

**REPORT ON EXAMINATION AS TO THE CONDITION OF**

**OSCAR INSURANCE CORPORATION OF NEW JERSEY**

**NEW YORK, NEW YORK**

**AS OF DECEMBER 31, 2020**

**NAIC GROUP CODE 4818**

**NAIC COMPANY CODE 15585**

**FILED**

**September 20, 2022**

**COMMISSIONER**

**NEW JERSEY DEPARTMENT**

**OF**

**BANKING AND INSURANCE**

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**State of New Jersey**

DEPARTMENT OF BANKING AND INSURANCE  
DIVISION OF INSURANCE  
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PHIL MURPHY  
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MARLENE CARIDE  
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SHEILA OLIVER  
*Lt. Governor*

August 8, 2022

Honorable Marlene Caride  
Commissioner of Banking and Insurance  
State of New Jersey  
20 West State Street  
Trenton, New Jersey 08625

Commissioner:

In compliance with your instructions and pursuant to the Revised Statutes of the State of New Jersey, an examination has been made of the financial condition and affairs of:

OSCAR INSURANCE CORPORATION OF NEW JERSEY  
NEW YORK, NEW YORK  
AS OF DECEMBER 31, 2020  
NAIC GROUP CODE 4818  
NAIC COMPANY CODE 15585

a domestic insurer duly authorized to transact the business of insurance in the State of New Jersey. Hereinafter, the Oscar Insurance Corporation of New Jersey will be referred to in this report as "Company" or "Oscar NJ".

## **SCOPE OF EXAMINATION**

This risk-focused examination was called by the Commissioner of Banking and Insurance of the State of New Jersey pursuant to the authority granted by N.J.S.A. Section 17:23-22.

The examination was made as of December 31, 2020 and addressed the six-year period subsequent to the organizational exam of August 18, 2014. During this period, the Company's reported admitted assets increased by \$408,643 to \$8,821,643 from \$8,413,000, liabilities increased by \$3,907,509 to \$3,907,509 from \$0, and total capital and surplus decreased by \$3,498,866 to \$4,914,134 from \$8,413,000.

The examination was conducted in accordance with the standards and procedures established by the National Association of Insurance Commissioners ("NAIC") Financial Condition (E) Committee and prescribed by the current NAIC *Financial Condition 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 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.

The Certified Public Accounting ("CPA") firm of PricewaterhouseCoopers, LLP ("PwC") provided an unqualified audit opinion on the fair presentation of the Company's year-end financial statements based on Statutory Accounting Principles for the reporting year period ending December 31, 2020. Relevant work performed by the CPA firm during its annual audit of the Company was reviewed during the examination and incorporated into the examination work papers whenever feasible to facilitate efficiencies. Certain PwC work papers have been incorporated into the work papers of the examiners and have been utilized in determining the scope and areas of emphasis in conducting the examination.

## **COMPLIANCE WITH PRIOR REPORT ON EXAMINATION RECOMMENDATIONS**

This is the first full-scope examination. As such, no comments or recommendations were noted since there was no prior examination report.

## **HISTORY**

On March 7, 2014, Oscar Insurance Corporation submitted a Feasibility Study for the formation of a domestic Life and Health Insurance Company to the New Jersey Department of Banking and Insurance (NJDOBI). The Feasibility study was approved by the Department's Life and Health Admissions Committee on July 23, 2014, and a duplicate of the completed and approved Feasibility Study has been retained on file at the NJDOBI.

Oscar NJ Certificate of Incorporation was duly filed in accordance with New Jersey State Law on June 17, 2014. It was certified by the Commissioner and filed by the Mercer County Clerk's Office Hall of Records on June 18, 2014.

