



FILED

SEP 11 2024

INSURANCE REGULATION
Docketed by: 

OFFICE OF INSURANCE REGULATION

MICHAEL YAWORSKY
COMMISSIONER

IN THE MATTER OF:

Index: OIR 2024-113

CASE NO.: 400059-24-CO

Application for the Indirect Acquisition of
HEALTHSPRING OF FLORIDA, INC.
by HCSC MEDICARE, INC.

CONSENT ORDER

THIS CAUSE came for consideration upon the filing by HCSC MEDICARE INC., (“APPLICANT”), with the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”), of an application for the indirect acquisition of HEALTHSPRING OF FLORIDA, INC. (“HSOF”), pursuant to sections 628.461 and 641.255, Florida Statutes (“Application”). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and the parties herein.
2. APPLICANT has applied for and, subject to the present and continuing satisfaction of the requirements, terms, and conditions established herein, has satisfactorily met all of the conditions precedent to the granting of approval by the OFFICE for the proposed indirect acquisition of HSOF by APPLICANT, pursuant to the requirements of the Florida Insurance Code.
3. HSOF is a licensed Health Maintenance Organization domiciled in the state of Florida and is subject to the jurisdiction and regulation of the OFFICE, pursuant to part I of chapter 641, Florida Statutes.

4. HSOF is 100% owned by NEWQUEST, LLC (“NQ”), which is 100% owned by HEALTHSPRING, INC. (“HSI”), which is 100% owned by CONNECTICUT GENERAL CORPORATION (“CGC”), which is 100% owned by CIGNA HOLDINGS INC. (“CHI”), which is 100% owned by Cigna Holding Company, which is 100% owned by The Cigna Group.

5. APPLICANT is a direct, wholly owned subsidiary of HCSC MEDICARE HOLDINGS INC. (“HOLDINGS”), which is wholly owned by HEALTH CARE SERVICE CORPORATION, A MUTUAL LEGAL RESERVE COMPANY (“HCSC”).

6. HCSC has agreed to purchase 100% of the issued and outstanding voting securities of HSI, which will result in the indirect acquisition of 100% of the issued and outstanding voting securities of HSOF, the details of which are as disclosed in the Application (“Transaction”).

7. If the OFFICE determines that any individual for whom APPLICANT, HOLDINGS, or HCSC are required to submit background information as part of this Application, and who has not otherwise disclaimed control, is unacceptable under the Florida Insurance Code, APPLICANT, HOLDINGS, and HCSC, shall cause the removal of said person within 30 days of notice from the OFFICE and replace them with a person or persons acceptable to the OFFICE or shall undertake such other corrective action as directed by the OFFICE. Failure to act would constitute an immediate serious danger to the public, pursuant to sections 120.569(2)(n) and 120.60(6), Florida Statutes, and the OFFICE may take administrative action as it deems appropriate upon the Certificate of Authority of HSOF without further proceedings.

8. Notwithstanding other applicable surplus requirements, APPLICANT, HOLDINGS, HCSC, NQ, and HSI agree that HSOF will remain in compliance with the Risk Based Capital requirements described in section 624.4085, Florida Statutes.

9. APPLICANT, HOLDINGS, HCSC, NQ, HSI, and HSOF will cooperate with financial and market conduct examinations conducted by the OFFICE, and make their accounts, records, documents, files, information, assets, and matters in their possession or control freely available to the OFFICE, its examiners, or its investigators, in accordance with sections 624.318 and 641.27, Florida Statutes.

10. HSOF shall be required at all times to maintain capital and surplus as required by sections 641.19(19) and 641.225, Florida Statutes. APPLICANT, HOLDINGS, HCSC, NQ, HSI, and HSOF agree that failure to maintain compliance at all times with the capital and surplus requirement would constitute an immediate serious danger to the public and that the OFFICE may immediately suspend, revoke, or take other administrative action as it deems appropriate upon the Certificate of Authority of HSOF without further proceedings, pursuant to sections 120.569(2)(n) and 120.60(6).

11. APPLICANT, HOLDINGS, and HCSC will make all necessary funds available to HSOF to maintain compliance with surplus requirements.

12. HSOF shall maintain at all times a ratio of premium and risk revenue to capital and surplus not greater than 10:1. APPLICANT, HOLDINGS, HCSC, NQ, HSI, and HSOF agree that HSOF's failure to maintain compliance at all times with this writing ratio requirement would constitute an immediate serious danger to the public and that the OFFICE may immediately suspend, revoke, or take other administrative action as the OFFICE deems appropriate upon the Certificate of Authority of HSOF without further proceedings, pursuant to sections 120.569(2)(n) and 120.60(6).

