



**EXAMINATION REPORT  
OF  
Solstice Benefits, Inc.**

**NAIC Company Code: 12341**

**Plantation, Florida  
as of  
December 31, 2019**

**BY THE  
FLORIDA  
OFFICE OF INSURANCE REGULATION**

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March 8, 2021

David Altmaier  
Commissioner  
Office of Insurance Regulation  
State of Florida  
Tallahassee, Florida 32399-0326

Dear Commissioner:

Pursuant to your instructions, in compliance with Section 624.316, Florida Statutes, Rule 69O-138.005, Florida Administrative Code, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners ("the NAIC"), we have conducted an examination as of December 31, 2019, of the financial condition and corporate affairs of

Solstice Benefits, Inc.  
7901 SW 6TH CT, SUITE 400  
Plantation, FL 33324

hereinafter referred to as "the Company." Such report of examination is herewith respectfully submitted.

## **SCOPE OF EXAMINATION**

This examination covered the period of January 1, 2015 through December 31, 2019 and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“the Office”) on September 17, 2019. This examination initially began as a four-year examination covering the period of January 1, 2015 through December 31, 2018. In April 2020, the examination was rolled-forward to include the year 2019 in the examination scope. The fieldwork concluded as of March 8, 2021. The Company’s last full scope exam by representatives of the Office covered the period of January 1, 2014 through December 31, 2014.

The examination was a single state examination conducted in accordance with the NAIC Financial Condition Examiners Handbook (“the Handbook”). The Handbook requires that the examination be planned and performed to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer’s surplus to be materially misstated both currently and prospectively.

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

This examination report includes information obtained from the examination of the records, accounts, files and documents of or relative to the Company and other information as permitted by Section 624.319, Florida Statutes. There may be other items identified during the examination that, due to their nature (for example, subjective conclusions or proprietary information), are not included within the examination report but separately communicated to other regulators and/or the Company.

## **SUMMARY OF SIGNIFICANT FINDINGS**

### **Current Examination Findings**

Some of the findings noted during this examination period have been resolved by the Company subsequent to the examination date. However, the findings or exceptions are discussed in detail in the body of the examination report.

### **Previous Examination Findings**

There were no significant findings in the previous examination report as of December 31, 2014.

## **COMPANY HISTORY**

### **General**

The Company was incorporated in Florida on November 17, 2004. The Company received a permit to form a Florida domestic insurer on November 16, 2011 and was licensed by the Office as a life and health insurer in Florida on April 27, 2012 and was authorized to transact accident and health insurance on the same day. Additionally, the Company is authorized as a Third Party Administrator in the state of Georgia.

### **Dividends**

The Company did not declare or pay any dividends during the period under examination.

### **Capital Stock and Capital Contributions**

As of December 31, 2019, the Company's capitalization was as follows:

#### **Common Shares**

Number of authorized common capital shares	30,000
Number of shares issued and outstanding	25,000
Total common capital stock	\$25,000
Par value per share	\$1.00

**Preferred Shares**

Number of authorized preferred capital shares	10,000
Number of shares issued and outstanding	6,615
Total preferred capital stock	\$6,615
Par value per share	\$1.00

The Company's preferred stock is designated by series. During February 2017, the Company received approval from the Office to convert 620.68 Series A preferred shares to 20,000 shares of common stock, which extinguished all Series A preferred shares. The Company's 2017 NAIC Annual Statement did not reflect the adjustment to common stock, preferred stock, or gross paid in and contributed surplus for this conversion; however, this was corrected in the 2018 NAIC Annual Statement. Also during 2017, the Company issued 1,600 Series D preferred shares and 300 Series E preferred shares.

The Company is authorized to issue up to 10,000 shares of non-voting \$1.00 par value preferred stock, which may be issued in one or more series. Of the authorized shares of preferred stock there have been designated 620.68 shares of the Series A preferred stock (Series A), 4,000 shares of the Series B preferred stock (Series B), 1,500 shares of the Series C preferred stock (Series C), 2,000 shares of the Series D preferred stock (Series D), and 1,000 shares of the Series E preferred stock (Series E). All series of preferred stock rank senior to the Company's common shares. The Series B, C and D shares have the same rank, which is senior to the Company's Series A preferred shares. The Series E shares rank senior to all common stock and Series A, B, C and D preferred stock. As of December 31, 2019, the preferred stock issued and outstanding was 6,615 shares designated as: 3,615 shares of Series B, 1,100 shares of Series C, 1,600 shares of Series D and 300 shares of Series E.

