



## MISSISSIPPI INSURANCE DEPARTMENT

**MIKE CHANEY**  
Commissioner of Insurance  
State Fire Marshal

501 N. WEST STREET, SUITE 1001  
WOOLFOLK BUILDING  
JACKSON, MISSISSIPPI 39201  
www.mid.state.ms.us

MAILING ADDRESS  
Post Office Box 79  
Jackson, Mississippi 39205-0079  
TELEPHONE: (601) 359-3569  
FAX: (601) 359-2474

**MARK HAIRE**  
Deputy Commissioner of Insurance

January 24, 2014

### CERTIFIED MAIL RETURN RECEIPT REQUESTED

Ms. Mary Carol Pigott, CEO & President  
HMO of Mississippi, Inc.  
3545 Lakeland Drive  
Flowood, MS 39232

**RE: Report of Examination as of December 31, 2012**

Dear Ms. Pigott:

In accordance with Miss. Code Ann. § 83-5-201 et seq. and 83-41-337(1) (Rev. 2011), an examination of your Company has been completed. Enclosed herewith is the Order adopting the report and a copy of the final report as adopted.

Pursuant to Miss. Code Ann. § 83-5-209(6)(a) (Rev. 2011), the Mississippi Department of Insurance shall continue to hold the content of said report as private and confidential for a period of ten (10) days from the date of the Order. After the expiration of the aforementioned 10-day period, the Department will open the report for public inspection.

If you have any questions or comments, please feel free to contact me.

Sincerely,

MIKE CHANEY  
COMMISSIONER OF INSURANCE

BY

A handwritten signature in cursive script that reads "Christina J. Kelsey".

Christina J. Kelsey  
Senior Attorney

MC/CJK/bs  
Encls. Order w/exhibit

**BEFORE THE COMMISSIONER OF INSURANCE  
OF THE STATE OF MISSISSIPPI**

**IN RE: REPORT OF EXAMINATION OF  
HMO OF MISSISSIPPI, INC.**

**CAUSE NO. 14-6722**

**ORDER**

**THIS CAUSE** came on for consideration before the Commissioner of Insurance of the State of Mississippi ("Commissioner"), or his designated appointee, in the Offices of the Commissioner, 1001 Woolfolk Building, 501 North West Street, 10th Floor, Jackson, Hinds County, Mississippi, pursuant to Miss. Code Ann. § 83-5-201 et seq. and 83-41-337(1) (Rev. 2011). The Commissioner, having fully considered and reviewed the Report of Examination, together with any submissions or rebuttals and any relevant portions of the examiner's work papers, makes the following findings of fact and conclusions of law, to-wit:

**JURISDICTION**

**I.**

That the Commissioner has jurisdiction over this matter pursuant to the provisions of Miss. Code Ann. §§ 83-5-201 et seq. and 83-41-337(1) (Rev. 2011).

**II.**

That HMO of Mississippi, Inc. is a Mississippi-domiciled health maintenance organization ("HMO") which was certified as an HMO by the Mississippi Department of Insurance on October 1, 1995.

**FINDINGS OF FACT**

**III.**

That the Commissioner, or his appointee, pursuant to Miss. Code Ann. §§ 83-5-201 et seq. and 83-41-337(1) (Rev. 2011), called for an examination of HMO of Mississippi, Inc. and appointed Kim Strong, Examiner-In-Charge, to conduct said examination.

#### IV.

That on or about December 12, 2013, the draft Report of Examination concerning HMO of Mississippi, Inc. for the period of January 1, 2009, through December 31, 2012, was submitted to the Department by the Examiner-In-Charge, Kim Strong.

#### V.

That on or about December 30, 2013, pursuant to Miss. Code Ann. § 83-5-209(2) (Rev. 2011), the Department forwarded to the Company a copy of the draft report and allowed the Company a 15-day period to submit any rebuttal to the draft report. The Department received the Company's rebuttal in writing on or about January 13, 2014, and in response thereto, no revisions were made to the report.

### CONCLUSIONS OF LAW

#### VI.

The Commissioner, pursuant to Miss. Code Ann. § 83-5-209(3) (Rev. 2011), must consider and review the report along with any submissions or rebuttals and all relevant portions of examiner work papers and enter an Order: (1) adopting the Report of Examination as final or with modifications or corrections; (2) rejecting the Report of Examination with directions to reopen; or (3) calling for an investigatory hearing.

