

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

**CLOVER HMO OF NEW JERSEY INC.**

**JERSEY CITY, NEW JERSEY**

**AS OF DECEMBER 31, 2019**

**NAIC GROUP CODE 4918**

**NAIC COMPANY CODE 16371**

**FILED**  
**OCTOBER 28, 2021**  
**COMMISSIONER**  
**DEPARTMENT**  
**OF**  
**BANKING & INSURANCE**

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## State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF INSURANCE

OFFICE OF SOLVENCY REGULATION

PO Box 325

TRENTON, NJ 08625-0325

TEL (609) 292-5350

FAX (609) 292-6765

PHIL MURPHY  
*Governor*

MARLENE CARIDE  
*Commissioner*

SHEILA OLIVER  
*Lt. Governor*

10/28/21

### **Salutation**

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

Commissioner:

Pursuant to the Revised Statutes of the State of New Jersey, an examination has been made of the conditions and affairs of the assets and liabilities, method of conducting business and other affairs of the:

CLOVER HMO OF NEW JERSEY INC.

JERSEY CITY, NJ 07302

NAIC GROUP CODE 4918

NAIC COMPANY CODE 16371

a domestic insurer duly authorized to transact the business of insurance in the State of New Jersey. Hereinafter, the Clover HMO of New Jersey Inc. will be referred to in this report as the "the Company", or "Clover".

## **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 of the New Jersey Revised Statutes.

The examination was made as of December 31, 2019 and addressed the approximate two-year period from inception of November 21, 2017 to December 31, 2019. During this period, the Company's reported admitted assets increased to \$24,641,340, liabilities increased to \$16,501,395, and total capital & surplus increased to \$8,139,944.

The examination was conducted in accordance with the risk-focused proposed procedures and guidelines prescribed by the National Association of Insurance Commissioners ("NAIC"). According to the NAIC Handbook, "One of the increased benefits of the enhanced risk-focused approach is to include ... consideration of other than financial risks that could impact the insurer's future solvency. By utilizing the enhanced approach, the examiner reviewed the "financial" and "enterprise" risks that existed at the examination "as of" date and will be positioned to assess "financial" and "enterprise" risks that extend or commence during the time the examination was conducted and "prospective" risks which are anticipated to arise or extend past the point of examination completion. Using this approach examiners will be better positioned to make recommendations for appropriate future supervisory plans (i.e., earlier statutory exams, limited-scope exams, key areas for financial analysts to monitor, etc.) for each insurer."

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. The examination report only addresses regulatory information revealed by the examination process in accordance with the NAIC Handbook. All other financial matters were reviewed and determined not to be material for discussion in this report.

This examination report is being submitted under the implementation of an extension to the NAIC 18 month rule. The Chief Examiner petitioned a waiver from the NAIC, and received an exemption and accompanying four month extension based on numerous delays in the examination process from the Company, delays related to COVID-19, and numerous and significant subsequent event transactions.

The Certified Public Accounting ("CPA") firm of Ernst & Young, LLP ("EY") 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, 2019. 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 EY 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 Company's first examination.

## **HISTORY**

The Company was incorporated as a stock company by means of a Certificate of Incorporation dated November 21, 2017 under the name of Clover HMO of New Jersey Inc. The Company was formed to offer Medicare Advantage health maintenance products to Medicare beneficiaries beginning with the contract year 2019.

Through a Certificate of Authority, the Company is authorized to transact the business of a Health Maintenance Organization in the State of New Jersey.

The Company is a wholly owned subsidiary of Clover Health Holdings, Inc., a Delaware Corporation. Clover Health Holdings, Inc. is wholly-owned by Clover Health Investments, Corp. (“Clover Investments”).

In April 2018, Clover Health Holdings, Inc. purchased 1 share of \$10 par value common stock for \$10 and provided capital funding by contributing \$2,990,000 in additional surplus.

In May 2018, Clover Health Holdings, Inc. contributed an additional \$5,315,335.

The Company officially commenced business on January 1, 2019. As of December 31, 2019, the Company was providing coverage in New Jersey and Texas.

