

**EXAMINATION REPORT**  
**OF**  
**MAGELLAN LIFE INSURANCE COMPANY**  
**AS OF**  
**DECEMBER 31, 2020**

TRINIDAD NAVARRO  
COMMISSIONER



STATE OF DELAWARE  
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION  
OF  
MAGELLAN LIFE INSURANCE COMPANY  
AS OF  
DECEMBER 31, 2020

The above-captioned report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the company as reflected in the report.

This report is hereby accepted, adopted and filed as an official record of this Department.

A handwritten signature in blue ink, which appears to read "Trinidad Navarro", is written above a horizontal line.

Trinidad Navarro  
Insurance Commissioner

Dated this 25th day of May, 2022

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April 29, 2022

Honorable Trinidad Navarro  
Commissioner of Insurance  
Delaware Department of Insurance  
1351 West North Street, Suite 101  
Dover, Delaware 19904

Dear Commissioner:

In accordance with instructions and pursuant to statutory provisions contained in Examination Certification No. 21.020, dated February 19, 2021, an examination has been conducted of the

**MAGELLAN LIFE INSURANCE COMPANY**

hereinafter referred to as the Company. The Company was incorporated under the laws of the State of Delaware as a stock company with its registered office located at 1209 Orange Street, Wilmington, Delaware 19801. The administrative office of the Company is located at 14100 Magellan Plaza, Maryland Heights, Missouri 63043. The examination was conducted remotely given office closures and travel restrictions in connection with the COVID-19 pandemic. The report of examination thereon is respectfully submitted.

**SCOPE OF EXAMINATION**

We have performed our multi-state examination of the Company. The previous examination of the Company was conducted as of December 31, 2015, by the Delaware Department of Insurance (Department). This examination covers the five-year period from January 1, 2016 through December 31, 2020. Our examination was coordinated with the

examination of certain of the Company's affiliates. To the fullest extent, the efforts, resources, project material and findings were coordinated and made available to all examination participants.

We conducted our examination in accordance with the *National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook* (Handbook) and generally accepted statutory insurance examination standards consistent with the Insurance Code and Regulations of the State of Delaware. The NAIC 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, pursuant to the General Corporation Law of the State of Delaware as required by 18 *Del. C.* §321, along with general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature, are not included within the examination report but separately communicated to other regulators and/or the Company.

During the course of this examination, consideration was given to work performed by the Company's external accounting firm, Ernst & Young LLP (EY). Certain work papers for EY's

2020 audit of the Company have been incorporated into the work papers of the examiners. The work papers were utilized in determining the scope, areas of emphasis in conducting the examination and in the area of risk mitigation and substantive testing.

### **SUMMARY OF SIGNIFICANT FINDINGS**

The examination identified one significant finding related to the Company's failure to properly maintain shareholder and Board of Director (Board) minutes during the examination period in compliance with the General Corporation Law of the State of Delaware. This finding also resulted in the Company's failure to comply with other applicable statutes and regulatory guidance. There were no other significant findings or changes to the Company's financial statements as a result of the current examination.

### **COMPANY HISTORY**

The Company is a stock life, accident and health insurance company that was originally incorporated in the State of Delaware on October 2, 1982, as Orion Life Insurance Company. In April 1996, the Company was acquired by Merit Health Insurance Company (MHIC), a subsidiary Magellan Health, Inc. (MHI). The Company's name was changed to Magellan Life Insurance Company on November 5, 2004. On December 1, 2017, Magellan Healthcare, Inc. (MHC) purchased the Company from MHIC as part of a corporate reorganization within MHI.

#### **Capitalization**

The Company's Certificate of Incorporation authorizes the issuance of 300,000 shares of common capital stock with a par value of \$10 per share. As of December 31, 2020, the Company had 150,000 common shares issued and outstanding for a total capital account balance of \$1,500,000. All the outstanding common shares of the Company are owned by MHC. As of December 31, 2020, the Company reported gross paid in and contributed surplus of \$3,080,000.