**Surplus Notes**

The Company did not have or issue any surplus notes during the period under examination.

## Acquisitions, Mergers, Disposals, Dissolutions

During the examination period, the Company dissolved a downstream subsidiary, Solstice Administrators of Tennessee, Inc., and created several downstream subsidiaries: Solstice Administrators of Arizona, Inc., Solstice Healthplans of Arizona, Inc., Solstice Healthplans of Texas, Inc., Solstice Healthplans of Ohio, Inc., and Solstice Healthplans of Tennessee, Inc.

## MANAGEMENT AND CONTROL

### Corporate Governance

The annual shareholder meeting for the election of Directors was held in accordance with Section 628.231, Florida Statutes. Directors serving as of December 31, 2019, are shown below:

Directors		
Name	City, State	Principal Occupation, Company Name
Michael D. Flax, Chair	Plantation, Florida	Retired Dentist / Retired Dental Professor, NSU College of Dental Medicine
Leonard A. Weiss, DMD	Plantation, Florida	President & Chief Executive Officer, Solstice Benefits, Inc
Nachman Weiszner	Plantation, Florida	Chief Financial Officer, Solstice Benefits, Inc
Carlos Ferrera	Plantation, Florida	Chief Operating Officer, Solstice Benefits, Inc.
Audie M. Rolnick, MD	Plantation, Florida	Orthopedic Surgeon, Orthopedic Center of South Florida
Mark D. Feinstein	Plantation, Florida	Attorney, Feinstein and Sorota, P.A.
Richard S. Landau	Naples, Florida	Mortgage Banker, Security Capital Ventures
Martin Schwartzman	Bayside, New York	Principal, SBL Solutions LLC
Shaun A. Weiss <sup>1</sup>	New York, New York	Attorney, Clifford Chance

<sup>1</sup> Shaun Weiss became an employee of the Company in February, 2020. Shaun Weiss resigned from the Company's Board of Directors effective November 13, 2020.

In accordance with the Company's Bylaws, the Board appointed the following Senior Officers:

<b>Senior Officers</b>		
<b>Name</b>	<b>City, State</b>	<b>Title</b>
Leonard A. Weiss, DMD	Plantation, Florida	President & Chief Executive Officer
Carlos Ferrera	Plantation, Florida	Chief Operating Officer & Secretary
Tamara J. Eveslage	Plantation, Florida	Compliance Officer
Nachman Weiszner	Plantation, Florida	Chief Financial Officer & Treasurer
Michael Flax, DDS	Plantation, Florida	Chairman
Tony Lorie	Plantation, Florida	Chief Information Security Officer

The Company's Board appointed an Audit Committee, which the Company maintained as required by Section 624.424(8)(c), Florida Statutes. The following were the committee members as of December 31, 2019.

<b>Audit Committee</b>		
<b>Name</b>	<b>City, State</b>	<b>Title, Company Name</b>
Richard S. Landau	Naples, Florida	Mortgage Banker, Security Capital Ventures
Mark D. Feinstein <sup>2</sup>	Plantation, Florida	Attorney, Feinstein and Sorota, P.A.
Audie M. Rolnick, MD	Plantation, Florida	Orthopedic Surgeon, Orthopedic Center of South Florida

#### Mortgage Loan to Officer and Director

In 2015 the Company loaned \$ 225,000 secured by a mortgage on a property located in the Bahamas to an officer who was also a Director of the Company. The principal was repaid in 2017 with no interest charged. The Board of Director meeting minutes did not document the review or approval of this transaction and the related party transaction was not filed with the Office for its prior approval. The Company incorrectly reported the loan as a Mortgage Loan asset on the NAIC filings up until it was repaid. Under Section 625.327, Florida Statutes, this is

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<sup>2</sup> Subsequent to the examination date, the location of Mark Feinstein's business changed to Fort Lauderdale, Florida.



a prohibited investment since the property was outside the United States and it should have been reported as a non-admitted asset. This issue is now resolved as the loan has been repaid.

