

**REPORT ON EXAMINATION AS TO THE CONDITION OF
OXFORD HEALTH PLANS (NJ), INC.**

ISELIN, NJ 08830

AS OF DECEMBER 31, 2021

GROUP CODE 0707

NAIC COMPANY CODE 95506

FILED

May 10, 2023

COMMISSIONER

NEW JERSEY DEPARTMENT

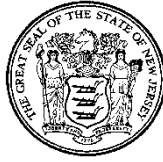
OF

BANKING AND INSURANCE

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PHIL MURPHY
Governor

State of New Jersey
DEPARTMENT OF BANKING AND INSURANCE
OFFICE OF SOLVENCY REGULATION
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April 13, 2023

Honorable Marlene Caride
Commissioner of Department of Banking and Insurance
State of New Jersey
Trenton, New Jersey 08625-0325

Commissioner:

In accordance with the authority vested in you by the Revised Statutes of New Jersey, an examination has been made of the assets and liabilities, method of conducting business and other affairs of the:

OXFORD HEALTH PLANS (NJ), INC.
ISELIN, NJ 08830
NAIC GROUP CODE 0707
NAIC COMPANY CODE 95506

a domestic insurer duly authorized to transact the business of insurance in the State of New Jersey. Hereinafter, Oxford Health Plans (NJ), will be referred to in this report as the "Company" or "OHPNJ".

SCOPE OF EXAMINATION

The New Jersey Department of Banking and Insurance (“NJDOBI”) conducted a risk focused examination of OHPNJ for the period January 1, 2017 through December 31, 2021, and transactions occurring subsequent to that period were reviewed where deemed appropriate by the examiners. The examination was conducted pursuant to the authority granted by N.J.S.A. 26:2J-18.1. The statutory examination was conducted in accordance with the NAIC Financial Condition Examiners Handbook (“the Handbook”).

The Company’s financial statements are audited annually by Deloitte & Touche, LLP (“D&T”). D&T performed its most recent annual audit of the Company as of December 31, 2021.

The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company. This is accomplished 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. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management’s compliance with statutory accounting principles and annual statement instructions when applicable to domestic state regulations.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. The examiners relied upon the audit work prepared by the independent auditors when appropriate.

This examination is part of the coordinated examination of UnitedHealthcare Group Incorporated (“UnitedHealth Group”) being conducted by the Connecticut Insurance Department (“CID”). The examination was conducted in accordance with the proposed risk focused procedures and guidelines prescribed by the National Association of Insurance Commissioners (“NAIC”). This examination, for common subject matter, relied upon the CID to identify risk classifications and inherent risks of key functional activities. CID was also responsible for the preparation of matrices that identify controls and risk mitigation strategies. Finally, CID determined residual risk and prepared substantive test procedures when deemed necessary.

The NJDOBI examiners were responsible for identifying significant deviations from New Jersey laws and regulations. Additional substantive procedures were performed where deemed necessary.

This examination report includes a summary of significant findings for the following items as called for in the Handbook:

- Compliance with the Prior Report Exam Recommendations
- History and Kind of Business
- Territory and Plan of Operation
- Reinsurance
- Parent, Subsidiaries and Affiliates
- Intercompany Agreements
- Management

- Policy on Conflicts of Interest
- Fidelity Bond and Other Insurance Coverages
- Accounts and Records
- Treatment of Policyholders
- Statutory Deposits
- Financial Statements and Other Exhibits
- Subsequent Events
- Examination Recommendations

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

The Company's total capital and surplus as determined by this examination as of December 31, 2021 consisted of:

Common Capital Stock	\$50
Gross Paid In and Contributed Surplus	13,889,075
Unassigned Funds (Surplus)	<u>219,686,026</u>
 Total Capital and Surplus	 <u>\$233,575,151</u>

The examination was conducted remotely due to the COVID-19 pandemic, and there was no travel to United Healthcare Group's office located at 185 Asylum Street, Hartford, Connecticut 06103.

HISTORY AND KIND OF BUSINESS

The Company is licensed as a health maintenance organization ("HMO") and offers its enrollees a variety of managed care programs and products through contractual arrangements with health care providers. The Company was incorporated in the State of New Jersey on April 17, 1985. The Company was granted authority to operate as a New Jersey HMO by the Department of Health and Senior Services and the NJDOBI and commenced business on September 12, 1985.

Effective January 1, 2015, the Company started offering Dual Special Needs Product ("DSNP") within the state of New Jersey.

Effective January 1, 2017, the Company novated its Centers for Medicare and Medicaid Services ("CMS") Medicare Advantage contract to an affiliate, Oxford Health Plans (CT), Inc. ("OHPCT"). The novation agreements resulted in full control of the contract being transferred to OHPCT at \$0 net book value for dates of service on or after January 1, 2017. Approval for this novation was received from CMS. Approvals for the asset transfers related to the novation were received from the CID and NJDOBI. There was no transfer of assets or surplus as a result of the novation.

The Company's statutory home address in the State of New Jersey is located at 170 Wood Avenue, Iselin, New Jersey 08830. The registered agent upon whom process may be served in the State of New Jersey is CT Corporation Trust Company. The Company's main administrative office is located at 4 Research Drive – 5th Floor, Shelton, Connecticut 06484.

TERRITORY AND PLAN OF OPERATION

The Company operates as an authorized HMO in the state of New Jersey. The Company offers comprehensive commercial products to employer groups. Each contract outlines the coverage provided and renewal provisions. The Company has entered into contracts with physicians, hospitals, and other health care provider organizations to deliver health care services for all enrollees. The Company is licensed in and writes business in the states of Delaware, Missouri, Oregon, Pennsylvania, Rhode Island, and New Jersey.

The Company serves as a plan sponsor offering Medicare specialized programs including a DSNP and a Fully Integrated Dual Eligible Special Needs Plan (“FIDE-SNP”), and an Institutional Special Needs Plan (“ISNP”) (collectively “Medicare Plans”) under contracts with the CMS. The Company receives seven different payment elements either during the year or at final settlement in the subsequent year as follows: CMS premium, member premium, CMS low income premium subsidy, CMS catastrophic reinsurance subsidiary, CMS low-income member cost sharing subsidy, CMS risk-share, and the CMS coverage gap discount program. The applicable payment elements are received either during the year or at settlement in the subsequent year.

The Company has no employees. All administrative functions of the Company are performed pursuant to a series of affiliated agreements which are described in the “Intercompany Agreements” section of this report.

As of December 31, 2021, UnitedHealth Group reported the following office locations in the State of New Jersey:

1715 Route 27, Edison, New Jersey 08817
131 Morristown Road, Basking Ridge, New Jersey 07920
1 Quakerbridge Plaza, Hamilton, New Jersey 08619
170 Wood Avenue South, Iselin, New Jersey 08830
724 Tenth Street, Secaucus, New Jersey 07094
1415 Hooper Avenue, Toms River, New Jersey 08753
7 Broad Street, Ste #300 Palisades, New Jersey 07650
One Harmon Plaza, Secaucus, New Jersey 07094

These offices perform various administrative functions such as sales marketing, legal, regulatory, Claims processing, technical support, and customer service to both providers and members.

