



Janet T. Mills
Governor

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION
BUREAU OF INSURANCE



Robert L. Carey
Superintendent

Joan F. Cohen
Commissioner

February 17, 2026

Robert L. Carey, Superintendent
Maine Bureau of Insurance
34 State House Station
Augusta, ME 04333-0034

Dear Superintendent:

Pursuant to the provisions of 24-A M.R.S. §221, and in conformity with your instructions, a financial examination has been made of the

ANTHEM HEALTH PLANS OF MAINE, INC.

as of December 31, 2022. The following report is respectfully submitted.

Office Location: 76 Northern Avenue, Gardiner, Maine 04345
Mailing Address: 34 State House Station, Augusta, Maine 04333
www.maine.gov/pfr/insurance

Phone: (207) 624-8475

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**STATE OF MAINE
BUREAU OF INSURANCE**

REPORT OF FINANCIAL EXAMINATION

**ANTHEM HEALTH PLANS OF MAINE, INC.
SOUTH PORTLAND, MAINE**

AS OF DECEMBER 31, 2022

NAIC COMPANY CODE: 52618

NAIC GROUP CODE: 0671

ACCEPTANCE OF REPORT OF EXAMINATION

WHEREAS a verified Report of Examination of Anthem Health Plans of Maine, Inc. dated February 17, 2026, was delivered to that insurer on April 16, 2026; and

WHEREAS no hearing with respect to the Report of Examination has been requested by Anthem Health Plans of Maine, Inc.;

NOW THEREFORE, I accept the Report of Examination and hereby order it placed on file in the Bureau of Insurance as provided for by 24-A M.R.S. §226 (3).

Dated: May 8, 2026

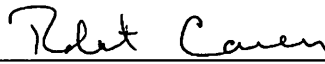

Robert L. Carey, Superintendent

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SCOPE OF EXAMINATION

Anthem Health Plans of Maine, Inc. (AHP-ME or the “Company”) was last examined as of December 31, 2017, by the State of Maine Bureau of Insurance (MBOI). This examination covers the period from January 1, 2018, to December 31, 2022.

This examination was performed pursuant to the risk-focused approach promulgated by the National Association of Insurance Commissioners (NAIC), in conformity with the 2023 NAIC Financial Condition Examiners Handbook (“the Handbook”) and the laws, rules, and regulations prescribed or permitted by the State of Maine. The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks, and evaluate systems controls and procedures used to mitigate those risks. The examination also included the identification and evaluation of significant risks that could cause the Company’s surplus to be materially misstated both currently and prospectively. The external auditors’ work papers were utilized for this examination to the extent deemed appropriate to enhance the effectiveness and efficiency of this examination.

This examination was coordinated with the Indiana Department of Insurance (INDOI), which concurrently examined the Indiana domestic insurance companies of Elevance Health, Inc. (“Elevance Health”), the Company’s ultimate parent. The INDOI served as the lead state on the coordinated group examination. Maine, along with 22 other states and Washington, D.C., participated in the examination. The MBOI utilized the work of the INDOI to the extent deemed appropriate.

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. Comments on various financial statement items, for the purposes of this report, may be limited to examination adjustments, matters requiring clarification, departures from laws, rules and regulations, and/or significant changes in amounts. To the extent deemed necessary, transactions occurring subsequent to the examination date were reviewed.

This examination report includes significant findings of fact, pursuant to 24-A M.R.S. §225 (1), and general information about the Company and its financial condition. There may be other items identified during the examination that, due to their nature, are not included herein, and are instead separately reported to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

PRIOR EXAMINATION

Claim forms used by the Company did not comply with 24-A M.R.S. §2186 (3)(A), which states that all applications and claim forms for insurance used by insurers in this State, regardless of the form of transmission, must contain the required fraud warning. The Company subsequently revised their member medical claim form in March 2019 to include the required fraud warning.

Status:

During the current examination, it was observed that all claim forms, except the dental claim form, contain the required fraud warning. The Company subsequently revised the dental claim form in August 2023 to include the required fraud warning. The Company has adequately responded to this comment.

CURRENT EXAMINATION

None noted.

THE COMPANY**HISTORY**

The Company was incorporated on March 10, 2000, in anticipation of the acquisition of Associated Hospital Service of Maine d/b/a Blue Cross and Blue Shield of Maine (BCBSME), by Anthem Insurance Companies, Inc. (AICI). By decision and order dated May 25, 2000, the Superintendent of Insurance (“Superintendent”) granted the application of BCBSME to convert to a for-profit stock insurer and to voluntarily dissolve. The decision and order also approved the application of AICI, through AHP-ME, to acquire substantially all of the assets and assume substantially all of the liabilities of the converted BCBSME. The assets acquired included the stock and ownership interests in affiliates and subsidiaries of BCBSME. The decision and order additionally granted AHP-ME a certificate of authority to operate as a health insurer with a health maintenance organization line of business.