**IT IS, THEREFORE, ORDERED**, after reviewing the Report of Examination, the Company's rebuttal, and all relevant examiner work papers, that the Report of Examination of HMO of Mississippi, Inc., attached hereto as Exhibit "A", should be and same is hereby adopted as final.

**IT IS FURTHER ORDERED** that a copy of the adopted Report of Examination, accompanied with this Order, shall be served upon the Company by certified mail, postage pre-paid, return receipt requested.

**IT IS FURTHER ORDERED** that the Mississippi Department of Insurance shall continue to hold the content of this report as private and confidential information for a period of

ten (10) days from the date of this Order, pursuant to Miss. Code Ann. § 83-5-209(6)(a) (Rev. 2011).

**IT IS FURTHER ORDERED**, pursuant to Miss. Code Ann. § 83-5-209(4) (Rev. 2011), that within thirty (30) days of the issuance of the adopted report, HMO of Mississippi, Inc. shall file affidavits executed by each of its directors stating under oath that they have received a copy of the adopted report and related orders.

**IT IS FURTHER ORDERED** that HMO of Mississippi, Inc. take the necessary actions and implement the necessary procedures to properly and promptly comply with all recommendations contained in the Report of Examination.

**SO ORDERED**, this the 24<sup>th</sup> day of January 2014.



  
MIKE CHANEY  
COMMISSIONER OF INSURANCE  
STATE OF MISSISSIPPI

**CERTIFICATE OF MAILING**

I hereby certify that a true and correct copy of the above and foregoing Order and a copy of the final Report of Examination, as adopted by the Mississippi Department of Insurance, was sent by certified mail, postage pre-paid, return receipt requested, on this the 24<sup>th</sup> day of January 2014, to:

**Ms. Mary Carol Pigott, CEO & President  
HMO of Mississippi, Inc.  
3545 Lakeland Drive  
Flowood, MS 39232**



---

Christina J. Kelsey  
Senior Attorney

Christina J. Kelsey  
Senior Attorney  
Counsel for the Mississippi Department of Insurance  
Post Office Box 79  
Jackson, MS 39205-0079  
(601) 359-3577  
Miss. Bar No. 9853



**MISSISSIPPI INSURANCE DEPARTMENT**

**Report of Examination**

**of**

**HMO of Mississippi, Inc.**

**as of**

**December 31, 2012**

## TABLE OF CONTENTS

Examiner Affidavit .....	1
Salutation .....	2
Scope of Examination .....	3
Comments and Recommendations of Previous Examination .....	3
History of the Company .....	3
Corporate Records .....	3
Management and Control.....	4
Stockholder.....	4
Board of Directors .....	4
Committees.....	4
Officers .....	4
Conflict of Interest.....	5
Corporate Governance.....	5
Holding Company Structure .....	5
Organizational Chart .....	6
Affiliated and Related Party Transactions.....	7
Fidelity Bond and Other Insurance .....	8
Pension, Stock Ownership and Insurance Plans .....	8
Territory and Plan of Operation .....	8
Growth of Company .....	8
Reinsurance.....	9
Accounts and Records.....	9
Statutory Deposits.....	9
Financial Statements .....	10
Introduction .....	10
Statement of Assets, Liabilities, Capital and Surplus.....	11
Statement of Revenue and Expenses .....	12
Reconciliation of Capital and Surplus .....	13
Reconciliation of Examination Adjustments to Surplus.....	14
Market Conduct Activities .....	15

Commitments and Contingent Liabilities .....	16
Comments and Recommendations .....	17
Subsequent Events .....	18
Acknowledgment .....	19



**EXAMINER'S AFFIDAVIT AS TO STANDARDS AND PROCEDURES USED IN AN EXAMINATION**

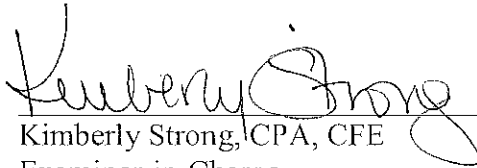
State of Mississippi,

County of Madison,

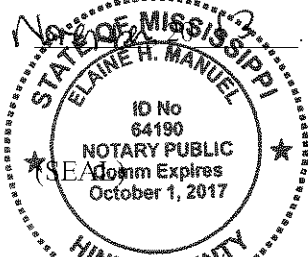
Kimberly Strong, being duly sworn, states as follows:


1. I have authority to represent the Mississippi Insurance Department in the examination of HMO of Mississippi, Inc. as of December 31, 2012.
2. The Mississippi Insurance Department is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of HMO of Mississippi, Inc. was performed in a manner consistent with the standards and procedures required by the National Association of Insurance Commissioners and the Mississippi Insurance Department.