REINSURANCE

Effective January 1, 2006, the Company entered into a quota share reinsurance agreement with its affiliate, Oxford Health Insurance, Inc. (“OHI”), a New York corporation. The quota share reinsurance agreement replaced the previous memorandum of understanding agreement between the parties with

respect to the point of service (“POS”) coverages. Under the terms of the agreement, the Company pays per-member-per-month (“PMPM”) premium to OHI for each of its members under POS insurance contracts. A key component of these contracts is the ability for the members to obtain medical services from out-of-network providers, or providers that do not participate in OHPNJ’s network. In return for the PMPM premium, OHI assumes 100% of all out-of-network claims incurred by the Company on these policies.

The agreement is to remain in force for an indefinite period of time. Either party has the right to cancel the agreement by giving the other party at least 90 days prior written notice. It may also be cancelled at any time by mutual consent of the parties or by written notice of either party to the other of a mutual default of one’s duties and obligations under the agreement.

The agreement was part of the holding company registration statement filing that was non-disapproved by the NJDOBI on May 12, 2006.

Effective March 1, 2013, the Company entered into a reinsurance agreement with its affiliate, Unimerica Insurance Company (“UIC”), a Wisconsin corporation. Under the terms of the agreement, the Company cedes to UIC and UIC accepts in exchange for the specified Reinsurance Premium as noted in the reinsurance agreement, 100% of the covered obligations as of the effective date. The scope of the reinsurance applies only to the following obligations to cover specialty health coverage: human organ and bone marrow transplants and related services; infertility treatment and services; mental health and substance abuse treatments and services; and chiropractic, physical and occupational therapy treatments and services for musculoskeletal conditions that occur on or after the effective date of the agreement.

The agreement is to remain in force as of the effective date and shall continue in effect until reinsurer ceases to have any obligations or liabilities relating to the covered obligations. The agreement may be terminated by mutual agreement of the parties, or either party, with or without cause, upon 90 days’ prior written notice.

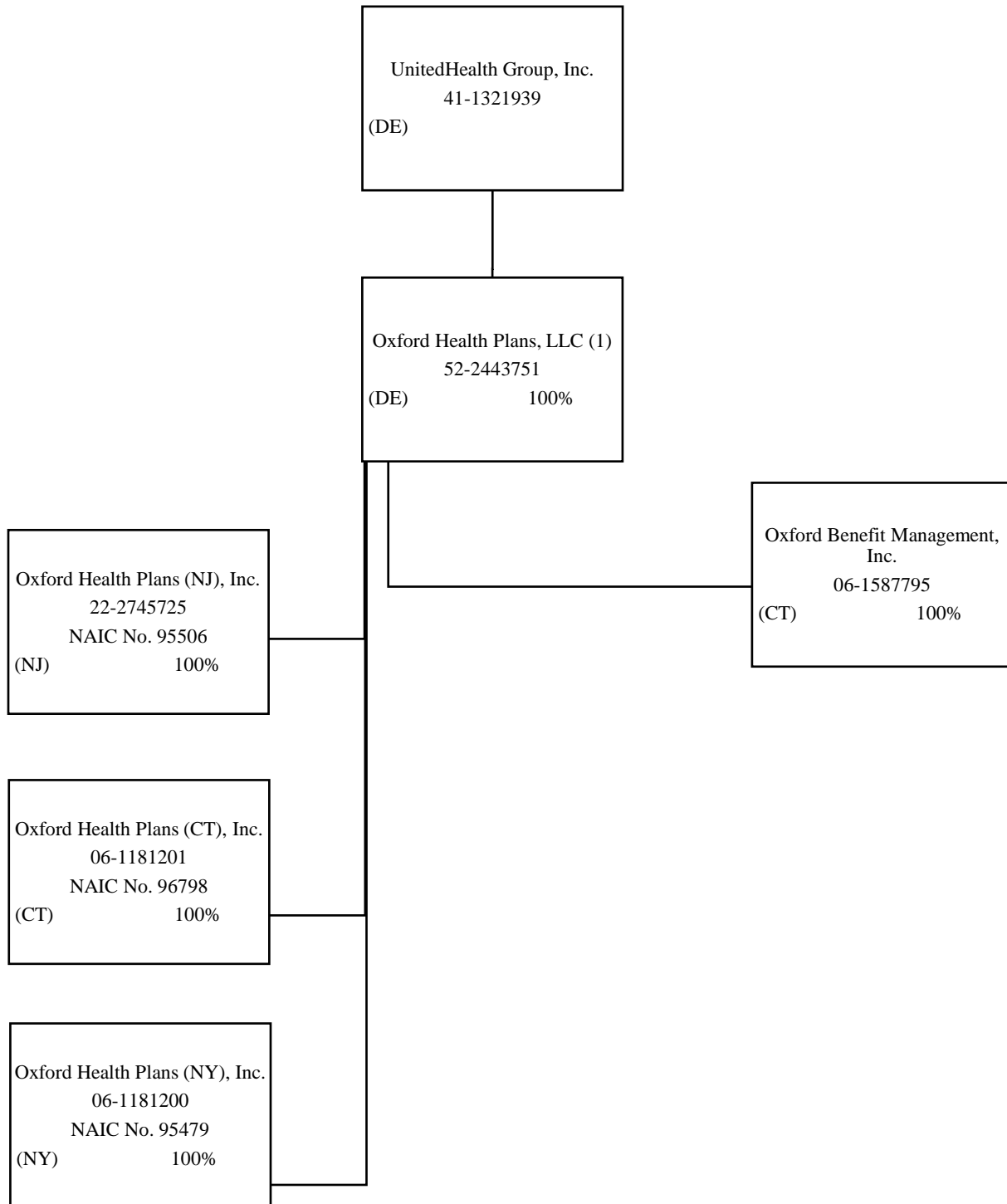
The agreement was part of the holding company registration statement filing that was non-disapproved by the NJDOBI Insurance on February 22, 2013. The reinsurance agreement was terminated effective December 31, 2017.

PARENT, SUBSIDIARIES AND AFFILIATES

The Company is a member of an insurance holding company registration system as defined by N.J.S.A. 17:27A-1. The Company is a wholly owned subsidiary of Oxford Health Plans, LLC (“Oxford”), which in turn is a wholly owned subsidiary of UnitedHealth Group. UnitedHealth Group is the Company’s ultimate parent and is a publicly traded company.

A review of the Company’s holding company registration statement indicated that the Company was in compliance with N.J.S.A. 17:27A-3, Sections a-j, requiring registration of those insurers who qualify as determined by N.J.S.A. 17 27A-1.

A simplified organizational chart as of December 31, 2021, reflecting the holding company system, is shown on the following page. Schedule Y of the Company’s 2021 annual statement provided a list of all related companies of the holding company group.