At the time AHP-ME was incorporated, AICI was the ultimate controlling person in the insurance holding company system. AICI converted from a mutual insurance company to a stock insurance company on November 2, 2001, and, as part of the conversion, it became a wholly-owned subsidiary of Anthem, Inc., a new Indiana stock corporation created for the purpose of being the public holding company for the Anthem family of companies, now known as Elevance Health.

On December 21, 2000, the Superintendent approved the merger of Central Maine Partners Health Plan, Inc. with its parent, AHP-ME. Central Maine Partners Health Plan, Inc. ceased operations on December 31, 2000, and merged into AHP-ME on January 1, 2001.

On November 23, 2004, the Superintendent approved the merger of Maine Partners Health Plan, Inc. with its parent, AHP-ME. Maine Partners Health Plan, Inc. merged with its parent AHP-ME on January 1, 2005.

On November 30, 2004, Anthem, Inc. completed its acquisition of California-based WellPoint Health Networks Inc. and changed its name to WellPoint, Inc.

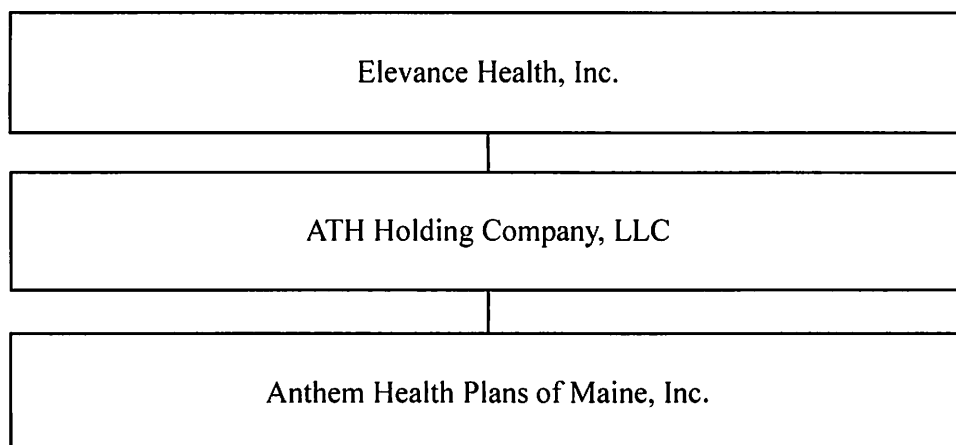
Effective December 28, 2006, Anthem East, LLC, the sole shareholder of AHP-ME, merged with and into ATH Holding Company, LLC (ATH), making that company the new shareholder of AHP-ME.

Effective December 2, 2014, WellPoint, Inc. changed its name to Anthem, Inc. Effective June 27, 2022, Anthem, Inc. changed its name to Elevance Health, Inc.

MANAGEMENT AND CONTROL

The Company is a wholly owned subsidiary of ATH whose ultimate parent is Elevance Health.

An abbreviated organizational chart as of December 31, 2022, is presented below:



CORPORATE RECORDS

The Company’s articles of incorporation, bylaws, and minutes of the board of directors meetings held during the period under examination were reviewed.

CORPORATE GOVERNANCE

The Company is governed and overseen by its board of directors and management team as well as the board of directors of Elevance Health and committees thereof.

As of December 31, 2022, the board of directors of the Company consisted of the following members:

<u>Name</u>	<u>Title</u>
Denise Finn McDonough	Chairperson
Laurie Helm Benintendi*	Director
John Edward Gallina*	Director
Kathleen Susan Kiefer	Director
Ronald William Penczek	Director
Vincent Edward Scher	Director
Heather Chockley Steinmeyer*	Director

As of December 31, 2022, the officers of the Company consisted of the following individuals:

<u>Name</u>	<u>Title</u>
Denise Finn McDonough	President and Chairperson
Vincent Edward Scher	Treasurer
Kathleen Susan Kiefer	Secretary
Eric Kenneth Noble	Assistant Treasurer
Laura Sanborn*	Assistant Secretary

* See below for a summary of changes to the Company's board of directors and officers subsequent to December 31, 2022:

In 2023, Scott Wayne Anglin and David Mark Jaffe replaced John Edward Gallina and Heather Chockley Steinmeyer as Directors.

