

**EXAMINATION REPORT
of
INNOVATION HEALTH PLAN, INC.
Falls Church, Virginia
as of
December 31, 2020**

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE**

COMMONWEALTH OF VIRGINIA



SCOTT A. WHITE
COMMISSIONER OF INSURANCE
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

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RICHMOND, VIRGINIA 23218
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RICHMOND, VIRGINIA 23219
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I, Scott A. White, Commissioner of Insurance of the Commonwealth of Virginia, do hereby certify that the annexed copy of the Examination Report of Innovation Health Plan, Inc. as of December 31, 2020, is a true copy of the original report on file with this Bureau.

IN WITNESS WHEREOF, I have hereunto set my hand
and affixed to the original the seal of the Bureau at the City
of Richmond, Virginia this 8th day of June 2022

Scott A. White
Commissioner of Insurance



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Richmond, Virginia
April 28, 2022

Honorable Scott A. White
Commissioner of Insurance
Richmond, Virginia

Dear Sir:

Pursuant to your instructions and by the authority of Section 38.2-4315 of the Code of Virginia, an examination of the records and affairs of

INNOVATION HEALTH PLAN, INC.

Falls Church, Virginia

hereinafter referred to as the Corporation, has been completed. The report thereon is submitted for your consideration.

SCOPE OF THE EXAMINATION

The last examination of the Corporation was made by representatives of the State Corporation Commission's Bureau of Insurance (Bureau) as of December 31, 2015. This examination covers the five-year period from January 1, 2016 through December 31, 2020.

This examination was conducted in accordance with the NAIC Financial Condition Examiners' Handbook (Handbook). The Handbook requires that the Bureau plan and perform the examination to evaluate the Corporation's financial condition, assess corporate governance, identify current and prospective risks of the Corporation 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.

The coordinated examination of the CVS/Aetna Group, of which the Corporation is a member, was led by the Connecticut Insurance Department. The Bureau and twenty-six other State Insurance Departments participated in the group examination. (Group exam #1-2019-1)

All accounts and activities of the Corporation 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.

This examination report includes significant findings of fact 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 Corporation.

HISTORY

The Corporation was incorporated in the Commonwealth of Virginia on August 1, 2012 and became licensed in Virginia as a health maintenance organization (HMO) pursuant to Chapter 43 of Title 38.2 of the Code of Virginia on April 3, 2013. On November 28, 2018, CVS Health Corporation (CVS Health) acquired Aetna Inc. and its subsidiaries, including its 50% ownership of the Company. The acquisition was approved by the Bureau on June 7, 2018.

CAPITAL AND SURPLUS

At December 31, 2020, the Corporation's capital and surplus was \$28,920,263. According to the Articles of Incorporation, the Corporation has the authority to issue 1,000 shares of common capital stock without a par value per share. At December 31, 2020, 100 shares valued at \$1 were issued and outstanding with Gross paid in and contributed surplus of \$29,714,512 and Unassigned funds of (\$794,250).

CAPITAL AND SURPLUS REQUIREMENT

Section 38.2-4302 of the Code of Virginia states that a HMO licensed in Virginia shall maintain a minimum net worth in an amount at least equal to the sum of uncovered expenses, but not less than \$600,000, up to a maximum of \$4,000,000. 14 VAC 5-211-30 A requires that an HMO report the sum of its uncovered expenses for each three-month period ending December 31, March 31, June 30 or September 30. Section 38.2-4307.1 C states that a statement of covered and uncovered expenses shall not be required for any HMO that reports capital and surplus of at least \$4,500,000 on its most recent annual or quarterly financial statement. At December 31, 2020, the Corporation reported capital and surplus greater than \$4,500,000 and was not required to file a statement of covered and uncovered expenses.

MANAGEMENT AND CONTROL

The bylaws of the Corporation provide that the business and affairs of the Corporation shall be managed by the board of directors. The Corporation shall have six directors who are the current members of the board of directors of the Corporation's sole shareholder, Innovation Health Insurance Company (IHIC). Each director shall hold office as long as he or she remains a director of IHIC.

The officers of the Corporation shall consist of a Chief Executive Officer, one or more Vice-Presidents, a Secretary and a Treasurer. Additional officers may be appointed by the Chief Executive Officer. Any two or more offices may be held by the same individual.

