

AUG 31 2022

FILED

CERTIFICATION

August 31, 2022

I, Eric Dunning, Director of Insurance of the State of Nebraska, do hereby certify that the attached is a full and correct copy of the Financial Examination Report of

MOLINA HEALTHCARE OF NEBRASKA, INC.

AS OF

AUGUST 29, 2022

The report is now on file and forming a part of the records of this Department.

I hereto subscribe my name under the seal of my office at Lincoln, Nebraska.





DIRECTOR OF INSURANCE

CERTIFICATE OF ADOPTION

Notice of the proposed report for the financial examination of

MOLINA HEALTHCARE OF NEBRASKA, INC.

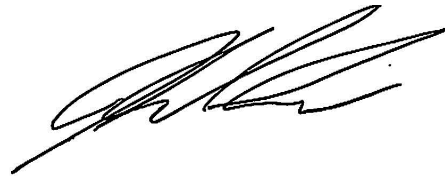
200 OCEANGATE, SUITE 100

LONG BEACH, CALIFORNIA 90802

dated as of August 29, 2022, verified under oath by the examiner-in-charge on August 31, 2022, and received by the company on August 29, 2022, has been adopted with modification as the final report pursuant to Neb. Rev. Stat. § 44-5906(3) (a).

Dated this 31st day of August 2022.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

A handwritten signature in black ink, appearing to read 'Justin C. Schrader', written in a cursive style.

Justin C. Schrader, CFE
Chief Financial Examiner

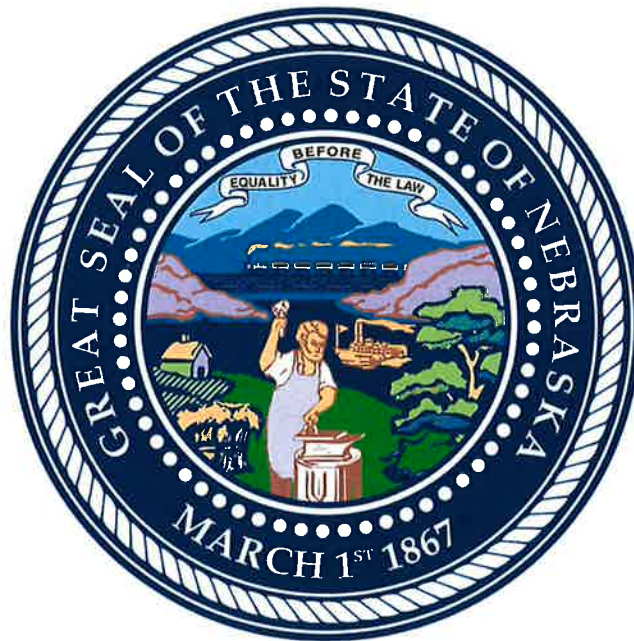
QUALIFYING EXAMINATION

OF

MOLINA HEALTHCARE OF NEBRASKA, INC.

AS OF

August 29, 2022



Lincoln, Nebraska
August 30, 2022

Honorable Eric Dunning
Director of Insurance
Nebraska Department of Insurance
1526 K Street, Suite 200
Lincoln, Nebraska 68508

Sir:

Pursuant to your instructions and statutory requirements, a qualifying examination has been made of the

MOLINA HEALTHCARE OF NEBRASKA, INC.

which has its Registered Office located at

233 South 13th Street, Suite 1900
Lincoln, Nebraska 68508

with its Principal Executive Offices located at

200 Oceangate, Suite 100
Long Beach, California 90802

(hereinafter also referred to as the “Company”) and the report of such examination is respectfully presented herein.

SCOPE OF EXAMINATION

The Company has made an application for a Certificate of Authority to transact the business of insurance as provided under Nebraska Revised Statute §44-32,105 (Health Maintenance Organization). In order to determine whether such authority should be granted, this examination has been conducted to ascertain if the Company has met the capital, surplus, and organizational requirements set forth by Nebraska Law.

