PROCEEDINGS BEFORE MICHAEL D. RILEY
INSURANCE COMMISSIONER
OF THE STATE OF WEST VIRGINIA

IN RE: UNICARE Health Plan of West Virginia, Inc.

Administrative Proceeding No.: 15-AP-FINCON-02006

AGREED ORDER ADOPTING REPORT OF FINANCIAL EXAMINATION AND DIRECTING ACTION

COMES NOW Michael D. Riley, Insurance Commissioner of the State of West Virginia, and issues this Order which adopts the REPORT OF FINANCIAL EXAMINATION as of December 31, 2013, of UNICARE Health Plan of West Virginia, Inc., (hereinafter referred to as "Company") based upon the following findings, to wit:

JURISDICTION

1. Michael D. Riley is the Insurance Commissioner of the State of West Virginia (hereinafter the "Insurance Commissioner") and is charged with the duty of administering and enforcing the provisions of Chapter 33 of the West Virginia Code of 1931, as amended.

2. The Company was incorporated on June 13, 2003, and authorized by the Insurance Commissioner to transact the business of insurance as a Health Maintenance Organization in the State of West Virginia, as permitted and authorized by the West Virginia Code, on or about September 11, 2003. The Company commenced operations on November 1, 2003.

FINDINGS OF FACT

1. An examination of the financial condition and operational affairs of the Company for period beginning January 1, 2009 and ending December 31, 2013, was conducted in accordance with West Virginia Code §33-2-9(c) by the Insurance Commissioner.

2. On May 15, 2015, the examiner filed a REPORT OF FINANCIAL EXAMINATION with the Insurance Commissioner pursuant to W.Va. Code § 33-2-9(j)(2). A

copy of the REPORT OF FINANCIAL EXAMINATION is attached hereto as Exhibit A and incorporated herein as if set forth in full.

3. On or about June 8, 2015, a true and accurate copy of the REPORT OF FINANCIAL EXAMINATION was forwarded to the Company via electronic mail. The Company received a copy of the REPORT OF FINANCIAL EXAMINATION that same day.

4. Pursuant to W.Va. Code § 33-2-9(j)(2), the Company was notified and afforded a period of thirty (30) days after receipt of the REPORT OF FINANCIAL EXAMINATION within which to make a submission, rebuttal, or objection concerning any matter contained in the REPORT OF FINANCIAL EXAMINATION.

5. By letter dated June 18, 2015, management of the Company indicated that they had reviewed the REPORT OF FINANCIAL EXAMINATION, concurred with the findings of the examination and did not intend to file a written rebuttal. A copy of the Company's letter of June 18, 2015, is attached hereto as Exhibit B.

CONCLUSIONS OF LAW

W.Va. Code § 33-2-9(j)(3)(A) provides that following a review of the REPORT OF FINANCIAL EXAMINATION, the examination work papers, and any written submission, rebuttal or objection, the Insurance Commissioner shall enter an ORDER adopting the REPORT OF FINANCIAL EXAMINATION as filed or with modifications or corrections.

ORDER

Accordingly, it is therefore AGREED by the Parties and ORDERED as follows:

1. That the Report of Financial Examination of UNICARE Health Plan of West Virginia, Inc., attached hereto as Exhibit A, is ADOPTED and APPROVED by the Insurance Commissioner.

2. That a copy of this AGREED ORDER ADOPTING REPORT OF FINANCIAL EXAMINATION AND DIRECTING ACTION and the adopted REPORT OF FINANCIAL

EXAMINATION shall be mailed to UNICARE Health Plan of West Virginia, Inc., via certified mail, return receipt, upon entry of this Order by the Insurance Commissioner.

3. That UNICARE Health Plan of West Virginia, Inc., shall file with the Insurance Commissioner, within thirty (30) days of the issuance of this ORDER, affidavits executed by each of its directors stating under oath that they have received a copy of the adopted REPORT OF FINANCIAL EXAMINATION and a copy of this AGREED ORDER ADOPTING REPORT OF FINANCIAL EXAMINATION AND DIRECTING ACTION, in accordance with W.Va. Code § 33-2-9(j)(4).

