, MVP's independent certified public accountant, to ensure optimal audit coverage and efficiency.

During this examination, consideration was given to the significance and potential impact of certain IAD findings. No exceptions relative to MVPHIC's corporate governance were noted.

Insurance Regulation No. 118 (11 NYCRR 89)

The Company's parent, MVPRT Holdings, Inc., as well as its ultimate parent, MVP, are both non-publicly traded companies and therefore not subject to the Sarbanes-Oxley Act of 2002. However, Insurance Regulation No. 118 (11 NYCRR 89) – "Audited Financial Statements," is similar to the NAIC's Model Audit Rule ("MAR"), and therefore applies to certain New York regulated insurance entities, including MVPHIC. Insurance Regulation No. 118 became effective January 1, 2010.

The Audit Committee for MVP, which is composed of outside Directors, assumed responsibility for all entities within the holding company structure. With the independent and internal auditors, the MVP Audit Committee reviews the effectiveness of the accounting and financial controls and elicits recommendations that may improve controls. The MVP Audit Committee met each quarter during the examination period, and meeting minutes were prepared and retained.

MVP's management of general controls is applied to all its subsidiaries and affiliates, which include the Company. As part of MVP's Insurance Regulation No. 118 analysis, the risks from various operations were identified and segregated by operational cycles and entity level controls. The IAD performed its own control testing and accumulated its findings. To the extent possible, the examiners relied upon the work performed by the IAD, as prescribed by the Handbook.

B. Territory and Plan of Operation

MVPHIC offers a variety of insurance products and provides health insurance coverage to private and public sector employer groups. The insurance products include fully insured PPO plans for small and large employer groups.

The Company's enrollment of its PPO for each year under examination and 2020 was as follows:

	2017	2018	2019	2020
PPO	3,670	3,112	15	6

During the examination period, the PPO membership decreased from 3,670 members to 15 members. The membership further decreased to 6 members in 2020. The primary reason for the significant decrease was the migration of membership from MVPHIC to MVPHSC as noted in Item 2 - Description of Company of this report.

The Company's direct written premiums for each year under examination and calendar year 2020 were as follows:

	2017	2018	2019	2020
NY	$ 3,897	0	0	$ (199,552)
VT	20,945,792	$ 20,096,287	$ 457,830	(312)
	$ 20,949,689	$ 20,096,287	$ 457,830	$ (199,864)

C. Reinsurance

Assumed Reinsurance

The Company did not assume any business during the examination period.

Ceded Reinsurance

On December 31, 2019, the Company had a stop-loss reinsurance agreement with The North River Insurance Company ("NRIC"), a New York licensed insurer. The agreement requires the reinsurer to pay specified amounts of eligible expenses paid by MVPHIC during the contract year. Reinsurance premiums paid and reinsurance losses incurred, but not paid are deducted from premiums collected net of reinsurance in the accompanying statutory basis statements of operations. Any amounts due to MVPHIC pursuant to this agreement are recorded as amounts recoverable from reinsurers in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus.

Excess-of-loss coverages:

Retention:

$800,000 of eligible expenses per member per agreement year for the commercial lines of business.

Coinsurance:

90% of the approved transplants and services other than transplant services after application of Reinsurance Limits and Retention per agreement year, except non-approved transplants, which are reimbursable at 60%.

Reimbursement maximum:

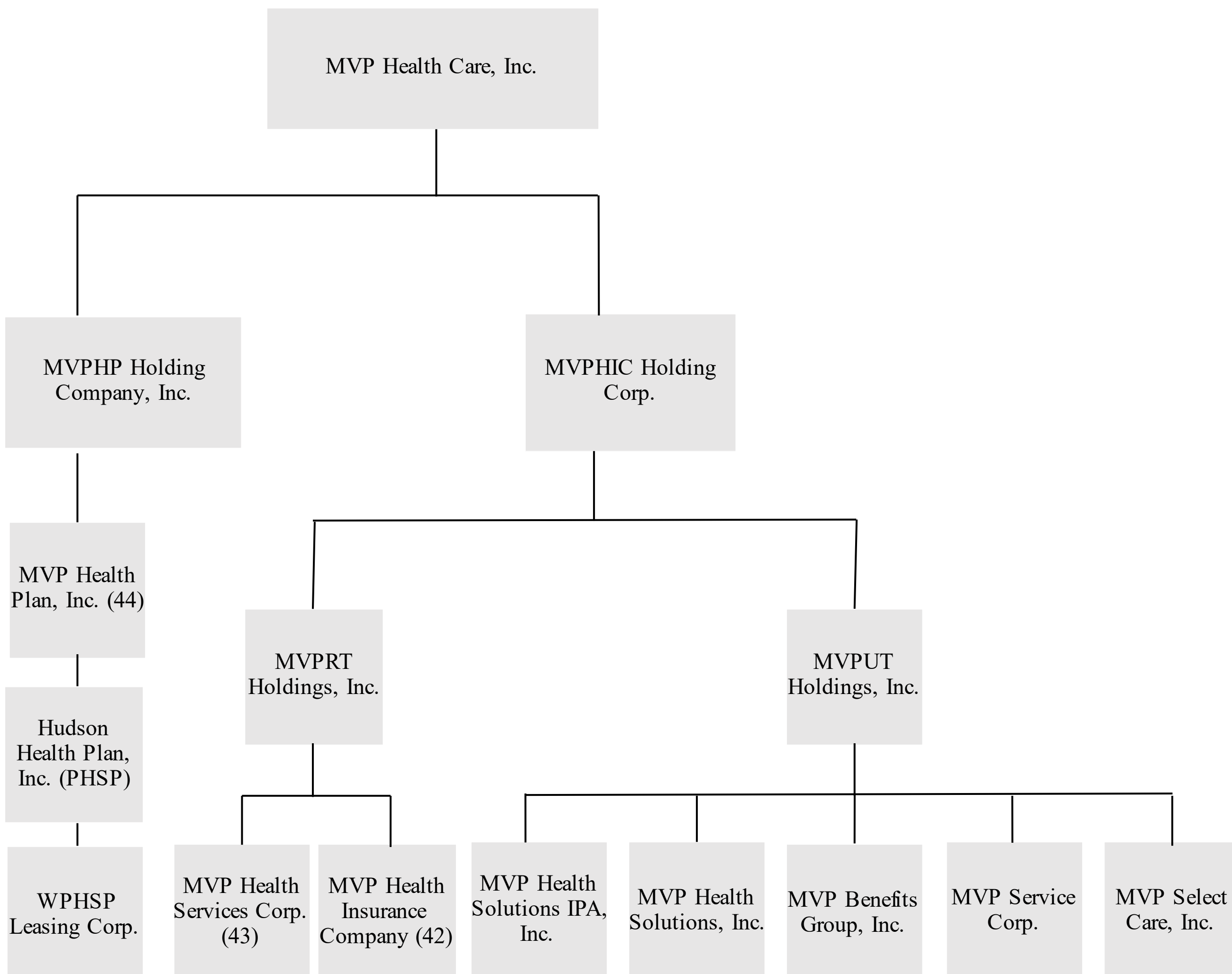
$3,000,000 per member, per agreement year.

The reinsurance agreement contained all the required standard clauses, including the insolvency clause required by Section 1308(a)(2)(A) of the New York Insurance Law.

D. Holding Company System

MVPHIC is a wholly-owned subsidiary of MVPRT Holdings, Inc., which is a wholly-owned subsidiary of MVPHIC Holding Corp. MVP is the ultimate parent. As a member of a holding company system, MVPHIC is required to file registration statements pursuant to Article 15 of the New York Insurance Law and Insurance Regulation No. 52 (11 NYCRR 80). All pertinent filings made regarding the aforementioned statutes during the examination period were reviewed, and no exceptions were noted.

The following is the organizational chart of MVP Health Care, Inc. and its subsidiaries as of December 31, 2019:



The following is a summary of MVP's significant entities within the holding company system shown above:

- MVPHIC Holding Corp. was incorporated on December 13, 2000, pursuant to Section 402 of New York Business Corporation Law. It was specifically formed to hold the stock of MVPHIC. MVPHIC is an Article 42 for-profit accident and health insurance company licensed in the State of New York. MVPHIC Holding Corp. controls 100% ownership of both MVPRT and MVPUT Holdings, Inc. ("MVPUT"). MVP, in turn, owns and controls 100% of the stock of MVPHIC Holding Corp. MVPRT and MVPUT are New York corporations. MVPRT controls subsidiaries that are regulated by the New York Department of Financial Services and the Vermont Department of Financial Regulation. MVPUT controls certain other subsidiaries which are not subject to such regulation. During the examination period, MVPHIC Holding Corp. controlled two subsidiaries of MVPRT. MVPHSC and MVPHIC, are regulated by the New York Department of Financial Services. A third subsidiary, MVP Health Insurance Company of New Hampshire, which was regulated by the New Hampshire Insurance Department, was dissolved on March 31, 2017.