Oscar NJ is a wholly owned subsidiary of Mulberry Health Inc. ("Mulberry"). On January 4, 2021, Mulberry changed its name to Oscar Health, Inc. ("Oscar"). Oscar NJ was incorporated in the State of New Jersey on June 18, 2014 and obtained a license, under N.J.S.A. Title 17B:17-4 of Subtitle 3, to conduct business as a health insurer in New Jersey on August 18, 2014 from the New Jersey Department of Banking and Insurance. This license allowed Oscar NJ to begin selling health insurance policies effective for the period beginning January 1, 2015.

Oscar NJ is licensed to offer health insurance benefits as a Qualified Health Plan through the Federal Facilitated Market Place ("FFM"), the federally operated healthcare exchange formed in conjunction with the Patient Protection and Affordable Care Act. Oscar NJ is also licensed to offer health benefits to individuals not qualified to participate in the Marketplace (i.e., off-exchange). Oscar NJ's business plan leverages technology to provide insureds with information and interaction with medical professionals.

Instability and uncertainty in the New Jersey market led to Oscar NJ ceasing offering new plans and withdrawing from the state in 2017. Subject to the regulatory approval process, it has retained the ability to pursue reentry into the New Jersey market for future years.

There were no payments to stockholders during the examination period. The Company has not received a capital infusion during the period under examination.

The registered agent upon whom process may be served is CT Corporation.

## **STATUTORY DEPOSIT**

As of December 31, 2020, the Company, in accordance with N.J.S.A. 17:20-1c., had a market value of \$102,348 for the New Jersey statutory deposit.

## **TERRITORY AND PLAN OF OPERATIONS**

The Company is domiciled in the State of New Jersey and has a Certificate of Authority to operate in Bergen, Essex, Hudson, Middlesex, Monmouth, Morris, Ocean, Passaic, and Union counties. The Company has withdrawn from the state effective 2017 and is not writing any new business.

## **REINSURANCE**

Oscar NJ had no assumed or ceded business as of December 31, 2020.

## **CORPORATE RECORDS**

A review of the minutes of the Board of Directors' meetings revealed conformity with the requirements of the Articles of Incorporation and Bylaws concerning matters covered and authorizations made. The minutes of the Board of Directors' meetings are detailed and comprehensive and appear to adequately reflect the acts, decisions and approvals of the Board.

The Company's Certificate of Incorporation was created August 28, 2014.

## **MANAGEMENT AND CONTROL**

The business, property and affairs of the Company are managed by the President and the delegated officers of Oscar NJ, as Attorney-in-Fact of the Company, under the guidance and direction of the Oscar NJ Board.

The following were the Directors of Oscar NJ as of December 31, 2020:

<b><u>Name</u></b>	<b><u>Principal Occupation</u></b>
Mario Schlosser	Chief Executive Officer, Oscar Management Corporation
Joel Cutler	Managing Director, General Catalyst Partners
Joel Klein	Chief Policy and Strategy Officer, Oscar Management Corporation
Kareem Zaki	Principal, Thrive Capital Management, LLC

The Company is required to comply with the provisions of N.J.S.A. 17:27A-4d(3) which states that, "not less than one-third of the directors of a domestic insurer shall be persons who are not officers or employees of that insurer or of any entity controlling, controlled by, or under common control with that insurer and who are not beneficial owners of a controlling interest in the voting securities of that insurer or any such entity". However, in accordance with N.J.S.A. 17:27A-4d(5), the provisions of paragraph (3) shall not apply to a domestic insurer if the person controlling the insurer is an entity having a board of directors that substantially meets the requirements of this paragraph.

As of December 31, 2020, the Company was in compliance with N.J.S.A. 17:27A-4d(5), as the ultimate controlling entity, Mulberry, maintained a Board of Directors of which eight of the ten members are considered outside directors. The current Board of Directors of the ultimate controlling entity, Oscar Health, Inc., also meets the requirements set forth in N.J.S.A. 17:27A-4d(5).