4. That UNICARE Health Plan of West Virginia, Inc. take whatever actions are required to comply with the recommendations set forth in the REPORT OF FINANCIAL EXAMINATION, if any, and shall demonstrate compliance to the satisfaction of the Insurance Commissioner, if necessary.

5. That UNICARE Health Plan of West Virginia, Inc. waives any right to any notice, administrative hearing or appeal therefrom for the actions taken by the Insurance Commissioner herein this AGREED ORDER ADOPTING REPORT OF FINANCIAL EXAMINATION AND DIRECTING ACTION. UNICARE Health Plan of West Virginia, Inc., reserves herein its rights to notice, administrative hearing or appeal for any future enforcement actions taken by the Commissioner that might result from this Agreed Order, if any.

6. That this administrative matter be dismissed from the administrative docket of the Insurance Commissioner.

Entered this 30th day of June, 2015.

Michael D Riley, Insurance Commissioner
State of West Virginia

THE PARTIES DO SO AGREE:

State of West Virginia, Offices of the Insurance Commissioner

By: _____
Erin K. Hunter, Associate Counsel

_____
Date

UNICARE Health Plan of West Virginia, Inc.,

By: C. Brian Shipp
[Print Name]

Signed: _____

Its: Executive Director

Date: 6/24/2015

STATE OF WEST VIRGINIA

Offices of the Insurance Commissioner
REPORT OF EXAMINATION

OF

UNICARE HEALTH PLAN OF WEST VIRGINIA, INC.
CHARLESTON, WV
NAIC CO. CODE 11810

As of

December 31, 2013

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May 15, 2015

The Honorable Michael D. Riley
West Virginia Insurance Commissioner
1124 Smith Street
Charleston, West Virginia 25301

Pursuant to your instructions and in conformity with the provision of the Insurance Laws and Rules of the State of West Virginia, an examination has been made of the books, records and financial condition of

UNICARE Health Plan of West Virginia, Inc.
1207 Quarrier Street
Charleston, WV 25301

Hereinafter referred to as the "Company" or "UHP-WV." The examination was conducted at the corporate headquarters of the Company's parent located in Indianapolis, IN. The last exam was conducted by the West Virginia Offices of the Insurance Commissioner ("WVOIC") and was completed as of December 31, 2008. This examination covers the period of January 1, 2009 through December 31, 2013. 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.

For each year during the period under examination, the Certified Public Accounting ("CPA") firm of Ernst & Young, LLP provided an unqualified audit opinion on the Company's year-end financial statements based on statutory accounting principles. Relevant work performed by the CPA firm, during its annual audit of the Company, was reviewed during the examination and incorporated into the examination workpapers.

The following Report of Examination, reflecting the status of the Company as of December 31, 2013, is hereby respectfully submitted.

SUMMARY OF SIGNIFICANT FINDINGS

As a result of the examination, the following items are noted:
No findings were noted.

HISTORY

UHP-WV was incorporated on June 13, 2003, and commenced operations on November 1, 2003. UHP-WV is a West Virginia domiciled stock insurance company. The Company directly contracts with providers and institutions on a fee for service basis, except for vision, dental, and case management fees paid to primary care providers, which is contracted on a capitated basis. The Company has an administrative services agreement with its affiliates for administrative and management services on a direct cost basis. The Company was granted its initial certificate of authority on September 11, 2003 as a Health Maintenance Organization.

UHP-WV is a wholly-owned subsidiary of UNICARE National Services, Inc., a wholly-owned subsidiary of Anthem Holding Corp., a wholly-owned subsidiary of Anthem, Inc. (Anthem), formerly known as WellPoint, Inc., a publicly traded corporation.

MANAGEMENT AND CONTROL

Capitalization

As of the examination date, December 31, 2013, the Company's total capital and surplus was $40,546,843, consisting of unassigned funds (surplus) of $20,546,843. As a Health Maintenance Organization in accordance with W. Va. Code §33-25A-4(2)(c)(ii), the minimum capitalization required is $2,000,000. The Company meets this requirement.