At December 31, 2020, the Board and Officers were as follows:

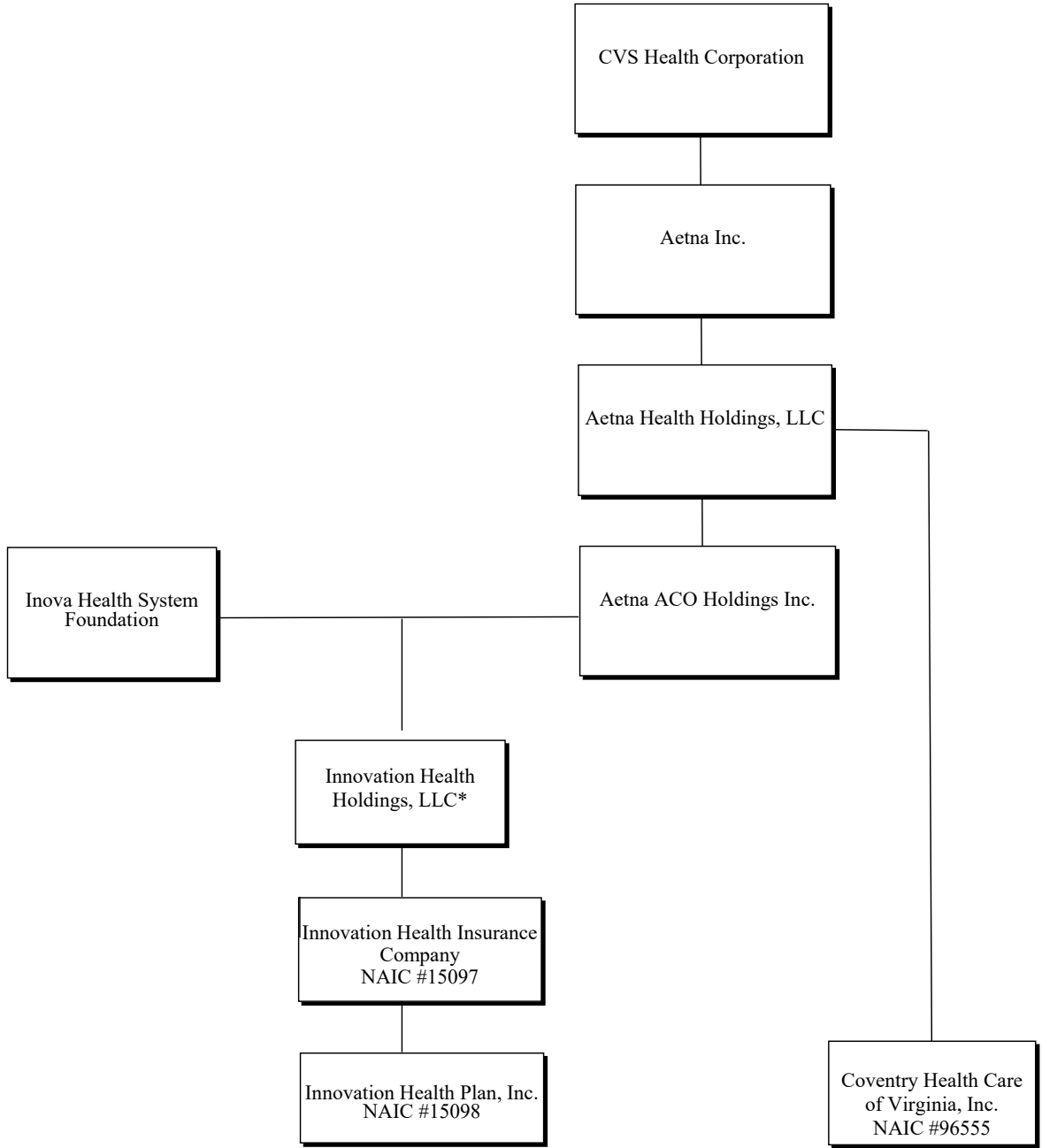
<u>Directors</u>	<u>Principal Occupation</u>
Michael J. Bucci	Vice President, Market President CVS Health Corporation Linthicum, Maryland
Brian K. Donovan	Vice President, Managed Care Contracting and Strategy Inova Health System Foundation Falls Church, Virginia
Daniel B. Knecht	Vice President, Health Strategy and Innovation CVS Health Corporation Hartford, Connecticut
Stephen J. Motew	Physician Executive Inova Health System Foundation Falls Church, Virginia
Brigitte J. Nettesheim	Vice President, National Accounts CVS Health Corporation Chicago, Illinois
Alice H. Pope	Chief Financial Officer Inova Health System Foundation Falls Church, Virginia