The affiant says nothing further.

  
 Kimberly Strong, CPA, CFE  
 Examiner-in-Charge

Subscribed and sworn before me by Kimberly Strong on this 25<sup>th</sup> day of



  
 Notary Public

My commission expires 10/1/17 [date].



**MIKE CHANEY**  
Commissioner of Insurance  
State Fire Marshal

**MISSISSIPPI INSURANCE DEPARTMENT**

501 N. WEST STREET, SUITE 1001  
WOOLFOLK BUILDING  
JACKSON, MISSISSIPPI 39201  
www.mid.state.ms.us

MAILING ADDRESS  
Post Office Box 79  
Jackson, MS 39205-0079  
TELEPHONE: (601) 359-3569  
FAX: (601) 359-1951

**MARK HAIRE**  
Deputy Commissioner of  
Insurance

October 1, 2013

Honorable Mike Chaney  
Commissioner of Insurance  
Mississippi Insurance Department  
1001 Woolfolk Building  
501 North West Street  
Jackson, Mississippi 39201

Dear Commissioner Chaney:

Pursuant to your instructions and authorization and in compliance with statutory provisions, an examination has been conducted, as of December 31, 2012, of the affairs and financial condition of:

**HMO OF MISSISSIPPI, INC.**  
3545 Lakeland Drive  
Flowood, Mississippi 39232

License #	NAIC Group #	NAIC #	FEETS#
9500047	N/A	95289	95289-MS-2011-7

This examination was commenced in accordance with Miss. Code Ann. § 83-5-201 *et seq.* and was performed in Flowood, Mississippi, at the statutory home office of the Company. The report of examination is herewith submitted.

## **SCOPE OF EXAMINATION**

We have performed our single-state examination of HMO of Mississippi, Inc. ("Company" or "HMOMS"). The last exam was completed as of December 31, 2008. This examination covers the period January 1, 2009 through December 31, 2012.

We conducted our examination in accordance with the NAIC *Financial Condition Examiners Handbook*. The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. 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.

## **COMMENTS AND RECOMMENDATIONS OF PREVIOUS EXAMINATION**

There were no comments or recommendations of the Report of Examination as of December 31, 2008.

## **HISTORY OF THE COMPANY**

HMOMS was incorporated on June 21, 1995, pursuant to the laws of the State of Mississippi, to operate as a for-profit health maintenance organization. The Company was licensed effective October 1, 1995, under the Mississippi's Health Maintenance Organization, Preferred Provider Organization and Other Prepaid Health Benefit Plans Protection Act. HMOMS was formed as a wholly-owned subsidiary of Blue Cross & Blue Shield of Mississippi, A Mutual Insurance Company (BCBSMS).

## **CORPORATE RECORDS**

The minutes of the meetings of the shareholder and board of directors, prepared during the period under examination, were reviewed and appeared to be complete with regard to the matters brought up at the meetings for deliberation, which included approval of the Company's investment transactions and actions of the Company's officers

## MANAGEMENT AND CONTROL

### Stockholder

The Company's Articles of Incorporation authorize the issuance of 2,000,000 shares of common stock. HMOMS' organizational documents did not specify a par value or stated value for the common stock; however, HMOMS deemed this class of stock to have a stated value of \$10.00 per share. BCBSMS owns 100% of the 250,000 issued shares of HMOMS stock. The Company paid no dividends during the examination period.