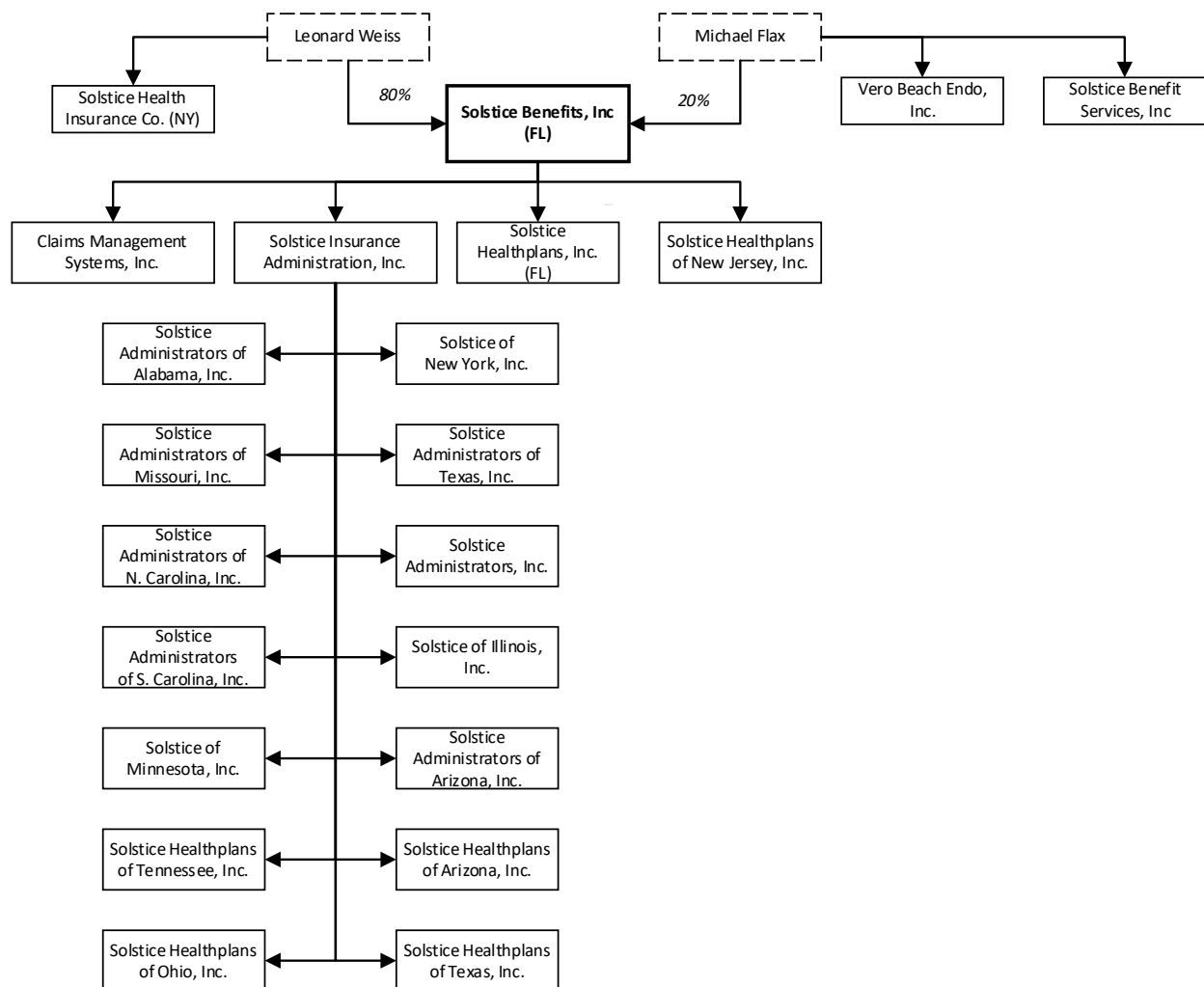
## Holding Company System

The Company is member of a holding company system. An organizational chart as of December 31, 2019 reflecting the holding company system is shown below. Leonard Weiss is the ultimate controlling person.

### Solstice Benefits, Inc.

#### Organizational Chart

December 31, 2019



The following agreements were in effect between the Company and its affiliates:

### **Administrative Service Agreements**

#### Solstice Healthplans, Inc.

The Company entered into an Administrative Service Agreement with Solstice Healthplans, Inc. (SHP) on January 1, 2015 to provide certain management services and to provide access to its provider network. The agreement continues in force for an initial term of three (3) years and will automatically renew for successive one (1) year periods subject to negotiation regarding compensation terms, unless otherwise terminated within the guidelines of the agreement. The service fee paid by SHP each month was an amount up to 37.25% of gross premiums, plus one dollar (\$1.00) per member per month for access to the SBI provider network. Fees incurred under this agreement during 2019 amounted to \$3,521,086 for services, and \$769,059 for network access. These amounts exclude expense, commission, and claim reimbursements paid by the Company on behalf of SHP. The amounts charged were in accordance with the agreement. During the period of examination, the Company did not settle the intercompany balances as required by the agreement. **Subsequent Event:** This matter was brought to the Company's attention and it began settling the intercompany balances monthly in accordance with the agreement.