In 2025, Patrick James O'Keeffe replaced Laurie Helm Benintendi as Director and Kara Dowal replaced Laura Sanborn as Assistant Secretary.

TRANSACTIONS WITH AFFILIATES

The Company is party to a Master Administrative Services Agreement (MASA), whereunder Elevance Health subsidiaries may provide certain administrative, consulting and other support services to one another from time to time. The costs and expenses related to these administrative management and support services are allocated to or allocated by the Company in an amount equal to the direct and indirect costs and expenses incurred in providing these services. In 2018, a fair market value attachment was incorporated into the MASA to require that the costs and expenses related to certain services, including behavioral health, palliative care, utilization management, payment integrity services, subrogation services as well as health and wellness programs, are allocated to or allocated by the Company in an amount equal to the fair market value of the services provided.

The Company is party to a Claim Recovery Services Agreement with Meridian Resource Company ("Meridian"). Under this agreement, Meridian will investigate and identify health care claims with subrogation, right of recovery, workers' compensation reimbursement and other third party liability recovery potential for AHP-ME, and Meridian will effect recovery of such claims from any liable party. Effective January 1, 2023, the agreement was terminated.

The Company is party to a Cash Concentration Agreement with Elevance Health and certain direct and indirect subsidiaries. Under this agreement, any of the parties may be designated as a cash manager to handle the collection and/or payment of funds on behalf of one or more affiliates. Cash services include the collection of premiums and other revenue, the collection of benefit and administrative expense reimbursements, the payment of policy benefits, payroll expense, general and administrative expense, and accounts payable disbursements.

The Company is party to a Master Services Agreement with Carelon Behavioral Health Strategies, LLC (f/k/a Beacon Health Strategies, LLC), Carelon Behavioral Health, Inc. (f/k/a Beacon Health

Options, Inc.), and Carelon Health of New Jersey, Inc. (f/k/a ValueOptions of New Jersey, Inc.), which provide behavioral health services to AHP-ME and other subsidiaries of Elevance Health.

The Company participates in a consolidated Tax Sharing Agreement with Elevance Health and other subsidiaries of Elevance Health, under which the allocation of federal income taxes is based upon separate income tax return calculations.

During the examination period, the Company paid the following ordinary dividends to its parent, ATH: \$29,200,000 on December 28, 2022; \$35,000,000 on December 28, 2021; \$71,900,000 on December 28, 2020; \$58,600,000 on December 26, 2019; and \$37,700,000 on December 26, 2018.

TERRITORY AND PLAN OF OPERATION

The Company is licensed to write health insurance, including HMO products, in the State of Maine. Currently, the Company writes individual and group health products including Comprehensive Hospital and Medical, Medicare Supplement, Dental, Vision, Federal Employees Health Plan, and other health coverage. The Company also provides administrative services, such as claims processing, providers network access, and medical cost management to certain customers under self-insured agreements. As a Blue Cross and Blue Shield Association licensee, the Company participates in the BlueCard Program whereby members who need health care services while traveling or living in another plan's service area may access their benefits through the local plan's medical providers.

REINSURANCE

Effective March 1, 2018, the Company entered into a Quota Share Reinsurance Agreement with Hartford Life & Accident Insurance Company ("Hartford"), under which Hartford has assumed 50% of the accident, critical illness, and hospital indemnity insurance business.

The Company participates in the Maine Guaranteed Access Reinsurance Association (MGARA), which was re-initiated effective January 1, 2019, and operates as a reinsurance program for the higher risk segment of Maine's individual health insurance market. Beginning on January 1, 2022, the MGARA reinsurance program converted from a prospective model to a retrospective model and covered 100% of claims paid between \$76,000 and \$250,000.

In accordance with Condition 11 of the Decision and Order of the Maine Superintendent of Insurance, Docket Number INS-99-14 dated May 25, 2000, AHP-ME and AICI entered into an Insolvency Reinsurance Agreement. Under the Agreement, reinsurance was provided for eligible inpatient hospital services for members who are confined in an inpatient facility, and who were covered by AHP-ME under its HMO contracts for a specified period of time should AHP-ME become insolvent. On October 31, 2018, the MBOI amended the Decision and Order in INS-99-14 to permit the Company to terminate their Insolvency Reinsurance Agreement with AICI. On November 30, 2018, both the Insolvency Reinsurance Agreement and Quota Share Reinsurance Agreement with AICI were terminated.

FINANCIAL STATEMENTS

The Statement of Admitted Assets, Liabilities and Surplus, the Statement of Revenue and Expenses, and the Statement of Capital and Surplus are as presented by management. These financial statements have not been audited by the MBOI and thus the MBOI does not express an opinion on the financial statements as a whole.

