



MISSISSIPPI INSURANCE DEPARTMENT

MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

DAVID BROWNING
Deputy Commissioner of Insurance

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WOOLFOLK BUILDING
JACKSON, MISSISSIPPI 39201
www.mid.ms.gov

June 24, 2024

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CERTIFIED MAIL RETURN RECEIPT REQUESTED

Ms. Tarance Smith Clark, President
Amerigroup Mississippi, Inc.
220 Virginia Avenue
Indianapolis, IN 46204

RE: Report of Examination as of December 31, 2022

Dear Ms. Clark:

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.

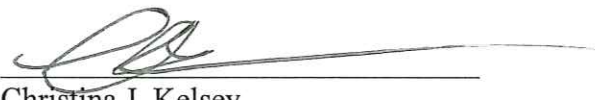
Pursuant to Miss. Code Ann. § 83-5-209(6)(a) (Rev. 2011), the Mississippi Department of Insurance shall continue to hold the content of said report as private and confidential for a period of ten (10) days from the date of the Order. After the expiration of the aforementioned 10-day period, the Department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


Christina J. Kelsey
General Counsel

MC/CJK/bs
Encls. Order w/exhibit

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

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

CAUSE NO. 24-7894

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 Amerigroup Mississippi, Inc. is a Mississippi-domiciled health maintenance organization ("HMO") which was certified as an HMO by the Mississippi Department of Insurance on April 6, 2017.

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 Amerigroup Mississippi, Inc. and appointed Shelby Lambert, Examiner-In-Charge, to conduct said examination.

IV.

That on or about April 24, 2024, the draft Report of Examination concerning Amerigroup Mississippi, Inc. for the period of January 1, 2018 through December 31, 2022, was submitted to the Department by the Examiner-In-Charge, Shelby Lambert.

V.

That on or about May 31, 2024, 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. On or about June 14, 2024, the Company responded by email.

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, all relevant examiner work papers and the Company's rebuttal, that the Report of Examination of Amerigroup 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 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, Amerigroup 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 Amerigroup Mississippi, Inc. take the necessary actions and implement the necessary procedures to ensure that all recommendations contained in the Report of Examination are properly and promptly complied with.

SO ORDERED, this the 24th day of June 2024.




DAVID BROWNING
DEPUTY COMMISSIONER OF INSURANCE

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 24th day of June 2024, to:

**Ms. Tarance Smith Clark, President
Amerigroup Mississippi, Inc.
220 Virginia Avenue
Indianapolis, IN 46204**



Christina J. Kelsey
General Counsel

Christina J. Kelsey
General Counsel
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

AMERIGROUP MISSISSIPPI, INC.

as of

December 31, 2022

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

State of Indiana,

County of Madison,

Shelby Lambert, being duly sworn, states as follows:

1. I have authority to represent the MID in the examination of Amerigroup MS as of December 31, 2022.
2. The MID 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 Amerigroup MS 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.

[Signature]
Examiner's Signature

Subscribed and sworn before me by Shelby Lambert on this 18th day of June 2024.

[Signature]
Notary Public



My commission expires 05/30/2026 [date].



MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

DAVID BROWNING
Deputy Commissioner of
Insurance

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May 30, 2024

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, 2022, of the affairs and financial condition of:

AMERIGROUP MISSISSIPPI, INC.

645 Lakeland East Drive
Suite 101
Flowood, MS 39232

License #	NAIC Group #	NAIC #	FEETS#
1600021	0671	16145	16145-MS-2022-2

This examination was commenced in accordance with Miss. Code Ann. § 83-5-201 and § 83-41-337. The report of examination is herewith submitted.

SCOPE OF EXAMINATION

We have performed our full-scope, single state examination of *Amerigroup Mississippi, Inc.* (“AGP-MS” or “Company”). The last examination covered the period of April 6, 2017 through December 31, 2017. This examination covers the period of January 1, 2018 through December 31, 2022.

We conducted our examination in accordance with the NAIC *Financial Condition Examiners Handbook* (“Handbook”). The Handbook requires that we plan and perform the examination 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 Statutory Accounting Principles. 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 significant findings of fact, in accordance with Miss. Code Ann. § 83-5-209 and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

COMMENTS AND RECOMMENDATIONS OF PREVIOUS EXAMINATION

The prior examination report did not include comments or recommendations.

HISTORY OF THE COMPANY

The Company was incorporated on December 6, 2016, and became licensed on April 6, 2017 to operate as a health maintenance organization (“HMO”) in the state of Mississippi. The Company is a wholly-owned subsidiary of Anthem Partnership Holding Company, LLC, an indirect wholly-owned subsidiary of Elevance Health, Inc. (“Elevance Health”). The Company has not begun insurance operations yet.