The Bylaws of the Company, provide that "The Board of Directors of the Corporation shall consist of not less than seven (7) nor more than ten (10) members" and that "the Board of Directors shall have one regular meeting no later than the 4th Friday in April of each year." The first meeting of

each newly elected Board of Directors shall be the regular meeting of the Board of Directors. No notice of such meeting to the newly-elected Directors shall be necessary in order legally to constitute a meeting of the Board of Directors, provided a quorum shall be present.

The Bylaws of the Company provide that “the Directors shall be elected at the Shareholders’ Annual Meeting by a plurality of the votes cast by the shares represented in person or by proxy. Directors need not be Shareholders. Not less than one-third of the Directors and not less than one-third of the members of each committee of the Board (other than the Audit Committee), shall be persons who are not officers or employees of the Corporation or of any entity controlling, controlled by, or under common control with, the Corporation and who are not beneficial owners of a controlling interest in the voting securities of the Corporation or any such entity (“Independent Directors”), unless the entity controlling the Corporation shall meet this independence requirement. In that event, the Corporation’s Board of Directors need not be composed of one-third Independent Directors.”

Each Director shall be elected at the Annual Meeting of Shareholders and shall hold office until the Annual Meeting of Shareholders held next after his election, and thereafter until his successor shall have been duly elected and qualified, or until his death, resignation, removal, retirement, or disqualification. Any Director may resign at any time by giving written notice to the Board of Directors, the Chairman of the Board, if any, the President, or the Secretary of the Corporation. Unless otherwise specified in such written notice, a resignation shall take effect upon delivery thereof to the Board of Directors or the designated officer. A resignation need not be accepted in order to be effective.

According to the Bylaws, the Board of Directors of the Corporation shall consist of not less than seven (7) nor more than ten (10) members. As of December 31, 2020, the Company Board consisted of only four (4) Directors.

Subsequently in the first quarter of 2021, Oscar NJ shareholders elected seven (7) members to the Board of Directors; therefore, the Company is in compliance with its Bylaws, and no examination report recommendation is needed.

#### Committees

Oscar NJ had no Committees serving the Board.

During the review of the 2020 Board minutes provided for Oscar Insurance Corporation of New Jersey, the examiners noted non-compliance with N.J.S.A. 17:27A-4d(4), which states that “the board of directors of a domestic insurer shall establish one or more committees comprised solely of directors who are not officers or employees of the insurer or of any entity controlling, controlled by, or under common control with, the insurer and who are not beneficial owners of a controlling interest in the voting securities of the insurer of any such entity. The committee shall be responsible for recommending the selection of independent certified public accountants, reviewing the insurer’s financial condition, the scope and results of the independent audit and any internal audit, nominating candidates for director for election by shareholders or policyholders, evaluating the performance of officers deemed to be principal officers of the insurer and recommending to the board of directors the selection and compensation, including bonuses or other special payments,

of the principal officers.”

It was noted that Oscar Insurance Corporation of New Jersey designates the Oscar Health, Inc. Audit Committee, which did not have any independent directors as of December 31, 2020.

N.J.S.A. 17:27A-4d(5) states, “The provisions of paragraphs (3) and (4) of this subsection d. shall not apply to a domestic insurer if the person controlling the insurer is an entity having a board of directors and committees thereof that substantially meet the requirements of those paragraphs.” Since Oscar Health, Inc. Audit Committee did not have any independent directors as of December 31, 2020, the Company is not in compliance with N.J.S.A. 17:27A-4d(5).

As of the examination date, the Board of Directors of Oscar Health, Inc. had not establish one or more committees comprised solely of directors who are not officers or employees of the insurer or of any entity controlling, controlled by, or under common control with, the insurer and who are not beneficial owners of a controlling interest in the voting securities of the insurer of any such entity to be in compliance with N.J.S.A. 17:27A-4d(5).

In the first quarter of 2021, Oscar Health, Inc. elected three (3) independent directors to the Audit Committee, and the two (2) non-independent directors resigned from the Audit Committee. Therefore, as of the first quarter of 2021, the Company has been in compliance with N.J.S.A. 17:27A-4d(5).