In February 2019, the Company purchased Principium Health, LLC (“Principium”) and Medical Services Professionals of New Jersey, LLC (“MSPNJ”) for a total purchase price of \$1.4 million, of which \$0.2 million related to Principium and \$1.2 million related to MSPNJ. MSPNJ provides in-home chronic care management services, and Principium provides the equipment as further described below as discussed in the “Inter-company Agreements” section of this report.

In August 2019, the Company contributed \$400,000 to MSPNJ.

In 2019, Clover Investments made capital contributions totaling \$7,436,015. As part of this contribution, the Company recognized a \$5.6 million receivable from Clover Health Investments as a Type 1 subsequent event. The funds were deposited as of February 28, 2020.

At December 31, 2019, the authorized common stock of the Company consisted of 1,000 shares of common stock having a par value of \$1.00 per share. As of December 31, 2019, 10 shares of common stock were issued and outstanding with a value of \$10.00.

The principal office location of the Company is at 30 Montgomery Street, 15th Floor Jersey City, NJ 07302, and the registered agent upon whom process may be served is The Corporation Trust Company at 820 Bear Tavern Road, Ewing Township, New Jersey, 08628.

## **STATUTORY DEPOSIT**

As of December 31, 2019, the Company, in accordance with N.J.S.A. 17:20-1(3) had a market value of \$723,781 for the New Jersey statutory deposit.

## **TERRITORY AND PLAN OF OPERATIONS**

The Company exclusively writes Medicare Advantage business as a Health Maintenance Organization. As of December 31, 2019, the Company was writing business in seven counties in New Jersey and two counties in Texas. In addition to direct marketing, the Company uses brokers and other third party agents to identify and obtain business. The Company uses a third party vendor to assist with some policies and endorsements. Renewals and cancellations are handled internally by the Company.

Clover Health Labs, LLC, an affiliate, maintains an office in San Francisco to house the Company's technology team to manage the Company's data warehouse. The warehouse is used to provide technical and analytical healthcare diagnostics of Medicare Advantage enrollees to aid in their health and wellness and to gain efficiencies in healthcare costs.

The Company does not have any employees. The Company has entered an administrative contract with Clover Health LLC to provide various administrative services on behalf of the Company, as discussed in the "Inter-company Agreements" section of this report. Investment services are contractually provided by Bowie Capital Management, LLC.

The Company maintains its statutory home office at 30 Montgomery Street, Jersey City, NJ 07302. The Company conducts its business operations from its main administrative office at 30 Montgomery Street, Jersey City, NJ 07302, which serves as the primary location of the Company's accounting books and records.

## **REINSURANCE**

At December 31, 2019, the Company had the following reinsurance in effect:

The Company entered into a facultative excess loss reinsurance with PartnerRe America Insurance Company effective January 1, 2019 to December 31, 2019. There was a \$500,000 retention above which 100% of eligible expenses were paid by the reinsurer.

## **CORPORATE RECORDS**

A review of the minutes of the Board of Directors (or "the Board") meetings noted that all meetings were well attended. The Board minutes contain limited details to document the Company's overall transactions and events were adequately supported and approved.

## **MANAGEMENT AND CONTROL**

The business and affairs of the Company shall be managed by or under the direction of the Board of Directors. In accordance with the bylaws, the Board of Directors shall consist of not less than three. The following directors were elected and serving at the examination date:

### **Directors**

<b><u>Name</u></b>	<b><u>Principal Occupation</u></b>
Ed Berde	Technology Consultant of Business Consulting Solutions Inc.
Justin Doheny	Adjunct Professor, Monroe College
Vivek Garipalli	Founder and Chief Executive Officer – holds numerous other management and directorships with affiliates

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.”

The Company was determined to be in compliance with the provisions of N.J.S.A. 17:27A-4(d)(3) as of the examination date, as the Board of Directors consists of three members, of which two are considered outside directors.

### **Committees**

The Company is required to comply with the provisions of 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.”

The Company does not have a formal audit committee outside of the overall governance of the Board of Directors. The Company is part of a Holding Company System and requested and received a waiver from the New Jersey Department of Banking and Insurance for an exemption of the requirements under N.J.S.A. 17:27A-4d(6).