During the examination period, the Company paid ordinary cash dividends to its parent as summarized below:

2017	\$0
2018	\$ 38,000,000
2019	\$ 40,000,000
2020	\$ 45,000,000
2021	\$ 45,000,000
Total	<u>\$168,000,000</u>

During the examination period, the Company did not pay any extraordinary cash dividends to its parent.

The Company received no capital contributions during the examination period.

INTERCOMPANY AGREEMENTS

The examination determined that the Company was a named party to the following affiliated agreements as of December 31, 2021:

1. Management Services Agreement
2. Tax Sharing Agreement
3. Investment Management Agreement
4. Subordinated Revolving Credit Agreement
5. UnitedHealth Group Guaranty Agreement
6. Combined Billing and Disbursement Agreement
7. OptumInsight Services Agreement
8. Master Ancillary Health Services Agreement
9. Facility Participation Agreement DME Supplies and Hearing Aid
10. Facility Participation Agreement Specialty Pharmacy – Medical and Pharmacy Benefit
11. Spectera, Inc. Vision Services Agreement
12. United Behavioral Health Agreement
13. AxelaCare Facility Participation Agreement
14. Dental Benefit Providers, Inc. Dental Services Agreement
15. LifePrint Health, Inc. Services Agreement
16. OptumHealth Care Solutions, LLC Administrative Services Agreement
17. OptumRx, Inc. Medicare Prescription Drug Benefit Administration Agreement
18. OptumRx, Inc. Prescription Drug Benefit Administration Agreement
19. OrthoNet Holdings, Inc. and OrthoNet of the Mid-Atlantic, Inc. Management Services Agreement
20. Prospero Health Partners, P.C. Medical Group Participation Agreement
21. Prospero Health Partners, P.C. Accountable Care Organization Agreement
22. Real Appeal Inc. National Ancillary Provider Participation Agreement
23. Riverside Pediatric Group, P.C. d/b/a Riverside Medical Group – Medical Agreement
24. Ear Professionals International Corporation. Ancillary Provider Participation Agreement

Management Services Agreement

Effective March 1, 2011, the Company entered into a new management services agreement with an affiliate, United HealthCare Services, Inc. (“UHS”). The new agreement replaces a similar agreement that was in effect since July 1, 2002.

Under this agreement, UHS shall provide, or arrange for the provision of, those management, administrative, and other services the parties deem necessary or appropriate for UHS to provide management and operational support to the Company. UHS shall be subject to the reasonable direction of the Company. The agreement includes provisions covering any third party administrator services provided by UHS. The agreement includes all Medicare regulatory requirements that pertain to services performed by UHS as they relate to Medicare benefit plans.

The agreement was filed with the NJDOBI on January 26, 2011 and approved on February 16, 2011.

This agreement was amended during the prior examination period to reflect modifications in the third party administrator and other services provisions, Medicare provisions, and the addition of an exchange regulatory appendix provisions. The amendment was filed on November 3, 2014 with the NJDOBI and was approved on November 17, 2014.

The agreement was amended during the current examination period to reflect modification in methodology for calculating management fees to utilize more current information. The amendment was filed on January 24, 2017 and was approved on February 17, 2017.

Tax Sharing Agreement

Effective September 24, 2004, the Company became a participant to the UnitedHealth Group Tax Sharing agreement. Pursuant to this agreement, UnitedHealth Group files a consolidated federal income tax return on behalf of itself and its subsidiaries. Each member at specified times is required to pay UnitedHealth Group an amount equal to the full separate federal, state, and local (if any) income tax liability attributable to the net taxable income of such member that would have been paid if such member had filed separate tax returns. The agreement specifies the treatment of member losses and credits. Each tax year, a member is required to pay UnitedHealth Group that portion of the Consolidated Tax Liabilities attributable to each member. UnitedHealth Group is responsible for the calculation of all member overpayments or under payments. A member is required to pay quarterly tax estimates. UnitedHealth Group serves as agent for the collection and payment of taxes.

The agreement was filed with the NJDOBI on August 20, 2004 and approved on September 9, 2004.

The Company entered into an Amended and Restated Tax Sharing Agreement effective March 1, 2019 with United Health Group Incorporated (“UHG”). The agreement is a restatement of the First Restated Tax Sharing Agreement effective July 29, 2004. The agreement establishes a formal method for the allocation and payment of federal, state, and local income tax liabilities related to the consolidated federal tax returns of United and its subsidiaries filed each year. The Agreement was submitted to the NJDOBI for review and approval on January 28, 2019 and was approved on February 21, 2019.

Investment Management Agreement

Effective September 1, 2011, the Company became a named participant to an agreement between UHS and J.P. Morgan Investment Management, Inc. (“J.P. Morgan”). The purpose of the agreement is to allow UHS and other affiliates of UHS to utilize a short-term investment pool account to invest cash on behalf of the participants. J.P. Morgan will be managing the short-term investment pool account investments. As investment advisor, J.P. Morgan is required to promptly invest all assets into the Pool Account. The agreement specifically describes all permitted investments (i.e., obligations rated 1 or 2 by the NAIC Securities Valuation Office with a remaining maturity of 397 days or less; government money market mutual funds or class one money market mutual funds).

Effective May 1, 2011, the Northern Trust Company began holding the assets of the short-term investment pool account in a custodial account on behalf of the participants.

The agreement was filed with the NJDOBI on July 15, 2011 and approved on August 2, 2011.

Subordinated Revolving Credit Agreement

Effective August 1, 2012, the Company entered into a Subordinated Revolving Credit agreement with UnitedHealth Group. The purpose of this agreement is to meet the short-term cash needs of the Company. Pursuant to the agreement, UnitedHealth Group provides the Company with a short-term borrowing facility where the Company may borrow funds upon demand from UnitedHealth Group up to a maximum of \$65,000,000, at an interest rate equal to LIBOR plus 50 basis points.

No advances were made under the agreement in 2021, and there was no outstanding balance under the agreement as of December 31, 2021.

The agreement was filed with the NJDOBI on June 4, 2012 and approved on June 13, 2012. Refer to the subsequent events section for the description of the Promissory Note that was submitted on January 30, 2023 that replaces this agreement.

UnitedHealth Group Guaranty Agreement

Effective October 23, 2004, UnitedHealth Group absolutely and unconditionally guaranteed that the Company shall have and maintain capital and surplus at least in the minimum amount as required by law, and such additional surplus as the Commissioner of Banking and Insurance, of the State of New Jersey, requires so that its surplus as regards enrollees is reasonable in relation to the Company’s outstanding liabilities and financial needs as to all of its obligations including its obligations to New Jersey enrollees.

The Company shall have and maintain this capital and surplus in funds and investments which are admitted assets under the investment laws governing health maintenance organizations in the State of New Jersey.

The Company shall have and maintain adequate capital and surplus as herein contemplated so long as it has any HMO obligations to enrollees in the State of New Jersey.

This guaranty shall continue until such time as the Commissioner of Banking and Insurance, of the State of New Jersey, may release UnitedHealth Group in writing, or upon such earlier time as UnitedHealth Group ceases to be in control of the Company. This guaranty was created at the request of the NJDOBI in their letter dated September 9, 2004 and submitted on October 29, 2004.