#### Solstice Benefit Services, Inc.

The Company entered into an Administrative Service Agreement with Solstice Benefit Services, Inc. (SBS) (formerly known as Starmark Benefit Services, Inc.) effective March 26, 2006 to provide benefits, administrative, and claims services to SBS, while SBS provided enrollment and promotion services to the Company. There was an immaterial amount of charges during 2019 under this agreement.

#### Administrative Service Agreements Effective January 1, 2011

The Company entered into separate Administrative Service Agreements with Solstice Administrators, Inc. (SAI), Solstice of Illinois, Inc. (SIL), and Solstice of New York, Inc. (SNY) on January 1, 2011. These agreements were amended in 2014 retroactive to the initial effective date. The agreements specify various administrative services that the Company provides to SAI, SIL, and SNY. Under the agreements, fees are based on hourly rates and payable monthly. There were no fees charged under these agreements during 2019.

#### Administrative Service Agreements Effective January 1, 2013

The Company entered into separate Administrative Service Agreements with each of the following related parties:

- Solstice Administrators of Alabama, Inc. (SA-AL)
- Solstice Insurance Administration, Inc. (SIA)
- Solstice Administrators of Texas, Inc. (SA-TX)
- Solstice Administrators of Missouri, Inc. (SA-MO)
- Solstice Administrators of North Carolina, Inc. (SA-NC)
- Solstice Administrators of South Carolina, Inc. (SA-SC).

These agreements were effective January 1, 2013 and were amended for clerical changes. The agreements specify various administrative services that the Company provides to SA-AL, SIA, SA-TX, SA-MO, SA-NC, and SA-SC. The agreements were initially effective for a three (3) year term and automatically renew for one (1) year periods thereafter. Under the agreements, fees are based on hourly rates and are payable monthly. There were no fees charged under these agreements during 2019.

#### Claims Management Systems, Inc.

The Company entered into an Administrative Service Agreement with Claims Management Systems, Inc. (CLMS) effective January 13, 2013 to provide various administrative services to CLMS. The agreement was initially effective for a three (3) year term and automatically renew for one (1) year periods thereafter. Under the agreement, fees are based on hourly rates and are payable monthly. There were no fees charged under this agreement during 2019.

#### Solstice Healthplans of New Jersey, Inc.

The Company entered into an Administrative Service Agreement with Solstice Healthplans of New Jersey, Inc (SHP-NJ) effective May 1, 2013 which was amended in 2014 retroactive to January 1, 2013. This agreement specifies various administrative services that the Company provides to SHP-NJ. The agreement was initially effective for a three (3) year term and automatically renew for one (1) year periods thereafter. Under the agreement, fees are based on hourly rates and are payable monthly. There were no fees charged under this agreement during 2019.

### Administrative Service Agreements Effective May 28, 2019

The Company entered into separate Administrative Service Agreements with the following related parties:

- Solstice Healthplans of Texas, Inc (SHP-TX)
- Solstice Administrators of Arizona, Inc. (SA-AZ)
- Solstice Healthplans of Tennessee, Inc (SHP-TN)
- Solstice Healthplans of Arizona, Inc (SHP-AZ)
- Solstice of Minnesota, Inc (SMN)

These agreements were effective May 28, 2019, to provide various administrative services to SHP-TX, SA-AZ, SHP-TN, SHP-AZ, and SMN as well as network access. The agreements were initially effective for a three (3) year term and automatically renew for one (1) year periods thereafter. Under the agreements with SHP-TX, SA-AZ, and SHP-TN, fees are based on a percentage of insurance charges or premiums collected, plus \$1.00 per member per month for network access, while the agreements with SHP-AZ and SMN stipulate fees based on an hourly charged depending on the type of service performed, plus \$1.00 per member per month for network access. There were no fees charged under these agreements during 2019. These agreements were not filed with the Office prior to the effective date as required by the Office. **Subsequent Event:** The Company filed these agreements with the Office and the Office approved the agreements with the original effective date.