### **Officers**

The officers of the Company shall consist of a President, Treasurer and Secretary, and, if desired a Chairman of the Board of Directors, Vice Chairman of the Board of Directors, Vice President, Assistant Treasurer and/or an Assistant Secretary. The officers shall be elected annually. Other officers, if any, may be elected by the Board of Directors at this meeting or at any other time.

The following officers were elected and serving the Company as at December 31, 2019:

<b><u>Name</u></b>	<b><u>Title</u></b>
Vivek Garipalli	Chief Executive Officer
Andrew Toy	President and Chief Technology Officer
Joseph Wagner	Chief Financial Officer
Gia Lee	General Counsel
Wendy Richey	Chief Medical Compliance Officer
Rachel Fish	Chief People Officer
Mark Spektor	Chief Medical Officer
Sophia Chang	Chief Clinical Informatics Officer

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).

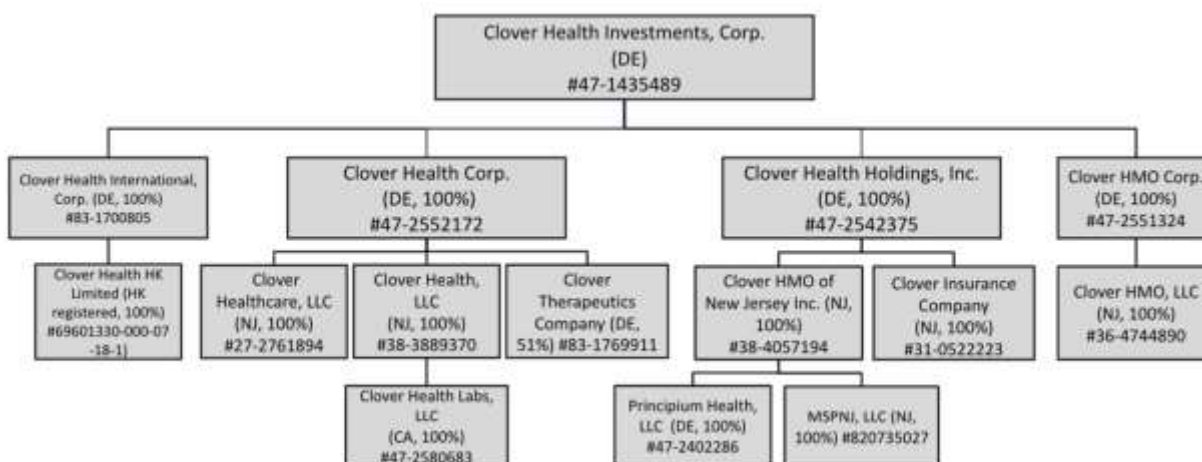
#### **REGULATION OF INSURANCE HOLDING COMPANY SYSTEMS**

The Association 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, 2019 follows:



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

### **Inter-Company Agreements**

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

The Company has no employees and, as such, has entered into an administrative services agreement effective April 19, 2018 with its related party, Clover Health LLC (“ASO”), to make use of certain employees, equipment and facilities in the operations and management of the Company. Under the terms of this adopted agreement, that was filed and approved by the New Jersey Department of Banking and Insurance, the Company pays ASO the following:

- Reimbursement for the actual cost of services that constitute activities that improve healthcare quality as defined by the Centers for Medicare and Medicaid Services (“CMS”) provided, however, that the total amount of reimbursement in a calendar year does not exceed 85% of the Company’s premiums earned. For the year ended December 31, 2019, the cost of these services exceeded the 85% threshold, therefore resulting in no additional reimbursement to be made to ASO by the Company.
- Administrative fee of 11% of the premiums the Company earns, for services that do not constitute activities that improve healthcare quality.
- For the year ended December 31, 2019 the Company reported \$2,680,667 for ASO fees incurred under the contract.

### **Related Entities**

MSPNJ, provides in-home chronic care, palliative and supportive services to the Company and affiliates. MSPNJ contracts with the Company, Clover Insurance Company, Clover Health, LLC and Principium to provide in-home health services and receives funding for operating expenses

from Clover Health, LLC and Principium.