### Board of Directors

The Articles of Incorporation and Bylaws vest the management and control of the Company's business affairs with the Board of Directors ("Board"). The members of the duly elected Board, along with their place of residence and principal occupation, at December 31 2012, were as follows:

Name and Residence	Principal Occupation
Richard John Hale, Chairman Madison, Mississippi	Owner, RJ Farms
James Herbert Finley, Vice Chairman Morton, Mississippi	Owner, Finley Manufacturing Services, LLC
Jeffery Thomas Leber Madison, Mississippi	Executive Vice President & Chief Financial Officer - Blue Cross & Blue Shield of Mississippi, a Mutual Insurance Company
Mary Carol Pigott Jackson, Mississippi	President and Chief Executive Officer – Blue Cross & Blue Shield of Mississippi, A Mutual Insurance Company
John Hamiter Proctor, III Madison, Mississippi	Vice President & Corporate Secretary – Blue Cross & Blue Shield, A Mutual Insurance Company

### Committees

There were no committees of the board of directors as of December 31, 2012.

### Officers

Name	Title
Mary Carol Pigott	President and Chief Executive Officer
Jeffery Thomas Leber	Executive Vice President & Chief Financial Officer
John Hamiter Proctor, III	Secretary

## **Conflict of Interest**

The Company had formal procedures whereby disclosure was made to the Board of any material interest or affiliation on the part of any officer or director that was, or would likely be, a conflict with the official duties of such persons. Written statements were signed annually by all officers and members of the Board of Directors.

## **Corporate Governance**

The risk-focused surveillance approach requires examiners to consider the insurer's corporate governance and established risk management processes. This evaluation includes assessing the "tone-at-the-top", board of directors and management oversight and understanding and conveyance of the necessity of internal controls to employees. Strong corporate governance encompasses a clearly defined vision of ethics, appropriate goals, effective strategy, effective implementation of the strategy, and appropriate reporting systems emphasizing feedback and transparency.

It was noted that the Company's management as of December 31, 2012 consisted of a CEO, CFO and Secretary. Information regarding the Board members, committees and other related information can be found in the "Management and Control" section of this report.

The Company operated under a service agreement with BCBSMS, whereby BCBSMS provided certain administrative and management services. As of January 1, 1999, the Company's membership was reduced to zero. There were no groups enrolled, no premiums received and no claims paid during the period under examination.

Management maintains effective controls over its IT environment through utilization of systems of its affiliate, BCBSMS. The Company's organizational structure appears appropriate for the size and nature of the Company.

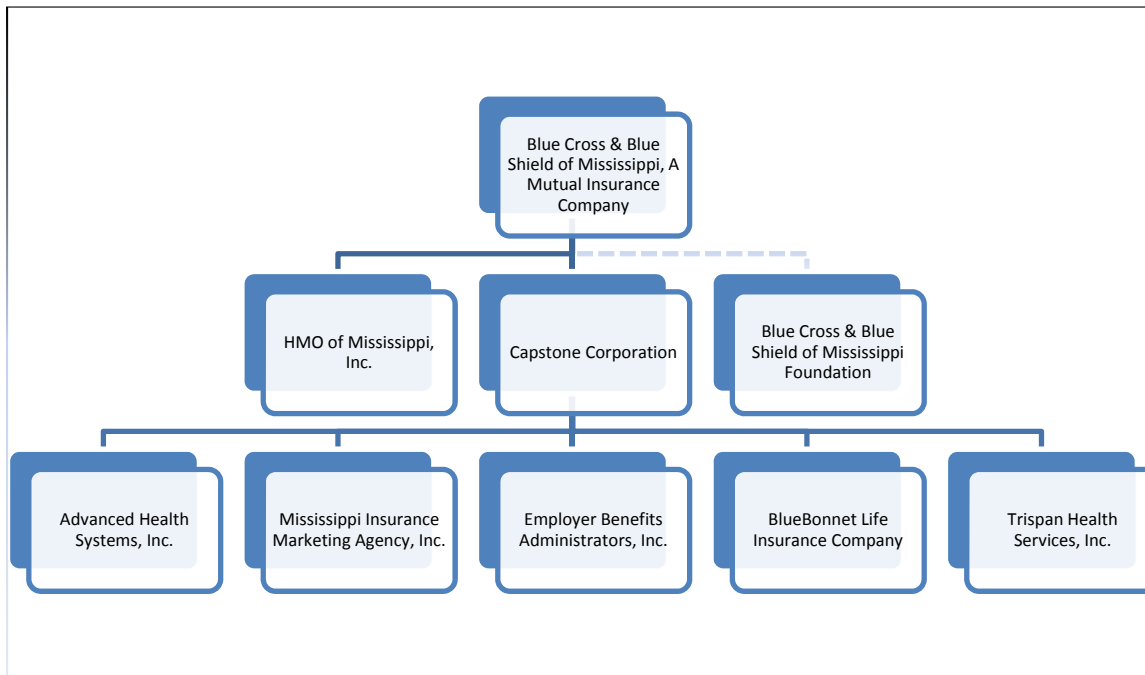
Management competence is a consideration in the overall assessment of corporate governance. In our review of this area, we considered factors such as management's experience level and management turnover. Management has significant experience with the Company and the health insurance industry; as well as, access to resources available through BCBSMS.