INSURANCE HOLDING COMPANY SYSTEM

The Company is a member of an insurance holding company system. The latest holding company registration statement was filed with the State of West Virginia on May 12, 2014, as required by Section 114-35-3, West Virginia Rules. The Company meets the requirements for filing an insurance holding company system registration statement as required by W. Va. Code §33-27-4. An Annual Insurance Holding Company System Registration Statement and various amendments, appear to have been filed timely with the Department for the period under examination.

CORPORATE RECORDS

Articles of Incorporation

There were no changes or amendments made to the Company's Articles of Incorporation during the period under examination.

Bylaws

There were no changes or amendments made to the Company's By-Laws during the period under examination.

Minutes

The Board meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted. Directors were elected at the annual meeting of the sole member and Officers were appointed at the annual meeting of the Board. Quorums were established at all meetings. The Board approved the Company's investment transactions. The member ratified the actions of the Board and Officers at its annual meeting. These minutes revealed adequate attendance and active participatory oversight of the Company's operations and compliance with governing By-Laws.

MANAGEMENT AND CONTROL

Board of Directors

Anthem, Inc. is the ultimate parent corporation for UNICARE Health Plan of West Virginia, Inc. According to the Company's By-laws, the authorized number of Directors shall be three (3), unless amended by the Articles of Incorporation or by an amendment in the By-laws. The role and responsibilities of the members are set forth in the By-Laws of the corporation. Management of the Company is vested in its Board of Directors ("Board"), which was comprised of the following members as of December 31, 2013:

Name and Address	Principal Occupation
Wayne Scott DeVeydt Indianapolis, Indiana	EVP & Chief Financial Officer
Catherine Irene Kelaghan Carmel, Indiana	VP & Counsel
Charles Brian Shipp Nashville, Tennessee	Executive Director

The initial Board shall serve until the fourth Tuesday in April thereafter, on which date, a shareholders meeting at the principal executive office shall be held to elect a Board for the ensuing year. At each annual meeting of shareholders, Directors shall be elected to hold office until the next annual meeting. Approved by shareholders, the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised by or under the discretion of the Board. By resolution adopted by a majority of the authorized number of Directors, the Board may designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the Board.

Officers

As of December 31, 2013, the following officers were appointed and serving in accordance with the Company's By-Laws:

The following is a list of key officers and their respective titles as of December 31, 2013:

Name	Office
Charles Brian Shipp	Executive Director
Robert David Kretschmer	Treasurer
Kathleen Susan Kiefer	Secretary
Wayne Scott DeVeydt	Chief Financial Officer
Linda Marie Kearney	Assistant Secretary
Eric (Rick) Kenneth Noble	Assistant Treasurer

The officers of the Corporation shall be an executive director, a secretary and a chief financial officer. The Corporation may also, at the discretion of the Board, have a chairman of the Board and such other officers with such titles and duties as may be determined by the Board. One person may hold any number of offices. The officers of the Corporation shall be chosen by the Board, and each shall hold office at the pleasure of the Board or until such officer shall resign, subject, in each case, to the rights, if any, of the Corporation and any such officer under any contract of employment with the Corporation.

TERRITORY AND PLAN OF OPERATION

UHP-WV is a wholly-owned subsidiary of UNICARE National Services, Inc., a wholly-owned subsidiary of Anthem Holding Corp., a wholly-owned subsidiary of Anthem, Inc. a publicly traded corporation. UHP-WV was incorporated on June 13, 2003, and commenced operations on November 1, 2003. UHP-WV is licensed to sell its products only in West Virginia.

The Company has a contract with the Bureau for Medical Services, Mountain Health Trust Medicaid program. The Company directly contracts with providers and institutions on a fee-for-service basis, except for vision, dental, and case management fees paid to primary care providers, which is contracted on a capitated basis. The Company has an administrative services agreement with its affiliates for administrative and management services on a direct cost basis.