### Officers

The officers of the Corporation shall be elected by the Board of Directors and shall include the President, the Secretary, and the Treasurer. If the Board of Directors wishes, it may also elect as an officer of the Corporation a Chairman of the Board and may elect other officers (including a Chief Executive Officer(s), one or more Vice Presidents, one or more Assistant Treasurers and one or more Assistant Secretaries), as may be necessary or desirable for the business of the Corporation. Any two or more offices may be held by the same person, except the offices of President and Secretary, provided, however, that such two offices may be held by the same person if all of the outstanding shares of the Corporation are owned by such person.

More than one person may hold a particular office as determined by the Board of Directors. Each officer shall hold office until the first meeting of the Board of Directors following the next Annual Meeting of the Shareholders, and until his successor shall have been elected and shall have qualified, or until his death, or until he shall have resigned or have been removed, as hereinafter provided in these By-Laws. No officer need be a Shareholder.

The following officers of Oscar NJ were elected and serving the Company at December 31, 2020:

<u>Name</u>	<u>Title</u>
Mario Schlosser	Chief Executive Officer
Joel Klein	Chief Policy and Strategy Officer
Isaac Council	Chief Technology Officer
Harold Greenberg	Secretary



N.J.S.A. 17:27A-4d(5) states, “The provisions of paragraphs (3) and (4) of this subsection d. shall not apply to a domestic insurer if the person controlling the insurer is an entity having a board of directors and committees thereof that substantially meet the requirements of those paragraphs.”

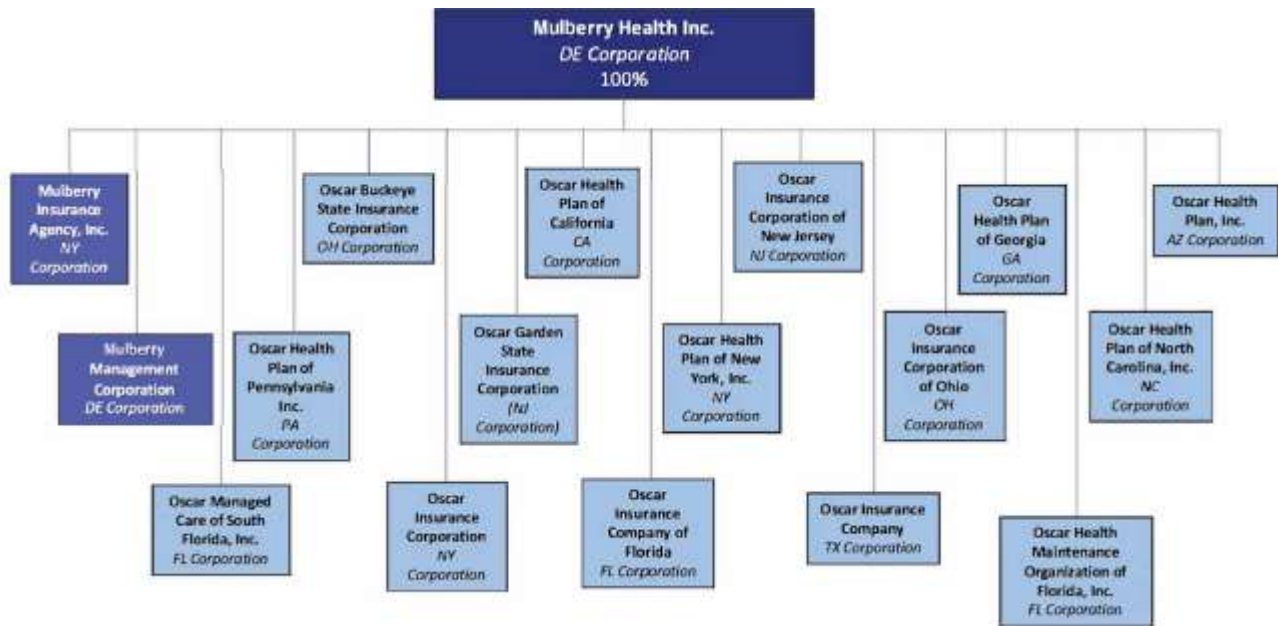
The Company satisfies the requirements of N.J.S.A. 17:27A-4d(5).