## **HOLDING COMPANY STRUCTURE**

The Company was a member of an insurance holding company system as defined in Miss. Code Ann. § 83-6-1. The Company was required to file with the MID, Holding Company Registration Statements in accordance with Miss. Code Ann. §§ 83-6-5 and 83-6-9. These filings set forth material changes in structure, identity or relationships of affiliates and any material transactions by and between the Company and its affiliates.

## Organizational Chart

The following chart depicts the Company's organizational structure at December 31, 2012. A brief description of the Company's parent and affiliates, including their principal activities, follows the organizational chart.



### Parent and Affiliated Companies

**BLUE CROSS & BLUE SHIELD OF MISSISSIPPI, A MUTUAL INSURANCE COMPANY (BCBSMS):** BCBSMS was the ultimate controlling entity and was incorporated in 1947 under the laws of the State of Mississippi. It provided hospitalization and other health care benefits under contract to subscribers. This company also performed administrative services and processed claims for other Blue Cross & Blue Shield plans and for certain other programs.

**HMO OF MISSISSIPPI, INC. (HMOMS):** HMOMS, a wholly owned subsidiary of BCBSMS, was incorporated on June 21, 1995, under the laws of the State of Mississippi, as a health maintenance organization whose products are included within BCBSMS' managed care offerings. As of the examination date, HMOMS was inactive.

**CAPSTONE CORPORATION (CAPSTONE):** Capstone, a wholly owned subsidiary of BCBSMS, was incorporated on November 2, 1984, under the laws of the State of Mississippi, as a for-profit holding company for the interests of BCBSMS.

**BLUE CROSS & BLUE SHIELD OF MISSISSIPPI FOUNDATION (BCBSMSFD):** BCBSFD, a non-profit corporation, was a philanthropic affiliate of BCBSMS. It was a private, charitable foundation operated exclusively to fund and support 501(c)(3) organizations and programs that positively impact the health of Mississippians. It is reflected with a dotted line denoting the lack of control by its parent, BCBSMS.

**ADVANCED HEALTH SYSTEMS, INC. (AHS):** AHS, a wholly owned subsidiary of Capstone Corporation, was incorporated on December 14, 1984, under the laws of the State of Mississippi, as Automated Health Systems, Inc., with its business being the facilitation of electronic submission of claims by providers. The Company's name was changed to Advanced Health Systems, Inc., and, in 1994, its business purposes were expanded to include utilization management, managed care services for clients, employers and groups; the development and maintenance of provider networks; providing health care provider management and consulting; and providing computerized information management.

**MISSISSIPPI INSURANCE MARKETING AGENCY, INC. (MIMA):** MIMA, a wholly owned subsidiary of Capstone Corporation, was incorporated on September 19, 1986, under the laws of the State of Mississippi. The primary purpose of this company was that of a general insurance agency, which included the selling and brokerage of insurance coverage and the administration of claims and other services.

**EMPLOYER BENEFITS ADMINISTRATORS, INC. (EBA):** EBA, a wholly owned subsidiary of Capstone Corporation, was incorporated on September 18, 1986, under the laws of the State of Mississippi, as a third party administrator for self-insured, partially insured and insured employee benefit plans. The name was changed from Bluestone Administrative Services, Inc. in February 1987. As of the examination date, EBA was inactive.

**BLUEBONNET LIFE INSURANCE COMPANY (BBLIC):** BBLIC, a wholly owned subsidiary of Capstone Corporation, was incorporated on June 11, 1984, under the laws of the State of Louisiana, as a life and accident and health insurance company. On October 13, 1989, Capstone Corporation acquired the Company and moved its domicile to Mississippi effective at the close of business March 31, 1997. The principal activity of this company was to provide life, cancer, and disability insurance coverage.