The following chart summarizes the Company's Direct and Assumed, Ceded and Net Written Premiums by line of business for the year 2013:

Line of Business	Direct Business	Ceded Premium	Net Premium	Percentage of Total
December 31, 2013				
Title XIX - Medicaid	$ 215,514,864	$ 0	$ 215,514,864	100.0 %
Health Subtotal	215,514,864	0	215,514,864	100.0 %
Totals	$ 215,514,864	$ 0	$ 215,514,864	100.0 %

The Company's direct and assumed premiums increased from $151,271,350 in 2008 to $215,514,864 in 2013, an increase of $64,243,514 or 42.5%.

GROWTH OF COMPANY

The growth of the Company since the last financial examination is reflected in the following schedule. The stated amounts were derived from Company's filed annual statements.

	2013	2012	2011	2010	2009
Admitted Assets	$ 70,055,431	$ 55,084,564	$ 52,606,657	$ 47,947,686	$ 59,241,612
Liabilities	$ 29,508,588	$ 23,259,140	$ 24,219,950	$ 19,905,722	$ 15,701,813
Capital and Surplus Funds	$ 40,546,843	$ 31,825,424	$ 28,386,707	$ 28,041,964	$ 43,539,799
Net Premium Income	$ 215,514,864	$ 167,132,725	$ 160,140,700	$ 151,336,155	$ 155,099,634
Benefits to Members	$ 181,010,639	$ 146,272,177	$ 142,289,604	$ 124,429,179	$ 120,860,286
Net Investment Income	$ 1,114,347	$ 1,066,300	$ 1,302,337	$ 1,276,493	$ 931,836
Net Income	$ 11,717,858	$ 5,829,801	$ 2,367,396	$ 4,865,440	$ 13,292,337

SERVICE AND OPERATING AGREEMENTS

The following summarizes the major affiliated inter-company contracts as of December 31, 2013:

Master Administrative Services Agreement – The Company is a party to an agreement whereby the agreement provides that services thereunder are to be set forth in attachments to the agreement as may be executed from time-to-time and that each attachment shall be deemed to be part of the master agreement.

Consolidated Tax Allocation Agreement – The Company is party to an agreement to establish a method for allocating the consolidated tax liability of the group among its members, for reimbursing Anthem, Inc. 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.

ACCOUNTS AND RECORDS

The Company's accounts and records are maintained for them by Anthem at its home office, located at Indianapolis, Indiana and at its administrative office located at Indianapolis, Indiana.

Anthem is highly technology dependent and has dedicated extensive resources to its Information Technology systems. It uses multiple applications and platforms in the course of normal business processing. As part of this examination, an Information Systems review was conducted by the examination team. The Company's key applications were identified based on the volume of financial transactions or due to its significance in a key business process. An evaluation of the Company's IT general controls environment supporting those key applications was conducted. The evaluation included the testing and determination of whether the Company's IT controls, including those over change management, access control, computer operations and disaster recovery were designed and operated

effectively throughout the review period. No significant deficiencies were noted and no recommendations were made as the result of that review. A review of the significant business systems indicated they are adequately controlled and sufficient to relative to the scope of the Company's operations.

FINANCIAL STATEMENTS

The statements on the following pages present the financial condition and operations of the Company for the period under examination. The amounts shown on the balance sheet are those determined by this examination.

Comparative Statement of Assets, Liabilities, Surplus and Other Funds
As of December 31, 2013