**REGULATION OF INSURANCE HOLDING COMPANY SYSTEMS**

The Company is a member of an insurance holding company system as defined by N.J.S.A. 17:27A-1.

A review of the holding company registration statement indicated that the Company was in compliance with N.J.S.A. 17:27A-3, Sections a-j, requiring registration of those insurers who qualify as determined by N.J.S.A. 17:27A-1.

A holding company system organizational chart as of December 31, 2020 follows:



*Note: As of January 4, 2021, the parent company, formerly known as “Mulberry Health Inc.”, changed its name to Oscar Health, Inc.*

**INTER-COMPANY AGREEMENTS / RELATED PARTY TRANSACTIONS**

Inter-Company Agreements

The Company was a named party to the following affiliated agreements at the examination date:

As of December 31, 2020, Mulberry (now “Oscar” as of January 4, 2021) was a common parent of an “affiliated group” as that term is defined in Section 1504 of the Internal Revenue Code of 1986, as amended; the Mulberry subsidiaries listed on the organizational chart found in Form B (with the exception of Oscar Insurance Corporation of Ohio) are includible corporations of said affiliated group, and accordingly file a Consolidated U.S. federal income tax return pursuant to Section 1501 of the Code. A method for allocation of the consolidated federal tax liability and, where applicable, any unitary state income tax liability of the affiliated group, among its members, for reimbursing Mulberry for payment of such tax liability, for compensating any party for use of its losses or tax credits, and to provide for the allocation and payment of any refund arising from a carryback of losses or tax credits from subsequent years, have been memorialized in a Tax Allocation Agreement among the affiliated group members. The Tax Allocation Agreement was approved by the Department of Banking and Insurance upon receipt of the letter of non-disapproval dated September 15, 2015. An Amended & Restated Tax Allocation Agreement was approved by the Department of Banking and Insurance, and executed with an effective date of January 1, 2019, upon receipt of the letter of non-disapproval dated October 26, 2020.

Effective October 1, 2017, Oscar NJ entered into an administrative services agreement with Mulberry Management Corporation (“MMC”), now doing business as Oscar Management Corporation, whereby MMC provides services related to: administrative support, financial services, legal affairs, property management, accounting and records, accounts payable, engineering, payroll, human resources, equipment, software and intellectual property, facilities and associated services, overhead, and other financial responsibilities and functions mutually agreed upon by both parties.

Effective October 9, 2017, MMC and Mulberry entered into a Business Associate Agreement with Oscar NJ in order to comply with the federal Standards for Privacy of Individually Identifiable Health Information, located at 45 C.F.R. parts 160 and 164 (“HIPAA” or the “Privacy Rule”) and security standards located at 45 C.F.R. parts 160, 162, and 164, subpart C (the “Security Rule”) pursuant to the Health Insurance Portability and Accountability Act (“HIPAA”), the Health Information Technology for Economic and Clinical Health Act (“HITECH Act”), and any other applicable state and federal confidentiality laws, as they may be amended from time to time.

### **POLICY ON CONFLICT OF INTEREST**

On an annual basis, the officers and directors of Oscar NJ attest to an affirmation of ethical standards and a disclosure of possible activities which could construe as a possible conflict of interest.

The examination team reviewed all officers and directors executed Conflict of Interest statements for the period under examination, and noted that there were no signed Conflict of Interest statements for the following Officers and Directors for the year ending December 31, 2020:

Mario Schlosser	Chief Executive Officer
Joel Klein	Chief Policy and Strategy Officer
Isaac Council	Chief Technology Officer
Harold Greenberg	Secretary

The Company's Conflict of Interest process was amended, and all required Conflict of Interest statements were completed in 2021. No examination report recommendation is needed.