- MVPHP was incorporated on July 30, 1982, pursuant to Section 402 of the New York Not-For-Profit Corporation Law, for the purpose of operating as a health maintenance organization ("HMO"), as such term is defined in Article 44 of the New York Public Health Law. MVPHP operates as an Independent Practice Association ("IPA") model HMO.

- MVPHSC is a not-for-profit corporation, licensed under Article 43 of the New York Insurance Law. Prior to January 2002, MVPHSC offered point-of-service health insurance products. MVPHSC began writing small and large group health insurance business in 2014, attributing to its rapid growth. As of the date of examination, MVPHSC is licensed in the State of New York to write health and dental insurance pursuant to Article 43 of the New York Insurance Law. MVPHSC is a subsidiary of MVPRT Holdings, Inc., while MVPRT is in turn a wholly-owned subsidiary of MVPHIC Holding Corp. MVPHIC Holding Corp. is in turn a wholly-owned subsidiary of MVP Health Care, Inc.

MVPHIC maintains significant intercompany agreements with several affiliated organizations as follows:

Staffing Services Agreement

The Company has a staffing services agreement with MVP Service Corp. ("MVPSC"). MVPSC is wholly-owned by MVPUT. MVPSC's employees perform all of the day-to-day operations of the Company, and charges MVPHIC for its share of costs based on a contractual cost allocation methodology, pursuant to an agreement approved by the Department on March 14, 2008. The first and second amendments to this agreement were approved by the Department on January 1, 2011 and October 29, 2013, respectively. This agreement was not amended during the examination period.

Office Facilities, Equipment and Supplies Agreement

During the exam period, MVPHIC was party to an agreement with MVPHP, by which MVPHP provided MVPHIC with space, furnishings, equipment, supplies and facilities necessary for MVPHIC to operate its business. MVPHP bills MVPHIC periodically, but not less than quarterly, for access to the equipment provided. The Department approved this agreement on March 14, 2008. The first and second amendments to this agreement were approved by the Department on January 1, 2011 and October 29, 2013, respectively. This agreement was not amended during the examination period.

Administrative Services Agreement

MVPHIC entered into an administrative services agreement with Hudson Health Plan ("HHP"), Inc. dated June 1, 2014. In connection with HHP becoming part of the MVP holding company system in late 2013, this agreement was put in place to document MVPHIC's use of HHP's facilities, equipment, and supplies, if any. In addition, it was also intended to document the allocation of HHP staff to MVPHIC, if any (all HHP staff became MVP staff on January 1, 2015). During the period under examination, and through the present period, none of the HHP facilities, equipment, supplies or staff were actually allocated to MVPHIC. The agreement was approved by the Department on October 23, 2014.

Tax Allocation Agreement

MVPHIC Holding Corp., entered into a tax allocation agreement with its affiliates, including MVPHIC and MVPHSC, dated January 6, 2006, as amended on December 22, 2009. The amended agreement was approved by the Department on January 8, 2010. The agreement was subsequently amended on April 1, 2017. The purpose of the amendment was to remove various entities within the Holding Company System that were no longer in existence. Per the Company's response to an examiners' inquiry, this change was not considered to be substantive and the Department's review and approval was not sought.

<u>ACA Fee Allocation Agreement</u>

MVPHIC entered into an ACA Fee Allocation Agreement with MVPHP dated January 1, 2015. Under this agreement, MVPHP agrees to allocate the ACA Fee liability on behalf of various entities within the holding company system. The agreement was approved by the Department on November 24, 2015.

On April 1, 2017, this agreement was amended to remove the New Hampshire entities because they were no longer active. Per the Company's response to an examiners' inquiry, this change was not considered to be substantive and the Department's review and approval was not sought.

Sections 1505(d)(3) and (4) of the New York Insurance Law state, in part:

> "The following transactions between a domestic controlled insurer and any person in its holding company system may not be entered into unless the insurer has notified the superintendent in writing of its intention to enter into any such transaction at least thirty days prior thereto, or with regard to reinsurance treaties or agreements at least forty-five days prior thereto, or such shorter period as the superintendent may permit, and the superintendent has not disapproved it within such period …(3) rendering of services on a regular or systematic basis; or (4) any material transaction, specified by regulation, that the superintendent determines may adversely affect the interests of the insurer's policyholders or shareholders."

The Company failed to file the amended ACA Fee Allocation Agreement and Tax Allocation Agreement with the Department as required by Section 1505(d).

It is recommended that the Company comply with Section 1505(d) of the New York Insurance Law and implement practices and procedures to ensure that the Department is properly notified of its intent to enter into and/or amend any form of services or cost-sharing agreement with an affiliated company.