Combined Billing and Disbursement Operations Agreement

Effective May 1, 2010, the Company began participating in the Combined Billing and Disbursement Operations agreement between United HealthCare Insurance Company, UHS and PacifiCare Health Plan Administrators, Inc. The purpose of the agreement is to provide a common lockbox for premium collection and zero balance disbursements account for paying certain bills.

The agreement was filed with the NJDOBI on April 9, 2010 and approved on April 20, 2010.

OptumInsight Services Agreement

Effective July 1, 2011, the Ingenix Services agreement was entered into between the Company and Ingenix, Inc. (“OptumInsight”). OptumInsight provides the Company with services involving the investigation, pursuit, and recovery of health care claim overpayments occurring due to fraudulent, abusive, or other inappropriate billing activity.

The agreement was filed with the NJDOBI on May 24, 2011 and approved on June 3, 2011.

This agreement has been amended at various times since inception. The latest amendment was filed on May 16, 2019, with the NJDOBI and was approved on June 10, 2019.

Master Ancillary Health Services Agreement

Effective February 1, 2010, the Company began participating in the Health Supplies agreement between UHS and United HealthCare Products, LLC (“Products”) to provide access to the Personal Health Products catalogue for UHS and its affiliates.

The agreement was filed with the NJDOBI on December 31, 2009 and approved on January 22, 2010.

This agreement has been amended at various times during the current examination period. Effective January 1, 2020, UHS and OptumRx, Inc. (“OptumRx”) entered into the First Amended and Restated Master Ancillary Health Services Agreement (“The Restated Agreement”). The Restated Agreement and Participating Addendum were both submitted for review and approval to the NJDOBI on November 16, 2019 and were approved on May 28, 2020. The latest amendment approved during the examination period was filed on November 25, 2020 with the NJDOBI and was approved on April 9, 2021.

Effective January 1, 2022, UHS and OptumRx entered into the Second Amended and Restated Master Ancillary Health Services Agreement. The latest amendment was filed on November 8, 2021 and was approved on April 7, 2022

Facility Participation Agreement DME Supplies and Hearing Aid

Effective January 1, 2012, the Company entered into an agreement with OptumRx to provide health care services to customers of its health provider networks. The agreement permits OptumRx to provide durable medical equipment and hearing aids to the Company's commercial, Medicare, and Medicaid members.

The agreement was filed with the NJDOBI Insurance on November 16, 2011 and approved on November 29, 2011.

This agreement has been amended at various times since its inception. The latest amendment was filed on February 28, 2019 with the NJDOBI was approved on March 25, 2019.

Facility Participation Agreement Specialty Pharmacy – Medical and Pharmacy Benefit

Effective December 1, 2015, the Company entered into the Ancillary Provider Participation agreement with OptumRx. Pursuant to the agreement, OptumRx provides the specialty pharmacy medications covered under the member's medical and pharmacy benefits. In addition to dispensing and delivering the specialty pharmacy medications, OptumRx provides information, including side effect management, storage of the medication, missed dose management, and disease state information, to the Company's members or their caregivers. OptumRx also provides access to customer service representatives and pharmacists to provide support and guidance to the Company's members and family members. The agreement replaced and superseded the Company's participation in the Facility Participation agreements effective January 1, 2009.

The agreement was filed with the NJDOBI on October 28, 2015 and was retroactively approved as of December 1, 2015.

The latest amendment was filed on May 31, 2018 with the NJDOBI and was approved on July 1, 2018.

Spectera, Inc. Vision Services Agreement

Effective January 1, 2014, the Company entered into a Vision Services agreement with Spectera, Inc. ("Spectera"). Pursuant to the agreement, Spectera is responsible for managing a network of vision providers to provide vision services and products, claims processing and other administrative functions in order to provide vision services to the Company's Commercial and Medicare members.

The agreement was filed with the NJDOBI on November 8, 2013 and was approved on November 27, 2013.

This agreement has been amended at various times during the current examination period. The latest amendment was filed on September 13, 2021 with the NJDOBI was approved on August 3, 2022.

United Behavioral Health Agreement

Effective June 1, 2012, the Company entered into a Behavioral Health Services agreement with United Behavioral Health (“UBH”). Pursuant to the agreement, UBH is responsible for arranging for the provision of certain mental health and substance abuse treatment services for the Company’s Commercial and Medicare members.

The agreement was filed with the NJDOBI on April 16, 2012 and was approved on May 15, 2012.

This agreement has been amended at various times during the current examination period. The latest amendment was filed with the NJDOBI on July 1, 2019 and was approved on July 23, 2019.

AxelaCare Facility Participation Agreement

Effective February 1, 2016, the Company entered into a Facility Participation agreement with AxelaCare Intermediate Holdings, LLC (“AxelaCare”). Pursuant to the agreement, AxelaCare provides home infusion therapy services, including per diem nursing services and the cost of drugs. The agreement is to be made available to be used by all products, Commercial, Medicare and Medicaid that the Company may offer.

The agreement was filed with the NJDOBI on December 23, 2015 and was approved on January 21, 2016.

Dental Benefit Providers, Inc. Dental Services Agreement

Effective August 1, 2013, the Company entered into a Dental Services agreement with Dental Benefit Providers, Inc. (“DBP”). Pursuant to the agreement, DBP is responsible for managing a network of dental providers, claims processing and other administrative functions in order to provide dental services for the Company’s Commercial members.

The agreement was filed with the NJDOBI on June 21, 2013 and was approved on July 5, 2013.

This agreement has been amended at various times during the prior and current examination period. The latest amendment was filed with the NJDOBI on May 1, 2020 and was approved on January 8, 2021.

LifePrint Health, Inc. Services Agreement

Effective January 1, 2015, the Company entered into a services agreement with LifePrint Health, Inc. (“LifePrint”). Pursuant to the agreement, LifePrint provides the Company with services related to performing medical management services for the Company’s Institutional Special Needs Plan members, including but not limited to, care management services, referral services and out-of-area services. The agreement is for the Company’s members located in Missouri and Oregon.

The agreement was filed with the NJDOBI on November 13, 2014 and was approved on December 11, 2014.

This agreement was amended subsequent to the examination period. The latest amendment was filed on October 4, 2021 and was approved on July 8, 2022.

OptumHealth Care Solutions, LLC Administrative Services Agreement

Effective March 1, 2013, the Company entered into an administrative services agreement with OptumHealth Care Solutions, LLC (“OptumHealth”). Pursuant to the agreement, OptumHealth is responsible for managing a network of therapy providers and other administrative functions in order to provide physical health solutions such as chiropractic and physical, occupation and speech therapy for the Company’s Commercial and Medicare members. OptumHealth is also responsible for providing programs for certain complex medical conditions as well such as transplant and infertility. This agreement replaced the Master Services agreement effective January 1, 2006.