### **Consolidated Tax Allocation Agreement**

The Company, along with other affiliates, elected to file a consolidated federal income tax return. This agreement was amended twice during the examination period to add several affiliates the agreement, and to remove one affiliate from the agreement, however these two amendments were not filed with the Office prior to the effective date as required. **Subsequent Event:** The Company filed with the Office, and the Office approved the second and third amendments to this agreement.

On December 31, 2019, the method of allocation between the Company and other parties to the agreement was based on the ratio of each entity's taxable income to the consolidated taxable income. Each member of the group recorded an inter-company income tax receivable or payable with SBI. As noted in the Administrative Services Agreement section, the Company did

not settle its intercompany balances during the examination period. **Subsequent Event:** This matter was brought to the Company's attention and it began settling the intercompany balances.

### **Temporary Personnel Leasing Agreement**

The Company entered into a Temporary Personnel Leasing Agreement with Solstice Health Insurance Company (SHIC) effective January 1, 2010 and amended in 2014 retroactive to the initial effective date. This agreement specifies a personnel leasing arrangement for enrollment and installation of individuals and new groups into a billing and claims system; billing and collection of premiums, claims investigation, processing and adjudication; and member service. The agreement specifies compensation based on hours worked by the leased personnel function. During 2019, the Company charged approximately \$2.3 million of expenses to SHIC.

### **Consulting Agreements**

The Company entered into a Consulting Agreement with Feinstein & Sorota, P.A. effective January 1, 2012 for legal advisory services. The agreement remains in effect until terminated by either party. Under the agreement, fees were payable to Feinstein & Sorota, P.A. at the rate of \$8,333 per month.

The Company entered into a Consulting Agreement with an officer and Director of the Company, effective May 6, 2014, for fees for services as the President of the Company. The agreement remains in effect until terminated by either party. Under the agreement, fees are payable at the rate of \$30,000 per month. During 2019, the Company paid approximately \$88,000 to this officer.

## **ACCOUNTS AND RECORDS**

The Company maintained its principal operational offices in Plantation, Florida.

The Company and non-affiliates had the following material agreements:

## **Independent Auditor Agreement**

An independent CPA, Novogradac & Company LLP audited the Company's statutory basis financial statements for the year 2019 in accordance with Section 624.424(8), Florida Statutes. Michael Curto CPA, PA audited the Company's statutory basis financial statements for the year 2018 in accordance with Section 624.424(8), Florida Statutes. Marcum LLP audited the Company's statutory basis financial statements for the years 2017, 2016, and 2015 in accordance with Section 624.424(8), Florida Statutes. Supporting work papers for the 2018 and 2019 audits were reviewed and were prepared by the CPA firms as required by Rule 69O-137.002, Florida Administrative Code.

## **Corporate Records Review**

The recorded minutes of the Shareholder(s), Board of Directors (Board) and the Audit Committee were reviewed for the period under examination. The recorded minutes of the Board documented its meetings and approval of Company transactions and events, in compliance with the Handbook adopted by Rule 69O-138.001, Florida Administrative Code. The Company does not regularly hold investments that would require periodic Board authorization of investments per Section 625.304, Florida Statutes.

## **TERRITORY AND PLAN OF OPERATIONS**

The Company was authorized to transact insurance only in the State of Florida.

The Company primarily writes dental and vision benefit plans including fully-insured, administrative services only and indemnity plans. The Company also provides third-party administration services in Georgia. Dental products accounted for 92% of premium and vision accounted for approximately 8% of premium in 2019.

## **REINSURANCE**

### **Reinsurance Assumed**

The Company did not assume any reinsurance during the period of this examination.

## **Reinsurance Ceded**

The Company executed a reinsurance treaty with Hannover Life Reinsurance Company of America on February 1, 2014 to reinsure the Company's dental PLHSO plans via a 50% quota share arrangement. This agreement was executed in order to remain compliant with a written premium ratio specified in Section 624.4095 Florida Statutes. This treaty was amended on January 1, 2015 to increase the quota share percentage to 70%. The majority of the Company's dental PLHSO business was transferred to affiliate Solstice Healthplans, Inc. during 2015, which eliminated the need for this reinsurance policy. The reinsurance agreement was terminated as of January 1, 2016 and the Company currently does not cede any reinsurance.