Principium owns the medical equipment, and leases vehicles and office space in relation to in-home chronic care services provided by MSPNJ. Principium has various agreements with the Company and its other subsidiaries and affiliates. Principium supports MSPNJ for in-home health services and receives funding for operating expenses from various affiliates.

The Company files a consolidated Federal Income Tax Return with: Clover Investments, Clover HMO, Corp., Clover Health, Corp., and Clover Health Holdings, Inc.

N.J.A.C. 11:24-11.1(d) states, “Every HMO shall submit a capital and surplus (minimum net worth) guarantee on a form established and available from the Department, executed by an affiliate or parent of the HMO that is not in an unsafe or unsound financial condition,.....to maintain the HMO’s minimum net worth requirement.” The Company satisfies the requirements of N.J.A.C. 11:24-11.1(d) with the execution of a Capital and Surplus Guaranty by Clover Investments effective December 6, 2017.

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

Conflict of Interest forms are completed by all employees, temporary employees, consultants and members of the Board at time of hiring, contracting or appointment, and yearly thereafter.

Upon review of the Board Minutes for the year 2019, first year of operations, it was determined that the Company did not have any reported conflicts of interest.

### **INFORMATION SYSTEMS**

Information systems were reviewed at the Group level. The IT examination team’s procedures considered a customized range of IT risks contained within the NAIC Exhibit C Part 2 Work Program, focusing on both IT governance and IT operational controls. Overall, the IT examination team concluded that IT General Controls (“ITGCs”) are *ineffective*. IT review conclusions were based on inquiry, inspection of documentation, observation, independent research and a review of third-party workpapers. 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 Company’s by-laws 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 examination IT review. No material findings were noted.

### **FIDELITY BOND AND OTHER INSURANCE COVERAGES**

The Company maintains managed care errors and omissions coverage as well as the financial institution and crime coverages up to \$2,000,000 with up to a \$10,000 single loss deductible as of December 31, 2019. This policy provides forgery or alteration, securities and computer fraud coverage. This coverage is deemed adequate to satisfy the suggested minimum amounts of fidelity insurance proposed by the NAIC.

**TREATMENT OF POLICYHOLDERS**

A review of the Company's complaint log indicated that the Company maintains its complaint log in accordance with N.J.S.A. 17:29B-4(10).

## **FINANCIAL STATEMENT EXHIBITS**

<b><u>Exhibit A:</u></b>	Statement of Assets, Liabilities, Surplus and Other Funds at December 31, 2019	10
<b><u>Exhibit B:</u></b>	Summary of Revenue and Expenses for the Two-Year Period ending December 31, 2019	11
<b><u>Exhibit C:</u></b>	Capital and Surplus Account for the Two-Year Period ending December 31, 2019	12

**Exhibit A****Statement of Assets, Liabilities, Surplus and Other Funds at December 31, 2019**

	<u>Per Examination</u>	<u>Balance Per Company</u>	<u>Examination Change</u>	<u>Note Number</u>
<b>Admitted Assets</b>				
Bonds	\$ 1,004,243	\$ 1,004,243	\$ -	
Cash, cash equivalents, and short-term investments	14,954,150	14,954,150	-	1
Other Invested Assets	1,424,579	1,424,579	-	
Subtotals, cash and invested assets	17,382,972	17,382,972	-	
Investment income due and accrued	1,858	1,858	-	
Premiums and considerations:				
Uncollected premiums and agents' balances in course of collection	43,380	43,380	-	
Accrued retrospective premiums and contracts subject to redetermination	313,067	313,067	-	
Receivable from parent, subsidiaries and affiliates	6,061,236	6,061,236	-	
Heath care and other amounts receivable	838,826	838,826	-	
<b>Total Admitted Assets</b>	<u>\$ 24,641,339</u>	<u>\$ 24,641,339</u>	<u>\$ -</u>	
<b>Liabilities, Capital and Surplus</b>				
<b>Liabilities</b>				
Claims unpaid	\$ 5,184,775	\$ 5,184,775	\$ -	2
Unpaid claims adjustment expenses	189,657	189,657	-	2
Aggregate health policy reserves	3,264,113	3,264,113	-	2
Payable to parent, subsidiaries and affiliates	7,023,866	7,023,866	-	
Liability for amounts held under uninsured plans	838,984	838,984	-	
Total Liabilities	16,501,395	16,501,395	-	
<b>Capital and Surplus</b>				
Aggregate write-ins for special surplus funds	759,819	759,819	-	3
Common capital stock	10	10	-	3
Gross paid in and contributed surplus	15,768,339	15,768,339	-	3
Unassigned (deficit) surplus	(8,388,224)	(8,388,224)	-	3
Total Capital and Surplus	8,139,944	8,139,944	-	
<b>Total Liabilities, Capital and Surplus</b>	<u>\$ 24,641,340</u>	<u>\$ 24,641,340</u>	<u>\$ -</u>	