**TRISPAN HEALTH SERVICES, INC. (THS):** THS, a wholly owned subsidiary of Capstone Corporation, was incorporated on April 21, 2005, under the laws of the State of Mississippi. The primary purpose of this company was to execute contracts related to federal and/or state government health care programs. As of the examination date, THS was inactive.

### **Affiliated and Related Party Transactions**

#### **Tax Sharing Agreement with BCBSMS:**

Effective January 1, 1996, the Company was a party to a Tax Sharing Agreement with BCBSMS which provided for an allocation of tax liability based on the amount of taxable income or taxable loss. This agreement was in effect during the examination period.

### **Service and Lease Agreement with BCBSMS:**

Effective August 31, 1996, HMOMS entered into a Service and Lease Agreement with BCBSMS; whereby, BCBSMS provided certain business services to the Company. These services included; general management services, financial services, accounting, printing, mailing, corporate data systems and programming, public relations, personnel, payroll, purchasing, legal, and other services. BCBSMS allocated or directly charged HMOMS its portion of salaries, travel, fees, and expenses.

### **Insolvency Plan Agreement with BCBSMS:**

Effective September, 1, 1995, HMOMS entered into an Insolvency Plan Agreement whereby, BCBSMS guaranteed the solvency of the Company. Pursuant to this agreement, BCBSMS agreed to continue coverage for members of HMOMS, in the event of insolvency.

## **FIDELITY BOND AND OTHER INSURANCE**

The Company's parent maintained a commercial insurance policy for employee theft with a limit of \$4,000,000. This amount meets the NAIC suggested minimum fidelity coverage for a company of its size. The Company also maintained an insurance program that appeared to provide adequate coverage to protect it from hazards that it may encounter. All subsidiaries and affiliates of BCBSMS were named insureds on the policies.

## **PENSION, STOCK OWNERSHIP AND INSURANCE PLANS**

The Company did not have any employees. Pursuant to a service agreement, the day-to-day operations of the Company were performed by BCBSMS. As such, no provision was made in financial statements for obligations under any benefit plan.

## **TERRITORY AND PLAN OF OPERATION**

HMOMS was authorized to do business as a Health Maintenance Organization (HMO) in the State of Mississippi. The Company was authorized to operate in six (6) counties in Mississippi. The authorized service areas include Harrison, Hancock, George, Jackson, Pearl River, and Stone counties in Mississippi.

As of January 1, 1999, the Company discontinued writing policies. During the period under examination, HMOMS received no premium, had no enrollees, and paid no claims. HMOMS maintained its company license, certificate of authority, and minimum statutory capital and surplus during the examination period.

## **GROWTH OF COMPANY**

HMOMS was a dormant corporation and does not produce premium revenue. Increases to capital and surplus are the result of investment income.



## REINSURANCE

The Company had no policies in force during the period under examination.

## ACCOUNTS AND RECORDS

The Company's 2012 trial balances were tied to the financial statements within the statutory Annual Statements filed with the MID, with no material exceptions noted. The Company was audited annually by an independent CPA firm.

The Company is licensed as a health maintenance organization pursuant to Miss. Code Ann. § 83-41-325(a), which requires the Company to maintain a net worth of \$1,000,000.

## STATUTORY DEPOSITS

The Company's statutory deposits with the State of Mississippi complied with Miss. Code Ann. §83-41-325 (5). The following chart displays the Company's deposits at December 31, 2012.

Description of Security	State Deposited	Fair Value
Certificate of deposit	Mississippi	\$ 575,951

## **FINANCIAL STATEMENTS**

### **Introduction**

The following financial statements consist of a Statement of Assets, Liabilities, Capital and Surplus as of December 31, 2012, a Statement of Revenue and Expenses for the year ended December 31, 2012, a Reconciliation of Capital and Surplus for the examination period ended December 31, 2012 and a Reconciliation of Examination Adjustments to Surplus at December 31, 2012.