### Dividends

The Company paid the stockholder dividends totaling \$10,500,000 during the examination period as follows:

- A \$4,500,000 extraordinary dividend was approved by the Board on July 18, 2016. The Company notified the Department of the proposed extraordinary dividend on July 20, 2016, in a Form D, which was approved by the Department on August 2, 2016. The Company paid the extraordinary dividend to MHIC on August 16, 2016.
- A \$6,000,000 extraordinary dividend was approved by the Board on September 28, 2018. The Company notified the Department of the proposed extraordinary dividend on November 16, 2018, in a Form D, which was approved by the Department on November 20, 2018. The Company paid \$5,000,000 and \$1,000,000 of the extraordinary dividend to MHC on December 14, 2018, and December 17, 2018, respectively.

### **MANAGEMENT AND CONTROL**

#### Directors

Pursuant to the General Corporation Law of the State of Delaware, as implemented by the Company's Certificate of Incorporation and bylaws, all corporate powers are exercised by or under the direction of under the direction of its Board.

Directors shall be elected annually by the sole shareholder and the number of directors, which shall be fixed from time to time by the shareholder or by the Board, shall consist of no more than twenty-five (25) members. The directors shall hold office until the next succeeding annual shareholder meeting or until their successors are elected or appointed. As of December 31, 2020, the directors and their business affiliations, were as follows:

<u>Name</u>	<u>Business Affiliation</u>
David P. Bourdon	President MLIC
David Haddock	Secretary MLIC
Jeffrey N. West	Treasurer MLIC
Brian D. Frey	Vice President MLIC
Brandin Hay	Vice President of MLIC

### Officers

In accordance with its bylaws, officers serving the Company shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer and other officers as may from time to time be appointed by the Board. Any two or more offices may be held by the same person, except that the President and the Secretary cannot be the same person. As of December 31, 2020, the Company's principal officers and their respective titles were as follows:

<u>Name</u>	<u>Title</u>
Kenneth J. Fasola	Chief Executive Officer
David P. Bourdon	President
David Haddock	Secretary
Jeffrey N. West	Treasurer
Brian D. Frey	Vice President
Brandin Hay	Vice President
Meredith Delk	Vice President
Margie M. Smith	Vice President
Andrew M. Cummings	Assistant Secretary
John J. DiBernardi	Assistant Secretary

### Corporate Records

The recorded minutes of the shareholder and Board were reviewed for the period under examination. The Company was not able to provide shareholder meeting minutes for the years



ended December 31, 2016, 2017, 2018, 2019, 2020 or 2021. Additionally, the Company was not able to provide Board meeting minutes for any meetings held during the years ended December 31, 2016 and 2019. As a result, the examination determined the Company failed to maintain proper documentation of its shareholder and Board minutes in compliance with the General Corporation Laws of the State of Delaware. Furthermore, the examination determined the Board did not properly approve the Company's investment transactions in accordance with 18 *Del. C.* §1304 and did not properly review and approve the Company's Actuarial Opinions as required by the NAIC *Life, Accident and Health Annual Statement Instructions*.

**It is recommended the Company implement policies and procedures designed to ensure all future shareholder and Board meetings are properly documented including review and approval of specific transactions and events in accordance with statute and other regulatory guidance.**

A review of Company files indicated that written correspondence was submitted to the Department with regards to any changes in officers and directors during the period under examination in compliance with 18 *Del. C.* §4919.

#### Insurance Holding Company System

The Company is a member of an Insurance Holding Company System as defined under 18 *Del. C.* §5001 of the Delaware Insurance Code. The Company maintains that as of December 31, 2020, MHI is the ultimate controlling entity of the Company. The following is an abbreviated organizational chart of the insurance holding company system as of December 31, 2020, followed by a summary of significant affiliated agreements:

<u>Company</u>	<u>Domicile</u>
Magellan Health, Inc. <sup>1</sup>	Delaware
Magellan Pharmacy Services, Inc.	Delaware
Magellan Behavioral Health of New Jersey, LLC <sup>2</sup>	New Jersey
Magellan Rx Management, LLC	Delaware
Magellan Healthcare, Inc.	Delaware
Merit Behavioral Care Corporation	Delaware