## **FINANCIAL STATEMENTS**

The following includes the Company's statutory Statement of Assets, Liabilities, Capital and Surplus and statutory Statement of Revenue and Expenses for the year ended December 31, 2019. The financial statements are based on the statutory financial statements filed by the Company with the Florida Office of Insurance Regulation and present the financial condition of the Company for the period ending December 31, 2019. (Note: Due to rounding, column amounts may not add to the totals reflected in the Report.)

**Solstice Benefits, Inc.**  
**Assets**  
**December 31, 2019**

	Per Company	Examination Adjustments	Per Examination
Stocks			
Common	\$1,248,515		\$1,248,515
Cash, cash equivalents and short-term investments	10,360,870		10,360,870
Subtotal cash and invested assets	\$11,609,385		\$11,609,385
Premiums and considerations			
Uncollected premiums and agents' balances in course of collection	577,900		577,900
Net deferred tax asset	73,821		73,821
Electronic data processing equipment and software	220,000		220,000
Receivables from parent, subsidiaries and affiliates	4,962		4,962
Health care and other amounts receivable	42,042		42,042
Total	\$12,528,109		\$12,528,109

**Solstice Benefits, Inc.**  
**Liabilities, Capital and Surplus**  
**December 31, 2019**

	Per Company	Examination Adjustments	Per Examination
Claims unpaid	\$1,457,000		\$1,457,000
Unpaid claims adjustment expenses	140,000		140,000
Premiums received in advance	106,385		106,385
General expenses due or accrued	925,182		925,182
Current federal and foreign income tax payable	158,815		158,815
Amounts withheld or retained for the account of others	70,074		70,074
Amounts due to parent, subsidiaries and affiliates	1,488,970		1,488,970
Liability for amounts held under uninsured plans	180,452		180,452
Total liabilities	\$4,526,878		\$4,526,878
Aggregate write-ins for special surplus funds			



Common capital stock	25,000		25,000
Preferred capital stock	6,615		6,615
Gross paid-in and contributed surplus	8,647,657		8,647,657
Unassigned funds (surplus)	(678,041)		(678,041)
Total capital and surplus	\$8,001,231		\$8,001,231
Total liabilities, capital and surplus	\$12,528,109		\$12,528,109

**Solstice Benefits, Inc.**  
**Statement of Revenue and Expenses**  
**December 31, 2019**

	Per Company	Examination Adjustments	Per Examination
Net premium income	\$13,094,623		\$13,094,623
Risk revenue	9,075,795		9,075,795
Aggregate write-ins for other health care related revenues	4,015,607		4,015,607
Total revenues	\$26,186,025		\$26,186,025
Hospital and Medical:			
Hospital/medical benefits	12,415,672		12,415,672
Total hospital and medical	\$12,415,672		\$12,415,672
Claims adjustment expenses	3,573,587		3,573,587
General administrative expenses	7,597,664		7,597,664
Total underwriting deductions	\$23,586,924		\$23,586,924
Net underwriting gain or (loss)	\$2,599,101		\$2,599,101
Net investment income earned	93,394		93,394
Net investment gains ((losses)	\$93,394		\$93,394
Aggregate write-ins for other income or expenses	14,510		14,510
Net income or (loss) after capital gains tax and before all other federal income taxes	\$2,707,005		\$2,707,005
Federal and foreign income taxes incurred	366,024		366,024
Net Income	\$2,340,981		\$2,340,981

	Per Company	Examination Adjustments	Per Examination
<b>Capital and Surplus Account</b>			
Capital and surplus prior reporting year	\$4,830,151		\$4,830,151
Net Income	\$2,340,981		\$2,340,981
Change in net unrealized capital gains (losses) less capital gains tax	1,657,512		1,657,512
Change in net deferred income taxes	(269,614)		(269,614)
Change in nonadmitted assets	(557,799)		(557,799)
Net change in capital and surplus	\$3,171,080		\$3,171,080
Capital and surplus end of reporting year	\$8,001,231		\$8,001,231

**Solstice Benefits, Inc.**  
**Reconciliation of Capital and Surplus**  
**December 31, 2019**

No adjustments were made to surplus as regards policyholders as a result of this examination.