The agreement was filed with the NJDOBI on January 30, 2013 and was approved on February 8, 2013.

This agreement has been amended at various times since inception. The latest amendment was filed with the NJDOBI on January 30, 2019 and was approved on February 20, 2019.

OptumRx, Inc. Medicare Prescription Drug Benefit Administration Agreement

Effective January 1, 2013, the Company began participating in the Medicare Prescription Drug Benefit Administration agreement between OptumRx and UHS. Pursuant to the agreement, OptumRx is the Pharmacy Benefit Manager for the Company’s MA-PD members and mail order pharmacy services.

The agreement was filed with the NJDOBI on November 29, 2012 and was approved on December 27, 2012.

Effective January 1, 2017, the agreement and its subsequent amendments were replaced in their entirety with the Amended and Restated Medicare Prescription Drug Administration agreement. The agreement was filed with the NJDOBI on November 28, 2016 and was approved on December 10, 2016.

This agreement has been amended at various times during the current examination period. The latest amendment was filed with the NJDOBI and was approved on August 13, 2021. This agreement was also amended subsequent to the examination period. The amendment was filed with the NJDOBI on August 13, 2021 and was approved on June 27, 2022.

OptumRx, Inc. Prescription Drug Benefit Administration Agreement

Effective January 1, 2013, the Company began participating in the Prescription Drug Benefit Administration agreement between OptumRx and UHS. Pursuant to the agreement, OptumRx provides the Company with core prescription drug benefit services and mail order pharmacy services.

The agreement was filed with the NJDOBI on September 21, 2012 and was approved on October 15, 2012.

This agreement has been amended at various times during the current examination period. The latest amendment was filed with the NJDOBI on November 2, 2021 and was approved on June 23, 2022.

OrthoNet Holdings, Inc. and OrthoNet of the Mid-Atlantic, Inc. Management Services Agreement

Effective January 1, 2010, the Company and its affiliate, OHI, entered into a Management Services agreement with OrthoNet Holdings, Inc. and OrthoNet of the Mid-Atlantic, Inc. (collectively known as “OrthoNet”). Pursuant to the agreement and subsequent amendments, OrthoNet provides administrative services related to certain specialties. These specialties include neurosurgery, orthopedic surgery, pediatric orthopedic surgery, hand surgery, podiatry, physical medical and rehabilitation. These administration services include, but are not limited to, prior authorization, medical management, claims processing, certain claims appeals and provider service. OrthoNet also provides focused claims reviews for certain specialties.

The agreement was filed with the NJDOBI on November 9, 2010 and was approved on November 9, 2010.

This agreement has been amended at various times since inception. The latest amendment was filed with the NJDOBI on November 30, 2018 and was approved on January 1, 2019.

Prospero Health Partners, P.C. Medical Group Participation Agreement

Effective January 1, 2021, Prospero Health Partners, P.C. (“PHPP”) and UnitedHealthcare Insurance Company (“UHIC”) entered into the Medical Group Participation Agreement (the “Medical Group Agreement”). Under the Medical Group Agreement, PHPP provides palliative care management services to Registrant’s Medicare Advantage members within the last 12 months of their lives and PHPP will not submit claims and will not be paid fee for service but rather will receive a per member per month care management fee.

Effective January 1, 2021, the Company entered into the Medical Group Agreement. The Medical Group Participating Agreement was submitted to the NJDOBI for review on October 28, 2020 and was approved on January 8, 2021.

Prospero Health Partners, P.C. Accountable Care Organization Agreement

Effective March 1, 2020, PHPP and UHIC entered into the Accountable Care Organization Agreement.

Effective January 1, 2021, the Company entered into the Accountable Care Organization Agreement via participating addendum. The Accountable Care Organization Agreement was submitted to the NJDOBI for review on October 28, 2020 and was approved on January 8, 2021.

This agreement has been amended at various times since inception. The latest amendment was filed subsequent to the Examination period with the NJDOBI on January 27, 2022 and was approved on December 20, 2022.

Real Appeal Inc. National Ancillary Provider Participation Agreement

Effective January 1, 2019, UHIC entered a National Provider Participation Agreement (“Agreement”) with Real Appeal, Inc. (“Real Appeal”). Pursuant to the Agreement, Real Appeal will provide Obesity and Diabetes Prevention Services focusing on weight loss to commercial members for UHIC and its affiliates. The services include a customizable program delivered to eligible participants with a goal of preventing diabetes and other obesity related diseases. The program uses a 52-week approach with online technology and live audio/video capabilities.

The Company signed a participating addendum effective January 1, 2019 to participate in the Agreement. The Agreement was submitted to the NJDOBI for review on June 28, 2018 and was approved on July 24, 2018. The effective dates of the Agreement and Participating Addendum were changed from August 1, 2018 to January 1, 2019, due to the timing of approval of the Agreement from the CID where UHIC is domiciled.

Riverside Pediatric Group, P.C. d/b/a Riverside Medical Group- Medical Agreement

Effective April 1, 2019, UHIC entered into an Accountable Care Organization Agreement with Riverside Pediatric Group, P.C. d/b/a Riverside Medical Group. The Accountable Care Organization Agreement outlines Incentive Programs to reward the Accountable Care Organization for achieving specific objective measures in the delivery of care to Registrant’s Commercial and Medicaid members. The Accountable Care Organization Agreement was submitted for review to the CID on June 18, 2020 and was approved on September 23, 2020.

Effective August 1, 2020 the Company entered into the Second Amendment to the Accountable Care Organization Agreement with Riverside Pediatric Group, P.C. d/b/a Riverside Medical Group. The Second Amendment was submitted for review to the NJDOBI on June 23, 2020 and was approved on January 1, 2021.

This agreement has been amended at various times since inception. The latest amendment was filed subsequent to the Examination period with the NJDOBI on February 8, 2022 and was approved on September 9, 2022.

Ear Professionals International Corporation. Ancillary Provider Participation Agreement

Effective February 1, 2019, the Company became a participant to the Ancillary Provider Participation Agreement effective January 1, 2008, the subsequent amendment and amendment eleventh to the agreement effective February 1, 2019, by and between UHIC and Ear Professionals International Corporation.

The agreement and subsequent amendments were filed with the NJDOBI on November, 12 2018 and was approved on March 28, 2019. The agreement is a fee for service arrangements.

While conducting our review of related party transactions it was noted that the documents used by the Company to analyze and renegotiate the inter-segment rates, for appropriateness, are not maintained as support and that upon request comprehensive support to demonstrate that charges between affiliates were fair and reasonable was not provided.

Statement of Statutory Accounting Principles No. 25 established the standards transactions within an insurance holding company system via reference to A-440, in which paragraph 9(d) states: *“The books, accounts and records of each party to all such transactions shall be so maintained as to clearly and accurately disclose the nature and details of the transactions including such accounting information as is necessary to support the reasonableness of the charges or fees to the respective parties”*.

It is recommended that the Company maintain, for review, the accounting information necessary to support the reasonableness of charges or fees for affiliated transactions, as required by SSAP No. 25 and A-440.