Magellan HRSC, Inc.	Ohio
Magellan Behavioral Health of Pennsylvania, Inc. <sup>2</sup>	Pennsylvania
Granite Alliance Insurance Company <sup>2</sup>	Utah
Magellan Complete Care of Louisiana, Inc. <sup>2</sup>	Louisiana
Magellan Complete Care of Pennsylvania, Inc. <sup>2</sup>	Pennsylvania
<b>Magellan Life Insurance Company</b>	<b>Delaware</b>
Merit Health Insurance Company <sup>2</sup>	Arizona
Human Affairs International of California	California

<sup>1</sup>Common shares are publicly traded on the NASDAQ Exchange under the symbol “MGLN”. No entity owned or controlled greater than 10% of the voting common shares of MHI as of December 31, 2020. Subsequent to December 31, 2020, MHI was acquired by Centene Corporation.

<sup>2</sup>Entities were examined concurrently with the Department’s examination of the Company as part of the coordinated examination led by the Pennsylvania Department of Insurance as the NAIC designated Lead State.

### Agreements with Affiliates

The following is a summary of the Company’s significant affiliated agreements in force as of December 31, 2020:

#### *Administrative Services Agreement*

Effective January 1, 1997, the Company entered into an Administrative Services Agreement with Merit Behavioral Care Corporation (MBC). In accordance with the agreement, MBC or its designee provides certain administrative and management services to the Company. Services may include accounting and financial functions, legal services and underwriting services as further described in the agreement. In return, the Company compensates MBC for services provided as specified in the agreement. This agreement was properly filed with and approved by the Department prior to this examination.

Effective April 1, 2016, this agreement was amended to include certain provisions required by California law as requested by the California Department of Insurance (CDOI) in connection with the Company’s application for a certificate of authority to conduct business in the State of California. This amendment was properly filed with and approved by the Department on March 18, 2016.

*Intercompany Agreement*

Effective retroactively to December 31, 2007, the Company entered an Intercompany Agreement with Magellan Behavioral Health, Inc. (MBH), MBC and Magellan HRSC, Inc. The purpose of the agreement is to specify the terms whereby the participants may settle transactions between related parties performed pursuant to the Administrative Services Agreement between the Company and MBC. In accordance with the agreement the participants may aggregate and offset amounts to be settled. Net amounts to due among the participants are settled quarterly via cash transfer within ninety days of the quarter end. This agreement was properly filed with and approved by the Department prior to this examination.

Effective April 1, 2016, this agreement was amended to include certain provisions required by California law as requested by the CDOI in connection with the Company's application for a certificate of authority to conduct business in the State of California. This amendment was properly filed with and approved by the Department on March 18, 2016.

*Claims Deposit Agreement*

Effective January 1, 2012, the Company entered into a Claims Deposit Agreement (CDA) with Human Affairs International of California (HAI-CA). The CDA was entered in connection with the Company's assumed reinsurance agreement with Blue Shield of California Life & Health Insurance Company (BSCLHIC) whereby the Company is responsible for funding the claims of Blue Shield under its reinsurance agreement with BSCLHIC, and HAI-CA is responsible for administering the related claims on behalf of BSCLHIC under a separate administrative services agreement between HAI-CA and BSCLHIC. In accordance with the CDA, the Company deposits funds with HAI-CA in order to fund the claims of BSCLHIC. HAI-CA maintains the deposit in a segregated account and may only use the funds for the purposes of paying claims under the

agreement between HAI-CA and Blue Shield. Each party to the CDA performs duties without compensation from the other party.

*Pharmacy Benefit Management Services Agreement*

Effective February 24, 2014, the Company entered into a Pharmacy Benefit Management Services agreement with its affiliate Magellan Rx Management, LLC (MRM). Pursuant to this agreement, MRM provides pharmacy benefit management services on behalf of the Company in the event that the Company enters into a contract with the Centers for Medicare and Medicaid Services to provide Medicare Part D benefits. This agreement was properly filed with and approved by the Department prior to this examination.

Effective April 1, 2016, this agreement was amended to include certain provisions required by California law as requested by the CDOI in connection with the Company's application for a certificate of authority to conduct business in the State of California. This amendment was properly filed with and approved by the Department on March 18, 2016.