### **INFORMATION SYSTEMS**

Information systems were reviewed at the Group level. The IT examination team's procedures considered a customized range of IT risks focusing on both IT governance and IT operational controls. Overall, the IT examination team concluded that IT General Controls ("ITGCs") were *Effective*. IT review conclusions were based on inquiry, inspection of documentation, observation, independent research, and a review of third-party work papers. The IT examination team's conclusion regarding control strength was discussed with, and accepted by, the Examiner-in-Charge at the conclusion of the IT review.

### **CONTINUITY OF OPERATIONS**

The Bylaws of Oscar NJ provide for the election of directors and the appointment of officers to fill any vacancies caused by death, resignation, disqualification, or removal by the Board of Directors. The Company has a disaster recovery plan that was reviewed in the course of the coordinated examination IT review. No material findings were noted.

**FINANCIAL STATEMENT EXHIBITS**

**Exhibit A:** Statement of Assets, Liabilities, Surplus and Other Funds at  
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**Exhibit B:** Summary of Revenue and Expenses for the  
Five-Year Period ending December 31, 2020 .....11

**Exhibit C:** Capital and Surplus Account for the  
Five-Year Period ending December 31, 2020 .....12

**Statement of Assets, Liabilities, Surplus and Other Funds at December 31, 2020**

	Current Examination at 12/31/2020	Balance per Company at 12/31/2020	Note Column
<b>Admitted Assets</b>			
Cash, cash equivalents and short-term investments	\$ 8,821,643	\$ 8,821,643	1
Total net admitted assets	<u>8,821,643</u>	<u>8,821,643</u>	
<b>Liabilities</b>			
Claims unpaid	\$ 165,369	\$ 165,369	2
Unpaid claims adjustment expenses	3,006	3,006	2
Aggregate health policy reserves, including medical loss rebate per the Public Health Service Act	3,396,656	3,396,656	
Amounts due parent, subsidiaries and affiliates	342,478	342,478	
Total liabilities	<u>3,907,509</u>	<u>3,907,509</u>	
<b>Surplus and Other Funds</b>			
Common Capital Stock	\$ 700,000	\$ 700,000	3
Gross paid in and contributed surplus	33,537,968	33,537,968	
Unassigned funds (surplus)	<u>(29,323,834)</u>	<u>(29,323,834)</u>	
Total Capital and Surplus	<u>4,914,134</u>	<u>4,914,134</u>	
<b>Total Liabilities and Surplus as Regards Policyholders</b>	<u>\$ 8,821,643</u>	<u>\$ 8,821,643</u>	

**Summary of Revenue and Expenses for the Five-Year Period Ending December 31, 2020**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Member Months</b>	275,451	-	-	-	-
<b>Total Revenue:</b>					
Net premium income	\$ 82,075,378	\$ 1,634,248	\$ 254,453	\$ 494,762	\$ (1,799,466)
<b>Total Revenues</b>	82,075,378	1,634,248	254,453	494,762	(1,799,466)
<b>Hospital and Medical</b>					
Hospital and medical benefits	\$ 56,509,608	\$ (6,820,522)	\$ 129,079	\$ 66,052	\$ 129,585
Other professional services	3,000,495	851,615		-	3,682
Emergency room and out-of-area	1,049,299	220,923	-	-	-
Prescription drugs	17,628,891	(74,858)	(9,500)	(1,234)	-
Net reinsurance recoveries	7,042,620	(900,862)	-	12,415	-
<b>Total Hospital and Medical</b>	71,145,673	(4,921,980)	119,579	52,403	133,267
<b>Other Underwriting Deductions</b>					
Claims adjustment expenses	\$ 7,084,206	\$ 497,895	\$ -	\$ -	\$ -
General administrative expenses	18,877,244	3,826,247	128,721	(1,514,312)	267,184
<b>Total Underwriting Deductions</b>	97,107,123	(597,838)	248,300	(1,461,909)	400,451
<b>Net underwriting gain or (loss)</b>	\$ (15,031,745)	\$ 2,232,086	\$ 6,153	\$ 1,956,671	\$ (2,199,917)
<b>Net investment income earned</b>	\$ 564	\$ 211,260	\$ 100,175	\$ 110,899	\$ 31,646
Net realized capital gains (losses) less capital gains tax	-	(3,328)	-	-	-
<b>Net investment gains (losses)</b>	564	207,932	100,175	110,899	31,646
<b>Net income after after capital gains tax and before all other federal income taxes</b>	\$ (15,031,181)	\$ 2,440,018	\$ 106,328	2,067,570	\$ (2,168,271)
Federal and foreign income tax	-	-	-	-	332,595
<b>Net Income</b>	\$ (15,031,181)	\$ 2,440,018	\$ 106,328	\$ 2,067,570	\$ (2,500,866)