E. Significant Operating Ratios

The underwriting ratios presented below are on an earned-incurred basis and encompass the three-year period covered by this examination:

	Amounts	Ratios
Total hospital and medical expenses	$ 37,091,270	90.15%
Other claim adjustment expenses	63,808	0.16%
Cost containment expenses	588,198	1.43%
General administrative expenses	5,131,192	12.47%
Increase in reserves	22,600	0.05%
Net underwriting loss	(1,752,383)	(4.26%)
Total revenue	$ 41,144,685	100.00%

F. Affirmation of Prior Report on Examination

Section 312(b) of New York Insurance Law states, in part:

> "A copy of the report shall be furnished by such insurer…to each member of its board of directors and each such member shall sign a statement which shall be retained in the insurer's files confirming that such member has received and read such report..."

Although the Company provided the examiners with a copy of a letter addressed to the Department dated September 30, 2020, indicating that a copy of the report on examination was provided to each member of its Board and that each member signed a statement of receipt and reading of the report, the Company failed to produce the actual prepared statements. As a result, it was determined that the Company failed to comply with Section 312(b) of the New York Insurance Law.

It is recommended that the Company comply with Section 312(b) of the New York Insurance Law by obtaining and retaining a signed statement from each of its board members verifying that they have received and read a copy of the report on examination.

3. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, and capital and surplus as of December 31, 2019, as contained in the Company's 2019 filed annual statement, a condensed summary of operations, and a reconciliation of the capital and surplus account for each of the years under review.

The examiners' review of a sample of transactions did not result in any differences which affected the Company's financial condition as presented in its financial statements contained in the December 31, 2019 filed annual statement.

Independent Accountants

KPMG was retained to audit the Company's GAAP basis statements of financial position as of December 31, 2019, as well as any related statements of operations and changes in net assets, and cash flows for the year then ended. A GAAP to statutory footnote was presented within the financial statements of the Company for each of the years audited for the changes in capital and surplus.

KPMG concluded that the GAAP financial statements presented fairly, in all material respects, the financial position of the Company for all years under review. Balances reported in these audited financial statements were reconciled to the corresponding years' annual statements with no discrepancies noted.

A. Balance Sheet

Assets

Bonds	$ 209,727
Cash, cash equivalents and short-term investments	4,670,447
Investment income due and accrued	381
Uncollected premiums and agents' balances in the course of collection	674
Receivables from parent, subsidiaries and affiliates	212,957
Health care and other amounts receivable	447,286
Aggregate write-ins for other than invested assets	261,750
Total assets	$ 5,803,222

Liabilities

Claims unpaid	$ 3,924
Unpaid claims adjustment expenses	1,000
Aggregate health policy reserves, including the liability of $199,552 for medical loss ratio rebate per the Public Health Service Act	222,152
General expenses due or accrued	79,774
Amounts due to parent, subsidiaries and affiliates	298,529
Total liabilities	$ 605,379

Capital and Surplus

Aggregate write-ins for special surplus funds	8,729
Common capital stock	285,210
Gross paid in and contributed surplus	215,865,033
Aggregate write-ins for other than special surplus funds	200,000
Unassigned funds (surplus)	(211,161,129)
Total capital and surplus	$ 5,197,843
Total liabilities, capital and surplus	$ 5,803,222

NOTE: The Internal Revenue Service has not conducted any audits of the income tax returns filed on behalf of the Company during the period under this examination. The examiners are unaware of any potential exposure of the Company to any further tax assessment and no liability has been established herein relative to such contingency.

B. Statement of Revenue and Expenses

The Company's capital and surplus decreased $(19,773,357) during the three-year examination period, January 1, 2017 through December 31, 2019, detailed as follows:

Revenue		
Total revenue		$ 41,144,685
Hospital and Medical Expenses		
Hospital/medical benefits	$ 31,203,816	
Other professional services	(30,844)	
Emergency room and out-of-area	878,111	
Prescription drugs	3,934,728	
Aggregate write-ins for other hospital and medical	1,261,857	
Incentive pool, withhold adjustments and bonus amounts	93,769	
Net reinsurance recoveries	(250,167)	
Total hospital and medical expenses	$ 37,091,270	
Claims adjustment expenses	652,006	
General administrative expenses	5,131,192	
Increase in reserves for A&H contracts	22,600	
Total underwriting deductions		42,897,068
Net underwriting loss		$ (1,752,383)
Net investment income earned	460,975	
Net realized capital loss	(142,601)	
Net investment gain		318,374
Net loss before all other federal income taxes		$ (1,434,009)
Federal and foreign income taxes incurred		0
Net loss		$ (1,434,009)