*Tax Allocation Agreement*

Effective January 1, 2015, the Company entered into an Amended and Restated Tax Allocation Agreement with MHI, which superseded and replaced a similar tax allocation agreement effective January 1, 2003. Pursuant to this agreement, MHI reports state and federal income taxes on a consolidated basis and then allocates each participant a representative share of income and loss. Each entity's tax liability is calculated based upon its respective share of consolidated income. The agreement further provides that each member receive reimbursement to the extent that its losses and other credits results in a reduction of the current year's consolidated tax liability, not to exceed its liability as if filed on an individual basis. This agreement was properly filed with and approved by the Department prior to this examination.

Effective April 1, 2016, this agreement was amended to include certain provisions required by California law as requested by the CDOI in connection with the Company's application for a certificate of authority to conduct business in the State of California. This amendment was properly filed with and approved by the Department on March 18, 2016.

### **TERRITORY AND PLAN OF OPERATION**

#### Territory

As of December 31, 2020, the Company was licensed in the following nineteen (19) U.S. states: Arizona, California, Delaware, Georgia, Hawaii, Indiana, Kansas, Mississippi, Montana, Nebraska, New Mexico, North Dakota, South Carolina, South Dakota, Tennessee, Texas, Utah, West Virginia and Wyoming.

#### Plan of Operation

All of the Company's 2020 direct written premiums of \$32.17 million were accident and health coverage written in the State of California under the following programs:

- A radiology benefits agreement with an unaffiliated life, health and disability insurer in the State of California effective January 1, 2018. The contract converted to a risk-based contract in 2019. The agreement automatically renews on an annual basis contingent upon mutual agreement of the parties.
- A radiology benefits agreement with an unaffiliated life, health, and disability insurer in the State of California effective January 1, 2015. The agreement automatically renews on an annual basis contingent upon mutual agreement of the parties. This agreement was terminated on May 1, 2018.

**REINSURANCE**

As of December 31, 2020, the Company had a limited assumed reinsurance program and did not cede business to any affiliate or third-party. The Company reported the following distribution of gross and net written premium for the year ended December 31, 2020, and the prior examination date of December 31, 2015:

	<u>2020</u>	% of Gross Premium <u>Written</u>	<u>2015</u>	% of Gross Premium <u>Written</u>
Direct business	\$ 32,168,647	88%	\$ 6,286,636	25%
Reinsurance assumed from affiliates	-	-	-	-
Reinsurance assumed from non-affiliates	4,481,368	12%	19,270,588	75%
Gross premiums written	<u>\$ 36,650,015</u>	<u>100%</u>	<u>\$ 25,557,224</u>	<u>100%</u>
Reinsurance ceded to affiliates	\$ -	-	\$ -	-
Reinsurance ceded to non-affiliates	-	-	-	-
Total ceded	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Net premiums written	<u>\$ 36,650,015</u>	<u>100%</u>	<u>\$ 25,557,224</u>	<u>100%</u>

**Assumed Reinsurance**

The Company assumed business from two third parties during the year ended December 31, 2020, pursuant to the following:

- A mental health and substance abuse reinsurance agreement with BSCLHIC, a California domestic life, health and disability insurer. This reinsurance agreement was effective as of January 1, 2012 and extends through December 31, 2021.
- A stop-loss insurance agreement with PartnerRe America Insurance Company, a Delaware domestic insurer. The agreement relates to a managed behavioral healthcare program administered by an affiliate of the Company, Magellan Behavioral Health of Pennsylvania, Inc. This assumed reinsurance contract renews annually and was recently renewed effective January 1, 2021.