**Capital and Surplus Account for the Five-Year Period Ending December 31, 2020**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Surplus as regards policyholders, December 31 prior year	\$ 4,582,677	\$10,188,109	\$11,696,988	\$5,367,779	\$7,463,180
Net income	(15,031,181)	2,440,018	106,328	2,067,570	(2,500,866)
Change in nonadmitted assets	(663,387)	(931,139)	1,714,804	27,831	(48,180)
Capital changes:					
Paid in	-	-	-	-	-
Surplus adjustments:					
Paid in	21,300,000	-	(8,150,341)	-	-
Dividends to stockholders	-	-	-	-	-
Aggregate write-ins for gains and losses in surplus	-	-	-	-	-
Net change in capital and surplus for the year	<u>5,605,432</u>	<u>1,508,879</u>	<u>(6,329,209)</u>	<u>2,095,401</u>	<u>(2,549,046)</u>
Capital and surplus, December 31, current year	<u>\$10,188,109</u>	<u>\$11,696,988</u>	<u>\$ 5,367,779</u>	<u>\$7,463,180</u>	<u>\$4,914,134</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

There were no changes made to the assets, liabilities or surplus balances reported by the Company for the year ended December 31, 2020. The surplus as regards policyholders, which totaled \$4,914,134 as of the examination date, was determined to be reasonably stated and in compliance with N.J.S.A 17:17-1 et seq.

### **Note 1 – Cash, Cash Equivalents and Short-Term Investments**

At December 31, 2020, Oscar NJ reported an asset for cash, cash equivalents and short-term investments of \$8,821,643 which was accepted for purposes of this examination.

### **Note 2 – Claims Unpaid and Unpaid Claims Adjustment Expenses**

At December 31, 2020, the Company reported a net liability for Claims Unpaid and Unpaid Claims Adjustment Expenses of \$168,375.

The actuarial review of Claims Unpaid for Oscar NJ was done by the Texas Department of Insurance. This review was performed in connection with the Texas Department of Insurance's December 31, 2020 risk focused examination of Oscar Health, Inc.

The claims unpaid liability is established for claims incurred on or before, but not paid, as of December 31, 2020. This liability includes future claim payments for known claims and for incurred but unreported claims.

Texas Department of Insurance Actuarial report was reviewed by the Health Actuarial Division of the NJDOBI.

### **Note 3 – Capital and Surplus**

#### **Common Capital Stock**

At December 31, 2020, the capital stock of \$700,000 represents the stock certificate in the amount of 140,000 shares of \$5 par value stock. Mulberry Health Inc. is the sole shareholder.

#### **Gross Paid In and Contributed Surplus**

The Company reported gross paid in and contributed surplus in the amount of \$33,537,968 at December 31, 2020.

#### **Unassigned Funds (Surplus)**

The Company reported an amount for unassigned funds at December 31, 2020 of \$(29,323,834).