Officers

Sunil S. Budhrani	Chief Executive Officer and Chief Medical Officer
Nannette G. Henderson	Chief Financial Officer
Sarah H. Grantham	Chief Operating Officer
Tracy L. Smith	Vice President and Treasurer
Edward C. Lee	Vice President and Secretary

AFFILIATED COMPANIES

The Corporation is a wholly owned subsidiary of IHIC, which is ultimately owned by Innovation Health Holdings, LLC, (IHH) a joint venture between Aetna ACO Holdings Inc. (Aetna ACO), a Delaware corporation, and Inova Health System Foundation (Inova), a Virginia not-for-profit corporation. CVS Health is Aetna ACO's ultimate parent. By virtue of this ownership, the Corporation is a member of an insurance holding company system as defined in Section 38.2-1322 of the Code of Virginia. The following chart summarizes the Corporation's relationship with selected entities within the holding company system:



*Innovation Health Holdings, LLC is 50% owned by Aetna ACO Holdings, Inc. and 50% owned by Inova Health System Foundation

TRANSACTIONS WITH AFFILIATES

Management Services Agreements

Effective February 15, 2013, the Corporation entered into a Management Services Agreement with Aetna Health Management, LLC (AHM). According to the agreement, AHM shall provide support services, including accounting services, investment services, actuarial services, marketing services, underwriting services, claims services, data processing services, premium billing and collection, provider payments, broker commission payments, records maintenance and other administrative functions. As compensation, the Corporation shall pay a per member per month administrative fee. The Corporation incurred \$9,336,594 and \$7,128,709 in fees related to this agreement in 2020 and 2019, respectively.

Effective February 15, 2013, the Corporation entered into a Management Services Agreement with Inova. According to the agreement, Inova shall provide medical management services as well as certain marketing and sales activities. As compensation, the Corporation shall pay fees based on services provided. The Corporation incurred no fees related to this agreement in 2020 or 2019.

Employee Lease Agreement

Effective March 1, 2013, the Corporation entered into an Employee Lease Agreement with IHH. According to the agreement, the Corporation will lease certain employees from IHH to perform core management functions not included in the Management Service Agreements with AHM and Inova. The Corporation shall reimburse IHH the aggregate cost to IHH of providing the employees. The Corporation incurred \$417,429 and \$398,697 in fees related to this agreement in 2020 and 2019, respectively.

Network Access Agreement

Effective April 5, 2013, the Corporation entered into a Network Access Agreement with Signature Partners in Health, LLC (SPH). According to the agreement, SPH will provide access to its network of hospitals, physicians and ancillary providers for the Corporation's covered members. As compensation, the Corporation shall pay a monthly access fee per member. The Corporation incurred \$265,589 and \$263,792 in fees related to this agreement in 2020 and 2019, respectively.

Delegated Credentialing Agreement

Effective April 3, 2013, the Corporation entered into a Delegated Credentialing Agreement with AHM. According to the agreement, AHM shall provide credentialing and recredentialing services through the evaluation and verification of provider qualifications and competence to provide health care services to the Corporation's members. No additional compensation shall be paid to AHM for services provided by this agreement over and above the compensation paid to AHM pursuant to the Management Services Agreement described above.

Tax Sharing Agreement

Effective April 3, 2013, the Corporation entered into a Tax Sharing Agreement with IHIC. Pursuant to the agreement, IHIC and the Corporation are members of an affiliated group which expects to file a consolidated federal tax return for each taxable year during which the companies are includible corporations qualified to so file. The Corporation will pay IHIC an amount equal to the regular federal tax liability that the Corporation would pay on its own taxable income if it were filing a separate unconsolidated return. Tax computations shall reflect the positions, elections and accounting methods used by IHIC in preparing the consolidated federal tax return. IHIC will pay to the Corporation an amount equal to the tax benefit of the Corporation's tax assets (i.e. losses or credits) to the extent such tax assets are utilized.