	2013	2012	2011	2010	2009
Bonds	$ 37,768,178	$ 37,276,733	$ 35,509,756	$ 46,294,737	$ 45,473,845
Preferred stocks	-	-	-	-	-
Common stocks	-	-	-	-	-
Real estate	-	-	-	-	-
Cash, cash equivalents and short-term investments	27,072,472	7,177,319	5,430,366	(11,900,690)	(580,750)
Other invested assets	-	-	-	-	
Receivable for securities	-	-	-	-	-
Securities lending reinvested collateral assets	-	-	-	-	-
Subtotal, cash and invested assets	64,858,650	44,454,052	40,931,122	34,394,047	44,893,095
Investment income due and accrued	463,301	463,431	442,181	490,890	473,066
Premiums and considerations	5,771,778	9,226,412	9,243,212	11,393,520	13,086,880
Amounts recoverable from reinsurers	-	-	-	-	-
Amounts receivable relating to uninsured plans	-	-	-	-	-
Current federal and foreign income tax recoverable and interest thereon	-	-	-	-	58,865
Net deferred tax asset	776,196	719,227	906,807	314,801	324,520
Electronic data processing equipment and software	-	-	-	-	-
Receivable from parent, subsidiaries and affiliates	1,660	81,389	359,621	47,307	277,202
Health care and other amounts receivable	72	-	-	-	-
Aggregate write-ins for other than invested assets	183,774	140,053	623,714	1,307,121	127,984
Total	$ 70,055,431	$ 55,084,564	$ 52,606,657	$ 47,947,686	$ 59,241,612
Claims unpaid	$ 23,416,374	$ 18,913,121	$ 16,208,381	$ 14,849,944	$ 13,332,252
Unpaid claims adjustment expenses	885,698	710,919	639,566	590,989	549,636
Aggregate health claim reserves	85,213	80,682	88,551	75,601	75,254
Aggregate health policy reserves	-	-	889,167	-	-
General expenses due or accrued	14,883	58,289	188,829	75,788	36,533
Current federal and foreign income tax payable and interest thereon	1,118,944	1,298,580	729,919	477,505	-
Ceded reinsurance premiums payable	-	-	-	-	-
Amounts withheld or retained for the account of others	-	-	-	110	110
Remittance and items not allocated	1,554,520	594,344	3,150,638	202,051	9,212
Amounts due to parent, subsidiaries and affiliates	2,147,047	1,382,491	2,111,767	3,400,862	1,470,802
Payable for securities	-	-	-	-	-
Payable for securities lending	-	-	-	-	-
Liability for amounts held under uninsured plans	-	-	-	-	-
Aggregate write-ins for other liabilities	286,809	220,714	213,132	232,872	228,014
Total liabilities	29,508,588	23,259,140	24,219,950	19,905,722	15,701,813
Common capital stock	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Gross paid in and contributed surplus	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000
Unassigned funds	20,546,843	11,825,424	8,386,707	8,041,964	23,539,799
Total capital and surplus	40,546,843	31,825,424	28,386,707	28,041,964	43,539,799
Totals	$ 70,055,431	$ 55,084,564	$ 52,606,657	$ 47,947,686	$ 59,241,612

Comparative Statement of Capital and Surplus
For the Year Ended December 31, 2013

	2013	2012	2011	2010	2009
Member Months	989,645	986,914	998,223	982,404	927,737
Net premium income	$ 215,514,864	$ 167,132,725	$ 160,140,700	$ 151,336,155	$ 155,099,634
Total revenues	215,514,864	167,132,725	160,140,700	151,336,155	155,099,634
Hospital and Medical					
Hospital/medical benefits	146,025,786	142,969,316	139,102,865	123,873,174	121,001,087
Other professional services	3,328,418	3,302,861	3,186,739	523,399	-
Prescription drugs	31,656,435	-	-	32,606	(140,801)
Subtotal	181,010,639	146,272,177	142,289,604	124,429,179	120,860,286
Claims adjustment expenses	11,640,700	9,927,167	9,371,279	10,310,308	8,382,835
General administrative expenses	6,475,641	5,011,014	5,790,318	11,071,107	7,255,748
Increase in reserves for life and accident and health contracts	-	(889,617)	889,167	-	(42,261)
Total underwriting deductions	199,126,980	160,321,191	158,340,368	145,810,594	136,456,608
Net underwriting gain or (loss)	16,387,884	6,811,534	1,800,332	5,525,561	18,643,026
Net investment income earned	1,114,347	1,066,300	1,302,337	1,276,493	931,836
Net realized capital gains or (losses)	44,948	80,667	626,983	28,478	116,436
Net investment gains or (losses)	1,159,295	1,146,967	1,929,320	1,304,971	1,048,272
Net income or (loss) after capital gains tax and before all other federal income taxes	17,547,179	7,958,501	3,729,652	6,830,532	19,691,298
Federal and foreign income taxes incurred	5,829,321	2,128,700	1,362,256	1,965,092	6,398,961
Net income (loss)	$ 11,717,858	$ 5,829,801	$ 2,367,396	$ 4,865,440	$ 13,292,337