<b>Capital/Surplus Change during Examination Period</b>			
Capital and Surplus at December 31, 2014, per Examination			\$1,953,419
	Increase	Decrease	
Net Income	\$1,649,834		\$1,649,834
Change in net unrealized capital gain (loss)	3,339,214		3,339,214
Change in net deferred income tax		\$751,905	(751,905)
Change in non-admitted assets		89,181	(89,181)
Change in paid in capital	1,900		1,900
Change in paid in surplus	1,898,100		1,898,100
Aggregate write-in (prior period adjustment)		150	(150)
Net increase (or decrease)			\$6,047,812
Surplus at December 31, 2019 per Examination			\$8,001,231

## **COMMENTS ON FINANCIAL STATEMENT ITEMS**

### **Assets**

#### **Aggregate Write-ins for Other Health Care Related Revenues**

The amount reported of \$4.0 million consists of approximately \$3.3 million of network alliance fees, \$0.6 million of membership dues, and \$0.1 million of administrative fees.

### **Liabilities**

#### **Losses and Loss Adjustment Expenses**

Steven F. Cyboran, ASA, MAAA, FCA, CEO and Consulting Actuary of Cyboran Consulting, LLC was appointed by the Board and rendered an opinion that the amounts carried in the balance sheet as of December 31, 2019 made a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its policies and agreements.

The Office consulting actuary, Karen Elsom, FSA, MAAA, Consulting Actuary of Lewis & Ellis Inc. reviewed the loss and loss adjustment expense work papers provided by the Company and she was in concurrence with this opinion.

### **Capital and Surplus**

The amount of capital and surplus reported by the Company of \$8,001,231, exceeded the minimum of \$1,500,000 required by Section 624.408, Florida Statutes.

## **SUBSEQUENT EVENTS**

### **Administrative Services Agreements**

The Company entered into Administrative Service Agreements with Solstice of Illinois, Inc. effective November 13, 2020 to provide various administrative services. This agreement was filed with, and approved by, the Office. It supersedes and terminates the agreement originally effective January 1, 2011 as amended.

### **Expense Sharing and Cost Allocation Agreements**

The Company and its subsidiaries entered into an Expense Sharing and Cost Allocation agreement with SHIC effective July 20, 2020. This agreement replaces the Temporary Personnel Leasing Agreement. It was filed with, and approved by, the Office.

The Company entered into an Expense Sharing and Cost Allocation Agreement with Solstice Healthplans of Ohio, Inc. (SHP-OH) effective February 4, 2020 to provide various administrative services to SHP-OH. This agreement was filed with, and approved by, the Office.

### **Consulting Agreement**

The Consulting Agreement with an officer of the Company with an original effective date of May 6, 2014 was amended January 1, 2020 to reflect a title/position change from President to Chairman of the Board, and to reduce the compensation to \$10,000 per month plus bonuses if the bonuses are approved by the Board of Directors. The Office approved this amendment filed by the Company.

### **COVID-19**

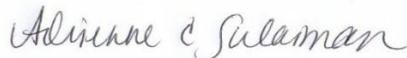
The COVID-19 pandemic has continued to develop throughout 2020, with significant uncertainty remaining regarding the full effect of COVID-19 on the U.S. and global insurance and reinsurance industry. The Florida Office of Insurance Regulation has been in communication with the Company regarding the impact of COVID-19 on its business operations and financial position. The Office continues to closely monitor the impact of the pandemic on the Company and will take necessary action if a solvency concern arises.

## CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of Solstice Benefits, Inc. as of December 31, 2019, consistent with the insurance laws of the State of Florida.

In addition to the undersigned, Charlie Kreske, CFE; Derek Peterson, CFE, and Jessica Lynch, CFE, Participating Examiners, Karen Elsom, FSA, MAAA, Contract Actuary, and Lindsey Pittman, CPA, CFE, CISA, AES, MCM, Contract IT Specialist of Lewis & Ellis Inc. also participated in the examination. Members of the Office who participated in the examination include Marshay Spencer, APIR and Glenn Coats, APIR, CFE (Fraud) Participating Examiners. Additionally, Jenny Jeffers, AES, CISA, CFE and Joanna Latham, AES, CISA, CPA, CFE, CRISC, Contract IT Specialists of Jennan Enterprises, LLC are recognized for participation in the examination.

Respectfully submitted,



Adrienne Sulaiman, CFE  
Examiner-in-Charge  
Lewis & Ellis Inc.



Margaret M. McCrary, CFE, CPA, MBA  
Chief Financial Examiner  
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