**FINANCIAL STATEMENTS**

The following financial statements, as reported and filed by the Company with the Department, are reflected in the following:

- Statement of Assets as of December 31, 2020
- Statement of Liabilities, Surplus and Other Funds as of December 31, 2020
- Statement of Revenue and Expenses for the Year Ended December 31, 2020
- Reconciliation of Capital and Surplus for the Period from the Prior Examination as of December 31, 2015 to December 31, 2020

Statement of Assets  
As of December 31, 2020

	Ledger Assets	Non-admitted Assets	Net Admitted Assets
Bonds	\$ 1,665,424	\$ -	\$ 1,665,424
Cash, cash equivalents and short-term investments	3,787,350	-	3,787,350
Investment income due and accrued	14,064	-	14,064
Uncollected premiums in course of collection	4,737,823	4,528,609	209,214
Funds held by or deposited with reinsured companies	998,207	-	998,207
Aggregate write-ins for other than invested assets	12,929,938	-	12,929,938
Total Assets	<u>\$ 24,132,806</u>	<u>\$ 4,528,609</u>	<u>\$ 19,604,196</u>



Statement of Liabilities, Surplus and Other Funds  
As of December 31, 2020

		<u>Note</u>
Claims unpaid	\$ 5,594,598	1
Unpaid claims adjustment expenses	22,019	1
General expenses due and accrued	278,641	
Current federal income taxes payable	48,148	
Amounts due to parent, subsidiaries and affiliates	747,857	
Aggregate write-ins for other liabilities	<u>2,302,410</u>	
Total liabilities	<u>\$ 8,993,672</u>	
Common capital stock	\$ 1,500,000	
Gross paid in and contributed surplus	3,080,000	
Unassigned funds (surplus)	<u>6,030,524</u>	
Surplus as regards policyholders	<u>\$ 10,610,524</u>	
Total liabilities & surplus	<u><u>\$ 19,604,196</u></u>	

Statement of Revenue and Expenses  
For the Year Ended December 31, 2020

<b>Underwriting Income</b>	
Premiums earned	\$ 36,650,015
<b>Deductions</b>	
Aggregate write-ins for other hospital and medical	\$ 28,104,775
Net reinsurance recoveries	2,579,081
General administrative expenses	1,423,278
Total underwriting deductions	\$ 32,107,135
Net underwriting gain (loss)	\$ 4,542,879
<b>Investment Income</b>	
Net investment income earned	\$ 118,372
Net realized capital gains (losses)	-
Net investment gain (loss)	\$ 118,372
Net income before federal income taxes	\$ 4,661,251
Federal and foreign income taxes incurred	978,862
Net income (loss)	\$ 3,682,389

Reconciliation of Capital and Surplus  
For the Period from the Prior Examination  
As of December 31, 2015 to December 31, 2020

	Common Capital Stock	Gross Paid-in and Contributed Surplus	Unassigned Funds (Surplus)	Total
December 31, 2015	\$ 1,500,000	\$ 3,080,000	\$ 4,525,465	\$ 9,105,465
2016 Net Income (loss)	-	-	7,090,474	7,090,474
2016 Change in Nonadmitted Assets	-	-	(202,188)	(202,188)
2016 Shareholder Dividends	-	-	(4,500,000)	(4,500,000)
December 31, 2016	<u>\$ 1,500,000</u>	<u>\$ 3,080,000</u>	<u>\$ 6,913,751</u>	<u>\$ 11,493,751</u>
2017 Net Income (loss)	-	-	3,766,375	3,766,375
2017 Change in Nonadmitted Assets	-	-	(98,620)	(98,620)
December 31, 2017	<u>\$ 1,500,000</u>	<u>\$ 3,080,000</u>	<u>\$ 10,581,506</u>	<u>\$ 15,161,506</u>
2018 Net Income (loss)	-	-	627,988	627,988
2018 Change in Nonadmitted Assets	-	-	241,371	241,371
2018 Shareholder Dividends	-	-	(6,000,000)	(6,000,000)
December 31, 2018	<u>\$ 1,500,000</u>	<u>\$ 3,080,000</u>	<u>\$ 5,450,865</u>	<u>\$ 10,030,865</u>
2019 Net Income (loss)	-	-	1,366,442	1,366,442
2019 Change in Nonadmitted Assets	-	-	(2,407,169)	(2,407,169)
December 31, 2019	<u>\$ 1,500,000</u>	<u>\$ 3,080,000</u>	<u>\$ 4,410,138</u>	<u>\$ 8,990,138</u>
2020 Net Income (loss)	-	-	3,682,389	3,682,389
2020 Change in Nonadmitted Assets	-	-	(2,062,003)	(2,062,003)
December 31, 2020	<u><u>\$ 1,500,000</u></u>	<u><u>\$ 3,080,000</u></u>	<u><u>\$ 6,030,524</u></u>	<u><u>\$ 10,610,524</u></u>

**ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE EXAMINATION**

There were no changes to the Company's financial statements as a result of this examination.