Comparative Statement of Capital and Surplus
For the Year Ended December 31, 2013

	2013	2012	2011	2010	2009
Capital and surplus, December 31, previous year	$ 31,825,424	$ 28,386,707	$ 28,041,964	$ 43,539,799	$ 33,551,331
Net income or (loss)	11,717,858	5,829,801	2,367,396	4,885,440	13,292,337
Change in net unrealized capital gains and (losses)					
Change in net deferred income tax	59,791	(332,320)	586,899	66,282	(304,627)
Change in nonadmitted assets	43,770	128,066	190,448	(429,557)	300,758
Cumulative effect of changes in accounting principles		113,170			
Dividends to stockholders	(3,100,000)	(2,300,000)	(2,800,000)	(20,000,000)	(3,300,000)
Net change in capital and surplus	8,721,419	3,438,717	344,743	(15,497,835)	9,988,468
Capital and surplus, December 31, current year	$ 40,546,843	$ 31,825,424	$ 28,386,707	$ 28,041,964	$ 43,539,799

Comparative Statement of Cash Flow
For the Year Ended December 31, 2013

	2013	2012	2011	2010	2009
Cash from Operations					
Premiums collected net of reinsurance	$ 220,969,498	$ 167,249,525	$ 163,080,175	$ 153,029,515	$ 157,631,406
Net investment income	1,644,020	1,559,161	1,930,540	1,794,478	810,978
Miscellaneous income					
Total	222,613,518	168,808,686	165,010,715	154,823,993	158,442,384
Benefit and loss related payments	176,502,858	143,575,306	141,807,384	122,911,140	127,600,189
Commissions, expenses paid and aggregate write-ins for deductions	17,984,968	14,997,368	14,999,979	21,300,807	16,389,153
Federal and foreign income taxes paid (recovered)	6,031,479	1,603,942	1,429,763	1,444,073	7,758,234
Total deductions	200,519,302	160,176,616	158,237,126	145,656,020	151,747,576
Net cash from operations	22,094,216	8,632,070	6,773,589	9,167,973	6,694,808
Cash from Investments					
Proceeds from investments sold, matured or repaid:					
Bonds	3,572,390	1,153,585	19,888,575	2,378,039	6,881,780
Stocks					
Real estate					
Other invested assets					
Net gain or (loss) on cash, cash equivalents and short term investments					
Miscellaneous proceeds					
Total investment proceeds	3,572,390	1,153,585	19,888,575	2,378,039	6,881,780
Cost of investments acquired (long-term only)					
Bonds	4,544,808	3,319,103	8,727,184	3,690,911	52,316,444
Stocks					
Real estate					
Other invested assets					
Miscellaneous applications					
Total investments acquired	4,544,808	3,319,103	8,727,184	3,690,911	52,316,444
Net cash from investments	(972,418)	(2,165,518)	11,161,391	(1,312,872)	(45,434,664)
Cash from Financing and Miscellaneous Sources					
Cash provided (applied):					
Dividends to stockholders	3,100,000	2,300,000	2,800,000	20,000,000	3,300,000
Other cash provided or (applied)	1,873,355	(2,419,599)	2,196,076	824,959	103,883
Net cash from financing and miscellaneous sources	(1,266,645)	(4,719,599)	(603,924)	(19,175,041)	(3,196,117)
Reconciliation of cash and short-term investments:					
Net change in cash and short-term investments	19,895,153	1,746,953	17,331,056	(11,319,940)	(41,935,973)
Cash and short-term investments:					
Beginning of the year	7,177,319	5,430,366	(11,900,690)	(580,750)	41,355,223
End of the year	27,072,472	7,177,319	5,430,366	(11,900,690)	(580,750)

SUMMARY OF EXAM CHANGES

There were no examination changes made to the preceding financial statements as filed with regulatory authorities over the examination period.