For future affiliated contracts it is recommended that the Company either be able to fully demonstrate that the charges or fees are fair and reasonable or enter in those arrangements on a cost basis.

MANAGEMENT

Article III, Section 3.02 of the Company’s by-laws state: “The number of directors of the corporation shall be determined from time to time by the board of directors but in no case shall the number of directors be less than one.”

The following directors were elected and serving at December 31, 2021:

<u>Name</u>	<u>Principal Occupation</u>
Charles Reeves Wayland	C&S Health Plan CEO NJ
Tara Renee Johnson	Senior Associate General Counsel.
Jean M. McGann	VP Acct Mgmt. SB KA
Donald Alan Stangler	E&I NA Medical Director/Chief Medical Officer
Elizabeth Corkum Winsor	E&I Regional CEO

Article IV, Section 4.01 of the Company’s by-laws provides for the appointment and election of officers. The following officers were appointed and serving at December 31, 2021:

<u>Name</u>	<u>Title</u>
Charles Reeves Wayland	Director and President
Jessica Leigh Zuba	Secretary
Peter Marshall Gill	Treasurer
Richard Michael Hersch	Chief Financial Officer
Sanford Paul Cohen, M.D.	Chief Medical Officer
Nyle Brent Cottington	Vice President
Heather Anastasia Lang	Assistant Secretary

N.J.S.A. 17:27A-4d (3) states, “Not less than one-third of the directors of a domestic insurer, and not less than one-third of the members of each committee of the board of directors of any domestic insurer, shall be persons who are not officers or employees of that insurer or of any entity controlling, controlled by, or under common control with, that insurer and who are not beneficial owners of a controlling interest in the voting securities of that insurer or any such entity. At least one such person shall be included in any quorum for the transaction of business at any meeting of the board of directors or any committee thereof.”

N.J.S.A. 17:27A-4d (4) states, “The board of directors of a domestic insurer shall establish one or more committees comprised solely of directors who are not officers or employees of the insurer or of any entity controlling, controlled by, or under common control with, the insurer and who are not beneficial owners of a controlling interest in the voting securities of the insurer or any such entity. The committee shall be responsible for recommending the selection of independent certified public accountants, reviewing the insurer’s financial condition, the scope and results of the independent audit and any internal audit, nominating candidates for director for election by shareholders or policyholders, evaluating the performance of officers deemed to be principal officers of the insurer and recommending to the board of directors the selection and compensation, including bonuses or other special payments, of the principal officers.”

N.J.S.A. 17:27A-4d (5) states, “The provisions of (3) and (4) of this subsection d. shall not apply to a domestic insurer if the person controlling the insurer is an entity having a board of directors and committees thereof that substantially meet the requirements of those paragraphs.

The Company satisfies the requirements of N.J.S.A. 17:27A-4d (5) as its ultimate parent, UnitedHealth Group, has board of directors and committees thereof that substantially meet the requirements of provisions (3) and (4).

A review of resolutions made by the Company’s directors indicates that they adequately approve and support the Company’s business transactions and events.

POLICY ON CONFLICTS OF INTEREST

UnitedHealth Group maintains a formal conflict of interest policy to review activities that conflict with its interests. The UnitedHealth Group conflict of interest policy requires all employees to disclose any outside activities that may create real or potential conflicts of interest. The UnitedHealth Group conflict

of interest policy requires all employees to obtain prior approval for participation in outside activities. Annually, each director and officer of the Company complete a conflict of interest and outside directorships disclosure form in accordance with the UnitedHealth Group code of conduct policy. UnitedHealth Group Compliance and Ethics committee reviews an annual conflict of interest report.

No apparent or potential conflicts of interest were noted during the review of the conflict of interest disclosure forms.

FIDELITY BOND AND OTHER INSURANCE COVERAGES

The Company, along with its parent and any affiliate of UnitedHealth Group, are covered insureds on a financial institution bond underwritten by Great American Insurance Company. The amount of fidelity coverage carried on this policy met the recommended minimum amount of fidelity coverage as measured on a group basis using the NAIC's formula and exposure index. The Company, along with its parent and any affiliate of UnitedHealth Group, had other insurance coverages such as property, general liability, and cyber in place during the examination period.

ACCOUNTS AND RECORDS

The Company uses Oracle PeopleSoft Financial software to prepare its general ledger. The Company uses Wings Plus accounting software from Eagle Technology Management to prepare its financial statements.

The Company maintains separate premium and claims processing systems for both of its Commercial and Medicare lines of business.

For its commercial line of business, the Company uses its Oxford legacy applications, PULSE and PICK applications, to process premiums/billings and claims, respectively. Both applications were developed internally. The Company also uses PeopleSoft accounts receivable/billing and UNET applications to process premiums/billings and claims, respectively. The PeopleSoft application was purchased from an outside vendor, and UNET was developed internally.

As of January 1, 2022, the Company's commercial business has been fully migrated to Cirrus and BRMS. Cirrus is an internally developed platform. BRMS is the Billing and Revenue Management system and is internally developed. All of the Company's commercial revenue is managed through this application. Cirrus feeds group and product information to BRMS. Financial data is reported by Cirrus and BRMS to the PeopleSoft GL, which was purchased from an outside vendor. PULSE and PICK are currently in runout and will be archived as read-only in the first quarter of 2023.

For its Medicare line of business, the Company uses GPS and COSMOS applications to process premiums/billings and claims, respectively. Both applications were developed internally.

The Company's financial statements are prepared by Company staff under the direction of the Vice President, Regulatory Finance Operations.

TREATMENT OF POLICYHOLDERS

N.J.S.A. 26:2J-12 requires an HMO to establish and maintain a complaint system to provide reasonable procedures for the resolution of written complaints initiated by enrollees concerning health care services. A review of Company records indicates that as of December 31, 2021, the Company does maintain a complaint register and is in compliance with this statute.

STATUTORY DEPOSIT

The examination determined that the Company had securities with a total carrying value of \$205,543,898 on deposit with the NJOBİ at December 31, 2021. All statutory deposits were verified by direct confirmation with the NJDOBİ.