Note: Financial statement exhibits may not reconcile due to rounding.

**Exhibit B**

## Summary of Revenue and Expenses for the Two-Year Period Ending December 31, 2019

	2018	2019
<b>Underwriting Income</b>		
Premiums earned	\$ -	\$ 24,357,882
<b>Deductions</b>		
Hospital/medical benefits	-	13,625,505
Other professional services	-	977,254
Outside referrals	-	8,037,622
Emergency room and out-of area	-	1,071,170
Prescription drugs	-	1,604,727
Claim adjustment expenses	-	1,419,346
General administrative expenses	-	1,450,978
Increase in reserves for life, accident and health contracts	-	3,086,173
Total underwriting deductions	-	31,272,775
Net underwriting loss	-	(6,914,893)
<b>Investment Income</b>		
Net investment income earned	7,555	138,821
Net realized capital gains or (losses)	-	9
Net investment gain	7,555	138,830
<b>Other Income</b>		
Total other income	-	-
Net income/(loss) before dividends to policyholders and before federal income taxes	7,555	(6,776,063)
Dividends to policyholders	-	-
Net income/(loss), after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	7,555	(6,776,063)
Foreign and federal income taxes incurred	1,463	(1,463)
Net income/(loss)	\$ 6,092	\$ (6,774,600)

**Exhibit C****Capital and Surplus Account for the Two-Year Period Ending December 31, 2019**

	2018	2019
Capital and surplus, December 31 prior year	\$ -	\$ 8,311,302
Net income	6,092	(6,774,600)
Change in net unrealized capital gains or (losses)	-	(334,012)
Change in net deferred income tax	(124)	124
Change in nonadmitted assets	-	(525,885)
Capital adjustments: Paid in	10	-
Surplus adjustments: Paid in	8,305,324	7,463,015
Change in capital and surplus	<u>8,311,302</u>	<u>(171,358)</u>
Capital and surplus, December 31 current year	<u>\$ 8,311,302</u>	<u>\$ 8,139,944</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, 2019. The surplus as regards policyholders, which totaled \$8,139,944 as of the examination date, was determined to be reasonably stated and in compliance with N.J.S.A. 17:17 et seq.

### **Note 1 – Cash and Cash Equivalents**

Money market mutual funds with a carrying value of \$723,781 were held as statutory deposits by the NJDOBI on behalf of the Association in accordance with N.J.S.A. 17:20-1.

### **Note 2 - Claims Unpaid and Unpaid Claim Adjustment Expenses**

No adjustments to reserves or surplus were indicated as a result of the actuarial portion of the examination. The assumptions used were generally found to be appropriately conservative. The actuarial examination was limited to providing substantive reviews of the actuarial items on page 3 of the Annual Statement and one item from page 2 of the Annual Statement.

Summarized below are the recorded estimates which were included in our review:

Claims unpaid	\$	5,184,775
Unpaid claims adjustment expense		189,657
Aggregate health policy reserves		<u>3,264,113</u>
Total	\$	<u>8,638,545</u>

The examination team collaborated with the examination actuaries to conduct all of the reviews of internal controls and risk analysis.

The aggregate net amounts above, which were reported by the Company, met or exceeded the statutory minimums of the State of New Jersey. The claims reserves and policy reserves, including Incurred but Not Reported (“IBNR”), as reported by the Company were deemed to be reasonable in light of the liabilities they support and materially in compliance with the Statutes of the State of New Jersey. This examination conclusion is not a guarantee that the reserves and any supporting assets will be adequate under every scenario of future experience; the results reached in this analysis are dependent on the assumptions used. Realized results may vary as actual experience differs from the assumptions.