CORPORATE RECORDS

The Articles of Incorporation, Bylaws and amendments thereto were reviewed and duly applied in other sections of this report where appropriate. Minutes of the meetings of the Shareholder, Board of Directors (“Board”), and various committees, as recorded during the period covered by this examination, were reviewed and appeared to be complete and in order with regard to actions brought up at the meetings for deliberation and appropriate action, which included the approval and support of the Company’s transactions and events, as well as the review of the prior examination report.

MANAGEMENT AND CONTROL

Stockholders

As of December 31, 2022, the Company had one sole shareholder, Anthem Partnership Holding Company, LLC. The Bylaws of the Company state that a Shareholder meeting shall be held annually for the election of Directors.

Board of Directors

The Articles of Incorporation and Bylaws vest the management and control of the Company’s business affairs with the Board. The members of the duly elected Board, along with their place of residence, number of years as Director, and principal occupation, as of December 31, 2022, were as follows:

Name and Residence	Year Elected / Appointed	Principal Occupation
Ronald W. Penczek Zionsville, Indiana	2019	Senior Vice President, Chief Accounting Officer, and Controller Elevance Health, Inc.
Tarance S. Clark Madison, Mississippi	2020	Attorney and Healthcare Executive Elevance Health, Inc.
Carlos A. LaTorre Vicksburg, Mississippi	2021	Physician Gov. Sonny Montgomery VAQ Medical Center
Jennifer A. Dewane Williamston, Michigan	2022	Attorney Elevance Health, Inc.

Committees

The Company does not have any standing committees, but rather the Company is overseen by Board committees at the Elevance Health level. These committees include: the Audit Committee, Governance Committee, Finance Committee, and the Compensation and Talent Committee. The purpose of the Audit Committee of Elevance Health is to assist the Elevance Health Board of Directors (“Elevance Health Board”) in overseeing the systems of internal controls over financial reporting, the Elevance Health accounting and financial reporting practices, compliance with legal and regulatory requirements, etc. The Governance Committee has the responsibility of assisting the Elevance Health Board in recommending individuals to the Elevance Health Board for nomination, developing and recommending corporate governance guidelines, and determining the compensation of non-employee members. The purpose of the Compensation Committee is to assist the Elevance Health Board in their responsibilities relating to compensation and benefits provided by Elevance Health to its executive officers and other employees.

Committee Structure

Audit	Governance	Finance	Compensation and Talent
Lewis Hay, III	Bahija Jallal	R. Kerry Clark	Ramiro G. Peru
R. Kerry Clark	Antonio F. Neri	Susan D. DeVore	Bahija Jallal
Susan D. DeVore	Ryan M. Schneider	Robert L. Dixon, Jr.	Ryan M. Schneider
Robert L. Dixon, Jr.	Elizabeth E. Tallett	Lewis Hay, III	Elizabeth E. Tallett
Antonio F. Neri		Ramiro G. Peru	

Officers

Name	Year Elected / Appointed	Title
Tarance Smith Clark	2021	President
Vincent Edward Scher	2018	Treasurer
Kathleen Susan Kiefer	2016	Secretary
Jennifer Ann Dewane	2022	Assistant Secretary
Eric Kenneth Noble	2016	Assistant Treasurer

Conflict of Interest

The Company is included in Elevance Health's Conflict of Interest Policy. Elevance Health's Conflict of Interest policy states that management, non-management associates, and independent (non-associate) Directors of wholly-owned subsidiaries must complete a Conflict of Interest survey once per calendar year. In a review of the signed Conflict of Interest statements, it was determined that each Director and officer of the Company had signed a Conflict of Interest statement as of December 31, 2022 with the exception of one Director.

HOLDING COMPANY STRUCTURE

The Company is a member of an insurance holding company system as defined in Miss. Code Ann. § 83-6-1. For the period covered by the examination, AGP-MS filed holding company registration statements with the Mississippi Insurance Department ("MID" or "Department") in compliance with Miss. Code Ann. § 83-6-5 and § 83-6-9.

Organizational Chart

As of December 31, 2022, the Company was a member of Elevance Health's insurance holding company system. An abbreviated organizational chart as of December 31, 2022 is shown below:



Parent and Affiliated Companies

The ultimate controlling person in the insurance holding company system is Elevance Health, an Indiana domiciled, publicly-traded company, whose home office and principal executive offices are located at 220 Virginia Avenue, Indianapolis, Indiana. Elevance Health, through its downstream subsidiaries and holding companies, owns and manages insurance and health care benefits companies. The principal business of the Elevance Health companies are health and life insurance underwriting, managed health care programs, specialty health products and services, and administration of government health care programs.