**Statement of Assets, Liabilities, Capital and Surplus**  
**December 31, 2012**

---

**Assets**

Bonds	\$	1,948,474
Common stocks		2,095
Cash and cash equivalents		542,245
Investment income due and accrued		8,935
Net deferred tax asset		438
State income tax recoverable		67

---

Total assets	\$	2,502,254
--------------	----	-----------

---

**Liabilities, Surplus and Other Funds**

General expenses due or accrued	\$	5,500
Current federal and foreign income taxes		1,174
Amounts withheld or retained for the account of others		2,095
Amounts due to parent, subsidiaries and affiliates		2,558

---

Total liabilities		11,327
-------------------	--	--------

---

Common capital stock		2,500,000
Unassigned funds (surplus)		(9,073)

---

Total capital, surplus and other funds		2,490,927
--	--	-----------

---

Total liabilities, surplus and other funds	\$	2,502,254
--	----	-----------

---

**Statement of Revenue and Expenses**  
**For the examination period ended December 31, 2012**

<b>Revenue</b>	
General administrative expenses	\$ 25,975
<hr/>	
Total Underwriting Deductions	25,975
Net underwriting gain or (loss)	\$ (25,975)
Net investment income earned	51,626
Net realized capital gains (losses) less capital gains tax	8
<hr/>	
Net investment gains (losses)	51,634
Net income or (loss) after capital gains tax and before all other federal income taxes.	25,659
Federal and foreign income taxes incurred	3,331
<hr/>	
Net income	\$ 22,328

**Reconciliation of Capital and Surplus  
For the examination period ended December 31, 2012**

	2012	2011	2010
Capital and surplus, beginning of the year	\$ 2,468,522	\$ 2,455,497	\$ 2,428,599
Net income	22,328	13,040	26,681
Change in net unrealized capital gains (losses)	78	(17)	30
Change in net deferred income tax	375	117	479
Change in nonadmitted assets	(376)	(115)	(292)
<b>Capital and surplus, end of the year</b>	<b>\$ 2,490,927</b>	<b>\$ 2,468,522</b>	<b>\$ 2,455,497</b>

**RECONCILIATION OF EXAMINATION ADJUSTMENTS TO SURPLUS  
DECEMBER 31, 2012**

There were no changes made to the admitted assets, liabilities or surplus balances reported by the Company for the year ended December 31, 2012. The capital and surplus, which totaled \$2,490,927 as of the examination date, was determined to be reasonably stated and in compliance with Miss. Code Ann. §83-41-325.

## **MARKET CONDUCT ACTIVITIES**

The Company was dormant during the period under examination. As such, no market conduct activities were performed or reviewed as part of the examination as of December 31, 2012.

## **COMMITMENTS AND CONTINGENT LIABILITIES**

The examiners noted no commitments or contingent liabilities related to HMOMS as part of the financial examination as of December 31, 2012.



## **COMMENTS AND RECOMMENDATIONS**

The examination did not identify any material comments and recommendations.

## **SUBSEQUENT EVENTS**

As of the end of field work, the examiner did not identify any material transactions that should be identified as a significant subsequent event.

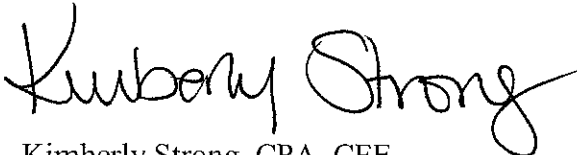
## ACKNOWLEDGMENT

The examiners representing the Mississippi Insurance Department and participating in this examination were:

Jimmy Blissett, CFE	Administrative Examiner, Consultant
Kimberly Strong, CPA, CFE	Examiner-in-charge, Harper, Rains, Knight & Co.
Steve Sartin, CISA, CRISC	IT Specialist, Harper, Rains, Knight & Co.
Joanna Latham, CFE, AES, CPA, CISA, CRISC	IT Specialist, AGI Services, Inc.
John Humphries, ASA, MAAA, CFE, AES	Managing Actuary, AGI Services, Inc.
Mike Presley, FSA, MAAA	Consulting Actuary, AGI Services, Inc.
Mary Anne King, CPA	Financial Examiner, Harper, Rains, Knight & Co.
Stacey McFarland	Financial Examiner, Harper, Rains, Knight & Co.
Todd Merchant	Financial Examiner, Harper, Rains, Knight & Co.
Darren Smith	Market Conduct Examiner, AGI Services, Inc.
Trina Barton, CPA, AMCM	Market Conduct Examiner, AGI Services, Inc.
Kristina Gaddis, CFE, CISA	Market Conduct Examiner, AGI Services, Inc.

The courteous cooperation of the officers and employees responsible for assisting in the examination is hereby acknowledged and appreciated.

Respectfully submitted,



Kimberly Strong, CPA, CFE  
Examiner-in-charge