Reinsurance Agreement

Effective May 1, 2013, the Corporation entered into an Assignment, Novation and Amendment Agreement (Assignment Agreement) with Aetna Health Inc., a Pennsylvania corporation (AHI), and InovaCap, LLC, a Vermont limited liability company (InovaCap). InovaCap and AHI entered into a reinsurance agreement covering commercial employer groups in Virginia effective as of January 1, 2013, pursuant to which AHI cedes to InovaCap, on an indemnity coinsurance basis, a 50% quota share participation in certain liabilities arising under policies issued by AHI. Under the Assignment Agreement, InovaCap assigned the reinsurance agreement to the Corporation and the reinsurance agreement was amended to give effect to the novation of the reinsurance agreement whereby the Corporation was substituted for InovaCap and deemed the reinsurer under the reinsurance agreement. In addition, the reinsurance agreement will be amended contemporaneously with the assignment and novation to provide that AHI will cede a 100% quota share participation in the ceded business to the Corporation. AHI will remain as the ceding insurer. In 2020 and 2019, there were no transactions under these agreements.

Medicare Advantage Reinsurance Agreement

Effective January 1, 2018, the Corporation entered into a Medicare Advantage Reinsurance Agreement with AHI. Pursuant to the agreement, AHI will cede to the Corporation, on an indemnity coinsurance basis, a 100% quota share participation in certain liabilities, obligations, premiums and reserves arising under individual and group Medicare Advantage policies issued by AHI. Premiums assumed from AHI by the Corporation were \$15,660,387 and \$16,122,160 in 2020 and 2019, respectively. Claims assumed from AHI by the Corporation were \$15,083,620 and \$12,675,784 in 2020 and 2019, respectively.

Stop Loss Agreement

Effective January 1, 2020, the Corporation and IHIC entered into Stop Loss Agreement with Aetna Health Insurance Company (AHIC). Pursuant to the agreement, the deductible is \$2,000,000 per member per contract year and, once the deductible has been reached, AHIC will reimburse the Corporation 100% of losses paid for each member during the contract year. In 2020, the Corporation incurred \$88,574 in premiums pursuant to the agreement.

Capital Contributions

The Corporation received capital contributions from IHIC of \$3,000,000 and \$5,399,000 in 2017 and 2016, respectively.

TERRITORY AND PLAN OF OPERATION

At December 31, 2020, the Corporation's service area, as reported in its 2020 Annual Statement, included the Virginia cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, Manassas Park. In addition, the service area included the Virginia counties of Arlington, Clarke, Fauquier, Frederick, Loudoun, Page, Prince William, Shenandoah, Spotsylvania, Stafford, and Warren. The Corporation's service area also includes the Maryland city of Baltimore and the Maryland counties of Anne Arundel, Baltimore, Calvert, Carroll, Cecil, Charles, Frederick, Hardford, Howard, Kent, Montgomery, Prince George's, Queen Anne's, Saint Mary's, Talbot, Washington, and Wilcomico and the District of Columbia.

Medical services are provided by physicians in independent practice within the Corporation's service area. For HMO plans, each member selects a primary care physician (PCP) from a directory of the Corporation's primary providers. Members can go to participating specialist physicians and providers for eligible services without a referral from a PCP for Open Access plans. The specialist physician or provider must be

a participating provider in order for services to be covered. Members must receive prior authorization for inpatient hospital admissions and selected outpatient procedures. For other Open HMO plans, PCP selection and referrals to specialists are not required.

In 2018, the Corporation began operating as a Medicare Advantage Prescription Drug Plan Program offering HMO plans pursuant to its contract with the Centers of Medicare and Medicaid Services (CMS). During 2020, the Corporation's contract with CMS comprised 52% of its total premium revenue.

PROVIDER AGREEMENTS

Medical Services

The Corporation has entered into agreements with numerous PCPs and specialist physicians to render, provide or arrange for the provision of covered health care services to members. The Corporation compensates participating physicians on capitated and fee-for-service arrangements as set forth in each agreement.

Hospital Care

The Corporation has entered into agreements with a number of hospitals in its service area to provide covered hospital services to its members. The Corporation compensates participating hospitals on either a discounted fee-for-service basis, a case rate basis or a per diem rate basis in accordance with compensation schedules attached to each individual agreement.

Other Health Care Services

The Corporation has entered into various ancillary service agreements. These agreements provide services such as home health care, physical therapy, laboratory, transportation and other related covered health care services. Compensation is based on arrangements set forth in each agreement.