13. APPLICANT, HOLDINGS, HCSC, NQ, HSI, and HSOF represent there are no present plans or proposals to make substantive changes to the Plan of Operations of HSOF. Prior

written approval must be secured from the OFFICE before any material deviation from said Plan of Operations.

14. APPLICANT, HOLDINGS, HCSC represent that, except as described in the Application, there are no present plans or proposals to make any substantive changes to HSOF, including liquidating it, selling any of its assets (except for transactions such as investment portfolio transactions in the ordinary course of business), merging or consolidating it with any person or persons, or making any other major change in its business operations, management, or corporate structure.

15. HSOF agrees that it will not permit any entity to act on its behalf, either directly or indirectly, as an Administrator, as defined in section 626.88, Florida Statutes, unless that entity is licensed as an Administrator by the OFFICE.

16. APPLICANT, HOLDINGS, HCSC, and HSOF represent that, other than as referenced herein, there are no agreements, written or oral, related to the Application and Transaction that have not been provided to the OFFICE.

17. APPLICANT, HOLDINGS, HCSC, NQ, HSI, and HSOF acknowledge that any amounts due to HSOF from a Management Service Organization as part of a risk sharing arrangement are considered as non-admitted assets when determining compliance with solvency requirements under the Florida Insurance Code.

18. APPLICANT, HOLDINGS, HCSC, NQ, HSI, and HSOF shall not enter into any reinsurance or brokerage agreement, whether affiliated or not, that requires the approval from the reinsurer or broker regarding any potential sale of HSOF.

19. APPLICANT, HOLDINGS, HCSC, NQ, HSI, and HSOF shall notify the OFFICE within 10 business days of any breach, non-performance, or default of any servicing agreement

with affiliates or third-party vendors providing services directly or indirectly to HSOF that could result in or cause a material adverse change in the financial condition, business, performance, operations, or property of HSOF.

20. Any material changes to the information submitted in the Application filing shall be reported to the OFFICE for its review prior to the completion of the Transaction. APPLICANT, HOLDINGS, HCSC, NQ, HSI, HSOF, CGC, and CHI acknowledge that if the OFFICE determines that any of these reported changes would have a material negative impact on the financial condition or operation of HSOF, the OFFICE may rescind its approval as granted in the Consent Order by written notice to APPLICANT or HSOF.

21. Within 10 business days after the Transaction is completed, APPLICANT, HOLDINGS, and HCSC shall submit, or cause to be submitted, to the OFFICE all documents evidencing completion of the Transaction not already provided to the OFFICE. Further, APPLICANT, HOLDINGS, or HCSC shall notify the OFFICE within 3 business days of a final determination that the Transaction will not occur.

22. All parties to this Consent Order acknowledge that completion of the Transaction is subject to obtaining any other requisite regulatory or governmental approvals and that this Consent Order shall be deemed null and void if the Transaction is not completed by March 31, 2025. Accordingly, if APPLICANT fails to receive any other requisite approvals or the Transaction is not completed by March 31, 2025, the provisions of this Consent Order shall terminate automatically and have no effect.

23. HSOF shall, no later than 15 days after the month in which the Transaction occurs, file an update to its Holding Company Registration Statement, as required by section 628.801, Florida Statutes, and Rule 690-143.046, Florida Administrative Code.

24. Any prior orders, consent orders, or corrective action plans that HSOF has entered into with the OFFICE prior to the execution of this Consent Order shall apply and remain in full force and effect for HSOF, except where provisions of such orders, consent orders, or corrective action plans have expired; have been superseded by subsequent orders, consent orders, or corrective action plans; or are inconsistent with this Consent Order.

25. APPLICANT, HOLDINGS, HCSC affirm and represent that all information, explanations, representations, statements, and documents provided to the OFFICE in connection with the Application, including all attachments and supplements thereto, are true and correct and fully describe all transactions, agreements, ownership structures, understandings, and control with regard to the acquisition and future operations of HSOF. APPLICANT, HOLDINGS, HCSC further agree and affirm that said information, explanations, representations, statements, and documents, including all attachments and supplements thereto, are material to the issuance of this Consent Order and have been relied upon by the OFFICE in its determination to enter into this Consent Order.

26. Any deadlines, reporting requirements, other provisions, or requirements set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Such approval must be requested in writing prior to any proposed deviation from the terms of this Consent Order.

27. APPLICANT, HOLDINGS, HCSC, NQ, HSI, HSOF, CGC, and CHI affirm that all requirements set forth herein are material to the issuance of this Consent Order.