HISTORY

The Articles of Incorporation of the Company were filed with the Secretary of State of the State of Nebraska on May 12, 2022 and approved by the Nebraska Department of Insurance on May 12, 2022.

The Articles of Incorporation were executed by the following Incorporator:

<u>Name</u>	<u>Address</u>
Jeff D. Barlow	Sacramento, California

CAPITAL STOCK

Article II of the Company's Articles of Incorporation states, "the number of shares the Corporation is authorized to issue is 10,000 all of which have par value of \$1.00 per share and all are of the same class and are Common shares." At the date of this qualifying examination, the Company's total issued and outstanding common stock consisted of 100 shares that had been subscribed to and purchased by Molina Healthcare, Inc., a Delaware Corporation, for a total purchase price of \$100.00. Molina Healthcare, Inc. also contributed an additional \$1,599,900. The Company's capital structure therefore consists of \$100 in common stock and \$1,599,900 in paid-in and contributed surplus.

MANAGEMENT

Shareholders

Article V, Section 2 of the Company's By-Laws states that, "the annual meetings of the Shareholders shall be held, each year, at the time and on the day and location as may be determined by the Board. At the annual meeting, the Shareholders shall elect a Board of Directors, consider reports of the affairs of the Corporation and transact such other business

as may be properly brought before the meeting. A record of any vote or other action taken at the meeting shall be kept.”

Board of Directors

Article II, Section 2 of the By-Laws provides that, “subject to the Corporation Law and Articles of Incorporation, the authorized number of Directors shall be three or more individuals until changed by a duly adopted amendment to the Articles of Incorporation if the number is fixed in the Articles of Incorporation or otherwise by an amendment to these By-Laws adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote.”

In lieu of a meeting, an action of written consent was taken by the Incorporator of the Company, dated May 12, 2022, that the following persons be elected to the Board of Directors:

<u>Name</u>	<u>City, State</u>
Lisa Faust	Tampa, Florida
Dave Reynolds	Sarasota, Florida
Ryan Sadler	Louisville, Kentucky

Officers

Article IV, Section 1 of the Company’s By-Laws states, “the Officers of the Corporation shall be a President, a Secretary, and a Chief Financial Officer/Treasurer. The Corporation may also have, at the discretion of the Board of Directors, a Chairman of the Board, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other Officers as may be appointed in accordance with the provisions of Section 3 of this Article IV. Any number of offices may be held by the same person except the offices of President and Secretary unless the Corporation has

only one Shareholder.” Article IV, Section 2 of the Company’s By-Laws goes on to state, “the Officers of the Corporation, except such Officers as may be appointed in accordance with the provisions of Section 3 of this Article IV relating to appointment of subordinate Officers or Section 5 of this Article IV relating to vacancies, shall be chosen annually by the Board of Directors. Each Officer shall hold office until he or she shall resign or shall be removed or otherwise disqualified to serve, or a successor shall be elected and qualified.”

On May 12, 2022 the following persons were elected as Officers of the Company:

<u>Name</u>	<u>Position</u>
Ryan Sadler	President and Chairman of the Board
Mark L. Keim	Chief Financial Officer/Treasurer
Jason Dees	Chief Medical Officer
Jeff D. Barlow	Secretary

CORPORATE RECORDS

The Articles of Incorporation have been properly filed with the Secretary of State of the State of Nebraska. The original By-Laws and other pertinent documents pertaining to the incorporation of the Company have been filed with the Nebraska Department of Insurance. The consent of the Incorporator and the consent to action taken by the Board of Directors were reviewed and appeared to be in order.

Pursuant to Nebraska Revised Statute §44-205.01(b), the Articles state that the Registered Office of the Company shall be located at 233 South 13th Street, Suite 1900, Lincoln, Nebraska 68508.