### **Note 3 – Capital and Surplus**

The Company reported total capital and surplus in the amount of \$8,139,944 at December 31, 2019 as summarized:

The Company is organized as a stock company with 1,000 shares of \$10 par value common stock authorized, and 1 share issued and outstanding as of December 31, 2019.

At December 31, 2019, the Company reported gross paid-in and contributed surplus of \$15,768,339.



At December 31, 2019, the Company had an unassigned deficit of \$8,388,224.

At December 31, 2019, the Company reported write-in for special surplus funds of \$759,819 representing the 9010 ACA Fee accrual.

The Company was determined to be in compliance with the minimum capital and surplus requirements of the State of New Jersey at December 31, 2019.

## **SUMMARY OF EXAMINATION RECOMMENDATIONS**

### **Ineffective Conflict of Interest Process**

During the examination period it was noted that the Company's process for obtaining and reviewing complete annual conflict of interest disclosure statements from management and Board was operating ineffectively. Based on our review, the annual conflict of interest disclosures were incomplete and noted conflicts were not discussed with the appropriate personnel and Board for proper resolution.

It is recommended the Company obtain annual conflict of interest disclosures for all key management and board of directors and the conflict of interest disclosures are deemed complete and accurate at the time of submission. All conflicts should be reviewed and disposed by appropriate authority level and discussed at the Company Board to assure integrity and independence of management and Board.

### **Lack of Key Documents and Controls**

Throughout the course of the examination fieldwork the examination team made numerous requests for supporting documentation around key agreements, key controls and processes. In many instances, the Company was unable to provide comprehensive and complete documentation for examiner review with ineffective processes and controls to ensure completeness and accuracy of recorded balances.

It is recommended the Company review all significant processes to ensure there are key risk mitigating controls in place and the controls are operating effectively. It is further recommended that all supporting agreements be reviewed and/or updated to ensure appropriate support is available and consistently applied between operating affiliates for accurate and complete recording of expenses. This is particularly important around commitments and contingencies to ensure the liability is complete and accurate and to ensure these balances are estimated and monitored timely to ensure continued solvency.

## **COMMITMENTS AND CONTINGENCIES**

The Company and its affiliates 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 the business. The Company believes that the legal actions, regulatory matters, proceedings and investigations currently pending against it should not have a material adverse effect on the Company's results of operations, financial condition or liquidity based upon our current knowledge and taking into consideration current accruals.

### **SUBSEQUENT EVENTS**

In 2020, the Company recognized a \$1.5 million receivable from Clover Heath Investments as a Type 1 subsequent event. The funds were deposited as of February 28, 2021 and recorded as a capital contribution.

On March 11, 2020, the outbreak of a novel strain of coronavirus, COVID-19, was declared a pandemic by the World Health Organization. The extent of the pandemic's impact on the Company's operational and financial performance cannot be predicted and will depend on various factors, such as the duration and spread of the outbreak, regulatory developments, and the impact on the financial markets. Due to the uncertainty of the pandemic, it is not feasible to assess the impact at this time.

In December 2020, the Company transferred its ownership in Principium to Clover Health for consideration of \$161,511.

Effective January 7, 2021, Clover Health Investments and Social Capital Hedosophia Holdings Corp. III, a publicly traded special purpose acquisition company, completed a business combination to form one of the nation's fastest growing publicly-traded Medicare Advantage insurers. The newly formed company is named Clover Health Investments, Corp.

## **CONCLUSION**

A regular statutory financial condition examination was conducted by the undersigned with the assistance of examiners of the New Jersey Department of Banking and Insurance examination staff.

The examination and audit 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  
Supervising Insurance Examiner  
New Jersey Department of Banking and Insurance

**Clover HMO of New Jersey Inc.**

The undersigned hereby certifies that an examination has been made of Clover HMO of New Jersey Inc. 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,



---

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

State of New Jersey  
County of Mercer

Subscribed and sworn to before me, on this 12<sup>th</sup> day of October 2021.

  
\_\_\_\_\_  
Notary Public of New Jersey

My commission expires:

  
\_\_\_\_\_  
July 2025