FINANCIAL STATEMENTS AND OTHER EXHIBITS

- Exhibit A – Comparative Statement of Assets, Liabilities, Surplus and Other Funds at December 31, 2021
- Exhibit B – Statement of Revenue and Expenses for the Five Year Period Ended December 31, 2021
- Exhibit C – Capital and Surplus Account for Five Year Period Ended December 31, 2021

EXHIBIT A

OXFORD HEALTH PLANS (NJ) INC.
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, SURPLUS AND OTHER FUNDS
AT DECEMBER 31, 2021

	Current Examination at 12/31/21	Balance Per Company at 12/31/21	Examination Change	Note Number
<u>ASSETS</u>				
Bonds	\$ 168,944,109	\$ 168,944,109	0	1
Cash and Short-term Investments	69,374,317	69,374,317	0	
Receivables for Securities	0	0	0	
Investment Income Due and Accrued	292,424	292,424	0	
Uncollected Premiums and Agents' Balances In Course of Collection	9,087	9,087	0	
Accrued Retrospective Premiums	52,285,689	52,285,689	0	
Amounts Recoverable from Reinsurers	0	0	0	
Amounts Receivable Relating to Uninsured Plans	13,393,978	13,393,978	0	
Current Federal and Foreign Income Tax Recoverable and Interest Thereon	166,437	166,437	0	
Net Deferred Tax Asset	931,945	931,945	0	
Health Care and Other Amounts Receivable	49,933,497	49,933,497	0	
Total Admitted Assets	<u>\$ 355,331,482</u>	<u>\$ 355,331,482</u>	<u>\$0</u>	
<u>LIABILITIES, CAPITAL AND SURPLUS</u>				
Claims Unpaid	\$ 54,738,714	\$ 54,738,714	\$0	2
Accrued Medical Incentive Pool and Bonus Amounts	1,066,848	1,066,848	0	
Unpaid Claims Adjustment Expenses	863,802	863,802	0	2
Aggregate Health Policy Reserves	1,676,445	1,676,445	0	
Aggregate Health Claim Reserves	133,381	133,381	0	2
Premiums Received in Advance	107,449	107,449	0	
General Expenses Due or Accrued	4,201,339	4,201,339	0	
Ceded Reinsurance Premiums Payable	0	0	0	
Remittances and Items Not Allocated	713,502	713,502	0	
Amounts Due to Parent, Subsidiaries and Affiliates	13,173,758	13,173,758	0	
Liability for Amounts Held Under Uninsured Plans	74,635	74,635	0	
Aggregate Write-ins for Other Liabilities	45,006,458	45,006,458	0	3
Total Liabilities	<u>\$ 121,756,331</u>	<u>\$ 121,756,331</u>	<u>\$0</u>	
<u>SURPLUS AND OTHER FUNDS</u>				
Common Capital Stock	\$ 50	\$ 50	0	4
Gross Paid In and Contributed Surplus	13,889,075	13,889,075	0	4
Unassigned Funds (Surplus)	219,686,026	219,686,026	0	4
Total Capital and Surplus	<u>\$ 233,575,151</u>	<u>\$ 233,575,151</u>	<u>\$0</u>	4
Total Liabilities, Surplus and Other Funds	<u>\$ 355,331,482</u>	<u>\$ 355,331,482</u>	<u>\$0</u>	

EXHIBIT B

OXFORD HEALTH PLANS (NJ) INC.
STATEMENT OF REVENUE AND EXPENSES
FOR THE FIVE YEAR PERIOD ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Member Months	724,437	631,810	559,225	480,594	353,068
Net Premium Income	\$ 1,223,028,074	\$ 991,617,826	\$ 783,473,101	\$ 578,718,032	\$ 427,500,058
Unearned Premium Reserve and Rate Credits	(1,165,526)	181,359	23,102,120	(2,376,120)	(14,835,315)
Total Revenues	<u>\$ 1,221,862,548</u>	<u>\$ 991,799,185</u>	<u>\$ 806,575,221</u>	<u>\$ 576,341,912</u>	<u>\$ 412,664,743</u>
Hospital and Medical Benefits	929,283,198	716,651,844	600,669,551	425,077,555	270,445,766
Other Professional Services	2,818,893	1,684,623	1,831,891	4,345,982	3,018,551
Emergency Room and Out-of-Area	5,048,296	3,745,376	3,546,286	5,299,826	9,073,268
Prescription Drugs	33,526,032	27,340,319	27,117,954	22,370,162	23,778,470
Incentive Pool and Bonus Amounts	1,777,633	2,945,624	1,597,608	692,434	(261,365)
Subtotal	<u>\$ 972,454,052</u>	<u>\$ 752,367,786</u>	<u>\$ 634,763,290</u>	<u>\$ 457,785,959</u>	<u>\$ 306,054,690</u>
Net Reinsurance Recoveries	(62)	1,552	589,791	4,028,601	5,689,911
Total Hospital and Medical	<u>\$ 972,454,114</u>	<u>\$ 752,366,234</u>	<u>\$ 634,173,499</u>	<u>\$ 453,757,358</u>	<u>\$ 300,364,779</u>
Claims Adjustment Expenses	39,707,276	36,135,024	36,646,230	21,349,582	20,492,091
General Administrative Expenses	82,815,013	87,841,269	58,630,623	55,099,754	32,498,003
Increase in Health Contract Reserves	0	0	0	(2,547,000)	2,547,000
Total Underwriting Deductions	<u>\$ 1,094,976,403</u>	<u>\$ 876,342,527</u>	<u>\$ 729,450,352</u>	<u>\$ 527,659,694</u>	<u>\$ 355,901,873</u>
Net Underwriting Gain	<u>\$ 126,886,145</u>	<u>\$ 115,456,658</u>	<u>\$ 77,124,869</u>	<u>\$ 48,682,218</u>	<u>\$ 56,762,870</u>
Net Investment Income Earned	1,370,587	2,469,734	5,165,887	4,092,971	2,331,705
Net Realized Capital Gains (Losses)	337	(12,526)	(246,663)	4,063	35,790
Net Investment Gains	<u>\$ 1,370,924</u>	<u>\$ 2,457,208</u>	<u>\$ 4,919,224</u>	<u>\$ 4,097,034</u>	<u>\$ 2,367,495</u>
Agents' Balances Charged Off	(3,993)	15,430	(21,700)	60,112	(678,752)
Aggregate Write-ins	0	(2,511)	0	0	(26,466)
Net Income or (Loss)	<u>\$ 128,253,076</u>	<u>\$ 117,926,785</u>	<u>\$ 82,022,393</u>	<u>\$ 52,839,364</u>	<u>\$ 58,425,147</u>
Federal and Foreign Income Taxes	26,538,473	27,618,633	16,873,551	11,922,792	20,211,694
Net Income (Loss)	<u><u>\$ 101,714,603</u></u>	<u><u>\$ 90,308,152</u></u>	<u><u>\$ 65,148,842</u></u>	<u><u>\$ 40,916,572</u></u>	<u><u>\$ 38,213,453</u></u>

EXHIBIT C

OXFORD HEALTH PLANS (NJ) INC.
CAPITAL AND SURPLUS ACCOUNT
FOR FIVE YEAR PERIOD ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Capital and Surplus, Prior Year	\$ 219,222,971	\$ 175,548,518	\$ 147,160,408	\$ 146,074,817	\$ 117,182,698
Net Income	\$ 101,714,603	\$ 90,308,152	\$ 65,148,842	\$ 40,916,572	\$ 38,213,453
Change in Net Deferred Income Tax	(1,157,386)	11,546	(1,326,189)	(624,538)	(2,250,696)
Change in Nonadmitted Assets	3,794,963	(1,645,245)	4,565,457	(1,206,443)	(74,142)
Dividends to Stockholders	(45,000,000)	(45,000,000)	(40,000,000)	(38,000,000)	0
Aggregate Write-ins for Losses in Surplus	(45,000,000)	0	0	0	(6,996,496)
Net Change in Capital and Surplus	<u>\$ 14,352,180</u>	<u>\$ 43,674,453</u>	<u>\$ 28,388,110</u>	<u>\$ 1,085,591</u>	<u>\$ 28,892,119</u>
Capital and Surplus, Current Year	<u><u>\$ 233,575,151</u></u>	<u><u>\$ 219,222,971</u></u>	<u><u>\$ 175,548,518</u></u>	<u><u>\$ 147,160,408</u></u>	<u><u>\$ 146,074,817</u></u>