The Company's reported annual statement capital and surplus for year end 2020 was \$4,914,134; therefore, the Company is in compliance with N.J.S.A. 17B:18-68(b) for year ended 2020.



## **SUMMARY OF EXAMINATION RECOMMENDATIONS**

The following were identified as comments and/or recommendations deemed necessary for purposes of this examination report.

### 1. Management and Control (Page 6)

As of the examination date, the Board of Directors of Oscar Health, Inc. had not establish one or more committees comprised solely of directors who are not officers or employees of the insurer or of any entity controlling, controlled by, or under common control with the insurer, and who are not beneficial owners of a controlling interest in the voting securities of the insurer of any such entity to be in compliance with N.J.S.A. 17:27A-4d(5).

In the first quarter of 2021, the two (2) non-independent directors resigned and were replaced by three (3) independent directors satisfying compliance with N.J.S.A. 17:27A-4d(5).

## **COMMITMENTS AND CONTINGENCIES**

The Company and its subsidiaries are routinely involved in numerous claims, lawsuits, regulatory audits, investigations and other legal matters arising, for the most part, in the ordinary course of managing a health business. Oscar NJ believes that the legal actions, regulatory matters, proceedings and investigations currently pending against it should not have a material adverse effect on Oscar NJ's results of operations, financial condition, or liquidity based upon management's current knowledge and taking into consideration current accruals. Disputed tax matters arising from audits by the Internal Revenue Service or other state and foreign jurisdictions, including those resulting in litigation, are accounted for under the NAIC's accounting guidance for tax loss contingencies.

## **SUBSEQUENT EVENTS**

On January 4, 2021, the parent company, formerly known as "Mulberry Health Inc." changed its name to Oscar Health, Inc.

The following directors and officers are no longer with the Company as of December 31, 2021:

### **Officers**

Mario Schlosser, Chief Executive Officer  
Joel Klein, Chief Policy & Strategy Officer  
Isaac Council, Chief Technology Officer  
Harold Greenberg, Secretary

### **Directors**

Mario Schlosser  
Kareem Zaki  
Joel Klein  
Joel Cutler

The following new directors and officers were elected and serving as of December 31, 2021 and comply with current Bylaws and applicable New Jersey statutes:

**Officers**

Alessandra Quane, President  
Victoria Baltrus, Treasurer  
Jing Huang, Senior Vice President  
Melissa Curtin, Corporate Secretary

**Directors**

Alessandra Quane  
Monica Chopra  
Jesse Horowitz  
Louis DeStefano  
Fausto Palazzetti  
Jing Huang  
Sameer Amin

**CONCLUSION**

A regular statutory financial condition examination was conducted by the undersigned under the supervision of the State of New Jersey Department of Banking and Insurance.

The examination was conducted remotely. The courteous assistance and cooperation of the Company's management is acknowledged.

Respectfully submitted,



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Alex Quasnitschka, CFE  
Examiner-in-Charge  
Risk & Regulatory Consulting, LLC  
Representing the New Jersey Department of Banking and Insurance

Under the Supervision of,



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Nancy Lee Chice, CFE  
CFE Reviewer – Supervising Examiner  
New Jersey Department of Banking and Insurance

**AFFIDAVIT**

The undersigned hereby certifies that an examination has been made of Oscar Insurance Corporation of New Jersey and the foregoing report is true to the best of my knowledge and belief.

Respectfully submitted,



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Alex Quasnitschka, CFE  
Examiner-in-Charge  
Representing the New Jersey Department of Banking and Insurance

Under the Supervision of,




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Nancy Lee Chice, CFE  
CFE Reviewer -Supervising Examiner  
New Jersey Department of Banking and Insurance



State of New Jersey  
County of Mercer

Subscribed and sworn to before me, on this 16<sup>th</sup> day of September, 2022.



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Notary Public of New Jersey

My commission expires: July 2025