Changes in Capital and Surplus

	Gains in Surplus	Losses in Surplus	
Capital and surplus per report on examination, as of December 31, 2016			$ 24,971,200
Net loss		$ 1,434,009	
Change in non-admitted assets	$ 2,078,531		
Capital changes - transferred from surplus		1,714,790	
Surplus adjustment - paid in		18,785,247	
Aggregate write-ins for gains in surplus	82,158		
Net decrease in capital and surplus			(19,773,357)
Capital and surplus per report on examination, as of December 31, 2019			$ 5,197,843

4. **CLAIMS UNPAID**

The examination liability of $3,924 for the above captioned account is the same as the amount reported by the Company as of December 31, 2019.

The examination analysis of the claims unpaid reserve was conducted in accordance with generally accepted actuarial principles and practices and was based on statistical information contained in the Company's internal records and filed annual statements as verified during the examination. The examination reserve was based upon actual payments made through a point in time, plus an estimate for claims remaining unpaid at that date. Such estimate was calculated based on actuarial principles, which utilized the Company's experience in projecting the ultimate cost of claims incurred on or prior to December 31, 2019.

5. **SUBSEQUENT EVENTS**

On March 11, 2020, the World Health Organization declared the spreading coronavirus (COVID- 19) outbreak a pandemic. On March 13, 2020, the coronavirus pandemic was declared a national emergency in the United States. The epidemiological threat posed by COVID-19 continues to have disruptive effects on the economy, including disruption of the global supply of goods, reduction in the demand for labor, and reduction in the demand for U.S. products and services, resulting in a sharp increase in unemployment. The economic disruptions caused by COVID-19 and the increased uncertainty about the magnitude of the economic slowdown has also caused extreme volatility in the financial markets.

The full effect of COVID-19 on the U.S. and global insurance and reinsurance industry is still unknown at the time of releasing this report. The New York Department of Financial Services expects the COVID-19 outbreak to impact a wide range of insurance products resulting in coverage disputes, reduced liquidity of insurers, and other areas of operations of insurers. The New York Department of Financial Services and all insurance regulators, with the assistance of the National Association of Insurance Commissioners ("NAIC"), continue to monitor the situation through a coordinated effort and will continue to assess the impacts of the pandemic on U.S. insurers.

6. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

The prior report on examination did not include comments and/or recommendations.

7. SUMMARY OF COMMENTS AND RECOMMENDATIONS

ITEM		PAGE NO.
A.	Holding Company System	
	It is recommended that the Company comply with Section 1505(d) of the New York Insurance Law and implement practices and procedures to ensure that the Department is properly notified of its intent to enter into and/or amend any form of services or cost-sharing agreement with an affiliated company.	19
B.	Affirmation of Prior Report on Examination	
	It is recommended that the Company comply with Section 312(b) of the New York Insurance Law by obtaining and retaining a signed statement from each of its board members verifying that they have received and read a copy of the report on examination.	20

Respectfully submitted,

_____________/S/ __________
James B. Morris, CPA, CFE

Examiner-in-Charge

STATE OF MARYLAND)

) SS.

)

COUNTY OF BALTIMORE)

James B. Morris, being duly sworn, deposes and says that the foregoing submitted report is true to the best of his knowledge and belief.

___________/S/____________________
James B. Morris, CPA, CFE

Subscribed and sworn to before me

this _____ day of _________2021

Respectfully submitted,

___________ /S/_______________
Jeffrey Usher, CFE

Supervising Insurance Examiner

STATE OF NEW YORK)

) SS.

)

COUNTY OF NEW YORK)

Jeffrey Usher, being duly sworn, deposes and says that the foregoing submitted report is true to the best of his knowledge and belief.

______________/S/______________
Jeffrey Usher, CFE

Subscribed and sworn to before me
This _____ day of _________2021

APPOINTMENT NO. **32180**

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

*I, **LINDA A. LACEWELL**, Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:*

Baker Tilly US, LLP.

as a proper person to examine the affairs of the

MVP Health Insurance Company

and to make a report to me in writing of the said

Company

with such other information as they shall deem requisite.

In Witness Whereof, I have hereunto subscribed my name and affixed the official Seal of the Department at the City of New York

this 21st day of December, 2020

NEW YORK STATE ★ DEPARTMENT OF FINANCIAL SERVICES ★ EXCELSIOR

LINDA A. LACEWELL
Superintendent of Financial Services

By:

Alice W. McKenney

Alice McKenney
Bureau Chief
Health Bureau