CONTRACT FORMS**Group Contracts**

Group contracts generally cover the following services provided by PCPs, participating specialists and other participating providers:

1. Physician Services
2. Inpatient Hospital Services
3. Outpatient Medical Care
4. Maternity Services
5. Women's Health Care Services
6. Rehabilitation Services
7. Home Health Care Services
8. Physical and Occupational Therapy
9. Prescription Drugs
10. Durable Medical Equipment
11. Transportation Services
12. Laboratory and X-ray Services

Exclusions generally include any service or supply that is not medically necessary or any service or supply that is not a covered service, cosmetic and plastic surgery, experimental medical, surgical or other health care procedures, services or supplies, hospice services and programs for weight reduction or smoking cessation. The above are general summaries of coverages and exclusions and are not intended to be all inclusive.

GROWTH OF THE CORPORATION

The following data represents the growth of the Corporation since its inception. The data is compiled from the Corporation's filed Annual Statements and the current examination report.

<u>Year</u>	Total Admitted <u>Assets</u>	Total <u>Liabilities</u>	Total Capital & <u>Surplus</u>
2013	\$9,923,311	\$4,077,377	\$5,845,934
2014	20,792,208	8,652,579	12,139,629
2015	30,703,958	13,058,591	17,645,367
2016	44,132,560	25,704,923	18,427,637
2017	46,042,513	23,518,848	22,523,665
2018	53,065,162	26,151,070	26,914,092
2019	53,496,948	26,503,172	26,993,776
2020	52,585,402	23,665,139	28,920,263

<u>Year</u>	Total <u>Revenue</u>	Net Investment <u>Gain</u>	Medical & Hospital <u>Expenses</u>	Administrative <u>Expenses</u>	Pre-Tax <u>Income</u>
2013	\$8,832,350	\$5,722	\$6,329,268	\$4,771,667	(\$2,262,863)
2014	51,309,234	12,494	37,654,314	12,442,602	1,224,812
2015	79,593,241	178,995	58,202,627	15,628,552	5,941,057
2016	95,740,010	430,458	83,853,743	18,911,273	(6,594,548)
2017	104,675,444	549,684	85,790,204	18,656,329	778,595
2018	112,195,724	634,604	88,643,946	19,116,138	5,070,244
2019	102,079,253	1,111,406	87,015,384	17,319,538	(1,144,263)
2020	120,798,236	761,614	103,235,349	16,150,207	2,174,294

The Corporation's enrollment data at year-end is illustrated as follows:

<u>Year</u>	<u>Number of Members</u>
2013	3,945
2014	18,580
2015	22,874
2016	27,510
2017	21,040
2018	14,892
2019	14,521
2020	15,819

EXCESS RISK INSURANCE

At December 31, 2020, the Corporation had a Medicare Advantage Reinsurance Agreement with AHI and a Stop Loss Agreement with AHIC. The specific terms of the agreements are discussed in the Transactions with Affiliates section of the examination report.

Effective April 1, 2014, AHI entered into a Quota Share Reinsurance Agreement with Fresenius Medical Care Reinsurance Company (Fresenius). The Corporation is party to the agreement as an affiliate of AHI. Pursuant to the agreement, Fresenius shall pay 100% of eligible expenses for Medicare Advantage members participating in an End Stage Renal Disease Management Program. As compensation, the Corporation pays Fresenius a capitated amount per participating program member per month. In 2020 and 2019, the Corporation incurred \$118,034 and \$0 in premiums pursuant to the agreement, respectively.

SPECIAL RESERVES AND DEPOSITS

At December 31, 2020, the Bureau required the Corporation to maintain a minimum deposit of \$2,367,619 with the Treasurer of Virginia.

FINANCIAL STATEMENTS

The following financial statements present the financial condition of the Corporation for the period ending December 31, 2020. No examination adjustments were made to the statutory financial statements filed by the Corporation with the Bureau for the period ending December 31, 2020.