28. APPLICANT, HOLDINGS, HCSC, NQ, HSI, HSOF, CGC, and CHI expressly waive a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings herein to which they may be entitled by law or

rules of the OFFICE. APPLICANT, HOLDINGS, HCSC, NQ, HSI, HSOF, CGC, and CHI hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order in any forum available to them, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

29. Each party to this action shall bear its own costs and fees.

30. APPLICANT, HOLDINGS, HCSC, NQ, HSI, HSOF, CGC, and CHI agree that upon execution of this Consent Order, or after the completion of the Transaction solely with respect to Paragraphs 8-12, 15 and 17-19, failure to adhere to one or more of the terms and conditions contained herein may result, without further proceedings, in the OFFICE suspending, revoking, or taking other administrative action as it deems appropriate upon HSOF's Certificate of Authority in this state in accordance with sections 120.569(2)(n) and 120.60(6).

31. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed a copy of this Consent Order bearing the notarized signatures of the authorized representatives of APPLICANT, HOLDINGS, HCSC, NQ, HSI, HSOF, CGC, and CHI.

WHEREFORE, subject to the terms and conditions set forth above, the Application for the indirect acquisition of HEALTHSPRING OF FLORIDA, INC., by HCSC MEDICARE INC., pursuant to sections 628.461 and 641.255, is APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 11th day of September, 2024.




Michael Yaworsky, Commissioner
Office of Insurance Regulation

By execution hereof, HEALTH CARE SERVICE CORPORATION, A MUTUAL LEGAL RESERVE COMPANY, consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind HEALTH CARE SERVICE CORPORATION, A MUTUAL LEGAL RESERVE COMPANY, to the terms and conditions of this Consent Order.

HEALTH CARE SERVICE CORPORATION, A
MUTUAL LEGAL RESERVE COMPANY

By: Maurice S. Smith

Print Name: MAURICE S. SMITH

Title: PRESIDENT, CEO AND VICE CHAIR

Date: SEPTEMBER 4, 2024

STATE OF IL

COUNTY OF COOK

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 4TH day of SEPTEMBER 2024, by MAURICES SMITH
(name of person)

as PRESIDENT, CEO AND VICE CHAIR for HEALTHCARE SERVICE CORPORATION, A MUTUAL
(type of authority; e.g., officer, trustee, attorney in fact) (company name) LEGAL RESERVE COMPANY

Timitri Taylor
(Signature of the Notary)

TIMITRI TAYLOR
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced N/A

My Commission Expires: 6/29/26



By execution hereof, HCSC MEDICARE HOLDINGS INC., consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind HCSC MEDICARE HOLDINGS INC., to the terms and conditions of this Consent Order.

HCSC MEDICARE HOLDINGS INC.

By: Christine Kourouklis

Print Name: CHRISTINE KOUROUKLIS

Title: PRESIDENT

Date: SEPTEMBER 4, 2024

STATE OF IL

COUNTY OF COOK

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 4TH day of SEPTEMBER 2024, by CHRISTINE KOUROUKLIS (name of person) as PRESIDENT for HCSC MEDICARE HOLDINGS INC.

(type of authority; e.g., officer, trustee, attorney in fact)

(company name)

Timitri Taylor
(Signature of the Notary)

TIMITRI TAYLOR
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification

Type of Identification Produced N/A

My Commission Expires: 6/29/26



By execution hereof, HCSC MEDICARE INC., consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind HCSC MEDICARE INC., to the terms and conditions of this Consent Order.

HCSC MEDICARE INC.

By: Christine Kourouklis

Print Name: CHRISTINE KOUROUKLIS

Title: PRESIDENT

Date: SEPTEMBER 4, 2024

STATE OF IL

COUNTY OF COOK

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 4TH day of SEPTEMBER 2024, by CHRISTINE KOUROUKLIS (name of person) as PRESIDENT (type of authority; e.g., officer, trustee, attorney in fact) for HCSC MEDICARE INC (company name).

Timitri Taylor
(Signature of the Notary)

TIMITRI TAYLOR
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced N/A

My Commission Expires: 6/29/26



By execution hereof, HEALTHSPRING, INC., consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind HEALTHSPRING, INC., to the terms and conditions of this Consent Order.

HEALTHSPRING, INC.