**STATEMENT OF ADMITTED ASSETS, LIABILITIES AND SURPLUS
AS OF DECEMBER 31, 2022**

Assets

Bonds	\$ 389,337,511
Real estate - Occupied by the company	11,926
Cash, cash equivalents and short-term investments	6,901,785
Securities lending reinvested collateral assets	15,664,442
Investment income due and accrued	2,389,561
Uncollected premiums and agents' balances	29,935,023
Deferred premiums, agents' balances and installments	36,844,345
Accrued retrospective premiums and contracts subject to redetermination	3,201,585
Amounts receivable relating to uninsured plans	121,445,649
Current federal and foreign income tax recoverable and interest thereon	19,206,806
Guaranty funds receivable or on deposit	86,765
Health care and other amounts receivable	57,484,516
Aggregate write-ins for other than invested assets	57,998,038
Total assets	<u>\$ 740,507,952</u>

Liabilities

Claims unpaid	\$ 170,833,550
Accrued medical incentive pool and bonus amounts	1,287,677
Unpaid claims adjustment expenses	3,566,155
Aggregate health policy reserves	136,272,333
Premiums received in advance	15,861,143
General expenses due or accrued	15,461,209
Net deferred tax liability	1,263,532
Ceded reinsurance premiums payable	9,631
Amounts withheld or retained for the account of others	1,392,381
Remittances and items not allocated	16,645,942
Amounts due to parent, subsidiaries and affiliates	130,122,304
Payable for securities lending	15,664,442
Liability for amounts held under uninsured plans	72,692,007
Aggregate write-ins for other liabilities	5,808,418
Total liabilities	<u>586,880,724</u>

Capital and Surplus

Aggregate write-ins for special surplus funds	5,903,698
Common capital stock	2,500,000
Gross paid in & contributed surplus	120,652,900
Unassigned funds	24,570,630
Total Capital and Surplus	<u>153,627,228</u>
Total Liabilities, Capital and Surplus	<u>\$ 740,507,952</u>

STATEMENT OF REVENUE AND EXPENSES
YEAR ENDED DECEMBER 31, 2022

Member months	4,518,984
Net premium income	\$ 1,207,401,954
Change in unearned premium reserves and reserve for rate credits	<u>(5,387,893)</u>
Total revenues	<u>1,202,014,061</u>
Hospital/medical benefits	706,311,763
Other professional services	71,816,385
Outside referrals	13,788,046
Emergency room and out-of-area	71,831,168
Prescription drugs	183,734,477
Incentive pool, withhold adjustments, and bonus amounts	<u>6,590,631</u>
Subtotal	1,054,072,470
Less: Net reinsurance recoveries	<u>156,861</u>
Total hospital and medical	1,053,915,609
Claims adjustment expenses, including cost containment expenses	38,087,644
General administrative expenses	<u>66,656,142</u>
Total underwriting deductions	<u>1,158,659,395</u>
Net underwriting gain	<u>43,354,666</u>
Net investment income earned	10,590,993
Net realized capital gains (losses) net of capital gains tax	<u>(102,846)</u>
Net investment gains	<u>10,488,147</u>
Net loss from agents' or premium balances charged off	(225,280)
Aggregate write-ins for other income or expenses	<u>739,834</u>
Net income after capital gains tax and before federal income taxes	54,357,367
Federal income taxes incurred	<u>(993,635)</u>
Net income	<u>\$ 55,351,002</u>

**STATEMENT OF CAPITAL AND SURPLUS
YEAR ENDED DECEMBER 31, 2022**

Capital and surplus, December 31, 2021	\$ 146,289,952
Net income	55,351,002
Change in net unrealized capital gains less capital gains tax	199,297
Change in net deferred income tax	(9,738,371)
Change in nonadmitted assets	(7,985,817)
Dividends to stockholders	(29,200,000)
Aggregate write-ins for gains or (losses) in surplus	<u>(1,288,835)</u>
Net change in capital and surplus	<u>7,337,276</u>
Capital and surplus, December 31, 2022	<u>\$ 153,627,228</u>

COMMENTS ON THE FINANCIAL STATEMENTS

NOTE 1 – RESERVES

Lewis & Ellis, LLC (“L&E actuary”) was engaged by the MBOI to provide actuarial assistance with the financial examination of the Company as of December 31, 2022. The L&E actuary performed a review the Appointed Actuary’s 2022 Actuarial Opinion and Memorandum for reasonableness of assumptions and methodologies at a high level and for compliance with NAIC Annual Statement Instructions.