Affiliated and Related Party Transactions

The Company is a party to a Master Administrative Services Agreement whereunder Elevance Health subsidiaries may provide certain administrative, consulting, and other support services to one another from time-to-time. These services are intended to enhance the organizational and administrative capacity and augment the abilities of one another.

The Company is also a party to a Consolidated Federal Income Tax Agreement among Elevance

Health and substantially all of its subsidiary companies in which it directly or indirectly has an 80% or greater ownership interest. The purpose of this agreement is to establish a method for allocating the consolidated tax liability of the group among its members, for reimbursing Elevance Health for payment of such tax liability, for compensating any party for use of its tax losses or tax credits, and to provide for the allocation and payment of any refund arising from a carryback of losses or tax credits for subsequent taxable years.

As of December 31, 2022, the Company reported no amounts due from affiliates and reported \$1,430 due to affiliates related to the intercompany agreements.

FIDELITY BOND AND OTHER INSURANCE

Pursuant to Miss. Code Ann. § 83-41-311(2), an HMO shall maintain in force a fidelity bond or fidelity insurance on employees and officers, directors and partners in an amount not less than \$250,000 for each HMO or a maximum of \$5,000,000 in aggregate maintained on behalf of HMOs owned by a common parent corporation, or such sum as may be prescribed by the Commissioner.

The Company's Parent holds a fidelity bond on behalf of its subsidiary companies, including AGP-MS, in an amount of \$10,000,000, meeting the suggested minimum coverage established by the NAIC.

In addition to the coverage provided under the fidelity bond, the Company, through its Parent, is a party to several insurance policies to cover the hazards to which it is exposed including automobile liability, commercial property, cyber liability, fiduciary liability, umbrella liability, directors and officers liability, general liability, and workers' compensation coverage.

PENSIONS, STOCK OWNERSHIP AND INSURANCE PLANS

The Company does not participate in any defined benefit, defined contribution, multiemployer, post-employment, compensated absences, or other postretirement benefit plans.

TERRITORY AND PLAN OF OPERATION

The Company had no insurance operations during the examination period. The Company applied to pursue contracts with the Mississippi Division of Medicaid related to the state-sponsored programs. The Company has yet to be awarded a contract and continues to monitor opportunities in the market.

GROWTH OF COMPANY

	2022	2021	2020	2019	2018
Total admitted assets	\$ 4,059,282	\$ 4,055,081	\$ 4,047,177	\$ 4,023,135	\$ 4,035,861
Total liabilities	1,550	3,717	883	143	1,289
Total capital and surplus	4,057,732	4,051,364	4,046,294	4,022,992	4,034,572
Direct premiums written	-	-	-	-	-
Ceded premiums written	-	-	-	-	-
Net premium income	-	-	-	-	-
Net underwriting gain (loss)	(1,101)	(690)	(132)	(532)	(2,341)
Net income or (loss)	6,368	5,070	6,261	5,462	20,582

RESERVING AND UNPAID CLAIMS EXPERIENCE

Due to the Company being non-operational throughout the examination period, the Company has no reserves in place or any unpaid claims. The Company received an exemption by the MID from filing an Actuarial Opinion for each year under examination.

REINSURANCE

The Company did not have any ceded or assumed reinsurance contracts during the examination period.

ACCOUNTS AND RECORDS

The Company's statutory home office and main administrative office is located at 645 Lakeland East Drive, Suite 101, Flowood, Mississippi. The Company's mailing address and primary location of books and records is located at 220 Virginia Avenue, Indianapolis, Indiana.

The Company's books and records are fully automated. The Company, as a member of a holding company group, utilizes common systems for recording its transactions. Tests of the Company's accounts and records were determined based upon the examination procedures promulgated by the NAIC and applicable policies and directives issued by the Department. The Company's systems appear to furnish a reliable audit trail.

The Company's financial statements are subject to an annual audit conducted by independent certified public accountants. For the year ended December 31, 2022, AGP-MS received an exemption from the Commissioner of Insurance from filing the 2022 Audited Annual Financial Statements, per the Miss. Code Ann. § 83-5-104. Ernst & Young performed the statutory audit for Elevance Health and its other subsidiaries for all years during the examination period.