ASSETS

	<u>Assets</u>	Nonadmitted <u>Assets</u>	Net Admitted <u>Assets</u>
Bonds	\$38,161,779		\$38,161,779
Cash and cash equivalents	2,774,049		2,774,049
Receivables for securities	897,438		897,438
	<hr/>	<hr/>	<hr/>
Subtotals, cash and invested assets	\$41,833,266	\$0	\$41,833,266
Investment income due and accrued	413,610		413,610
Uncollected premiums and agents' balances in the course of collection	1,218,345	366,834	851,511
Contracts subject to redetermination	1,900,284		1,900,284
Funds held by or deposited with reinsured companies	1,299,136		1,299,136
Other amounts receivable under reinsurance contracts	3,514,601		3,514,601
Amounts receivable relating to uninsured plans	941,045		941,045
Net deferred tax asset	684,034	55,105	628,929
Health care and other amounts receivable	727,739		727,739
Aggregate write-ins for other than invested assets	2,553,624	2,078,343	475,281
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$55,085,684</u>	<u>\$2,500,282</u>	<u>\$52,585,402</u>

LIABILITIES, CAPITAL AND SURPLUS

	<u>Covered</u>	<u>Uncovered</u>	<u>Total</u>
Claims unpaid	\$14,384,028	\$375,025	\$14,759,053
Accrued medical incentive pool and bonus amounts	315,262		315,262
Unpaid claims adjustment expenses	172,697		172,697
Aggregate health policy reserves	2,472,787		2,472,787
Aggregate health claim reserves	46,097		46,097
Premiums received in advance	7,027		7,027
General expenses due or accrued	303,765		303,765
Current federal income taxes payable	2,421,720		2,421,720
Ceded reinsurance premiums payable	6,936		6,936
Amounts withheld or retained for the account of others	124,083		124,083
Remittances and items not allocated	24,228		24,228
Amounts due to parent, subsidiaries and affiliates	1,699,057		1,699,057
Funds held under reinsurance treaties	14,702		14,702
Liability for amounts held under uninsured plans	61,528		61,528
Aggregate write-ins for other liabilities	<u>1,236,197</u>		<u>1,236,197</u>
 Total liabilities	 <u>\$23,290,114</u>	 <u>\$375,025</u>	 <u>\$23,665,139</u>
 Common capital stock			 \$1
Gross paid in and contributed surplus			29,714,512
Unassigned funds (surplus)			<u>(794,250)</u>
 Total capital and surplus			 <u>\$28,920,263</u>
 Total liabilities, capital and surplus			 <u><u>\$52,585,402</u></u>

STATEMENT OF REVENUE AND EXPENSES

	<u>Uncovered</u>	<u>Total</u>
Net premium income	XXX	\$119,451,905
Change in unearned premium reserves and reserve for rate credits	<u>XXX</u>	<u>1,346,331</u>
Total revenues	<u>XXX</u>	<u>\$120,798,236</u>
Hospital and Medical		
Hospital/medical benefits	\$2,048,424	\$57,865,071
Other professional services	145,349	4,105,893
Outside referrals	1,012,888	1,012,888
Emergency room and out-of-area	172,569	4,874,832
Prescription drugs	249,477	19,736,887
Incentive pool, withhold adjustments and bonus amounts	<u>0</u>	<u>933,500</u>
Subtotal	\$3,628,707	\$88,529,071
Less:		
Net reinsurance recoveries	<u>\$0</u>	<u>(14,706,278)</u>
Total hospital and medical	\$3,628,707	\$103,235,349
Claims adjustment expenses	1,663,682	1,663,682
General administrative expenses	14,476,536	14,476,536
Increase in reserves for life and accident and health contracts	<u>0</u>	<u>(769,000)</u>
Total underwriting deductions	<u>\$19,768,925</u>	<u>\$118,606,567</u>
Net underwriting gain	<u>XXX</u>	<u>\$2,191,669</u>
Net investment income earned	\$960,703	\$960,703
Net realized capital losses	<u>(199,089)</u>	<u>(199,089)</u>
Net investment gains	<u>\$761,614</u>	<u>\$761,614</u>
Aggregate write-ins for other income or expenses	<u>(\$778,989)</u>	<u>(\$778,989)</u>
Net income before federal income taxes	XXX	\$2,174,294
Federal income taxes incurred	<u>XXX</u>	<u>657,153</u>
Net income	<u>XXX</u>	<u>\$1,517,141</u>