Additionally, Davies Group (“Davies actuary”) was engaged by the INDOI to provide actuarial assistance for the financial examination of insurance subsidiaries within the Elevance Health Group, including the Company, as of December 31, 2022. The Davies actuary’s review included: participation in interviews and discussions with key personnel to gain an understanding of the processes to develop and report reserves and liabilities and appropriately price products; review of controls to mitigate certain reserving and pricing risks; review of the Appointed Actuary’s 2022 Actuarial Opinion and Memorandum; and review of the external auditor’s conclusions regarding the carried reserves. The reserves as reported by the Company were determined to be reasonable based on the review performed by the Davies actuary.

NOTE 2 – CAPITAL AND SURPLUS

The following table describes the capital and surplus changes for the five-year period since the MBOI’s last examination of the Company, dated December 31, 2017:

Capital and surplus, December 31, 2017	\$ 165,385,260
Net income	270,294,518
Change in net unrealized capital gains (losses), net of capital gains tax	191,562
Change in net deferred income tax	(10,897,388)
Change in nonadmitted assets	(32,502,548)
Dividends to Stockholders	(232,400,000)
Aggregate write-ins for gains and losses in surplus	<u>(6,444,175)</u>
Net change in capital and surplus	<u>(11,758,032)</u>
Capital and surplus, December 31, 2022	<u><u>\$ 153,627,228</u></u>

NOTE 3 – ADJUSTED FINANCIAL STATEMENT BALANCES

The external audit conducted on the Company's statutory basis financial statements as of December 31, 2022, reported the following adjusted balances, (in thousands). The adjustments were related to Periodic Interim Payment (PIP) accounts.

Total capital and surplus as reported in the Company's financial statements	\$ 153,627
Increase in unassigned surplus	7,567
Total capital and surplus as reported in the audited financial statements	<u>161,194</u>
Total net income as reported in the Company's financial statements	55,351
Increase in claims and claims adjustment expenses	(809)
Increase in federal income benefits	179
Total net income as reported in the audited financial statements	<u>54,721</u>
Total admitted assets as reported in the Company's financial statements	740,508
Decrease in amounts receivable relating to uninsured plans	(39,426)
Decrease in health care and other receivables	(21,868)
Increase in current federal income tax recoverable	179
Total admitted assets as reported in the audited financial statements	<u>679,393</u>
Total liabilities as reported in the Company's financial statements	586,881
Decrease in liability for amounts held under uninsured plans	(45,586)
Decrease in unpaid claims and claims adjustment expenses	(25,287)
Increase in net deferred tax liability	2,191
Total liabilities as reported in the audited financial statements	<u>\$ 518,199</u>

SUBSEQUENT EVENTS

Beginning in 2023, Maine's individual and small group markets merged. The merger pools the risks of the two markets and extends MGARA reinsurance to include the small group market. In addition, MGARA coverage changed to 100% of claims paid between \$90,000 and \$275,000 in 2023 and to 75% of claims paid between \$135,000 and \$275,000 in 2024.

On December 15, 2023, the Company declared an ordinary dividend of \$49,000,000 which was paid to ATH on December 28, 2023.

In 2024, a settlement agreement for the Blue Cross Blue Shield antitrust litigation with provider plaintiffs was preliminarily approved by the U.S. District Court for the Northern District of Alabama and Elevance Health recorded payment obligations totaling \$666,000,000. The Company's portion of the settlement agreement was recorded in September 2024.

On December 18, 2024, the Company declared an ordinary dividend of \$33,800,000 which was paid to ATH on December 30, 2024.

In 2025, the MASA to which the Company is a party was amended to include the provision of health care and other services by other Elevance affiliates.

SUMMARY OF RECOMMENDATIONS

There are no report level recommendations.

STATE OF MAINE
COUNTY OF KENNEBEC, SS

Vanessa J. Sullivan, being duly sworn according to law deposes and says that, in accordance with authority vested in her by Robert L. Carey, Superintendent of Insurance, pursuant to the Insurance Laws of the State of Maine, she has made an examination of the condition and affairs of the


ANTHEM HEALTH PLANS OF MAINE, INC.

located in South Portland, Maine as of December 31, 2022, and that the foregoing report of examination subscribed to by her is true to the best of her knowledge and belief. Noble Consulting Services, Inc. performed the examination. The following examiners from the Bureau of Insurance assisted:

Arias Wan, CPA, CFE


Vanessa J. Sullivan, CFE

Subscribed and sworn to before me
This 8th day of May, 2026


Notary Public
My Commission Expires: _____
ME Bar # 10147