**COMMENTS ON FINANCIAL STATEMENT ITEMS**

Note 1

Claims Unpaid	\$5,594,598
Unpaid Claims Adjustment Expenses	\$22,019

Lewis & Ellis, Inc. (L&E) was engaged by the Pennsylvania Insurance Department to perform a review of the Company's loss and loss adjustment expense reserves as of December 31, 2020, on behalf of this coordinated examination. Additionally, the Department retained the actuarial services of INS Consultants, Inc. (INS) to perform a limited scope review of the Company's loss and loss expense reserves. L&E and INS are collectively referred to as the Consulting Actuary. The examination included a review of the inherent risks, management oversight and other mitigating controls over the Company's actuarial processes and procedures. The Consulting Actuary performed an independent reserve analysis including an assessment of the Company's reserves for compliance with applicable *Actuarial Standards of Practice* and the NAIC *Accounting Practices and Procedures Manual*.

**SUBSEQUENT EVENTS**

COVID-19 Update

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic and national, state and local governments have implemented a range of policies and actions to combat it. The extent of the impact of COVID-19 on world economies and the Company will depend on future developments, which are highly uncertain and difficult to predict, including the severity and duration of the pandemic, and the actions taken by government authorities and other third parties

to contain or address its impact. Various government officials, including U.S. state insurance commissioners, have taken actions to protect consumers from the hardship caused by COVID-19 that, in the aggregate, may adversely impact the Company's results of operations in the near term. While it is likely that certain lines of business may experience increased loss activity due to COVID-19, there are also segments in which the Company operates that may benefit from improved loss experience due to reduced exposures. As of the issuance of this examination report, the Company's management continues to monitor developments, and their impacts on the Company including its operations, capital position (including the risk-based capital ratio), the fair value of investments, and estimates reported in the Company's financial statements and accompanying notes.

#### Change in Ownership

On January 4, 2021, MHI and Centene entered into an Agreement of Plan of Merger by and among MHI, Centene and Mayflower Merger Sub, Inc. (Mayflower). Per the terms of the agreement, Mayflower will merge with MHI, with MHI surviving the merger as a wholly-owned subsidiary of Centene. Centene acquired MHI for \$95 per share in cash for a total enterprise value of \$2.2 billion. The transaction was completed in the second half of 2021, with the customary regulatory and shareholder approvals. As a result of this change in ownership, Centene replaced MHI as the ultimate controlling entity of the Company.

### **SUMMARY OF RECOMMENDATIONS**

#### Corporate Records

The recorded minutes of the Company's shareholder and Board did not adequately document meetings and approval of Company transactions in compliance with applicable statutes of the State of Delaware and other regulatory guidance.

**It is recommended the Company implement policies and procedures designed to ensure all future shareholder and Board meetings are properly documented including review and approval of specific transactions and events in accordance with statute and other regulatory guidance.**

**CONCLUSION**


The assistance and cooperation of the consulting actuarial firm, INS Consultants, Inc. the Company's outside audit firm, Ernst & Young LLP, and the Company's management and staff was appreciated and is acknowledged. In addition, the assistance of the regulators and consultants representing the states participating in this coordinated examination is also appreciated and acknowledged.

Respectfully submitted,



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Andrew Chiodini, CFE  
Examiner In-Charge  
State of Delaware



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Richard Palmatary, CPA, CFE  
Supervising Examiner  
State of Delaware

Magellan Life Insurance Company

I, Andrew Chiodini, hereby verify and attest, under penalty of perjury, that the above is a true and correct copy of the examination report and findings submitted to the Delaware Department of Insurance pursuant to Examination Certification No. 21.020.

A handwritten signature in black ink, reading "Andrew E. Chiodini". The signature is written in a cursive style with a prominent initial "A" and "E".

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Andrew Chiodini, CFE