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Bonds

The Company reported “Bonds” in the amount of \$168,944,109 at December 31, 2021. The Company’s bonds are summarized as follows:

<u>Investment</u>	<u>Par Value</u>	<u>Fair Value</u>	<u>Admitted Value</u>
U.S. Government	\$ 24,000,000	\$ 23,985,243	\$ 24,044,855
States, Territories and Possessions	1,000,000	992,990	1,000,000
Political Subdivisions	0	0	0
Special Revenue	16,821,922	18,340,631	17,752,563
Industrial and Miscellaneous	<u>126,114,778</u>	<u>125,643,685</u>	<u>126,146,691</u>
Total	<u>\$167,936,700</u>	<u>\$168,962,549</u>	<u>\$168,944,109</u>

The Company’s bonds were held by the Northern Trust Company. The Northern Trust Company is an approved custodian authorized by the NJDOBI.

The examination team relied upon audit procedures performed by the Company’s independent auditor to substantively test and confirm the existence of the Company’s invested assets. Based upon examination review, the assets have been accepted as reported by the Company.

Note 2: Loss Reserves and Actuarial Liabilities

At December 31, 2021, the Company reported \$54,738,714 for Claims unpaid; \$1,066,848 for Unpaid claims adjustment expense; and \$863,802 for Aggregate health claim reserves.

Gary Iannone, Vice President and Corporate Chief Actuary of UHS, of which the Company is an affiliate, was appointed by the board of directors, rendered an opinion that claims unpaid and aggregate health claims reserves recorded as of December 31, 2021, and made a reasonable provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements.

The CID contracted with Lewis and Ellis, Inc. to review the Company’s loss reserves and actuarial liabilities, and the examination actuarial consultants determined the recorded amounts were reasonably stated. The Life & Health Actuarial Division of the NJDOBI reviewed the Lewis and Ellis, Inc. Report on the Actuarial Examination of the UnitedHealth Group and accepted the reported reserves without adjustment.

Note 3: AGGREGATE WRITE-INS FOR LIABILITIES (UNCLAIMED PROPERTY)

It was noted that the Company did not issue timely due diligence letters and escheat unclaimed property back to the states, in accordance with state law and “UHG Corporate Treasury Unclaimed Property – Policies and Procedures”.

It is recommended that the Company review its policies and procedures to strengthen the controls around unclaimed property, including but not limited to, the timeliness of sending due diligence letters, the reissuance of checks and the escheatment of unclaimed property.

Note 4: Capital and Surplus

The Company reported total capital and surplus in the amount of \$233,575,151 at December 31, 2021 as summarized:

Common Capital Stock	\$50
Gross Paid In and Contributed Surplus	13,889,075
Unassigned Funds (Surplus)	<u>219,686,026</u>
Total Capital and Surplus	<u>\$233,575,151</u>

The Company's common capital stock consisted of 500 shares issued and outstanding each with a \$.10 par value. The shares of the Company are owned by its parent, Oxford Health Plans, LLC. The examination resulted in no material findings affecting the Company's surplus as stated.

SUBSEQUENT EVENTS

The Company paid an ordinary cash dividend of \$56,000,000 on October 26, 2022 and an extraordinary cash dividend of \$75,000,000 on December 19, 2022 to its parent Oxford Health Plans, LLC. These dividends were recorded as a reduction to unassigned surplus in the financial statements.

On January 30, 2023 the Company submitted Form D proposing a Promissory Note Agreement by and between themselves and UHS, under which UHS would make up to \$100M in funds available to OHPNJ at any one time, in exchange for repayment along with interest at a certain agreed-upon rate. The agreement was non disapproved by the NJDOBI on March 17, 2023 with an Effective Date of April 1, 2023. The Note utilizes an interest rate of the Fed Funds Upper Bound index plus 50 basis points.

As of April 1, 2023, This note fully and completely supersedes and replaces any and all existing agreements and notes, written or oral, filed or unfiled, that may exist either between the parties or between the Borrower and UHG relating to funds loaned from Lender (or UHG) to Borrower (collectively, the 'Prior Notes'). As of the Effective Date, all Prior Notes shall be considered to be terminated without any additional action being required on the part of any party, or their officers, directors, employees or representatives."

SUMMARY OF EXAMINATION RECOMMENDATIONS

INTERCOMPANY AGREEMENTS- Page 18

It is recommended that the Company maintain, for review, the accounting information necessary to support the reasonableness of charges or fees for affiliated transactions, as required by CGS 38a-136, SSAP No. 25 and A-440.

For future affiliated contracts it is recommended that the Company either be able to fully demonstrate that the charges or fees are fair and reasonable or enter in those arrangements on a cost basis.

AGGREGATE WRITE-INS FOR LIABILITIES (UNCLAIMED PROPERTY) -Page 25

It is recommended that Company review its policies and procedures to strengthen the controls around unclaimed property, including but not limited to, the timeliness of sending due diligence letters, the reissuance of checks and the escheatment of unclaimed property.

CONCLUSION

The courteous cooperation and assistance extended during the course of this examination by the officers of the Company and members of the office staff is hereby acknowledged.

Respectfully Submitted,

Frank Taylor Phillips

Frank Taylor Phillips, CFE
Examiner-In-Charge
Risk and Regulatory Consulting, LLC
Representing the State of New Jersey
Department of Banking and Insurance

Under the supervision of:

Nancy Lee Chice

Nancy Lee Chice, CFE
CFE Reviewer – Supervising Examination
New Jersey Department of Banking and Insurance

AFFIDAVIT

I, Frank Taylor Phillips, the undersigned, hereby certify that the foregoing Report of Examination accurately discloses, to the best of my knowledge, all material and relevant information related to the financial condition of Oxford Health Plans (NJ), Inc., in accordance with the Handbook and New Jersey State Regulations.

Respectfully submitted,

Frank Taylor Phillips

Frank Taylor Phillips, CFE
Examiner-In-Charge
Risk and Regulatory Consulting, LLC
Representing the State of New Jersey
Department of Banking and Insurance

Under the supervision of:

Nancy Lee Chice

Nancy Lee Chice, CFE
CFE Reviewer – Supervising Examination
New Jersey Department of Banking and Insurance

State of New Jersey
County of Mercer

Subscribed and sworn to before me,

21st day of *April*, 2023, on this
Nancy Lee Chice

Shirley M. Evans
Notary Public of New Jersey

My commission expires: *July 2025*