By: CMR

Print Name: Christopher DeRosa

Title: President, US Government Business

Date: 9/3/2024

STATE OF Connecticut
COUNTY OF Hartford

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 3 day of September 2024, by Christopher De Rosa
as President for HealthSpring, Inc.
(type of authority; e.g., officer, trustee, attorney in fact) (name of person) (company name)

Heidi McKee
(Signature of the Notary)

Heidi McKee
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: March 31, 2026



Heidi McKee
Notary Public-Connecticut
My Commission Expires
March 31, 2026

By execution hereof, CIGNA HOLDINGS, INC., consents to entry of this Consent Order, agrees without reservation to the applicable terms and conditions, and shall be bound by the applicable provisions herein. The undersigned represents that they have the authority to bind CIGNA HOLDINGS, INC., to the terms and conditions of this Consent Order.

CIGNA HOLDINGS, INC.
(solely with respect to paragraphs 20, 22, 27, 28, 29, 30 and 31)

By: [Signature]

Print Name: Drew Reynolds

Title: Assistant Treasurer

Date: 9/3/2024

STATE OF Pennsylvania
COUNTY OF Philadelphia

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 3rd day of Sept. 2024, by Drew Reynolds
(name of person)
as Assistant Treasurer for Cigna Holdings Inc.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

[Signature]
(Signature of the Notary)

Milda Serrano-Ulloa
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known _____ OR Produced Identification

Type of Identification Produced State Id.

My Commission Expires: February 12, 2025

By execution hereof, CONNECTICUT GENERAL CORPORATION consents to entry of this Consent Order, agrees without reservation to the applicable terms and conditions, and shall be bound by the applicable provisions herein. The undersigned represents that they have the authority to bind CONNECTICUT GENERAL CORPORATION to the terms and conditions of this Consent Order.

CONNECTICUT GENERAL CORPORATION
(solely with respect to paragraphs 20, 22, 27, 28, 29, 30 and 31)

By: Ryan Loyd

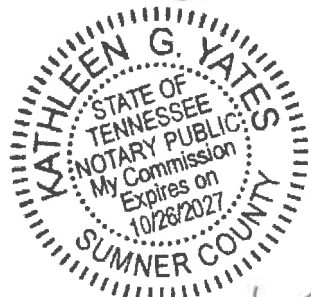
Print Name: Ryan Loyd

Title: CAO - Cigna Government Segment

Date: 9/4/24

STATE OF Tennessee
COUNTY OF Davidson

The foregoing instrument was acknowledged before me by means of physical presence
or online notarization, this 4th day of September 2024, by Ryan Loyd
(name of person)
as CAO - Cigna Govt Seg for Cigna
(type of authority, e.g., officer, trustee, attorney in fact) (company name)



Kathleen G. Yates
(Signature of the Notary)
Kathleen G. Yates
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____
Type of Identification Produced _____
My Commission Expires: 10/26/27

COPIES FURNISHED TO:

NICK PAQUETTE,
PARTNER/SHAREHOLDER
Foley & Lardner LLP
106 E College Ave, Ste 900
Tallahassee, FL 32301
Telephone: (850) 513-3365
Email: npaquette@foley.com

MAURICE SMITH,
PRESIDENT and CEO
Health Care Service Corporation, A Mutual
Legal Reserve Company
300 E Randolph St
Chicago, IL 60601
Email: smithma@hcsc.net

CHRISTINE KOUROUKLIS,
PRESIDENT and CEO
HCSC Medicare Holdings Inc.
HCSC Medicare Inc.
Healthspring Inc.
Healthspring of Florida, Inc.
300 E Randolph St
Chicago, IL 60601
Email: christine_kourouklis@bcbsil.com

MARK OCHAL, VP
Cigna Holdings Inc.
900 Cottage Grove Road
Bloomfield, CT 06002
Email: Mark.Ochal@cignahealthcare.com

CAROLYN MORGAN, DIRECTOR
Life & Health Financial Oversight
Florida Office of Insurance Regulation
200 E. Gaines St.,
Tallahassee, FL 32399

JASON REYNOLDS,
FINANCIAL ADMINISTRATOR
Life & Health Financial Oversight
Florida Office of Insurance Regulation
200 E. Gaines St.,
Tallahassee, FL 32399

REBEKA JOSEPH,
FINANCIAL EXAMINER/
ANALYST SUPERVISOR
Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399

ALEX KITSOS,
FINANCIAL CONTROL ANALYST
Life & Health Financial Oversight
Florida Office of Insurance Regulation
200 E. Gaines St.,
Tallahassee, FL 32399

KEVIN NEJA,
ASSISTANT GENERAL COUNSEL
Florida Office of Insurance Regulation
200 E. Gaines St.,
Tallahassee, FL 32399
Telephone: (850) 413-4144
Email: kevin.neja@flor.com