STATUTORY DEPOSITS

The Company's statutory deposit with the State of Mississippi complied with Miss. Code Ann. § 83-41-325. The following chart displays the Company's deposit at December 31, 2022:

Description	Par Value	Book Value	Fair Value
New York ST Urban Dev Corp Rev	\$500,000	\$528,088	\$525,360

FINANCIAL STATEMENTS

Introduction

The following financial statements reflect the same amounts reported by the Company and consist of a Statement of Assets, Liabilities, Capital and Surplus – Statutory at December 31, 2022, a Statement of Revenue and Expenses – Statutory for the year ended December 31, 2022, a Reconciliation of Capital and Surplus – Statutory for examination period ended December 31, 2022, and a Reconciliation of Examination Adjustments to Surplus – Statutory at December 31, 2022.

**STATEMENT OF ASSETS, LIABILITIES, SURPLUS AND OTHER FUNDS
DECEMBER 31, 2022**

ASSETS

Bonds	\$ 528,088
Cash	3,519,353
Subtotals, Cash and Invested Assets	<u>4,047,441</u>
Investment income due and accrued	7,361
Current federal and foreign income tax recoverable and interest thereon	1,873
Aggregate write-ins for other than invested assets	2,607
Total	<u>\$ 4,059,282</u>

LIABILITIES, SURPLUS AND OTHER FUNDS

General expenses due or accrued	\$ 110
Net deferred tax liability	10
Amounts due to parent, subsidiaries and affiliates	1,430
Total liabilities	<u>\$ 1,550</u>
Common capital stock	1,000
Gross paid in and contributed surplus	3,999,000
Unassigned funds	57,732
Total capital and surplus	<u>\$ 4,057,732</u>
Total liabilities, capital and surplus	<u>\$ 4,059,282</u>

SUMMARY OF OPERATIONS
FOR YEAR ENDED DECEMBER 31, 2022

General administrative expenses	1,101
Net underwriting gain or (loss)	<u>(1,101)</u>
Net investment income earned	<u>4,912</u>
Net investment gains	4,912
Net income after capital gains tax and before federal income taxes	3,811
Federal and foreign income taxes incurred	<u>(2,557)</u>
Net income	<u>6,368</u>

**RECONCILIATION OF CAPITAL AND SURPLUS
FOR EXAMINATION PERIOD ENDED DECEMBER 31, 2022**

	2022	2021	2020	2019	2018
Capital and surplus prior reporting year	\$ 4,051,364	\$ 4,046,294	\$ 4,022,992	\$ 4,034,572	\$ 4,013,990
Net income or (loss)	6,368	5,070	6,261	5,462	20,582
Change in net deferred income tax	-	-	(4,535)	4,534	-
Change in nonadmitted assets	-	-	21,576	(21,576)	-
Net change in capital and surplus	6,368	5,070	23,302	(11,580)	20,582
Capital and surplus end of reporting period	\$ 4,057,732	\$ 4,051,364	\$ 4,046,294	\$ 4,022,992	\$ 4,034,572

**RECONCILIATION OF EXAMINATION ADJUSTMENTS TO SURPLUS
DECEMBER 31, 2022**

There were no changes made to the assets, liabilities or capital and surplus reported by the Company for the year ended December 31, 2022. The Company's net worth, which totaled \$4,057,732 as of the examination date, was determined to be reasonably stated and in compliance with Miss. Code Ann. § 83-41-325.

COMMITMENTS AND CONTINGENT LIABILITIES

The Company's Parent is involved in pending and threatened litigation of the character incidental to the business transacted, arising out of its operations and is from time to time involved as a party in various governmental investigations, audits, reviews, and administrative proceedings. Such investigations, audits, reviews, and administrative proceedings could result in the imposition of civil or criminal fines, penalties, other sanctions and additional rules, regulations, or other restrictions on the Company's business operations. The examination did not identify any litigation, commitment or contingent liability directly related to AGP-MS.

SUBSEQUENT EVENTS

No significant events subsequent to the examination period were identified.

COMMENTS AND RECOMMENDATIONS

It was noted that one Director of AGP-MS did not complete and sign a Conflict of Interest statement in accordance with the written Elevance Health Conflict of Interest Policy in 2021 or 2022.

It is recommended that the Company ensure that each Director complete and sign a Conflict of Interest statement in accordance with the Elevance Health policy.

ACKNOWLEDGMENT

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

Examiner: Shelby Lambert, CFE, AIE, MCM	Noble Consulting Services, Inc.
Supervising Examiner: Lisa Warrum, CFE, CPA	Noble Consulting Services, Inc.
Department Designee: Mark Cooley, CFE	MS Insurance Department

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

Respectfully submitted,



Shelby Lambert, CFE, AIE, MCM
Examiner-in-charge



Mark Cooley, CFE
MS Insurance Department Designee