RECONCILIATION OF CAPITAL AND SURPLUS

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Capital and surplus prior reporting year	<u>\$17,645,367</u>	<u>\$18,427,637</u>	<u>\$22,523,665</u>	<u>\$26,914,092</u>	<u>\$26,993,776</u>
GAINS AND LOSSES TO CAPITAL AND SURPLUS					
Net income (loss)	(\$4,890,121)	\$277,269	\$3,296,121	(\$1,598,597)	\$1,517,141
Change in net deferred income tax	(74,660)	102,099	40,200	636,158	(94,419)
Change in nonadmitted assets	347,052	716,660	996,885	723,092	503,765
Surplus adjustments:					
Paid in	5,399,999	3,000,000	0	0	0
Aggregate write-ins for gains in surplus	<u>0</u>	<u>0</u>	<u>57,221</u>	<u>319,031</u>	<u>0</u>
Net change in capital and surplus	<u>\$782,270</u>	<u>\$4,096,028</u>	<u>\$4,390,427</u>	<u>\$79,684</u>	<u>\$1,926,487</u>
Capital and surplus end of reporting year	<u><u>\$18,427,637</u></u>	<u><u>\$22,523,665</u></u>	<u><u>\$26,914,092</u></u>	<u><u>\$26,993,776</u></u>	<u><u>\$28,920,263</u></u>

CASH FLOW**Cash from Operations**

Premiums collected net of reinsurance	\$119,339,046
Net investment income	1,384,854
Total	<u>\$120,723,900</u>
Benefit and loss related payments	\$100,101,368
Commissions, expenses paid and aggregate write-ins for deductions	18,039,302
Total	<u>\$118,140,670</u>
Net cash from operations	<u>\$2,583,230</u>

Cash from Investments

Proceeds from investments sold, matured or repaid	
Bonds	\$16,090,786
Net losses on cash, cash equivalents and short-term investments	(4)
Total investment proceeds	<u>\$16,090,782</u>
Cost of investments acquired (long-term only)	
Bonds	\$13,744,113
Miscellaneous proceeds	897,438
Total investment acquired	<u>\$14,641,551</u>
Net cash from investments	<u>\$1,449,231</u>

Cash from Financing and Miscellaneous Sources

Cash provided (applied):	
Other cash applied	<u>(\$4,013,493)</u>
Net cash from financing and miscellaneous sources	<u>(\$4,013,493)</u>

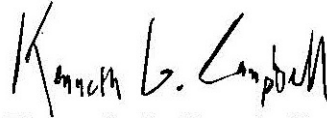
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS

Net change in cash and short-term investments	\$18,968
Cash, cash equivalents and short-term investments:	
Beginning of the year	<u>2,755,081</u>
End of the year	<u>\$2,774,049</u>

ACKNOWLEDGEMENT

The courteous cooperation extended by the Corporation's officers and employees during the course of the examination is gratefully acknowledged. In addition to the undersigned, Chris Collins, CFE, Gerald Hicks, AFE, Ben MacKercher, CFE, and Kevin Knight, CFE, participated in the work of the examination.

Respectfully submitted,

A handwritten signature in black ink that reads "Kenneth G. Campbell". The signature is written in a cursive style with a large, prominent initial "K".

Kenneth G. Campbell, CFE
Assistant Chief Examiner



June 6, 2022

Mr. David H. Smith, CFE, CPCU
Chief Examiner
Commonwealth of Virginia
State Corporation Commission
Bureau of Insurance
P.O. Box 1157
Richmond, VA 23218
RESPONSE MADE VIA EMAIL TO: David Smith <David.Smith@scc.virginia.gov>

**RE: Innovation Health Plan, Inc.
Draft Financial Examination Report as of December 31, 2020 ("the Report")**

Dear Mr. Smith:

This letter is to acknowledge receipt of the draft exam Report of Innovation Health Plan, Inc. for the five-year period ending December 31, 2020. We appreciate the opportunity to review the Report. As noted in your letter dated May 11, 2022, the Report contains no recommendations for corrective action.

When the report is certified as final, please confirm that the financial examination team, with whom your examiners have been communicating during the course of this examination, will receive the final report via email so they can continue to ensure all necessary communications are met timely.

As the final exam report is expected to be received electronically, we only need the electronic version and thus your request for the number of hard copies would be none as the electronic version is sufficient.

Sincerely,

A handwritten signature in black ink, appearing to read "L. B. Lomax", written in a cursive style.

London B. Lomax
Chief Executive Officer
Innovation Health Plan, Inc.