

**ORGANIZATIONAL EXAMINATION**  
**OF**  
**DEVOTED HEALTH INSURANCE COMPANY OF DELAWARE**  
**AS OF**  
**FEBRUARY 24, 2025**

TRINIDAD NAVARRO  
COMMISSIONER



STATE OF DELAWARE  
DEPARTMENT OF INSURANCE

REPORT ON ORGANIZATIONAL EXAMINATION  
OF  
DEVOTED HEALTH INSURANCE COMPANY OF DELAWARE  
AS OF  
FEBRUARY 24, 2025

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 over a horizontal line.

Trinidad Navarro  
Insurance Commissioner

Dated this 7th day of March, 2025

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February 25, 2025

Honorable Trinidad Navarro  
Insurance Commissioner  
State of Delaware  
1351 West North Street, Suite 201  
Dover, DE 19904

Dear Commissioner:

In accordance with instructions and pursuant to statutory provisions contained in Certificate of Authority No. 25.901, dated January 16, 2025, an Organizational Examination has been conducted of

**Devoted Health Insurance Company of Delaware**

hereinafter referred to as DHIC-DE or the Company. The Company was incorporated under the laws of the State of Delaware as a stock health insurance company.

The Company's registered agent is Registered Agent Solutions, Inc. with its registered office located at 838 Walker Road, Suite 21-2, Dover, Delaware 19904. The Company's administrative office address is located at 221 Crescent Street, Suite 202, Waltham, Massachusetts 02453.

The report of such examination is respectfully submitted herewith.

**SCOPE OF EXAMINATION**

This organizational examination was conducted in conjunction with the Company's application for a health insurer Certificate of Authority in the State of Delaware. The Company's corporate records, records applicable to and attendant with its application, as well as financial data as of February 24, 2025, have been reviewed.

## HISTORY

The Company was incorporated on August 7, 2024, under the laws of the State of Delaware and is authorized to issue six thousand five hundred (6,500) common shares with \$100 par value per share. The Company issued the following common stock certificate to Devoted Health Holdco, LLC (Devoted Holdco), a Delaware corporation:

<u>Certificate</u>	<u>Shares</u>	<u>Date</u>	<u>Capital</u>	Gross Paid In and Contributed <u>Surplus</u>	<u>Total</u>
#CS-01	<u>6,500</u>	8/7/2024	<u>\$650,000</u>	<u>\$550,000</u>	<u>\$1,200,000</u>
	<u>6,500</u>		<u>\$650,000</u>	<u>\$550,000</u>	<u>\$1,200,000</u>

## MANAGEMENT AND CONTROL

### Board of Directors

In accordance with its bylaws, adopted August 7, 2024, the business and affairs of the Company shall be managed by a Board of Directors (Board). The number of directors shall be no less than three members and may be fixed or changed from time to time by the shareholder or the Board. The directors are to be elected at the annual meeting of the Company's shareholder and shall hold office until their successor shall be elected and qualified.

The director serving as of the examination date were as follows:

Dariel Quintana  
Sheffield Young  
David Johnson, MD.

### Committees of the Board of Directors

No committees of the Board have been constituted as of the examination date.

Officers

In accordance with its bylaws, the officers of the Company shall be a President, Secretary, Treasurer, one or more Vice-Presidents, Assistant Secretaries, Assistant Treasurers and any other officers as deemed appropriate, who shall be elected annually and hold office until their successors are elected and qualified. Any number of offices may be held by the same person unless the articles of incorporation or bylaws provide otherwise. Officers need not be shareholders or residents of Delaware. The officers serving as of the examination date were as follows:

<u>Officer</u>	<u>Office</u>
Dariel Quintana	President and Chief Executive Officer
Joseph Anthony Alfano	Treasurer and Co-Chief Financial Officer
William Bradley Yale	Co-Chief Financial Officer
Paul David Jernigan	Secretary and Deputy General Counsel
Lawrence Doran Henry	Chief Operating Officer
David Michael Johnson	Chief Medical Officer
Sheffield Hoover Young	Marketing Director

The Company completed the National Association of Insurance Commissioners (NAIC) Form 11 - Biographical Affidavit for the director and officer noted above.

The Company completed the NAIC Form 12 - Uniform Consent to Service of Process (Power of Attorney), dated and effective January 25, 2025.

A conflict of interest statement was completed by each of the directors and executive officers noted above. There were no material conflicts of interest disclosed.

**HOLDING COMPANY SYSTEM**

At formation, the Company became a member of an Insurance Holding Company System. 18 *Del. C.* §5001(3) states that “control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing 10% or more of the voting securities of any other person.”

The Company is wholly-owned by Devoted Holdco, which is wholly-owned by Devoted Health, Inc. (DHI), a Delaware Corporation. Todd Park and Edward Park each own 42.073% of Devoted Health, or 84.146% combined. The Department Financial Analyst has determined that Todd Park and Edward Park (collectively, the Park Brothers) are the ultimate controlling entities of the Company. Management has stated that there are no holders of greater than 10% of the remaining 15.854% of Devoted Health not owned by the Park Brothers.