FINANCIAL STATEMENT

The following statements reflect the Company's financial condition as of August 29, 2022:

BALANCE SHEET August 29, 2022

Assets

Cash and cash equivalents	\$1,283,779
Bonds – statutory deposit	<u>316,221</u>
Total assets	<u>\$1,600,000</u>

Liabilities, Capital and Surplus

Total liabilities	\$ 0
Common stock	100
Paid-in surplus	<u>1,599,900</u>
Total capital and surplus	<u>\$1,600,000</u>
Total liabilities, capital and surplus	<u>\$1,600,000</u>

ASSETS

<u>Bonds</u>	<u>\$ 316,221</u>
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The Company purchased a U.S. Treasury Note, which has a par value of \$315,000, to serve as the statutory deposit for Nebraska. The deposit was verified by confirming the account with the receiving bank.

<u>Cash and cash equivalents</u>	<u>\$1,283,779</u>
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On May 12, 2022, the Company received \$1,600,000 cash from Molina Healthcare, Inc. for the initial capitalization of the Company. After purchasing the U.S. Treasury Note, the Company had a total of \$1,283,779 in cash. This asset was verified by

confirming the accounts with the receiving bank, and by reviewing the funds transfer documentation.

LIABILITIES, CAPITAL AND SURPLUS

Liabilities **\$ 0**

The Company has zero liabilities as of report date.

Common capital stock **\$ 100**

One hundred of the Company's 10,000 outstanding shares were purchased by Molina Healthcare, Inc. on May 12, 2022 for \$1.00 per share pursuant to the stock certificate. The stock certificate was reviewed for accuracy.

Paid in and contributed surplus **\$1,599,900**

Molina Healthcare, Inc. made a cash contribution to the Company totaling \$1,599,900. The contribution was verified by reviewing the Company's bank statement for the cash account and the funds transfer documentation.

GENERAL COMMENTS

In accordance with Nebraska Revised Statute §44-208, "no domestic insurance company shall issue, cause, or allow to be issued any stock or stock subscriptions at any time upon which all expenses of distribution and sale, including promotion, commissions, and underwriting fees, exceed ten percent of the amount paid in money upon such stock or stock subscriptions."

An affidavit signed by the Secretary of the Company stating that none of the assets of the Company have been pledged or in any way impaired has been obtained. The signed affidavit also states that all of the known expenses unpaid pursuant to Nebraska Revised Statute §44-208 are estimated to be \$0, and that all of the expenses of the

organization of the Company will not exceed ten (10) percent of the initial paid-in capital stock and surplus of the Company.

CONCLUSION

Capital, surplus, and organizational filing requirements have been met by the Company as required by the Nebraska Insurance Statutes. All items reviewed appeared properly stated. It is recommended that a Certificate of Authority be granted to this Company to transact the business of insurance as provided under Nebraska Revised Statute §44-32,105.

Respectfully submitted,



Joseph Jacobson, CFE
Financial Examiner
Nebraska Department of Insurance

State of Nebraska,
County of Lancaster,

Joe Jacobson, being duly sworn, states as follows:

1. I have authority to represent the Department of Insurance of the State of Nebraska in the examination of Molina Healthcare of Nebraska, Inc.
2. The Department of Insurance of the State of Nebraska is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of Molina Healthcare of Nebraska, Inc. was performed in a manner consistent with the standards and procedures required by the Department of Insurance of the State of Nebraska.

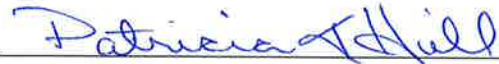
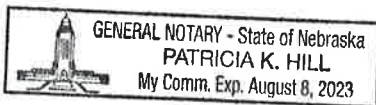
The affiant says nothing further.



Examiner-in-Charge's Signature

Subscribed and sworn before me by Joe Jacobson on this 30th day of August, 2022.

(SEAL)



Notary Public

My commission expires 8-8-23 [date].