NOTES ON THE FINANCIAL STATEMENTS

Investments

As of December 31, 2013, the Company's invested assets were distributed as follows:

	Amount	Percentage
Bonds	$ 37,786,178	58.3 %
Preferred stocks	0	0.0 %
Common stocks	0	0.0 %
Real estate	0	0.0 %
Cash	25,811,919	39.8 %
Short-term investments	1,260,553	1.9 %
Receivable for securities	0	0.0 %
Securities lending reinvested collateral assets	0	0.0 %
Totals	$ 64,858,650	100.0 %

The Company's bond and short-term investment portfolio had the following quality and maturity profiles:

NAIC Designation	Amount	Percentage
1 - highest quality	$ 39,046,731	100.0 %
2 - high quality	0	0.0 %
Totals	$ 39,046,731	100.0 %

Years to Maturity	Amount	Percentage
1 year or less	$ 1,260,553	3.2 %
Over 1 year to 5 years	18,045,111	46.2 %
Over 5 years to 10 years	18,729,549	47.9 %
Over 10 years to 20 years	1,011,518	2.7 %
Over 20 years	0	0.0 %
Totals	$ 39,046,731	100.0 %

The Company's breakdown of Bonds by Investment Category was spread among the following categories: U.S. Special Revenue and Special Assessment 50%; U.S. Political Subdivisions 35%; U.S. States & Territories 12%, and Industrial & Misc. 3%.

The Company's investment securities are maintained by Bank of New York Mellon ("BONY") who acts as a non-discretionary custodian. An amended and restated custody agreement between the Company and BONY was entered into on February 26, 2013. The custodial agreement is in compliance with the Standards for Custodial Agreements as required by W. Va. Code §33-8A-6.

SUBSEQUENT EVENTS

It was disclosed, Anthem along with the company was the target of a sophisticated external cyber-attack subsequent to December 31, 2013. Anthem is in the process of determining the extent of this cyber-attack and supporting federal law enforcement efforts to identify the responsible parties. Upon discovery of the cyber-attack, Anthem took immediate action to remediate the security vulnerability and retained a cybersecurity firm to evaluate the systems and identify solutions based on the evolving landscape. Anthem will provide credit monitoring and identity protection services to those who have been affected by this cyber-attack. Anthem has incurred expenses subsequent to the cyber-attack to investigate and remediate this matter and expects to continue to incur expenses of this nature in the foreseeable future. Anthem does not believe the impact of these expenses will be material. Anthem will recognize these expenses in the periods in which they are incurred.

On November 5, 2014, the shareholders of Anthem approved a proposal to amend the articles of incorporation to change the name to Anthem, Inc. from WellPoint, Inc. The name change was effective December 2, 2014.

CONCLUSION

As a result of this examination, the financial condition of UHP-WV., as of December 31, 2013, was determined to be as follows:

	Amount	Percentage
Admitted assets	$ 70,055,431	100.0 %
Liabilities	$ 29,508,588	42.1 %
Capital and Surplus	40,546,843	57.9 %
Total liabilities, capital and surplus	$ 70,055,431	100.0 %

Since the previous examination, conducted as of December 31, 2008, the Company's assets increased by $12,311,633, its liabilities increased by $5,316,122, and its surplus decreased by $6,995,511.

ACKNOWLEDGEMENT AND SIGNATURE

In addition to the undersigned, Mike Dinius, CFE, Jim Hattaway, CFE, Jerry Ehlers, CFE, CISA, participated in the examination.

Daniel P McBay

Daniel P. McBay, CFE
Examiner-in-Charge
Representing the
West Virginia Offices of the Insurance Commissioner

UNICARE

June 18, 2015

Mr. Michael D. Riley
Insurance Commissioner
State of West Virginia Offices of the Insurance Commissioner
P.O. Box 50540
Charleston, West Virginia 25305-0540

Re: UNICARE Health Plan of West Virginia, Inc. (NAIC #11810)
Report of Financial Examination as of December 31, 2013

Dear Commissioner Riley:

We have received the proposed report of examination for UNICARE Health Plan of West Virginia, Inc. as of December 31, 2013. We have reviewed the report and do not take exceptions with its contents and do not intent to submit a written rebuttal regarding any matters in the report.

Sincerely,

Brenda J. Buss

Brenda J. Buss
Director II, Regulatory Reporting
Phone: (262) 523-2439

CC: Justin Parr (via email)

EXHIBIT
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