### **FIDELITY BOND**

The Company is covered by a financial institution bond through a policy issued by Lloyd's Syndicate 2623 / 623 (Beazley Furlonge Ltd) with an aggregate liability limit of \$1,000,000 and no specified single loss deductible. Based on the Company's pro forma information submitted by management, the minimum suggested coverage per the NAIC *Financial Condition Examiners Handbook – Exhibit R* is \$200,000 for 2026, \$350,000 for 2027, and \$500,000 for 2028.

### **AGREEMENTS**

#### **Affiliated**

As of the examination date, the Company is not a party to any affiliated agreements.

Upon licensure, the Company intends to become a party to a Tax Sharing Agreement with affiliate effective for the tax year beginning 2025.

Upon licensure, the Company intends to become a party to an Administrative Services Agreement with affiliate Devoted Health Services, Inc. (DHSI), whereby DHSI will provide the following services to the Company: compliance, systems, operations, employees, funds and records.

**Affiliated agreements and significant affiliated transactions require a Form D filing with and approval from the Department prior to becoming effective.**

Unaffiliated

As of the examination date, the Company is not yet a party to a custodial agreement.

**PLAN OF OPERATION**

The Company plans to exclusively write Medicare Advantage coverage pursuant to a contract with the Centers for Medicare & Medicaid Services in the Delaware counties of Kent, New Castle and Sussex for enrollment in the plan beginning January 1, 2026.

**REINSURANCE**

As of the examination date, the Company is not a party to any reinsurance agreements, affiliated or unaffiliated. However, upon licensure, the Company intends to enter into an excess of loss reinsurance agreements with non-affiliate RGA Reinsurance Company, a Missouri domestic reinsurer.

**CAPITAL AND SURPLUS REQUIREMENTS**

18 *Del. C.* §511(a) requires \$650,000 as the minimum common capital stock for a stock health insurance company and \$350,000 as the minimum gross paid in and contributed surplus.

Consequently, the minimum required amounts for this examination are as follows:

Common Capital Stock	\$ 650,000
Gross Paid-in and Contributed Surplus	<u>350,000</u>
Capital and Surplus as Regards Policyholders	<u>\$1,000,000</u>



**FINANCIAL DATA**

The financial position of the Company as of February 24, 2025, as determined by this organizational examination, was as follows:

<u>Assets</u>		<u>Note</u>
Cash, Cash Equivalents and Short-term Investments	\$1,201,109	1
Total Admitted Assets	<u>\$1,201,109</u>	
 <u>Liabilities, Capital and Surplus</u>  		
General Expenses Due and Accrued	\$ 0	
Total Liabilities	<u>\$ 0</u>	
Common Capital Stock	\$ 650,000	
Gross Paid In and Contributed Surplus	550,000	
Unassigned Funds	<u>1,109</u>	
Capital and Surplus as Regards Policyholders	<u>\$1,201,109</u>	
Total Liabilities, Capital and Surplus	<u>\$1,201,109</u>	

**NOTES TO FINANCIAL STATEMENTS**

Note 1	Cash, Cash Equivalents and Short-term Investments	\$1,201,109
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The reported balance of \$1,201,109 consists of \$250,000 in cash in an operating account and \$951,109 in cash equivalents held in a daily investment sweep account at JP Morgan Chase Bank, N.A., which was confirmed directly with the financial institution.

**Upon licensure and prior to writing business, the Company is required to establish a special deposit for the benefit of Delaware policyholders with a qualified custodian.**

**RECOMMENDATIONS**

The following recommendations are made as a result of this examination:

Agreements - Affiliated

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**Affiliated agreements and significant affiliated transactions require a Form D filing with and approval from the Department prior to becoming effective.**

Notes to Financial Statements

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**Upon licensure and prior to writing business, the Company is required to establish a special deposit for the benefit of Delaware policyholders with a qualified custodian.**

**CONCLUSION**

Based on the organizational examination conducted as of February 24, 2025, the financial condition of the Company is as follows:

Assets	\$1,201,109
Liabilities	\$0
Capital and Surplus as Regards Policyholders	\$1,201,109

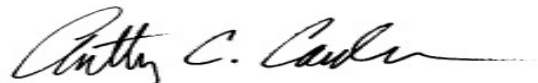
Upon completion of the organizational examination, the Company has complied with the capitalization requirements for the State of Delaware. The examination was conducted by the undersigned.

Respectfully submitted,



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Andrew E. Chiodini, CFE  
Examiner In-Charge  
Delaware Department of Insurance



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Anthony Cardone, CFE, CPA  
Supervising Examiner  
Delaware Department of Insurance

Devoted Health Insurance Company of Delaware

I, Andrew E. 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 authority 25.901.

A handwritten signature in black ink, appearing to read "Andrew E. Chiodini". The signature is fluid and cursive, with a prominent initial "A" and "E".

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Andrew E. Chiodini, CFE